International Journal for Multidisciplinary Research (IJFMR)
E-ISSN: 2582-2160 ● Website: www.ijfmr.com ● Email: editor@ijfmr.com

Springboarding in a Fragmented World: How Emerging-Market Multinationals Navigate Sanctions and Geopolitical Risk

Rishit Nakra

Abstract

The springboard perspective explains how emerging-market multinational enterprises (EMNEs) use aggressive international expansion to acquire strategic assets and escape constraints at home. It assumes, however, an open global economy in which the advanced markets that EMNEs springboard toward remain accessible. Sanctions, export controls and secondary sanctions now restrict that access. This paper asks how EMNEs adapt their international strategies when geopolitical fragmentation restricts market access, technology, finance and legitimacy, and whether their experience with difficult institutions at home turns these constraints into advantages. Using a secondary comparative case study design, it analyses four cases that occupy different positions in the sanctions landscape: Huawei, a directly sanctioned firm; Chinese carmakers that filled the void left by Western exits from Russia; Indian refiners Reliance Industries and Nayara Energy, which processed discounted Russian crude; and Turkish exporters and banks exposed to US secondary sanctions. The analysis identifies four strategic responses: void-filling, technological substitution, structural segmentation and de-risking. It finds that institutional experience helps EMNEs exploit openings quickly, but that these gains are fragile, because they depend on host-government goodwill and on continued access to Western finance and end markets. The paper proposes that springboarding in a fragmented world becomes *multi-directional*, and that an EMNE's value increasingly lies in its ability to bridge rival blocs while retaining legitimacy with both. Five propositions and implications for managers and policymakers are developed.

Keywords: emerging-market multinationals, springboard perspective, sanctions, secondary sanctions, geopolitical risk, institutional advantage

1. Introduction

1.1 Background

Over the past three decades, firms from emerging economies such as China, India and Turkey have become major foreign investors. International business (IB) research explains their rise in two complementary ways. The springboard perspective argues that emerging-market multinationals (EMNEs) expand abroad rapidly, often through acquisitions, to obtain technology, brands and managerial capabilities they lack, and to escape institutional and market constraints at home (Luo & Tung, 2007, 2018). A second stream argues that EMNEs possess distinctive advantages of their own: experience of operating amid weak institutions allows them to compete effectively in other difficult environments (Cuervo-Cazurra & Genc, 2008).

Both explanations were developed during a period of expanding globalization. Since the late 2010s, that context has changed. Trade and technology restrictions between the United States and China, the sanctions

imposed on Russia after its invasion of Ukraine in 2022, and the spread of secondary sanctions that penalize third-country firms for dealing with sanctioned parties have fragmented the global economy (Witt, 2019; Petricevic & Teece, 2019). Meyer et al. (2023) show that sanctions affect not only firms in sanctioning and sanctioned countries, but also firms in third countries, many of which are emerging economies.

1.2 Problem statement

The springboard perspective assumes that the markets, technologies and financial systems EMNEs springboard toward will remain open to them. Geopolitical fragmentation calls this assumption into question. Some EMNEs are cut off from Western technology; others gain access to markets that Western firms have abandoned; others find that their ties to sanctioned countries threaten their access to Western banks and customers. It is not clear whether the springboard logic still holds under these conditions, or how it must be modified.

1.3 Research gap

Three gaps motivate this study. First, research on sanctions in IB has focused mainly on Western firms deciding whether to exit sanctioned markets (Meyer et al., 2023; Gaur et al., 2023), rather than on EMNEs, whose position between rival blocs is often more complex. Second, the springboard and institutional-advantage literatures have not been re-examined systematically in light of sanctions and secondary sanctions. Third, few studies compare EMNEs that occupy different positions in the sanctions landscape, such as directly sanctioned firms, firms that benefit from Western exits, and firms exposed to secondary sanctions.

1.4 Research questions

- **RQ1:** Through which channels do sanctions and geopolitical tensions constrain the international strategies of EMNEs?
- **RQ2:** How do EMNEs respond to these constraints, and does their experience with difficult institutions help them turn constraints into advantages?
- **RQ3:** What do these responses imply for the springboard perspective and for theories of EMNE advantage?

1.5 Significance of the study

Theoretically, the paper updates the springboard perspective for a fragmented world economy and connects it with the emerging IB literature on sanctions. Practically, it offers EMNE managers a framework for assessing how sanctions affect their market access, technology, finance and legitimacy, and it offers policymakers insight into how sanctions are transmitted through third-country firms.

1.6 Structure of the paper

Section 2 reviews the literature and develops the analytical framework. Section 3 explains the comparative case study methodology. Section 4 analyses the four cases. Section 5 compares them. Section 6 develops propositions and implications. Section 7 concludes with limitations and directions for future research.

2. Literature Review and Analytical Framework

2.1 Explaining the internationalization of EMNEs

Classical theories explain multinational activity through ownership advantages that firms exploit abroad (Dunning, 1988). EMNEs posed a puzzle for these theories, because many internationalized before acquiring the technological and brand advantages typical of Western multinationals (Ramamurti, 2012; Guillén & García-Canal, 2009). Two explanations have become influential.

2.2 The springboard perspective

Luo and Tung (2007) argue that EMNEs use international expansion as a springboard. They acquire critical assets from mature multinationals, such as technology, brands and distribution, to compensate for competitive weaknesses, and they escape institutional and market constraints at home. Expansion is often rapid, risk-taking and acquisition-led, and is frequently supported by home governments. Luo and Tung (2018) later generalized the argument: springboarding is a recursive process in which firms move outward to acquire capabilities, then integrate and upgrade them at home before springing outward again.

The perspective makes an implicit assumption: the advanced economies that hold strategic assets remain open to EMNE acquisitions, partnerships and trade. Springboarding requires a springboard.

2.3 Institutional experience as an advantage

A second explanation focuses on what EMNEs already possess. Emerging markets are characterized by institutional voids, meaning gaps in the institutions that support market transactions, such as reliable contract enforcement, capital markets and information intermediaries (Khanna & Palepu, 1997). Firms that learn to operate amid such voids develop capabilities in managing political relationships, informal networks and regulatory uncertainty. Cuervo-Cazurra and Genc (2008) show that developing-country MNEs are more prevalent than advanced-economy MNEs in the least developed countries, because their home-country experience becomes an advantage where institutions are weak. Ellis (2011) adds that social ties shape which foreign opportunities firms see and pursue, a mechanism that is especially important where formal institutions are weak.

2.4 Sanctions and geopolitical fragmentation in IB

IB scholars increasingly argue that globalization has entered a period of retreat or restructuring. Witt (2019) describes de-globalization as a shift in the costs and benefits of cross-border activity. Petricevic and Teece (2019) argue that technological rivalry between the United States and China is restructuring global value chains, especially in strategic sectors.

Sanctions are a central instrument in this restructuring. Meyer et al. (2023) distinguish three groups of affected firms: firms from sanctioning countries, firms from sanctioned countries, and firms from third countries that are not party to the sanctions but must decide whether to trade with the sanctioned country. Gaur et al. (2023) examine firm responses to the Russia–Ukraine conflict and show that firms' decisions to stay or exit vary with their exposure and stakeholder pressures.

Secondary sanctions add a further layer. They threaten third-country firms and banks with losing access to the sanctioning country's financial system or market if they deal with sanctioned parties. Because international trade depends heavily on access to dollar-based finance, secondary sanctions can reach firms in countries that have not imposed sanctions themselves.

2.5 Legitimacy across blocs

Institutional theory adds the concept of legitimacy. Multinationals must be accepted as appropriate actors by stakeholders in each country where they operate (Kostova & Zaheer, 1999). In a fragmented world, the stakeholders whose acceptance matters may hold opposing expectations. Trading with a sanctioned country may be legitimate at home and in the sanctioned country, but illegitimate in sanctioning countries whose finance and markets the firm also needs.

2.6 Analytical framework

Combining these literatures, this paper analyses each case along two dimensions.

Constraint channels. Sanctions and geopolitical tensions affect EMNEs through four channels:

1. **Market access:** restrictions on where a firm can sell, or openings created when competitors exit.

2. **Technology:** restrictions on access to foreign technology, components and software.
3. **Finance:** restrictions on payments, banking relationships and capital.
4. **Legitimacy:** the acceptance of the firm by stakeholders in rival blocs.

Strategic responses. Drawing on the springboard and institutional-advantage literatures, four possible responses are identified in advance and refined through the analysis:

1. **Void-filling:** entering or expanding in markets abandoned by Western firms.
2. **Technological substitution:** replacing restricted foreign technology with internally or domestically developed alternatives.
3. **Structural segmentation:** separating operations, supply chains or legal entities by market so that activities in one bloc do not contaminate access to another.
4. **De-risking:** reducing or exiting exposure to sanctioned parties to protect access to Western finance and markets.

The framework allows the analysis to assess whether EMNEs' institutional experience helps them convert constraints into advantages, and whether the springboard logic survives in modified form.

3. Research Methodology

3.1 Research design

The study uses a qualitative, secondary comparative case study design. Case studies are suited to "how" and "why" questions about contemporary phenomena that the researcher cannot control (Yin, 2018). Comparing several cases allows patterns to be identified across different contexts and supports the development of theory through replication and contrast (Eisenhardt, 1989). The approach is abductive: the analysis begins with the springboard and institutional-advantage perspectives and refines them in light of the case evidence.

3.2 Case selection

Cases were selected purposively to represent the three positions that Meyer et al. (2023) identify in the sanctions landscape, and to cover all four constraint channels. Table 1 summarizes the selection.

Table 1. Case selection

Case	Home country	Position in sanctions landscape	Main constraint channel
A. Huawei	China	Directly sanctioned firm	Technology
B. Chinese carmakers in Russia (Chery, Great Wall Motor, Geely)	China	Third-country firms entering a sanctioned market	Market access
C. Reliance Industries and Nayara Energy	India	Third-country firms buying from sanctioned suppliers	Market access and legitimacy
D. Turkish exporters and banks	Turkey	Third-country firms exposed to secondary sanctions	Finance

Case D is analysed at the level of a group of firms rather than a single company, because the available evidence on Turkish exporters and banks is reported in aggregate. This is noted as a limitation.

3.3 Data sources

The study relies on secondary data from three types of sources: (a) peer-reviewed IB literature, which provides the theoretical framework; (b) analyses by research institutes, such as the Rhodium Group and the Centre for Eastern Studies (OSW); and (c) reports by established news and industry information services, including Reuters, Bloomberg, the Financial Times and S&P Global, accessed directly or through outlets that republished them. Company statements reported in these sources are used where available. Sources were cross-checked where possible, and figures are attributed to the source that reported them.

3.4 Analytical procedure

Each case was analysed in three steps: (1) identifying the constraint channels through which sanctions or geopolitical tensions affected the firm; (2) identifying the firm's strategic responses, using the four-response typology in Section 2.6; and (3) assessing the outcomes, including evidence of whether institutional experience helped the firm convert constraints into advantages. A cross-case comparison then identified similarities and differences across positions in the sanctions landscape.

3.5 Methodological limitations

Secondary data on sanctions-related decisions is incomplete, because firms rarely disclose their reasoning on politically sensitive matters. Some sources are news reports based on unnamed industry sources. The situation is also changing quickly, so the analysis reflects the evidence available at the time of writing. Findings are therefore presented as propositions for further testing rather than as generalizable conclusions.

4. Case Analysis

4.1 Case A: Huawei — technological substitution under direct sanctions

Background and constraints. Huawei, the Chinese telecommunications and electronics group, was among the most successful EMNEs of the 2010s. From 2019, US export controls cut it off from American semiconductor technology and software. It lost access to Google's Android services and Oracle's software, and its former chip manufacturing partner TSMC stopped producing its chips under US pressure (Reuters, 2025a; Bamboo Works, 2025). The constraint operated mainly through the **technology** channel, but it also damaged **market access** abroad: once its phones could no longer run Google's services, Huawei's international smartphone business collapsed. As chip stockpiles ran down, US restrictions cut the revenue of its consumer business in half (Reuters, 2025a).

Responses. Huawei's dominant response was **technological substitution**. It built its own operating system, HarmonyOS, which it says runs on more than a billion devices, and an internal enterprise software system to replace Oracle (Reuters, 2025a). It turned to the Chinese chipmaker SMIC to manufacture its proprietary Kirin chipsets (Bamboo Works, 2025), and developed advanced chips for artificial intelligence (Reuters, 2025a). It also diversified into new businesses less exposed to Western consumers, including 5G infrastructure for mines, energy storage for data centres and smart-driving technology for cars (Reuters, 2025a).

Outcomes and interpretation. In 2024 Huawei reported revenue of about 860 billion yuan (about US$118 billion), close to its 2020 peak of 891 billion yuan (Reuters, 2025a). Its recovery, however, was driven mainly by the Chinese market. Recovering the overseas smartphone share it lost remains a challenge, because consumers abroad are unfamiliar with HarmonyOS (Bamboo Works, 2025).

The case reverses the direction of the springboard. Luo and Tung (2007) describe EMNEs springing outward to acquire foreign capabilities. Huawei, denied foreign capabilities, used its large home market

and home-country support as the platform from which to build substitutes. Its institutional experience mattered less than its scale, its research capacity and the backing of a home government that regards technological self-reliance as a strategic priority. The case also shows the cost: substitution protected the firm but narrowed its international reach in consumer markets.

4.2 Case B: Chinese carmakers in Russia — void-filling and its limits

Background and constraints. After Russia's invasion of Ukraine in 2022, most Western carmakers left the Russian market. Chinese carmakers such as Chery, Great Wall Motor (GWM) and Geely moved in rapidly. Their share of Russian passenger car sales rose from 9% in 2021 to 61% in 2023 (Rhodium Group, 2024), and stood at nearly 60% in 2024, compared with 2% in 2019 (OSW, 2025). Here the constraint on Western firms created an opening in the **market access** channel for Chinese firms.

Responses. The dominant response was **void-filling**. It was combined, however, with a cautious form of **structural segmentation**. Rather than investing heavily in Russian factories, most Chinese carmakers relied on exports or asset-light assembly of imported kits (Rhodium Group, 2024). Several Chinese models were produced under Russian brand names, and as of 2025 Haval was the only Chinese carmaker with its own manufacturing plant in Russia (OSW, 2025). Chinese investors regarded the Russian market as risky (OSW, 2025). The asset-light approach limited exposure both to Russian political risk and to possible Western scrutiny of firms supporting the Russian economy.

Outcomes and interpretation. The opportunity was large but became concentrated and fragile. By 2023, Russia accounted for more than half of the sales outside China of both Chery and GWM (Rhodium Group, 2024). The Russian government then moved to protect its domestic car industry by raising the "recycling fee" on imported vehicles, which it had already increased in 2023 (Rhodium Group, 2024). After a further increase from October 2024 (OSW, 2025), the fee was projected to exceed a quarter of the price of a popular Chery model from January 2025 (Rhodium Group, 2024). Sales of Chinese brands in Russia fell 26% in 2025 to about 672,000 vehicles, and Chery reportedly indicated in its Hong Kong listing documents that it planned to scale down its Russian operations through 2027 (Euromaidan Press, 2026).

The case supports the institutional-advantage argument in part. Chinese firms were comfortable entering a high-risk, state-influenced market that Western firms had left, consistent with Cuervo-Cazurra and Genc (2008). But the advantage did not protect them from the host government itself. A market opened by geopolitics was partly closed again by host-country protectionism, once domestic producers lobbied for relief.

4.3 Case C: Reliance Industries and Nayara Energy — segmentation versus entrapment

Background and constraints. After 2022, Indian refiners became among the largest buyers of discounted Russian crude oil. In the first nine months of 2025 India imported about 1.9 million barrels a day, roughly 40% of Russia's total crude exports, according to the International Energy Agency (Khaleej Times, 2025). Two Indian refiners illustrate contrasting positions.

Reliance Industries, India's largest private refiner, held a long-term agreement with Rosneft to buy close to 500,000 barrels a day, and exported refined fuels widely, with Europe accounting for 28% of its exports (Reuters, 2025b). Nayara Energy, which operates a refinery at Vadinar in Gujarat, is 49.13% owned by Rosneft, and in 2025 about 72% of its crude intake was of Russian origin (S&P Global, 2025).

Both faced constraints through the **market access** and **legitimacy** channels. On 18 July 2025 the EU designated Nayara under its 18th sanctions package and banned imports of refined products made from Russian crude, after a six-month transition (S&P Global, 2025). In August 2025 the United States raised tariffs on Indian exports to 50%, half of which was linked to India's purchases of Russian oil (Business

Today, 2025). In October 2025 the United States sanctioned Rosneft and Lukoil, giving companies until 21 November to wind down transactions (Reuters, 2025b).

Responses. Reliance responded through **structural segmentation**. It stopped bringing Russian crude into its export-oriented refinery from 20 November 2025, and stated that from 1 December all products exported from that refinery would be made from non-Russian crude, while Russian cargoes already contracted would be processed at its refinery serving the domestic market (Reuters, 2025b). This preserved access to European customers while limiting the loss of discounted supply.

Nayara had no comparable option. Because a sanctioned Russian company was its largest shareholder, the sanction attached to the firm itself, not only to a supply flow. Analysts expected it to redirect exports to markets outside the EU, such as Africa, Latin America and Southeast Asia, or to the domestic market (S&P Global, 2025). The sanctions were also expected to complicate Rosneft's efforts to sell its stake (S&P Global, 2025).

Outcomes and interpretation. Discounted Russian crude was a clear opportunity, and Indian refiners exploited it with the support of their home government, which framed purchases as a matter of energy security (The Week, 2025). Reliance's response shows how a large EMNE with separable assets can operate across rival blocs by ring-fencing activities. Nayara shows the opposite: when ownership ties a firm to a sanctioned party, the legitimacy problem cannot be segmented away.

4.4 Case D: Turkish exporters and banks — de-risking under secondary sanctions

Background and constraints. Turkey did not join Western sanctions on Russia, and Turkish firms expanded trade with Russia after 2022. Turkish exports to Russia reached a record US$10.9 billion in 2023 (Reuters, 2024). On 22 December 2023, however, the United States issued an executive order authorizing secondary sanctions against foreign financial institutions that facilitate transactions supporting Russia's military-industrial base (Reuters, 2024; Financial Times, 2024). The constraint operated through the **finance** channel.

Responses. Turkish banks, which depend on access to the US financial system, responded by **de-risking**. They applied stricter compliance checks, and some severed correspondent relationships with Russian banks and closed Russian corporate accounts (Reuters, 2024; bne IntelliNews, 2024). Exporters lost the ability to receive payment for some shipments, and exports of machinery, vehicles and other categories that had expanded after 2022 fell most sharply (Financial Times, 2024).

Outcomes and interpretation. Turkish exports to Russia fell 39% year on year in January 2024 (Reuters, 2024), and by about a third in the first quarter of 2024, with a slight recovery in March suggesting that banks were calibrating their compliance (Financial Times, 2024). The case shows that the finance channel can override both home-government policy and firms' experience and networks in the host market. Turkish firms had the relationships and the institutional familiarity to trade with Russia. What they lacked was the ability to settle payments without exposing their banks to the US financial system.

5. Cross-Case Comparison

Across the four cases, the position of a firm in the sanctions landscape determined which constraint channel dominated, and the firm's structure determined which response was available. Table 2 summarizes the comparison.

Table 2. Constraints, responses and outcomes across the four cases

Case	Dominant constraint	Main response	Did institutional experience help?	Outcome
A. Huawei	Technology	Technological substitution	Limited; scale and home-government support mattered more	Domestic recovery; reduced reach in overseas consumer markets
B. Chinese carmakers	Market access (opening)	Void-filling, with asset-light segmentation	Yes, in entering a risky market quickly	Rapid gains, then decline under host protectionism
C. Reliance	Market access and legitimacy	Structural segmentation	Partly; separable assets were decisive	Retained access to Europe while limiting loss of discounted supply
C. Nayara	Legitimacy (sanctioned owner)	Redirection to non-EU markets	No; ownership could not be segmented	Sanctioned; exit routes for owner complicated
D. Turkish exporters and banks	Finance	De-risking	No; dollar dependence overrode networks	Sharp fall in exports, partial recovery

Four patterns emerge from the comparison.

First, institutional experience helps firms enter, but not stay. Chinese carmakers and Indian refiners moved quickly into opportunities that Western firms had abandoned or avoided, consistent with Cuervo-Cazurra and Genc (2008). But the gains were exposed to forces that institutional experience does not neutralize: host-government protectionism in Russia, and Western sanctions on suppliers and owners.

Second, finance is the decisive transmission channel for third-country firms. Neither Turkey nor India imposed sanctions on Russia, and both home governments supported continued trade. Yet Turkish banks and Reliance adjusted their behaviour once access to Western finance or Western customers was at stake. Secondary sanctions and targeted designations reach third-country firms through their dependence on the dollar system and on Western end markets, regardless of home-government policy.

Third, firm structure determines strategic options. Reliance could separate export and domestic operations; Nayara could not separate itself from its owner. Chinese carmakers' asset-light entry kept their exposure limited. The ability to segment assets, supply chains and ownership by bloc emerges as a key capability in a fragmented world.

Fourth, the springboard can point inward. Huawei, cut off from foreign technology, used its home market and home-government support to build substitutes. Rather than springing outward to acquire capabilities, it used the home base as the platform from which to rebuild them, at the cost of international reach.

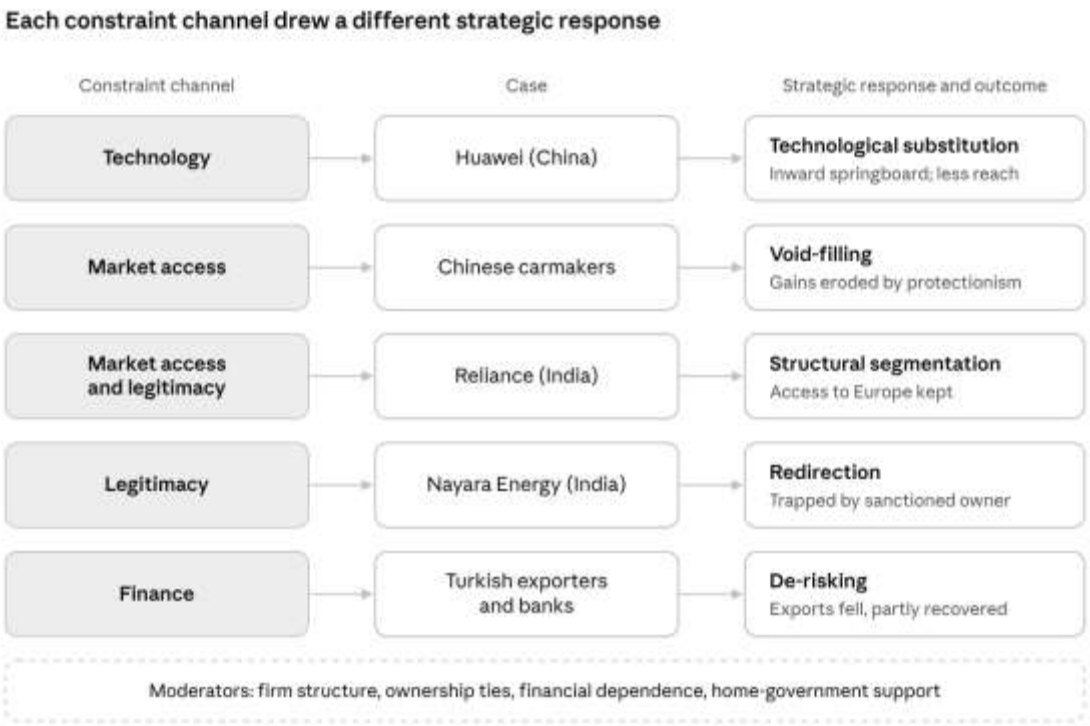


Figure 1. Constraint channels, cases and strategic responses

Figure 1. Constraint channels, cases and strategic responses. Each case is placed by the channel that dominated it and the response it adopted; firm structure, ownership ties, financial dependence and home-government support shaped which responses were available.

6. Discussion

6.1 Answering the research questions

RQ1 asked through which channels sanctions constrain EMNEs. All four channels proved relevant, but each case was dominated by one: technology for Huawei, market access for Chinese carmakers, legitimacy and market access for Indian refiners, and finance for Turkish exporters. A firm's position in the sanctions landscape largely determined which channel dominated.

RQ2 asked how EMNEs respond and whether institutional experience helps. The four responses identified in advance (void-filling, technological substitution, structural segmentation and de-risking) were all observed. Institutional experience helped firms enter risky markets quickly, but did not protect them from host-government protectionism or from Western financial and legal pressure.

RQ3, on the implications for theory, is addressed below.

6.2 Propositions

- **P1:** EMNEs from third countries with experience of weak institutions are faster than other firms to fill voids left by Western exits from sanctioned markets, but their gains are vulnerable to host-government protectionism once domestic producers seek relief.
- **P2:** When sanctions restrict access to foreign technology, EMNEs with large home markets and strong home-government support respond through technological substitution, using the home base as an inward springboard at the cost of international reach.

- **P3:** For third-country EMNEs, exposure to sanctions is determined more by dependence on Western finance and end markets than by home-government policy.
- **P4:** EMNEs whose assets, supply chains and legal entities can be separated by market are more likely to sustain operations across rival blocs through structural segmentation; EMNEs owned by sanctioned parties cannot.
- **P5:** Opportunities created by sanctions are self-limiting, because they attract host protectionism, further sanctions and erosion of the price advantages that made them attractive.

6.3 Theoretical implications

Multi-directional springboarding. The springboard perspective (Luo & Tung, 2007, 2018) depicts EMNEs springing toward advanced economies to acquire assets. The cases suggest that in a fragmented world springboarding becomes multi-directional. Firms may spring toward markets abandoned by Western competitors (Chinese carmakers), spring inward to rebuild capabilities denied from abroad (Huawei), or position themselves between blocs (Reliance). The springboard remains a useful metaphor, but its direction is now set as much by geopolitics as by the location of strategic assets.

The limits of institutional advantage. Cuervo-Cazurra and Genc (2008) show that experience with weak institutions can be an advantage in other weak-institution environments. The cases support this for entry, but suggest a boundary condition. Institutional experience helps firms manage host-country uncertainty; it does not help them manage the extraterritorial reach of sanctioning countries, which operates through finance, technology and customers outside the host country.

Dual legitimacy as a capability. Building on Kostova and Zaheer (1999), the cases suggest that EMNEs operating between blocs need legitimacy with stakeholders whose expectations conflict. Reliance's segmentation can be read as an attempt to maintain dual legitimacy: acceptable to Indian policymakers and Russian suppliers, and to European customers and regulators. The ability to construct and maintain such dual legitimacy may become a distinctive EMNE capability.

Sanctions research in IB. The cases extend Meyer et al.'s (2023) distinction between firms in sanctioning, sanctioned and third countries. They show that third-country firms are not a single group: some benefit from sanctions, others are trapped by them, and their fate depends on ownership, asset structure and financial dependence.

6.4 Practical implications

For EMNE managers. Firms should map their exposure across all four channels, not only the obvious one. They should avoid concentrating growth in a single sanctions-created opportunity, as Chinese carmakers did in Russia. Where they operate across blocs, they should design separable structures in advance, because segmentation is difficult to create once sanctions arrive. They should also review ownership ties, since a sanctioned shareholder can turn an opportunity into a liability.

For policymakers in emerging economies. Home-government support can enable firms to exploit sanctions-created opportunities, but cannot shield them from secondary sanctions. Developing alternative payment infrastructure and diversifying export markets may reduce firms' vulnerability to the finance channel.

For policymakers in sanctioning countries. The cases show that secondary sanctions and designations can change third-country firms' behaviour quickly. They also show that firms adapt through segmentation and redirection, so enforcement depends on tracking supply flows and corporate structures, not only countries.

7. Conclusion, Limitations and Future Research

7.1 Conclusion

This paper examined how emerging-market multinationals navigate sanctions and geopolitical fragmentation, and whether the springboard perspective still explains their international strategies. Four cases from China, India and Turkey, occupying different positions in the sanctions landscape, show that sanctions constrain EMNEs through four channels (market access, technology, finance and legitimacy) and that EMNEs respond through void-filling, technological substitution, structural segmentation and de-risking.

The findings suggest that the springboard logic survives, but in modified form. Springboarding becomes multi-directional, shaped by geopolitics as well as by the location of strategic assets. Experience with difficult institutions helps EMNEs seize openings quickly, but does not protect them from host-government protectionism or from the extraterritorial reach of sanctioning countries. In a fragmented world, an EMNE's ability to separate its activities by bloc and to maintain legitimacy with rival stakeholders may matter as much as the assets it acquires.

7.2 Limitations

First, the study relies on secondary sources, including news reports based on unnamed industry sources, and firms rarely disclose their reasoning on sanctions-related decisions. Second, four cases cannot support statistical generalization, and the findings are offered as propositions. Third, Case D is analysed at the level of a group of firms because firm-level evidence was not available. Fourth, the sanctions environment is changing rapidly, so outcomes described here may evolve. Finally, the cases focus on sanctions related to Russia and on US technology controls on China; other sanctions regimes may produce different patterns.

7.3 Directions for future research

Future research could test the propositions using larger samples, for example by comparing the trade and investment patterns of EMNEs from countries that have and have not joined sanctions regimes. Interviews with managers in third-country firms could reveal how decisions about segmentation and de-risking are made. Longitudinal studies could examine whether sanctions-created opportunities, such as Chinese carmakers' position in Russia, produce lasting capabilities or temporary gains. Finally, research could examine whether EMNEs from countries that position themselves between blocs, such as India, Turkey and the Gulf states, develop distinctive capabilities for bridging rival economic systems.

References

Academic sources

1. Cuervo-Cazurra, A., & Genc, M. (2008). Transforming disadvantages into advantages: Developing-country MNEs in the least developed countries. *Journal of International Business Studies, 39*(6), 957–979. https://doi.org/10.1057/palgrave.jibs.8400390
2. Dunning, J. H. (1988). The eclectic paradigm of international production: A restatement and some possible extensions. *Journal of International Business Studies, 19*(1), 1–31.
3. Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review, 14*(4), 532–550.
4. Ellis, P. D. (2011). Social ties and international entrepreneurship: Opportunities and constraints affecting firm internationalization. *Journal of International Business Studies, 42*(1), 99–127. https://doi.org/10.1057/jibs.2010.20

5. Gaur, A., Settles, A., & Väätänen, J. (2023). Do economic sanctions work? Evidence from the Russia–Ukraine conflict. *Journal of Management Studies, 60*(6).
6. Guillén, M. F., & García-Canal, E. (2009). The American model of the multinational firm and the "new" multinationals from emerging economies. *Academy of Management Perspectives, 23*(2), 23–35.
7. Khanna, T., & Palepu, K. (1997). Why focused strategies may be wrong for emerging markets. *Harvard Business Review, 75*(4), 41–51.
8. Kostova, T., & Zaheer, S. (1999). Organizational legitimacy under conditions of complexity: The case of the multinational enterprise. *Academy of Management Review, 24*(1), 64–81.
9. Luo, Y., & Tung, R. L. (2007). International expansion of emerging market enterprises: A springboard perspective. *Journal of International Business Studies, 38*(4), 481–498. https://doi.org/10.1057/palgrave.jibs.8400275
10. Luo, Y., & Tung, R. L. (2018). A general theory of springboard MNEs. *Journal of International Business Studies, 49*(2), 129–152.
11. Meyer, K. E., Fang, T., Panibratov, A. Y., Peng, M. W., & Gaur, A. (2023). International business under sanctions. *Journal of World Business, 58*(2), Article 101426. https://doi.org/10.1016/j.jwb.2023.101426
12. Petricevic, O., & Teece, D. J. (2019). The structural reshaping of globalization: Implications for strategic sectors, profiting from innovation, and the multinational enterprise. *Journal of International Business Studies, 50*(9), 1487–1512.
13. Ramamurti, R. (2012). What is really different about emerging market multinationals? *Global Strategy Journal, 2*(1), 41–47.
14. Witt, M. A. (2019). De-globalization: Theories, predictions, and opportunities for international business research. *Journal of International Business Studies, 50*(7), 1053–1077.
15. Yin, R. K. (2018). *Case study research and applications: Design and methods* (6th ed.). Sage.

Secondary sources: case evidence

1. Bamboo Works. (2025). Huawei stages improbable comeback as revenue soars. https://thebambooworks.com/huawei-rings-up-improbable-comeback-as-revenue-soars/
2. bne IntelliNews. (2024, February 22). Indications grow Turkey–Russia trade hit by tightened US sanctions. https://intellinews.com/indications-grow-turkey-russia-trade-hit-by-tightened-us-sanctions-313780
3. Business Today. (2025, November 21). Reliance just pulled the plug on Russian oil at its Jamnagar export refinery. https://www.businesstoday.in/amp/latest/corporate/story/reliance-just-pulled-the-plug-on-russian-oil-at-its-jamnagar-export-refinery-503092-2025-11-21
4. Euromaidan Press. (2026, January 22). Russia hiked car import fees to protect AvtoVAZ. Chinese brands are leaving instead. https://euromaidanpress.com/2026/01/22/russia-car-import-fees-chinese-brands-leaving/
5. Financial Times. (2024). Analysis of Turkish exports to Russia, as reported in Turkish Minute (2024, April 30), US pressure on Turkey led to drop in Turkey's trade with Russia: Report. https://turkishminute.com/2024/04/30/us-pressure-on-turkey-led-to-drop-turkey-trade-with-russia-report/

6. Khaleej Times. (2025, October 28). Indian refiners pause new Russian oil orders, await clarity amid higher US sanctions. https://www.khaleejtimes.com/world/asia/indian-refiners-pause-russian-oil-orders-higher-sanctions
7. OSW Centre for Eastern Studies. (2025, August 1). Russia grappling with influx of Chinese-made cars. https://www.osw.waw.pl/en/publikacje/analyses/2025-08-01/russia-grappling-influx-chinese-made-cars
8. Reuters. (2024, February 19). Turkish–Russian trade hit by fresh US sanctions threat. Republished by Cyprus Mail. https://cyprus-mail.com/2024/02/19/turkish-russian-trade-hit-by-fresh-us-sanctions-threat
9. Reuters. (2025a, March 28). After years of survival, China's Huawei returns to revenue peak. Republished by The Edge Malaysia. https://theedgemalaysia.com/node/749676
10. Reuters. (2025b, November 20). India's Reliance stops importing Russian crude for refinery operations. Republished by Aaj English. https://english.aaj.tv/news/amp/330445740
11. Rhodium Group. (2024, December 12). Collision course: The future of Chinese carmakers in Russia. https://rhg.com/research/collision-course-the-future-of-chinese-carmakers-in-russia/
12. S&P Global. (2025, July 21). EU sanctions on India's Vadinar refinery raise questions on crude tracking, enforcement. https://www.spglobal.com/energy/en/news-research/latest-news/crude-oil/072125-eu-sanctions-on-indias-vadinar-refinery-raise-questions-on-crude-tracking-enforcement
13. The Week. (2025, July 20). Rosneft says EU sanctions on Indian unit unjustified and illegal [Press Trust of India]. https://www.theweek.in/wire-updates/business/2025/07/20/dcm36-biz-rosneft-eu-sanction.html