REVIEWING EMERGING MARKETS: CONTEXT, CONCEPTS & FUTURE RESEARCH
ABSTRACT

Purpose – This paper provides a systematic review of the substantial and growing body of Emerging Market (EM) research. Through assessing the literature an organizing framework is formed to support a nuanced basis for future research and management decisions in EMs.

Design/methodology/approach – Following guidelines of seminal authors, we conduct a systematic review involving both leading field-specific and top-tier international business journals.

Findings – The empirical context of the literature is outlined showing dominance of studies involving China and India. Seminal contributions are identified based on cross-references in the EM field and citations in international business literature in general. The definitional elements of the most dominant definitions are compiled into an organizing framework.

Research implications – Researchers need to acknowledge the distinct contextual setting of specific regions and countries labelled as EMs. This entails considerations into the capacity of current frameworks to lend insights not just on EM contexts but the particular EM context in focus.

Practical implications – The findings suggest a more nuanced approach to managing activities in EM contexts. The proposed framework encloses the EM category on its distinct dimensions. Each provide a unique basis for managerial decision-making on specified EM activities.

Originality/value – This paper provides the first systematic review of the ever-growing body of EM research literature to map and assess the existing intellectual territory. Through this, we contribute to the development of the existing body of knowledge and form a solid basis for future research.

Keywords - Emerging Markets, Literature Review, Organizing Framework.

Paper type - Literature Review
INTRODUCTION

Emerging Markets (EM) has since the early 2000’s received significant attention by both practitioners (O’Neill, 2001, O’Neill, 2013, Van Agtmael, 2007) and scholars (Arnold and Quelch, 1998, Hoskisson et al., 2000, Wright et al., 2005, Meyer et al., 2009, Khanna and Palepu, 1997, Peng, 2003, Paul and Benito, 2018). In a managerial context, World Bank economist, Antoine van Agtmael, coined “emerging markets” at the end of the 1980’s (Van Agtmael, 2007). Increased interest up through the 90s and 00s saw first the abbreviation of “BRIC” – Brazil, Russia, India, and China, “MINT” – Mexico, Indonesia, Nigeria and “Next-Eleven” – Bangladesh, Egypt, Indonesia, Iran, South Korea, Mexico, Nigeria, Pakistan, the Philippines, Turkey and Vietnam emerge to guide attention to these growing economies which promised a high yield on investments (Aulakh et al., 2000, Siegel, 2009, Sandberg, 2014, Tatoglu et al., 2016, O’Neill, 2011, Paul and Mas, 2016, Alon et al., 2010, Paul, 2015).

According to, O’Neill (2011) these countries had favorable demographics and increasing productivity which indicated interesting economic prospects for firms and investors within a decade or two (O’Neill, 2013). However, since then many of these markets have been confronted with stagnant growth and some are fighting recession, whilst others struggle with implementing economic reforms.

During the 1990s the first definitions of emerging markets emerged in research papers within international business and management (Teplensky et al., 1993, Boisot and Child, 1996, Khanna and Palepu, 1997, Arnold and Quelch, 1998). Following a World Bank definition of “Third World” countries, Cavusgil and Ghauri (1990) focused on those countries “with less than $7,300 annual GNP per capita” (Cavusgil and Ghauri, 1990). From an outset in this definition, “Third World” countries included most Asian countries (except Japan), Africa, the Middle East, The Caribbean, Central and South America. Further advancement was made when O’Neill (2011) and colleagues developed their “growth environment score” which
consisted of five macroeconomic and eight microeconomic variables and increased our understanding of the constituents of growth markets. Yet, despite an exponential rise in academic research on EM related topics and increased interest from practitioners during the last decade, the definitional elements used to characterize or conceptualize the emerging market category is however still inconsistent and to some extend ill reflected throughout the literature (e.g. Rottig, 2016, Meyer and Peng, 2016, Lien and Filatotchev, 2015, Contractor et al., 2014). This has left a gap in the literature and a pluralism of EM conceptualizations has arisen in the research field, resulting in different epistemological lines of enquiry into EMs. This warrants a systematic review of the substantial and growing body of EM literature to provide a nuanced basis for future research and management decisions in EMs. Firstly, one stream of literature focuses predominantly on economic definitional elements for identifying emerging markets (Hoskisson et al., 2000, Wright et al., 2005). This school of thoughts can be traced back to Arnold and Quelch (1998) which argues that corporate executives need to rethink their strategies when entering EM due to the distinct different economic environments. The second stream of literature mainly brings attention to the variety of institutional characteristics of EMs (Peng, 2003, Meyer and Estrin, 2001, Meyer, 2004, Meyer et al., 2009, Meyer and Peng, 2016). This school of thoughts can be traced back to Khanna and Palepu (1997) arguing that emerging markets suffer from weak institutions which implies that companies must adapt their strategies to fit the particular institutional context.

This paper contributes to the literature by providing an overview of the growing body of EM research literature. Accordingly, an extensive systematic literature review of 323 articles has been conducted based on highly ranked international business, management and field specific journals. Seminal papers are identified. A catalogue of definitional elements is produced based on the existing EM definitions and conceptualizations. This is used to form an organizing framework to provide a nuanced and transparent guide for future research. The
purpose of this is to provide a systematic and transparent synthesis of the EM literature to map and advance the existing body of knowledge to support a more finespun and informed policy and decision-making in issues related to EM.

Following this explicit aim, the first section introduces the methodology of our structured literature review. In the subsequent section two, the results of this review will be presented in three steps. Firstly, we outline the empirical context of the existing EM literature. Secondly, we identify the seminal contributions based on cross-references in the EM field and number of citations in general. Thirdly, we elaborate on the definitional elements of the most dominant definitions and characterizations of the EM conceptualizations as they are outlined in the extant EM literature. Based on this, an organizing framework is constructed to reflect on potential avenues of future research as well discuss the scope of our findings in relation to managerial implications.

**METHODODOLOGY**

The systematic review was carried out to obtain an overview of the growing body of EM research literature and to uncover the most dominant definitions and characterizations of EM conceptualizations used in field specific- and highly ranked international business & management journals. Similar to reviews conducted by Apriliyanti and Alon (2017) and Paul and Benito (2018), the literature is assessed both qualitatively and quantitively. This provides a foundation for a transparent appraisal of the studies focused on EMs and offers the researcher a map of the existing intellectual territory to support development of the existing body of knowledge (Tranfield et al., 2003). The methodology of the review is inspired by Tranfield et al. (2003) involving three stages – planning, conducting, and reporting the review. The following sections follows this template and comprise the manual for the systematic review to ensure robustness replicability for future research (Hart, 1998).
**Planning and conducting the review**

The first stages of the systematic literature review was an iterative process of defining and clarifying the approach to reviewing definitions and characterizations of emerging markets (Clarke and Oxman, 2001). Scoping studies were conducted to assess the relevance and size of the literature and to delimit the subject area of emerging markets (Tranfield et al., 2003). To this end, the Scopus search-engine was used. A simple search of “emerging markets” and possible synonyms returned 32,190 results. A review protocol was created in order to capture explicit definitional elements of emerging markets. Accordingly, the following keywords narrowed the search: “Emerging Market*” OR “Emerging Economy” OR “Emerging Economies”. This returned 18,358 results. To narrow this further down, the review protocol was limited to “article title” only, decreasing results to 5,837. Since the scope of this review is International Business and Management the protocol was then limited to “Business, Management and Accounting” and “peer-reviewed articles”. Language was set to “English” only yielding 2,107 articles. Further refinement, included limiting the search to high impact field specific journals: International Journal of Emerging Markets and Emerging Market Review. The former focusing on EMs from multidisciplinary and multinational geographic perspectives while the latter on empirical and theoretical studies in EM finance. In following suggestions of Tranfield et al. (2003) and Tüselmann et al. (2016) to consider cross-disciplinary perspectives the protocol was extended to include the following highly ranked journals in international business: Journal of International Business Studies, Journal of World-Business, International Business Review. To broaden the scope of the review Academy of Management Journals and Strategic Management Journal was included in the review process to represent EM research in general management literature. This returned 323 peer-reviewed articles focusing on EM (primo June 2017).
Reviewing the articles

The 323 articles were manually reviewed to identify the most dominant definitions and characterizations of EM conceptualizations. To reduce human bias two assessors separately employed a data-extraction form (Tranfield et al., 2003). The assessment included a five-step process. Firstly, the focus of the study was identified. Secondly, the countries used as empirical foundation was identified. This achieved insight and overview of the distribution of the countries used in research into EMs. Thirdly, the bulk of articles were examined for explicit definitions and characterizations of EMs. Articles that did not include explicit accounts of this were excluded for analysis beyond the empirical context. This process returned 98 articles explicitly defining and characterizing EMs. Fourthly, the key references and seminal texts were identified based on within field referencing and citations in general to trace the origins of the EM concept. Table 2, provides an overview of these seminal texts. Lastly, the definitions and characterizations in the 98 articles were separated into definitional elements and then grouped into categories in order to identify the general conceptualizations of EMs used in academic research.

Reporting the review

Led by recent questioning of BRIC and MINT categorizations (O’Neill, 2001, O’Neill, 2013) the exact representation of countries in the empirical EM literature was surveyed. NVivo was used to count the number of countries identified in the review of the total 323 articles. Secondly, 98 articles were identified involving explicit definitions and/or characterizations of EMs in order to find the seminal texts in this body of literature. A strong within-field linkage was found to a handful of seminal articles. Thirdly, the 98 articles were examined to tease out the specifics of the EM definitions and/or categorizations used in the literature. The result of this led to two overall definitional elements – ‘economic’ and ‘institutional’ – to which the different definitions and characterizations of
EMs are associated. The first definitional element, economic, has three subcategories, namely “economy”, “liberalization” and “income levels”. The second definitional element, institutional, has two subcategories, “differences” and “changes/transiting”. Figure 2, provides and illustration of this and comprises an organizing framework of the definitional elements which currently guide research in EMs.

RESULTS

Empirical context of the EM literature

The once emerging markets of BRIC and MINT have cooled down and led by recent questioning of the appropriateness of these categorizations the review recorded the specific empirical context – the country or countries – in which each peer-reviewed article has been conducted. One initial observation is a pronounced dominance of empirical based research. 11 papers produce a purely conceptual contribution (Rottig, 2016, Rottig, 2017, Ramamurti, 2016, Sartor and Beamish, 2014, Contractor, 2013, Elijah Obayelu, 2011, Baack and Boggs, 2008, Peng et al., 2008b, Bruner et al., 2002, Bekaert and Harvey, 2002, Teplensky et al., 1993). A number of the empirical articles focuses on a single emerging market context (e.g. Zhang et al., 2016, Tatoglu et al., 2016, Kuznetsov and Kuznetsova, 2014, Tan and Meyer, 2011, McDermott and Corredoir, 2010) whereas numerous research studies have been conducted in a multi-country setting (e.g. Hoskisson et al., 2000, Aulakh et al., 2000, Estrin et al., 2008, Sandberg, 2014, Lien and Filatotchev, 2015, Meyer and Su, 2015, Meyer and Peng, 2016). As indicated in Table 1, a large quantity of the reviewed articles even involves studies, which include more than ten countries in the empirical setting (e.g. Tovar Jalles, 2017, Lim et al., 2016, Taussig and Delios, 2015, Singh, 2012, Alon, 2006).

### INSERT TABLE 1 AROUND HERE ###

One reason for research including more than ten countries is arguably that some of the research have linkage to categorizations originating from private index firms such as MSCI
The literature was reviewed to provide a clear overview of any potential over- or under-representation of any one country or group of countries. To apply a structured approach, NVivo was used to count each time a country appeared as the research context for each one of the peer-reviewed articles. As a consequence of this method, papers with multi-country settings have contributed to the weighted representation of all countries in that particular study (e.g. Luo and Bu, 2016). Each country is displayed with a count and the corresponding weighted representation in percentage.

The results indicate a strong representation of China and India as contextual setting in the empirical studies conducted on EM. China is represented in approximately every eight-empirical article or provide the empirical basis for 13.63% the entire body of literature in EM. Paralleling this trend are studies that include +10 countries which also have a dominant position. Adding to the dominant representation of China as an empirical context of EM research are many of the papers in this +10-country category includes China in their empirical basis. One initial observation is a bias towards involving cross-country data sets to conduct comparative studies of different elements in the empirical setting (e.g. Sandberg, 2014). Table 1 indicates that the BRIC and MINT terminology is often used and to some extent cited as navigating tool of the studies (Al-Najjar, 2013, Li et al., 2014b). However, experts have recently questioned the appropriateness of BRIC and MINT (O’Neill 2013) arguing that the concept of EM does not seem to fit many of these countries anymore. Yet, in focusing our attention to the most recent EM research (see Figure 1) the dominant representation of BRIC and MINT countries is still evident.
This support the impression of an emerging market research field which is still dominated by studies involving China and India as an empirical context for discussing the dynamics of the emerging market phenomenon. Accordingly, China is included as an empirical context in 47 cases, which translates into a Chinese empirical setting in every seventh article.

**Seminal Contributions**

As highlighted in the introduction, two distinct schools of thought provide the theoretical foundation to the definition or characterizations of EM conceptualizations found in the current research literature. This section presents the most cited articles identified in the review. We argue that these contributions are to be considered as seminal texts because of this position. Table 2 displays these seminal contributions rooted in both the economic and institutional school of thought.

Table 2 provides information on year of publication, title of article, journal outlet, number of within field references, and references throughout the research literature in general. Finally, a quote representing the distinct definition associated to the text is displayed.

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**An economic school of thought**

One seminal contribution and the most cited in the literature review, as well in general, is Hoskisson et al. (2000). They define an emerging market as “*a country that satisfies two criteria: a rapid pace of economic development, and government policies favoring economic liberalization and the adoption of a free-market system*”. This contribution has paved the way...
for much enquiry into EMs (e.g. Luo, 2003, Peng et al., 2008a, Tuschke et al., 2014, Gaur et al., 2014). The conceptualization found in Hoskisson et al. (2000) originates from the definition provided by Arnold and Quelch (1998). In their article, it was argued that no commonly accepted definition of an emerging market existed. However, Arnold and Quelch (1998) suggested that an EM could loosely be defined as a low-income country that produces growth rates of more than 5 percent in average annual GDP. In addition to this criteria EMs should be in the process of economic liberalization. Wright et al. (2005) added to the definition and argued that the characteristic of an EM also involves “unique social, political, and economic context”. It is observed that 22 of the 98 articles build on or bring reference to the economic school of thought described in Hoskisson et al. (2000). This number is significantly higher than the second most cited within the field.

An institutional school of thought

Another seminal contribution is that of Khanna and Palepu (1997) who has provided conceptual fuel for a vast amount of studies into the institutional setting of EMs. They characterized an emerging market as a country that “offers the prospects of substantial growth because they (EM) have developed at least some of the institutions necessary to encourage commerce. But institutional voids are still common enough to cause market failures”. Adding to this, Peng (2003) argued that “institutional transitions in some emerging markets, especially those moving from central planning to market competition are so pervasive”. Thus, stressed by Meyer et al. (2009) that in EMs “institutional frameworks differ greatly from those in developed economies”.

Definitional Elements

Building upon the review, this section exposes and separates the definitional elements of the EM conceptualizations as they are outlined in the EM research literature on EM. Figure 2 displays a graphical representation of this result in displaying the two dominant schools of
thoughts are and their associated definitional elements. The following subsection will elaborate on each of the definitional elements exhibited in Figure 2. One general observation in reviewing the EM literature is a more detailed degree of development in the economic element. This is clearly illustrated in figure 2 through the imbalance of the detail in the representation of the Economic and Institutional elements. One could speculate that this tendency is due to the origins of emerging market as an economic concept. Building on this we propose that Figure 2 could form an organizing framework for future research into the specific dimension of the EM phenomenon. To elaborate on Figure 2, the individual accounts of the definitional elements found in the literature review is provided in Table 3.

### INSERT FIGURE 2 AROUND HERE ###

### INSERT TABLE 3 AROUND HERE ###

**Economic**

Much academic enquiry have taken a point of departure in the economic school of thought originating in the discussion found in Hoskisson et al. (2000). The thoughts emerging from this seminal work emphasize economic growth, liberalization and the adoption of a free-market system as key definitional elements in the EM conceptualization. In reviewing the literature, three sub-categories – economy, liberalization, and income levels – matching this emphasis is identified.

**Economy**

Figure 2 brings support to the notion that economic growth constitutes a central role in conceptualizing EM. One study conceptualizes emerging markets through “lower levels of economic development” (Marano et al., 2017) while most emphasize the economic growth of these markets. Following this tendency, Ramamurti (2016) highlights the acceleration of
economic growth in emerging markets as one of the primary drivers to the increasing interest in EMs. It is argued that this growth attracts both investors (Blitz and Huij, 2012) and multinational enterprises in increasing numbers (Lamin and Livanis, 2013). Meyer and Peng (2016) adds to this definitional element through proposing that it is not merely economic growth but moreover the potential for economic growth that make EMs appealing. The economic growth in emerging markets has been attributed a key role in the global economy (Sandberg, 2014, Javalgi and Grossman, 2016). In linking to this line of thoughts Grosse (2016) indicates an affinity between successful emerging market multinational firms and the economic growth of EMs.

Liberalization

In conceptualizing EMs, the reviewed literature often used liberalization as an emerging market characterization. Hence, 36 out of the 98 papers indicate this as an important definitional element. Traditionally, emerging markets have had protectionist environments with state-owned enterprises (Rui et al., 2016) and “relatively underdeveloped factor and product markets” (Liu et al., 2017). However, with deregulation EM governments are increasingly enabling the economies to be innovation-driven in the long-term (Urban and Hwindingwi, 2016). Though “deregulation may vary among industry sectors” (Tan and Meyer, 2011), it is argued that deregulation in general intensifies national and foreign competition (Lamin and Livanis, 2013, Xia et al., 2014).

EMs are considered transitional economies experiencing a change from closed to open market economy (Luo et al., 2009, Lenartowicz and Johnson, 2007). This leads to both internationalization of emerging markets (Sahaym and Nam, 2013) and attraction of global investors (Iatridis, 2012, Blitz et al., 2013, Lamin and Livanis, 2013). Still, throughout this transition the EM is structurally volatile due to the nature of the transformation (Luo, 2003).
Ultimately, liberalization is positively linked to higher FDI (Al-Najjar, 2013, Singh, 2012) and economic growth rate of EMs (Luo and Bu, 2016).

**Income levels**

Income levels are frequently used to characterize EMs. However, in the reviewed literature two distinct approaches to considering income levels is observed. The first perspective looks at income levels as a stable construct of EMs whereas the second perspective is concerned with rising income levels in EMs. Included in the first strand of research, two articles characterize emerging markets as low- or middle-income countries (Meyer and Peng, 2016, Al-Sakka and ap Gwilym, 2010) while several articles support the low-or middle income construct of EMs by using the World Bank’s categories of income levels, characterizing EMs as nations with per capita income categories below a certain level (Smimou and Karabegovic, 2010, Groh and Wallmeroth, 2016, Taussig and Delios, 2015). Marano et al. (2017) links the lower level of economic development in EMs to a lower level of standard of living compared to developed markets.

The second perspective on income levels as a construct of emerging markets is concerned with the growth of the levels (Elijah Obayelu, 2011, Javalgi and Grossman, 2016). The rising incomes has led to a poverty reduction and lower income equality in EMs (Tovar Jalles, 2017). The rise of the middle class has received some attention (Kardes, 2016, Elijah Obayelu, 2011) especially due to the growth potential which this category represents for foreign MNEs (Liou et al., 2016, Guercini and Runfola, 2016).

**Institutional**

In their seminal paper representing the institutional school of thoughts Khanna and Palepu (1997) argued that emerging markets “offers the prospects of substantial growth because they have developed at least some of the institutions necessary to encourage commerce. But institutional voids are still common enough to cause market failures”. With a foundation in
institutional theory (North, 1990) combined with early assertions that emerging markets can be characterized by high levels of uncertainty (Teplensky et al., 1993), the institutional characterization of emerging market has formed precedent for a large volume of research. This extensive research, which builds upon the institutional characterization of EMs has provided basis for two definitional variations of the institutional characterization. One is that of institutional transitions whilst the other is focusing on institutional differences.

**Institutional transitions**

In the EM literature, it is argued that in recent years several emerging markets have gone through a process of institutional transition (Singh, 2009). Emerging markets have historically had protected economies (Aulakh et al., 2000) and are thus often described as transitional economies, that is, they are in the process of moving from a closed economy to an open market economy while building accountability within the institutional system (Lenartowicz and Johnson, 2007). Following decades of suppression of market exchange, a notable feature of the business environment of EM is the absence of the universally recognized rules of a market economy (Kuznetsov and Kuznetsova, 2014). Thus, emerging markets, including BRIC and MINT, are frequently in the literature asserted to share similar features; the transition from a closed, opaque, and relation-based governance system to a more open, transparent, and rule-based governance system (Lattmann, 2014). The role of institutions is therefore more salient in emerging markets because the rules are being fundamentally and comprehensively changed (Gao et al., 2010). These transitions in social, legal and economic institutions are frequently used as an argument in characterizing emerging markets (Zhou et al., 2006). This is particular evident when recent transitions are guided toward market-friendly institutions (Luo and Bu, 2016).
Institutional differences

There is a consensus in the literature that the institutional frameworks of EMs differ significantly from those of developed ones (Peng, 2003, Sandberg, 2014, Liao, 2015, Rottig, 2016, Rottig, 2017). Because institutional frameworks are either under- or not well developed alternative mechanism are often necessary to govern economic activity in an EM setting (Ahlstrom et al., 2008, Contractor, 2013, Zhang et al., 2016). Both formal and informal institutions have been determined to shape strategy and performance of both domestic- and foreign firms in an EM context (Peng et al., 2008b, Ma et al., 2016). The differences in institutional frameworks are often referred to as “institutional voids” which are particular pertinent in EMs even though their impact varies between and within countries (Tan and Meyer, 2011, Anderson and Sutherland, 2015). The institutional voids that frequently characterize emerging markets comes in a large variety. One example is found in Meyer and Peng (2016) who points to a great variation and frequency of change in institutions. Others identify an unpredictable business environment (Dou et al., 2010, Gruber-Muecke and Hofer, 2015) which may increase opportunistic behavior (Estrin et al., 2008) or transaction costs and risks (Kargin, 2002). The review also identifies a group of definitions involving poorly developed but rapidly changing capital, labor and product markets (Mishra and Akbar, 2007, Contractor et al., 2014, Lahiri et al., 2014, Agnihotri and Bhattacharya, 2015, Liu et al., 2017). However, in terms of labor, local resource endowment is typically rich in labor but short in specialist human capital (Meyer and Su, 2015). Others posit weak intellectual property rights protection systems (Sartor and Beamish, 2014, Li and Oh, 2016) as a definitional element of EMs. Many authors conclude that a crucial feature of EMs is inefficient and/or corrupt legal as well administrative systems that all together contributes to a higher cost of doing business (Estrin et al., 2008, Diaz Hermelo and Vassolo, 2012, Chen and Yu, 2012, Li et al., 2014a, Wu and Chen, 2014, Gaur et al., 2014, Cassia and Magno, 2015).
Thus, in emerging markets both institutional capital and managerial ties are especially important as market mechanisms for resource allocation are typically either absent or underdeveloped (Luo et al., 2010).

**Conclusion**

This paper contributes to the growing body of EM literature by conducting a comprehensive and systematic review of 323 entries published in major peer-reviewed journals in the period of 1993 – 2017 to provide a nuanced overview of the research field. Firstly, the review revealed that China and to some extent India has very dominant representations in the existing literature. Accordingly, the Chinese context provides the empirical basis for one in seven studies since 2013. Based in this (over-) representation we argue that there is a strong need of reflections into whether studies conducted in a Chinese setting are representative for all EMs. Secondly, through our review we have identified the seminal texts in the EM literature on the basis of with-in field reference and citation count in general. These seminal texts are displayed in table 2 and provide the basis for two schools of thoughts in the EM literature. Hoskisson et al. (2000) forms the scholarly basis for the economic perspective and this seminal work has indeed paved the way for much enquiry into EMs. The institutional school of thoughts is based in the seminal work of Khanna and Palepu (1997), which has provided conceptual fuel for research into and characterization of EMs’ institutional setting. Thirdly, we posit a catalogue of definitional elements guided by the two schools of thoughts. These elements have been used to compile an organizing framework (see Figure 2) to guide future research in the EM field and form a solid basis to support more sophisticated and informed policy and decision making in issues related to emerging markets beyond the BRIC and MINT.
Discussion & Future research

This systematic literature review clearly demonstrates an overweight of empirical research with point of departure in China and India as contextual setting. Ramamurti (2016) suggests that large proportion of studies focusing on China and India is to be explained by the development of management schools in these areas and the subsequent focus on increased scholarly output. Indeed, it is natural that business schools embed their research efforts into the local and regional business community, as it is imperative to support the local and regional business community through addressing and researching relevant issues to this specific community. Indeed this is an important insight, since the specifics of the particular context does matter in studies in EMs (Rottig, 2016). Both researchers and practitioner need to be aware that the conclusions from this specific context are not directly transferable to another EM context. An alternative explanation for the high ratio of studies focusing on China is the significance of their economy and that historically China were one of the first countries that moved from a planned economy to a free-market economy. However, both explanations stress the increased demand for considerations into the definitional elements that constitutes the definitions and characterizations used when researching EMs as theories hold predictive power to the study at hand (Kostova et al., 2008). Based on these observations we argue that future research need to acknowledge the distinct contextual setting of specific regions and countries labeled as EMs. This implies that the development of the EM field is partially hinged on explorative studies in some of the contextual settings with a low representation in the review (see both table 1 and figure 1). For instance, Nigeria (only represented in one study (Urban and Hwindingwi, 2016)), which has for some years been of high interest although this has been without realizing the potential or the many small but fast emerging countries in the Middle Eastern area, which have just come out of the Arabic spring. The literature review reveals only one study of Lebanon by Smimou and Karabegovic (2010) representing this
group of highly potent EMs. Based on this, we call upon scholars from these empirically under represented regions to contribute to the development of the EM field by leveraging their local knowledge and empirical data of diverse regional contexts. The suggestion does by no mean imply that the empirical data from prior studies are of substandard quality. However, the review indicates a genuine need of expanding the empirical scope of the EM field in general. This imperative is further stressed by the current rapid development in the empirical context of EMs, which advocates research to accommodate and embrace the ever-changing category of emerging markets e.g. new markets emerge and some mature.

Secondly, but in connection to the above considerations and in acknowledging that findings in one EM are not directly transferable to the next or for that matter generalizable there is a need of conducting comparative studies to identify the difference between both institutional settings and economy situation in individual EMs. In conducting our literature review it has been observed that there are indeed large differences between different EM markets. Yet, these differences also extend into the regional differences inside countries. China and India are exemplar cases of such differences. In these countries, we see pronounced difference in observing on rural versus urbanized areas. Many studies are conducted as single case studies in a specific context. Based on this, researchers need be very vary in asserting the scope of their contribution to the development and understanding of the EM field in general. Bearing this in mind, managers need to bring the same level of caution in generalizing their practical experience from one EM context to the next.

Thirdly, in a number of studies in the EM review (e.g. Hoskisson et al., 2000, Peng et al., 2008b, Meyer and Peng, 2016) we observe a tendency of applying theories developed in (and to) contexts such as North America and Western Europe to EM issues and phenomena.
However, building on the above consideration there is a need of reflecting on the capacity of these frameworks to lend insight in EM contexts both in research and as base line for managers’ decision making. Rhetorically we could ask whether the theoretical frameworks used in the existing research perpetuate which markets that we define as emerging or if the empirical context dictates emergence? Traditionally, EM research has been focused on researching the growth potential of emerging markets. However, more recently studies on so-called emerging market multinationals have appeared in the literature. This diverse use of the term stresses the importance of developing an organizing framework for studies in the EM research field, to provide a refined foundation to further research in EMs and support management decision-making in EM contexts and issues.

Finally, and based in our organizing framework, we suggest a more nuanced approach into managing activities such as FDI and international joint ventures in an EM context. Collecting on the existing literature in the field, this organizing framework consists of definitional elements that purview the existing EM category. In this outline, each definitional element encloses the EM category on its unique dimension. Accordingly, different definitional elements lend insights on distinct aspects of the phenomenon. However, future studies need to acknowledge the inter-relatedness of many of these sub dimensions e.g. income, GDP, rising middle class, income inequality and poverty reduction among others. Based in the current definitional elements, this review offers a set of navigational points, which depending on the type of prospected activity equip managers with a guide to minimize risk and efforts in conducting activities in unchartered territories. Thus, future research into the topology of countries that currently fit the EM category should be based in each of these definitional elements. This research would potentially establish a more sophisticated and contemporary base for managerial decision making on specified EM activities. This research could be
structured as a quantitative analysis of panel data on selected dimensions of countries. To this end each definitional element of our organizing framework would need to be operationalized. We believe that this type of research would provide a strong contribution towards further maturing the EM research field as well as bolstering the decision-making capacity for managers in these contexts. This will be of extreme importance to sustain the further development of the countries labeled as EMs but also play a vital role to an informed strategizing of firms and managers in developed economies looking for potential investments in EMs.

Limitations

Research is not without limitations and one in this study is the somewhat small sample size of 98 articles explicitly defining or characterizing emerging markets. However, this does represent the full sample of research published in International Journal of Emerging Markets, Emerging Market Review, Journal of International Business Studies, Journal of World-Business, International Business Review, Academy of Management Journals and Strategic Management Journal. One advantage of this size has been the possibility for in-depth review and analysis. Yet, a limitation inherent in this size is it may not be representative for broader issues impacting emerging markets. However, the focus of this review has been international business and management which naturally limits the review from including research perspective from development studies or related field concurrently focusing on emerging markets. Another limitation of the study is the inclusion of only English articles in the review which to some extent might miss out on authentic research perspectives from academics in the very same emerging markets.
Table 1 – Top 20 empirical contexts in the extant EM literature (1993 – 2017)

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<tr>
<th>Country</th>
<th>Count</th>
<th>Weighted Percentage</th>
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<tr>
<td>+ 10 Countries</td>
<td>95</td>
<td>15.60%</td>
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<td>China</td>
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<td>Turkey</td>
<td>27</td>
<td>4.43%</td>
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<tr>
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<td>2.63%</td>
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<td>Czech Republic</td>
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<tr>
<td>Philippines</td>
<td>6</td>
<td>0.99%</td>
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</tbody>
</table>

Figure 1 – Representation of Top 10 empirical contexts in the EM literature (2013 – 2017)
Table 2 – Seminal Contributions in the extant EM literature

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Year</th>
<th>Title</th>
<th>Journal</th>
<th>LR Review #</th>
<th>Google Citation #</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henriksson, R. E., et al.</td>
<td>2000</td>
<td>Strategy in emerging economics.</td>
<td>Academy of Management Journal</td>
<td>22</td>
<td>2087</td>
<td>A country that satisfies two criteria: a rapid pace of economic development, and government policies favoring economic liberalization and the adoption of a free-market system</td>
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<tr>
<td>Arnold, D.J. and J.A. Quelch</td>
<td>1998</td>
<td>New strategies in emerging markets.</td>
<td>Sloan Management Review</td>
<td>6</td>
<td>244</td>
<td>(a) membership countries that produce more than 1% income added GDP and are in the process of economic liberalization</td>
</tr>
<tr>
<td>Wright, M., et al.</td>
<td>2008</td>
<td>Strategy research in emerging economies: Challenging the conventional wisdom.</td>
<td>Journal of Management Studies</td>
<td>6</td>
<td>1486</td>
<td>(... The unique social, political, and economic contexts as well as five characteristics of emerging economies</td>
</tr>
<tr>
<td>Meyer, K.E., et al.</td>
<td>2009</td>
<td>Institutions, resources, and entry strategies in emerging economies.</td>
<td>Strategic Management Journal</td>
<td>5</td>
<td>1066</td>
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<td>1997</td>
<td>Why focused strategies may be wrong for emerging markets.</td>
<td>Harvard Business Review</td>
<td>5</td>
<td>2245</td>
<td>Emerging Markets (...) offer the prospect of substantial growth because they have developed at least some of the necessary economic infrastructure, but institutional voids are still common enough to cause significant problems</td>
</tr>
<tr>
<td>Peng, M.W.</td>
<td>2003</td>
<td>Institutional transitions and strategic choices.</td>
<td>Academy of Management Review</td>
<td>5</td>
<td>2255</td>
<td>Institutional transitions in some emerging economies, especially those moving from state planning to market competition in recent years</td>
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</tbody>
</table>

Figure 2 – Organizing Framework

Table 3 – The individual accounts on definitional elements (listed alphabetically by year)

**Economic**
- Economic Growth

Economic growth potential
(Meyer and Peng, 2016)

Volatile Macroeconomic Environment
(Hermelo and Vassolo, 2010, Snoussi and El-Aroui, 2012)

Investment Bank Definition / Dichotomy

Lower Levels of Economic Development
(Marano et al., 2017)

Economic- and Market Reforms (Liberalization)

Increased Inward Foreign Direct Investment
(Al-Najjar, 2013, Singh, 2012)

Increased Outward Foreign Direct Investment
(Sahaym and Nam, 2013, Singh, 2012, Luo et al., 2010)

Towards Innovation-Based Economy
(Urban and Hwindingwi, 2016)

Factor or Efficiency driven Economy
(Liu et al., 2017, Urban and Hwindingwi, 2016)

Underdeveloped Product and Factor Markets

Low- and/or Middle-Income Economy
(Meyer and Peng, 2016, Taussig and Delios, 2015, Al-Sakka and ap Gwilym, 2010, Li et al., 2014b, De Clercq et al., 2010)

Income Growth (GDP per capita)

Rising Middle Class
(Liou et al., 2016, Kardes, 2016, Javalgi and...
Grossman, 2016, Guercini and Runfola, 2016)

Income Inequality

Standard of Living
(Marano et al., 2017)

Poverty Reduction
(Tovar Jalles, 2017)

**Institutional**
Institutional Voids and Differences

Resource Constraints
(Liu et al., 2017, Lim et al., 2016, Agnihotri and Bhattacharya, 2015, Contractor et al., 2014)

Urbanization
(Elijah Obayelu, 2011, Alon, 2006)

Culture
(Rottig, 2017, Javalgi and Grossman, 2016)

High Levels of Uncertainty & Risk
(Gruber-Muecke and Hofer, 2015, Kargin, 2002, Teplensky et al., 1993)

Changing / Transitioning Institutions
REFERENCES


LIAO, T. J. 2015. Local clusters of SOEs, POEs, and FIEs, international experience, and the performance of foreign firms operating in emerging economies. *International Business Review*, 24, 66-76.


Table 1 – Top 20 empirical contexts in the extant EM literature (1993 – 2017)

<table>
<thead>
<tr>
<th>Country</th>
<th>Count</th>
<th>Weighted Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ 10 Countries</td>
<td>95</td>
<td>15.60%</td>
</tr>
<tr>
<td>China</td>
<td>83</td>
<td>13.63%</td>
</tr>
<tr>
<td>India</td>
<td>51</td>
<td>8.37%</td>
</tr>
<tr>
<td>Brazil</td>
<td>30</td>
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<td>1998</td>
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<td>A country that is making economic reforms and adopting policies that favor economic liberalization, but has not yet achieved a free-market system.</td>
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(Marano et al., 2017)

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Martin Hannibal is Head of research in International Business & Entrepreneurship at the Department of Marketing & Management, SDU. Currently, MHs research is knowledge intensive start-ups and additive manufacturing. He has been actively involved in international research networks focused on these topics (Academy of International Business). MH has presented his research at various conferences and workshops in Australia, USA, Great Britain and in Scandinavia. MH is well published in various high ranking and topic specific peer reviewed outlets such as Journal of international Marketing, Entrepreneurship & Regional Development, Journal of International Entrepreneurship, and International Journal of Innovation & Regional Development.
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