

Overture de ‘New Horizons in Global Management’*

*Silvio M. Brondoni** , Mario Risso****

Abstract

The Russian-Ukrainian War introduced new elements into the strategic assessments of large global corporations, changing competitive horizons and developing new models of competition.

The impact of the recent BRICS expansion on the global corporations management and on the growth of sustainability goals reflects a growing global new competitive landscape that places global corporations in a delicate position as a possible counterweight to the EU, to the U.S and to the Asian World.

Keywords: Global Management; Global Supply Chains; Global Competition; Sustainability; Russian-Ukrainian War; BRICS+

1. Overture

Corporate development based on ‘enlarged’ competitive space (market-space management) tends to generate mega-organizations in conditions of high competitive tension in a context subject to political, social and technological instability.

The Greek economic crisis of 2009 showed the new basic drivers of global capitalism (Figure 1). The new drivers of global capitalism have been further strengthened by the Russian-Ukrainian war, and it can be expected that in the coming years they will develop further.

The Russian-Ukrainian war is producing a dramatic economic shock, pushing the biggest global corporations towards an outburst of the basic drivers of global capitalism. In the current state of play of market globalisation (Network Globalisation), a company’s profit and development objectives are induced to target R&D spending on innovation policies in which the boundaries between imitation and innovation are fluid, and anyway dominated by shortage management policies (Brondoni, 2022).

* The Authors: Brondoni, S.M. §§ 1, 2 Risso, M. §§ 3.

** Editor-in-Chief, *Symphonya. Emerging Issues in Management* (silvio.brondoni@unicusano.it)

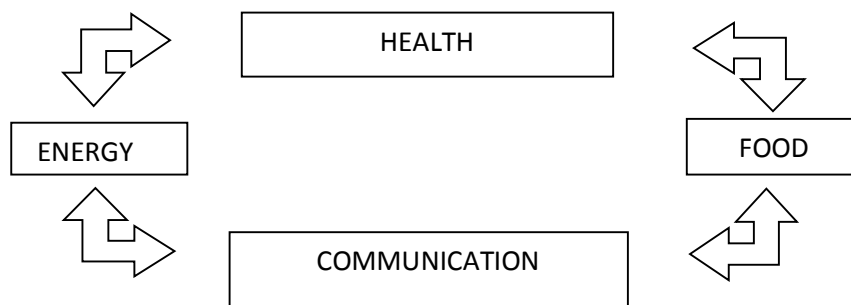
*** Full Professor of Management, Niccolò Cusano University (mario.risso@unicusano.it)



□ *The war in Ukraine has increased economic volatility. The US volatility index (VIX) and the economic policy uncertainty (EPU) index have both risen, though not nearly as much as in March 2020, at the onset of the COVID-19 pandemic.... Over time, this war may prove to be different, however, because of its effects on energy; volatility in energy sources and prices can produce dramatic effects throughout the global economy (White et al., 2022).*

The new drivers of capitalism are made up of business areas of defensible innovations that concentrate the long-term investments of worldwide corporations. In synthesis, the current basic drivers of global capitalism define an inter 2022connected system of corporate business with very high expectations on profits and that specifically regard: Health; Energy (renewable and conventional); Food; Communication (digital and analog) (Brondoni, 2014).

Figure 1: *Global Capitalism. Basic Drivers*



□ *As the global impact of sanctions will be limited, EIU expects that the most serious effect of the Russia-Ukraine conflict for the world economy will come in the form of higher commodities prices. Commodities prices could jump owing to three factors: concerns around supplies, the destruction of physical infrastructure and sanctions. Our core assumption is that neither the EU nor the US will impose a ban on Russia's hydrocarbons exports. Even in the absence of an embargo, prices for oil, gas, base metals and grains will jump (EIU- Economist Intelligence Unit, 2022).*

1. The Russian-Ukrainian War & the BRICS Expansion

The profit imperative of contemporary global capitalism is also facing other challenges, particularly the need of promoting the sustainable growth, dramatically stressed by the economic and financial crisis. In the meanwhile, for the future growth of global corporations the challenge is to conciliate the profitability imperative with

a business model compatible with the objective of a sustainable (Brondoni, 2014; Lambin, 2009).

□ *Three major drivers underlie future of trade perspective grounded in global geopolitical scenarios for 2030:*

• *Russia-West fall-out: EU-Russia trade sees massive decline as Western allies place sanctions on Russia; trade moves from Russia-EU to Russia-East (China, India), with most disruptive impacts in Energy*

• *China trade dynamics: Slower US / EU trade with China, as increased focus on trade resilience in face of geopolitical risk drives trade growth with ASEAN, India, Mexico, and increasing "near-shoring" and "friend-shoring"*

• *ASEAN trade growth: Region to benefit from strong growth with China, US, and EU; push (e.g., geopolitical tensions, higher cost structure in China) and pull (e.g., trade connectivity) factors drive growth (BCG-Boston Consulting Group, 2022).*

The Russian-Ukrainian War introduced new elements into the strategic assessments of large global corporations, changing competitive horizons and developing new models of competition.

In particular, the phenomenon of corporate size growth (with the external growth model based on M&A, typically of US and European companies, or linear growth, typical of Japanese and South Korean companies) is confronting new geopolitical spaces worldwide, which are defining new competitive landscapes, very unstable and changing.

Recently, the marketplace of large companies with the new, large competitive boundaries has found a specific element in the new configuration that is being defined in the so-called BRICS.

BRICS is an association of five major countries including Brazil, Russia, India, China, and South Africa. Distinguished by their emerging economies, the group has sought to improve diplomatic coordination, reform global financial institutions, and ultimately serve as a counterbalance to Western hegemony.

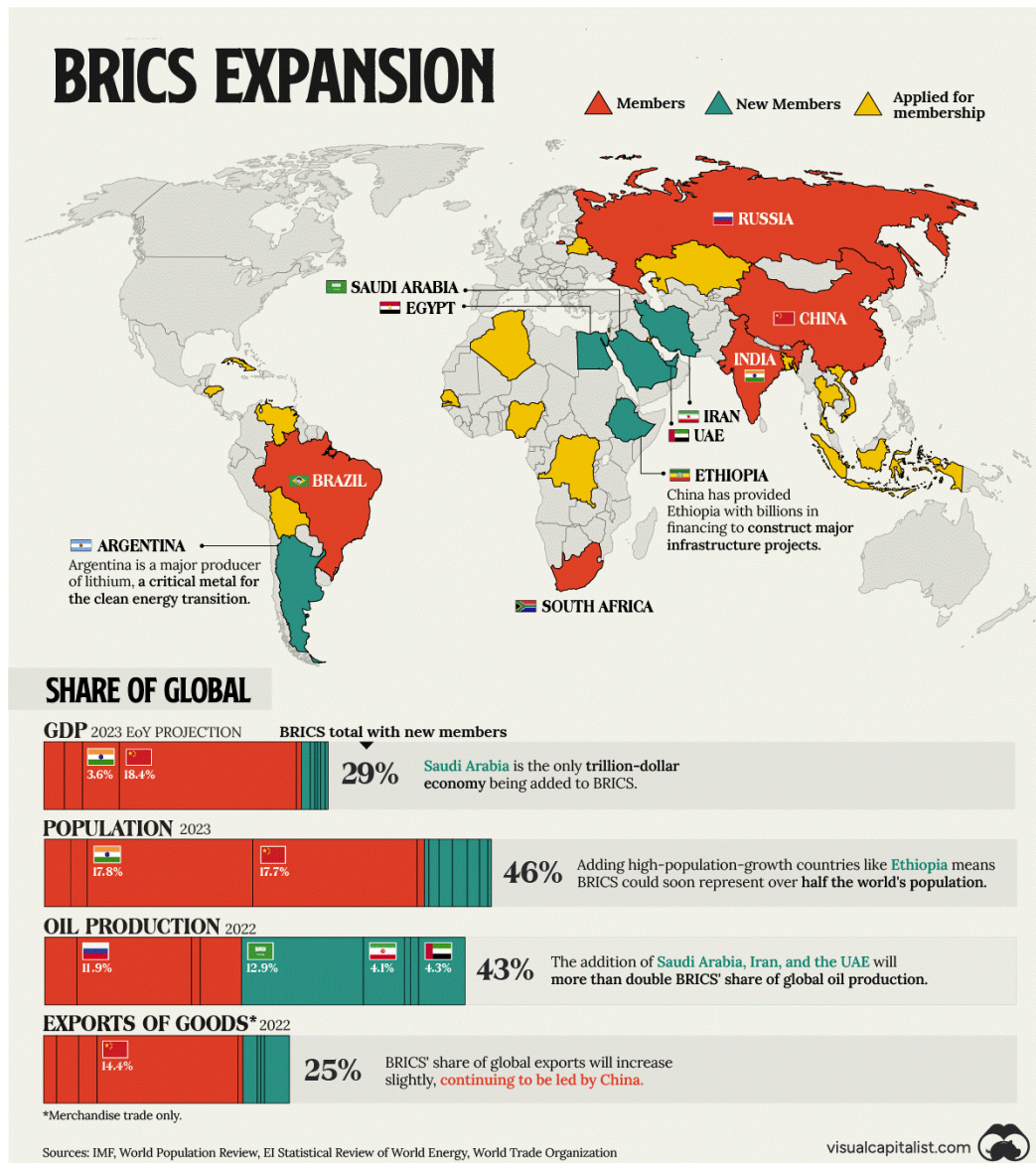
On Aug. 24, 2023, BRICS announced that it would formally accept six new members at the start of 2024: Saudi Arabia, Iran, Ethiopia, Egypt, Argentina, and the United Arab Emirates (UAE).

Figure 2 provides an overview of the worldwide BRICS+ group's expansion and influence.

□ *The new BRICS+ grouping should be considered part of today's zeitgeist. It's a good example of a growing trend over the last two decades: the rise of a multi-polar world that supplanted both the Cold War era and the unipolar US dominance in the 1990s.*

But multi-polar arguably fails to capture what is happening today. That terminology still revolves round poles driven by major powers. Today, the world is different. Small and middle powers can hold outsized sway through multiple alliances and partnerships. We are living in multi-aligned age (Molavi, 2023)

Figure 2: BRICS Expansion August 2023-January 2024



Source: PIWIK (2020, February 1).

□ The addition of six new members underlined the BRICS' determination to create a bloc of major emerging economies to represent the interests of the developing world. The group aspires to reshape global governance by increasing trades in local currencies, reforming the United Nations and International Monetary Fund to better accommodate the aspirations of emerging countries, and aligning positions on global issues such as on agriculture, health, and sustainable development (Ng, 2023).

The impact of the BRICS+ expansion on the global corporations management and on the growth of sustainability goals would depend on various factors such as policy alignment with Governments, collaboration, and resource allocation. Nevertheless, the BRICS+’ expansion reflects a growing global influence that places a global corporation in a delicate position as a possible counterweight to the EU and to the U.S.

2. Looking for New Models of Collaboration to Manage Global Supply Chains

The global acceleration towards sustainability and the clean energy transition contributes to further changing the competitive context in which companies work. In particular, competitive conditions also change in relation to the size, speed and complexity of global supply chains.

For example, the availability of minerals critical for the clean energy transition has become a strategic geopolitical issue, affecting the pace of clean technology adoption. Minerals needed for the clean energy transition are increasingly scarce due to growing global demand, limited supply, and degrading ore quality. The imbalance between supply and demand has led to high prices, with countries competing for access to limited resources. These developments represent a major concern for countries that rely on imports, as they are the most vulnerable to supply disruptions, given the geographic concentration of mineral production and processing.

As countries pursue national interests to preserve security of supply, tensions in international relations are also intensifying geopolitical rivalry to secure access to these resources.

Furthermore, companies are increasingly expected to adopt responsible and sustainable practices to mitigate environmental and social impacts both in places of production and consumption.

For these reasons, companies are expected to adopt rigorous environmental, social and governance (ESG) standards to encourage sustainable processes in their supply chains. This includes accounting for the environmental and social impacts linked to the extraction and use of critical minerals, including the need to preserve ecosystems, reverse biodiversity loss, and respecting the rights of local populations.

This calls for increased international co-operation as well as multi-stakeholder governance models to address persistent sustainability challenges and new global scenarios in key global supply such as energy, food, health, and communication. Individual approaches to addressing sustainability in global supply chains have led to suboptimal collective performance. The creation of a pre-competitive space is increasingly necessary to identify innovative solutions that promote dialogue between competitors, help build trust amongst stakeholders, and work towards possible solutions.

Global alliances between companies, no-profit organizations and public institutions are necessary to encourage more participatory governance models, countering mercantilist and protectionist attitudes. An international collaborative approach for

the adoption of sustainable global sourcing solutions should be explored in order to conceptualize new models for sustainability and monitor performance.

Bibliography

- Andreoni, V. & Miola, A. (2016). *Competitiveness and Sustainable Development*; EUR 28316 EN; Luxembourg (Luxembourg): Publications Office of the European Union.
<http://dx.doi.org/10.2788/64453>
- BCG- Boston Consulting Group (2022). Executive Perspectives: War in Ukraine. Perspective on the Future of Trade.
- Brondoni, S. M. (2014). Global Capitalism and Sustainable Growth. From Global Products to Network Globalisation, *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, 1, 10-31.
<http://dx.doi.org/10.4468/2014.1.02brondoni>
- Brondoni, S. M., & Zaninotto, E. (2018). Ouverture de 'The 4th Industrial Revolution. Business Model Innovation & Global Competition'. *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, 2, 1-7.
<http://dx.doi.org/10.4468/2018.2.01ouverture>
- Brondoni, S. M. (2018). *Competitive Business Management and Global Competition. An Introduction*, in Brondoni S.M. (ed.) *Competitive Business Management. A Global Perspective*, Routledge-Giappichelli, Abigndon-Turin.
- Brondoni, S. M. (2019). Shareowners, Stakeholders & the Global Oversize Economy. The Coca-Cola Company Case, *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, 1, 16-27.
<http://dx.doi.org/10.4468/2019.1.02brondoni>
- Brondoni, S. M. (2019). 4.0 IR, Oversize Economy and the Extinction of Mammoth Companies. *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, 2, 8-24
<http://dx.doi.org/10.4468/2019.2.02brondoni>
- Brondoni, S.M. (2021). Covid-19: Prospering Industries & Oversize Management. *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, 2, 5-19.
<http://dx.doi.org/10.4468/2021.2.02brondoni>
- Brondoni, S. M. (2022). Russian-Ukrainian War, Innovation, Creative Imitation & Sustainable Development, *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, (1), 4-9.
<http://doi.org/10.4468/2022.1.02brondoni>
- Brondoni, S. M. (2022). Competitive Shortage Management, Global Markets & Sustainable Development Goals. *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, (2), 6-13.
<http://dx.doi.org/10.4468/2022.2.02brondoni>
- Casalegno, C., Civera, C., Mosca, F., & Freeman, R. E. (2020). Circular Economy and Relationship-Based View. *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, (1), 149-164.
<http://doi.org/10.4468/2020.1.12casalegno.civera.mosca.freeman>
- Cici, C., & D'Isanto, D. (2017). Integrating Sustainability into Core Business. *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, (1), 50-65.
<http://doi.org/10.4468/2017.1.05cici.disanto>
- Civera, C., & Freeman, R. E. (2019). Stakeholder Relationships and Responsibilities: A New Perspective. *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, (1), 40-58.
<http://doi.org/10.4468/2019.1.04civera.freeman>
- Ding, W., Levine, R., Lin, C., & Xie, W. (2021). Corporate Immunity to the COVID-19 Pandemic. *Journal of Financial Economics*, 141(2), 802-830.
<http://dx.doi.org/10.1016/j.jfineco.2021.03.005>

- EIU- Economist Intelligence Unit (2022). *Global Economic Impacts of the Russia-Ukraine War*, The Economist Intelligence Unit Limited, 03 Mar 2022
- Fortuna, F., & Risso M. (2019). Blockchain Technology in the Food Industry, *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, (2), 151-158.
<http://dx.doi.org/10.4468/2019.2.13fortuna.risso>
- Freeman, R. E., & Dmytriyev, S. (2017). Corporate Social Responsibility and Stakeholder Theory: Learning From Each Other. *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, (1), 7-15.
<http://doi.org/10.4468/2017.1.02freeman.dmytriyev>
- Garcia-Buendia, N., Moyano-Fuentes, J. & Maqueira-Marin, J.M. (2021). Lean Supply Chain Management and Performance Relationships: What Has Been Done and What is Left to Do, *CIRP Journal of Manufacturing Science and Technology*, 32, 405-423.
<http://dx.doi.org/10.1016/j.cirpj.2021.01.016>
- Gil-Vilda F., Yagüe-Fabra J.A. & Sunyer, A. (2021). From Lean Production to Lean 4.0: A Systematic Literature Review with a Historical Perspective, *Applied Sciences*, 11(21), 10318.
<http://dx.doi.org/10.3390/app112110318>
- Kyriakopoulos, G.L., Kapsalis, V.C., Aravossis, K.G., Zamparas, M. & Mitsikas, A. (2019). Evaluating Circular Economy under a Multi-Parametric Approach: A Technological Review. *Sustainability*, 11(21), 6139.
<http://doi.org/10.3390/su11216139>
- Kotabe, M. & Murray, J.Y. (2004). Global Sourcing Strategy and Sustainable Competitive Advantage, *Industrial Marketing Management*, Jan, 33(1), 7-14.
<http://doi.org/10.1016/j.indmarman.2003.08.004>
- Lambin, J.-J. (2014). Rethinking the Market Economy, *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)* (2), 4-15.
<http://dx.doi.org/10.4468/2014.2.02lambin>
- Lambin, J.-J. (2009). Capitalism and Sustainable Development, *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, 2, 2009, 3-9
<http://dx.doi.org/10.4468/2009.2.02lambin>
- Maldonado, M. U., Leusin, M. E., Bernardes, T. C. A., & Vaz, C.R. (2020). Similarities and Differences between Business Process Management and Lean Management, *Business Process Management Journal*, 26(7), 1807-1831.
<http://dx.doi.org/10.1108/BPMJ-09-2019-0368>
- Martínez-Jurado, P.J., & Moyano-Fuentes, J. (2014). Lean Management, Supply Chain Management and Sustainability: A Literature Review. *Journal of Cleaner Production*, 85, 134-150.
<http://doi.org/10.1016/j.jclepro.2013.09.042>
- Molavi, A. (2023). The BRICS Expansion Is A New World Order Of Strategic Multialignment, *Forbes*, Aug 31, 2023.
- Ng, J., *Expansion Will Test the BRICS' Cohesion and Effectiveness*, in AA., *The BRICS Summit 2023: Seeking an Alternate World Order?*, Global Memo, Aug 31, 2023.
- Pieroni, M.P.P., McAlloone, T.C. & Pigoss, o, D.C.A. (2019). Business Model Innovation for Circular Economy and Sustainability: A Review of Approaches, *Journal of Cleaner Production*, 215, 198-216 (2019).
<http://doi.org/10.1016/j.jclepro.2019.01.036>
- Porter, M. & Rivkin, J. (2012). The Looming Challenge to U.S. Competitiveness. *Harvard Business Review* 90, 55-62.
- Risso, M. (2012). A Horizontal Approach to Implementing Corporate Social Responsibility in International Supply Chains. *International Journal of Technology Management*, 58(1-2), 64-82.
<http://dx.doi.org/10.1504/IJTM.2012.045789>

- Salvioni, D. M., & Almici, A. (2022). How Boards Can Help Sustainability Transformations. *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, (1), 20-39.
<http://doi.org/10.4468/2022.1.04salvioni.almici>
- Salvioni, D. M., & Almici, A. (2020). Circular Economy and Stakeholder Engagement Strategy. *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, 1, 26-44.
<http://dx.doi.org/10.4468/2020.1.03salvioni.almici>
- Salvioni, D. M., & Gennari, F. (2019). Stakeholder Perspective of Corporate Governance and CSR Committees, *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, 1, 28-39.
<http://dx.doi.org/10.4468/2019.1.03salvioni.gennari>
- Salvioni, D. M. (2003). Corporate Governance and Global Responsibility, *Symphonya. Emerging Issues in Management (symphonya.unicusano.it)*, 1, 44-54.
<http://dx.doi.org/10.4468/2003.1.05salvioni>
- White, O. et Al. (2022). *War in Ukraine: Twelve Disruptions Changing the World*, McKinsey & Company.