



Kent Academic Repository

Torres, Miguel Matos (2026) *Inheritance activation in post-colonial entry: A two-topology framework*. Strategic Business Research, 2 (1). ISSN 3051-0643.

Downloaded from

<https://kar.kent.ac.uk/116032/> The University of Kent's Academic Repository KAR

The version of record is available from

<https://doi.org/10.1016/j.sbr.2026.100210>

This document version

Author's Accepted Manuscript

DOI for this version

Licence for this version

CC BY (Attribution)

Additional information

For the purpose of open access, the author(s) has applied a Creative Commons Attribution (CC BY) licence to any Author Accepted Manuscript version arising.

Versions of research works

Versions of Record

If this version is the version of record, it is the same as the published version available on the publisher's web site. Cite as the published version.

Author Accepted Manuscripts

If this document is identified as the Author Accepted Manuscript it is the version after peer review but before type setting, copy editing or publisher branding. Cite as Surname, Initial. (Year) 'Title of article'. To be published in **Title of Journal**, Volume and issue numbers [peer-reviewed accepted version]. Available at: DOI or URL (Accessed: date).

Enquiries

If you have questions about this document contact ResearchSupport@kent.ac.uk. Please include the URL of the record in KAR. If you believe that your, or a third party's rights have been compromised through this document please see our [Take Down policy](https://www.kent.ac.uk/guides/kar-the-kent-academic-repository#policies) (available from <https://www.kent.ac.uk/guides/kar-the-kent-academic-repository#policies>).

Inheritance Activation in Post-Colonial Entry: A Two-Topology Framework

Abstract

Cross-border firm behaviour within post-colonial communities of states, e.g. the Commonwealth, the Community of Portuguese Language Countries (CPLP), the Organisation internationale de la Francophonie, the Iberoamerican Conference, exhibits a convergent anomaly: psychic-distance variables lose predictive power, country-risk classifications fail to discriminate, and firm-level capabilities matter more, not less, where home and host share a colonial history. We develop a community-level theoretical framework that explains this configuration. We theorise at the meso level, separately from the inherited content addressed by the legal origins and comparative colonial development literatures. Nine propositions follow on entry mode, partner choice, location, performance, and transition paths; the eighth specifies a multiplicative CCIA $\times$ LCIA interaction, derived from a real-options micro-foundation and empirically distinguishable from a sum of main effects. We illustrate the framework using the contemporary CPLP and the Singapore–UK Commonwealth corridor, and outline an empirical roadmap that exploits within-community variation. The framework gives international business a meso-level construct between dyadic distance and world-system aggregates.

Keywords: Institutional theory; entry mode; emerging markets; psychic distance; post-colonial communities; meso-level analysis.

1. Introduction

Three established traditions in international business — psychic distance, country risk, and the institution-based view — predict patterns of cross-border firm behaviour that fail to materialise in the same direction and in the same dyads where home and host states share a colonial relationship. We argue that these failures are not three independent puzzles but a single configuration with a single explanation. Post-colonial communities of states mobilise the institutional inheritance of empire along two analytically distinct topologies, and the joint level of these activations produces firm-level outcomes that no dyadic distance measure can recover. Centre Colonial Inheritance Activation (CCIA) is the radial mobilisation of regulatory, relational, and cognitive content from the former metropolis to its successor states. Lateral Colonial Inheritance Activation (LCIA) is the mobilisation of the same content among successor states without metropolitan routing. Both are properties of the multilateral community in which dyads are embedded, not of the dyads themselves; both are scaled and time-varying, and their interaction generates a multiplicative effect on firm behaviour that neither construct alone predicts. We respond to standing calls (Cantwell, Dunning, & Lundan, 2010; Meyer, Mudambi, & Narula, 2011; Peterson, Arregle, & Martin, 2012) for meso-level constructs that sit between the dyadic distance variable and world-system aggregates.

The framework makes three contributions. First, it relocates the unit of theorising from the dyad to the community. Psychic distance (Beugelsdijk, Ambos, & Nell, 2018; Dow & Karunaratna, 2006), institutional distance (Berry, Guillén, & Zhou, 2010; Kostova, Beugelsdijk, Scott, Kunst, Chua, & van Essen, 2020), and the historical-ties literature (Head, Mayer, & Ries, 2010; Makino & Tsang, 2011) operate at the dyadic level; we operate at the level of the multilateral post-colonial association in which the dyad is embedded, capturing effects that are not properties of any dyad in isolation. Second, the framework separates activation from inheritance content. The legal-origins programme (La Porta, Lopez-de-Silanes, & Shleifer, 2008), the comparative-colonial-development literature (Acemoglu, Johnson, & Robinson, 2001; Lange, Mahoney, & vom Hau, 2006), and the comparative-capitalism tradition (Jackson & Deeg, 2008; Whitley, 1999) theorise the content installed during the colonial period and its persistence; we, instead, theorise how much of that content is currently being mobilised, and through which channels. Third, the framework yields an empirical contribution beyond its theoretical relocation: it makes visible a class of contemporary cross-border firm behaviour — peer-state corridors operating without

metropolitan mediation — that gravity-equation specifications with colonial-ties dummies systematically misclassify as bilateral metropolis effects. The framework's most distinctive testable claim is the multiplicative interaction $CCIA \times LCIA$; its absence would falsify the joint-mechanism account while leaving the main-effect propositions intact.

The purpose of this paper is to develop, and to theoretically substantiate, a community-level account of how the “institutional inheritance of empire” is currently mobilised, and to specify how that mobilisation shapes firm-level cross-border behaviour within post-colonial communities. Three research questions follow. First, along which channels, and to what degree, is colonial-era institutional inheritance currently being mobilised within a post-colonial community — radially from the former centre, laterally among successor states, or both (RQ1)? Second, how does the joint level of these two activations shape firm-level entry mode, partner and location choice, performance, and subsidiary survival (RQ2)? Third, does the interaction of the two activations generate firm-level outcomes beyond the sum of their separate effects, and how can that interaction be distinguished empirically from additive and from rival explanations (RQ3)? Post-colonial communities are a revealing setting for these questions for two reasons. Analytically, they hold inherited institutional content approximately fixed within a community, while activation varies across communities and over time, thereby isolating the activation mechanism from the content that the legal-origins and comparative-colonial-development literatures already theorise. Substantively, intra-community and South–South corporate activity within these communities has grown into a large and economically consequential share of contemporary cross-border investment, so the behaviour the framework addresses is neither marginal nor merely historical.

The framework is motivated by, and disciplined by, two contemporary illustrations that bracket the empirical phenomenon. The first is the May 2024 Declaration of Partnership between the Portuguese investment-promotion agency AICEP and Angola's investment agency AIPEX, signed in Lisbon on 27 May 2024 and supported by the EU–Angola Dialogue Facility. Under the partnership, AIPEX technicians and managers received online training from the AICEP Academy, the two agencies jointly produced a study comparing Portuguese and Angolan experiences in export promotion and investment attraction, and AICEP supplied the template for a good-practice guide to business missions (AICEP, 2024). The bilateral relationship was extended in July 2025 with eleven further agreements, including joint

AICEP–AIPEX–Porto Business School initiatives (Ecofin Agency, 2025): a clean illustration of high CCIA — sustained metropolitan-anchored capacity-building, with the metropolis institution serving as the upstream node from which administrative templates flow toward the successor state. The second is Nigeria's Access Bank acquiring National Bank of Kenya from KCB Group, with the binding offer signed in March 2024 and regulatory completion announced on 30 May 2025, following the Central Bank of Kenya's approval (Access Bank, 2025; Central Bank of Kenya, 2025). The transaction is valued at approximately USD 109.6 million, with payment secured pending unconditional regulatory closure through a guarantee agreement provided by the African Export–Import Bank, a Cairo-headquartered peer-state institution. The deal involves a Nigerian acquirer, a Kenyan target, the institutional ties of common-law banking inheritance and COMESA regulatory coordination, and a transaction whose advisers, financing infrastructure (with Afreximbank rather than London-based guarantors), and post-acquisition integration logic operate within the African continent without transiting London: a clean illustration of high LCIA.

The paper proceeds as follows. Section 2 develops the convergent anomaly across the three theoretical traditions and positions the framework in relation to four adjacent constructs. Section 3 introduces CCIA and LCIA in parallel, defines three sub-dimensions of each, presents the operational indicators for each, and clarifies the activation–content distinction. Section 4 develops the activation typology, treating CCIA and LCIA as the two axes of a 3×3 space and locating prominent post-colonial communities and dyads within it. Section 5 derives nine propositions on entry mode, partner choice, location, performance, and transition paths through intermediate cells; the eighth formalises the multiplicative interaction. Section 6 discusses contributions, boundary conditions, limitations, and policy implications and outlines an empirical roadmap. Section 7 concludes.

2. The Convergent Anomaly and Positioning Against Adjacent Constructs

2.1 The convergent anomaly

The empirical pattern that motivates our framework is a convergent anomaly across three established theoretical traditions in international business: not three separate puzzles, but a single configuration in which all three sets of predictions fail in the same dyads. The move from registering anomalies in fragments to theorising them jointly is a recognised aim in international business — Zaheer, Schomaker, and Nachum (2012) make a similar move with

respect to multiple distance constructs, arguing that disparate critiques of cultural, psychic, and institutional distance share a common underlying flaw rather than reflecting separate problems, and Beugelsdijk, Ambos, and Nell (2018) identify recurring questions across distance traditions that admit joint rather than separate treatment. Each of the three traditions we address has registered a fragment of the post-colonial anomaly; none has theorised the joint pattern.

The first weakening concerns psychic distance. The Dow and Karunaratna (2006) instrument, the most widely used operationalisation, captures perceived differences in language, religion, education, industrial development, and political systems. Its predictive power for entry mode and entry sequencing has survived two decades of validation across diverse empirical settings (Beugelsdijk et al., 2018). In dyads with colonial ties, however, the standard variables lose significance or reverse in sign. Brewer (2007), refining the operationalisation of psychic distance, finds that shared historical and colonial ties compress managers' perceived distance to such markets — a result consistent with the instrument, yet one that points to inherited institutional content the instrument does not separately register; and Sousa and Bradley (2006) show that cultural and psychic distance, often treated as interchangeable, can diverge in ways the standard instrument does not capture. Ojala (2015) finds that the standard psychic-distance variables fail to predict the pace and mode of internationalisation in Lusophone dyads. Torres, Figueira de Lemos, and Fidas (2012), examining Portuguese firms entering Angola, Brazil, and Mozambique, attribute the failure to a feature the instrument does not capture: the residue of shared institutional content that operates orthogonally to perceived difference. Two states with very different levels of economic development can be physically close because they share a colonial-era legal system, a language of commerce, an accounting tradition, and an elite educational pipeline (Torres et al., 2012).

The second weakening concerns country risk. Henisz (2000) and the broader political-hazard programme (Click & Weiner, 2010; Holburn & Zelner, 2010) propose that the institutional volatility of the host state is the binding constraint on entry mode: high-risk hosts attract less FDI, and what FDI they attract is structured to preserve exit options. The post-colonial pattern departs from this prediction in two ways. First, standard country-risk classifications fail to discriminate among former colonies in ways that align with observed entry behaviour. Angola, classified throughout the 1990s and 2000s as a high-risk

environment, attracted Portuguese and Brazilian FDI at rates and through modes that the classification could not predict (Torres et al., 2012). Second, when entry modes are observed, the standard prediction that high-risk hosts induce low-commitment modes does not hold for colonial dyads: Portuguese and Brazilian acquirers in Lusophone Africa systematically use higher-commitment modes than country-risk classifications would predict (Cuervo-Cazurra, 2008; Cuervo-Cazurra & Genc, 2008). French firms in former African colonies exhibit a parallel pattern (Lavallée & Lochar, 2019); Spanish firms in Latin America again exhibit higher-commitment modes than would be predicted by Latin American country-risk profiles (Casanova, 2009; Cuervo-Cazurra, 2007).

The third weakening concerns institutional voids and capabilities. The institution-based view (Khanna & Yafeh, 2007; Meyer, Estrin, Bhaumik, & Peng, 2009; Peng, Wang, & Jiang, 2008) argues that institutional voids in the host country shift the relative value of internal organisational capabilities. Where institutional infrastructure is thin, vertical integration substitutes for missing markets; where it is thick, firms can rely on external partners. The post-colonial dyad inverts the prediction. When acquirers and targets share a post-colonial institutional inheritance, the absolute level of institutional voids in the host matters less than the firm's idiosyncratic capability to operate within the inherited template. Cuervo-Cazurra and Genc (2008) show that developing-country MNEs entering least-developed countries with shared institutional inheritance compete on capabilities that developed-country MNEs lack and that institutional-voids theory does not anticipate. Holburn and Zelner (2010) show that political capabilities developed in one weak-institution environment transfer across institutionally similar environments — a pattern most pronounced where colonial inheritance underlies the institutional similarity. Firm-level capability variables become primary predictors precisely where, on the institutional-voids account, they should recede.

These three weakenings are a single configuration. A convergent anomaly in which psychic-distance variables lose significance, country risk fails to predict mode, and capabilities matter more than institutional context, all simultaneously, in dyads where home and host share a colonial relationship. Each tradition can absorb a single such finding by adding a colonial-ties dummy variable; the combined pattern, in which all three predictions weaken simultaneously and in the same dyads, has not been jointly theorised. The framework we develop is designed to explain this configuration as a whole rather than each weakening in isolation. Read together rather than in isolation, the evidence assembled above — the

attenuation of psychic-distance predictors (Ojala, 2015; Torres et al., 2012), the failure of country-risk classifications to discriminate among former colonies in line with observed entry behaviour (Cuervo-Cazurra, 2008; Cuervo-Cazurra & Genc, 2008; Lavallée & Lochard, 2019), and the elevation of firm capabilities to primary predictors where institutional-voids theory anticipates their recession (Cuervo-Cazurra & Genc, 2008; Holburn & Zelner, 2010) — recurs across Lusophone, Hispanophone, Francophone, and Commonwealth dyads with sufficient regularity that we treat the convergent anomaly as an established empirical pattern to be explained rather than a conjecture to be assumed.

2.2 Positioning against four adjacent constructs

Before developing the framework, we position it relative to four adjacent constructs that might appear to perform similar work. The first is psychic distance (Beugelsdijk et al., 2018; Dow & Karunaratna, 2006). Psychic distance is symmetric and dyadic, and it measures perceived differences without theorising the channel through which institutional content flows or the direction of that flow. CCIA and LCIA are asymmetric (radial versus lateral), community-level rather than dyadic, and address content activation rather than perception of difference. The two constructs are not in competition; psychic distance addresses what the manager perceives, and our framework addresses what the post-colonial community currently mobilises.

The second is institutional distance (Berry et al., 2010; Kostova, 1999; Kostova et al., 2020). Institutional distance develops multidimensional measures of differences between home and host country institutions. Like psychic distance, it is symmetric and dyadic. It measures the level of difference, not the activation of channels through which content moves between institutions. Two countries can be institutionally distant on Berry et al.'s indices and yet share an active inheritance channel along which content flows in a particular direction. Our framework addresses the channel and its directionality.

The third is colonial ties as treated in the trade-and-FDI gravity literature (Head et al., 2010; Lavallée & Lochard, 2019; Makino & Tsang, 2011). This treatment establishes that ties matter and that they decay, but it does not decompose ties into directional components or distinguish content from activation. A single coefficient on a colonial-ties dummy in a gravity equation cannot recover the joint variation of CCIA and LCIA, because both variations register as a positive coefficient.

The fourth is network embeddedness in the multinational corporation (Andersson, Forsgren, & Holm, 2002; Meyer et al., 2011). The unit of theorising is the firm and its embedment, not the institutional community that surrounds the firm. CCIA and LCIA are properties of the community in which firms are embedded, not properties of any individual firm's network position. The two levels of analysis are complementary: a firm's embedment within a high-CCIA community may have firm-level network consequences that the embedded-MNC literature can capture, but the community-level activation that produces those consequences is the object of our theorising. The boundary is not merely terminological or a matter of labelling the same effect at a different level. CCIA and LCIA are scored on community-level aggregates — the share of intra-community transactions that bypass the metropolis, the market penetration of peer-state professional-service firms, the direction of credential-recognition flows — and not on any firm's tie portfolio, so the two can move independently of a firm's embeddedness. A densely embedded firm can sit in a low-LCIA community whose peer-state infrastructure has not yet formed, and a sparsely embedded entrant can operate in a high-LCIA community on infrastructure it did not build itself. The constructs are therefore not reducible to institutional-embeddedness or network-position measures aggregated upward: activation is a property of the channel, embeddedness a property of the actor, and the framework predicts firm behaviour from the former while treating the latter as a firm-level moderator (Propositions 5 and 6).

3. Centre and Lateral Colonial Inheritance Activation

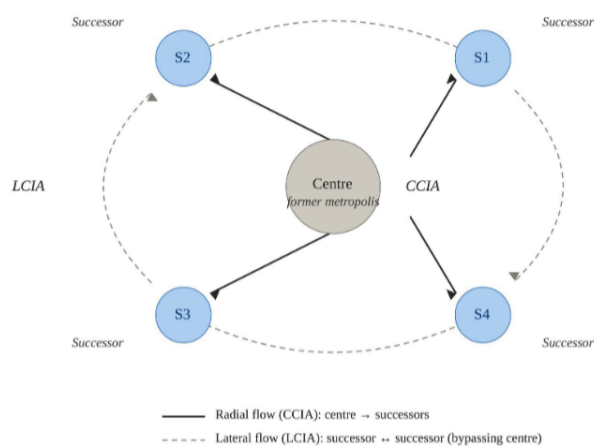
3.1 Two community-level constructs in parallel

We define two community-level constructs that capture two distinct activation patterns of the same underlying colonial-era institutional-inheritance content. Centre Colonial Inheritance Activation (CCIA) is the degree to which colonial-era institutional inheritance — regulatory, relational, and cognitive — is mobilised in flows from the former imperial centre toward its successor states. Lateral Colonial Inheritance Activation (LCIA) is the degree to which the same kinds of inheritance content are mobilised in flows among the successor states without routing through the former centre. Both constructs are properties of the post-colonial community as a whole and operate at a level above the firm, the dyad, and the individual successor state. Both are scaled, not binary; both vary over time; and both can, in principle,

take any value between zero (the inheritance content exists but is not currently being activated through this channel) and a saturated maximum (the channel is operating at the full capacity of the inheritance content available).

Three features of this construction matter for what follows. First, both constructs measure activation rather than content; in a sense, we make this precise in subsection 3.4. The volume and character of inheritance content installed during the colonial period — the legal system imposed, the educational pipelines created, the languages of administration adopted, the institutional templates exported — are taken as given. The framework asks how much of that content is currently being mobilised, and along which channels. Second, both constructs are directional. CCIA is the radial flow from the centre toward the periphery; LCIA is the lateral flow among the peripheries. The same content — say, the Portuguese commercial code — can be activated in either direction or in both, and activation in one direction does not imply activation in the other. Third, both constructs are at the community level. They are not measured at the firm, dyad, or country level, but at the level of the multilateral post-colonial association of which the centre and the peripheries are members (Figure 1).

Figure 1: A Two-Topology of Post-Colonial Inheritance Activation



Source: Authors

3.2 Sub-dimensions of CCIA

CCIA decomposes into three sub-dimensions corresponding to the three kinds of content most consistently transmitted by the colonial period. The first is regulatory: legal codes,

administrative procedures, accounting and audit standards, and professional credentialling regimes that the colonial administration installed in successor states. CCIA is high on the regulatory dimension when these elements are actively maintained, updated, and harmonised through ongoing centre-to-periphery transmission. Indicators include centre-anchored mutual recognition of qualifications; centre-domiciled audit and legal firms operating as default counterparties for cross-border transactions in successor states; maintenance of common-law or civil-law traditions; and continued use of metropolis-issued professional certifications by successor-state professionals.

The second sub-dimension is relational: dense bilateral diplomatic, consular, business, and educational ties between the former centre and each successor. CCIA is high on the relational dimension when these ties are actively maintained and used — when consular networks process large flows, when bilateral chambers of commerce host frequent transactions, when scholarship programmes circulate students from the periphery to the centre, and when migration corridors between the centre and successor states carry significant traffic.

The third sub-dimension is cognitive: the persistence of shared interpretive schemes, business norms, and templates of organisational practice that link centre and successors through ongoing intellectual circulation. CCIA is high on the cognitive dimension when the same management ideas, organisational templates, and professional discourses circulate between metropolis and successors through journals, professional associations, conferences, and elite educational institutions, with the metropolis as the upstream node.

These three sub-dimensions are conceptually distinct but empirically correlated within communities. Their joint level constitutes CCIA. A community with high regulatory and relational CCIA but low cognitive CCIA — formal harmonisation in place but no living circulation of ideas — is theoretically possible but empirically rare; most communities high on one CCIA sub-dimension are also high, to varying degrees, on the others.

3.3 Sub-dimensions of LCIA

LCIA decomposes into three structurally parallel sub-dimensions, each capturing the lateral flow of the content type that the corresponding CCIA sub-dimension captures radially. The first is lateral economic flow: the degree to which trade, investment, and corporate activity move directly between successor states without transiting through the former centre. LCIA is

high on this dimension when intra-community trade and FDI volumes that bypass the metropolis grow as a share of total community-related flows, when multinational firms domiciled in successor states establish subsidiaries in other successor states without routing through the metropolis, and when peer-state cross-listings emerge alongside or in place of metropolis listings (Goldstein, 2007; Ramamurti & Singh, 2009).

The second sub-dimension is lateral institutional substitution: the degree to which firms in successor states draw on peer-state institutional infrastructure rather than centre-state infrastructure for the contracting, financing, and credentialling functions that bridge cross-border transactions. LCIA is high on this dimension when peer-state audit firms, law firms, banks, and consultancies displace metropolis firms as default service providers for intra-community transactions; when peer-state professional certifications are recognised within the community without routing through the metropolis; and when peer-state stock exchanges and financial centres emerge as alternatives to the metropolis exchange for intra-community capital raising.

The third sub-dimension is lateral cognitive transmission: the degree to which managerial ideas, organisational templates, and business norms circulate among successor states without metropolitan endorsement or mediation. LCIA is high on this dimension when peer-state firms supply organisational templates to firms in other successor states; when peer-state business schools, professional associations, and conferences become hubs of community-wide intellectual circulation; and when shared discourse about successful business practice within the community references peer-state exemplars rather than metropolis exemplars (Cuervo-Cazurra & Ramamurti, 2014). Table 1 summarises these six sub-dimensions and their indicators.

Table 1. Sub-dimensions of CCIA and LCIA, with operational indicators

Sub-dimension	Definition	Operational indicators
CCIA — regulatory	Centre-to-periphery flow of legal, administrative, and credentialling content.	Mutual qualification recognition with metropolis; metropolis audit/legal firms as default counterparties; common-law/civil-law tradition maintenance; share of metropolis-issued certifications held by periphery professionals.
CCIA — relational	Bilateral centre-periphery diplomatic, business, educational, and migration ties actively in use.	Consular volume; bilateral chamber-of-commerce transactions; scholarship volumes; share of periphery elite trained in metropolis.
CCIA — cognitive	Centre-to-periphery flow of interpretive schemes, business norms, and organisational templates.	Citation flows in management/law journals; language of professional discourse; prevalence of metropolis-trained managers in periphery elites; metropolis-origin organisational templates in periphery firms.
LCIA — economic flow	Direct intra-community trade and investment that bypasses the metropolis.	Intra-community trade and FDI excluding metropolis; geography of multinational expansion within community; peer-state cross-listings.
LCIA — institutional substitution	Peer-state institutions displacing centre institutions for community-internal services.	Market share of peer-state audit/legal/consulting firms; peer-state professional recognition agreements; peer-state exchanges and financial centres serving community-internal capital raising.
LCIA — cognitive transmission	Peer-to-peer flow of managerial ideas and organisational templates without metropolitan mediation.	Periphery managers trained at peer-state rather than metropolis institutions; peer-state business school citation density; geography of managerial careers within the community; peer-state-origin templates in other periphery firms.

Source: Authors

3.4 Activation versus content: a clarifying distinction

The framework's most important conceptual move is the separation of activation from content. Three adjacent literatures address content. The legal-origins programme (La Porta et al., 2008) treats the colonial origin of a country's legal system as a deep determinant of contemporary institutions and economic outcomes. The comparative-colonial-development literature (Acemoglu et al., 2001; Lange et al., 2006) traces how the form of colonial rule (extractive versus settler, direct versus indirect) installed institutional content with long-run consequences. The Whitley (1999) and Jackson and Deeg (2008) traditions treat a country's institutional inheritance as a coherent system that conditions contemporary firm behaviour. All three programmes take as their object the content of the inheritance: what was installed, how it has persisted, what its current form is.

The framework we develop takes inheritance content as exogenously given by these literatures and asks a different question: of the content that has been installed, how much is currently being mobilised in flows from the metropolis (CCIA) and between successor states (LCIA)? Content is the stock; activation is the flow currently moving through that stock. A

community can have rich content but low activation along these channels — the material is present but inert, not currently moving through the community's institutional fabric. Conversely, a community with thinner content can score highly on activation if the available content is used intensively. This stock-and-flow distinction parallels Kostova, Roth, and Dacin's (2008) call to move from static institutional-distance measures to dynamic, process-oriented institutional theorising and extends it to the community level.

The indicators in Table 1 measure activation directly — they capture flows currently in motion — and rely on the legal-origins, comparative-colonial-development, and comparative-capitalism literatures for content as an exogenous parameter. A community whose content is thin will, in expectation, exhibit lower activation simply because there is less to activate; but the activation level is not implied by the content level, and two communities with similar content can exhibit very different activation patterns.

Two empirical comparisons make this concrete. First, the Lusophone (*Lusofonia*) (CPLP) and Hispanophone (*Hispanidad*) (Iberoamerican) communities have similar legal-origins profiles (Iberian civil-law tradition), similar colonial histories (extended Iberian rule, late decolonisation, mixed extractive-and-settler institutional installations), and similar inherited content. Yet they differ markedly in CCIA and LCIA. The Lusophone community has, since the late 1990s, experienced rising LCIA driven by Brazilian outward FDI into Lusophone Africa: Brazilian audit firms, banks, and consultancies operate in Angola and Mozambique without routing through Lisbon, Brazilian managers run subsidiaries with no Lisbon stop on their CVs, and Brazilian commercial templates diffuse through the CPLP without Portuguese mediation. The Hispanophone community's LCIA between the early 2000s and the late 2010s has been comparatively muted relative to its substantial inheritance content: Latin American firms have internationalised across Latin America, but to a lesser extent through institutional infrastructure that bypasses Madrid (Casanova, 2009; Cuervo-Cazurra, 2007). The legal-origins and comparative-colonial-development variables would not capture this divergence; the activation framework does. Second, Singapore and Hong Kong inherit similar content from British administration — common-law legal tradition, English-language commercial environment, financial-centre infrastructure, mutual professional recognition arrangements — yet exhibit divergent activation patterns. Singapore is in cell IV of the typology developed in Section 4, with both CCIA and LCIA active at scale; Hong Kong, post-1997 and especially post-2020, has shifted progressively toward higher activation with

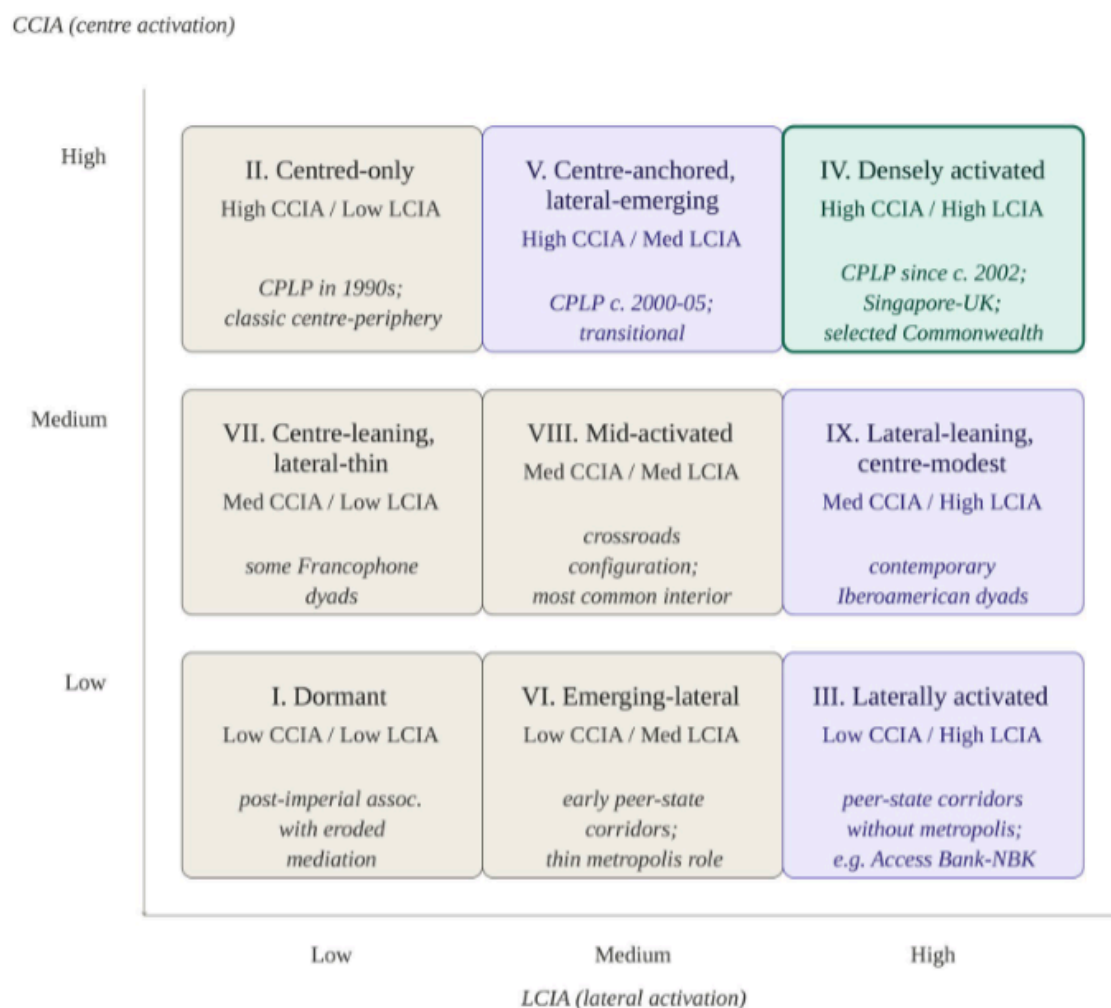
mainland China and lower LCIA with Commonwealth states. Two communities with similar content but divergent activation: the framework identifies a difference that the content literature cannot.

Section 6.4 specifies the data sources and identification strategies through which CCIA and LCIA can be operationalised. We note here only that the methodological lessons from the Berry et al. (2010) cross-national distance instrument and the Dow and Karunaratna (2006) psychic-distance instrument — the importance of indicator coverage, the sensitivity of conclusions to weighting, the value of confirmatory factor analysis on within-community indicator covariances — carry over directly. Operationalisation choices, including aggregation rules, indicator weighting, and the multilevel transition between community-level constructs and firm-level outcome variables (Peterson et al., 2012), are detailed in the Online Appendix A.

4. An Activation Typology of Post-Colonial Communities

Treating CCIA and LCIA as two ordered axes generates a 3×3 typology of post-colonial communities (Figure 2). Each axis is partitioned into three intervals — low, medium, and high — and the cross-classification yields nine cells with qualitatively different activation configurations. The cells should be read as positions in a continuous space rather than discrete categories; the partition into nine is an analytical convenience rather than a claim about discrete equilibria. This typology serves two purposes: it gives separate names to the intermediate cells that empirical work most often encounters, and the medium row and medium column distinguish two routes by which a community can transition between corner configurations.

Figure 2. Typology of post-colonial communities



Source: Authors

Cell I (low CCIA, low LCIA) corresponds to the dormant configuration: the inheritance content was installed, but neither the radial nor the lateral channel is currently active. The community persists as a shared linguistic or cultural reference but generates limited cross-border firm behaviour distinguishable from that of non-post-colonial dyads. Two prominent cases approach this configuration. The French Community (*Communauté française*), established in 1958 to maintain coordinated relations between France and its African successor states, ceased to function within two years of its creation, was a formal husk for the next three decades, and was abolished in 1995 (Chafer, 2002). The accelerated French troop withdrawals from Sahelian states between 2022 and 2025 mark the erosion of the residual security infrastructure that had been one of the last operational radial channels. The Netherlands-Indonesia Union (*Nederlands-Indonesische Unie*), established by the Hague

Round Table Agreement of 1949 with Queen Juliana as symbolic head of state of both polities, was unilaterally dissolved by Indonesia in 1954 and formally revoked in 1956, with Dutch firms nationalised in 1957 (Lijphart, 1966). In both cases, gravity-equation coefficients on a colonial-ties dummy variable applied to the relevant dyads should be small and decaying over time, consistent with Head, Mayer, and Ries's (2010) finding of approximately 65% erosion of post-colonial trade linkages over four decades.

Cell II (high CCIA, low LCIA) is the centred-only configuration: a single radial channel through the metropolis, with no significant peer-to-peer circulation. This is the configuration the historical ties literature implicitly assumes when it treats colonial ties as a bilateral attribute, and three named cases approach it. The first is the Lusophone community from the formal establishment of the CPLP in July 1996 to approximately 2002. Throughout this window, Brazilian outward FDI to Lusophone Africa was negligible — by 2003, only Petrobras (operating in Angola since 1979) and Odebrecht (in Angola since 1984 through the Capanda dam project) had material investments in Angola, and the Angolan Civil War, which lasted until 2002, suppressed any broader peer-state corporate flow (Alencastro, 2018). Lusophone cross-border activity in this window ran almost entirely through Lisbon: Portuguese banks, audit firms, and legal counsel served as default counterparties for transactions in Lusophone Africa, and Brazil's relations with Angola and Mozambique were primarily diplomatic rather than commercial. The second is much of Francophone West and Central Africa from independence in 1960 through approximately the early 2000s, where the *Communauté française's* residual institutional infrastructure — the CFA franc zone, the Coopération française aid programme, French military bases, and the Sommets Afrique-France — channelled cross-border activity bilaterally between Paris and each successor state without significant lateral circulation among the successor states themselves (Chafer, 2002). The third, more contemporary, is the Anglophone Caribbean's relationship with the United Kingdom (UK): CARICOM provides intra-regional integration, but cross-border professional services, capital raising, and corporate governance often run through London rather than between Caribbean peer states. Firm behaviour in cell II should match the historical ties literature's predictions: persistent but attenuating bilateral flows between metropolis and successor states, declining over time as the metropolis's institutional infrastructure decays or peripheral states modernise (Head, Mayer, & Ries, 2010; Lavallée & Lochard, 2019).

Cell III (low CCIA, high LCIA) is the laterally activated configuration: peer-state corridors operating without active metropolitan mediation. The defining empirical signature is that the metropolis recedes into a residual or symbolic role while peer-state firms supply the legal, financial, audit, and consulting infrastructure that bridges intra-community transactions. Three contemporary illustrations approach this cell. The first is the Brazilian–Mozambican corridor from the mid-2000s onward, in which Brazilian construction firms (Odebrecht, Andrade Gutierrez, Camargo Corrêa), the Brazilian Development Bank (BNDES, financing approximately USD 3.5 billion of civil works in Angola alone between 2002 and 2015), and Brazilian agribusiness (the Vale–Mitsui–JICA ProSavana project in northern Mozambique) operated through Brazilian audit, legal, and financial counterparties with limited Portuguese mediation (Alencastro, 2018; Cuervo-Cazurra, 2008). The second is the Access Bank–National Bank of Kenya transaction discussed in Section 1, where a Nigerian bank acquired a Kenyan target through Lagos- and Nairobi-based advisers, with financing guaranteed by the Cairo-headquartered African Export–Import Bank, regulatory clearance from the Central Bank of Kenya and the Central Bank of Nigeria, and competition oversight from the COMESA Competition Commission — a transaction whose institutional infrastructure operated entirely within Africa, with no London routing despite the common-law banking inheritance shared by the parties (Access Bank, 2025; Central Bank of Kenya, 2025). The third is the broader rise of African pan-continental banks (Ecobank, Standard Bank, KCB Group, Attijariwafa Bank) operating intra-African correspondent and acquisition networks that bypass London or Paris (Beck, Fuchs, Singer, & Witte, 2014; Boojihawon & Acholonu, 2013). Firm-level behaviour in cell III differs qualitatively from cell II: peer-state firms become the dominant cross-border actors, and the centre loses its position as default counterparty.

Cell IV (high CCIA, high LCIA) is the densely activated configuration: both radial and lateral channels operate, providing firms with two simultaneously available pathways into and across the community. Three cases sit in this cell. The contemporary CPLP, since approximately 2002, combines a maintained Portuguese institutional infrastructure (Lisbon-based audit firms, the EU-funded EU–Angola Dialogue Facility connecting AICEP and AIPEX, Portuguese legal templates) with mature Brazilian peer-state corridors (Banco do Brasil and Itaú Unibanco operating in Lusophone Africa, Brazilian construction firms with established subsidiaries in Angola and Mozambique). The Singapore–UK Commonwealth corridor, detailed below, is the second. The third is the South Africa–UK corridor: South

African firms maintain dual primary listings on the Johannesburg Stock Exchange and the London Stock Exchange, South African auditors operate Big Four partnerships with technical methodologies running through London, and senior managerial pipelines move bidirectionally between Johannesburg and London, while South African firms simultaneously operate intra-African and intra-Commonwealth networks that bypass London entirely. The Singapore–UK corridor merits detailed treatment because it exemplifies cell IV at the firm level while differing from the CPLP and South African cases in ways that bear on the framework's generality. The collapse of all seven Joint Law Venture arrangements between Singaporean Big Four firms and UK Magic Circle firms in the early 2000s, with Singaporean firms subsequently building their own intra-Asia regional networks (Allen & Gledhill's A&G Asia network, Rajah & Tann Asia, WongPartnership Group), is itself a precise illustration of the cell IV signature: the radial channel — UK qualifications, common-law tradition, English-language commerce — remains intensely active, but the institutional architecture of cross-border deal execution has migrated to peer-state networks.

CCIA in the Singapore–UK corridor is high. The radial channel has been actively maintained for six decades since Singapore's independence in 1965. Eleven UK universities — including Cambridge, Oxford, the London School of Economics, University College London, King's College London, and Warwick — are designated Overseas Scheduled Universities under Singapore's Legal Profession (Qualified Persons) Rules; their graduates qualify as candidates for admission to the Singapore Bar through the Part A and Part B Bar Examinations, a regulatory recognition arrangement reviewed by the Singapore Institute of Legal Education on a five-year cycle (Ministry of Law Singapore, 2014; Republic of Singapore, 1966; Singapore Institute of Legal Education, 2026). The list is precisely defined, statutorily anchored, and actively maintained — exactly the form of regulatory CCIA that distinguishes activation from inheritance. Singapore's state scholarship programmes (the Public Service Commission scholarships and the Monetary Authority of Singapore's Postgraduate Scholarship) explicitly direct recipients to UK universities, sustaining a relational CCIA channel. The Big Four audit firms operate in Singapore through Singaporean partnerships whose technical methodologies and partner-promotion pipelines run through London. The English language is the sole language of administration and commerce in Singapore. The common-law legal tradition is preserved through extensive reference to English precedent: Singapore's Court of Appeal regularly cites contemporary English case

law, and Singapore's commercial law statutes (derived from English models) are interpreted in active dialogue with English commercial law scholarship.

LCIA in the same corridor is also high. Singaporean banks (DBS, OCBC, UOB) have built dense intra-Commonwealth networks, with senior personnel rotating among Singapore, Mumbai, and Hong Kong without London as a transit hub. Singapore-based law firms (Allen & Gledhill, Drew & Napier, WongPartnership, Rajah & Tann) operate intra-Commonwealth transactions — Singapore–Malaysian, Singapore–Australian, Singapore–Indian — through joint ventures, alliances, and direct correspondent relationships that bypass London for deal-execution work, even where those London firms remain involved at the structuring stage. The Singapore Exchange operates as a regional hub for Commonwealth and broader Asian listings. The combinatorial signature of cell IV is observable in concrete firm-level patterns: a Singaporean firm acquiring an Australian target uses Singaporean lawyers (LCIA) advised by partners trained at Oxford or LSE (CCIA), engages a London-headquartered investment bank (CCIA) whose Singapore deal team has rotated through Mumbai or Sydney (LCIA), and structures the transaction under Singaporean law referencing English precedent (CCIA × LCIA: shared template, peer-state venue). The combinatorial choice set is what Section 5.4 of the framework formalises: a richer choice space than either channel alone supplies, producing firm-level patterns that gravity-equation specifications with a UK colonial-ties dummy systematically misclassify as bilateral metropolis effects.

The five intermediate cells (V–IX) describe configurations that empirical work most often encounters and that mark the routes communities travel between corner configurations. Cell V (high CCIA, medium LCIA) is the centre-anchored, lateral-emerging configuration: the radial channel operates fully while peer-state corridors are visible but not yet dominant. The Lusophone community between approximately 2002 and 2005 approximated this configuration. Following the end of the Angolan Civil War in April 2002 and the inauguration of the Lula government in Brazil in January 2003, Brazilian outward FDI to Lusophone Africa rose sharply: the BNDES financed approximately USD 3.5 billion of civil works in Angola between 2002 and 2015, of which approximately USD 2.6 billion went to Odebrecht (Alencastro, 2018). Throughout this period, however, Portuguese mediation remained substantial — Portuguese banks (Banco Espírito Santo, Millennium BCP, Caixa Geral de Depósitos) continued to provide trade finance, Portuguese audit firms continued to serve as default counterparties for legacy Lusophone clients, and Portuguese legal counsel

continued to anchor major transactions. Cell V is the typical waypoint during cell II to cell IV transitions and generates a distinctive firm-level signature we develop in Section 5: a co-existence of metropolis-mediated and peer-state transactions within the same dyads, often within the same firms, in proportions that shift over time and that distinguish cell V from both its corner neighbours.

Cell VI (low CCIA, medium LCIA) is the emerging-lateral configuration, in which peer-state corridors are forming while the radial channel has not been reactivated. The Anglophone Caribbean community (CARICOM) approaches this cell. The radial channel to the UK has been substantially attenuated since the Caribbean Free Trade Association was established in 1965 and the Treaty of Chaguaramas formed CARICOM in 1973: UK trade preferences eroded with EU accession, the East Caribbean Currency Authority severed its sterling-area linkages, and Privy Council judicial appeals to London were progressively replaced by the Caribbean Court of Justice from 2005 onward. The CARICOM Single Market and Economy (CSME) was launched in 2002 as a peer-state integration framework, and from 2022 onward, the Cairo-headquartered African Export–Import Bank (Afreximbank) has provided up to USD 5 billion of CARICOM trade and investment finance, with a CARICOM Payment and Settlement System modelled on the African PAPSS proceeding from 2025 onward (Afreximbank, 2026). The peer-state architecture is forming, but the metropolitan radial channel has not been reactivated.

Cell VII (medium CCIA, low LCIA) is the centre-leaning, lateral-thin configuration, in which the radial channel is partially active without peer-state circulation. The Francophone CFA franc zone occupies this cell. Fourteen Francophone African states maintain a currency pegged to the euro under monetary cooperation agreements with the French Treasury, with regional central banks in Dakar (BCEAO, for the West African Economic and Monetary Union) and Yaoundé (BEAC, for the Central African Economic and Monetary Community) and CFA franc notes still printed by the Banque de France in Chamalières (Ministère de l'Europe et des Affaires Étrangères, 2024). Yet intra-zone trade and lateral corporate flows remain unusually thin: the credit-to-GDP ratio across CFA states sits between 10% and 25%, compared with approximately 60% for other sub-Saharan African states, and intra-WAEMU and intra-CEMAC trade volumes are a small fraction of each member's external trade with France or non-CFA African neighbours. The configuration combines partial radial activation

(currency, monetary cooperation, residual French banking presence) with structurally thin peer-state circulation.

Cell VIII (medium CCIA, medium LCIA) is the mid-activated configuration, with both channels modestly active but neither dominant; this is the most empirically common interior position. The contemporary Anglophone West African corridor (Nigeria–Ghana, Nigeria–Sierra Leone, Ghana–Sierra Leone) approaches this cell: UK qualifications and common-law inheritance retain partial salience while Nigerian banks (Access, Zenith, GTBank, UBA) operate increasingly dense intra-West African networks (Beck et al., 2014; Boojihawon & Acholonu, 2013).

Cell IX (medium CCIA, high LCIA) is the lateral-leaning, centre-modest configuration, in which peer-state corridors dominate while the metropolis retains a residual mediating role. Contemporary Iberoamerican dyads approximate this cell. Multilatinas — Tenaris, Cemex, Bimbo, Mercadolibre, América Móvil, Falabella, Embraer — operate dense intra-Latin American networks generating approximately 65% of their foreign investment within the region (ICEX-Invest in Spain, 2025), with cross-border M&A and acquisitions executed primarily through Mexican, Brazilian, Chilean, and Argentine peer-state institutional infrastructure. The radial channel to Spain remains active — Spain is the second-largest non-Latin American FDI destination for Multilatinas after the United States, and Latin American investment stock in Spain reached approximately EUR 67 billion by 2024 (ICEX-Invest in Spain, 2025) — but Spain functions as a strategic European bridgehead rather than as the institutional centre that mediates intra-community transactions. The configuration combines high LCIA (intra-Latin American peer-state corridors) with medium CCIA (Spanish institutional infrastructure as a residual mediating channel for European market access).

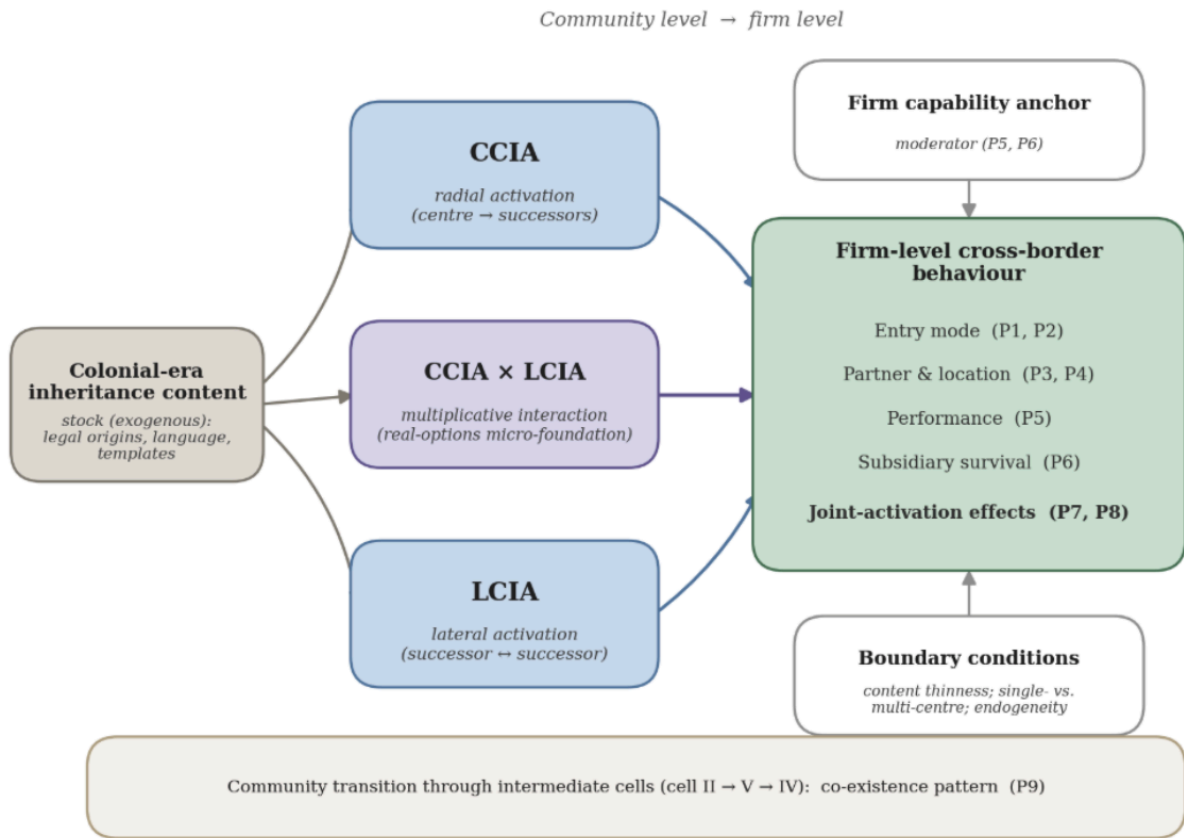
This typology can discipline future empirical work in three ways. First, it specifies that the effects of colonial ties on firm behaviour should differ in kind, not only in magnitude, across cells. Studies of cell II communities should find centre-mediated flows; studies of cell IV communities should find combinatorial firm behaviour; studies of intermediate cells should find characteristic mixtures of the two. Second, it specifies that movement across cells over time — particularly the transition from cell II through cell V to cell IV that the CPLP underwent in the 2000s — should produce observable shifts in firm behaviour, including the rise of peer-state professional service firms, the reorientation of multinational expansion

away from metropolis routing, and the emergence of joint propositions that earlier configurations did not support. Third, the typology generates a distinctive transition-path proposition (P9 below) that distinguishes the 3×3 framing from a 2×2 alternative. The 3×3 grid identifies the typical transition paths: cell II to cell V to cell IV is the centre-then-lateral path; cell I to cell VI to cell III is the lateral-without-centre path; cell I to cell VII to cell II is the centre-only revival path; cell VIII is the central crossroads through which several routes pass.

5. Propositions

We derive nine propositions from the framework, organised in four blocks: entry mode (P1, P2), partner choice and location (P3, P4), performance (P5, P6), the joint-activation interaction effect (P7, P8), and a transition-path proposition that requires the typology's intermediate cells (P9). The first six propositions specify the main effects of CCIA and LCIA separately; P7 and P8 specify the multiplicative interaction; P9 ties firm behaviour to community-level transitions through the intermediate cells. Figure 3 summarises the framework as a whole, linking the two activation constructs and their interaction to the firm-level outcomes the propositions address.

Figure 3. Theoretical framework linking activation constructs, their interaction, and firm-level outcomes



Source: Authors

5.1 Entry mode

High CCIA reduces the firm-level transaction cost of using high-commitment entry modes in the radial direction (metropolis firms entering successor states; successor-state firms entering metropolis). The radial channel supplies the institutional infrastructure that supports high-commitment modes: shared legal templates, mutually recognised credentials, established dispute-resolution channels, and centre-mediated regulatory familiarity. Where the radial channel is weak, firms revert to low-commitment modes that minimise dependence on host-country institutions; where it is strong, the cost differential narrows, and high-commitment modes become more frequent (Brouthers, Brouthers, & Werner, 2008; Slangen & van Tulder, 2009).

Proposition 1. *In post-colonial communities, the share of high-commitment radial entry modes (wholly-owned subsidiaries, majority acquisitions) increases with CCIA, holding the host-country institutional environment and firm characteristics constant.*

The parallel proposition for LCIA holds in the lateral direction. High LCIA reduces the transaction costs of using high-commitment entry modes among peer states because peer-state institutional infrastructure provides the contracting and credentialling functions that bridge cross-border investment. Where LCIA is high, a Brazilian firm acquiring a Mozambican target benefits from access to Brazilian audit firms, legal counsel, and banking relationships in Mozambique that would otherwise be sourced from the metropolis, sourced from elsewhere, or built from scratch.

Proposition 2. *In post-colonial communities, the share of high-commitment lateral-entry modes across successor states increases with LCIA, holding the host-country institutional environment and firm characteristics constant.*

5.2 Partner choice and location

When joint ventures or partial ownership structures are chosen, the selection of a local partner is itself shaped by the activation pattern. High CCIA channels firms toward partners whose institutional connection is centre-mediated: partners credentialled by metropolis institutions, advised by metropolis legal and financial firms, and embedded in metropolis-anchored business networks. High LCIA channels firms toward partners whose institutional connection is peer-state-mediated: partners credentialled by peer-state institutions, advised by peer-state firms, and embedded in peer-state networks (Hitt, Ahlstrom, Dacin, Levitas, & Svobodina, 2004).

Proposition 3. *When entering successor-state markets through partnership modes, firms in high-CCIA communities are more likely to select partners with metropolis-anchored institutional credentials and networks; firms in high-LCIA communities are more likely to select partners with peer-state-anchored credentials and networks.*

The same logic applies to location choice within successor states. CCIA channels investment toward locations within successor states that retain metropolis-anchored institutional infrastructure: capital cities, ports historically linked to the metropolis, and free zones with metropolis-mediated administrative arrangements. LCIA channels investment toward locations whose institutional infrastructure has been built or maintained by peer states: zones organised around peer-state operators, corridors served by peer-state logistics firms, and urban districts where peer-state professional services cluster (Cantwell & Mudambi, 2011).

Proposition 4. *Within successor-state hosts, the geographic distribution of foreign investment from community members shifts with activation: high-CCIA flows concentrate in metropolis-anchored locations; high-LCIA flows concentrate in peer-state-anchored locations.*

5.3 Performance

The performance implications of CCIA and LCIA depend on whether the firm's capabilities match the channel through which it operates. Firms whose capabilities are anchored in the metropolis institutional template — metropolis-trained managers, metropolis-anchored organisational practice — outperform when CCIA is high and underperform when CCIA is low, because the channel through which their capabilities are productive requires active CCIA. Firms whose capabilities are anchored in peer-state institutional templates outperform when LCIA is high. This is the firm-level capability-match logic developed by Andersson et al. (2002), Cuervo-Cazurra and Genc (2008), and Holburn and Zelner (2010), specialised here to the community's activation pattern.

Proposition 5. *Among foreign entrants into successor-state markets, firms whose institutional capabilities are anchored in the metropolis template perform better when CCIA is high; those anchored in peer-state templates perform better when LCIA is high.*

An implication concerns survival: the performance differential should be most pronounced for survival outcomes (subsidiary survival, divestment hazard) rather than financial outcomes alone, because the institutional channel determines access to the recurring services and credentials subsidiaries need to remain viable (Delios & Beamish, 2001).

Proposition 6. *Subsidiary survival in successor-state markets depends jointly on the firm's institutional capability anchor and its corresponding activation: CCIA-anchored capabilities have higher survival under high CCIA, and LCIA-anchored capabilities have higher survival under high LCIA.*

5.4 The interaction effect

The framework's most distinctive testable claim is not a main effect but an interaction. CCIA and LCIA produce separable main effects on the variables P1–P6 address, but the joint level of activation — the configuration in cell IV of the typology — produces firm-level outcomes

that neither activation alone produces. The mechanism is combinatorial: a firm in a cell-IV community can route a transaction through the metropolis (CCIA), bypass it through peer-state institutions (LCIA), or combine the two by using metropolis credentials with peer-state operators or *vice versa*. The combinatorial choice set, rather than any single channel, produces the cell-IV signature.

The functional form of the interaction can be derived from the real-options micro-foundation that motivates the framework's transaction-cost analysis. In cell IV, firms have a substitution option between CCIA- and LCIA-mediated services for any given counterparty function—auditor, legal counsel, banker, or regulatory adviser. The value of a substitution option is convex in the joint availability of channels: when only one channel is available, no substitution is possible, and the option value is zero; when both are available, the firm selects the channel whose realised cost is lower for each particular transaction, generating an expected value that exceeds the average cost of either channel taken alone. Standard real-options analysis (Dixit & Pindyck, 1994; Tong & Reuer, 2007) implies that this option value is super-additive in the channel availabilities CCIA and LCIA — that is, exceeds their sum — and that the excess is concentrated in transactions where channel costs are most variable across counterparty functions. A firm with CCIA score c and LCIA score l , both normalised to $[0,1]$, faces a joint activation effect proportional to $(c + l + \alpha cl)$, where α captures the interaction's intensity. For $\alpha = 0$, the option to substitute has zero value, and the joint effect collapses to the sum of main effects; for $\alpha > 0$, the joint effect exceeds the sum, with the excess concentrated in firms operating across both channels. The framework predicts that α is strictly positive and distinguishable from zero in cell-IV communities.

Three mechanisms explain why the joint effect should consistently exceed the sum of the separate effects rather than doing so only on average. The first is the substitution-option value formalised above: with two live channels, the firm exercises whichever is cheaper for each counterparty function, and the value of that option rises with the dispersion of channel-specific costs across functions. The second is hedging. Because the radial and lateral channels are exposed to different shocks — metropolitan retrenchment, sanctions, or regulatory divergence on one side; regional financial-market or political disruption on the other — holding both lowers the variance of a firm's access to the recurring services on which cross-border operations depend, and the value of that diversification is, by construction, unavailable to a firm with only one channel. The third is bargaining leverage: a

credible outside option in one channel improves the terms a firm secures in the other, so the conditions obtained in both channels are better for the dual-channel firm than the channel availability considered separately would imply. The three mechanisms share a structural feature — each delivers value only when both channels are present — which is why the interaction is predicted to be positive rather than sign-ambiguous. The same logic fixes the scope of the prediction and thereby keeps it falsifiable: the excess is concentrated in firms that actually operate across both channels and in transactions whose channel costs are most variable, and it attenuates toward zero where the two channels are close substitutes carrying identical content, where switching costs are prohibitive, or where one channel is saturated so that the marginal option the other supplies is small. The framework thus predicts not only that the interaction is positive but where the super-additive effect should appear and where it should not.

Proposition 7. *The joint level of CCIA and LCIA produces cross-border firm behaviour — including entry-mode portfolios, partner-network configurations, and location patterns — that neither CCIA nor LCIA alone predicts. The interaction is empirically distinguishable from the sum of separate main effects.*

Proposition 8. *The interaction term $CCIA \times LCIA$ in models of firm-level cross-border behaviour in post-colonial communities is positive and statistically distinguishable from zero, and its inclusion improves model fit beyond what main effects alone achieve.*

5.5 Transition through intermediate cells

The 3×3 typology generates a distinctive prediction that a 2×2 framing cannot. The intermediate cells (V–IX) are not residual categories; they specify the configurations communities occupy during transitions between corner cells, and they imply that firm behaviour shifts continuously, not discontinuously, as a community traverses the typology. The most empirically tractable transition is cell II to cell V to cell IV, which the CPLP underwent between approximately 1998 and 2010. In cell V (high CCIA, medium LCIA), the radial channel operates at near-cell-IV intensity while the lateral channel is rising but has not yet saturated. The firm-level signature is a co-existence pattern: within the same dyads, often within the same firms, metropolis-mediated and peer-state-mediated transactions occur in proportions that shift continuously over time. Brazilian acquirers in Lusophone Africa during

the early 2000s used Portuguese banks for some transactions and Brazilian banks for others; Portuguese audit firms for legacy clients and Brazilian audit firms for new acquisitions; metropolis-trained senior managers for board-level functions and peer-state-trained operating managers for subsidiary leadership. This co-existence is a prediction the framework makes specifically about cell V; cell II communities do not exhibit it (peer-state options are absent), and cell IV communities have moved past it (peer-state options are stable rather than rising).

Proposition 9. *In post-colonial communities transitioning from cell II to cell IV through cell V, firm-level cross-border activity exhibits a co-existence pattern: metropolis-mediated and peer-state-mediated transactions occur in shifting proportions within the same firms and dyads, with the peer-state share rising over time. This pattern is observable in cell V and absent in adjacent cells II and IV.*

The eight propositions on main effects and the interaction (P1–P8), together with P9 on transition paths, are testable in cross-sectional and longitudinal designs that exploit variation in CCIA and LCIA across post-colonial communities or over time within a single community. The CPLP's transition from cell II through cell V to cell IV between the late 1990s and the late 2000s offers a within-community natural experiment in which P1–P9 generate jointly testable predictions about the timing of shifts in firm behaviour. Cross-community comparisons — Lusophone vs Hispanophone vs Francophone communities at a given time, or sub-corridors within the Commonwealth (Singapore–UK, Nigeria–UK, South Africa–UK, Tanzania–UK) — offer a complementary test in which the propositions predict different cross-sectional configurations of firm behaviour aligned with each community's joint activation pattern.

6. Discussion

6.1 Theoretical contributions

The framework makes three contributions to the international business literature on context, distance, and entry. Rather than re-enumerate the contributions introduced earlier, we consolidate them here and draw out their broader implications. The first relocates the unit of theorising. Psychic distance, institutional distance, and the historical ties literature operate at the dyadic level, attributing effects to properties of the home–host country pair. The framework operates at the community level, attributing effects to the activation pattern of the multilateral post-colonial association in which the dyad is embedded. The relocation matters

because it captures effects that are not properties of any dyad in isolation: the rise of peer-state professional service infrastructure in the CPLP after 2002 is not a property of the Brazil–Mozambique dyad alone but of the community-level activation that allows Brazilian firms to operate institutionally in Mozambique on terms that the Brazil–Mozambique dyad as such cannot supply. This relocation aligns with calls in the literature to take the multilateral and meso levels seriously alongside the dyadic and firm levels (Cantwell et al., 2010; Meyer et al., 2011; Peterson et al., 2012).

The second contribution is to separate activation from inheritance content. The legal-origins programme (La Porta et al., 2008), the comparative-colonial-development literature (Acemoglu et al., 2001; Lange et al., 2006), and the comparative-capitalism literature (Jackson & Deeg, 2008; Whitley, 1999) all theorise content. The framework theorises activation: of the inheritance content already in place, how much is currently being mobilised, and through which channels. This conceptual move corresponds to a move in the empirical literature from cross-sectional studies of long-run institutional residue to studies of contemporaneous flows along inherited channels. The two strands are complementary: content sets the upper bound on activation; activation determines what is realised within that bound. The activation–content distinction develops Kostova et al.'s (2008) call to move from static institutional-distance measures to dynamic, process-oriented institutional theorising at the community level.

The third contribution is the multiplicative interaction. The framework's most distinctive testable claim is not about CCIA or LCIA alone but about their joint variation. The interaction term in P8 is the framework's empirical signature: a positive coefficient on $CCIA \times LCIA$, distinguishable from the sum of main effects, derivable from the real-options micro-foundation in subsection 5.4. The interaction is also the framework's vulnerability: if the main effects of CCIA and LCIA can be detected but the interaction term collapses to zero, the framework reduces to two parallel one-construct claims that the literature could absorb without the joint structure. The risk-bearing structure of the prediction is itself a virtue: the framework specifies what would falsify it.

6.2 Boundary conditions

Three boundary conditions limit the framework's scope. First, the framework applies to post-colonial communities as we have characterised them: multilateral associations of states

whose members include a former imperial centre and successor states whose institutional infrastructure was substantially shaped by the colonial relationship. Communities that lack one of these features fall outside the framework's scope. The Pacific Islands Forum and various Caribbean post-imperial associations bring together successor states of multiple former imperial centres (British, French, Dutch, American), producing communities with mixed inheritance content rather than the single-centre inheritance that defines the prominent cases. The framework would need to be extended to handle multiple-centre inheritance through a vector of CCIA's and a corresponding vector of LCIA dimensions, or applied separately to each single-centre subset of the community.

Second, the framework treats the content of inheritance as substantively given by the colonial relationship. We have not theorised the prior question of how inheritance content is constituted, how it differs in volume and character across imperial centres, or how the metropolis's own institutional development continues to shape the content available for activation. The legal-origins programme (La Porta et al., 2008) and the comparative-colonial-development literature (Acemoglu et al., 2001; Lange et al., 2006) provide the relevant theorising of that content. Where content is thin (extractive colonies with limited institutional installation), the framework's predictions weaken because there is less inheritance to activate; where content is rich (settler colonies with deep institutional installation), the framework's predictions strengthen.

Third, the framework operates at the community level and abstracts from variation among firms operating within communities. Firms in cell-IV communities differ in their capability anchors, network positions, and strategic choices, and these firm-level differences interact with community-level activation to produce the firm-level outcomes specified by the propositions. We have treated firm-level capability anchor as a moderator (P5, P6) but have not theorised the more granular firm-level structure that the embedded-MNC literature (Andersson et al., 2002; Meyer et al., 2011) and the resource-based view (Brouthers et al., 2008) develop. Integrating community-level activation with firm-level network position is a productive direction for further work.

6.3 Limitations

The framework does not claim that CCIA and LCIA exhaust the channels through which post-colonial inheritance affects firm behaviour. Two adjacent phenomena lie outside the

joint mechanism. The first is the radial-from-periphery direction: peripheral acquirers buying into the former centre, illustrated by Tata in the UK, JBS and Camargo Corrêa in Portugal, CEMEX in Spain, and Saham in France. These reverse flows are visibly reshaping the post-colonial economic landscape, but the mechanism that produces them is distinct from the mechanism by which CCIA and LCIA jointly explain entry-into-periphery cases; theorising it requires a separate construct beyond the scope of the present paper. The second is the proliferation of post-colonial diaspora networks of Chinese, Indian, and Lebanese communities that operate within and across post-colonial communities (Kotabe, Riddle, Sonderegger, & Täube, 2013; Riddle, Hrivnak, & Nielsen, 2010). These networks exhibit some features of LCIA but operate through ethnic and kinship infrastructure rather than colonial-era institutional inheritance; the diaspora-business literature offers the relevant theoretical machinery (Gillespie, Riddle, Sayre, & Sturges, 1999; Rauch & Trindade, 2002).

The framework does not claim that a community's activation pattern is exogenous. CCIA and LCIA are produced and reproduced by firm and state behaviour, including the very behaviour the framework's propositions predict. Brazilian outward FDI into Lusophone Africa raised the LCIA of the CPLP, which in turn encouraged further Brazilian outward FDI, creating a feedback loop. The propositions are best read as cross-sectional, short-horizon predictions; over longer horizons, the activation pattern itself is the dependent variable. Modelling the endogeneity of activation is a productive direction for future work.

Finally, the framework does not provide a theory of how activation differs across communities. We have characterised cell-IV communities as having both channels active and cell-II communities as having only the radial channel active, but we have not theorised what determines a community's position in the typology or the timing of transitions through the intermediate cells. The Brazilian outward turn, the contemporaneous CPLP institutional consolidation, and the broader rise of South–South corporate linkages are candidate mechanisms for the CPLP's cell II to cell V to cell IV transition, but identifying the binding mechanism is a question for the political-economy and economic-geography literatures (Beugelsdijk & Mudambi, 2013) that lie adjacent to the firm-level theorising the framework supports.

6.4 An empirical roadmap

The nine propositions admit a coordinated empirical programme that we describe in three steps. Step one is the construction of CCIA and LCIA scores at the community–year level for the major post-colonial communities (Commonwealth, CPLP, Iberoamerican Conference, Organisation internationale de la Francophonie, plus selected sub-communities) over a horizon long enough to capture activation transitions, plausibly 1990–present. The Berry et al. (2010) cross-national distance database and the Dow and Karunaratna (2006) psychic-distance database provide methodological templates. Indicator coverage for Table 1 must be assembled from a mix of administrative, gravity-equation, and bibliometric sources: the World Bank Enterprise Surveys (firm-level data on cross-border transactions, partners, and operational choices); UN COMTRADE for trade flows; UNCTAD for FDI flows by source and destination; the Solicitors Regulation Authority, Singapore Legal Services Regulatory Authority, and CPLP-equivalent regulatory bodies for international qualification recognition data (CCIA regulatory indicator); the Higher Education Statistics Agency (HESA), Singapore Ministry of Education, and Brazilian CAPES data on student flows (CCIA relational indicator); the Singapore Exchange, London Stock Exchange, and B3 (São Paulo) listings databases for cross-listing geography; and the Web of Science and Scopus citation data for cognitive-flow indicators.

Step two is the cross-sectional and longitudinal estimation of the main-effect propositions P1–P6 using firm-level entry-mode and survival data, with community-level activation scores as the principal independent variables and standard firm- and host-country covariates as controls. Multilevel models are required (Peterson et al., 2012), with appropriate clustering of standard errors at the community level and reporting of effect sizes.

Step three is the estimation of the interaction term in P7 and P8 relative to an additive benchmark, and the testing of the cell-V transition pattern in P9. A coefficient on the CCIA $\times$ LCIA interaction term that is statistically distinguishable from zero, robust to alternative aggregation choices, and that improves model fit beyond the additive specification is the framework's empirical signature; its absence would not falsify the main-effect propositions but would falsify the joint-mechanism claim that distinguishes the two-construct framework from a pair of single-construct claims.

Two design choices deserve flagging. First, identification of the interaction is strongest where within-community variation in CCIA and LCIA can be exploited, which favours community-level panel designs over cross-sectional designs. The CPLP's 1998–2010

transition supplies within-community variation; the Commonwealth supplies cross-sectional variation across dyads (Singapore–UK as cell IV, Nigeria–UK as cell V or VIII, South Africa–UK as cell IX, Tanzania–UK as cell I or VI). Second, because the activation pattern is plausibly endogenous to firm-level outcomes, causal identification strategies — instrumenting activation with policy events such as the 2002 CPLP Brasília summit, the 2003 surge in Brazilian outward FDI policy, or metropolitan retrenchment episodes — are required to obtain stronger inference. The framework's testability rests on these design choices being made carefully; the propositions are not self-identifying.

A credible test must also distinguish the framework from rival explanations that could generate the same firm-level patterns. Four are salient. A gravity-style colonial-ties account attributes peer-state corridors to a single, time-invariant tie dummy; the framework departs from it precisely in predicting a positive $CCIA \times LCIA$ interaction and within-community time variation, neither of which a constant dummy can reproduce, so estimating the interaction against an additive colonial-ties benchmark discriminates the two directly. A diaspora-network account (Gillespie et al., 1999; Rauch & Trindade, 2002; Riddle et al., 2010) attributes the same corridors to co-ethnic rather than colonial-institutional infrastructure; because diaspora density and inheritance activation are only partially correlated, including diaspora-stock controls and examining corridors where the two diverge — for example, Lusophone corridors with thin co-ethnic ties — isolates the activation channel. A generic South–South or regional-integration account attributes the corridors to contemporaneous trade-agreement formation or to a broad emerging-market FDI trend; placebo communities that share a regional-integration treatment but lack a common colonial centre, together with event windows around integration milestones, separate the institutional-inheritance mechanism from general regionalism. Finally, a pure factor-cost or market-size account is addressed by the standard host-country and firm covariates, whose inadequacy is itself part of the anomaly the framework is built to explain. The framework is credible to the extent that its distinctive prediction — the interaction, and its concentration in dual-channel firms — survives these controls; ruling the rivals in or out is the central task of the empirical programme rather than a robustness afterthought.

We also acknowledge that the measurement strategy is demanding and that its difficulties bound what the programme can deliver in the near term. Several indicators in Table 1 — the cognitive-flow and credential-recognition measures in particular — are not available off the

shelf and must be assembled from administrative, bibliometric, and regulatory sources of uneven coverage across communities and years. Aggregating six sub-dimensions into two community-level scores requires weighting choices that may be sensitive to conclusions, so confirmatory factor analysis of within-community indicator covariances and reporting under alternative weightings are necessary rather than optional. Construct validity must be established against the existing distance and embeddedness instruments through discriminant-validity tests, and missing-data and cross-community comparability problems should be reported transparently rather than imputed away. These constraints suggest a staged agenda. The first stage exploits the single best-instrumented transition — the CPLP, 1998–2010 — where within-community variation and datable policy events support identification; the second extends to a small set of contrasting communities (Lusophone, Hispanophone, Francophone, and Commonwealth sub-corridors) to test the cross-sectional predictions; the third attempts a full community–year panel only once the indicators are validated. Concrete next steps include constructing and publicly releasing a CCIA–LCIA indicator set for these communities, pre-registering the interaction test against the additive benchmark, and conducting boundary-condition studies in single-centre versus multiple-centre communities to map where the framework holds and where it breaks down.

6.5 Implications for policy and practice

The framework has implications for policy actors who manage post-colonial economic relationships. Investment-promotion agencies, professional-services regulators, and multilateral institutions in post-colonial communities frequently treat metropolis-anchored institutional infrastructure (centre-mediated mutual recognition, scholarship pipelines, bilateral chamber networks) and peer-state institutional infrastructure (intra-community professional credentialling, peer-state stock exchange listings, South–South business education) as substitutes for one another, with one channel necessarily growing at the expense of the other. The framework suggests these are not substitutes but distinct topologies whose joint activation produces firm-level outcomes that neither alone produces. Policies that strengthen radial channels (such as the AICEP–AIPEX 2024 partnership) and policies that strengthen lateral channels (CPLP intra-community trade-finance initiatives, Commonwealth peer-state recognition agreements) operate on different levers and serve different distributional ends.

For successor-state policymakers, the framework also implies that cell-IV configurations may produce different distributional outcomes than cell-II configurations. Where lateral channels operate, peer-state firms displace metropolitan firms as default counterparties, with consequences for the location of fee income, the geography of professional careers, and the distribution of value added in cross-border transactions. The framework provides a vocabulary for naming these distinct configurations and for tracking their movement over time — vocabulary that policymakers currently lack and that gravity-equation specifications with colonial-ties dummies cannot supply.

These implications carry concrete lessons for developing-country trade and investment policy in Asia and South America, where the radial and lateral levers are frequently confused. For Asian successor states, the Singapore–UK corridor illustrates that maintaining a strong radial channel — common-law continuity, mutual qualification recognition, scholarship pipelines — need not crowd out the lateral one; Singapore built dense intra-Asian and intra-Commonwealth deal-execution networks while keeping the metropolitan channel intensely active, and the policy pay-off came from operating both rather than choosing between them. The implication for, say, Malaysian, Indian, or Sri Lankan investment-promotion agencies is that peer-state credentialling agreements, regional exchange linkages, and South–South business education are complements to, not substitutes for, inherited centre-anchored infrastructure. For South American states, the Iberoamerican (cell IX) pattern shows the converse opportunity: the lateral channel among Multilatinas already dominates, and the binding constraint on capturing value is the thinness of shared peer-state institutional infrastructure — harmonised credentialling, regional capital-market integration, and cross-border insolvency and contracting regimes — rather than access to the former metropolis. Policymakers in Mexico, Brazil, Chile, and Argentina can therefore raise the realised returns to existing lateral activity by investing in the peer-state institutional plumbing that lets regional corporate activity bypass external intermediaries, while treating the residual Spanish channel as a European bridgehead rather than a mediator of intra-regional transactions. In both regions, the actionable point is the same: radial and lateral activation are distinct policy instruments with distinct distributional consequences, and the framework supplies the vocabulary to target each deliberately.

7. Concluding Remarks

We began with a convergent anomaly. Three theoretical traditions in international business — psychic distance, country risk, and institutional voids — predict patterns of firm behaviour that fail to materialise, in the same direction and in the same dyads, when home and host states share a colonial relationship. The literature has registered this pattern in fragments and theorised it in fragments. We have argued that the fragments admit a single, two-construct, community-level explanation: post-colonial communities mobilise the institutional inheritance of empire along two analytically distinct topologies, and the joint level of those activations produces the firm-level signature that the dominant frameworks miss.

Beyond its specific propositions, the framework offers a way of seeing post-colonial communities as institutional configurations rather than as bilateral residues. Once seen this way, the empirical anomalies that the dominant frameworks could not absorb become tractable: not three puzzles, not a list of exceptions, but a configuration that admits a single explanation once activation is theorised separately from content and the directionality of activation is made central. CCIA and LCIA are properties of communities, not dyads; their joint variation produces a multiplicative interaction with a real-options micro-foundation; and the empirical roadmap in subsection 6.4 specifies how the framework can be tested against the additive alternative the existing literature implicitly assumes. The framework offers international business a meso-level construct between dyadic distance and world-system aggregates, and it does so in a constructive rather than displacive way: the dyadic distance literature retains its domain, and the framework supplies the community-level structure within which dyadic-distance effects are conditioned.

Three limitations qualify these claims and set the agenda. The framework theorises activation while taking inherited content as given; it treats community-level activation as exogenous over the short horizons the propositions address; and it abstracts from firm-level heterogeneity beyond the capability anchor. Each is a boundary we have made explicit rather than concealed (Sections 6.2–6.3). The corresponding prospects are equally concrete: testing the $CCIA \times LCIA$ interaction against an additive benchmark and against the rival explanations catalogued in Section 6.4, releasing a validated CCIA–LCIA indicator set, modelling the endogeneity of activation over longer horizons, and extending the construction to multiple-centre communities. The framework's value will ultimately be settled not by its internal coherence but by whether its distinctive prediction survives those tests.

References

Acemoglu, D., Johnson, S., & Robinson, J. A. (2001). The colonial origins of comparative development: An empirical investigation. *American Economic Review*, 91(5), 1369–1401.

Access Bank. (2025, May 30). *Access Bank Plc, KCB Group complete National Bank of Kenya (NBK) transaction* [Press release]. Nairobi: Access Bank Kenya.

[https://kenya.accessbankplc.com/news/access-bank-plc,-kcb-group-complete-national-bank-of-kenya-\(nbk\)-transaction](https://kenya.accessbankplc.com/news/access-bank-plc,-kcb-group-complete-national-bank-of-kenya-(nbk)-transaction)

Afreximbank. (2026, February 26). *Afreximbank raises CARICOM financing cap to \$5 billion to accelerate regional transformation* [Press release]. Cairo: African Export–Import Bank.

<https://www.afreximbank.com/afreximbank-raises-caricom-financing-cap-to-5-billion-to-accelerate-regional-transformation/>

AICEP. (2024, May 28). *Portugal foreign trade agency working with Angola*. Lisbon: AICEP Portugal Global.

<https://www.portugalglobal.pt/en/news/2024/may/portugal-foreign-trade-agency-working-with-angola/>

Alencastro, M. (2019). Brazilian corruption overseas: The case of Odebrecht in Angola. In R. I. Rotberg (Ed.), *Corruption in Latin America: How politicians and corporations steal from citizens* (pp. 109–123). Cham: Springer. [CORRECTED: publisher is Springer, not Routledge; sole editor is Robert I. Rotberg, not Mello & Alencastro; pages are 109–123, not 137–160; year is 2019, not 2018]

Andersson, U., Forsgren, M., & Holm, U. (2002). The strategic impact of external networks: Subsidiary performance and competence development in the multinational corporation. *Strategic Management Journal*, 23(11), 979–996.

Beck, T., Fuchs, M., Singer, D., & Witte, M. (2014). *Making cross-border banking work for Africa*. Eschborn / Washington, DC: GIZ / The World Bank.

Berry, H., Guillén, M. F., & Zhou, N. (2010). An institutional approach to cross-national distance. *Journal of International Business Studies*, 41(9), 1460–1480.

Beugelsdijk, S., Ambos, B., & Nell, P. C. (2018). Conceptualizing and measuring distance in international business research: Recurring questions and best practice guidelines. *Journal of International Business Studies*, 49(9), 1113–1137.

Beugelsdijk, S., & Mudambi, R. (2013). MNEs as border-crossing multi-location enterprises: The role of discontinuities in geographic space. *Journal of International Business Studies*, 44(5), 413–426.

Boojihawon, D. K., & Acholonu, K. K. (2013). Internationalisation process of African banks: An exploratory study. *African Journal of Economic and Management Studies*, 4(2), 244–266.

Brewer, P. A. (2007). Operationalizing psychic distance: A revised approach. *Journal of International Marketing*, 15(1), 44–66.

Brouthers, K. D., Brouthers, L. E., & Werner, S. (2008). Real options, international entry mode choice and performance. *Journal of Management Studies*, 45(5), 936–960.

Cantwell, J., Dunning, J. H., & Lundan, S. M. (2010). An evolutionary approach to understanding international business activity: The co-evolution of MNEs and the institutional environment. *Journal of International Business Studies*, 41(4), 567–586.

Cantwell, J., & Mudambi, R. (2011). Physical attraction and the geography of knowledge sourcing in multinational enterprises. *Global Strategy Journal*, 1(3–4), 206–232.

Casanova, L. (2009). *Global Latinas: Latin America's emerging multinationals*. Basingstoke: Palgrave Macmillan.

Central Bank of Kenya. (2025, April 14). *Press release — Acquisition of 100 percent of National Bank of Kenya Limited by Access Bank PLC from KCB Group PLC*. Nairobi: Central Bank of Kenya.

https://www.centralbank.go.ke/uploads/press_releases/1443047542_Press%20Release%20-%20Acquisition%20of%20100%20Percent%20of%20National%20Bank%20of%20Kenya%20Limited%20by%20Access%20Bank%20PLC%20from%20KCB%20Group%20PLC.pdf

Chafer, T. (2002). *The end of empire in French West Africa: France's successful decolonization?* Oxford: Berg.

Click, R. W., & Weiner, R. J. (2010). Resource nationalism meets the market: Political risk and the value of petroleum reserves. *Journal of International Business Studies*, 41(5), 783–803.

Cuervo-Cazurra, A. (2007). Sequence of value-added activities in the multinationalization of developing country firms. *Journal of International Management*, 13(3), 258–277.

Cuervo-Cazurra, A. (2008). The multinationalization of developing country MNEs: The case of multilatinas. *Journal of International Management*, 14(2), 138–154.

Cuervo-Cazurra, A., & Genc, M. (2008). Transforming disadvantages into advantages: Developing-country MNEs in the least developed countries. *Journal of International Business Studies*, 39(6), 957–979.

Cuervo-Cazurra, A., & Ramamurti, R. (Eds.). (2014). *Understanding multinationals from emerging markets*. Cambridge: Cambridge University Press.

Delios, A., & Beamish, P. W. (2001). Survival and profitability: The roles of experience and intangible assets in foreign subsidiary performance. *Academy of Management Journal*, 44(5), 1028–1038.

Dixit, A. K., & Pindyck, R. S. (1994). *Investment under uncertainty*. Princeton: Princeton University Press.

Dow, D., & Karunaratna, A. (2006). Developing a multidimensional instrument to measure psychic distance stimuli. *Journal of International Business Studies*, 37(5), 578–602.

Ecofin Agency. (2025, July 29). *Portugal and Angola strengthen ties with \$873 million credit boost and key agreements*. <https://www.ecofinagency.com/news/2907-47884-portugal-and-angola-strengthen-ties-with-873-million-credit-boost-and-key-agreements>

Gillespie, K., Riddle, L., Sayre, E., & Sturges, D. (1999). Diaspora interest in homeland investment. *Journal of International Business Studies*, 30(3), 623–634. [CORRECTED: page range 623–634, not 623–640]

Goldstein, A. (2007). *Multinational companies from emerging economies: Composition, conceptualization and direction in the global economy*. Basingstoke: Palgrave Macmillan.

Head, K., Mayer, T., & Ries, J. (2010). The erosion of colonial trade linkages after independence. *Journal of International Economics*, 81(1), 1–14.

Henisz, W. J. (2000). The institutional environment for multinational investment. *Journal of Law, Economics, and Organization*, 16(2), 334–364.

Hitt, M. A., Ahlstrom, D., Dacin, M. T., Levitas, E., & Svobodina, L. (2004). The institutional effects on strategic alliance partner selection in transition economies: China vs. Russia. *Organization Science*, 15(2), 173–185.

Holburn, G. L. F., & Zelner, B. A. (2010). Political capabilities, policy risk, and international investment strategy: Evidence from the global electric power generation industry. *Strategic Management Journal*, 31(12), 1290–1315.

ICEX-Invest in Spain & Secretaría General Iberoamericana. (2025). *Global LATAM 2025: Series Inversión Extranjera*. Madrid: ICEX España Exportación e Inversiones. <https://www.investinspain.org/content/dam/icex-invest/documentos/publicaciones/latam-desk/Global-LATAM-2025.pdf>

Jackson, G., & Deeg, R. (2008). Comparing capitalisms: Understanding institutional diversity and its implications for international business. *Journal of International Business Studies*, 39(4), 540–561.

Khanna, T., & Yafeh, Y. (2007). Business groups in emerging markets: Paragons or parasites? *Journal of Economic Literature*, 45(2), 331–372.

Kostova, T. (1999). Transnational transfer of strategic organizational practices: A contextual perspective. *Academy of Management Review*, 24(2), 308–324.

Kostova, T., Beugelsdijk, S., Scott, W. R., Kunst, V. E., Chua, C. H., & van Essen, M. (2020). The construct of institutional distance through the lens of different institutional perspectives: Review, analysis, and recommendations. *Journal of International Business Studies*, 51(4), 467–497.

Kostova, T., Roth, K., & Dacin, M. T. (2008). Institutional theory in the study of multinational corporations: A critique and new directions. *Academy of Management Review*, 33(4), 994–1006.

Kotabe, M., Riddle, L., Sonderegger, P., & Täube, F. A. (2013). Diaspora investment and entrepreneurship: The role of people, their movements, and capital in the international economy. *Journal of International Management*, 19(1), 3–5.

Lange, M., Mahoney, J., & vom Hau, M. (2006). Colonialism and development: A comparative analysis of Spanish and British colonies. *American Journal of Sociology*, 111(5), 1412–1462.

La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (2008). The economic consequences of legal origins. *Journal of Economic Literature*, 46(2), 285–332.

Lavallée, E., & Lochard, J. (2019). The empire strikes back? French–African trade after independence. *Review of International Economics*, 27(1), 390–412. [CORRECTED: question mark in title, not colon]

Lijphart, A. (1966). *The trauma of decolonization: The Dutch and West New Guinea*. New Haven, CT: Yale University Press.

Makino, S., & Tsang, E. W. K. (2011). Historical ties and foreign direct investment: An exploratory study. *Journal of International Business Studies*, 42(4), 545–557.

Meyer, K. E., Estrin, S., Bhaumik, S. K., & Peng, M. W. (2009). Institutions, resources, and entry strategies in emerging economies. *Strategic Management Journal*, 30(1), 61–80.

Meyer, K. E., Mudambi, R., & Narula, R. (2011). Multinational enterprises and local contexts: The opportunities and challenges of multiple embeddedness. *Journal of Management Studies*, 48(2), 235–252.

Ministère de l'Europe et des Affaires Étrangères. (2024). *Franc Zone*. Paris: French Government. <https://www.diplomatie.gouv.fr/en/country-files/africa/franc-zone/>

Ministry of Law, Singapore. (2014, January 14). *Government accepts Singapore Institute of Legal Education's recommendations on Overseas Scheduled Universities list* [Press release].

Singapore: Ministry of Law. <https://www.mlaw.gov.sg/news/press-releases/govt-accepts-sile-recommendations-on-osu-list>

/

- Ojala, A. (2015). Geographic, cultural, and psychic distance to foreign markets in the context of small and new ventures. *International Business Review*, 24(5), 825–835.
- Peng, M. W., Wang, D. Y. L., & Jiang, Y. (2008). An institution-based view of international business strategy: A focus on emerging economies. *Journal of International Business Studies*, 39(5), 920–936.
- Peterson, M. F., Arregle, J.-L., & Martin, X. (2012). Multilevel models in international business research. *Journal of International Business Studies*, 43(5), 451–457.
- Ramamurti, R., & Singh, J. V. (Eds.). (2009). *Emerging multinationals in emerging markets*. Cambridge: Cambridge University Press.
- Rauch, J. E., & Trindade, V. (2002). Ethnic Chinese networks in international trade. *Review of Economics and Statistics*, 84(1), 116–130.
- Republic of Singapore. (1966). *Legal Profession Act 1966 and the Legal Profession (Qualified Persons) Rules*. Singapore Statutes Online.
- Riddle, L., Hrivnak, G. A., & Nielsen, T. M. (2010). Transnational diaspora entrepreneurship in emerging markets: Bridging institutional divides. *Journal of International Management*, 16(4), 398–411.
- Singapore Institute of Legal Education. (2026). *Qualified person (overseas scheduled universities)*. Singapore: SILE.
<https://www.sile.edu.sg/for-overseas-graduates/qualified-person/>
- Slangen, A. H. L., & van Tulder, R. J. M. (2009). Cultural distance, political risk, or governance quality? Towards a more accurate conceptualization and measurement of external uncertainty in foreign entry mode research. *International Business Review*, 18(3), 276–291.
- Sousa, C. M. P., & Bradley, F. (2006). Cultural distance and psychic distance: Two peas in a pod? *Journal of International Marketing*, 14(1), 49–70.
- Tong, T. W., & Reuer, J. J. (2007). Real options in multinational corporations: Organizational challenges and risk implications. *Journal of International Business Studies*, 38(2), 215–230.

Torres, M., Figueira de Lemos, F., & Fidas, P. (2012). Between neighbours' heat and colonial ties' comfort: Does distance really matter? In A. Hadjikhani, U. Elg, & P. Ghauri (Eds.), *Business, society and politics: Multinationals in emerging markets* (International Business and Management, Vol. 28, pp. 105–130). Bingley: Emerald Group Publishing.

Whitley, R. (1999). *Divergent capitalisms: The social structuring and change of business systems*. Oxford: Oxford University Press.

Zaheer, S., Schomaker, M. S., & Nachum, L. (2012). Distance without direction: Restoring credibility to a much-loved construct. *Journal of International Business Studies*, 43(1), 18–27.