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Andrea Goldstein, *Multinational Companies from Emerging Economies: Composition, Conceptualization and Direction in the Global Economy* Palgrave Macmillan 2009. 205pp.

This book provides a broad overview of the phenomenon of emerging market multinational corporations (EMNCs). Goldstein defines an EMNC as a company incorporated in a developing economy whose owner is an investor from one or more such countries. The notion of an EMNC does not, however, include companies incorporated in developed economies by non-resident entrepreneurs. The topic of EMNCs is an intriguing one given that multinational corporations (MNCs) are generally perceived to be a phenomenon associated with developed countries and that developing nations are primarily importers of foreign capital and technology from the developed world.

The book is clearly written and logically organized. Each chapter is prefaced by an abstract which succinctly summarizes its contents. The text is supplemented and expanded by tables of statistical data, appendices and boxes which consider specific case studies or theories which complement the main body of the work. The book comprises nine chapters dealing with trends in Southern outward foreign direct investment (OFDI); the sectors where EMNCs are most prevalent; Asian and Latin American EMNCs; the roles of governments and diaspora communities; theoretical discussion and analysis; and the impact of EMNCs on the Organisation for Economic Co-operation and Development (OECD) member countries.

Goldstein's research is predicated on the analysis of trends in the OFDI of developing nations. The author acknowledges from the outset that there are gaps in knowledge on EMNCs, both empirical and theoretical, and outlines areas which require more investigation. Despite the lack of reliable OFDI data

from the governments and enterprises of developing countries, Goldstein maintains there are clear discernable trends in the emergence of EMNCs from Asia, Latin America and Sub-Saharan Africa. Although the phenomenon of EMNCs is not new, Goldstein believes that it has grown in importance in recent years, especially with the emergence of China and India, and will continue to do so. Although there is a brief discussion of the role of South African EMNCs, there is no separate chapter on Sub-Saharan Africa, presumably because there is relatively little OFDI from this region.

Goldstein makes extensive use of the research of scholars from both the developed and developing world, official reports of government agencies and the United Nations and organisations such as the OECD and the World Bank. Although they still lag behind the MNCs of developed nations in terms of quantity, value of OFDI, affected industries and market penetration, EMNCs have made inroads into niche industries such as construction and oil production; oil is the most significant sector and most notable is China's acquisition of foreign oil concessions using its EMNCs as part of a concerted national strategy for securing future energy supplies.

Goldstein touches on some of the reasons for EMNCs expanding into developed and developing nations such as to acquire market access, to insulate their businesses and assets from economic or political risk in their home countries and to obtain capital, raw materials, technology and cheaper labour. The book also discusses the role of governments in developing nations and diaspora business communities. Governments encourage OFDI through proactive strategies, such as fiscal incentives and public investment in skill and technology development. Diaspora business communities residing in EMNC host countries are considered both as a modality and resource for EMNCs operating in foreign markets. Bilateral treaties dealing with investment, double taxation and preferential market access are also discussed.

The role of and response to regulation is a consistent theme. Outward investment, Goldstein notes, is often a means to overcoming protectionist impediments within an EMNC's country of origin rather than a sound business strategy. Similarly, market reforms, trade liberation and capital export restrictions in developing nations have contributed to the growth of EMNCs. Here, the experience of South American EMNCs in adapting to

economic deregulation and overcoming sophisticated foreign competitors is analysed. Regulation also features in Goldstein's analysis of the reaction of businesses and policymakers in OECD member countries to EMNCs operating in their markets. Concerns with EMNCs range from risks to national security, poor business and labour practices, and inexperience with the sophisticated regulatory framework of the OECD countries. By contrast, some OECD countries are accused of resorting to veiled protectionism against EMNCs.

The author's credentials as senior economist with the Development Centre of the OECD and her experience with the World Bank and the Italian Securities and Exchange Commission add authority to the research. She discusses the applicability of the existing theories of economics and administrative sciences which are used to explain MNCs in general. Goldstein notes that while they contribute insight, no one theory provides a satisfactory explanation of EMNCs and suggests areas where theories, such as, the so-called eclectic paradigm of economics should be adapted to explain EMNCs.

The book is significant for its contribution to the theoretical literature on the study of EMNCs and succeeds as an objective and insightful overview of the phenomenon of EMNCs. Scholars and policymakers seeking to undertake more focused research on EMNCs should begin by reading this book.

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