

Call for Papers

**RISING POWERS FROM EMERGING MARKETS – THE CHANGING FACE OF
INTERNATIONAL BUSINESS**

Guest editors:

Rudolf R. Sinkovics, Khalid Nadvi, Mo Yamin & Yingying Zhang Zhang

About the Special Issue

International Business Review (IBR) invites the submission of articles that fit the theme “Rising powers from emerging markets – The changing face of international business”.

The rise of China, India and Brazil as economic and political ‘drivers’ of the global economy has generated substantial interest, both in policy circles and in academic research. China is now the world’s second biggest economy and continues to grow at double digits (Henderson and Nadvi 2011). India is catching up, albeit with a time-lag, with mergers and acquisitions taking place in sectors as varied as automobiles, pharmaceuticals, and telecommunications. Brazilian multinationals are now major global players in mining, oil and a number of agro-processing sectors (Fleury and Fleury 2011). Together, these economies and associated firms have managed to sustain growth despite the economic downturn, captured headlines in business magazines such as *BusinessWeek* and the *Economist*, seized interest from consulting firms such as McKinsey & Co and the Boston Consulting Group and ignited recent scholarly interest on the internationalization of emerging country firms (Luo and Tung 2007; Makino, Lau, and Yeh 2002; Ramamurti and Singh 2009).

What is interesting in this new rise of powerful players, particularly when compared to earlier work on FDI from developing countries (Lall 1983; Wells 1983), is that it is seemingly not a simple revision of the earlier experience. The growth of Korean multinationals serves as an example of late industrialization (Amsden 1989), whereby industries learnt from earlier innovators, rather than innovate themselves. However, India and China are becoming major producers of products and services for global markets by pursuing rather distinctive development paths. In fact, there is evidence of highly creative response to institutional discontinuity in their domestic environment and tremendously swift build-up of innovation capabilities (Altenburg, Schmitz, and Stamm 2008; Chittoor et al. 2009; Luo, Xue, and Han 2010; Williamson and Zeng 2009; Zeng and Williamson 2007).

Rising power firms are likely to turn traditional notions of competition and strategy upside down. While China has clearly used MNCs as a way of learning, gaining intellectual property through a rather weak implementation of intellectual property rights, it would be wrong to think that China has simply “borrowed” competitive strategies of western MNCs (Lauder, Brown, and Brown 2008). There is evidence that goes beyond the views of China as a world factory or as an emerging market wanting for Western goods and technologies (Gao 2011). Rather, firms are now pursuing their own low cost innovation strategies and strategies for leveraging cost innovation advantages which threaten to disrupt global competition as we know it (Williamson and Zeng 2009; Zeng and Williamson 2007). Indian firms, in pursuit of a different take on competitive strategies, have built on outsourcing agreements which were augmented by cost cutting exercises and projects in native India. Both examples have to be seen as more than simply cheap manufacturing or service strategies, as cutting edge R&D facilities provide opportunities for technology leverage strategies and accelerated internationalization (Mathews 2006) above and beyond a simple south-south trajectory as previously

envisaged (Ramamurti and Singh 2009). Furthermore there is evidence to suggest that there may be significant differences in internationalization strategies of rising power firms, as a consequence of different patterns of integration in their domestic economies (Niosi and Tschang 2009) and differences regarding environmental and social embeddedness (Badry 2009).

We particularly look for papers on the following topics:

In this special issue we are looking at the rising powers thematic with the notion of “changing face” or “difference”. What, if anything, is different in the emergence of rising power firms from the conceptual and theoretical perspectives, and in terms of challenges - for theory, as well as for the practice of international business in the rising powers, developing and developed worlds? Within this framework, we are interested in papers that address one or more of the following questions:

- In what ways does the emergence of rising power multinationals challenge existing theories of international business?
- How are firms from the rising powers disrupting the current paradigm of global competition and thus changing the ‘rules of the game’ (Zeng and Williamson 2007).
- What are the consequences of these changes for firms and consumers in other marketplaces?
- Rising power firms are increasingly becoming global players, taking on more substantive roles in global production networks or becoming lead firms in their own right (Schmitz 2004). Which factors facilitate this development, how can firms upgrade their position?
- Rising power firms often pursue ‘aggressive’ strategies aimed at transforming them rapidly into key players at the frontiers of technology and organizational performance. These aims are mostly pursued through asset-seeking in the form of M&A and the purchase of brands. Are the outcomes of these strategies in line with their intentions?
- Rising power firms often address ‘bottom of the pyramid’ markets or engage in entrepreneurial innovation that is unprecedented and alleviates social problems (London, Anupindi, and Sheth 2010). What are the drivers and outcomes of this economic development process?
- Rising powers display a substantially different economic and institutional environment from countries of the global north (London and Hart 2010) and often exhibit different ownership structures with thin layers of bureaucracy and improved information flows (Amsden 2009). To what extent may rising power firms develop business strategies (London, Anupindi, and Sheth 2010) and business models which not only contribute to their country’s economic development, but also constitute a competitive advantage that is internationally scalable?

Guidelines and submission information

- All papers will be subjected to double-blind peer review in accordance with IBR guidelines.
- Authors should follow IBR guidelines, <http://www.sciencedirect.com/science/journal/09695931>
- Authors should submit an electronic copy of their manuscript as a word-file with title page detached.
- The title page should include the names, titles, professional affiliations, and contact information of the authors. Authors’ names should appear on the title page only. Authors should refrain from revealing their identity in the body of the manuscript
- Submit your papers via email to Rudolf.Sinkovics@manchester.ac.uk
- Submission deadline: 29 February 2012.
- The review process (desk review and first round) will take approx. 4-5 months
- Questions about the special issue can be directed to the guest co-editors: Rudolf R. Sinkovics (Rudolf.Sinkovics@manchester.ac.uk), Khalid Nadvi (Khalid.Nadvi@manchester.ac.uk), Mo Yamin (Mo.Yamin@manchester.ac.uk), Yingying Zhang Zhang (y Zhang@cunef.edu)

About the special issue editors

Rudolf R. Sinkovics is Professor of International Business at Manchester Business School, U.K. He received his PhD from Vienna University of Economics and Business (WU), Austria. His research contributions span issues of governance related to overcoming environmental and business risk, information and communication technology and methodology. Recent interests involve emerging markets, and drivers of economic change. His work has been published in journals such as *Journal of International Business Studies*, *Journal of World Business*, and *International Business Review*.

Khalid Nadvi is a Senior Lecturer in Development Economics at the Institute for Development Policy and Management (IDPM), School of Environment and Development (SED), University of Manchester. His research concentrates on industrial development and international trade, focusing in particular on industrial clusters, global value chains and production networks and the challenge posed by global labour and environmental process standards. He has published widely including in *World Development*, *Development and Change*, *Global Networks*, *Journal of Business Ethics* and *Journal of Economic Geography*. He also leads an ESRC funded research network on Rising Powers and Global Standards.

Mo Yamin is Professor of International Business at the Manchester Business School, University of Manchester, UK. His research focus is on multinational enterprises. His contributions include: a reassessment of Hymer's influence on multinational enterprise theory, subsidiary knowledge creation and transfer in multinationals, reliance on online media in the internationalisation process and the impact of multinationals on economic development. He has co-edited *Anxieties and Management Responses in International Business*, and a special issue in *Journal of World Business* on revisiting the impact of multinational enterprises on economic development.

Yingying Zhang Zhang is Associate Professor of Management and Organization at CUNEF, Complutense University of Madrid. She received her PhD from ESADE-Ramon Llull University, Spain. Her research interests include international strategic human resource management, cultural values, knowledge and innovation. She has published in *Management and Organization Review*, *International Journal of Human Resource Management*, and *Cross Cultural Management*, among others. She is also co-editor for the Nonaka book series on knowledge and innovation, Palgrave Macmillan.

Relevant references

- Altenburg, Tilman, Hubert Schmitz, and Andreas Stamm (2008), "Breakthrough China's and India's Transition from Production to Innovation," *World Development*, 36 (2), 325-344.
- Amsden, Alice H. (1989), *Asia's Next Giant: South Korea and Late Industrialization*. Oxford: Oxford University Press.
- Amsden, Alice H. (2009), "Does Firm Ownership Matter? Poes Vs. Foes in the Developing World," in *Emerging Multinationals in Emerging Markets*, Ravi Ramamurti and Jitendra V. Singh (Eds.). Cambridge: Cambridge University Press, 64-77.
- Badry, Dina (2009), *Multinational Companies in Low-Income Markets: An Analysis of Social Embeddedness in Southeast Asia* Wiesbaden: Gabler Verlag.
- Chittoor, Raveendra, MB Sarkar, Sougata Ray, and Preet S. Aulakh (2009), "Third-World Copycats to Emerging Multinationals: Institutional Changes and Organizational Transformation in the Indian Pharmaceutical Industry," *Organization Science*, 20 (1), 187-205.
- Fleury, Afonso and Maria Tereza Leme Fleury (2011), *Brazilian Multinationals - Competences for Internationalization*. Cambridge, UK: Cambridge University Press.
- Gao, Hongzhi (2011), "Changing the Rules of the Game in the New Era of Global Competition the Chinese Way," *Thunderbird International Business Review*, 53 (4), 539-542.

- Henderson, Jeffrey and Khalid Nadvi (2011), "Greater China, the Challenges of Global Production Networks and the Dynamics of Transformation," *Global Networks*, 11 (3), 285-297.
- Lall, Sanjaya (1983), *The New Multinationals: The Spread of Third World Enterprises*. Chichester, UK: John Wiley & Sons.
- Lauder, Hugh, Phillip Brown, and Ceri Brown (2008), *The Consequences of Global Expansion for Knowledge, Creativity and Communication: An Analysis and Scenario*, [Online]: Beyond Current Horizons. Available: www.beyondcurrenthorizons.org.uk [2010, Nov 20].
- London, Ted, Ravi Anupindi, and Sateen Sheth (2010), "Creating Mutual Value: Lessons Learned from Ventures Serving Base of the Pyramid Producers," *Journal of Business Research*, 63 (6), 582-594.
- London, Ted and Stuart L. Hart Eds. (2010), *Next Generation Business Strategies for the Base of the Pyramid: New Approaches for Building Mutual Value*. Upper Saddle River, New Jersey: FT Press.
- Luo, Yadong and Rosalie L. Tung (2007), "International Expansion of Emerging Market Enterprises: A Springboard Perspective," *Journal of International Business Studies*, 38 (4), 481-498.
- Luo, Yadong, Qiuzhi Xue, and Binjie Han (2010), "How Emerging Market Governments Promote Outward FDI: Experience from China," *Journal of World Business*, 45 (1), 68-79.
- Makino, Shige, Chung-Ming Lau, and Rhy-Song Yeh (2002), "Asset-Exploitation Versus Asset-Seeking: Implications for Location Choice of Foreign Direct Investment from Newly Industrialized Economies," *Journal of International Business Studies*, 33 (3), 403-421.
- Mathews, John (2006), "Dragon Multinationals: New Players in 21st Century Globalization," *Asia Pacific Journal of Management*, 23 (1), 5-27.
- Niosi, Jorge and F. Ted Tschang (2009), "The Strategies of Chinese and Indian Software Multinationals: Implications for Internationalization Theory," *Industrial and Corporate Change*, 18 (2), 269-294.
- Ramamurti, Ravi and Jitendra V. Singh Eds. (2009), *Emerging Multinationals in Emerging Markets*. Cambridge: Cambridge University Press.
- Schmitz, Hubert Ed. (2004), *Local Enterprises in the Global Economy: Issues of Governance and Upgrading*. Cheltenham: Edward Elgar.
- Wells, Louis T. (1983), *Third World Multinationals: The Rise of Foreign Investment from Developing Countries*. Cambridge, MA: MIT Press.
- Williamson, Peter J. and Ming Zeng (2009), "Chinese Multinationals: Emerging through New Global Gateways," in *Emerging Multinationals in Emerging Markets*, Ravi Ramamurti and Jitendra V. Singh (Eds.). Cambridge: Cambridge University Press, 81-109.
- Zeng, Ming and Peter J. Williamson (2007), *Dragons at Your Door: How Chinese Cost Innovation Is Disrupting Global Competition*. Boston, Mass.: Harvard Business School Press.