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## Journal of International Management

### Emerging Market Firm Competitiveness: Internationalization, Innovation and Institutions (3Is)

Guest Editors: Sid Gray, Vikas Kumar and Ram Mudambi

Emerging market firms (EMFs) are increasingly gaining prominence in the global economic arena as a result of the following three inter-related phenomena. First, many EMFs have expanded their operations internationally, not only into other emerging and developing economy markets but also into developed economy markets such as the US, UK and Australia. A significant number have done so in an accelerated fashion (Mathews, 2006), using large-scale mergers and acquisitions. Some claim that this has enabled them to 'leapfrog' certain stages of internationalization (Luo and Tung, 2007), resulting in widespread attempts at theorizing this new phenomenon (Gammeltoft, Barnard, and Madhok, 2010; Guillen and Garcia-Canal, 2009).

Second, there is an on-going re-configuration of the location profile of innovative activity. The extent of R&D and other knowledge-intensive activities conducted by business enterprises, in emerging markets is increasing rapidly: in fact more than half of the top 1000 global firms had R&D centers in China or India by 2005 (UNCTAD, 2005; Bruche, 2009). This dispersion in the location of innovation is being fuelled on the one hand by EMFs striving to catch-up and move up the value chain (Mudambi, 2008) and on the other hand by advanced economy multinationals investing heavily in emerging markets to take advantage of relatively low cost (and increasingly sophisticated) local resources. We are even beginning to see emerging markets being used in the development of novel products that can be used world-wide, a phenomenon termed 'reverse-innovation' (Immelt, Govindarajan, and Trimble, 2009).

Finally, a crucial characteristic of most emerging markets over the last two decades has been continuous institutional evolution, especially with regard to economic liberalization. This led to significant foreign direct investment with the associated benefits of valuable spillovers of diverse and advanced knowledge into the local economy. These favourable institutional environments have also enabled some EMFs to become world leading firms in their own right (Khanna and Palepu, 2006). Rapid institutional change also provides opportunities within which novel forms of entrepreneurship arise and flourish (Hill and Mudambi, 2010).

This special issue aims to continue the body of work developed in the *Journal of International Management* (e.g., Aulakh and Kotabe, 2008; Chittoor et al, 2008) by adding the perspective of innovation to that internationalization and institutional change. In so doing, we will advance our understanding of EMF competitiveness by exploring the dynamic interactions amongst all the 3 I's, internationalization, innovation and institutions. We welcome papers from a variety of contexts that advance our theoretical and empirical understanding of EMFs in the context of the 3Is. Some illustrative questions that we seek to address through this special issue are:

- What are the different types of innovation that EMFs are engaged in? How do these different innovations impact internationalization strategies of such firms? What type of innovation by EMFs is most useful for internationalizing into advanced economy markets?
- How global is innovation activity in emerging markets? What is the role of emerging market institutions in shaping the innovative ability of EMFs as well as that of advanced economy multinationals operating in emerging markets?
- Do innovations in emerging markets, especially those conducted by EMFs, mainly target niche markets within the domestic economy? To what extent can 'reverse innovation' guide the innovation strategy of both EMFs and advanced economy multinationals?
- Is innovation by EMFs critical to their success in other emerging markets? How does innovation activity differ in its impact on internationalization strategy of different types of EMFs based on firm size, industry, group affiliation and other firm level characteristics?
- What specific facets of internationalization strategy – entry mode, scale of entry, foreign partner choice, bargaining power with foreign entities including government institutions, short term returns, long term success, and the like – are most impacted through the innovative activity of emerging market firms?
- How does innovation being conducted by foreign multinational firms in emerging markets spill over to other emerging market firms? Does it affect their internationalization strategy and if so, how?

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The deadline for submission of manuscripts is **January 31, 2012**. Manuscripts should be prepared in accordance with Journal of International Management's Style Guide for Authors: <http://sbm.temple.edu/jim/authors.html>. Manuscripts should be electronically submitted to: Sid Gray [sid.gray@sydney.edu.au](mailto:sid.gray@sydney.edu.au) Please be sure to note "Special Issue on Emerging Market Firm Competitiveness," when submitting your manuscript.

Please direct any questions regarding the Special Issue to one of the guest editors.

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