

ENTREPRENEURSHIP AND STRATEGY IN EMERGING ECONOMIES

GARRY D. BRUTON,^{1,2*} IGOR FILATOTCHEV,^{3,4} STEVEN SI,^{5,6} and MIKE WRIGHT^{7,8}

¹Neeley School of Business, Texas Christian University, Fort Worth, Texas, U.S.A.

²Sun Yat Sen Business School, Sun Yat Sen University, Guangzhou, China

³Cass Business School, City University London, London, U.K.

⁴Vienna University of Economics and Business, Vienna, Austria

⁵Tongji University, Shanghai, China

⁶Bloomsburg University of Pennsylvania, Bloomsburg, Pennsylvania, U.S.A.

⁷Center for Management Buyout Research, Imperial College Business School, London, U.K.

⁸Department of Management, University of Ghent, Ghent, Belgium

The goals of the special issue are to: (1) publish work that builds knowledge about the nature of strategic and entrepreneurial activities in emerging economies, as well as their antecedents and consequences; and (2) develop a theoretical foundation for future research. In this introduction to the special issue, we initially review the existing literature and the major definitions used to date for emerging economies. We then develop a framework for the analysis of where strategic entrepreneurship in emerging economies now stands that, in turn, allows us to develop an understanding of where the field needs to move in the future. We subsequently identify how each article in this special issue informs our research questions as we develop an agenda for future research. Copyright © 2013 Strategic Management Society.

INTRODUCTION

The world is undergoing a rapid economic shift as firms in the long dominant economies of Europe and North America are increasingly being challenged by firms from emerging economies: low-income, high-growth nations principally reliant on economic liberalization for their growth (Hoskisson *et al.*, 2000; Wright *et al.*, 2005; Bruton, Ahlstrom, and Li, 2010). The growth of emerging economies is such that the World Bank's chief economist predicts that six emerging economies (Brazil, China, India, Indo-

nesia, South Korea, and Russia) will account for half of the world's economic growth by 2025 (Lin, 2011). Yet, despite the importance of emerging economies to the world's economy, scholars too often fail to recognize that emerging economies challenge theories developed to explain phenomena in mature economies, which are relatively stable and efficient (Bruton, Ahlstrom, Obloj, 2008; Xu and Meyers, 2013). As a result, scholarship on emerging economies remains surprisingly limited. This special issue, and this introductory article, will help fill this gap in the literature as scholars consider entrepreneurship in emerging economies.

The limited research on emerging economies in strategic entrepreneurship is, in many ways, not surprising since strategic entrepreneurship research in general remains context free. Scholars are beginning

Keywords: entrepreneurship; strategy; emerging economy; resource orchestration

*Correspondence to: Garry D. Bruton, Neeley School of Business, Texas Christian University, 2900 Lubbock Ave., Fort Worth, TX 76109, U.S.A. E-mail: g.bruton@tcu.edu

to fill out strategic entrepreneurship's boundary conditions, especially in relation to family firms (i.e., Lumpkin, Steier, and Wright, 2011). Yet, emerging economies remain outside the typical focus of entrepreneurship scholars who still concentrate disproportionately on firms in the mature economies of Europe and North America. Indeed, we know from the existing pool of research on strategic and entrepreneurial activities in emerging economies that firms in emerging economies have unique differences (Ahlstrom and Bruton, 2006). Thus, scholars need to study entrepreneurship in its varied contexts, as the insights gathered from developed economies may be inappropriate for emerging economies (Zahra and Wright, 2011).

In this introductory article, we initially build a model to understand strategic entrepreneurship in emerging economies. This framework draws from both the entrepreneurship and strategy processes that occur in this specific context (e.g., Hitt *et al.*, 2011). We then utilize this framework to develop a future research agenda for strategic entrepreneurship in emerging economies. Finally, we review the articles in this special issue and how they help address the future research questions we raise. We selected the articles in this special issue from 82 initial submissions to the call for scholarly work that would: (1) build knowledge about the nature, antecedents, and consequences of strategic and entrepreneurial activities in emerging economies; and (2) help develop a theoretical foundation for future research. To develop the articles submitted for the issue, we held a conference at Tongji University, Shanghai, China, in May 2012 to discuss and move the articles toward publication. The articles appearing in this special issue underwent at least four rounds of revision, in addition to the special conference feedback.

STRATEGIC ENTREPRENEURSHIP IN EMERGING ECONOMIES

Defining an emerging economy

In laying the foundation for understanding strategic entrepreneurship in an emerging economy, one must first define the term emerging economy. Past scholars have defined the term in multiple ways. The World Bank Economist Antoine van Agtmael first used the term 'emerging economies' as a replacement term to describe less developed countries in the 1980s. From these early efforts to

examine emerging economies, scholars recognize that emerging economies are characterized by underdeveloped market-supporting institutions including weak laws and poor enforcement capacity of the formal legal institutions, referred to as institutional voids (Khanna and Palepu, 2000). Yet, others also recognized that to separate emerging economies from economies of those nations that are just poor, there is a need to incorporate the rapid pace of economic development and government policies favoring economic liberalization through the adoption of a free market system into the definition (Arnold and Quelch, 1998).

Integrating these different definitions, Hoskisson and colleagues (2000) defined an emerging economy as a low-income, rapid-growth country using economic liberalization as its primary engine of growth. These scholars went further to recognize that 13 former centrally planned economies moving to market economy are a unique subset of emerging economies, which they called transitional economies. Scholars have now built on the work by Hoskisson *et al.* (2000) to try to provide greater contextualization to the definitions of emerging economies. One of these definitional streams argues that factor endowments, such as natural resources found in classical economics, are an important element in defining emerging economies. For example, Wan and Hoskisson (2003: 28) argue that endowed factors 'used to produce goods or services (that is, used for transformational activities) are critical in defining emerging economies since such endowments impact the ability of firms to capture any value created.' More recent scholarship (e.g., Wright *et al.*, 2005; Hermelo and Vassolo, 2010; Hoskisson *et al.*, forthcoming) builds on the recognition of the impact of endowed factors to emphasize that both institutions and factor endowments impact emerging economies. The result is that factor markets form a basis for production activities in a specific country, and one needs to consider institutions that facilitate both production and distribution of generated rents through better contractual assurance in classifying economies as emerging.

The emerging economy definitions developed to date share the feature that they recognize that the environmental setting of a nation is critical to determining whether a nation is emerging or not. Too often scholars have tended to view the concept of which nations are emerging as static. But the dominant concept in the definition of an emerging economy is evolution and change.

FRAMEWORK OF STRATEGIC ENTREPRENEURSHIP IN EMERGING ECONOMIES

We build on the definitions just established to argue that strategic and entrepreneurial actions of emerging economy firms are not uniform, but instead flow uniquely from the specific settings in which they occur. Thus, one must examine the contextual setting of the nation. However, variables beyond the context of the nation also impact what occurs in emerging economies. The entrepreneurial actions of firms in emerging economies are critical, yet scholars can view these actions along multiple different dimensions. Drawing upon the discussion of Hitt *et al.* (2011), there would appear to be two broad dimensions to entrepreneurial strategic actions. The first involves the micro-level processes that flow from the individual. These micro individual processes include concerns both about the individual, such as cognition (Abell, Felin, and Foss, 2008) and learning, which shape the entrepreneurial and strategic actions of the firm. Second, there are also macro-level concerns, including the gathering and structuring of resources. The micro/macro concerns then lead to a variety of entrepreneurial activities which, in turn, produce unique sets of performance outcomes in emerging economies. Figure 1 summarizes our framework for this view of emerging economy firms. We will look briefly at each of these variables in our framework (context, microprocesses, macroprocesses, entrepreneurial activities, outcomes) next.

Context

A central element in understanding strategic entrepreneurship research in emerging economies is recognizing that different contexts in which scholars examine firms can cause/lead to heterogeneity among entrepreneurial firms (Shane and Venkataraman, 2000). Thus, rather than thinking of emerging economies as a uniform whole, scholars need to differentiate entrepreneurship into various contextual settings. Zahra and Wright (2011) identify four dimensions: temporal, institutional, social, and spatial. These four contextual settings each provide different perspectives on strategy in emerging economies. The temporal aspect recognizes the changes in context in terms of the particular phases of a firm's life cycle (Zahra, Filatotchev, and Wright, 2009). The institutional contextual setting concerns the effect of different institutional contexts. This

context includes the characteristics of the external environment and institutional contexts in which ventures emerge. The social contextual setting concerns the relationships among the various parties, such as sectorial configurations, alliance and trading partners, universities, investors, and parent corporations, and influence the emergence and development of ventures founded by entrepreneurs. The spatial contextual setting (Welter, 2011) denotes the geographical concentration of ventures and the dispersion of institutions that support these ventures.

Micro impacts on strategy

The micro-level concerns of the firm impact strategy and, ultimately, the entrepreneurship that results. Although many entrepreneurial activities are resource constrained, emerging economies may pose particular challenges in this respect. Bricolage and effectuation approaches to entrepreneurship may be especially relevant in the development of emerging economies, as resources are scarce and markets underdeveloped (Sarasvathy, 2008; Baker and Nelson, 2005). The scarce resources of entrepreneurial firms in emerging economies lead to different forms of networking between entrepreneurs and others, including suppliers and government officials, to obtain needed resources (Le and Nguyen, 2009). The way in which entrepreneurs build these networks also differs from that of mature economies, with individuals in emerging economies focusing on different key considerations (Bruton, Khavul, and Chavez, 2011). Thus, financial constraints lead to differences in how firms in emerging economies gather resources. However, one would expect that a rich set of other microprocess differences exist in emerging economies. Overall, the examinations of how microprocesses in emerging economies impact on strategy remain limited to date (Kiss, Danis, and Cavusgil, 2012).

Macro impacts on strategy

The macro nature of the given environment also impacts the entrepreneurial actions of a firm. As we noted in the discussion of microprocesses, resources are a key element that shapes entrepreneurship in emerging economies (Bruton, Ahlstrom, and Puky, 2009). Entrepreneurs must address at a macro level not the location of resources, but the selection of resources to utilize and, ultimately, the capabilities

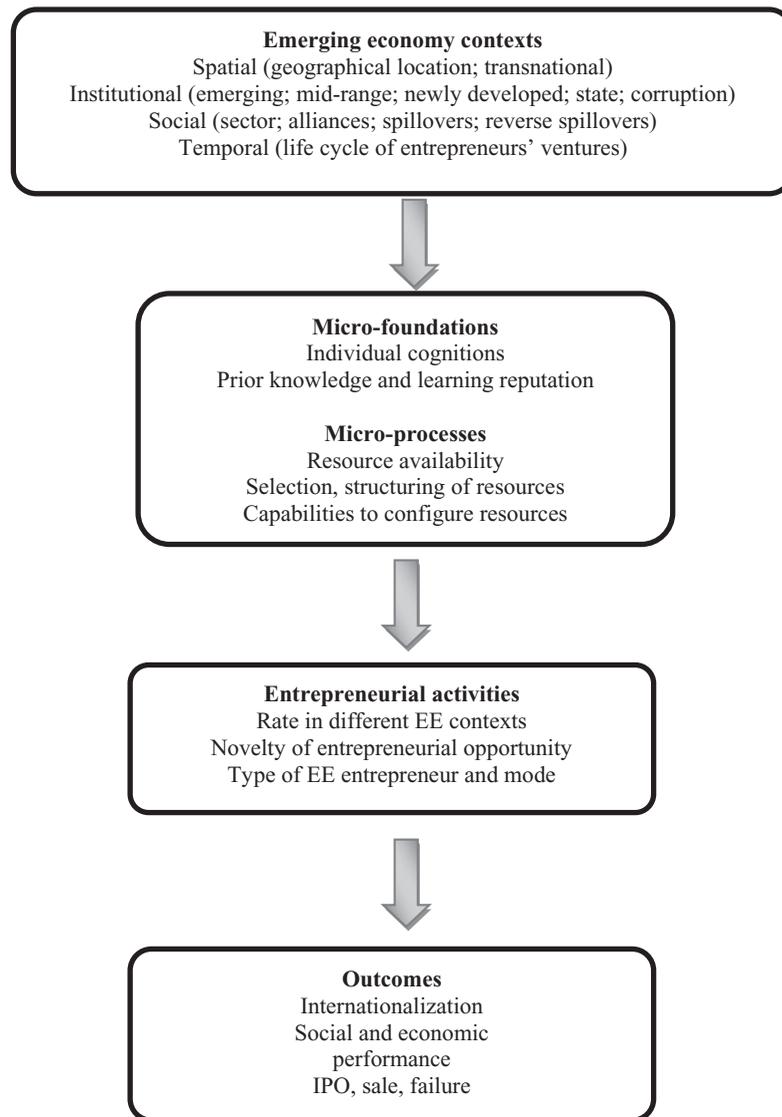


Figure 1. Emerging economy strategic entrepreneurship

to develop in order to use those resources (Lu *et al.*, 2010). Resources are difficult to obtain in emerging economies, but which packages of resources to utilize and how to build those packages of resources in order to develop a competitive advantage through some capability becomes central to the entrepreneurial firm success. For example, Hoskisson *et al.* (forthcoming) argue that traditional emerging economies suffer from both the lack of institutional development and the lack of infrastructure and factor market development. However, much has changed as nations have modernized their infrastructures and institutions. Increasingly, there is significant vari-

ance in infrastructure and institutional development of nations. Hoskisson *et al.* (forthcoming) argue that, as a result, some nations are neither emerging economies nor developed economies. Such macro-level diversity can lead, in turn, to substantial differences in strategic entrepreneurship since macro-level factors set up boundary conditions for the firm-level decision-making process.

Variety of entrepreneurship

The context in which a firm operates, in combination with the micro and macro aspects of the firm, leads

to a variety of potential entrepreneurial activities. Zahra and Wright (2011) distinguish among the rate, magnitude of novelty, and type of entrepreneurial activities as key to understanding the variety of resulting entrepreneurship in an emerging economy.

Rate

Rate refers to the number of ventures being created (or added to existing businesses or generated through the spin-off or management buyout of existing activities) by entrepreneurs and entrepreneurial corporations either individually or within a sector or economy. The rate of entrepreneurship can be very different in emerging economies. The difference in rate may occur, in part, because of the difference in the nature of entrepreneurship. In emerging economies, entrepreneurship is often informal since entrepreneurs do not register with the government (Webb *et al.*, forthcoming). For example, the GDP estimates of informal economies unsurprisingly translate to approximately 65 percent of employment in Asia, 51 percent of employment in Latin America, and 72 percent of employment in North/Sub-Saharan Africa (International Labour Office, 2002).

In emerging economies, activities that may not exist in mature economies, such as privatization of (or parts of) state-owned entities, impact the rate of entrepreneurship. Such privatization can be the basis for the creation of corporate entrepreneurial activities as managers become released from the constraints of state bureaucracies. While attention often focuses on privatization through initial public offering (IPO) of central government-owned activities, privatization may also occur at local government levels and may involve smaller activities (Wang *et al.*, 2012). The generation of entrepreneurial ventures involving different levels of government raises interesting questions concerning the nature of continuing interference of government officials in the running of the businesses, including the role of political networks and the division of gains from future performance (Sun, Wright, and Mellahi, 2010). In some emerging economies, family firms may be an important source of entrepreneurial activity. In others, notably former Communist countries, family firms may become a significant feature of the entrepreneurial landscape as a market economy becomes more established. In a general context of entrepreneurial deficits among the domestic population, nationals who return to their home country after gaining experience in developed commercial envi-

ronments may develop entrepreneurial activities in emerging economies (Wright *et al.*, 2008).

Magnitude of novelty

Magnitude of novelty refers to the extent to which an entrepreneurial venture is new to the market in terms of new or existing knowledge. In emerging economies, the magnitude of novelty may vary considerably. On the one hand, new ventures may not be particularly novel in terms of knowledge that exists in developed economies, but they provide low-cost opportunities and can be sold into these economies through transnational entrepreneurs. On the other hand, novelty may be evident in the development of new forms of low-cost products for sale within emerging economies, notably to lower income groups. A further element of novelty, often overlooked in the focus on low-cost production, is the development of high-tech products as some emerging economies develop highly educated workforces. These more novel forms of entrepreneurial activity may become more important as emerging economies develop.

Type of entrepreneurial activities

Type of entrepreneurial activities refers to the multitude of potential differences in knowledge sources through which to identify opportunities, the diversity of organizational forms in a market, and the number and diversity of proprietary processes in a market. For example, returning entrepreneurs (e.g., individuals who return to their home countries after education and/or employment in developed economies) may bring knowledge and capabilities from developed economies that both can fill gaps in emerging economies and provide spillover knowledge benefits to domestic entrepreneurs (Liu *et al.*, 2010).

Different dimensions of variety of entrepreneurship

Thus, the rate of entrepreneurial activities in a given nation, the novelty of the entrepreneurial opportunities that the firm can take advantage of, and the type of entrepreneurship in the given location can impact the entrepreneurship in the firm in a rich range of ways.

Although we illustrate these key concepts here, scholars should recognize that what we have presented is not an exhaustive list of the activities that impact the variety of resulting entrepreneurship in emerging economies. Further, scholars should note

that while we present the micro- or macro-level variables separately, these variables do not act in isolation. The micro and macro variables impact each other and ultimately generate the performance outcomes that the firm experiences.

Performance outcomes

The last variable in our framework is performance outcomes. The performance outcomes that scholars consider in their research can vary. The variables examined can range from financial to social impacts. Much attention has focused upon the challenges in developing entrepreneurial activities in emerging economies as drivers of macroeconomic growth, but socially oriented entrepreneurship may also be of special relevance in the context of some of the poorer emerging economies. Although supposedly highly resource constrained, entrepreneurial firms from emerging economies are increasing their internationalization activities. Interesting interactions arise among the role of home country governments in facilitating internationalization, the lack of resources and capabilities available to domestic entrepreneurs, and the availability of returning and transnational entrepreneurs with overseas networks.

Overview of the model

The model presented in Figure 1 integrates the recognition that context is central to understanding not only the nature of an emerging economy, but also the resulting entrepreneurship and outcomes. However, context alone does not generate differences in the entrepreneurship and strategy of emerging economies. The macro variables noted earlier are also central in generating these differences. The result is that the model generated here provides a means to organize the differences in firms as we consider forces that impact the development of entrepreneurship and strategy in a firm. But it also allows scholars to understand the elements that generate the specific differences we see in emerging economy entrepreneurship and strategy.

FUTURE RESEARCH

Recognizing the issues highlighted in the discussion so far led us to make two key points about future research on strategic entrepreneurship in emerging

economies. The first point is the nature of the definition of emerging economies adopted by scholars and how it is evolving over time. The second point concerns a set of research questions that build on the contextual issues identified and specific questions that arise in four dominant types of entrepreneurship—informal entrepreneurs, global entrepreneurs, family entrepreneurs, and corporate entrepreneurs. While these four types of entrepreneurship are not inclusive of all types of entrepreneurship, they are the dominant forms. Looking at each of these types will allow us to better discuss in specific the direction of future research. We will look at these two concerns for future research in greater depth next.

Evolution of what is an emerging economy

One of the key issues for scholars is recognizing that emerging economies do not stand still. As we noted before, the definition of an emerging economy includes low-income, high-growth nations that rely principally on economic liberalization for their growth (Hoskisson *et al.*, 2000). However, many nations that were poor as economic liberalization swept the world in the 1990s are not poor today (Hoskisson *et al.*, forthcoming). For example, in the 1990s, scholars could easily have classified Poland as an emergent economy. But today, Poland is a member of the European Union (EU) and has one of the highest growth rates and incomes in the EU. Thus, it would be a mistake to classify Poland, or former Soviet Bloc countries such as the Czech Republic or Hungary, as emergent. In contrast, some nations that scholars would not have classified as emergent 20 years ago—since they were not fast growing or they were too underdeveloped—should no longer be considered emergent. These fast-growing nations include Mongolia and Kazakhstan in Asia and Angola and Ethiopia in Africa (to just name a few), which, to date, scholars have not examined. However, some economies that once appeared to be emergent have stagnated, if not gone backward, as market and political reforms have stalled.

Thus, scholars need to recognize that an emergent economy is an evolving concept and that scholars cannot uniformly consider nations as emerging over time. Scholars and editors must be particularly diligent in their research so they do not use outdated classifications of nations as emerging. Scholars must recognize the dynamic aspect of the term ‘emerging economies’ for the term to be meaningful. Recognizing the need for care in categorizing countries as

emerging economies opens up possibilities for a research agenda that examines the determinants of the state of evolution of different emerging economies and the implications and challenges for strategic entrepreneurship in these countries. From a policy perspective, such heterogeneity also implies the need for the introduction of more fine-grained approaches to support for entrepreneurship that recognizes contextual idiosyncrasies.

Topics to examine

Scholars can develop a potential future research agenda using the concepts discussed in Figure 1. Specifically, we focus on the four contextual settings we've identified (temporal, institutional, social, and spatial) and four major types of entrepreneurship (informal entrepreneurs, global entrepreneurs, family entrepreneurs, and corporate entrepreneurs) scholars have examined extensively in the past. Table 1 summarizes these research topics in terms of specific questions that impact emerging economy research.

Temporal

Temporal factors have implications for the life cycle of all four types (informal entrepreneurs, global entrepreneurs, family entrepreneurs, and corporate entrepreneurs) of entrepreneurship in emerging economies. Yet, the specific implications for each type may differ, perhaps influenced by the rate of evolution of the emerging economy and interaction with institutional developments. At present, we lack insights into these temporal processes. We will discuss this lack of insights in greater detail later.

Spatial

Spatial dimensions of context include both cross-national and regional dimensions within an emerging economy. With respect to the cross-national dimension, scholars have recognized the role of returning entrepreneurs, yet scholars still do not understand well the entrepreneurs' location decisions within their home countries. For example, do they seek to locate in the city where they grew up or do they make decisions based primarily on economic factors relating to the location of customers and suppliers? Family entrepreneurs may also have important cross-national dimensions. Family businesses in the emerging economy may have links with family

members that have emigrated to developed economies or they might provide the local networks for returning entrepreneurs. In large, former centrally planned emerging economies, where large corporations may be geographically spread, the evolution of a market economy may have implications for the extent to which corporations continue to be so widely spread or retrench to more commercially attractive areas.

A further spatial dimension concerns the implications of entry by foreign entrepreneurs or corporations, such entry generating domestic entrepreneurship within a particular locality within an emerging economy. On the one hand, such entry might threaten fragile nascent domestic entrepreneurs. On the other hand, competition from foreign entrepreneurial firms brings new modes of delivery that may stimulate more innovative entrepreneurial behavior. Besides the pressure from such product market competition, there may also be learning spillovers for domestic entrepreneurs. As emerging economies evolve, the creation of a significant middle class, with aspirations informed by exposure to 'Western' culture, emphasizes that demand side conditions are changing that open up new opportunities for entrepreneurs if they can adapt. These spatial changes may also call forth a need for traditional domestic entrepreneurs to change their temporal mindset to become more attuned to a changing environment. Interesting research opportunities include the prospect for studies of local industry dynamics in such contexts, which could include consideration of the exit of traditional entrepreneurs alongside the entry of new ones.

Institutions

Institutional regulations likely influence both the legal form of entrepreneurship and the rules of the game by which each operates. Further, as the institutional context evolves, different forms of entrepreneurship may become more or less viable. For example, informal entrepreneurship may prevail in the context of weak institutional frameworks in the early stages of emerging economies. The interaction between the environmental context and entrepreneurial behavior may lead to performance outcomes that do not necessarily benefit the society in an emerging economy context. In particular, corruption and weak legal institutions may result in an unproductive dark side of entrepreneurship that crowds out productive entrepreneurship and hinders economic

Table 1. Some research themes for entrepreneurs in emerging economy contexts

	Informal entrepreneurs	Global entrepreneurs	Family entrepreneurs	Corporate entrepreneurship
Temporal	<ol style="list-style-type: none"> How do different notions of time influence the nature of formal/informal entrepreneurial activities? As firms evolve from informal to formal, how long is this process, and what influences this evolution? 	<ol style="list-style-type: none"> For how long over the venture development phase is experience from working abroad useful? Emerging economy global entrepreneurial firms often return to enter their home markets. How long is this process and what factors impact this springboard type of internationalization? 	<ol style="list-style-type: none"> What distinctive challenges are faced in maintaining family entrepreneurs over time? To what extent does the role of extended families mean that multigenerational networks of family entrepreneurs develop over time, how do these facilitate resource orchestration, and how sustainable are they? 	<ol style="list-style-type: none"> How and to what extent does corporate entrepreneurship develop in emerging economies over time? Due to greater resource constraints and greater uncertainty, is the timing of the corporate entrepreneurial process different?
Economic geography (spatial)	<ol style="list-style-type: none"> To what extent is there a mismatch between the need to stimulate such mobility and entrepreneurs' ability to do so? Why do firms in emerging economies, both formal and informal, cluster together? 	<ol style="list-style-type: none"> How do experiences gained abroad and global networks developed by returning entrepreneurs affect their location decision within emerging economies? When global entrepreneurs return to enter their home economies, which part of their home market do they seek to enter? 	<ol style="list-style-type: none"> To what extent do family entrepreneurs operate across different geographical areas? How do family connections facilitate transnational and international entrepreneurship? 	<ol style="list-style-type: none"> How does corporate entrepreneurship differ in corporations located in different regions in different types of emerging economies with different relationships with distant parents? As corporations expand abroad, what is the impact of such internationalization on emerging economy firms and does such an effect differ geographically?
Institutions	<ol style="list-style-type: none"> How does the balance between formal and informal entrepreneurship differ between institutional contexts and when these contexts change? How does the institutional context shape positive versus negative dimensions of informal entrepreneurship? If, rather than institutional development, it is a normative value that firms of a certain size or started by certain class are to be informal, how does that impact entrepreneurship analysis? 	<ol style="list-style-type: none"> What is the influence of institutional source of returnee's experience abroad on their ventures and resource orchestration? How do global entrepreneurs overcome voids of institutional supports and restrictions on foreign entry into emerging economies? 	<ol style="list-style-type: none"> How do institutional frameworks affect the structure of entrepreneurial family firms? To what extent do different levels of institutional development facilitate or frustrate corporate entrepreneurship? 	<ol style="list-style-type: none"> To what extent do different levels of institutional development within a particular emerging economy facilitate or frustrate corporate entrepreneurship? How does intellectual protection impact corporate entrepreneurship in different economies?
Socia	<ol style="list-style-type: none"> To what extent do informal entrepreneurs utilize family, political, and commercial networks? How does the use of these networks change as economies develop? 	<ol style="list-style-type: none"> How does the social capital from experience in the host country provide access to diverse sources of knowledge and how is this utilized when individuals become returnees? What is the nature of the networks global entrepreneurs develop? 	<ol style="list-style-type: none"> To what extent is the social capital of family entrepreneurs more or less effective in emerging economies than in developed economies? To what extent does family social capital substitute for political social capital? 	<ol style="list-style-type: none"> What is the impact of learning on corporate entrepreneurship? Does corporate entrepreneurship in emerging economies have broader impact in emerging economies than in mature economies?

development. We need further analysis of the extent, impact, and processes involved in productive versus unproductive entrepreneurship in emerging economies.

Hoskisson *et al.* (forthcoming) suggest that the business strategies firms build in emerging economies are shaped by a specific constellation of institutions and resources available to an incumbent firm. However, these factors represent a necessary but not sufficient condition for a successful business strategy. The firm's strategic outcomes are also shaped by its entrepreneurial orientation and resource orchestration capabilities. Strategic entrepreneurship represents an attempt to synthesize the resource-based perspective from the strategy literature with opportunity recognition from entrepreneurship. This approach emphasizes the need to select and structure requisite resources and capabilities while simultaneously accumulating, bundling, and leveraging these resources to generate competitive advantage. The entrepreneur's resource selection and configuration process is influenced by the contexts in which firms operate.

What is not clear is how firms develop the requisite entrepreneurial skills for internationalization. Liu *et al.* (2010) have shown how entrepreneurs with educational and work experience in developed economies can return to their home economies (in this case, China) to create enterprises better placed to internationalize than those new ventures where this expertise is absent. There is a need to extend this analysis to cases from other emerging economies, such as India and Russia. To what extent are these firms able to recruit returning executives with experience in developed economies? How is this phenomenon related to enhancing entrepreneurship?

Social

Social capital is important to various types of entrepreneurship in all economies. While social capital may be especially important in the context of uncertain markets and legal frameworks, we know little about the different roles of social capital in emerging economies. Social capital may have downsides as well as upsides. Political social capital may be especially important in facilitating entrepreneurial activity in the early stages of emerging economies, but be restrictive in later stages. We know little about the complementarity or substitutability of different forms of social capital in emerging economies and how these interactions change for different types of entrepreneurship as these economies evolve.

SPECIAL ISSUE ARTICLES

Table 2 provides a summary of articles included in this Special Issue. The five articles in this special issue each investigate a specific aspect of entrepreneurship and strategy in emerging economies. The articles are notable in that they are developed in a wide variety of different ways. For example, the articles all draw from different theoretical perspectives including institutional theory, the knowledge-based view (KBV), strategic planning theory, the transactive memory system perspective, and signaling theory. The articles also adopt a wide range of empirical approaches, generating rich datasets, from historical case study narrative (Jain and Sharma, 2013, this issue), cross-sectional face-to-face interviews with CEO/founders (Yamakawa *et al.*, 2013, this issue), mail surveys of multiple key founding members (Zheng and Mai, 2013, this issue), content analysis of IPO prospectuses (Payne, *et al.*, 2013, this issue), and longitudinal large-scale surveys of nascent entrepreneurs (Chinese PSED) (Zhang *et al.*, 2013, this issue). Finally, the researchers also adopt very different analytical techniques, including theory building from cases, OLS regression, hierarchical logistic regression and skewed logistic (scobit) regression, probit estimation and generalized linear modeling.

The resulting articles do address a number of the questions we raised earlier in Table 1. The issues the articles discuss appear in Table 1's column on corporate entrepreneurship questions. For example, Jain and Sharma (2013, this issue) help explore corporate entrepreneurship from an institutional contextual setting—how intellectual property protection develops in an emerging economy setting over time. The authors highlight the turbulent nature of migrating institutional logics and demonstrate how these institutional dynamics impact entrepreneurial activity and have the unanticipated effect of making the sector highly competitive and vibrant. Payne *et al.* (2013, this issue) also provide an institutional insight, as this team looks at the issue of how corruption impacts performance of listings of entrepreneurial firms from emerging economies. They show that the relationship between organizational virtue rhetoric in prospectuses and the performance of foreign IPOs from 35 different countries is contingent upon the level of perceived corruption for each IPO firm's home country—a pervasive and costly problem for emerging economy countries due to its impact on economic growth and national governance.

Table 2. Summary of articles in the special issue

Authors	Research questions	Theoretical perspective	Data and methods	Key findings
Yamakawa, Khavul, Peng, and Deeds	What drives new ventures to internationalize from emerging economies to developed economies?	Knowledge-based view	170 new ventures from China and India; face-to-face interviews with CEOs/founders; hierarchical skewed logistic (scobit) regression	International expansions of new ventures from emerging economies to developed economies are driven by their <i>stock</i> of prior knowledge, expected benefits of incoming <i>flow</i> of knowledge, and their desire to enhance domestic reputation; a firm's domestic reputation strongly influences decision of whether to enter EE or DE—a one unit decrease in a new venture's assessment of its domestic reputation results in a 68 percent increase in the probability that it will enter a DE as opposed to an EE.
Zheng and Mai	How do founding teams in emerging economies respond to surprises that impact their ventures?	Transactive memory system perspective	Mail survey of at least two key founding members in 137 start-ups in four provinces of China from 2006 to 2008; probit regression	Founding teams with strong TMSs are more likely to improvise, but are less inclined to acquire external knowledge in response to surprises than founding teams with weak TMSs; negative surprises seem to strengthen these relationships.
Zhang, Yang, Au, and Xie	To what extent and under what conditions are formal and informal business planning helpful to new ventures in the Chinese market?	Institutional theory; strategic planning theory	Longitudinal study: two waves of interviews with 321 founders of new ventures in China from the Chinese Panel Study of Entrepreneurial Dynamics (CPSED); hierarchical logistical regression	The relative value of the two types of planning depends, in part, on the prior business experience and social class of the entrepreneur: formal planning works best for those with prior business experience and those with lower class status.
Payne, Moore, Bell, and Zachary	Does the organizational virtue rhetoric used by foreign IPOs in their prospectuses influences IPO performance? Does the level of corruption in the IPO issuer home country influence the organizational virtue rhetoric to performance relationship?	Signaling theory	284 foreign IPOs on U.S. equity markets from 40 countries from 1996 to 2007; content analysis of IPO prospectuses, corruption perception indices, underpricing measures, foreign VC backing, auditor reputation, corporate governance and other control variables; generalized linear modeling	Foreign IPOs that signal virtuousness tend to outperform other foreign IPOs both in the short and long term. Home country corruption levels have a stronger moderating effect on this relationship for short-term performance.
Jain and Sharma	How do actors configure the institutional regime of a nascent sector in an emerging economy?	Institutions-based view of strategy and entrepreneurship	Process-based historical qualitative study; all the major events in the mobile telephony sector during 1980–2010; publicly available information from several printed and online sources	Regime constitution is contested, capricious, and convoluted, involving processes of <i>subverting</i> , <i>maneuvering</i> , and <i>bolstering</i> ; these institutional dynamics directly impact the formation of the nascent industry and can have the (counterintuitive) effect of making it highly competitive and vibrant; the state plays a role as a <i>constrained</i> institutional entrepreneur.

Yamakawa *et al.* (2013, this issue) help answer corporate entrepreneurs' question of spatial distribution as firms internationalize. Specifically, they look at the impact of international expansion by emerging market corporations. Focusing on *intangible* resources, these authors argue that international expansions of new ventures from emerging economies are driven by their desire to enhance domestic reputation, exploit their stocks of prior knowledge, and explore benefits of incoming knowledge flows.

Looking at the more micro-level variables, Zheng and Mai (2013, this issue) and Zhang *et al.* (2013, this issue) both help broadly address the role of social concerns for corporate entrepreneurship. More specifically, Zheng and Mai (2013, this issue) investigate how founding teams' transactive memory systems (TMS) affect their perceptions regarding how to bridge the knowledge gaps arising from surprises. Their findings suggest that in emerging economies where market supporting institutions are deficient, founding teams with strong TMSs are less inclined to acquire external knowledge, but are prone to improvise in response to surprises. Zhang *et al.* (2013, this issue) examine how entrepreneurs' prior experiences and social class shape the planning-performance relationship. Interestingly, the authors find that social class moderates only the link between formal planning and performance, whereas prior work experience moderates the effects of both formal and informal planning on performance. These two articles further emphasize the importance of looking at entrepreneurs' social capital in the context of emerging markets.

CONCLUSION

The main objective of this special issue is to develop insights into the distinctive nature of strategic entrepreneurship in emerging economies. The articles present a range of topics and methods that help highlight the breadth and depth of potential research opportunities. Further, in this article we have developed an analytical framework that synthesizes the central elements underpinning strategic entrepreneurship, opportunities, and resources, with the dimensions of context that relate to the diversity of emerging economies. We use this framework to structure a set of research questions for future research that we encourage others to pursue.

Yet, it is also notable that the articles published in this special issue address only a relatively narrow

part of the questions we raised in Table 1—specifically corporate entrepreneurship. Examinations of informal firms, global entrepreneurs, and family firms are absent from the articles here. The research here is exceptionally well developed to be able to move from the initial 82 submissions to this small set of five articles published. However, we acknowledge that the high level of development expected also, in part, creates a barrier to some of the answering of the questions raised in Table 1. The ability to develop extensive databases to answer, for example, questions around informality, is exceptionally difficult. We hope that as scholarship on strategic entrepreneurship in emerging economies expands, a far richer set of articles and topics can develop. Such scholarly developments will require exceptionally high levels of commitment to develop the data necessary to answer such questions. We hope that the foundation laid here will make such a development possible.

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