

LETTER FROM THE EDITORS



John Mezias, Editor

Welcome to *AIB Insights* 19(2), which focuses on Latin America. Bill served as Chair of the AIB Latin America Chapter (AIB-LAT) from 2012 to 2018, and his experience has guided this issue. We present five interesting articles that overview topics important to managers and academics in the region, but that also have broad applicability across emerging markets.

Before highlighting the individual articles, we provide some background on AIB-LAT. This chapter's first full meeting was a one-day pre-conference event before the 2010 AIB Meeting in Rio de Janeiro. Its first stand-alone meeting was in Miami in 2012, followed by Puebla, Mexico (2013), Medellin, Colombia (2014), Santiago, Chile (2015), São Paulo, Brazil (2016), Lima, Peru (2017), Buenos Aires, Argentina (2018), and Cochabamba, Bolivia (2019). Over 500 unique individuals have attended these meetings, with many attending multiple times. Recognizing the importance of the Caribbean to this chapter, AIB-LAT's 10th meeting will be in Trinidad and Tobago, with an expanded two-day pre-conference (March 11-12) in Tobago and a two-day main conference (March 13-14) in Trinidad. The chapter is also changing its name to the AIB Latin America and the Caribbean Chapter (AIB-LAC).



William Newbury,
Associate Editor

Our first article, by Alvaro Cuervo-Cazurra, sets the stage for the issue by providing a historical overview of Latin American development, and how it has resulted in common characteristics across the region that make it ripe for comparative study. The article then highlights four areas where *multilatinas* (multinationals headquartered in Latin America) may provide an excellent sample to examine the impact of home-country conditions on firm internationalization. These issues are important for both academics and practitioners alike.

The second article, by Lourdes Casanova and colleagues, examines innovation in emerging markets, with a particular focus on Latin America. This network of authors spans the Latin American countries of Argentina, Brazil, Colombia, and Mexico, and this article developed through conversations at several prior AIB-LAT conferences. They discuss drivers of innovation, types of innovation, and innovation outcomes. While anchored in the Latin American context, insights from this article also have broad applicability to emerging market practitioners and academics.

The next two articles address corporate governance issues prevalent in the Latin American context. The article by Ruth Aguilera, Rafel Crespi-Cladera and Luiz Ricardo Kabbach de Castro examines the phenomenon of dual-class shares within Latin America. They highlight how this practice jeopardizes shareholder democracy, and provide comparisons across five Latin American countries (Brazil, Chile, Colombia, Mexico and Peru), along with the US, Europe, and high income OECD countries. Susan Perkins' article examines ownership concentration in Latin America and its relationship to pyramidal business groups. She observes huge differences between ownership concentration amongst the largest three stakeholders (above 45% for seven countries examined) when compared to the UK (19%) and US (20%). She then highlights the case of the Brazilian BOVESPA (Latin America's largest stock exchange) and how reforming "rules of the game" provides insights into the newly created Mercado Latinoamericano (MILA) across Colombia, Chile, Peru, and Mexico and other regional stock exchanges.

Our fifth article by Daniel Friel, examines how institutional differences can hinder transfer of best practices to subsidiaries. He compares Argentinian and Brazilian operations of Argentinian farm management company Los Grobo and French food products corporation Danone to demonstrate how different institutionalized expectations, even across neighboring countries, affects transfer of best practices.

Once again, we hope you enjoy this issue and look forward to seeing many of you at the 2019 AIB Meeting in Copenhagen!