
Preface

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With the rising importance of emerging markets in the world economy, international business and global entrepreneurship are increasingly intermingled. In 1969, 55% of multinational enterprises (MNEs) were from USA, while in 2008 this decreased to 3%. Furthermore, in 2008, 2,418 MNEs originated from USA while 3,428 were from China. In 2010, 83,000 MNEs are originated from 137 countries. Behind these numbers lies the phenomenal entrepreneurship development from emerging markets and efforts to internationalise. The entrepreneurial destructive and creative energies released from these entrepreneurs, their companies, and governments are working together to change their own domestic economy and the world around them. Utilising the information technology revolution, globalisation of logistics, and global interdependent markets, many young MNEs from emerging markets, which are smaller in size and privately owned, go global earlier during a firm's evolution path. Also, many of them are born global to meet the global demand from their onset.

With these new developments, there are new research challenges and opportunities reflecting the overlapping activities of international business and global entrepreneurship.

- 1 A need for new theories and concepts for global entrepreneurship and international business in the context of emerging markets. What are the similarities and differences for firms' global strategies and behaviours when their home formal (political and legal regulatory setting) and informal (social and cultural setting) institutional environment are diversely different? Can existing theories in international business and entrepreneurship bring insights to these activities? What new theories or concepts are needed for this new development?
- 2 A need for adjustment and adaptation in research methodology and data collection when markets in these countries are rapidly developing and in transition, and when there is inconsistency for data definitions and reliability by comparison with that of developed markets.
- 3 We can no longer ignore the overlapping development of international business and global entrepreneurship, especially contributions carried out by these small and medium size firms (SMEs) given their huge impact on global economy through traditional and social entrepreneurship.

To this end, in this issue, six papers address various issues facing global businesses and entrepreneurship development in China, Malaysia, Finland, and Thailand. The first paper examines the internationalisation process of emerging market firms with a specific focus on entrepreneurial ventures and their heterogeneous conditions at home:

namely, different formal (political, legal, regulatory) and informal (social and cultural) institutional contexts, as well as various evolutionary paths. Based on China's experiences, this paper offers an integrated theoretical and conceptual framework applicable to internationalisation processes of emerging market entrepreneurial ventures, taking into account differences in firms' smaller size, ownership structure, and institutional environment compared to Anglo-American MNCs. The conceptual framework enables insights drawing from four streams of existing research streams: namely, economic perspectives derived from international business studies; resource-based view, capability-based view, institution-based view, and industry-based view derived from strategic management; network-based organisational learning theories; and international entrepreneurship perspectives. Using this framework, the question of how these SMEs originated from emerging markets specific from China are internationalised, in terms of types of firms, motivations of internationalisation, geographic and temporal factors, and modes of entry; as well as similarities and differences in comparison with developed economy MNCs and SMEs, was examined.

In contrast to Anglo-American and western European MNCs and SMEs, which frequently internationalise to perpetuate existing product lines and business methods to lower cost and to sustain existing market dominance, Chinese SMEs are critically dependent on their ability to leverage and to pull resources from international markets for both international as well as domestic survival and competition. As such, they must use a broader and more concerted array of strategies to gain entry into international markets, follow a highly situational- and sociocultural-dependent geographic and temporal sequence of expansion, and constantly innovate to leverage existing strengths and add value. Additionally, founders and entrepreneurs of Chinese SMEs are often uniquely placed to use their social and network resources to drastically alter the business landscape for their respective firms. Thus, while there is greater uncertainty in the internationalisation of these SMEs, the greater inherent dynamism in their efforts to expand abroad, which is driven by intense competitive and collaborative pressures, tends towards processes which disrupt the status quo and overcome market barriers.

Analysing worldwide government attempts to duplicate the Silicon Valley model of high-tech entrepreneurship in their respective countries, the paper by Vesa Puhakka of University of Oulu, Finland offered insights to EU sponsored Octopus programme and its development and outcomes between 2001 to 2009. Funded by EU and supported by the latest technology from Nokia, the programme intended to draw entrepreneurs, customers, innovators, financiers, and industrialists together to form a competence block in order to create industrial dynamics and seek endogenous growth. Though the Octopus programme failed to produce high-tech entrepreneurial ventures, it offers valuable lessons for others in pursuing similar routes. The paper argues that new venture creation is a multi-level and multi-actor event that needs to pull individual elements together effectively to succeed. Additionally, ignoring social-level development can result delayed progress or even failure. The importance of social context cannot be ignored since the entrepreneurship is a social context specific process, and demands entrepreneurial conducive processes, incentives, disincentives and other mechanisms within the competence block.

Fariza Hashim and Asmat Nizam Abdul Talib's paper reviews internationalisation theory and practice of firms in Malaysia, including state and non-state owned firms with different international expansion strategies. Compared with China and India, Malaysia's case is interesting because of conditions such as smaller market size as well as lack of resources, lack of technological and financial capabilities and lack of government

support, which are characteristics found in many other developing economies. From the cases of nine companies, this research offers rich insights into Malaysia's MNEs as world-stage aspirants, transitional agents, niche entrepreneurs, and commissioned specialists. The motives for overseas expansion are also explored. Research sets the stage for future studies of differences between Malaysia MNCs and those of China and India.

SMEs are commonly observed to comprise a majority of firms in developing economies, yet contribute a relatively small portion to the respective country's economy. What constitutes these key competencies of SMEs in competing at global market place? Given that 99% of business establishments contributing only 47% of Malaysia economic output, Noraini Ismail's paper identifies three important factors for SMEs success in Malaysia: innovative ability, technical effectiveness, and quality controls. These factors contrast with the established emphasis on financial resources and capabilities. Findings argue for the important assertion that endogenous growth is possible despite a financially constrained environment.

Haim Hilman and Zainal Abidin Mohamed's paper looks at how firms' 'buy' vs. 'make' strategies for sourcing mediates the low cost and differentiation strategies of Malaysian manufacturing firms. They argue that firms which pursue different international sourcing strategies obtain different organisation performance outcomes. The research subject is timely and relevant. It opens the opportunity for more sophisticated analysis and deeper theoretical development.

With numerous Asian economies facing an ageing population (and therefore an ageing workforce), I.M. Pandey and Preecha Swasdpeera's research analyses saving behaviour of salaried workers in Thailand. Using an approach similar to grounded theory, the research identifies several important motives for individuals to save, including deeper psychological concerns such as fear, love and desire.

The journal hopes these papers will stimulate greater discussion in the near future.