Transnational Green Supply Chain Collaboration Under Cross-Governmental Political Influence in the One Belt-One Road Strategic Context

**Problem Background –**

Globalisation and International trade have shifted the economic gravity from west to east with its focal point in China. Giving new dimensions to the global supply chain landscape, Chinese government has recently proposed a new regional and trans-national development initiative popularly known as the “One Belt-One Road” (OBOR) initiative, that has increasingly contributed to unknown effects on global companies and policy-makers, particularly those in the field of international logistics network configuration. Hence, the present work focusses on the environmentally responsible sourcing and green supply chain collaboration issue that underlie the problem of channel power asymmetry, conflict, co-operations and different attitude of green efforts across firms and carriers under different cross-governmental regulatory instruments.

**Purpose –**

The purpose of this study is to analyse the role of channel power asymmetries and the conflict & co-operations among different players (Buyer-Supplier-Carrier) along the OBOR cross-border trade corridors, whilst also examining how these issues are moderated by different cross-governmental political & environmental regulatory instruments. Further, the study also intends to optimize the supply chain’s performance collectively from both an economic and environmental perspective.

**Conceptual Methodology –**

The present work extends the works of Hoejmose et al. (2013), Zhao et al. (2008) & Zhuang et al. (2010), by incorporating the concept of cross-governmental environmental regulatory instruments in addressing the issues related to power asymmetry and green attitude efforts in the environmentally responsible supply chains. Alliance formation (Nyaga et al., 2010) and
supply chain actor’s attitude (Sheu, 2016) also plays an important role in making the entire supply chain green and sustainable. Further, various third party or governmental regulatory intervention also affect the decisions for the green supply chain collaborations (Sheu, 2014 & Sheu, 2015). The Conceptual framework is developed considering the above variables and further Game Theoretical concepts are used to analyse the situation in detail.

**Findings –**

Our analytical results indicate that cross-governmental regulatory instruments which refer to the output of political power interaction among the countries covered in the OBOR-oriented cross-border trade corridors do restructure the nation-level political power network, thus influencing the firm-level resource dependence and reallocation among international firms, including suppliers, buyers, and carriers. Specifically, the countervailing power of firms located in those countries with less political power (e.g., countries in the Eastern Asia, Middle Asia, and Africa) may increase, implying the increase in their bargaining power relative to those firms located in the countries with more political power (e.g., European Union, United Kingdom and China). The success of transnational green supply chain collaboration can be accomplished only when the firms with high power are willing to take the responsibility of investing in improving not only supply chain relationship quality but also the collaborative benefits of green supply chains.

**Managerial implications –**

The comprehensive implication of this study is to provide insights about the green supply chain collaborations under cross-governmental regulatory instruments that can be used by the participating actors (Buyer-Supplier-Carrier) and other stakeholders along the OBOR cross-border trade corridors to allow them to improve their business models and economic gains without compromising on the environmental goals, thus transiting from environmentally responsible green supply chain to sustainable supply chain.
Keywords: Green Supply chain, One Belt-One Road, Power asymmetry, Green attitude, Game Theory

References:


