Editorial

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The theme of the EAMSA Conference 2006 in Seoul, Korea, was ‘Emerging Economies in Asia and Europe: New Challenges for Competition and Collaboration’. A particularly large number of papers focussed on business challenges and opportunities in emerging countries in Asia and for this Special Issue of *Asian Business and Management*, selected presenters from the Seoul conference were invited to submit their work. All articles underwent an anonymous peer review and revision process before being accepted for publication.

Established concepts of the internationalization of firms, such as Vernon’s product lifecycle theory or Dunning’s eclectic theory, rest on the perception that international business and foreign direct investment fundamentally flow from advanced countries into other advanced countries and into economically and technologically trailing developing countries. The rise of emerging economies, particularly in Asia, poses some new challenges for international business research and practice, however. How can these countries be viewed as target locations for international business, as they are markedly different from developing countries as well as from established advanced countries? What are the specific challenges and opportunities for doing international business in these countries? At the same time, companies from the emerging Asian economies play an increasingly active role in international business. Are their international business strategies similar or dissimilar to those of firms from advanced countries? Can any common patterns of strategic behaviour regarding these firms from emerging economies be identified which set them apart from the established players in the Triad countries?

The contributions to this Special Issue address both inward and outward business strategies regarding emerging economies in Asia. Three papers focus on the inward-oriented business perspective. Byung Il Park, Axèle Giroud, Hafiz Mirza and Jeryl Whitelock investigate the influence of foreign parent firms’ behaviour on managerial knowledge acquisition and performance of international joint ventures in Korea. Their study suggests that whereas the factors contributing to knowledge acquisition on the one hand and performance on the other hand are somewhat different, overall it becomes clear that active involvement and managerial attention by foreign parent firms are key in making international joint ventures in Korea a success.

Jie Yu and Hendrik Meyer-Ohle investigate the human resource management of Japanese companies operating in China from a qualitative viewpoint.

Interviews with Chinese employees of these companies indicate that the transfer of Japanese management practices causes many problems in the firms' subsidiaries in China, which are aggravated by a strong competition among multinational firms from different regions in the world for the most qualified managers and workers.

Chie Iguchi focusses on linkages between multinational firms' subsidiaries and their suppliers in the Malaysian electronics industry. Her study reveals that some technologically strong local suppliers have developed in Malaysia. Further, it is shown that the flow of technology and knowledge between multinational firms and their local suppliers in Malaysia is enhanced by the autonomy level of MNEs' subsidiaries. This suggests that the technological competence level of suppliers and the technological position of subsidiaries within internal global networks of MNEs are mutually enhancing, and that MNEs should view emerging countries not exclusively as a location to exploit, but also as opportunities to create competitive advantage.

The article by Ludwig Bstieler and Martin Hemmert deals with new product alliances of Korean machinery and electronics firms with domestic and international partners, thereby being relevant both for inward and outward business strategies there. The study reveals that the strength of business ties between alliance partners enhances knowledge acquisition only if these ties are specific and task-oriented. Overall, behavioural factors such as communication and fairness are more important than tie strength for knowledge acquisition. Moreover, there is no difference between domestic and international alliances as regards the knowledge acquired from partners. Overall, the results give no indication of specific barriers for knowledge acquisition in international as compared to domestic alliances in Korea.

The remaining two papers adopt an outward-oriented international business perspective from the viewpoint of emerging economies. Jay Hyuk Rhee investigates the determinants of international entry mode choices and performance by Korean venture firms. His study indicates that firms' technological advantage, together with the social network and absorptive capacity of Korean entrepreneurs, determines their international entry mode, whereas their performance is primarily determined by technological advantage and absorptive capacity only. In other words, whereas the firms' internationalization strategies appear to be influenced by the entrepreneurs' social networks, their performance is determined by technological and managerial competencies.

Finally, the article by Sten Söderman, Anders Jakobsson and Lois Soler, based on responses given by participants of executive education programmes in Shanghai, explores the internationalization strategies of Chinese companies. The study suggests that whereas many Chinese managers regard a cost leadership strategy as currently the most promising approach to enter

international markets, there is a widespread intent for repositioning through differentiation and increased brand recognition. The authors further indicate that some Chinese firms primarily appear to aim at addressing strategic disadvantages, rather than exploiting advantages, through internationalization, suggesting that their behaviour partially deviates from the predictions made by mainstream internationalization theories.

Taken together, the six articles in this Special Issue reveal some interesting results on inward and outward international business strategies related to emerging economies in Asia which will hopefully stimulate further research on this important topic. From the inward-oriented perspective, the authors seem to agree that MNEs need to devote significant managerial attention to succeed in emerging markets in Asia, rather than replicating their domestic business approaches. From the outward-oriented perspective, the strategic behaviour of firms from emerging Asian countries appears to deviate partially from predictions made by established conceptual frameworks in the field of international business, indicating the potential need for new theoretical groundwork.

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