



SCHOOL OF
ECONOMICS AND
MANAGEMENT

Towards a Multifaceted View of Government Intervention

Examining the impact of Singapore's government intervention on
Swedish MNCs' internationalization process and operations

by

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Abstract

This study examines the effect of governmental market intervention on MNCs' internationalization process and operations in a foreign market. A divergence is proposed between past literature's dominant view of government intervention as a constraining factor for MNCs, with the observation of many MNCs operating in Singapore, whose government takes a clear interventionist stance in the market. Therefore, this study aims to investigate if the traditional theoretical viewpoint of government intervention as mainly a constraining factor for MNC's prevails or to what extent government actions can provide opportunities.

By conducting a multiple-case study, interviewing six representatives from Swedish MNCs in Singapore, and applying a flexible pattern matching process, comparing theoretically proposed patterns with observationally derived patterns, this study presents two findings. Firstly, Swedish MNCs follow an internationalization process driven by experience and knowledge, where the Singaporean government's market interventions facilitate establishment and operations by creating a positive business environment. Secondly, the Singaporean government's market interventions creates both opportunities and constraints for Swedish MNCs' operations, providing business opportunities as a customer and legislator in the market, as well as complicating talent acquisition by foreign employment quotas. Thus, this study concludes that the effect of the Singaporean government's intervention is multifaceted, impacting Swedish MNCs' internationalization process and operations in both positive and negative ways. Although existing theory generally provides a satisfactory explanation of the findings, our study illustrates the importance of adopting a broader multifaceted view of government intervention, for both future research and decision makers in international business.

Keywords: internationalization, institutions, government intervention, Uppsala Model, Multinational Corporation, Singapore, Sweden

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Concept Definitions

Commitment - A willingness to invest time and resources into something.

Entry mode - The channels which an organization employs to gain entry to a new market.

Government intervention – Any course of action created by a government to influence decisions and actions in the market economy.

Institutional distance -The extent of similarity or dissimilarity between the regulatory, cognitive, and normative institutions of two countries.

Informal institutions - Norms, cultures, and ethics.

MNC - A multinational corporation that owns or controls production of goods or services in at least one country other than its home country.

Formal Institutions - Laws, rules, and regulations.

FDI - A foreign direct investment is an investment in the form of a controlling ownership in a business in one country by an entity based in another country.

Objective knowledge - Knowledge that can be taught.

Experiential knowledge - Knowledge that can only be learned through personal experience.

Regulation - a rule or directive made by an authority.

Internationalization -The process of increasing international activity.

Operations - Business activities that a firm engages in.

Transparency - Honesty and openness in a business context.

Corruption - Dishonest behavior by a person of authority.

Incentive - A element introduced to promote desired behavior.

1. Introduction

The introductory chapter provides an overarching understanding of the thesis' subject, mainly internationalization and institutions. Firstly, background information on these two research subjects are examined in isolation, thereafter literature on their interactions is introduced. Secondly, stemming from the background section, a problem discussion and research gap is identified regarding the literature's tendency of adopting a negative view of government intervention. Thirdly, two research questions are developed, founded upon the problem discussion, which emphasize the focus of the thesis. Fourthly, the research purpose, aim, and objective are stated and fifthly the delimitations of the study. These aforementioned components serve a basis for the thesis' design and are utilized in several sections of the study. Lastly, the thesis outline is introduced, providing an overview of the study's main components.

1.1. Background

Globalization and the internationalization of firms has profoundly altered the business environment, giving rise to new opportunities and challenges. New sources of demand and resources have emerged, as well as threats from foreign competitors. As a result, the competitive landscape has significantly intensified and "internationalization is a major dimension of the ongoing strategy process of most business firms" (Melin, 1992, p.4). Internationalization has significantly impacted the advancement of multinational corporation (MNC), and the emergence of a global economy with interdependent national environments and markets (Hitt, 2016).

Therefore, research on MNCs and international strategies have been major proponents of international business literature (Hitt, 2016). Scholars have focused on several aspects: international expansion and entry mode (e.g. Dunning, 1988; Johanson & Vahle, 1977), the role of informal and formal institutions (e.g. Meyer & Peng, 2009), and MNCs shift from strategies of exploiting existing capabilities to exploring new capabilities (e.g. Kogut &

Zander, 1992; Luo, 2000). Central to all these aspects of internationalization is the challenging process of adapting to new business environments, which imposes various costs and risks on the firm (Andersson & Gatignon, 1986). Thus, developing sound internationalization strategies, which minimizes costs and maximizes benefits when expanding to new markets, is a primary interest for MNCs.

Internationalization entails addressing the barriers and constraints that may undermine a firm's ability to expand. As multinational firms establish in another country a new institutional context confronts them. Institutions can broadly be described as rules of the game, comprising both formal (laws, rules, and regulations) and informal (norms, cultures, and ethics) institutions (North, 1990). Thus, the institutional environment impacts the structures and behaviors of firms as they determine the rules and beliefs which firms must conform to in order to operate and establish legitimacy (DiMaggio & Powell, 1983; North, 1990). Institutions were initially viewed as background conditions in international business, and scholars rarely examined the interactions between strategy, organizations, and institutions (Narayanan & Fahley, 2005). Rather, they focused on economic aspects such as demand and technological development when examining the environment's influence on firms (Dess & Beard, 1984). As these studies mainly focused on western firms in developed economies, market-supporting institutional frameworks – e.g. enforcing contracts, property rights and voluntary market exchange were assumed. In such settings where markets function efficiently, the effects of institutions on firms remain largely unseen (McMillan, 2007). However, the view of institutions shifted once scholars recognized the importance of emerging economies in the international business environment (Peng, Sun, Pinkham, and Chen, 2009). As western firms expanded to these markets, they experienced significant differences in institutional frameworks between emerging and developed economies. In these inefficient markets the absence of market-supporting institutions imposed several novel challenges on firms, clearly illustrating the effects of institutions (McMillan, 2007). Thus, scholars relaxed the assumption of institutions as merely background conditions and started to examine several aspects of institutions and their impact on firms.

In international business literature institutional intervention is generally believed to have a negative effect on MNCs' willingness to enter and develop in a foreign market. Many authors have investigated the impact of institutions on internationalization, concluding that host country institutions constrain firms creating restrictions, hazards and costs (Brouthers, 2002;

Meyer, 2001). Furthermore, Arregle, Miller, Hitt, and Beamish (2013) argue that high levels of regulation increase government control over organizations. This threatens their autonomy and thereby reduces incentives for MNCs to enter that country's markets (Brouthers and Bamossy, 1997; Kaufmann, Kraay, and Zoido-Lobaton, 1999). Furthermore, Edman and Regnér (2014) portray institutions as constraints that increase operating costs. One commonly deployed construct to analyze institutions' impact on firms is institutional distance. Defined by Kostova (1999, p. 313) as "the extent of similarity or dissimilarity between the regulatory, cognitive, and normative institutions of two countries". Adopting these three pillars of institutional distance, Eden and Miller (2004) argue that liability of foreignness, i.e. the social costs of conducting business abroad, is driven mainly by institutional distance. They conclude that an MNC should decide on an ownership strategy that minimizes the additional costs of doing business in regard to both operational costs and liability of foreignness costs. Xu and Shenkar (2002) further argue that the greater the institutional distance, the lower the preferred level of equity because of the difficulties of obtaining external legitimacy in the host country and transferring managerial practices to the MNC's sub-units. MNCs that enter institutionally distant markets typically choose lower levels of commitment and resources (Anderson & Gatignon, 1986), preferring joint ventures to wholly-owned subsidiaries. Where perceived institutional distance is higher, MNCs favor entry modes with low resource commitments (Hill, Hwang & Kim, 1990).

1.2. Problem Discussion

As indicated in the previous section, several scholars have deemed institutions to have an impact on MNCs' internationalization strategies (e.g. Anderson & Gatignon, 1986; Eden & Miller, 2004; Hill, Hwang & Kim, 1990; McMillan, 2007; Meyer & Peng, 2009; Xu & Shenkar, 2002), however institutional intervention such as government actions has almost exclusively been viewed as negative for MNCs due to: reduction of control (Arregle, Miller, Hitt & Beamish, 2013; Globerman & Shapiro, 1999), increase of formalities and uncertainties which discourages foreign market entry (Brouthers & Bamossy, 1997; Groose & Berhman, 1992; Kaufmann, Kraay, & Zoido-Lobaton, 1999), and increase of costs (Brouthers, 2002; Edman & Regnér, 2014; Meyer, 2001) with very few scholars portraying elements of government intervention as positive (Pralhad & Doz, 1980; Lou, 2001; Wang, 2018). On the other hand, governments highly value the existence of MNCs due to the fact that Foreign

Direct Investment (FDI) contributes positively to the development of a country (OECD, 2002).

According to Henisz (2000), governments construct policies in order to affect the behavior of the market. In line with political economy theory, governments serve as controllers and regulators through establishing the regulatory environment where business is conducted (Henisz, 2000). Therefore, MNCs are affected by the regulatory environment in which some or all of their international operations are located within. The outcome of the behavior adopted by MNCs is according to Grosse and Behrman (1992), dependent on states' willingness to promote international business activities within their jurisdiction. As a consequence, favorable FDI policies undertaken by governments signals to MNCs that international business activities are considered beneficial towards the economic development of the host-country. Stopford (1999) argues that especially less developed countries value such policies as they rely on FDI to upgrade its competitiveness. Furthermore, especially in regard to accessing technological expertise from MNCs, developing economies see a benefit in constructing favorable FDI policies. One strategy to upgrade technological capabilities within a country is by the use of incentives and rules (Lall, 1999).

A notable example of such governmental behavior is that of Singapore, which has the highest reliance on MNCs in the world (Lall, 1999). Singapore is well known for the government's interventionist actions in the market (Tan, 2016), which are both more intrusive and extensive than that of other Asian countries (Tan & Bhaskaran, 2015). As a nation with limited land, natural resources and a small market, employing an invitation strategy to attract FDI and MNCs is seen as crucial for gaining strategic resources and developing the nation (Swee, 2014; eds. Wong & Ng, 2011). The interventionist actions of the Singaporean government to attract MNCs are displayed in various aspects of the market. Tan (2016) argues that private sector firms in Singapore face fierce and aggressive competition from the large participation of several government linked companies. These are partially or fully owned by Singapore's government, managed through their sovereign wealth fund, Temasek Holdings (Ramírez & Tan, 2004). Furthermore, Singapore has several investment funds to promote industries deemed important for the nation's future development. As noted by Tan (2016) the Singaporean government actively picks winners by strongly supporting industries of national interest through facilitating conditions and investing directly in such industries. Lastly, several national economic strategy committees' main objective is to promote growth in

certain industries. To encourage MNCs in such industries to establish and advance their operations in Singapore, these committees enact several tax incentives to promote certain activities. Examples of these include: the development and expansion incentive, the finance and treasury center incentive, and the research and development incentive (Ministry of Finance, 2019; Singapore Economic Development Board, 2020). Thus, it is clear that Singapore's government has adopted several interventionist actions aiming to attract MNCs in promising future industries.

A particular country that symbolizes the contribution that the government of Singapore aims to attract via their investments and policies is Sweden. Historically, Sweden is the home country to firms based on a tradition from successful innovations. Although a relatively small country, contributing to less than one percent of the world's GDP, Andersson, Fredriksson, and Svensson (2014) highlight that only the UK, Netherlands and Switzerland had a higher ratio of outward FDI stock to GDP than Sweden. In 2017, some 25 Swedish controlled enterprise groups with affiliates abroad and a workforce of 5000 totaled 3199 (Tillväxtanalys, 2017). This accounted for 51 per cent of all foreign based employees of Swedish owned businesses abroad. Therefore, Swedish multinationals are mainly dominated by large corporations that contribute significantly to the internationalization of Swedish firms (Tillväxtanalys, 2017). Large Swedish MNCs can be traced back prior to the 1920s. Pioneers of Swedish internationalization e.g. AGA, SKF and Alfa Laval became competitive in the international business environment due to innovations such as: beacons (AGA), ball bearing (SKF) and the separator (Alfa Laval) (Blomström & Kokko, 1999). These firms are still competitive global players in present times, indicating their continued relevance in the international marketplace. Blomström and Kokko (1999) empathize that technological expertise has historically been the common denominator of successful Swedish MNCs, enabling them to enlarge their international presence. Reasons for investment abroad have historically been undertaken in order to; reduce transportation costs, avoid trade barriers and reduce the distance to foreign customers (Blomström & Kokko, 1999). In recent years substantial increases in investments abroad in emerging economies has been undertaken (Tillväxtanalys, 2017).

Over the last decades, Singapore has become a prominent market for Swedish MNCs. Singapore is Sweden's 19th largest trading partner outside the EU, representing 34,7 % of Swedish exports to the ASEAN Region (European Commission, n.d) and Swedish FDI to

Singapore amounted to 5 billion SEK in 2017 (National Trade Board of Sweden, 2018). Furthermore, over 250 Swedish MNCs exist in Singapore, ranging from small to large enterprises operating within a wide variety of industries, from industrial goods and services to information and communication technology (Business Sweden, Embassy of Sweden Singapore, Swedish Chamber of Commerce Singapore, 2019). Singapore is a prominent location for Swedish MNC for various reasons. Its conducive business climate, locational advantage as a gateway to the Asian market, and customer proximity, represents some of the motives for establishing (Business Sweden et al, 2019). In recent years, several government investments and policies have generated a highly skilled talent pool and a conducive environment for innovation opportunities. Thus, Singapore is clearly an attractive market for several reasons and prominent location for many Swedish MNCs.

To conclude, we therefore identify a problem between the dominant theoretical view of MNC and government intervention with the empirical observations of their interactions. Regarding the theoretical aspects, literature has mainly portrayed governmental intervention as negative with resulting barriers and constraints on MNCs (Arregle, Miller, Hitt, & Beamish, 2013; Brouthers, 2002; Brouthers & Bamossy, 1997; Edman & Regnér, 2014; Kaufmann, Kraay, & Zoido-Lobaton, 1999; Meyer, 2001), whilst on the other hand several authors have recognized the importance of governmental actions to promote FDI (Lall, 1999; Stopford, 1999; Grindle, 2004; OECD, 2002). From an empirical perspective, it is clear that Swedish MNCs are expanding to distant emerging markets with interventionist policies such as Singapore (National Trade Board of Sweden, 2018; Business Sweden et al, 2019) and that Singapore's government is implementing policies to affect the behavior of the market to attract more MNCs and FDI (Tan, 2016; Tan & Bhaskaran, 2015; Swee, 2014; eds. Wong and Ng 2011).

1.3. Research Aim and Objective

The aim of this study is to explore how the Singaporean government's intervention affects Swedish MNCs' internationalization process and operations in Singapore. Specifically, the aim is to investigate if the traditional theoretical viewpoint of government intervention as mainly a constraining factor for MNC's prevails or to what extent government actions can provide opportunities. In order to achieve the aim, this research has three main objectives.

Firstly, develop a theoretical framework from the research fields of the international business environment and internationalization theory. This will be done to review the theories' propositions, illustrate their interaction, and be utilized as a guide for the data collection and data analysis. Secondly, interview senior representatives from Swedish MNCs operating in Singapore to understand how the government affects their internationalization process and operations in Singapore. Thirdly, apply a flexible pattern matching process to analyze the interactions between the theoretically proposed patterns and the patterns observed in the data. This step involves two components, analyzing the effect of Singapore's government intervention on Swedish MNC's internationalization process and analyzing the effect of Singapore's government intervention on Swedish MNCs operations. The former component will examine if the MNCs follow the Uppsala Model's sequential internationalization process with knowledge acquisition at the center or if government initiatives can alter the internationalization process. The Uppsala model states that firms expanding to a new market initially utilizes low commitment and low risk modes, such as export, and subsequently expands to modes with higher commitment and risk, such as joint venture or FDI, as they acquire knowledge of the market (Johanson & Vahlne, 2017). However, we seek to understand if governments can take a proactive role by employing actions to promote establishment modes of higher commitment. The latter component will analyze if the MNCs view the government's intervention as constraining their operations, as generally proposed by literature, or if the MNCs view government intervention as an opportunity. In other words, this step will examine the interactions between the patterns proposed by theory and the patterns that emerges from the observed data. Thus, the research aim will be addressed through examining the patterns emerging from the data and by discussing the ability of existing theories to explain these patterns.

1.4. Research Purpose

The purpose of the research is to develop a greater understanding of the effect of government intervention on MNCs' internationalization process and operations. The previously identified problem of the potential divergence between the general theoretical view of governmental intervention as a constraining factor due: reduction of control for MNCs (Arregle, Miller, Hitt & Beamish, 2013; Globerman & Shapiro, 1999), increase of formalities and uncertainties which discourages foreign market entry (Brouters & Bamossy, 1997; Groose & Berhman,

1992; Kaufmann, Kraay, & Zoido-Lobaton, 1999), increase of costs (Brouthers, 2002; Edman & Regnér, 2014; Meyer, 2001) and the empirical observation of Swedish MNCs expanding to Singapore whose government clearly intervenes in the market (Business Sweden et al, 2019; National Trade Board of Sweden, 2018; Tillväxtanalys, 2017), therefore begs the following question: Is government interventions mainly a constraining factor for MNCs' internationalization and operations, as traditionally viewed by international business theory, or to what extent government intervention can provide opportunities for MNCs' internationalization and operations? Specifically, this study seeks to investigate how Singapore's intervention affects Swedish MNCs by posing the following questions:

1. How does Singapore's government intervention affect Swedish MNCs' internationalization process in Singapore?
2. How does Singapore's government intervention affect Swedish MNCs' operations in Singapore?

1.5. Delimitations

The scope of this research is restricted by several delimitations and conceptual boundaries. It is vital to point out that during the research process the purpose has not been to examine which specific policies are deemed most important to Swedish MNCs according to predetermined criteria. As authors we have engaged in the research with open minds and investigated any course of action by the Singapore government that has affected a company in our sample. We are not aiming to discover the amount of policies that do exist in the Singaporean business environment but merely describing the impact of the policies that have come to our attention throughout our interview process. Lastly, we fully acknowledge that there are other well-articulated and empirically sound internationalization theories apart from the Uppsala Model. However, with the intention of maximizing the level of coherency throughout our analysis and applying a proven theoretical model, which was also constructed based on Swedish MNCs, the Uppsala Model was chosen as the most suitable theory for our thesis.

1.6. Thesis Outline

This thesis is organized into five main Chapters. In Chapter 1, the overall subject of the research paper was introduced, as well as the research questions, aim, objective, and purpose. In Chapter 2, a literature review is presented, examining previous research from the perspectives of the international business environment and internationalization, which are subsequently used to construct a theoretical framework. In Chapter 3, the methodology with a reflection on the choices made during research is presented. In Chapter 4, a flexible pattern matching analysis is applied to obtained data. Lastly, in Chapter 5 the findings will be discussed with the theoretical background followed by conclusions, research implications, and recommendations for future studies.

2. Literature Review

The literature review provides a comprehensive examination of selected literature relating to the international business environment and internationalization. As these topics are broad, theories were chosen with reference to the thesis' focus, relevance and acknowledgement of the research and its authors, as well as citation count. Information was obtained through Lund University's database LUBsearch and Google Scholar by accessing various established research journals. After reviewing research, a theoretical framework is constructed demonstrating the theories' interconnection, general proposition and relation to the thesis' purpose. This theoretical framework is hence utilized to construct the interview questionnaire and analyze the data.

2.1. International Business Environment

Guisinger and Sethi (2002) define the international business environment as the result of several connected and interdependent factors along economic, social, geographical, and political elements. Furthermore, some of these dimensions are in a more constant state, such as geography, whilst others such as economic and social, are more subject to change. As the continuous integration of the international business environment requires multinational corporations to diversify their value chain over several markets, the interactions of these elements become increasingly complex (Guisinger & Sethi, 2002). Possessing the capability of adapting to this complex environment, through the process of continually adjusting to it, is thus an essential requirement for firms to remain competitive (Ferreira, Serra & Armagan, 2009).

However, possessing this capability is a significant challenge for firms. The international business environment is multi-dimensional since changes in one dimension can impact the nature of another element. Therefore, international firms have to constantly balance the opposing forces of adjusting to greater complexity and uncertainty whilst remaining consistent to their global strategies, customers, and partners (Ghoshal & Westney, 1993;

Rosenzweig & Singh, 1991). Furthermore, Guisinger and Sethi (2002) argue that the global meta-environment, consisting of numerous geo-strategic factors which influence economic sanctions and governments, also affect the international business environment. They form and effect government policies and thereby also indirectly impact international firms as they operate in international markets. Through classifying and dividing their environmental analysis into these elements, MNCs can transform the information into valuable knowledge in order to adjust their operations (Guisinger & Sethi, 2002).

2.1.1. Government Intervention

Governance is the process of interacting, decision making, and governing, and is conducted by either a market, government, or network of informal and formal actors to resolve a common issue through utilizing laws, norms, and power (Bevir, 2012). National governments perform this function through establishing certain laws and policies, which are implemented to increase a country's development and prosperity (Grindle, 2004). Boddewyn and Brewer (1994) isolate politics from the international business environment by arguing that it refers to non-market actors, such as the state and community, and their actions of union building, negotiation, and compliance. These political actors in the international business environment utilize such actions to affect the behavior of MNCs (Rosenzweig & Singh, 1991). As the actions of political actors vary across states, it creates various institutional and social systems in the international environment, which in turn creates significant barriers that international business firms must overcome (Clark, 1991).

The role of national governments was indirectly analyzed by early research on international business as it highlighted the importance of a nation's environmental factors on a firm's decision to locate abroad (Andersson & Gatignon, 1986). As several political regimes impact firm's entries, operations, and exits in markets, political aspects are of great importance for MNCs (Boddewyn and Brewer, 1994). Governments constitute one political aspect by establishing the legislative and regulatory factors of the business environment which firms need to adapt to (Henisz, 2000). Furthermore, governments impact the behavior of the market through implementing policies. By shaping policies in favor of some firms and disadvantageous to others, governments impact the business environment's winners and losers (Leone, 1986). Groose and Berhman (1992) argue that MNCs behavior in a market

depends on the government's willingness to create an environment favorable to conducting business activities and investments. This entails ensuring the strong protection of property rights and thereafter minimizing governmental intervention to allow the free market to determine firms' behavior (Groose & Berhman, 1992). As further argued by Globerman and Shapiro (1999) greater government intervention constrains a firm's operations and investments by increasing formalities and uncertainties. Additionally, authors argue that governmental policies influence business operations by increasing the costs of conducting business in a given nation, which in turn discourages international firms to enter and develop their operations in a given nation (Brouthers, 2002; Meyer, 2001).

Prahalad and Doz (1980) critically examined MNCs and government, seeking to answer what type of government threats existed and MNCs' possibilities of adapting to such threats. Their study led to a classification of host government restrictions and MNCs' responses. Firstly, they concluded that the governmental intervention which an MNC faces either takes the form of strategic freedom limitations or threats to managerial autonomy. The former case of governmental intervention entails restriction of deploying resources for the MNC. These actions are often manifested through fiscal and regulatory rules regarding taxation, sales and export volume restrictions. The latter case of governmental intervention, threats to managerial autonomy, are mostly prominent in developing economies (Prahalad and Doz, 1980). Governments seek to influence the strategic decision making process by requesting joint ownership of the local subsidiary, which most commonly occurs within industries perceived by the host government as critical to national economic, social, or political objectives. Prahalad and Doz (1980) further argue that the two most common strategic responses by MNCs in the event of strategic freedom limitations are to either adapt operations necessary to carry on with subsidiary activity or withdraw from the market completely. However, Prahalad and Doz (1980) also noted the existence of inducements, such as grants and support for government focused sectors, arguing that these can be beneficial if MNCs' strategic goals are aligned with such inducements.

Although the majority of research on government intervention adopts a negative perspective, some authors provide an alternative view, pointing to the possible benefits of government intervention. Lou (2001) highlights mutual objectives between host governments and MNCs, arguing for cooperation rather than conflicting actions between these constituencies. Furthermore, Lou (2001) argues that an MNC's operations are based on the availability of

educational, technological and industrial infrastructures in a foreign market. On other hand, governments greatly value the contributions to the economy by MNCs in the form of additional investments, localization of inputs and research and development activities. In other words, Lou (2001) claims the level of supportive infrastructure for an MNC as influencing its decision to initially enter a foreign market, and if such infrastructure is available the MNC will in turn be more likely to continually invest and expand their operations in the foreign nation. Additionally, Lou (2001) highlights the important notion that in some cases the government itself can take roles as supplier, customer or partner in commercial transactions. Lastly, in contrast to the majority of research, Lou (2001) argues that MNCs and host-government can benefit from cooperation and that the government can play a role in creating a positive business environment by investing in infrastructure projects. Furthermore, Wang (2018) examined the contradicting approaches by Singapore and Hong-Kong in supporting innovation capacity, where Singapore represents strong government intervention and Hong-Kong a laissez-faire approach. In regard to the effectiveness of Singapore interventionist approach, Wang (2018) importantly pointed to the positive aspect of strong government intervention, as Singapore's high level of government involvement has upgraded the country's innovation capability.

To summarize, it is clear that scholars examining governmental intervention generally portrays it as negative, emphasizing it as constraining by limiting decision making, resource deployment, and increasing costs, risks and uncertainty (Arregle, Miller, Hitt, & Beamish, 2013; Brouthers, 2002; Brouthers & Bamossy, 1997; Edman & Regnér, 2014; Globerman & Shapiro, 1999; Groose & Berhman, 1992; Meyer, 2001; Kaufmann, Kraay, & Zoido-Lobaton, 1999; Meyer, 2001). While there are scholars such Lou (2001) and Wang (2018) presenting some positive examples of government intervention, as well as Prahalad and Doz's (1980) mentioning of inducements, the tendency of the majority of existing literature is to advocate a laissez-faire approach, favoring the market's invisible hand over governmental interventions.

2.1.2. Managing Risk in the International Business Environment

The management of risk is a main concern of international business firms (Ghoshal, 1987). Due to its many dimensions and sources, the concept of managing risk is challenging, and several researchers have investigated risk and risk management (Baird & Thomas, 1985). Furthermore, uncertainty is closely related to risk and the two concepts are strongly interrelated and interdependent (Baird & Thomas, 1985). This relationship is highlighted by March and Shapira (1987, pp. 1409) as "...risk-taking is synonymous with decision making under uncertainty". Risk is often related to concrete foundations of the market, such as political and economic risk factors, whilst uncertainty is founded in the environmental components of markets arising from a combination of external disruptions and unpredictable behaviors (Miller, 1992). Furthermore, Figueira-de-Lemos, Johanson and Vahlne (2011) argue that risk and uncertainty are contingent on various types of knowledge. Risk is related to explicit knowledge which can easily be identified, codified, and shared, whilst uncertainty is related to implicit knowledge which develops unconsciously and is hard to codify and share.

Risk management is a process consisting of three stages "risk identification, risk estimation and risk evaluation" (Baird & Thomas, p.233, 1985). Firstly, firms must recognize and evaluate the aspects of the risks. Secondly, the measurability of risks is increased by estimating the probability and impact. Lastly, firms evaluate potential actions to address the risks and the amount of risks they are willing to accept (Baird & Thomas, 1985). However, identifying risks in the firm's environment is challenging as risks stem from both internal and external factors (Miller, 1992). As MNCs increase their internationalization this becomes a significant issue as the firm encounters more unknown and known risks from both factors (Figueira-de-Lemos, et al., 2011). However, Alhawari et al. (2011) argue that firms can reduce existing risks and prepare for future risks in the new environment by adapting their resources to the market environment.

2.2. Internationalization Theory

Several researchers have attempted to explain the concept of internationalization. Although there does not exist a uniform definition, a generally accepted view is that there is a division between the process school of internationalization, meaning internationalization in sequential stages. and internalization theory, meaning the existence of multinational enterprises through a static view (Buckley 2016). In regard to the process school, internationalization is defined according to Johanson and Vahlne (2009) and Welch and Loustarinen (1988) as a process in which firms sequentially increase their international market involvement. Additionally, Gerald (2007) proposes several internationalization theories to both explain the motives and description of international activities. Another viewpoint is that internationalization is the consequence of cross-border interaction between states (Haathi, Hall & Donckels, 1998). Motives behind internationalization are presented by Camuffo, Furlan, Romano and Vinelli (2006), who list: cost minimization, access to foreign knowledge and creation of relationship networks. Furthermore, internationalization is multidirectional as both inward and outward activities are undertaken by firms. Welch and Loustarinen (1998) explain the former as: importing, licensing and franchising activities while the latter involve exporting, licensing, franchising and FDI. In conclusion, the objectives of these activities undertaken is to expand the firm's presence in new countries.

2.2.1. Uppsala Model

The internationalization process of a firm – model of knowledge development and increasing foreign market commitments from 1977 by Johanson and Vahnle explains the internationalization process of a firm expanding into foreign markets. It is the most cited article in international business theory (Palgrave Macmillan, 2014). The model consists of two arguments: which country to enter and how to expand in a given country. The country choice is based upon the concept of psychic distance, the sum of factors preventing the flow of information to and from the market (Johansson & Vahnle, 2009). The greater the distance to a market, the less attractive entry into that market. The expansion within a given country is based on a sequential process, stating that firms initially utilize low commitment and low risk modes, such as export, and subsequently expanding to modes with higher commitment and

risk, such as joint venture or FDI (Johanson & Vahlne, 2017). As this thesis focuses on MNCs' expansion process within Singapore, rather than the choice of which country to expand to, focus will reside on the latter part of the model, which examines the sequential internationalization process. Although the model has been subject to modification by the authors, most notably in 2009 and 2017, its central proposition still holds. The model is centered around gradual acquisition, integration and use of knowledge about the foreign market and operations. Firms successively increase commitment to foreign markets, which according to Durreu and Solberg (2006) is vital when constructing a global market strategy. The range of the firm's international network provides knowledge and commitment to the market and affects the overall development of business operations (Durreu & Solberg 2006). The most distinctive feature of the Uppsala model is the focus on processes of knowledge development and resource commitment when expanding in a market, instead of isolated investment decisions. By acquiring knowledge, the firm will increase its commitment, i.e. take the next step in the internationalization process, while reducing market uncertainty (Johanson & Vahlne, 2009).

The internationalization path by a firm as a result of its decision-making process rests upon the amount of knowledge and commitment by a firm as accentuated by Aharoni (1996). In regard to the Uppsala model, the essence of the model is that the resource commitment and the knowledge development processes are intertwined. The more market knowledge a firm possesses, the faster the rate of commitment (Johansson & Vahlne, 2009). Further, given that market commitment is a result of the amount of market knowledge, the result is that also the commitment decision is affected by market knowledge. Confidence in a firm's decision-making is reliant on the knowledge of risks and opportunities the firm has identified via their international operations (Johanson & Vahlne, 2009).

Knowledge can be divided into two forms according to Johanson and Vahlne (2009), objective knowledge, which can be taught, and experiential knowledge, which only can be learned from personal experience. The latter is more important for the Uppsala Model because it is much more difficult to acquire, as it needs to be progressively developed through operations in foreign countries.

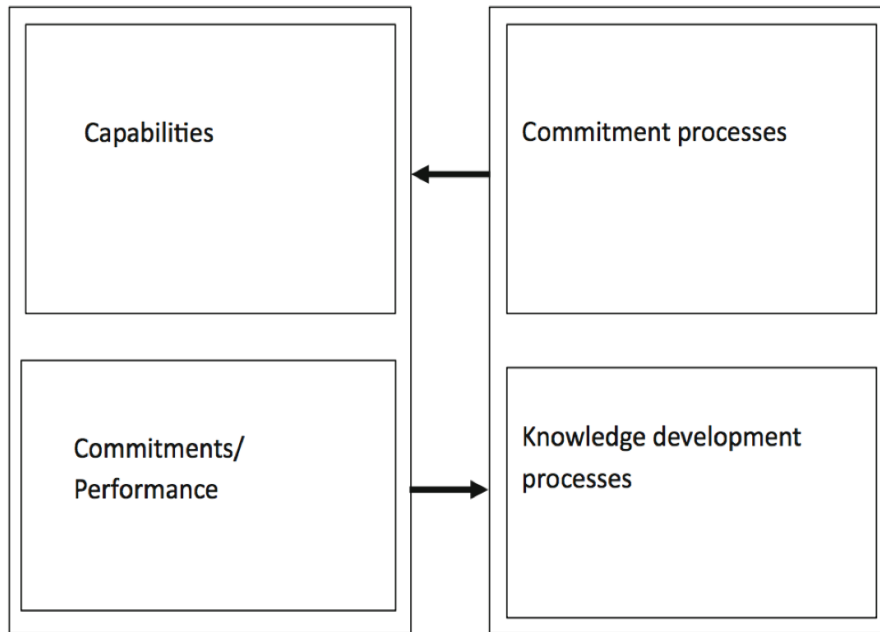


Figure 1 - Uppsala Internationalization Model (Adopted from Johanson & Vahlne, 2017)

Figure 1 above explains the mechanics of the Uppsala model. The model suggests two starting points for change. The first starting point concerns intermittent decision processes related to committing, or not committing, resources. The second starting point relates to continuous knowledge development processes through learning, creating, and trust-building. These two types of change processes also affect each other indirectly via their impact on the state variables, which in turn trigger additional change. The model differentiates between two groups of state variables: capability variables and commitment/performance variables, both of which are the result of, and affect, the change variables. Firstly, operational capability variables amount to exploiting firm-specific advantages, while dynamic capabilities allow further development of those operational capabilities with the intent of adding to their strength. A dynamic capability is the ability to “integrate, build and reconfigure internal and external competencies to address rapidly changing environments” (Teece, Pisano and Shuen 1997, pp. 516) and can be seen as a pattern of routines accumulated during the firm’s history. Experiential learning in particular is central to the Uppsala model, as is commitment. Secondly, commitments/performance describe the distribution of resources over the MNC’s functions, its product lines, the countries where it is active, and the relationships in which it has invested (Johansson & Vahlne 2017).

The purpose of the Uppsala model is to explain the international growth path of an organization, stating that it has the same rate of increase as knowledge obtained. The more

resource acquisition undertaken the more knowledge of these resources will increase. Over time as a firm operates in an international setting, knowledge about the market is gathered which helps the company reduce market uncertainty and failure. The sequential nature of the Uppsala model helps to explain why firms gradually internationalize instead of direct market expansion. Firms undergo a learning process in international markets where knowledge and experience are dependent on time. The learning process ultimately opens up for new markets in a sequential manner that helps companies reduce risk and uncertainty (Johanson & Vahlne 2017).

Although the Uppsala model is notable to many research scholars and widely recognized in the field of international business, it has also been subject to criticism. In response to the original model from 1977, Reid (1983 cited in Johanson & Vahlne, 1990) describes the model as overly deterministic. This is due to the fact that all entry modes are seen as realistic entry mode choices for a firm without the acknowledgement of varying market conditions and transaction costs. Furthermore, Forsgren (1989 cited in Johanson & Vahlne, 1990) questioned the applicability of the Uppsala model over the entire internationalization process of a firm. He argues that the insights of the models become insignificant in the latter stages of a firm's internationalization, as the low levels of market commitment and knowledge are only significant in the early stages of a firm's internationalization activities. Lastly, Nordstrom (1990 cited in Johanson & Vahlne, 1990) questions the importance of physic distance, which is central to the Uppsala Model, due to the fact that globalization has led to increased homogeneity of markets and customer preferences.

2.2.2. Entry Modes

Internationalization implies that a firm must decide on a form of entry mode strategy. Root (1998) describes the selection of entry mode as a major decision in a firm's internationalization process, a selection that is complex due to the influence of both external and internal factors. Pan and Tse (2000) separate the types of entry modes into two categories based on the level of equity: non-equity mode and equity mode. They argue that the degree of risk, control and commitment of resources varies among the levels of equity a firm possesses. Generally, an equity entry mode involves a large amount of ownership and commitment of resources in various degrees in the form of: joint venture, wholly-owned subsidiary or FDI.

On the other hand, non-equity entry modes: exporting, licensing or franchising, minimize the level of risk and control by not taking an ownership stake and not committing resources.

Albaum and Duerr (2011) account for four main characteristics that affect the firm's choice of entry mode: risk, control, flexibility and commitment. The level of involvement in the internationalization process is determined by the choice of entry mode (Doole & Lowe, 2008). A low level of involvement leads to decreased risk and control and may result in lost opportunities in the international marketplace. Albaum and Duerr (2011) characterize such levels of involvement towards risk-averse companies. Contrarily, companies that prefer high levels of involvement due to significant commitment in financial and managerial resources are less risk-averse and prefer control. Lastly, the level of flexibility from the choice of entry mode decreases as risk and control increases. Therefore, companies that are risk averse, tend to elect entry modes with low resource commitment and control that reduces involvement and fosters flexibility so that strategic changes can easily be made (Albaum & Duerr, 2011).

Apart from the classification of two entry mode groups based on equity ownership as described by Pan and Tse (2000), Hollensen (2011) offers an alternative description where foreign market entry modes can be classified into: Export modes, intermediate modes and hierarchical modes. The difference between the two is that Hollensen (2011) distinguishes the non-equity modes into intermediate modes, which are contractual agreements in the form of franchising and licensing while keeping export groups as a separate entry mode classification. The hierarchical modes proposed are the same as (Pan & Tse, 2000), namely: joint venture, wholly owned subsidiary and FDI. Hollensen's tripartite classification separates entry modes into detail based on equity ownership. As export modes involve no equity ownership, these offer the highest degree of flexibility and minimum risk and control. With the introduction of equity ownership in intermediate modes, medium levels of flexibility, risk and control are offered to a firm while the hierarchical modes entail low flexibility and high levels of risk and control Hollensen (2011).

2.3. Theoretical Framework

In order to conceptualize the reviewed theories, their propositions and contributions, a theoretical framework was constructed to illustrate the connections between the literature and

highlight important viewpoints. The conceptualization of the reviewed literature has assisted us in structuring the interview questions to correspond with the existing literature, which has in turn provided theoretical boundaries in the data collection and analysis process.

Furthermore, the theoretical framework had a central role in the data analysis, allowing us to identify the findings relevant to the theories and to compare the patterns emerging from the data with the theoretically proposed patterns. The theoretical framework constructed in Figure 2 highlights the chosen theories' connection to each other and are explained below.

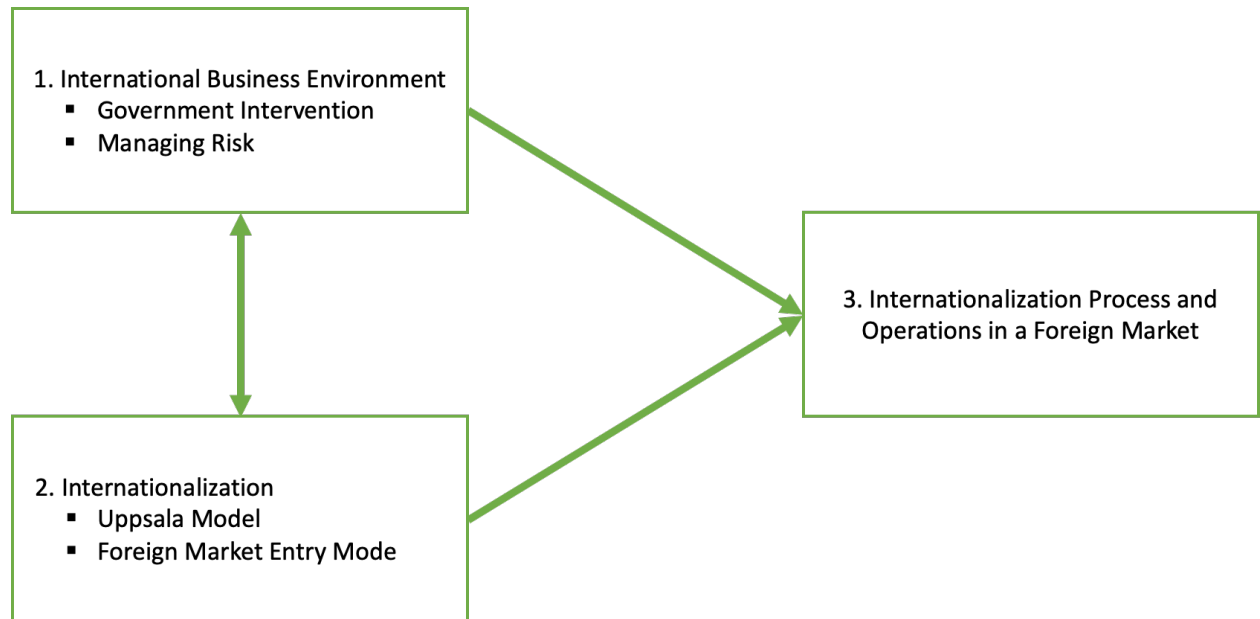


Figure 2 - Theoretical Framework (Adling Tufvesson & Blomström, 2020)

The international business environment (1) is viewed through research on governmental intervention as well as risk and uncertainty. They serve the purpose of describing the environment that the Swedish MNCs are impacted by and impacting by their (2) internationalization. The international business environment is impacting and is impacted by governmental actions aimed to affect the behavior of MNCs. Additionally, risk and uncertainty are elements affecting a firm's decision-making process when internationalizing. Therefore, a Swedish firm's perception of the international business environment (1) is the basis for their (3) internationalization process and operations in a foreign market.

Theories of internationalization (2) are viewed from the concepts of the Uppsala Model and foreign market entry mode. These emphasize the activities and attitude of firms as they internationalize in a foreign market. Common to these theories are the determinants of

control, risk, flexibility and knowledge, which in turn impacts an MNC's choices, dictating their (3) internationalization process and operations in a foreign market.

The examined aspects and interactions of the theoretical framework developed in this literature review, consisting of theories regarding the international business environment and internationalization, can thereby generally be summarized by the following construct: Firms develop their operations in a foreign market by following a sequential process where knowledge is central, initially utilizing modes of low commitment and control to reduce risk and gradually increase to modes of higher commitment and control as they develop knowledge of the market. Since operating in a given market requires adapting to the local regulatory environment, which restrain the firm's decision making process, greater governmental market intervention constrains the firm's ability to independently develop their operations.

3. Methodology

The methodology chapter provides a thorough explanation and motivation of the various steps and considerations taken to collect and analyze the data required to answer the research questions. Firstly, the choice of an abductive research approach with strong deductive influences and a qualitative multiple-case study research design is argued for. Thereafter, the data collection method utilizing purposeful sampling and semi-structured interview with open-ended questions are presented. To analyze and discuss the data, a flexible pattern matching method, comparing theoretical and observational patterns, is explained and motivated. Lastly, a discussion on research quality, limitations, and ethics is provided.

3.1. Research Approach

The connection between theory and empirical data is explained by the research approach which can be either a deductive approach, an inductive approach or an abductive approach. In a deductive approach, theories are gathered from assumptions, logics, and facts before collecting empirical data (Bryman & Bell, 2011). Thus, a deductive research approach examines how the connection between theory and empirical findings is composed in social science. Furthermore, utilizing a deductive approach implies constructing assumptions derived from previous theories, research or the researcher's perspective of the environment. Thereafter, literature and theories are examined and constructed into a theoretical framework serving as a basis for data collection. After collecting the empirical data, similarities and differences are analyzed and discussed in relation to the theoretical framework (Bryman & Bell, 2011). In contrast, an inductive approach firstly collects data to explore it, observe a pattern and thereafter formulate a theory from the collected data (Bryman & Bell, 2011). Thus, inductive research starts with "observation of specific instances, and seeks to establish generalizations" (Hyde, 2000, p. 82), rather than starting with assumptions from previous research. Thereafter, themes, similarities, and models are generated from the researcher's interpretation of the examined data. Lastly, an abductive approach allows the researcher to utilize aspects of both a deductive and inductive research approach continuously throughout

the research process (Bryman & Bell, 2011). This research paper follows an abductive approach with strong deductive influences, the choice of which will be further discussed and motivated below.

An abductive research approach, with strong deductive influences, was chosen due to the central role of existing theory but important influences of the observed data patterns in the research process. In other words, the research process utilizes a continuous interplay between existing theory and the observed data patterns. Abductive characteristics are present as the problem identification and purpose of this thesis stem from both previous assumptions and research in international business, illustrating a deductive approach, as well as the observation of Swedish MNCs' presence in Singapore which has a highly interventionist government, illustrating an inductive approach. Specifically, deductive influences were important as previous theories were utilized in the data collection and major parts of the data interpretation and data analysis. Since this thesis' research questions are derived from previous well-established theories in international business, such theories were utilized to construct a theoretical framework. This framework was in turn central to guide the collection and interpretation of the data. Furthermore, the theoretical framework was important in the pattern matching process to analyze the obtained data from the theoretical standpoint. On the other hand, an inductive research approach was central to derive the patterns emerging from the data without utilizing a theoretical frame of reference. Furthermore, as the purpose of the thesis is to develop a greater understanding of the effect of government intervention on MNCs' internationalization process and operations, inductive research characteristics are needed. Thus, an abductive research approach with strong deductive influences was deemed most suitable as the aim of the study, to investigate if the traditional theoretical viewpoint of government intervention as mainly a constraining factor for MNCs prevails or to what extent government actions can also be seen as an opportunity, requires employing both previous theoretical perspectives and a novel perspective for analyzing the empirical phenomenon.

3.2. Research Design

The research design is the comprehensive strategy of how the various components of the study are integrated to address the problem statement (Bryman & Bell, 2011). Furthermore, it provides a framework illustrating the data collection and analytical process of the thesis

(Bryman & Bell, 2014; Kumar, 2014). Lastly, the research design must be founded on how the data collection process should be structured in order to answer the research questions (Easterby-Smith, Thorpe & Jackson, 2015). As this study follows a qualitative multiple-case study research design, the method, approach and motivations for such will be further discussed below.

3.2.1. Qualitative Research

The procedure of how a study aims to answer the research question is described by the research method, which can be either qualitative or quantitative (Kumar, 2014). Three main characteristics which distinguish the difference between these approaches are: how data is collected, how data is analyzed, and how the findings are presented. The applied research method also significantly depends on the type of problem addressed (Creswell, 2005). Furthermore, the methods differ in the degree of flexibility and amount of freedom in the data collection process. Generally, qualitative studies are less restrictive offering more flexibility, whilst quantitative are the contrary (Kumar, 2014). Additionally, quantitative methods are normally applied to large units of analysis, focusing on context, whilst qualitative methods are the opposite (Denscombe, 2010).

In qualitative research, the scholar examines the subject, its importance to individuals or groups, and attributes it towards a problem (Bryman & Bell, 2011). In order to investigate this problem, an emergent approach is utilized by gathering data to formulate context and patterns. Data is commonly collected in the field, in order to ensure respondents with sufficient experience to the identified problem, focusing on the problem's meaning to the respondents (Hatch, 2002; Marshall & Rossman, 2010). The result consists of respondents' viewpoints, the researcher's reflections and an explanation of the problem's contribution to research (Creswell, 2007).

A qualitative research method was chosen since this thesis' aims to understand and analyze the impact of government interventions on Swedish MNCs' internationalization process and operations in Singapore. Due to the depth of the problem examined, respondents with experience of working in senior positions in Singapore are required to facilitate a comprehensive knowledge of the subject, further motivating the choice of a qualitative method. Additionally, since the identified knowledge gap is complex, we believe a qualitative

method can generate a more exhaustive understanding of governmental interventions effect on firms. A quantitative research method was considered, such as utilizing the amount of exports, JV, and FDI from Sweden to Singapore, compared to the number of new government interventions throughout history, however such data proved difficult to access and significantly time demanding to compile. Furthermore, as the report seeks to analyze managers' view of how governmental intervention impacts their internationalization process and operations, such information would be hard to quantify. Lastly, since the aim of the research is exploratory, seeking to investigate the effect of governmental intervention on MNCs' internationalization process and operations, a qualitative research method is better suited. The reason resides in such a method's ability to emphasize the importance of context, interdependencies and assumptions in order to answer the research questions.

Hyde (2000) critically challenges the common misconception of qualitative approaches as an initial examination before a "real" quantitative method is utilized. Several other scholars coincide with the ability of both qualitative and quantitative methods to generate valid findings, without the requirement of being based on each other (Hyde, 2000). Furthermore, a mixed research method, utilizing both qualitative and quantitative approaches, can also be applied to achieve research aims (Easterby-Smith, Thorpe & Jackson, 2015). However, recognizing the applicability of mixed research methods does not create inflexibility in utilizing solely a qualitative or quantitative approach (Hyde, 2000).

3.2.2. Case Study

There are several research designs within qualitative research, such as case studies, surveys, and experiments (Denscombe, 2010), and the applied design needs to be based on the utilized research approach and method (Bryman & Bell, 2011; Yin, 2014). According to George & Bennett (2005) a case study is an especially sound method when formal or statistical methods are weak. They argue that this resides in a case study's ability of facilitating the identification and comparability of patterns in the researched data to concepts and theories. Case studies are also an appropriate research design with research questions concentrating on how or why (Yin, 2014). Furthermore, a case study research design is especially useful in research aiming to comprehend a given phenomenon (Yin 2014; Creswell, 2014). Lastly, a case study design

is well-suited in research seeking to understand why particular decisions were taken, what the underlying forces were, and the outcome of them (Yin, 2014).

The primary motivation for following a case study research design in this thesis resides in its ability to provide relevant research findings. Since the purpose is to create a greater understanding of how government intervention affects Swedish MNCs' internationalization process and operations, which requires in-depth empirical data, we believe a case study of Swedish MNCs is the most pertinent research design for obtaining such data. In contrast, a survey or experiment research design would not be as appropriate due to the thesis' exploratory nature. These designs would not offer as comprehensive empirical data gathering, as required in this research. Another motivation resides in the nature of the research, questioning how and seeking to understand and analyze government intervention's impact on a given group, being Swedish MNCs in Singapore in this research. Therefore, a case study research design should enable the connection between the problem statement and empirical data to generate valuable research findings. Lastly, a case study of Swedish MNCs was a suitable research design due to the application of an abductive approach, as the thesis seeks to understand connections and contrasts between selected theories and an observed empirical phenomenon.

3.2.2.1. Multiple-Case Study

Case studies are commonly criticized for their limited ability of constructing general findings applicable to a wider population (Yin, 2013). However, Eisenhardt & Graebner (2007) argue that a thoroughly constructed case study can function as a foundation for further research with wider applicability. Case studies are conducted mainly in two forms: single-case or multiple-cases (Yin, 2014). In the former design, the study focuses on collecting and analyzing data from a single case, whilst in the latter design, focus resides on collecting and analyzing data from several cases. Single-case studies are commonly criticized for their non-variance in dependent variables (George & Bennett, 2005). This causes the research to depend on a single perspective for the findings, risking other aspects of the subject to be undisclosed. In contrast, multiple-case studies can provide more thorough findings, since examining several cases can provide a greater variety of the studied subject (Yin, 2014). In other words, a multiple-case study enables examination of a comparative and collective

nature to the responses of the studied factors, whilst a single-case emphasizes the unique experiences of a specific case.

There are several factors which motivated the choice of a multiple-case study in this paper. Firstly, we aim to construct an objective report that investigates several viewpoints of the subject. In doing such, it is crucial to recognize the uniqueness of each case company's experience and internationalization process, which in turn impact their perception of the environment. Thus, utilizing a multiple case study research design, studying several firms, facilitates affirmation of objectivity in the examination and analysis of empirical data and theory. Secondly, as a multiple case study provides a variety of findings, we believe both unique and mutual aspects can be identified by utilizing cross-case and within-case analysis (Eisenhardt & Graebner, 2007). Lastly, examining the actions and viewpoints of numerous companies increases the research's reliability, allowing for greater consistency in the result. As previously noted, a requirement of this thesis is to ensure variety in the studied subject by exploring the matter from numerous viewpoints. Therefore, a multiple case study research design is most suited, since relying on a single-case may generate a biased and unobjective research finding.

3.3. Data Collection Method

The objective of the data collection method is to employ a strategy with the ability of gathering relevant empirical data in order to address the research questions (Creswell, 2014). In studies utilizing qualitative data, the data collection method primarily concerns what types of data to collect and how to collect such data (Creswell, 2014). More specifically, the data collection method involves: developing an appropriate sampling strategy, selecting primary and secondary data sources, and design method for collecting data (Bryman & Bell, 2011).

3.3.1. Purposeful Sampling

Prior to gathering data, it is crucial to select a suitable sampling strategy for the given research design that guides which data to collect and analyze (Easterby-Smith, Thorpe & Jackson, 2015). A general distinction between various sampling strategies relates to the usage

of probability in the selection process. In probability based sampling the selection model is random, enabling the use of statistical methods, whilst in nonprobability sampling the selection is deliberately chosen by the researcher based on selected conditions (Merriam, 2009). Generally, in studies using qualitative data, sampling strategies aim to select reasonable instances to study the research subject, whilst in qualitative data studies the sampling strategy emphasizes sample representativeness (Easterby-Smith, Thorpe & Jackson, 2015).

The choice of utilizing a purposeful sampling strategy, a nonprobability method where specific samples are selected based on criteria relating to the research problem (Denscombe, 2010), was based on two motivations. Firstly, due to the limited time frame of the study, this sampling strategy offered an efficient selection process of suitable case companies. Secondly, as this thesis follows a qualitative multi-case study research design, we believe a purposeful sampling strategy was best suited to find reasonable respondents to study the research subject. In our purposeful sampling strategy, criteria were developed for both suitable case companies and respondents at those companies. Two criteria were selected for the sampling of firms: (1) a Swedish MNC with a physical establishment in Singapore and (2) offering a technically advanced product or service. The former criteria were chosen to ensure that the selected firms had decided to establish with more than the lowest commitment form (exporting) in the Uppsala model. This was a prerequisite since the thesis seeks to analyze if firms follow the sequential process of increasing commitment with knowledge development, thus a firm which only exports are not of interest since it utilizes the lowest form of commitment to serve a market. The second criterion was chosen as the aim of Singapore's government market intervention is to establish an innovative and efficient environment to attract technologically advanced MNCs. For the respondents at each company, the following criteria were selected: (1) professional experience currently working in Singapore and (2) a senior position at the given firm. These criteria were chosen to ensure that each respondent had personal knowledge of working in Singapore and had great insights of their MNC's operations in Singapore. These criteria were essential to identify respondents with the capability of generating the insights desired for the thesis.

3.3.2. Case Company Selection

In order to identify companies and respondents suitable for the study, we researched different sources to access information of Swedish MNCs established in Singapore. Firstly, the Swedish Chamber of Commerce in Singapore's website enabled us to access a list of over 250 Swedish companies established in Singapore (Swedish Chamber of Commerce Singapore, n.d.). From this list the above mentioned company sampling criteria were applied to each firm by accessing their website to identify suitable firms. Thereafter, respondents at each firm fulfilling the predefined criteria were identified by various methods depending on the available information. Some companies provided direct contact information to each of their executives in Singapore, others only provided their names, and some merely office contact forms for general enquiries. When contact information to a suitable representative was available, they were contacted via email. If only names were available, the representative was contacted via LinkedIn, and when merely an office contact existed they were sent an email. Regardless of communication method, the purpose of the study, type of information requested, how such information will be used in the study, and a specification of the interview was provided in detail, thus acting as an electronic consent form.

We identified 50 firms and 50 respondents which fulfilled the criteria and whom were contacted utilizing the previously mentioned communication methods. We acknowledged that conducting 50 interviews would be out of the scope of this thesis, however all 50 were contacted to increase the chance of obtaining a sufficient number of interviews. Our aim was to conduct interviews with 10 different firms with one representative from each. In regard to selecting which possible interviews to utilize in our study, two limitations were set. Firstly, in the event of more than 10 prospective interviews, the case companies would be selected to represent a variety of industries. Secondly, a deadline for responses was set for March 15th due to the time constraints of the thesis. A vast majority firms and respondents were not available for an interview due to the implications of COVID-19. Thus, we only received agreements with six firms with one representative from each. Choosing to interview only a single respondent from each firm creates bias in the obtained data, as their viewpoint on the government's intervention may not be representative of the entire firm's viewpoint and greatly influenced by their personal beliefs. However, we choose to only interview a single representative from each firm to be able to interview a greater number of firms. Obtaining data from a broader range of firms allowed us to minimize bias in the form of firm specific

beliefs and experiences. Furthermore, we tried to accurately identify the respondent with the required knowledge and responsibilities at each firm. By utilizing the firm's websites, press releases, and LinkedIn profiles of the respondents we could assess their fulfillment of the criteria. In some of the companies that agreed to be interviewed, the representative initially contacted referred us to another representative with more suitable knowledge. Thus, we believe the correct representatives were identified as all the interviews were conducted with experienced senior managers.

Due to the limited number of agreed respondents, we decided to also contact Business Sweden Singapore for an interview. Business Sweden provides Swedish firms in foreign markets all over the world with holistic consultancy ranging from strategy, management, and stakeholder relations (Business Sweden, n.d.). Business Sweden were therefore interviewed to develop a comprehensive understanding of the Singaporean business environment, the Swedish MNCs operating in Singapore, and to ensure that the questions for the case firms were relevant. The interview with Business Sweden was conducted prior to interviewing the case companies, thus acting as a pilot interview. The interviewee, Ida Stjerström has worked as a consultant at Business Sweden Singapore for two years and has advised a wide range of Swedish MNCs in Singapore. The interview was rather open, discussing topics such as the general business climate, the Singaporean government's market involvement, and Swedish firms operating in Singapore. Valuable knowledge was obtained from the interview as well as feedback for slight modifications on company interview questions, which were implemented before conducting the case company interviews. Thus, the Business Sweden interview was utilized to develop a comprehensive understanding of the Singaporean market. It provided appreciated insights for understanding the context of our study but was not included in the data analysis since the thesis' unit of is the Swedish case companies.

3.3.3. Primary and Secondary Data Sources

Both primary and secondary data, as well as oral and written sources, were utilized throughout the data collection process of this study in order to achieve triangulation of the data (Yin, 1994). Primary data is defined as data directly collected by the researcher, which in qualitative research can be obtained using methods such as interviews and observations (Creswell, 2005). This study utilizes primary data through in-depth interviews with

representatives from the selected case companies. This data served as the central data source of the thesis due to its ability of generating comprehensive knowledge and relevant findings to the research subject. Secondary data, defined as data collected by someone other than the researcher (Kumar, 2014), was collected in this thesis in the form of governmental websites, and company websites. This data was collected to supplement the primary data in order to develop a greater understanding of the various components of the research.

3.3.4. Interview Design

Interviews are a frequently deployed data collection method in studies of qualitative nature and are especially crucial when utilizing a case study research design (Creswell, 2014; Yin, 2014). As argued by Easterby-Smith, Thorpe, and Jackson (2015), interviews facilitate data gathering of otherwise difficult to observe subjects. Furthermore, they argue that interviews are a suitable data collection technique in research aiming to develop knowledge of a respondent's opinion on a given subject. Interviews can be structured in various ways, ranging from unstructured to semi-structured to structured, depending on the level of free conversation utilized. In structured interviews, the conversation is highly controlled by the interviewer, requiring the interviewee to strictly answer fixed questions, whereas in unstructured interviews, the conversation flows freely between the two parties (Easterby-Smith, Thorpe, & Jackson, 2015). Lastly, semi-structured interviews utilize features from both previous structures, where the interviewer is flexible by posing questions whilst also allowing the interviewee to converse freely around the general subject.

This study utilizes semi-structured interviews to gather the required data, which has several motivations. As our research aims to analyze the complex nature of government interventions' impact on MNCs' internationalization process and operations, a semi-structured facilitated data collection of both apparent and obscure factors (Denscombe, 2010). Since research using multiple cases should employ a standardized collection of empirical data to ensure repetitiveness (Yin, 1994), a semi-structured design was deemed most suitable. A highly structured interview was deemed unsuitable since greater flexibility would allow the respondent to elaborate on the subject, revealing viewpoints which could otherwise remain unknown. In other words, the semi-structure facilitated us to develop a comprehensive understanding of the subject by utilizing the respondent's knowledge. Lastly, by utilizing pre-

determined interview questions, the semi-structure aided focus to be retained on the overall subject whilst allowing respondents to elaborate on the topics' meaning to them.

When conducting interviews, the questions can either be open ended or closed (Kumar, 2014). The general distinction between the two question formats relates to their purpose of either gathering opinions or facts. Closed questions are utilized to establish facts where respondents are given several alternatives choosing the answer which best fit their perception. On the other hand, open ended questions are used to gather opinions where the respondents are posed a question but provide the answer themselves.

The questions used in the study were open-ended, in order to permit the interviewee to elaborate on the subject in the semi-structured interviews. As the impact of governmental policies on internationalization strategies is complex, potentially impacting several of its aspects, open ended questions are a requirement to generate a complete understanding of the subject. On the contrary, close ended questions would constrain respondent's ability to elaborate on the questions, thereby limiting the data's capability of generating thorough research findings.

Bryman and Bell (2011) argue that the questions posed in an interview need to be founded upon a literature review in order to guide the researcher of what type of knowledge to gather. Further, the questions should be connected to a conceptual framework in order to collect empirical data on the research subject. Thus, in accordance with their viewpoints, the questions posted in the interviews were based upon the theories presented in the conceptual framework in Chapter 2. The connection between the questions and theories is illustrated in Table 1 below. A complete list of questions in the interview guide are attached in Appendix A – Case Interview Questions and a list of all the interviewed respondents is attached in Appendix B – Interview Representatives.

Table 1 - Theory connection to interview questions (Adling Tufvesson & Blomström, 2020)

Theory	Interview Question
Internationalization <ul style="list-style-type: none"> ● Uppsala Model ● Entry Mode 	1-5
International Business Environment <ul style="list-style-type: none"> ● Government Intervention ● Risk and Uncertainty 	6-15

Before each interview the respondent was given the interview questions several days in advance. This was done in order to resolve any ambiguities regarding the questions and allow for the respondents to prepare themselves. We believe this allowed the interviewees to provide a more exhaustive set of data to be utilized in the subsequent analysis. However, giving access to the questions prior to the interview resulted in a tendency of the respondents to address the questions in a different order, causing the interviews to become slightly more unstructured than intended. Thus, transcribing and summarizing the empirical data became more complex and time consuming than anticipated.

The interviews were conducted utilizing video calls due to the large locational differences of the researchers and the respondents. Prior to each interview, the respondents were given the option of anonymizing both their name and the company's name and asked for their consent to audio record the interview. All of the respondents gave permission to record the interview, and five out of the six respondents gave permission to utilize their name and their company's name in the study. The respondent that requested to remain anonymous was given a fictional name for both themselves and their firm. After each interview a written transcript was sent to the respondent, allowing them to confirm their answers and resolve any misunderstandings.

3.4. Data Analysis

Analyzing data in qualitative research is a complex and difficult task, and several scholars have tried to codify various processes of generating conclusions from the collected data (Eisenhardt, 1989; Pearse, 2019; Sinkovics, 2018). Overall, analyzing qualitative data constitutes three activities: sorting the data in a logical order to provide an overview, reducing the data into categories, and argue for the meaning of the categories (Rennstam & Wästerfors, 2018). In order to produce a reliable analysis, the researcher first needs to prepare and become familiar with the data (Easterby-Smith et al., 2015). Thus, the entirety of all the interviews were manually transcribed to develop a comprehensive understanding of the content. Thereafter, to frame and interpret the data, grounded theory, content analysis and flexible pattern matching were considered. Grounded theory would imply a holistic and intuitive approach of analyzing data to develop a theory of the phenomenon, whilst content analysis would systematically examine the presence of a given theoretical concept in the data (Easterbury-Smith, Thorpe & Jackson, 2015). However, flexible pattern matching would

allow us to utilize both structure and openness in the analysis, by comparing a theoretically derived pattern with an observationally identified pattern (Sinkovic, 2018). Additionally, flexible pattern matching allows the researcher to examine if the themes in the data, arising from identified patterns, confirms or refutes the theoretical construct (Pearse, 2019).

As this thesis seeks to analyze how Singapore's government affects Swedish firms' internationalization, by exploring if the firms follow the Uppsala Model and view government intervention as constraining or if the observed data can provide an alternative viewpoint, flexible pattern matching was deemed appropriate to analyze the data. Pattern matching is especially recommended for case study research, as it enhances credibility according to Yin (2014). Furthermore, Sinkovic (2018) argues it as useful in studies utilizing a prior construct of a tentative theoretical framework to collect and analyze the data, which we consider being our framework of the international business environment and internationalization theory.

This thesis' flexible pattern matching analysis utilizes the process developed by Sinkovic (2018), divided between the theoretical and observational realm. The previously developed conceptual framework in Chapter 2, constitutes the constructs of the theoretical realm, proposing a sequential internationalization process and viewing government intervention as constraining. In order to explore the collected data to generate a pattern of the observational realm, within-case and cross case-analysis was applied. Firstly, within-case theoretically driven coding was applied, utilizing the themes of our theoretical framework to become familiar with the data, organize it, and identify points of interest in each interview (Pearse, 2019; Sinkovic, 2018). This within-case process is central to develop new insights, as it facilitates handling the large amount of data by writing up, identifying the specific keywords, statements and unique patterns of each case (Eisenhardt, 1989). Furthermore, Eisenhardt (1989) argues that such within-case analysis aids generalizing patterns across cases, as the researcher becomes intimately familiar with each case. Secondly, the findings of the within-case analysis were used in cross-case analysis to derive patterns across the data. This constitutes developing dimensions emerging from the data, describing and arguing for each dimension's meaning, and identifying examples from the cases to each dimension (Eisenhardt, 1989; Sinkovic, 2018). Lastly, these patterns of the observational realm were matched and compared to the patterns proposed by the theoretical realm, in order to illustrate and discuss how the data findings confirm or refute the theoretical constructs. Thus, the

subsequent chapter is divided into three parts: within-case analysis, presenting the findings of each case in regard to the theoretical framework; cross-case analysis, developing and exemplifying themes across cases; and pattern matching, comparing the observational patterns and theoretical patterns.

3.5. Research Quality

A central objective when conducting research is to ensure high quality throughout the research process (Silverman, 2011). This implies that the gathered data and subsequent interpretations of the research need to fulfill validity and reliability.

Reliability is achieved when the research can generate consistent results when repeated in comparable environments (Kumar, 2014). Furthermore, the greater the consistency and stability in the interpretations of the gathered data, the greater the research's reliability. However, the data gathered from respondents may vary due to the nature of human behavior, which may generate different responses due to interpretation, expression, and time differences (Kumar, 2014). Therefore, the reliability of a qualitative study utilizing data from respondent's experience is likely to be low, but achieving reliability is still a prime objective for the researcher.

Several actions were taken throughout the process of conducting this research to strengthen and ensure its reliability. Firstly, all the respondents were asked the same questions and interviewed by the same person. This ensured consistency in the data gathering process, enabling comparability of the answers. Additionally, when conducting interviews subjective interactions were avoided since recognizing respondent's biases is vital to obtain reliable responses (Yin, 2014). Secondly, the transparency of our methodology ensured reliability since its components of data collection, recording, and interpretation are thoroughly explained and motivated. The study's replicability was further enhanced by disclosing the interview protocols and utilized theories (Riege, 2003). Lastly, reliability was achieved through the employed sampling strategy of conducting interviews with experienced and knowledgeable companies and respondents in the subject matter.

Validity of research can be divided into external validity and internal validity (Bryman & Bell, 2011). The former relates to the usage of variables while the latter is concerned with

generalizability of the study, i.e. the extension of the research findings. One area that was emphasized in order to guarantee validity of the study was to interpret the information from our interview in an objective way. This is achieved according to Denscombe (2010) by allowing the respondents to check the transcribed version of their interview to resolve any ambiguities or make corrections. To avoid translation errors, our interviews were held in English and did not contain any word or expressions that were directly translated from another language. It is important to note that English is the second language for both us as researchers but also for the interview participants, hence the possibility of misinterpretation during the interview. However, if any confusion arose we attempted to explain any question from the participant thoroughly by rephrasing and explaining the meaning behind a question. We fully acknowledge that the transferability of our thesis findings is limited as the results can only be attributed to the studied case companies in their context (Riege, 2003).

3.6. Research Ethics

According to Bryman and Bell (2011) there are certain ethical principles that are vital to not neglect when performing a research study. For participants in a study the purpose of the study, their consent of participation, confidentiality of personal information and non-damaging research should be stated prior to their participation. Similarly to Bryman and Bell (2011), Denscombe (2010) outlines four principles that a person conducting social research should adhere to. Firstly the participants should not be harmed in any way by participating in research. Due to the fact that we collected data through interviews, each respondent and firm was given the opportunity to remain anonymous and were asked prior to each interview for consent of being recorded. Moreover, after conducting each interview it was transcribed in entirety and the participants received a document of their answers written form. The purpose of this was to provide the participant with the opportunity to clarify any uncertainties or misunderstandings before we applied the interviews in our data analysis. Secondly, similar to Bryman and Bell (2011) and their idea of consent with participation, each interviewee was provided with the necessary time commitment and purpose for being selected upon being asked to participate in the study. Thirdly, this also relates to the point highlighted by Denscombe (2010) which pertains to the open and honest behavior of the researchers. This was achieved by clearly stating the topic of the thesis and how each interviewee contributes to a deeper understanding of the topic. Fourthly, no researcher should neglect the law and

potential implications of breaking it when performing a study. Our research was not at risk of violating any laws, the obtained interview data was not of sensitive information to constituencies, such as investors in the stock market, and the information gathered to describe our problem discussion and literature used was accessed from public websites and coursebooks to be found in libraries around the world.

4. Analysis and Discussion

The analysis and discussion chapter present the findings of the flexible pattern matching process. Before applying the flexible pattern matching analysis, an introduction of the Singaporean government's involvement is presented. This first section aims to present an understanding of the unique aspects of the Singaporean government's intervention in the market, providing context prior to presenting the findings. Thereafter, the three components of the pattern matching process: within-case analysis, cross-case analysis, and pattern matching analysis, is presented. The within-case analysis presents the findings relevant to the theoretical framework, constituting the theories of internationalization and the international business environment. The cross-case analysis presents the common patterns that emerged across the cases, arguing for their meaning and illustrating examples from each case. Lastly, the pattern matching analysis compares and matches the patterns emerging from the observational realm with the patterns proposed by the theoretical realm. Here, the findings are related to the existing theory presented in the theoretical framework, illustrating, discussing, and arguing how the data findings confirms or refutes the theoretical constructs. Overall, several similarities are identified between theory and data. However, the data also present important differences illustrating an alternative view, proposing a possible extension of theory.

4.1. Singapore's Government Involvement

Throughout history, Singapore's government has implemented several interventionist initiatives to attract foreign firms and FDI. In general, Singapore's government has developed the nation through two stages: the "efficiency-driven" growth phase during 1960s to late 1990s and the "innovation-driven" phase from 2000s until present day (Tan, 2016).

After gaining independence in 1965, the state realized that sustained long-run economic growth could not be achieved by merely holding a strategic location as a regional trade port (Tan, 2016). To rapidly industrialize the nation and develop an efficient business

environment, the city-state started to employ several policies in order to attract FDI and MNCs. In 1967, the Economic Expansion Incentive Act gave foreign firms tax breaks for five years after establishment (Government of Singapore, 2020). These tax breaks were later further extended, and several low tax policies still prevail today (Tan, 2016). Furthermore, Singapore made substantial investments in efficiency infrastructure relating to both physical and social aspects. Regarding physical infrastructure, several government linked companies, which were owned by the state, undertook investments in industrial estates, the port, the airport, and telecommunications to increase Singapore's regional and global integration. Given the scarcity of land and its importance as a strategic asset, the government instituted the Land Acquisition Act in 1967, which enables the government to purchase land from individuals at below market level rates for industrial estate construction (Tan, 2016). The land is then leased to MNCs, where the government charges a lower fee initially which is later increased as the surrounding industrial states develop. To increase social infrastructure and provide the workforce with the skills MNCs desire, Singapore has undertaken significant investments in human resource development, such as instituting vocational training programs and in the 1960's made English the official school language (Tan, 2016). Lastly, recognizing the deteriorating consequences of corruption on MNCs, Singapore has instituted several policies and investments to mitigate its presence such as strict reporting standards and a zero tolerance for corruption. These stem from the Corrupt Practices Investigation Bureau in the early 1960s and today Singapore consistently ranks among the world's least corrupt nations (Transparency International, 2018).

Singapore's government significantly shifted the invitation strategy in the early 2000s, from a focus on efficiency to a focus on innovation (Tan, 2016). Although the economy had transformed from a regional trade center to business hub by the help of MNCs, the economy had mostly grown from increased capital and labor inputs, rather than increased productivity (Lim, 2013). Thus, the government decided to shift the policies focus on innovation as the primary source of economic growth by targeting highly innovative and productive industries (Tan, 2016). Although an efficient business environment was still important, attracting and developing a creative workforce was the main objective as MNCs and investments would establish where these are located. In order to develop this innovative economy, Singapore implemented several policies to attract and develop talents, as well as providing a conducive environment for innovative firms. Singapore started developing an "innovation infrastructure" with new incentives, policies, and physical and social investments (Tan,

2016). Several investment incentives, such as R&D tax incentive giving up to 150% tax deduction for R&D (Ministry of Finance, 2019), were given to firms and individuals in innovation-driven industries (Tan, 2016). The Land Intensification Allowance adopted in 2010, gives tax credits to firms that intensify efficiency and high-value adding activities on industrial land. Furthermore, the government has significantly increased R&D expenditure and strengthened intellectual property laws. The government has invested in several new universities which focus on innovation and creativity, as well as eased foreign employment rules to facilitate immigration of entrepreneurs and talent, creating a highly-skilled workforce (Tan, 2016). These factors along with alleviating several rules and regulations for establishing and conducting business, positions Singapore as one of the world's best business environments (World Bank Group, 2020). Thus, it is clear that Singapore's government has adopted several interventionist policies throughout history which still prevail today, aimed towards creating an innovative and efficient environment to attract technologically advanced MNCs.

4.2. Within-Case Analysis

This section illustrates the key findings from the case companies. Prior to each case, a description of the firm's history and international presence is presented to provide an overview. Thereafter, within-case analysis is applied presenting the findings relevant to the theoretical framework, constituting the theories of internationalization and the international business environment. Thus, each case is structured by an introduction of the firm and respondent, and thereafter highlighting the findings relevant to firstly internationalization and thereafter the international business environment.

4.2.1. Volvo Group AB

Volvo Group, hereafter Volvo, was founded in Gothenburg, Sweden, in 1927 and is a manufacturer of commercial vehicles, construction equipment, marine and industrial engines (Volvo AB, n.d.). In total, Volvo employs approximately 100,000 people, has production sites in 18 different countries and sells their products to 190 national markets. The interviewee, Mats Nilsson, hereafter Mr. Nilsson, serves as regional director for Volvo Buses

which is one out of 10 divisions within the Volvo. Mr. Nilsson has since 2019 been responsible for sales and after-sales service for the APAC region which consists of: Indonesia, Singapore, Brunei, Malaysia, Thailand and Myanmar. Prior to serving as regional director for Volvo buses in the APAC region, Mr. Nilsson worked for Volvo in several different countries, originally joining the company in 1994.

Following the background introduction, Mr. Nilsson explained that Singapore functions as a regional headquarter for all of South-East Asia, Japan and Taiwan. Although it has been 41 years since Volvo's establishment in Singapore, the main motivation for entering the market was winning a public tender from Singapore's government.

“A trigger for Volvo to enter Singapore was winning a major deal to supply Singapore Bus Services which is the main transport operator.”

Furthermore, Mr. Nilsson explained that Volvo rarely enters a completely new market, since they have been present in several international markets for a long time, however they follow a general approach to foreign markets which was also utilized in Singapore.

“In principle, Volvo enters with a local partner first who imports our product, in some cases they undertake local assembly which is required to reduce custom duties and other costs. As the market grows, Volvo typically acquires the operations.”

In regard to the international business environment, Mr. Nilsson noted that risks in Singapore are rather low and mostly related to product risk due to the tropical climate. Further, he noted that the country's risks are low as a result of the government's proactive stance in developing a conducive business environment.

“Singapore is a very stable country, with large transparency, a good legal system and low levels of corruption”

Furthermore, as Volvo's main customer is the Land Transport Authority, the government plays a central role in their business.

“The Singaporean state has an influence as they set the rules and regulations and is the main customer”

Expanding on the government's influence, Mr. Nilsson exemplified a positive impact of Singapore's rigorous rules and regulation as they are aligned with Volvo's high quality products.

“Singapore is a modern country striving for sustainability with tough emission standards which is good for Volvo since customers demand our high quality products complying with Euro 6 regulations.”

From a more general perspective, the Mr. Nilsson emphasized Singapore's conducive business environment with low taxes and a well-functioning labor market. However the he noted the high cost structure from operating in Singapore.

“They have rather low taxes and a dynamic job market where it is easy to find good people, although it is a bit expensive.”

Lastly, Mr. Nilsson concluded by describing the actions of Singapore promoting a positive business climate, exemplifying the ease, support and transparency of interacting with the government.

“The Singaporean government really runs the country as a “company” in itself sometimes. They work quite intensively with KPIs and efficiency is very important. Generally, the government has a positive influence on businesses as they are very business friendly”

4.2.2. Scania AB

Scania AB, hereafter Scania, manufactures heavy trucks and buses, as well as engines for marine and industrial applications. In the year of 1911, it was founded through a merger of two Swedish firms manufacturing engines and trucks. Today, Scania operates in more than 100 countries globally with a workforce of 51,000 producing approximately 450,000 units a year. Scania has been established in Singapore since the late 1970's. Anders Liss, hereafter Mr. Liss, serves as the country manager of Singapore and is responsible for the entire operations consisting of sales and services. Mr. Liss has held this position since 2018 and has spent his entire career working within Scania's sales and marketing department around the world.

Turning to market entry strategies, Mr. Liss discussed the importance of a market being mature enough. For Scania's products a developed infrastructure, established logistics, and sufficient market size is crucial prior to entry. After identifying such a market Scania follows a general entry strategy which was utilized in the case of Singapore as well.

“We initially appoint a private local independent distributor to represent our products. After a number of years, a feasibility study is conducted to assess if the business can survive on its own. If the market is big enough, the Scania part of the local distributor will be purchased, and a captive company is established under Scania's name.”

Elaborating on the reason for employing such a strategy, Mr. Liss emphasized Scania's long-term plan of owning the entire wholesale and retail operations. However, to mitigate risks in the early stages of a market's development, a forward integration strategy is utilized.

“We do not want to invest a lot of money without being confident that the market is large enough. We do not want to start our own company and be forced to take in other types of business for it to survive.”

Turning to the business environment, Mr. Liss accentuated the impact of Singapore's labor market. Obtaining foreign worker permits is complicated with many strict requirements in the application process.

“The regulations for foreign workers are quite tight, in terms of the type of personnel, remuneration, the application process, which countries they can come from, how many in relation to total employees, etc.”

Mr. Liss understood the reasoning for such restrictions, as the government wants to ensure firms employ local Singaporeans protecting them from competitive foreign labor. However, for Scania's technical operations the process of finding skilled local labor is difficult.

“In our type of industry, there are not many Singaporean technicians available. There are many in the neighboring countries with the right expertise, but the labor laws are too restrictive.”

In order to address this challenge, Scania partnered with a local engineering school and established an internship exchange. Nevertheless, attracting and keeping these few talented Singaporean engineers is a difficult task due to the mandatory national service.

“We can hire them for a few years before their service. However, after their two years they have either been recruited to government related defense industry or chosen a different career path”

Thus, Mr. Liss noted the importance of keeping their staff and maintaining a good relationship with the local engineering school. Although risks in Singapore are rather low, Mr. Liss foresaw more stringent labor regulations as a major challenge in the future.

“Maybe the greatest risk is that the labor laws will continue to become stricter, causing Scania to have a hard time attracting and employing technicians”

Mr. Liss highlighted that Singapore’s business environment has many positive aspects as well. Most notably, the government has created a conducive climate through transparent regulations and strict reporting standards.

“What I really appreciate is Singapore’s clear rules and regulations that are not changing. Their reporting standards and zero corruption tolerance promotes a transparent business environment”

On a more general level, Mr. Liss elaborated on how Singapore’s extensive government involvement would theoretically be inferior to a western based free-market approach, where firms and labor unions established the rules. However, the government officials do not stem from a traditional political background but are rather recruited business professionals from various sectors making the government very competent.

“The benefit is that competence is prioritized, with smoothly made rules and regulations that are fair. Decisions do not need to be discussed at length and can be implemented quickly.”

Although this efficiency and competency based approach is conducive to the business environment, Mr. Liss exemplified how it also can constitute a challenge.

“Even if most decisions are business favorable, they can come as a surprise without any notice for international companies.”

4.2.3. BBD Ozonator AB

BBD Ozonator AB, hereafter referred to as BBD, operates in the green tech industry and provides a waste management product called Ozonator which grinds, sterilizes and disinfects contaminated waste. BBD was founded in Stockholm, Sweden in 2015 and offers their product to industries such as health care, food processing, harbors, and airports. BBD established their operations in Singapore in 2018 and is currently a contender for several public and private tenders. Lars-Erik Lindholm, hereafter referred to as Mr. Lindholm, is a co-founder and board member, serving as Vice President and Chief Marketing Officer responsible for global sales. Mr. Lindholm has worked with business development in Asia since the 1980s and has lived in Singapore for several years working for numerous companies within trade and telecommunications.

After providing some background information, Mr. Lindholm explained that the establishment of a wholly owned subsidiary in Singapore was a plan since the company's founding.

“Since the beginning, our plan was to enter Singapore due to my experience and background in the country. I saw South-East Asia as a market with great potential and expansion opportunities given its population and technological development”

Mr. Lindholm further elaborated on the establishment motive relating to Singapore's high sustainability awareness and rapid technological advancement. Specifically, Mr. Lindholm emphasized the importance of recognizing Asian countries' "frog-leaping" in technology, advancing several steps at once rather than following a gradual development process. Thus, in a traditional market companies must follow the market's pace of development, but in Asia the governments and firms' vision is to instantly adopt the most advanced technology.

“Singapore's frog leaping development is an opportunity for establishing BBD Ozonator. The market is very suitable for our product.”

Turning to the international business environment, Mr. Lindholm noted the increased restrictions in foreign labor regulations but viewed the general business climate as positive.

“Previously there were less restrictions to move foreign staff into the country, now the government is much stricter which is a bit negative. But overall the business environment is very good, and I do not see any laws or regulations as a hindrance”

Furthermore, the interviewee underlined the government’s role in creating a conducive environment, especially for technologically advanced newly established firms such as BBD, which encouraged their establishment.

“Government organizations are very supportive and transparent and appreciate a high level of technology. Singapore is at the forefront of technology development, offering a lot of research centers and there are many financial institutions presenting funding opportunities.”

Specifically for BBD, hospitals are the priority sector consisting of both public and private actors. Although the sales cycle and public tender process is much longer for public hospitals, the government institutes important standards for both actors which can be an opportunity.

“In light of COVID-19 we believe hospital waste standards will increase, causing more demand for our product.”

4.2.4. Barone Air Filtration Systems

Barone Air Filtration Systems (fictional), hereafter Barone, produces and develops air filters and clean air solutions for industrial and commercial use. The company is established in over 30 countries with more than 4800 employees worldwide. Their products are sold to all industries requiring clean air such as healthcare, real estate, manufacturing, and logistics. The Singaporean office was established about a decade ago and functions both as regional office for the South-East Asian region and local sales office for the local Singaporean market. The representative, Anthony Soprano (fictional), hereafter referred to as Mr. Soprano, currently serves as the Vice President of Barone’s operations in the South-East Asian region. Mr. Soprano has held the position as second-in-command for around 5 years. Prior to working for Barone, Mr. Soprano spent 10 years in Singapore working as a waste management consultant.

In regard to the company's internationalization strategy, Mr. Soprano highlighted the importance of developing knowledge and utilizing several information sources prior to entering a market.

“After identifying an attractive market using various reports, a knowledgeable local consultancy firm conducts a market sizing study regarding competitors and size potential. We then either enter with a local distributor, acquire a firm, or set up our own office right away.”

This philosophy was also utilized in regard to the establishment in Singapore. Singapore was suitable due to its premium market, investments in buildings, and ease of establishing a corporation. Furthermore, Barone utilized knowledge from their operations in Malaysia and had an established customer base in Singapore served by other representative offices prior to entry.

“It was easier to enter Singapore by establishing our own operations from the start. We already had operations in Malaysia and could take over our Singapore customers who were ordering our products from other offices.”

Furthermore, Mr. Soprano noted Singapore's positive business environment with attractive policies encouraging the company to establish a wholly owned subsidiary.

“Singapore goes out of the way to attract companies, the government and their policies are very encouraging and positive.”

Although foreign employment is restricted and labor costs are rather high, Mr. Soprano emphasized Singaporeans proficiency in English and good talent availability.

“I do not see the foreign employment quotas as a hindrance. The government does not object if it is reasonable that talent is needed from abroad. They are very process oriented, black and white, and transparent.”

Elaborating on the government's involvement, Mr. Soprano believes that firms are allowed an active voice where the government cooperates with firms and listens to their inputs.

“Many business policies are the result of the government engaging in discussion with industries and jointly agreeing on the course of direction.”

Specifically for Singapore, the government has a green mark certification policy where public and private buildings need to fulfill certain tiers of environmental standards. This entails utilizing low-energy consumption and environmentally certified products, which align with the clean air solutions provided by Barone.

“Customers are quality and sustainability oriented, utilizing our products allows them to fulfill the green mark certification.”

4.2.5. ABB AB

ABB AB, hereafter ABB, was founded in 1987 through the merger of Swedish ASEA and Swiss BBC. ABB operates in electrification, robotics, industrial automation, and power motion. It is present in over 100 countries and employs more than 147,000 people worldwide (ABB, 2020). Piera Man, hereafter referred to as Mrs. Man, serves as Head of Government and Public Relations in South-East Asia for ABB. Mrs. Man is responsible for governmental and regulatory affairs, policy forming, and partnerships with the public and private sector. She has held this position since 2020 and was previously Head of Communications in Singapore and Southeast Asia for eight years, responsible for positioning ABB in Singapore and Southeast Asia to be fit for future growth opportunities.

Turning to ABB’s establishment in Singapore, Mrs. Man explained that ABB were present in Singapore prior to the establishment of a minor manufacturing and assembly subsidiary in 1970.

“ABB has been present for much longer than that, operating through exports, partners and sales representatives in the market.”

Elaborating on the Singaporean market, ABB’s products and technologies are utilized in several infrastructure projects instituted by the government. An example of the prosperous relationship ABB has with the government is the supply of components in the development of the power grid for the state-owned Singapore Power. ABB’s products and technology has contributed to Singapore Power becoming recognized for its reliable and efficient grid.

“Developing Singapore’s reliable grid together with Singapore Power, through them we have the record of being the most reliable grid in the region.”

Furthermore Mrs. Man explained how the grid has attracted MNCs such as Google and Facebook to establish digital centers in Singapore, which has in turn created further business opportunities for ABB.

“Increasingly ABB’s business is shifting towards digitalization. Companies such as Google and Facebook are locating their data center’s here due to the grid’s power reliability where ABB has contributed a lot through smart control systems and efficiency”

Turning to the international business environment, additional commercial relationships that have been enabled by Singapore’s government undertaking investments in industries in which ABB operates in were exemplified by Mrs. Man, pointing to the positive impact of the Singaporean government on ABB’s operations.

“On the urban infrastructure side, ABB is involved in electric mobility in the public transportation sector, working to develop autonomous electric buses and also autonomous vehicles for the port and airport.”

Additionally, Mrs. Man emphasized the value of the government for MNC’s comprising of more than a low corporate taxation rate. Specifically, Mrs. Man noted the Economic Development Board (EDB) actions to keep and attract international business as beneficial for ABB.

“They put in a lot of effort to build the ecosystem with other players, their interests are in creating jobs and economic growth, and they work with us to accomplish that. Being involved with the EDB and recognized as a key player in our industry that can contribute to Singapore is a great privilege.”

Mrs. Man further noted the opportunities provided by the Singaporean government as a reflection of their openness to business. The government has an understanding of the importance of MNCs in the development of the country.

“Singapore is one of the easiest places in the world to do business. Singapore’s government has long recognized the country regional epicenter to attract investment and talent to develop a certain business model for its economy”

In some instances, ABB has even pushed for further government intervention, pointing to the importance and positive role of government action to drive technological development.

“What we actually have been wanting to see in the past is a more aggressive stance towards certain strategic themes. For many years the issue of electric vehicles was not moving, there was not any joined up approach and we have previously seen the positive effects of incentives”

While the perception of Singapore is very positive, Mrs. Man noted that a limited labor pool for certain industries and some limitations to foreign talent can pose as a challenge for ABB.

“Openness to foreign talent, limiting the number of people we can take in from overseas. In industries where specialized labor is needed, e.g high voltage power engineers, the pool of talent can be limited.”

In terms of competency within the government, Mrs. Man noted the uniqueness of highly competent business professionals being employed into governmental industries, leading to efficiency and competence being prioritized.

“Singapore has a novel approach to it. The vision is to have the best talents work for the government. The level of intellect and engagement is very different in the government, they are very efficient.”

4.2.6. Getinge Group AB

Getinge Group, hereafter Getinge, originates from Getinge, Sweden and was founded in 1904. Their business is centered around products for the health care and life science sectors. Getinge employs about 100,000 people and are present in 38 countries with sales in approximately 135 countries worldwide (Getinge, 2020). Teodor Johansson, hereafter referred to as Mr. Johansson, serves as Managing Director for Getinge Group South Asia responsible for the entire operations. Mr. Johansson has held this position since 2015, previously serving as the regional sales manager for Southeast Asia since 2008. The Singaporean office assists local distributors within 14 markets in South-East Asia as well as supplying the local Singaporean market with Getinge’s medical devices.

Following the brief introduction of Getinge’s operations in Singapore and Mr. Johansson’s responsibilities, focus shifted towards the establishment of Getinge in Singapore. Mr.

Johansson highlighted the initial utilization of a local distributor and recent acquisition of the entire operations.

“We entered Singapore in 2004 together with a local distributor. Since January 2020 we have taken over the distribution from our partner and manage it directly for all our product lines.”

In regard to the reason for using a local distributor for such a long time period, Mr. Johansson noted the prerequisite of significant financial investments in order to establish in Singapore.

“It is quite costly in terms of the necessary investments in order to manage the market in Singapore. Previously the amount of turnover we had in Singapore was not sufficient to run our operations on our own, hence we used a local distributor.”

Turning to the international business environment, Mr. Johansson proclaimed the foreign employment quotes as a challenge. These required adaptation to the hiring process, and in some cases training of local workers has been conducted to develop the expertise needed.

“The foreign employment quota can be a challenge when hiring. They require some strategic adaptation and we need to carefully consider what positions foreigners serve as we can only bring in a limited amount. In some cases they have led us to bring in locals and train them for the skills needed, where we would have preferred a foreigner that was more of an ideal fit in terms of the specific expertise the role entailed.”

Furthermore, operating in the health care sector leads to several encounters with the government. Mr. Johansson viewed the government as beneficial towards Getinge’s operations since the Health Sciences Authority’s (HSA) high standards, which apply to both private and public customers, are fulfilled by Getinge’s quality products.

“HSA has regulations that positively impact us as they can lock up some competitors who are unable to adhere to these stringent requirements. However our product of the highest quality fulfills all standards. Competitors that do not have as advanced products may face entry barriers in Singapore as they do not comply with the requirements.”

Elaborating on the positive role of regulations in Getinge’s business, Mr. Johansson noted how the HSA has started to jointly develop policies with firms in the healthcare industry.

“Recently, the HSA has really found cooperating with industry actors such as us being important to envision the future of the healthcare sector in Singapore.”

Lastly, reflecting upon the Singaporean business environment, Mr. Johansson emphasized the ease of doing business. Due to high transparency and the high level of compliance, the potential for unfair practices between actors in the business environment is minimized.

“People are trust-worthy, everything is well documented, there is a contract agreement behind pretty much everything you do.”

4.3. Cross-Case Analysis

After organizing and analyzing the findings of each case, common patterns emerged across the data. Thus, this section demonstrates the cross-case analysis arguing for the meaning of each pattern and illustrating examples from the cases to the patterns. From the examined cases the following four patterns were identified: establishment driven by experience and knowledge, government facilitating establishment, government creating opportunities, and regulations complicating talent acquisition.

4.3.1. Establishment Driven by Experience and Knowledge

From the examined cases, it is evident that an MNC’s initial establishment and subsequent development in Singapore was driven by their experience and knowledge of the international marketplace. Engaging in a foreign environment constitutes a major challenge, characterized by risk and uncertainty due to a limited understanding of the novel opportunities and challenges with conducting business in the market. In order to overcome this challenge and succeed, all companies have emphasized the importance of obtaining experience and knowledge of the market in their establishment process. A majority of the companies gradually expanded their operations in Singapore, increasing their establishment as time progressed. This learning process has ensured Swedish MNCs that financial commitment was only undertaken if the market had enough potential, which is a result of gradually understanding one’s customer base and position within Singapore. Other firms established with greater commitment directly, by utilizing either their experience and knowledge from

nearby markets or their employees previous experience and knowledge from working in Singapore. Thus, central to all cases is the utilization of experience and knowledge in the establishment process.

Several of the examined firms followed a gradual establishment approach of increasing investments as their experience and knowledge of the market developed. For example, Volvo appointed a local partner to import their product and acquired the importer as the market grew. Thus, it can be argued that Volvo utilized the importer to gain experience and knowledge of the challenges and opportunities in Singapore. This allowed Volvo to determine the market's potential, without committing significant resources, and fully enter once experience and knowledge of the market was gained. Volvo's gradual establishment parallel with developing experience and knowledge of the market is further exemplified by Scania and ABB. Scania utilized a local distributor and acquired their operations after conducting a feasibility study, concluding that the market was large enough. Acquiring experience of selling their products in Singapore and knowledge of the market's potential prior to committing more resources enhanced Scania's confidence of investing in the nation, illustrating the central role of experience and knowledge in the establishment process. This notion is further illustrated in ABB's gradual process, utilizing exports, partners, and sales representatives prior to their establishment of a subsidiary. Again, it can be argued that ABB increased their commitment as they gained experience and knowledge of the Singapore market.

On the other hand, two of the companies established directly with a subsidiary, not utilizing a gradual approach, however experience and knowledge still held a central role in forming their entry decision. In the case of BBD, the interviewee emphasized how his experience and background of working in Singapore and knowledge of the market's potential motivated their establishment of a subsidiary. This clearly illustrates that BBD's decision to invest in the country, thereby committing substantial resources, was driven by experience and knowledge. Barone further emphasized how experience and knowledge drove their direct establishment of a subsidiary. They utilized several reports and a local consultancy firm to assess Singapore's attractiveness and potential prior to entry. Additionally, their experience of operating in Malaysia and already established customer base in Singapore facilitated their establishment of a subsidiary. Thus, it is also evident from Barone's case how experience and knowledge drove their establishment process in Singapore.

4.3.2. Government Facilitating Establishment and Operations

It was evident from the examined cases that the Singaporean government's actions and mode of operating facilitated the MNCs' establishment and operations by creating a positive business environment. The government constructs such an environment through implementing favorable business policies, operating in close proximity with the business sector, and employing business professionals.

All of the firms emphasized Singapore's various policies in creating a positive business environment which facilitates establishment and operating within the nation. Both Barone and BBD expressed confidence in setting up a wholly owned subsidiary, rather than using a local partner, due to the conducive business environment. They emphasized the role of Singapore's reporting standards promoting high transparency and low corruption in the business environment. This mitigates the risk of opportunistic behavior in the market which can deter an MNC's establishment. Furthermore, all of the case companies identified the low corporate taxes as a beneficial factor, compensating for high operating costs, which can otherwise discourage investments.

Several of the firms highlighted the government's close cooperation with the business sector as facilitating their establishment and operations. Barone highlighted how government policies are the result of cooperating with the business sector, which thereby facilitated establishing and operating in Singapore. Alongside ABB and BDD, Barone further noted the government's support and absence of bureaucracy as promoting the establishment of a new corporation. ABB additionally emphasized the beneficial impact and importance of interactions with government organizations, since governmental actors such as the EDB actively aim to attract and keep MNCs.

Lastly, several cases identified a mutual understanding between the business and public sector as many government officials stem from business backgrounds. Scania emphasized how this increases the government's competency, causing their involvement to become fair and favorable, which in combination with clear regulations, facilitates the creation of a positive business environment. This was further illustrated by Volvo's notion of how the government operates the country as a company in itself, emphasizing the government's business friendly stance and positive impact on firms.

4.3.3. Government Creating Business Opportunities

The case interviews provided many positive perspectives of government involvement in the business environment, creating opportunities for businesses. In essence, Singapore's government has developed regulations, policies and standards in the market to benefit the development of the country, but these interventions also provide business opportunities for MNCs. For Swedish MNCs whose offerings are aligned with the goals of these government interventions, opportunities are generated in both the public and private sector. Firstly, the Singaporean government has itself become a key customer for many Swedish MNCs. Secondly, as all firms must comply with the government's regulations and policies, these interventions created new opportunities for Swedish MNCs whose products allow customers to comply with the government actions. Thus, the government provided opportunities for the firms by both acting as a customer itself and promoting the market to adopt Swedish MNCs' products.

In the case of Volvo, the government played a vital role creating business opportunities as both a customer and legislator. Volvo's initial entry was driven by winning a public tender to supply the government-owned transport operator, Singapore Bus Services. The Singaporean government is still the main customer today. Furthermore, the government's push for sustainability by instituting high emission regulations in the transportation sector is favorable for Volvo as their products comply with the standards. This has allowed Volvo to continuously supply their existing customers as well as encouraging new customers to purchase their products. Similarly in the case of Getinge, the government is a major customer and the HSA's high health standards provide business opportunities from both public and private customers as Getinge's products comply with the standards.

Further examples of Singapore's government creating business opportunities are illustrated by Barone, BBD and Getinge. In the first case, the government's green mark certification policy creates opportunities for Barone's business. As this policy promotes the market to equip both public and private buildings with sustainable products, Barone has acquired customers from both the public and private sector who wish to comply with government standards. Additionally, BBD customer segment is characterized by both public and private customers. They identified the potential formation of stricter future health waste standards by the Singaporean government as a trigger increasing future demand for their product.

Similarly, Getinge emphasized the government as a key customer and the positive effects of the HSA's stringent health regulations promoting the market to adopt Getinge's product.

Lastly, ABB provided several examples of the government as a customer and emphasized the positive aspects of the government's directives. ABB's products and technologies are used in numerous infrastructure projects with government entities, which has provided several business opportunities. ABB supplied various power grid components to Singapore Power, which is the most reliable grid in the region, granting ABB a great reputation. The grid's reliability has in turn caused many firms to locate data centers in Singapore, granting ABB more customers due to its demonstrated capabilities in electrification. Additionally, ABB develops components for both public and private autonomous vehicles utilized in the government owned transportation, port, and airport systems. Furthermore, ABB highlighted the need for greater government involvement to promote the electric vehicles industry due to the absence of cooperative forces, noting the potentially positive effects of incentives in the market. Thus, ABB's case clearly illustrates how the Singaporean government creates opportunities both as a customer and through market intervention inducing firms to purchase ABB's products.

4.3.4. Regulations Complicating Talent Acquisition

Although a uniform opinion from the cases was that very few government interventions were viewed as negative, they do exist. Several interviewees noted the existence of foreign employment quotas as a complicating and constraining factor for acquiring talent, reflecting a protectionist view of the government.

A limited labor market for certain skills and experiences, such as specific types of engineers, was deemed as a challenge by Scania, ABB, Volvo and Getinge, resulting in the demand-side of the job market being very competitive. They further noted that although many candidates with the right skills and experience existed in other nations, the foreign employment quotas significantly limited their ability to acquire such talent. Additionally, Scania mentioned the complications of the mandatory national service for Singaporeans, which forced Scania to temporarily release the few Singaporean with the right competence deemed very important for Scania's service operations. When these Singaporeans returned from service, many were either recruited by government related enterprises or had changed career paths. Thus, the

national service complicated Scania's ability of retaining the limited pool of local expertise required for their operations. Lastly, Getinge noted how the foreign employment quotas forced them to employ local Singaporeans, when they would have preferred foreign labor which was better suited for the position. They therefore have to adapt their hiring process and train the employed locals to equip them with the necessary skills. Therefore, Getinge emphasized the foreign employment quotas as complicating their talent acquisition process.

Important to note is that the interviewed firms expressed an understanding towards the foreign employment quotas, since the Singaporean government seeks to protect and develop the Singaporean workforce. The quotas exist to ensure that the local Singaporeans are employed by MNCs, allowing the workforce to reap the benefits of knowledge-spillover from MNCs. However, this restricts the autonomy of decision making for the human resource departments within the examined cases, since they must adhere to the regulations. As noted by Scania, ABB, Barone and BBD the acquiring of a foreign employment pass is challenging. Examples of extensive conditions within the application process that must be considered are: types of roles, local to total of foreign employee ratio, remuneration criteria and country of origin. Thus, the foreign employment quota restricts the acquisition of foreign talent with certain skills and experience, which constrains the firm's operations. Lastly, BBD and Scania also noted the possibility of even stricter foreign employment regulations in the future as a challenge for their operations.

4.4. Pattern Matching Analysis

After identifying, arguing, and exemplifying the cross-case patterns emerging from the observational realm, these patterns were matched and compared to the patterns proposed by the theoretical realm. Thus, the pattern matching analysis relates the data to the existing theory presented in the theoretical framework, illustrating, discussing, and arguing how the data findings confirms or refutes the theoretical constructs. Overall, several similarities are identified between the theoretical patterns and observed patterns. However, the findings also present important differences, illustrating alternative views of government intervention.

4.4.1. Establishment Driven by Experience and Knowledge

The first pattern emerging from the data, establishment driven by experience and knowledge, corresponds well to the propositions developed by internationalization theory. Specifically this pattern highlights the internationalization process as contingent on knowledge just like the Uppsala model as well as the premise of less risk-averse firms choosing greater commitment in the choice of entry mode.

Johansson and Vahlne (2009) argue that the greater market knowledge a firm possesses, the faster the rate of commitment. A higher form of commitment is displayed by a firm's mode of establishment in a nation, where greater equity ownership, such as a wholly owned subsidiary, signals greater commitment and confidence in the firm's ability to operate in a foreign market (Albaum & Duerr, 2011; Pan & Tse, 2000). This premise is clearly displayed in our findings, as all firm's establishment processes were a reflection of their experience and knowledge of the market, where greater prior experience and knowledge lead to a higher commitment. Two firms chose to directly establish a wholly owned subsidiary due to their previous experience and knowledge. Barone utilized their experience from operating in Malaysia and BBD utilized their executive's background of working in Singapore. These sources of knowledge clearly correspond to Johansson and Vahlne's (2009) argument of experiential knowledge in international markets, learning through personal experience, which reduces the risk in the market. Furthermore, these cases display Pan and Tse's (2000) argument of less risk averse firms choosing a higher degree of commitment in establishing. All other firms increased their establishment progressively, emphasizing confidence in increasing investments over time as reliant on signals of the market's demand for their products. This establishment process strongly coincides with the patterns proposed by the Uppsala model and entry mode research. As argued by Johansson and Vahlne (2009) confidence in committing resources is reliant on developing knowledge of the risks and opportunities in the market. Thus, it can be argued that as these firms did not possess previous knowledge of operating in Singaporean or nearby markets, this created uncertainty of the Singaporean market decreasing their confidence in committing substantial resources. Coinciding with the propositions of literature (Albaum & Duerr, 2011; Johansson & Vahlne, 2017) these firms therefore initially established using low-equity modes such as exporting or a local partner to reduce risk emerging from their lack of knowledge. Furthermore, as time progressed, the firms continuously acquired knowledge of the Singaporean market from their

operations, which in turn reduces risk and uncertainty causing the firms to increase their commitment.

In conclusion, the first pattern significantly coincides with the theoretical construct. A majority of the examined firms followed a gradual establishment process of increasing commitment as knowledge was developed, strongly coinciding with theory. Although some firms choose to directly commit significant resources through establishing a subsidiary, their previous knowledge of international operations circumvented the necessity of using a gradual approach. Thus, internationalization theory's central notion of knowledge as a catalyst for utilizing higher modes of commitment in internationalization decisions still holds in all the examined cases.

4.4.2. Government Facilitating Establishment and Operations

The second observed pattern emerging from the data, the Singaporean government facilitating firms' establishment and operations by creating a positive business climate, illustrates both similarities and differences with the theoretical framework's proposition.

Similar to Boddewyn and Brewer's (1994) notion of political aspects as an important factor for MNCs' entry and operations as well as Henisz's (2000) argument of governmental policies impacting the behavior of the market, all the case companies emphasized the government's central role in creating a favorable business climate, through their actions and mode of operating, which facilitated the firms' establishment and operations. The examined firms noted the government's low taxation policy and strict reporting standards in creating an attractive business environment for establishing and operating. Furthermore, the firms argued that the stability of government actions, joint formation of policies, and business background of government officials promoted an attractive business environment. The positive effects of these governmental actions on firm's establishment and operations can be related to theories of risk management in the international business environment. Managing risk is a primary concern and challenge for MNCs (Ghoshal, 1987), and accepting risk implies the existence of uncertainty in the decision making process (March & Shapira, 1987). One can therefore argue that Singapore's strict reporting standards, which create a transparent and non-corrupt environment, facilitates risk management and lowers uncertainty in decision-making by reducing information asymmetry. Furthermore, the government's actions can be related to

Miller's (1992) notions of the market foundations creating economic and political risk and uncertainty arising from external unpredictable behavior. Singapore's low taxation policy reduces economic risk by facilitating profitable establishment whilst the transparency and stability of government policies reduces political risks. Further, the government reduces uncertainty from unpredictable behavior by forming policies in cooperation with businesses. Thus, the pattern of the government as facilitating firms' establishment and operations by creating a positive business climate has similarities with the theories of risk management in MNCs' internationalization.

However, the identified pattern of the Singaporean government's actions and mode of operating as facilitating firms' establishment and operations by creating a positive business environment, is strictly contrary to the governmental actions for creating such an environment proposed by the dominant literature on government intervention (e.g. Brouthers, 2002; Groose & Bergman, 1992; Globerman & Shapiro, 1999; Meyer, 2001). These authors favor a laissez-faire approach of government involvement in the business environment, rather than the active stance taken by Singapore's government. Although Groose and Berhman (1992) argument of MNCs' behavior as dependent on the government's willingness to create a favorable business environment is evident in the observed pattern, these authors further argue that a government creates such a positive environment by simply ensuring strong property rights and thereafter minimizing governmental market intervention. Thus, the observed government market intervention, such as tax incentives and strict reporting standards, which the examined firms emphasized as facilitating the creation of a favorable business environment, is strongly contrary to the proposition of Groose and Berhman (1992). Furthermore, Globerman and Shapiro's (1999) argument of greater government involvement as constraining firms by increasing formalities and uncertainties is also refuted by the observed pattern. The firms emphasized governmental intervention, such as strict reporting standards and joint formation of policies, as positive for creating a favorable business, characterized by high transparency and stability. Lastly, the examined firm's emphasis on the government's tax incentives and high reporting standards as positive for business also problematizes Brouthers (2002) and Meyer (2001) argument of greater government intervention as discouraging establishment and further investments.

4.4.3. Government Creating Business Opportunities

The third observed pattern emerging from the data, the Singaporean government creating business opportunities, strongly refutes the literature's propositions, however some similarities can also be identified. Specifically, this pattern contradicts the general viewpoint of literature on government intervention, which portrays governments as a negative constraining factor for businesses.

In contrast to Globerman and Shapiro's (1999) argument of greater government involvement as constraining firms' operations, the examined cases emphasized the positive effects of the Singaporean government's market involvement on their operations. Volvo, BBD, Barone, ABB, and Getinge all highlighted the government as creating business opportunities both as a key customer themselves and through their regulations inducing the market to purchase the examined firms' products. Volvo and Barone provide two clear examples of the observed pattern's contradiction to literature's general view of government intervention as constraining. Volvo entered Singapore after winning a deal with Singapore Bus Services, a government owned enterprise, which is still their main client today. Furthermore, Volvo emphasized the strict emission standards as beneficial since they incentivize both public and private firms to purchase Volvo's high quality low-emission products. Similarly, Barone highlighted the government as a key customer and the positive impacts of the green mark certification policy as generating clean air solution sales to both private and public customers. Groose and Berman's (1992) argument of minimizing governmental intervention to allow the free market to determine firms' behavior, is clearly contradicted by ABB. ABB emphasized their advocacy for greater government involvement in key strategic issues, such as the electric vehicles industry, due to the absence of cooperative forces in the market, highlighting the potentially positive effects of regulations and incentives in such markets.

Although the observed pattern strongly contradicts the literature's general notion of government involvement as negative, a few similarities can be identified. Similar to the notion of Roseneigh and Singh (1999) and Henisz (200) it is clear that the Singaporean government impacts the behavior of the market through implementing policies. All the examined firms noted the policies', such as the green mark certification and high emission standards, role of creating new business opportunities by inducing the market to purchase their products. Furthermore, the observed pattern also shares similarities with Leone's (1986)

argument of the government impacting the market's winners and losers by implementing policies in favor of some firms and disadvantageous to others. As the observed firms all comply with the instituted regulations in their respective industries, the government creates business opportunities for these firms. But likewise, other firms in the market who do not comply with the government's standards may lose business. This similarity is clearly displayed in Getinge's emphasis on the HSA's health standards as locking out the competitors which are unable to adhere to these stringent requirements. A final similarity of the Singaporean government as creating business opportunities can be identified with the few authors that highlight the positive aspects of government intervention. This observed pattern is clearly similar to Lou (2001) notion of government as a customer and possible beneficial cooperation between MNCs and a government. As noted by Prahalad and Doz (1980), government inducement for specific sectors can be beneficial if MNCs' strategies are aligned with such inducements, which is clearly similar to ABB's experience. ABB emphasized the benefit of being in an industry which aligns with the government's vision of the future and the privilege of being recognized as a key player in an industry that can contribute to Singapore's development.

4.4.4. Regulations Complicating Talent Acquisition

The last observed pattern emerging from the data, Singapore's foreign employment quotes complicating talent acquisitions, has very clear similarities with the examined literature on government intervention. Specifically, this pattern confirms the literature's general view of government intervention as a constraining factor for MNCs.

Similar to Rosenzweig and Singh (1991) and Henisz (2000) argument of government's utilizing policies to impact the behavior of the market, the examined firms emphasized the foreign employment quota's objective of forcing firms to hire local Singaporeans by limiting their ability of employing foreign labor. Furthermore, the studied firms highlighted how highly qualified labor existed in other countries, but the challenging application process for obtaining a foreign employment pass constrained their ability of acquiring such foreign talent. This examined pattern constitutes clear similarities to the argument of Globerman and Shapiro (1999) as well as Prahalad and Doz (1980). The former authors argue that greater government intervention constrains a firm's operations by increasing formalities, which has

clear similarities to the examined firm's emphasis on the complicated foreign employment quota process as constraining their ability to hire foreigners. Furthermore, the observed pattern of foreign employment quotas complicating talent acquisition is a clear example of Prahalad and Doz's (1980) strategic freedom limitation as a form of government intervention. They argue that strategic freedom limitations restrict a firm's deployment of resources and is often manifested through regulatory rules. All the firms emphasized the quotas as constraining their ability of acquiring foreign talent, which is a clear strategic freedom limitation, displayed through the Singaporean government's regulations in regard to firm's deployment of foreign human resources. Getinge illustrated a clear example of the foreign employment quotas as a strategic freedom limitation, as the quotas forced Getinge to hire Singaporeans when they would have preferred more qualified foreign labor. Lastly, in response to the quotas Scania's instituted a collaboration program with a local engineering school and Getinge employed a training program to equip local Singaporeans with the required skills. These constitute a clear example of an MNC's response to a strategic freedom limitation in the form of adapting operations, as suggested by Prahalad and Doz (1980).

5. Conclusion

The conclusion chapter highlights the key findings of the flexible pattern matching analysis and applies these findings to a broader perspective. This chapter presents a multifaceted view of government intervention, aiming to shed light on the need for research to adopt a wider perspective of government intervention. Firstly, the research problem, aim and questions of the thesis are revisited and addressed by summarizing the findings and drawing a conclusion. Secondly, the research limitations are considered, noting the generalizability of the findings. Thirdly, theoretical and practical implications are examined, pointing to the importance of researchers and managers in adopting a multifaceted view of government intervention. Lastly, recommendations for future research is presented, encouraging future scholars to examine the findings in various and broader contexts.

5.1. Addressing Research Problem, Aim and Questions

This study set out to address the research problem of the potential divergence between the general theoretical view of governmental intervention as a constraining factor for MNCs and the empirical observation of Swedish MNCs expanding to Singapore, whose government has a clear interventionist stance in the market. Furthermore, the aim of this study was to explore how the Singaporean government's intervention affects Swedish MNCs internationalization process and operations in Singapore. Specifically, the aim was to investigate if government interventions is mainly a constraining factor for MNCs' internationalization and operations, as traditionally viewed by international business theory, or to what extent government intervention can provide opportunities for MNCs' internationalization and operations. Thus, the purpose of this research was to develop a greater understanding of the effect of government intervention on MNCs' internationalization process and operations by posing the following questions:

1. How does Singapore's government intervention affect Swedish MNCs' internationalization process in Singapore?

2. How does Singapore's government intervention affect Swedish MNCs' operations in Singapore?

In order to achieve the aim of the research and address the research questions, three main objectives were employed. Firstly, a theoretical framework consisting of theories on internationalization and the international business environment was developed. This reviewed the theories' propositions, illustrated their interaction, and was utilized as a guide for the data collection and analysis. Secondly, experienced senior managers at six Swedish MNCs operating in Singapore were interviewed. Lastly, a flexible pattern matching process was applied, analyzing the interactions between the patterns proposed by theory and the patterns observed in the data. Thus, the research questions were addressed through identifying the patterns emerging from the data and by discussing the ability of existing theories to explain those patterns.

Following the pattern matching process in Chapter 4, this study has identified four distinct patterns emerging from the data: establishment driven by experience and knowledge, government facilitating establishment, government creating business opportunities, and regulations complicating talent acquisition. As discussed in Chapter 4, these patterns share several similarities with the theoretical patterns. However, the findings also present important differences, illustrating alternative views of government intervention. Hereafter, the four identified patterns will be summarized by: describing their meaning, illustrating their main similarities and differences with the theoretical patterns, and relating the patterns to the research questions. A greater in-depth examination of the observed pattern's meaning, examples from the examined cases, and relation to the reviewed literature is provided in the analysis and discussion of Chapter 4.

5.1.1. Summary of Findings

The first observed pattern argues that the examined MNCs' initial establishment and subsequent development in Singapore was driven by their experience and knowledge of the international marketplace. All the examined cases emphasized the importance of obtaining experience and knowledge of the market in their establishment process. Some firms followed a gradual establishment process, initially entering with a local partner and increasing their investments as they gained experience and knowledge of their customer base and position in

the Singaporean market. Other firms established with greater investments directly, such as a wholly owned subsidiary, by utilized either the firm's experience and knowledge from nearby markets or their employees previous experience and knowledge from working in Singapore. This pattern is entirely consistent with internationalization theory's central notion of knowledge as a catalyst for utilizing higher modes of commitment in internationalization decisions. Specifically, this pattern coincides with the Uppsala Model's notion of the internationalization process as contingent on knowledge as well as the entry mode literature's premise of less risk-averse firms choosing greater commitment in the choice of entry mode. Thus, the observed pattern of establishment driven by experience and knowledge relates to the first research question, as it demonstrates the foundation of the Swedish MNCs' internationalization process in Singapore. Furthermore, the pattern perfectly coincides with the propositions developed by internationalization literature.

The second observed pattern argues the Singaporean government's actions and mode of operating as facilitating MNCs' establishment and operations by creating a positive business environment. Specifically, the examined MNCs emphasized the government as creating such an environment through implementing favorable business policies, operating in close proximity with the business sector, and employing business professionals. Policies such as high reporting standards promotes a transparent and uncorrupt environment, whilst low corporate taxes compensate for the high operating costs. Furthermore, the examined firms highlighted the government's close cooperation with the business sector, joint formation of policies, and support for their industries. Lastly, a mutual understanding between the business and public sector was identified as many government officials stem from business backgrounds. Thus, these governmental actions were highlighted by the case firms as facilitating their establishment and operations by creating a conducive business environment. This pattern shares both similarities and differences with the theoretical propositions. Similarities can be identified by viewing the pattern through literature on risk management in the international business environment. It can be argued that the government's actions reduce risks and uncertainty for firms operating in the Singaporean market, which in turn creates a conducive business environment for their establishment and operations. The low taxation policy reduces economic risks by facilitating profitable establishment, whilst political risk is reduced by the transparency and stability of government policies. Furthermore, the joint formation of policies and cooperation with the business sector reduces uncertainty from unpredictable behavior by the government. However, this pattern of the government

facilitating establishment and operations by creating a positive business environment through various actions, strongly refutes literature on governmental intervention. This literature generally proposes a laissez-faire approach of government intervention in the business environment, arguing that greater government intervention constrains and discourages a firm's establishment and operations. Thus, the observed positive effects of Singapore's government active stance in the market strongly refutes the general viewpoint of literature on government intervention. The observed pattern of government facilitating establishment and operations thus relates to the first research question, as it demonstrates how the Singaporean government's intervention affects Swedish MNCs' internationalization process in Singapore. Specifically, this pattern illustrates one important finding of the study, the view government intervention as positive for Swedish MNCs' internationalization, rather than literature's general view of government intervention as a constraining factor.

The third observed pattern argues the Singaporean government as creating business opportunities for MNCs through their market involvement. The Singaporean government creates such opportunities for the examined firms through two roles. Firstly as a key customer themselves for the MNCs and as a legislator by intervening in the market to promote the adoption of the certain products. Specifically, several governmental organizations, such as Singapore Power and Singapore Bus Services, provide business opportunities as they are key customers of the Swedish MNCs. Furthermore, the Singaporean government's regulations and policies, such as the high emission standards, strict health standards, and green mark certification policies, creates new business opportunities by inducing the market to purchase products from Swedish MNCs, whose offering allows customers to comply with the government's legislations. This pattern of the government creating business opportunities strongly refutes the general propositions developed by literature, however some similarities can also be identified. All the examined firms emphasized the positive effects of the Singaporean government's market involvement, either as a customer themselves or through implementing regulations, thus creating new business opportunities. Further, some firms saw stricter future regulations as a business opportunity and one firm advocated for greater government involvement in certain areas. This observed positive notion of government market intervention on firms is greatly contrary to the literature on government intervention. This literature generally views government intervention as a constraining factor for MNCs' operations and argues for minimizing governmental intervention to allow the free market to determine firms' behavior. Thus, the observed pattern clearly contradicts these general

notions by the literature. However, some similarities can be identified with the few authors viewing government intervention as positive. The examined firms also emphasized the government as a customer, possible beneficial cooperation, and benefit of inducement aligned with the MNC's strategies as proposed by this literature. Thus, governments creating business opportunities therefore relates to the second research question, as it demonstrates how the Singaporean government's intervention affects Swedish MNCs' operations. Specifically, this pattern illustrates one important finding of the study, the view of government intervention as positive for Swedish MNCs' operations by creating business opportunities, rather than literature's general view of government intervention as a negative constraining factor.

The fourth observed pattern argues regulations as complicating talent acquisitions. Several of the examined firms emphasized the existence of foreign employment quotas as a complicating and constraining factor for acquiring talent, reflecting a protectionist view of the government. The studied firms highlighted the limited labor market for certain skills and complicated processes for obtaining foreign employment passes as constraining their ability to acquire talents with the necessary skills and experience. Furthermore, one firm noted the foreign employment quota as forcing them to employ less qualified local labor, rather than foreign labor, and train the locals to equip them with the necessary skills. This pattern has very clear similarities with the examined literature on government intervention, confirming the literature's general view of government intervention as a negative factor for MNCs' operations. The observed pattern highlights a clear example of the literature's argument of regulations as impacting the market's behavior, a strategic freedom limitation in resource deployment, and constraining MNCs' operations. Thus, regulations complicating talent acquisition relates to the second research question, as it demonstrates how the Singaporean government's intervention affects Swedish MNCs' operations. Specifically, this pattern illustrates a negative impact of the Singaporean government's intervention on Swedish MNCs' operations, confirming the general proposition developed by literature on government intervention.

5.1.2. Conclusion

This study set out to explore how the Singaporean government's intervention affects Swedish MNCs' internationalization process and operations in Singapore. Specifically, the aim was to investigate if government interventions is a constraining factor for MNCs' internationalization process and operations, as traditionally viewed by international business theory, or to what extent government intervention can provide opportunities for MNCs' internationalization process and operations. From the examined cases, four patterns were identified: establishment driven by experience and knowledge, government facilitating establishment and operations, government creating business opportunities, and regulations complicating talent acquisition. In general, the examined literature confirms the patterns identified in the study, however the findings also illustrate some important differences with the dominant view of literature.

In relation to the first research question, how does government intervention affect Swedish MNCs' internationalization process in Singapore, the first and second identified pattern illustrates both similarities and differences with existing literature. The first pattern presents the Swedish MNCs' internationalization process, confirming the propositions of the Uppsala Model, pointing to the rigidity of the model. However, the second pattern presents government intervention as facilitating the internationalization process, which is contrary to literature's general viewpoint of government intervention as a constraining factor.

In relation to the second research question, how does government intervention affect Swedish MNCs' operations in Singapore, the third and fourth identified pattern illustrates both similarities and differences with existing literature. The third pattern presents the government as creating business opportunities for MNCs, which is strongly contrary to literature's general view of government intervention as a constraining factor. On the other hand, the fourth pattern illustrates regulations as complicating talent acquisitions, confirming literature's general proposition of government intervention as constraining.

Thus, this study presents two findings in relation to the two research questions. Firstly, Swedish MNCs follow an internationalization process driven by experience and knowledge, where the Singaporean government's market interventions facilitate establishment and operations by creating a positive business environment. Secondly, the Singaporean

government's market interventions creates both opportunities and constraints for Swedish MNCs' operations, providing business opportunities as a customer and legislator in the market, as well as complicating talent acquisition by foreign employment quotas. Thus, this study concludes that the effect of the Singaporean government's intervention is multifaceted, impacting Swedish MNCs' internationalization process and operations in both positive and negative ways.

The finding of this research has thereby addressed the aim of exploring how the Singaporean government's intervention affects Swedish MNCs' internationalization process and operations in Singapore. Furthermore, our study addresses the majority of existing literature's tendency to overemphasize negative aspects of government intervention, by illustrating the multifaceted impacts of government intervention on MNCs' internationalization process and operations. Specifically, our findings highlight one negative impact, as traditionally adopted by literature, but more importantly shed light on the several positive impacts of government intervention on MNCs. To our knowledge, a very limited number of studies in international business illustrates such positive impacts of government intervention, and we hope our findings will contribute to research by indicating the need of theory to adopt a broader view of government intervention.

A possible explanation of the research findings may reside in the unique circumstances of Singapore. As noted in the introduction, although the nation has a strategic position in the region, it is limited in terms of land, natural resources, and market size which makes achieving sustained economic growth a significant challenge (Tan, 2016). The government has recognized this challenge and understands the possibility of addressing it by attracting FDI and MNCs to gain strategic resources and develop the economy (Swee, 2014; eds. Wong & Ng, 2011). In other words, the Singaporean government understands the nation's limited economic potential from a natural resource and size perspective and recognizes the nation's need for MNCs to establish in Singapore to achieve economic prosperity. One can therefore argue that due to Singapore's resource limitations, a favorable business environment is of great importance for MNCs to establish themselves in Singapore. As the Singaporean government is an important factor in this environment, they intervene in the market through various policies, rules, and regulations to create a favorable business environment for MNCs. Thus, the government's actions clearly display their positive stance towards MNCs, who in turn establish in the nation due to the attractive environment. The MNCs do not view the

government intervention as a constraining factor since the MNCs know the government allows them to pursue their self-interest as establishing and operating in Singapore is crucial for the country's prosperity. Shortly summarized, the government and MNCs share a mutual interest as the MNCs' success is the nation's success for the development of the economy.

5.2. Research Limitations

This research has several limitations which need to be stated in order to address the generalization of the presented findings. Numerous limitations stem from utilizing a qualitative multiple-case study to collect and analyze the data. Firstly, although the case selection strategy did not aim to generate a representative sample, but rather select a number of purposeful cases manageable with reference to our time constraints, a limitation lies in the number of case firms. Since only six case companies were interviewed, the findings are therefore highly dependent on these MNCs' experiences and opinions and only applicable to those specific companies. Secondly, it must be noted that the sample is biased as two companies are heavy vehicle manufacturers and two other companies are medical equipment firms, in the total sample of six firms. The findings might therefore be skewed by industry specific factors. Thirdly, since only a single representative was interviewed at each firm, bias exists as their personal experiences and opinions might not be representative of the entire firm. Additionally, the unavoidable biases that resulted due to the selection of an open approach to collect our empirical evidence are also acknowledged. All the interviewees did not provide as thoroughly explained motivations for their answers as intended. Thus, important considerations, such as other government interventions or factors affecting the studied MNCs, might have been neglected in the data collection process. Fourthly, the utilization of a theoretical framework with selected theories to guide the data collection and analysis process may have ignored important aspects of the studied subject. Furthermore, although the applicability of the utilized theories towards the contemporary issue may be questions, as many of the theories originate from early research on international business, these theories are well-known and widely accepted within the research field. Fifthly, due to the qualitative nature of the research, the findings are highly dependent on the interviewees and authors' subjective understanding of the studied subject. Although we tried to refrain from subjectively interpreting our data by utilizing a recognized analytical process, examining the data from several viewpoints, subjective influences are inevitable due to

human nature. Lastly, the identified effects of Singapore's government intervention have to be cautiously considered, as each case firm and circumstance of the government's market involvement is unique. Recognizing the limitations of the study, we are therefore aware that our findings are not generalizable to all MNCs. Moreover, the findings are only applicable to the specific studied Swedish MNCs, operating in the context of Singapore, experiencing the previous and current government interventions identified in the study. Thus, the findings are not applicable to other forms of government intervention, in other national markets, to other Swedish MNCs, or to MNCs from other nations operating in Singapore.

5.3. Theoretical and Practical Implications

Admitting to the limitations of the research and generalizability of the findings, this thesis presents both theoretical implications and contributions as well as practical implications and contributions.

Regarding the theoretical aspects, the findings of this research presents several implications and contributions. Firstly, this study reinforces the long standing propositions of the Uppsala Model by illustrating its relevance in a contemporary setting. Specifically, the observed pattern highlights the model's notion of knowledge at the center of the internationalization process, pointing to its rigidity in research. Furthermore, the findings indicate the general ability of the theoretical framework to provide satisfying explanations of the observed patterns. Similarities to existing theories could be identified in all patterns, although some of theories related to the patterns only constitute a minor viewpoint of the research area which the theories belong to. Thus, the findings do not require constructing a new theoretical framework or adapting the employed framework, contributing to the relevance of the theories in a contemporary setting. However, the findings do contribute to expanding the general theoretical viewpoint of government intervention. Our study illustrates the multifaceted nature of government interventions' effect on MNCs by emphasizing both its negative and positive aspects. We therefore believe our study contributes to theory by addressing existing literature's tendency to overemphasize negative aspects of government intervention. Our hope is that the findings of this study will shed light on the positive impacts of government intervention, contributing to the development of research on government intervention by indicating the need to adopt a broader view of government intervention,

From a managerial perspective, this study provides several applicable implications and contributions of high relevance to decisions and considerations in international businesses. Firstly, the findings illustrate both positive and negative effects of Singapore's government intervention on MNCs, which is of direct relevance both to present and prospective companies in Singapore. Developing a greater understanding of the possible implications a government can have on business is central to succeed in a foreign market. Secondly, the study highlights the business opportunities which the Singaporean government creates by supporting certain industries and promoting the market to adopt certain products. Thus, belonging to such a supported industry or supplying the products promoted by the government, can create new revenue streams and barriers to competitors, which can build long-term sustainable business. Lastly, the findings illustrate the importance for an MNC to interact with the Singaporean government and to be recognized as a key player in their industry. Managers at such MNCs should therefore identify how their products and services can align with the strategic initiatives taken by the Singaporean government and create a plan to ensure a sustainable strategic relation with the government.

5.4. Future Research Recommendations

Acknowledging the presented limitations of this thesis, future research may further investigate how government intervention affects MNCs' internationalization process and operations, in various ways. Firstly, as this research only studied six case companies with one representative from each, future research could utilize a larger sample in regard to both companies and representatives to broaden the understanding and applicability of the findings. Secondly, as there are many other MNCs from various countries of origin in Singapore, future research could either address the subject for MNCs from another country or the general perspective of MNCs from various countries operating in Singapore. The former could point to important factors due to the MNC's country of origin whilst the latter could produce a comprehensive understanding of the Singaporean government's interventions impact on MNCs. Thirdly, it would be of great insight to study how MNCs adapt to the constraining elements and utilize the enabling opportunities of the Singaporean government's intervention. Such a study would be especially interesting to conduct in a single industry as it would focus on firm specific responses. Lastly, future research could study the effect of

government intervention on MNCs in other nations, as the governmental actions and market context varies greatly between nations.

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Appendix A – Case Interview Questions

1. What is your position at the company and for how long have you held this position?
 - What are your responsibilities and tasks in Singapore?
 - What is your previous international experience?
2. Briefly explain about the company and its history
 - How do you normally enter a new market?
 - Do you have any standard procedures or guidelines that you follow when entering a market?
3. How long has the company been active in Singapore and what type of operations do you conduct in Singapore?
4. To your knowledge, what was the motivation for entering Singapore and how did the company initially enter (export, JV, FDI)? Why?
5. How has the company developed/changed their operations in Singapore over the years? Why?
6. Are there any government regulations or policies that negatively impact your operations and commitment in Singapore?
7. Are there any government regulations or policies that positively impact your operations and commitment in Singapore?
8. What are the greatest risks with operating in Singapore?
9. What are the greatest challenges with operating in Singapore?
10. What is your general opinion of Singapore's business environment?

11. What do you think about Singapore's government involvement (e.g. policies, laws, regulations, investments) in the business environment?
 - What benefits do you see from Singapore's government market intervention?
 - What disadvantages do you see from Singapore's government market intervention?

12. Do you believe a more passive approach, with less market involvement from the government would be beneficial towards your business? Why?

13. Has your company utilized any incentives, subsidies or grants from the government?
 - How have these have affected your operations and investments?

14. Do you engage in any partnership or supply any products to government related enterprises or institutions (e.g. universities, investment funds)?
 - How have these affected the development of your operations and investments?

15. How do you believe your operations and investments in Singapore will develop in the future? Why?

Appendix B – Interview Representatives

Pilot Interview:

Stjernström, Ida; Strategy Consultant, Business Sweden Singapore

Case Company Interviews:

Nilsson, Mats; Regional Director APAC, Volvo Buses Singapore

Liss, Anders; Country Manager Singapore, Scania Singapore

Lindholm, Lars-Erik; Vice President and Chief Marketing Officer, BBD Ozonator

Soprano, Anthony; Vice President Singapore, Barone Air Filtration Systems Singapore
(fictional)

Man, Piera; Head of Government Relations and Public Affairs South-East Asia, ABB
Singapore

Johansson, Teodor; Managing Director South-East Asia, Getinge Group AB Singapore