

Emerging Markets Multinational Corporations and the State: Implications for Transnational Activity

Call for papers, special issue of “Critical Perspectives on International Business”

The rise of multinational corporations (MNCs) from emerging markets has been a major development during the last decade. Publications such as the UNCTAD Global Investment Report and the FT Global 500 indicate the increasing share of these companies among the world's largest multinationals. This development not only relates to the BRICs, but also comprises companies from countries such as Indonesia, Malaysia, Mexico Saudi-Arabia, Singapore, South Africa, Taiwan, Turkey and others. Explaining the rather sudden rise of these companies has become somewhat of a growth industry over the last years. (Brennan 2011, Sauvart et al. 2010). Various International Business scholars have developed or modified long established analytical instruments in order to account for the rise of these companies. Theories such as the Eclectic Paradigm (Dunning 1986) or the Product Cycle Model (Wells 1983) have been extended in order to account for the rise of these companies while others such as the Linking, Leverage, Learning-approach (Mathews 2002) have been proposed to address this novel phenomenon.

However, many of these approaches do not fully take into account that the institutional and political background in the home states of these companies may be quite different from the ones within most countries of the established centre of the world economy and that this background may be a very important one for understanding the transnational activity of these corporations (Goldstein 2007, Ramamurti 2008). Moreover, literature has only begun to address the implications of this institutional background for the global economic order (Nölke and Taylor 2010, Nölke 2011).

This call for papers is based on the assumption that a major feature of emerging market MNCs appears to be their close relationship with their home country states. To be sure, many Western MNCs cultivate close relationships with their home states as well (as, for instance, recently witnessed in the financial sector), but this special issue will investigate whether and where there is a special quality of relationship between the state and major corporations stemming from countries outside of the recent centre of the world economy, as well as explore how this special quality affects the cross-border activities of these corporations.

In order to study this claim, a number of topics may be highlighted that might form the focus of individual contributions, both comprising of specific public policies and more general structural issues. A first set of topics looks at the role of (partial) state ownership/(former) public enterprises among emerging markets MNCs, direct financial support by (para-) state bodies, such as development banks or pension funds, as well as the importance of close, formal or informal inter-personal networks between major corporations and public officials in these countries, as far as this proximity and these support measures directly effect the cross-border operations of emerging market MNCs.

The close relationship between emerging markets multinationals and their home states may, however, not be limited to a domestic issue. Corporations and governments may also cooperate quite closely with regard to trans-/international relations. A number of issues could be explored in this context:

- Close relations between corporations and governments for gaining access to natural resources in other countries.
- Cooperation between emerging market MNCs and home state governments with regard to negotiations about global/regional economic regulation, e.g. with regard to the selective protection of intellectual property rights or to competition policies that are geared towards the support of emerging “national champions”.
- The non-enforcement of international regulations by home state governments, e.g. accounting and auditing standards or corporate governance regulations that prevent unfriendly take-overs, particularly by rival multinationals.
- The different role of these MNCs with regard to private transnational governance, e.g. with regard to social and environmental standards.
- The degree of integration of emerging market MNC managers in transnational organizations of the global capitalist class – vis-à-vis their primary identification with domestic state-based class networks.

Generally, the close relationship between these corporations and their home states may be considered as a problematic affair, not only from the perspective of liberals that despise any intervention of the state in economic affairs. We welcome papers that give special attention to the potential effects of this relationship with regard to:

- The concentration of economic and political power due to the collusion of public officials and MNC owners/managers and its effect for the cross-border operation of firms.
- Public policies that are biased towards the transnational expansion of big companies, thereby disadvantaging broad social groups (e.g. high consumer prices due to weak competition policies).
- The emergence of international tensions, due to the use of governments in order to further company strategies (or the use of corporations for political strategies).

In order to study the agenda outlined above, we seek contributions by political scientists, political economists and critical business scholars, but also from scholars with a background in sociology, geography or business history. Moreover, we are seeking contributions from all regions of the world, in particular from emerging market economies.

Time schedule

The submission of manuscripts will follow a two step-approach. The first round is based on an initial call for abstracts (300 – 500 words) with a deadline of 15 March 2012. A selected number of authors will subsequently be invited for an authors’ workshop on 18/19 June 2012 in Parma/Italy, sponsored by the COST Action IS 0905 “The Emergence of Southern Multinationals and their Impact on Europe”. Participation will be open to both members of the COST Action and other scholars. Papers for this workshop will be due 31 May 2012.

The submission deadline for manuscripts with CPoIB will be 1 December 2012, with initial reviewing to be completed by 28 February 2013, revisions due by 1st May 2013, final decisions by 1 August 2013, and anticipated publication in early 2014. Submission of manuscripts will be open to all scholars, not limited to participants of the authors’ conference in June 2012.

Submissions should follow the author guidelines for Critical Perspectives on International Business which can be found at <http://www.emeraldinsight.com/cpoib.htm>.

Please direct questions, proposals and papers to the special issue to a.noelke@soz.uni-frankfurt.de.

About the Guest Editor

Dr. Andreas Nölke is Professor of Political Science, with a special focus on International Relations and International Political Economy at Goethe University, Frankfurt. His research interests include comparative capitalism, emerging markets, financialization, deep integration, private governance and transnational policy networks. He has published articles in leading journals such as *World Politics*, *Review of International Political Economy*, *Journal of Common Market Studies* and *Business and Politics*.

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