

## SPECIAL SECTION: BRICS, GLOBAL BUSINESS & INNOVATION

### GUEST EDITORS' INTRODUCTION\*

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Since the origins of BRICS in Ekaterinburg in 2009 and with the inclusion of South Africa in 2010, internationalization and innovation have been a relevant issue. The BRICS economies have been the subject of many scholarly papers and at the same time have been popular in the mass media. Those countries have experienced big changes by embracing global capitalism. Considering the high rates of economic growth and the diversity of development modes, BRICS countries also enrich the research agenda as possible drivers of growth and innovation development. Moreover, innovation has been defined as a complex trade-off between routinization and change by Meeus and Oerlemans (2000). So what is the optimal strategy in these countries? Do they have to look for technological breakthroughs or for novel and innovative combinations of existing knowledge to address local problems as [Govindarajan, Ramamurti, 2011] propose? To study these new realities, it is important to understand how managerial decisions and

methods are adjusted, applied and transformed in BRICS countries.

Given that, the St. Petersburg School of Economics and Management of National Research University Higher School of Economics organized the International BRICS Global Business & Innovation Conference. Here we are presenting a special issue with some selected papers from that conference. The main objective of the conference was to stimulate discussion and generate ideas for developing robust models for promoting competitiveness and sustainable development in an increasingly turbulent environment. BRICS countries and their contribution to global business and innovation development were the focus of the conference. Also, a broader range of issues was discussed, including new business models based on digitalization, new approaches to performance measurement and new managerial technologies in economics and business.

Traditionally, technological innovation has been considered key to outperforming

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competitors [Fischer, Henkel, 2013]. But changes in economic or institutional conditions may impact the type of profitable innovations [Suarez, 2014]. Innovations should be considered from a different perspective. They do not need to be just technological, and in some cases poor countries may adopt an innovation before rich countries. This phenomenon is what [Govindarajan, Ramamurti, 2011] defined as “reverse innovation”. So, new opportunities arise for countries such as those in BRICS where they are entering directly into the digital environment. Now, past innovations might not be suitable for the new environment [Suarez, 2014]. The nature of innovation in emerging markets may be different. The phenomenon of globalization has been also studied by academics. More, specifically, the strategies of international companies in emerging markets [Bukhvalov, Alekseeva, 2015]. The role of BRICS among the emerging markets will become relevant when China and India can act as global providers of services and Brazil and Russia of raw materials. So the study of the policies in BRICS countries regarding the global market as well as the managerial decisions in companies from those countries or that operate there has become of interest.

For this special section three papers have been selected. The paper by R. Littrell and P. Ramburuth analyses the international business management environment in the BRIC(S) bloc. The idea of the BRICS bloc is challenged and some other clusters of countries are presented. This paper introduces a conceptual framework for this section. The paper by A. Daviy, S. Paklina and A. Prokofyeva studies the role of digital manufacturing and changing marketing activities of industrial companies. This issue has become relevant when BRICS countries have a “leapfrogging advantage” [Ramamurti, Hillemann, 2018]. In some areas of digitalization, multinationals from emerging countries are leading the world, outpacing their competitors from mature markets. Finally, the paper by Y. Leevik analyzes the problem and the perception of earnings management in Russian companies. This topic is of special interest in countries that have experienced or are experiencing the transition from socialism to a market economy as in Russia and China. The results of the paper show that the perception in Russia about earnings management is not significantly different than in market oriented developed countries. Here the question about what is the perception in the other BRICS countries still is open for future research.

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