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NEW AND NOVEL BUSINESS PARADIGMS IN AND FROM CHINA AND INDIA

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Abstract

Purpose: This article critically identifies and discusses new and novel business paradigms in China and India. In addition, we examine the new business environment in those countries (2020 onwards) in the context of COVID 19 and explore the challenges and opportunities in the post COVID period.

Design/ Methodology: Based on content analysis, we discuss contemporary topics such as innovation, exports, FDI, technology, social capital, board independence as part of corporate governance, and explore novel themes such as consumer behaviour in regards to luxury brands and women entrepreneurship in an emerging country context in this article.

Findings: It was found that there are several novel paradigms in the context of China and India. A paradigm shift in diplomatic relations have taken place as an aftermath of COVID-19 in the world.

Originality: This article explores most of the unique dimensions of new and novel paradigms in the context of China and India.

1. Introduction

It is with no doubt that globalization has been increasing over the past 50 years (Teagarden & Scotter, 2013; Paul & Sanchez-Morcilo, 2019), which is defined as a greater interdependence between economies of the world, the removal of trade and foreign direct investment (FDI) restrictions and barriers (Paul, 2015), coupled with improved information communication technologies and transportation. Globalization has led to a fast growth in the activities of multinational enterprises (MNEs) and they have responded proactively by modifying their strategies in developing countries (Narula & Dunning, 2009; Bhasin & Paul, 2016; Paul & Mas, 2019). One benefit of greater globalization has been the rise of developing countries such as China and India.

China and India are two old-world cultures, and represent two of the most populous emerging markets of the world, with India having a population of 1.33 billion (DFAT, 2020a), and China's population at 1.395 billion (DFAT, 2020b). These economies have also been one of the world's fastest growing economies over the past six years, for instance, China's average GDP growth rate from 2013-2019 was 6.7% (DFAT, 2020b), and India's 7.1% (DFAT, 2020a). It has been suggested that the Chinese economy, whilst currently the second largest economy in the world, will surpass that of the US economy by 2050 (Price Waterhouse Coopers, 2015). As a result, we should see a shift in economic power over the next 30 years, which may alter the rules of the global trading and FDI system (Witt, 2019). According to *The Economist,* 'Business in China and India is transforming: Its multinationals will change the way we all live'.[1] There is indeed a significant increase in the global impact of those Asian firms: The last twenty years or so have seen an unprecedented expansion of international trade (Chandra, Paul & Chavan, 2020), with the emergence of stronger economies with large populations, such as China and India (Witcher & Chau, 2012).

Globalisation has been beneficial for both these countries, in terms of development, and an increase in the wealth of their nation's population, among many other things. Concurrently globalization has also been beneficial for countries and firms that trade or engage in FDI with China and India, as this has meant access to cheaper labour and supplies, new markets, technologies and know how. In the 1980s, 1990s and heading into the 2000s it was generally

[1] See more at: http://www.economist.com/news/leaders/21603002-asian-business-reforming-its-emerging-multinationals-will-change-way-we-all-live-world#sthash.NlpGQDY8.dpuf

accepted that China and India and learnt from western multinational enterprises (MNEs). In fact, one of the main goals of the Chinese Joint Venture law was to transfer western technology and knowhow into Chinese firms (De Bruijn & Jia, 1993) through China's open-door policy. Since 1999, the Chinese Go Global policy has prompted many Chinese firms to go global, that has resulted in many Chinese brands operating globally, including Hisense, Haier, Geely, Huawei to name but a few. Although India has followed a different development path, there have been important and interesting developments on the Indian side, with the creation of a vibrant information technology industry and service sector (Paul & Mas, 2016), and the operation of world class Indian firms such as Infosys, Tata Group, Reliance and many others. As a result, China and India boast numerous innovative firms and business savvy entrepreneurs, Chinese and Indian firms are actively internationalizing into other markets, and Western MNEs are constantly getting inspirations through working with China and India.

Given this context, we ask the following question: "What nuanced and novel things can we learn from the Chinese and Indian context and firms?" Or said in a different way, 'how do the Chinese and Indian contexts help us exploring existing theories and their boundaries and create new, indigenous theory/models.' Academics have also called for new models and theories to avoid replicated research based on the same model or theory (Terjessen, Hessels & Lee, 2013: Paul, Parthasarathy & Gupta, 2017). Furthermore, the area of international management and business are very much in need of new theories, frameworks and models (Keupp and Gassman, 2009; Paul & Shrivastava, 2016; Paul, 2020). To address these calls, we provide an overview of the research field and offer novel suggestions for researchers to examine the Chinese and Indian perspectives.

The remainder of this article is structured as follows. Section two provides an overview of internationalization of foreign firms internationalizing to China and India. Section three examines the path and process of internationalization of firms from those countries. Section four deals with the technological advancement and innovation in China and India. Section five covers the new business environment in those countries in the wake of COVID-19 and provides an overview of challenges and opportunities. Subsequently, we introduce new and novel paradigms one-by-one and we set a future research agenda.

2. Examination of Foreign Firms internationalizing to China and India

Firms established in developed economies need to explore new emerging markets to expand their operations, to maintain their global competitiveness (Paul, 2019). Whenever a company ventures abroad, decisions must be made regarding how its business activities in a foreign market should be conducted (Welch, Benito and Peterson, 2007). As part of growth strategy, many firms go global and orient themselves more internationally (Paul & Gupta, 2014). In order to create competitiveness, the evolutionary path of firms from emerging markets is usually different from that of firms from developed countries (Kotabe & Kothari, 2016), suggesting a nuanced approach to internationalization and doing business in China and India.

China has been one of the favourite markets for Western firms for the last three decades (Paul & Mas, 2016). One of the reasons for such great economic growth for China has been the ability for China to attract so much FDI, and consequently becoming the largest FDI recipient in the world (Paul & Mas, 2016). FDI in China has been made possible by reform and the opening-up policy of the late 1970s, and China is still reliant on inward investment (Zhang & Song, 2002). A review by Fetscherin, Voss & Gugler (2010) revealed that a strong focus in the literature has been on the motives and determinants of the FDI in China, often following

Dunning's (1988) foreign investment motivations, namely to acquire natural resources, seek efficiencies in production, seek markets or strategic assets. This has been helpful in understanding locational choice in China. Policy implications, inside the multinational and impacts of foreign multinationals in China has also been a strong focus in the literature (Fetscherin et al., 2010). The focus of the research field has been on outward (OFDI) foreign direct investment of Chinese for the past decade (Paul & Benito, 2018). This coupled with a slowdown in Chinese exports, raising employment costs, environmental and resource difficulties (Liu, 2016), increased nationalism by investing countries (US, Japan etc) has required China to think how it may remain competitive in attracting FDI, going into the future.

Whilst research on FDI into China has been popular, this has not been the case for India. The research conducted on this topic is most likely reflective of the fact that India is not as an attractive location for FDI as China is, as evidenced by FDI statistics. In 2019, India received $50.5 billion versus China's $141.2 worth of FDI (UNCTAD, 2020). Similarly, India's export growth rate has been significantly lower than China's (Paul & Mas, 2016). India's position maybe effected by the fact that it was much slower than China to embrace globalization, and an open market economy (Paul & Mas, 2016). However, India has been attractive in the service sector as a result of providing global outsourcing services to firms from developed countries (Kapur & Ramamurti, 2001). India's export of services was worth $205 billion or 7.5% of GDP in 2018 (UNCTAD Statistics, 2019). India has been famous for IT services, business process outsourcing and knowledge process outsourcing sectors. India opened its doors to FDI via the Foreign Exchange Management Act in 1999 (Paul & Mas, 2016). Despite this, FDI into India has been very limited due to a number of unattractive factors, with some of them including poor infrastructure, high taxation, strict labour laws, high levels of corruption and bureaucracy and diversity in culture, religion and language across India, which all increase the cost of doing business (Paul & Mas, 2016).

India has been successful due to the Indian diaspora who live abroad, as these individuals have played a critical role in technology transfer, capital supply, information and reputation building. It can be argued that Indian businesses, especially need to more closely deploy the principles of exaptation to internationalization theory (Santangelo and Stucchi, 2018). Despite the challenges of doing business in the Indian economy, the population size of India and China are similar, but it has been predicted that the Indian population will surpass that of China's, leading to increased purchasing power. The latter coupled with greater education could make India a most interesting location for doing business in the years to come (Contractor, Kumar & Dhanraj, 2015). Paul and Mas (2016) explored some of the reasons for why India has been attractive for investment, in particular, they argue that knowledge and entrepreneurial skills, price competitiveness, FDI/Exports, possession of a good education system and the English language have been factors making India an attractive place to undertake business.

3. Chinese and Indian firms going global

The *Wall Street Journal* published *Asia 200*, an annual ranking of Asia's leading companies, as determined by executives and professionals throughout Asia. This list indicates the increasing prominence of Asian firms and the growing interest of media and researchers to understand different dimensions of management of firms, including those from China and India, and their internationalization. Outward Foreign Direct Investment (OFDI) from China had increased substantially in recent years (Kolstad & Wiig, 2012). In this context, the competitiveness of firms became an important issue in the academic field as well as in the industry circle. For example, as late-comers to the global-market scene, Chinese or Indian firms need to overcome several obstacles to their growth and internationalization such as liability of foreignness, scarce firm resources, often unfavorable business conditions at home and negative country-of-origin associations by the customers in developed markets. Developing countries such as China and India have been a strong source of outward FDI (Kim & Park, 2014). China has been a strong focus of academic work with Paul & Benito (2018) identifying that 89 studies on outward foreign direct investment (OFDI) were focused on China, and only 14 on India, out of a total of 150 studies. This is also understandable given the amounts of OFDI by both countries, with China scoring $117 billion in 2019, versus India scoring only $12.1 billion (UNCTAD, 2020).

The general observation from the literature is that outward FDI from China can be explained by their relative stage of development of these countries, and the formal and informal institutions that exist which then influence the strategies that these firms choose (Milleli, Hay & Shi, 2010). Buckley et al., (2007) presented their research on how the host country context impacts on internationalization. Other scholars have looked at the motivations of Chinese firms to internationalise, which is a result of the desire to gain strategic capabilities (Rui & Yip, 2008) or resource driven motivations (Deng, 2009). Research then shifted from how public firms have internationalised, to how private firms have internationalised (Paul & Benito, 2018). More recent research on Chinese OFDI surround the issues and implication of the Belt and Road Initiative (BRI), with a recent special issue published on the topic (Teagarden, 2020).

The leadership styles across the two countries also needs to be noted as another contributing factor in their extent of internationalisation. Research has found that both Indian (Chebbi,

2017) and Chinese (Prange and Bruyaka, 2016) organisations' preference for ambidextrous leadership style have contributed towards their successful internationalization. Emphasis on loyalty as a way to build brand recognition has shown to be successful, as illustrated in the journey of two tyre companies (Parthasarathy et al., 2016).

4.Technological Advancement and Innovation When Chairman Jiping Xi's stated that China should move its focus from 'being made in China' to being 'created by China' (Liu, 2016) this represented an ideological shift from being the 'factory of the world', to the 'R&D lab of the world'. Through the Made in China-2025 plan, China will emerge as an important player in innovative technologies such as nanotechnology (Zhou & Leydesdorff, 2006). China also spends a whopping amount of money on research and development, in 2017 this was valued at $496 billion, which was slightly short of the US spend on R&D at $549 billion (Zhou, 2020), as China tried to build a knowledge economy.

China is transforming itself from being the world's factory, to being the center of innovation (Waugh, 2018). Some of the focus of the Made in China 2025 plan has been smart technologies, green development, to be a manufacturer of quality, not quantity. China aims to integrate mobile internet, cloud computing, big data with manufacturing to improve internet banking, industrial networks (Liu, 2016). As a result of this strategy, China will become a serious contender for sectors, such as wind and solar energy, artificial intelligence, drones and robotics, artificial intelligence and new energy vehicles (European Commission, 2020). Recent developments include artificially intelligent virtual news broadcasters, mobile payments using a phone or QR code (Waugh, 2018), or the controversial social credit system that is currently being developed. Fintech firms have also been innovative, with the recent developments of WeCash using a social media-based credit rating algorithm (Waugh, 2018).

Social media is also more capable than in the west, with the Chinese population able to pay traffic fines and bills, and book doctor's appointments through their social media platforms (Waugh, 2018). China wants to be the global leader in artificial intelligence by 2030.

India's achievements in the field of technology and the availability of highly skilled manpower were the factors that accelerated the growth of IT and IT-enabled service sectors in the country (Kapur and Ramamurti 2001). As the COVID lockdown progressively eases in the country, the focus is now changing from risk management, to thinking outside the box for delivering products and services competitively. The 3 C's (creativity, co-creation, and community) are being encouraged by Indian business leaders (Rao, 2020). There has been a heightened exchange of ideas to encourage start-ups in India that can be undertaken with minimal outlay investment (Parekh, 2020; Uniyal and Suri, 2020). Technology strongly features in a number of new business idea as people have become habitual of using more technology to avoid touching of surfaces (including paper currency) and practice social distancing. This can be considered as a continuation of the recent trends with the following three types of resources being found to impact small and medium enterprise (SME) ability to export: entrepreneurial; knowledge-based; and property-based resources (Srivastava and Srivastava 2019). SME internationalisation was also found to be positively impacted by having a 'global mindset' and maintaining 'network relationships' (Dar, 2020). Networking building has also been found to impact extent of internationalisation (Prashantham et al., 2019). "Degree, speed and scope" (Dar and Mishra, 2019) as three variables have been found to effect SME's internationalization, and future research needs to investigate the impact of these variables across different organisational sizes, sectors, and other emerging economies.

5. The new business environment in China and India

China and India have emerged as the two fastest growing economies in the world. Both countries have benefited from globalization, exhibiting high and stable economic growth rates for three decades (Paul & Mas, 2016; Paul and Gupta, 2014). As a worldwide disaster, the COVID crisis has profoundly affected the development of the global economy and threatened the survival of firms worldwide. It has had a dramatic impact on many economies and global trade to a point of near 'de-globalization', with almost all global business activities either temporarily shut down or significantly slowed (Barua, 2020; Wang et al., 2020). This makes it difficult for international business managers to understand the types of uncertainty in their business' environment and develop appropriate strategies to deal with it effectively, especially during times such as the ongoing COVID pandemic (Sharma, et, al., 2020).

China and India's journeys are mirror images of each other, the COVID crisis, as a worldwide disaster, has a significantly negative impact on the development of the global economy. The latest data show that in China, although the government took effective measures to stop the virus from spreading, GDP has fell down in China (National Bureau of Statistics of China, 2020). Moody's Investors Service, sharply slashed its projection for India's GDP growth for couple of years. Whereas, Crisil warned that there are further risks if the pandemic is not contained, or if it spreads rapidly in India, affecting domestic consumption, and investment (Dar and Mishra, 2019) because of huge density of population.

5.1 Country context

China has shown great passion to reform in pursuit of a better business environment to improve the competitiveness of the Chinese economy. Premier Li Keqiang's March 2018 "Report on the Work of the Government" set the stage for municipal governments to implement a reform agenda. According to the ease of doing business ranking (World Bank, Doing Business report 2020), China was listed as one of 10 economies that improved the most on the ease of doing business after implementing regulatory reforms. Especially, China has shown a notable improvement in the areas of dealing with construction permits, getting electricity, and resolving insolvency. For example, the time to obtain a construction permit has been reduced from 400 to 200 days during 2006-2020; the cost percentage of warehouse value has been cut significantly from 25% to 3%. China ranked 31 *in Doing Business 2020*, a great leap from 85 in *Doing Business 2016.*

As in other economies on the list of 10 top improvers, leaders of India adopted the *Doing Business* indicators as a core component of reform strategies. Prime Minister Narendra Modi's "Make in India" campaign focused on attracting foreign investment, boosting the private sector—manufacturing in particular—and enhancing the country's overall competitiveness. The country has made a substantial leap upward, raising its ranking from 130 in *Doing Business 2016* to 63 in *Doing Business 2020.* It is true that it is a long way for developing economies to catch up with developed countries on most of the indicators such as starting a business, dealing with construction permits, and trading across borders, widespread use of electronic systems and online platforms to comply with regulatory requirements.

The business environment has changed drastically in the aftermath of COVID-19. The pandemic has affected both market efficiency and resource-seeking investment. Market-seeking investment and FDI projects in extractive industries could be delayed worldwide because of negative demand shocks, which is most serious in China. In addition, around 20 percent of the assembling operations for multinational firms have been based in China for last two decades. As such, the negative effect on efficiency-seeking investment is concentrated primarily in China, East, and South-East Asia (UNCTAD, 2020) given their close integration into global value chains (GVCs)

5.2 FDI and technology sector

UNCTAD projects a negative outlook of global FDI flows in the next few years period. More than two thirds of the multinational enterprises (MNEs) in UNCTAD's Top 100 have issued statements on the impact of Covid-19 on their business. Many MNEs are reducing capital expenditures in affected areas. In addition, lower profits will reduce reinvested earnings (a major component of FDI) (UNCTAD, 2020)

China is aware of the huge dividends of FDI since the open policy in 1997, especially in the technical field. The Chinese government still insists on attracting foreign investment, but the competitive environment is more complicated for foreign-funded enterprises in China. The first complication is the negative impact of trade frictions on foreign companies in China. For example, in 2019 the annual membership survey released by the US-China Business Council showed that 97% of the interviewed US companies achieved profitable business in China. Eighty-one percent of the companies surveyed said that Sino-US trade tensions have affected their operations in China, an increase of 8 percentage points from the last year. In addition, competitors due to tariffs eroded profitability of some companies.

Secondly, the unfair competitive environment makes domestic firms have obvious advantages in comparison to foreign companies, including competition policies, foreign investment barriers, and investment licensing and regulatory approvals. A new Foreign Investment Law in China took effect on January 1, 2020, which replaced the previous three laws on foreign investment (the Law on Chinese-foreign Joint Ventures, the Law on Chinese-Foreign Cooperative Enterprises and the Law on Foreign-owned Enterprises). The Foreign Investment Law and Implementation Regulations will make substantial inroads in providing fair and local treatment for foreign investment in China, which is a first major step forward in giving foreign investors local treatment. Chinese state-owned enterprises (SOEs) is an important proportion of Chinese enterprises, which has advantages in terms of market share, financing capacity, and political and commercial relations. Nowadays, it is hard to implement a truly fair competitive environment in China.

Furthermore, China is an important market in the world (Paul, 2016). However, the optimism about Chinese market has been declining, especially, since business sentiment has been dampened due to increase in trade barriers between trading partners, such as the US. The disputes have extended to technology, which have affected global supply chains (Gopinath, 2020).

5.3 Government control (Post-COVID Period)

The institutional advantages of China play an important role in managing the Post-COVID. The concentration of resources by the Chinese government make it possible to effectively control the spread of the epidemic. In addition, effective governance help creating an external business environment that promotes firms to invest in proper technological advancement and innovation (Wang, et al., 2020).

Furthermore, Chinese culture is collectivistic (Hofstede, 1980; Triandis, 2018). After the epidemic, many countries including China will significantly strengthen the supply chain's "national intervention" capability, which increases the systemic risk of the business environment or national risk. The safety considerations of the supply chain layout of some industries are higher than the efficiency considerations, emphasizing the self-sufficiency of key core links will become a new trend, and relevant laws and regulations will be formulated to implement and guarantee the system. For example, the Trump administration urgently launched the Defense Production Act, DPA strives to ensure the localization of the production of strategic materials.

Therefore, 2020 is an iconic year for classifying research in many streams, in particular, in the fields where time series data is used widely, to compare the effect of COVID. Overall, the MNCs' investment and management decisions are long-term, comprehensive and strategic (Paul & Feliciano-Cestero, 2020). The impact of short-term epidemic situation is limited; however, some emergency and tactical adjustments are normal. More recent research on implication of the Belt and Road Initiative (BRI) is more important for Chinese Business and President Xi Jinping has described the BRI as the 'Project of the Century'/ Foreign policy (Teagarden, 2020,)

The outbreak of COVID－19 in China and its spread all over the world coupled with China－US trade friction have created too much pressure on the governments, people and enterprises. The governments need to introduce financial, tax and other support policies in and establish a one－to －one service mechanism to help foreign invested enterprises to facilitate normal production and operations (Froese et .al, 2019).

6.Future Research Going Forward

Given what we now know about the Chinese and Indian situation regarding new and novel paradigms, inward and outward FDI, and innovation, we present the following Problems-Opportunities framework to examine new areas of research (See Figure 1).

6.1 Problems

Chinese and Indian (Madhavan & Gupta, 2017) firms face ‘country of origin/liability of origin’ effects. This will increase especially for Chinese firms due to the worldwide health impact of Covid-19, and increasing negative perceptions of community members of Chinese made goods, and firms, which may affect trade. Recently there have been increased border tensions between India and China. Increasing trade wars between the US and China will cause further problems for country of origin effects for Chinese firms. Scholars have recently proposed that we are going through a process of de-globalisation (Witt, 2019), where trade and FDI flows peaked in the 2010-2017 period, and have declined in the recent years.

The monumental impact of COVID on globalization is yet to be seen. Nationalism is also on the rise, with the US trade war with China and the UK’s Brexit being examples of such, which may limit Chinese firm’s further internationalization. A cold war between the US and China, may influence trade and investment flows, and as a result we may see international trade deals conducted between ally countries in the form of trading blocs. These geopolitical tensions may make it more difficult for western companies to do business with the Chinese. More recently, the Chinese government have made threats against the Australian government, that they will encourage their consumers not to purchase Australian products, or visit or study in Australia, after Australia called for an independent inquiry into the origins of the novel coronavirus. Similarly, and recently some national governments (Japan and the US) having been calling their countries MNEs to retract their production in China, back to their home countries. This will have impacts on trade and investment flows. These problems may suggest fruitful areas for future research, with the following suggestions:

1. Is de-globalisation really occurring, and what impact does this have on Chinese and Indian firms, with internationalizing into their country, their internationalization and innovation?
2. What are the impacts of COVID-19 on different sectors in China and India ?
3. How will increased nationalism, border and geopolitical tensions, a potential cold war and country of origin issues have an on trade and investment with China, both inward and outward?
4. How will countries such as India benefit from the geopolitical tensions that China is currently experiencing with western countries?
5. What impact will increased tensions between Indian and Chinese borders have on the Indian economy given its reliance of Chinese raw materials?

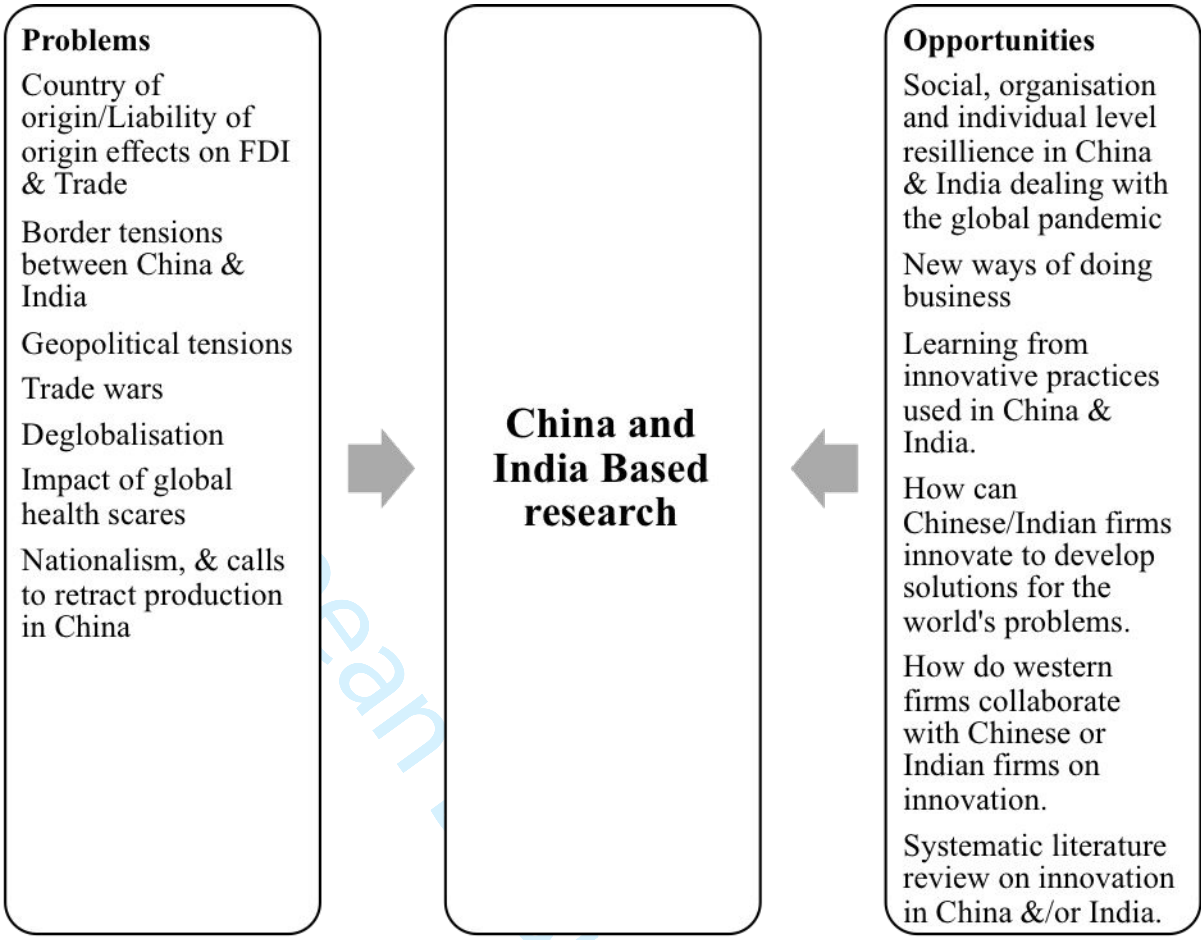
6.2 Opportunities

Despite the current challenges that the world has seen with the impact of COVID, we have seen great social, company and individual level resilience, across China and India to deal with the pandemic. Whilst supply chains, trade and FDI may have been impacted due to the pandemic, new businesses and ways of doing things have sprouted. This lends a role for innovation, and western firms may look to Chinese and Indian firms to think of new ways of doing things as a result of the pandemic. The development of innovation in economies such as China and India have been phenomenal so far.

Western firms and countries have a lot to learn from China and India in terms of innovation, and future researchers are encouraged to keep on documenting and analyzing the types of innovation that are on offer. Given the environmental, wealth disparity and health issues across the world, but more so in developing countries such as China and India, research that focuses on innovative practices that address these areas are welcomed. This is especially important as our world faces global warming challenges, increased wealth disparity, and currently global health scares such as the COVID pandemic. Developing innovations to prevent pandemics is also necessary. We also recognize that there are not many path breaking studies on innovation in the Chinese or Indian context, which future researchers may also tackle adding to our knowledge of the research field. Based on this we propose the following questions for future researchers.

- How do western and Chinese/Indian firms collaborate to develop new technologies, products and services?
- How can Chinese/Indian firms innovate to develop solutions to the world's problems such as reducing global warming, poverty and global health scares?

Figure 1: Problems and Opportunities in China and India Business Research



7. Novel Paradigms

In this section, we discuss the unique and novel dimensions of seven articles.

Exploration of foreign markets such as Europe based on market potential and other factors is critical for emerging market multinational enterprises (MNEs). Avioutskii and Tensaout (2020) in their article 'Comparative analysis of FDI by Indian and Chinese MNEs in Europe' investigate structural factors that affect the location choice of Chinese and Indian MNEs and compares them with Japanese MNEs. The authors use a holistic approach to identify possible configurations of the determinants of Indian and Chinese outward foreign direct investment

(FDI) into 38 European countries. The authors test two configurations as follows: knowledge-seeking by Chinese and Indian MNEs in "non-predictable" markets; applying the tenets of Conservative, Predictable and Pacemaker model (Paul & Sanchez-Morcilio, 2019). They found that good governance, good infrastructure and institutions are necessary conditions for a country to attract FDI inflow.

Market characteristics play an important in determining the relationship between innovation and export performance of firms. This is not widely studied in the past. In this context, Bhat and Momaya (2020) test the hypotheses using generalized least square (GLS) estimator with random effects, on a panel dataset and show that innovation capabilities lead to superior export performance of Indian pharmaceutical firms. They also found that Research and Development (R&D) positively affects export performance to both developing and developed countries, patent quality negatively affects the export performance to developed countries and has no significance in developing countries. Size of the firm has significant positive effect on its export performance.

Social Capital and networks are critical for survival and success of a firm in this competitive era, particularly during the recessionary times. Graca and Khare (2020) develop a theoretical model based on social capital theory and the literature on *guanxi* to examine and compare a buyer's willingness to commit to a supplier in the context of informal social-capital networks in China and India. Their data is from those countries collected from buyers and structural equation modelling was employed as a method to test the model. Data was collected in China and India from random samples of buyers. The model was tested using structural equation modelling.

Corporate Governance is an important topic and independent directors on the board of enterprises is a novel idea with newness. In this regard, Thenmozhi and Sasidharan (2020) examined if board independence enhances the firm value of State owned firms in India and China using a sample of 53 central government-owned firms listed on the National Stock Exchange of India and 110 state-owned firms listed in Shanghai Stock Exchange of China. They employed a fixed-effect panel regression methodology to examine the effect of board independence on firm value and found that board independence adds value to the SOEs in India and China. The presence of independent directors (IDs) on the board of such enterprises protect the interest of minority shareholders.

The developments in financial markets and economy impact the financing decisions and should be a cause for concern for the financial managers and policymakers. Taking into account those recent developments, Bajaj, Kasiramka and Singh (2020) investigated the dynamics of capital structure for businesses in China and India and explored how they adjust to witness the trade-off behaviour based on different factors. It was found that the inflation rate, bond market and stock market development are significant factors impacting leverage in the case of India, whereas bond market development significantly impacts leverage in the case of China.

Woman entrepreneurship in an emerging country is an interesting theme and hot topic for research. Based on this idea, Colovic and Mehrotra (2020) examined how the activities of a social movement and a locally grown organization encourage entrepreneurship by women and improved the living conditions for women, a deprived gender in a typical developing country like India. Their study is based on face-to-face interviews and secondary data highlight the different ways through which social change can be brought in by an organization.

Consumption of luxury products has always been the prerogative of the western world. However, emerging markets offer a huge market opportunity for luxury brands, even though such brands face more challenges these days because of the recessionary business environment due to COVID. There are not many studies examining the post-purchase consumer behaviour of luxury brands in an emerging market context. In this context, Jhamb, Aggarwal, Mittal and Paul (2020) found that sensory, intellectual, behavioural and affective experience determine the attitude and behaviour of consumers towards luxury brands in India. They provide several suggestions for future research and call for using recently developed theoretical lenses such as Masstige theory (Paul, 2018, 2019; Kumar, Paul & Unnithan, 2020) in the area of brand management.

8. Conclusion

Our goal was to present new and novel paradigms in the context of the two fastest growing and strategically important economies in the world. Undoubtedly, they have emerged as destinations for many multinational firms for doing business in different ways using several permutations and combinations. With the serious challenges being faced by the developed economies in the west because of the large number of COVID cases and its aftermath problems, China and India are likely to have their own role in the international diplomacy and firms in those countries are likely to play vital role in the days. China is likely to be play the role of a leading nation with some of its allies like Pakistan in the days to come while India is expected to be allied with the United States in this bipolar world under two diplomatic teams.

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