
The Role of National Animosity in Business Partnerships



By [Henrich Greve](#) , INSEAD Professor of Entrepreneurship

Historical national animosity can influence business ties.

Pakistan has India and Afghanistan as neighbors, and there is shared ethnicity and language across the borders. Still, it is not clear to us that a firm in Pakistan will choose an Indian or Pakistani firm as an alliance partner. UK is much closer to France than to the US, but we think of a special relation between UK and US that goes beyond the shared language. Would it surprise us to see UK firms ally more with US than French partners?

Let's not explain our intuitions on these nation pairs through some soft culture concept. We know that there have been threats of wars and actual wars between the less likely pairs of nations in these examples. Well, there was also a war between the UK and US a while ago, but it is nothing compared to UK-France relations. In fact, it is possible to link nations through their ties of animosity, as in the figure below.

So the worst situation is when the firms that your firm needs most are in a nation that is peaceful to all other nations than your own. In business, it is best to stay away from sworn enemies, including sworn political enemies. It is just one more detail to consider in the craft of putting together an effective portfolio of alliances and one that is so new that we did not even consider it in our book, [Network Advantage](#).

Henrich's blog

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