

Book Review: Andrei Panibratov, *International Strategy of Emerging Market Firms – Absorbing Global Knowledge and Building Competitive Advantage*, Routledge, 2017, 422 p.

World Investment Report 2017, the latest in a series published annually by UNCTAD, has again highlighted the rapidly growing role of emerging market economies in the global FDI flows, with a steady improvement seen in the rankings of emerging economies in the foreign direct investment (FDI) inflows, as well as outflows. Emerging economies nowadays are positioned not only as recipients, but also as significant sources of FDI. Structural changes in the global FDI flows are driven by the so-called emerging multinationals that are representative of a rather complex phenomenon in the world economy.

Emerging multinationals have been at the center of academic discussions for years—a fact clearly proven by the number of books and academic research papers published on the topic. Emerging market multinationals help to better understand the structural changes in the world economy.

Andrei Panibratov's book on the internationalisation of emerging market firms provides interesting insights for understanding two big research questions, that is, *how* and *why* emerging multinationals internationalise. One of the strong points of the book is a complex analysis of emerging multinationals and an extensive consideration of theoretical issues of internationalisation; this is achieved through an investigation of firm-, country-, and industry-specific factors that have a profound impact on the process of internationalisation. In addition, the book reveals how emerging multinationals absorb global knowledge and build their competitive advantages. Finally, the numerous case studies presented in the book allow us to classify it as both a textbook and a work of academic research.

The book is divided into four parts. The first part describes the contemporary meaning and context of international business; the author summarises the results of recent research on international strategy and provides an overview of the recent developments in emerging economies, focusing particularly on the BRIC nations. Part II tracks the evolution of international strategy, focusing on the theoretical explanation of internationalisation via resource-based, institutional, eclectic paradigm, and the Uppsala model theories. Part III complements the study's theoretical assumptions by examining international strategies of Brazilian, Chinese, Indian, and Russian multinationals. In part IV, the author reveals the factors shaping the strategies of emerging multinationals today. He does so by focusing on the non-market strategy perspective, emphasising the role of the government in the framing of

international strategy, as well as the necessity for emerging multinationals to overcome the liability of foreignness.

The book has a valuable collection of detailed case studies on emerging multinationals from the BRIC nations; there are also a few case studies that thoroughly examine multinationals from developed countries operating in emerging economies. The case studies introduced have a close relation to the theoretical parts and this enhances the reader's understanding of the key theoretical concepts. In the examples taken in these case studies, the author contrasts and compares the absorptive capacity of emerging and developed multinationals.

The book raises some critical issues. The first one relates to the perspective used to analyse multinationals; despite the author's aim to investigate emerging multinationals solely from the perspective of international business theory, traditionally they have been extensively analysed from the point of view of international political economy (IPE) and even international economics, as their role is extremely significant in the global trade and FDI flows. The structure of the world economy, as well as its governance, have changed drastically over the past 40 years; thus, it can be presumed that all multinationals have had to adopt to these changes. It would be interesting to consider whether emerging multinationals are the by-product of these structural changes in the world economy and the new global order or the direct outcome of international strategies by their governments of fostering individual national champions. In addition, it would be interesting to examine emerging multinationals and their global value chains in relation to the issues of regionalisation of the world economy. The One Belt, One Road initiative driven by China, the Eurasian Union proposed by Russia, and the economic integration in Asia have a profound impact on the behavioural patterns of emerging multinationals; perhaps, emerging multinationals themselves are the driving forces of the greater degree of regionalisation.

The second is regarding the differences and similarities among emerging multinationals that are important for the purpose of international comparison. BRIC countries, as well as multinationals from other emerging economies, have competitive advantages, such as cheap labor costs, strong government support (including financial support), and the ability to effectively adjust to the host country environment of less-developed countries. Based on the case studies analysed in Chapters 7–10, the author underlines the competitive advantages of emerging multinationals and stresses the fact that, to a large extent, they originate in the home country environment. However, a clearer systematisation of the differences and similarities among emerging multinationals is preferable as it can potentially shed light on the common features of emerging multinationals. In addition, it can help understand whether the BRIC multinationals are diligent learners in terms of absorbing global knowledge.

Third, more emphasis should be placed on the investigation of non-market strategies, particularly the role of the government. State-owned multinationals have become a typical phenomenon of the world economy, and emerging economies are no exception. While

providing detailed evidence on the role of the government in many Russian multinationals and examining the factors underpinning the political strategies of Russian multinationals, the author somehow does not extend his ideas to the context of other BRIC economies, where state involvement is on the higher side. Further, examining the differences and similarities of state involvement and state support can help better define the ‘specificity’ of emerging multinationals.

Fourth, the linkages of emerging multinationals with offshore tax havens remains outside the book’s scope of study, despite the fact that around 80% of Chinese and Russian FDI have these territories as both the destination and source of FDI. The author’s ideas on how we should interpret these offshore networks of emerging multinationals and their implications for the contemporary international business could be of high value. Consequently, investigating the relations of emerging multinationals with offshore territories could help to clarify the contemporary flow of international finance in the world economy and link the strategies of emerging multinationals with the theories about the global capital markets that provide cheap financing and guide foreign investors, including those from the emerging economies.

In conclusion, it should be noted that perhaps no book can provide universally valid answers to all the research questions. The fact that Andrei Panibratov’s book raises a few critical points is a solid argument that it has contributed to a profound understanding of emerging multinationals and provided grounds for further research on the topic; this makes it a successful scientific work. The book is of extremely high interest to both academics and business managers wanting to know about how emerging multinationals have absorbed and built their capabilities to compete with the multinationals from developed countries. It can also inspire young scholars like me to continue research on the topic.

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