

Scope of Firms in Emerging Economies



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The pressure to become more efficient along with other incentives for reducing vertical scope may not be uniform across industries. Industries which are open to competition from imports/FDI or those which compete in export markets are more likely to witness a reduction in vertical integration. Ownership (by business groups, overseas investors, financial institutions) may also matter to the extent a firm changes its vertical integration. We can utilize India as the context and seek to address some of the above issues by focusing on research questions such as:

1. How has the vertical scope of Indian firms changed since 1991?
2. How has the change in composition of industries in India affected the vertical scope of Indian firms?
3. How has change in vertical scope affected the performance of firms?