

Born Global Companies and the Future for Economy of Latvia

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Abstract

Purpose of the article Born Global (BG) companies is the phenomenon that contributes to national economic development. It would be a right decision to study the options to develop born global companies in Latvia because a small number of export-capable sectors is a factor that renders the Latvian economy sensitive to any changes in the external environment. There have been attempts to combine different qualities, principles, features in definitions of BG firms. About 28 definitions were created by different researchers during the period from 1993 to 2012. Purpose of the article is to carry out a more detailed study of the concept and work out the new definition of BG.

Methodology/methods Research is conducted through literature overviews, case studies as well as two focus group discussions of experts were organized: the discussion of the 6th December 2018 and the discussion of the 18th January 2019, the author of research moderated the groups. The 6th December 2018 group conducted among six experts, the 18th January 2019 group conducted also among six experts. Focus group discussions were organized to clarify standard definition of BG with the aim of using this definition as a basis for the research.

Scientific aim Scientific aim is to create the new definition of BG and analyze explanation of the terms included in the definition. Author would like to base justification of the new BG definition on the causation and effectuation theories which include all the features associated with orientation to revenues and international market capacity.

Findings Discrepancies can be found in the existing BG definitions regarding with the modern BG theories. Need to justify the truthfulness of the information included in the new definition has led to getting to know the causation and effectuation theories. Both of the theories help to justify an inclusion of all the corresponding components in the definition and associated with orientation to revenues and international market capacity.

Conclusions Before to study the options to develop born global companies as the growth patterns in Latvia, the necessity number one turned out to be finding the most appropriate definition of born global companies. The newly created definition was justified by causation and effectuation theories which include all the features associated with orientation to revenues and international market capacity. These theories could be the basis for further investigation of the relationship between effectual conditions (harmonious passion, obsessive passion, entrepreneurial self-efficacy, and risk perception) and the outcome (potential to be born global company).

Keywords: born-global company, business environment, entrepreneur, globalization, internationalization, national economy.

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