Editorial

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Biographical notes: Satyendra Singh is Director of Centre for Emerging Markets, and Professor of Marketing and International Business in the Faculty of Business and Economics at the University of Winnipeg, Canada. His research interests lie in the area of emerging markets with particular emphasis on Africa and Asia. He has published in journals such as *Thunderbird International Business Review*, *Industrial Marketing Management*, *Journal of Services Marketing*, *Services Industries Journal*, among others, and presented papers at international conferences such as Academy of Marketing Science, American Marketing Association, British Academy of Management, European Marketing Academy, among others. He is the author of *Market Orientation, Corporate Culture and Business Performance* (2004, Ashgate, UK), and *Business Practices in Emerging and Re-emerging Markets* (2008, Palgrave, USA). He has also edited a book entitled *Handbook of Business Practices and Growth in Emerging Markets* (2009, World Scientific, Singapore).

This issue of *IJBEM* contains five articles from several emerging markets. In the lead article, Chipalkatti, Koch and Rishi examine whether firms listed in the USA that had off-shored information technology enabled services to India faced heightened levels of political risk when the Indian election results were being announced and the political coalitions were being formed. These results were remarkable due to the surprising victory of the current ruling party which presented an unanticipated discontinuity in the business environment as a result of the unexpected political change. Findings of the study validate the use of a political risk premium when evaluating the efficacy of offshore projects in countries prone to coalition governments.

In the emerging markets of BRIC, Natanelov, Dora, Gellynck and Van Huylenbroeck test the impact of crude oil price on dissimilar BRIC economies. Their results indicate linear co-integration of Chinese and Brazilian stock markets with crude oil prices, whereas in case of India and Russia a threshold co-integration exists. Further, India’s BSE30 precedes crude oil futures, whereas China, Russia and Brazil have a bi-directional causality between the stock markets and crude oil prices.

In the next article, Sooreea-Bheemul and Sooreea employ panel Granger causality techniques to identify long-run causal relations among FDI, exports, domestic investment and economic growth in 28 developing and emerging countries between 1980 and 1998. Their results indicate uni-directional causality from economic growth to domestic investment but bi-directional causality between all other variable pairs. However, the missing causal link from domestic investment to economic growth together with bi-directional causalities between domestic investment, export-promoting FDI and growth-promoting FDI suggest that developing and emerging countries should not ignore their domestic investors at the expense of FDI and exports.

In the related article, Kaur and Vikram examine whether a country's degree of openness moderates the relationship between exchange rate flexibility and GDP. Based on a data set from the 18 Asian countries, their econometric results (based on 2SLS, fixed effect estimation model, covering the period since 1961) indicate that both trade openness and exchange rate flexibility (de facto) impact GDP favourably. The authors suggest that the economic impact of volatility is positive and insignificant.

Although literature suggests that multinational company (MNC) entrants present entry barriers to potential smaller domestic entrants, Droege, Lane and Casile offer an alternative scenario, and test the influence of MNC entry on domestic firm entry rates in the emerging market of Thailand. Their scenario suggests that MNCs and domestic organisations can co-exist as separate strategic groups within an industry, and that when small, potential domestic firms have access to idiosyncratic resources that are less available to MNCs, these smaller entrants are successful in overcoming strong MNC entry barriers. Their results indicate less predictable competitive dynamics than previous research would suggest, especially in the context of emerging markets.

(We thank Professor Sushanta Mallick, University of London, UK for processing the first three papers for this issue.)