
Editorial

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1 Introduction

More than ten years after the *Journal of International Entrepreneurship and Innovation Management* was launched, the current special issue focusing on entrepreneurship and innovation management in emerging economies is now in publication. As the journal's editorial mission, *IJEIM* has generally offered an interface between entrepreneurship and management and related topics in developed economies. Recently, however, such considerations have become increasingly important in the context of developing economies, and so this special issue focuses on how such societies can successfully accommodate the shift from large-scale planning and government-sponsored industries to fostering the kind of growth generated by multiple and independent modes of individual citizens and enterprises conducting business.

First conceived in 2011, this special issue took three years to come to fruition. Our aim is to examine a variety of entrepreneurship and innovation management issues in accordance with the perspective of emerging economies. To a certain extent, such societies must now depend to an unprecedented degree on the initiative of individual entrepreneurs to serve as solutions or driving forces for social and economic development in their economies.

There are many relevant topics and questions involved in the intelligent implementation and exploitation of such a paradigm shift. Probably the most important overall question is: what should the role of public policy be in encouraging strategic entrepreneurship? This question can perhaps best be asked in stages, as all-out privatisation presents far too many occasions for internal corruption, and simply throwing open the doors to foreign investment runs the risk of excluding citizens from sharing in the making of business decisions and profits. So, in many instances, one must ask: do the mixed models of private/public ownership that typify many emerging economies generate positive economic impacts on societies? In addition, there are a number of hot issues such as change and the rate of change; risk and uncertainty in emerging economies; innovation and technology; the role of knowledge acquisition; social role of entrepreneurship; behavioural characteristics of entrepreneurial activity; inter-disciplinary research on

innovation; innovative and entrepreneurial franchising; innovation and performance and others. This special issue is unable to address all of the research questions above, but aims to address related issues in the context of emerging economies.

2 Emerging economies

Emerging economies are those low-income, high growth nations principally reliant on economic liberalisation for their growth. This economic shift has been of such magnitude that today's emerging economies and their firms are largely driving the world economic recovery. Despite the growing importance of emerging economies, academic entrepreneurship and innovation research still tends to focus disproportionately on firms in the mature economies of Europe, Peninsular and Island Asia, and North America. However, we know from the existing pool of research on entrepreneurship and innovation activities in emerging economies that there are unique differences in the firms from emerging economies. The goals of this special issue are to publish work that:

- 1 builds knowledge about the nature of entrepreneurship and innovation activities in emerging economies, as well as their antecedents and consequences
- 2 provides first-hand empirical information and develops theories for future research.

According to the extant literature, in the 1980s, the World Bank economist Antoine van Agtmael first used the term 'emerging economies' to describe less developed countries. From the early efforts to examine emerging economies, scholars have come to recognise that emerging economies are characterised by underdeveloped market-supporting institutional frameworks which can include weak laws and poor enforcement capacity of the formal legal institutions referred to as institutional voids (Khanna and Palepu, 2000). Yet, others also realised that to distinguish emerging economies from economies of those nations that are merely poor, scholars need to incorporate both the rapid pace of economic development and government policies favouring economic liberalisation through the adoption of a free-market system into the definition (Arnold and Quelch, 1998).

Hoskisson et al. (2000) defined emerging economies as low-income, rapid-growth countries using economic liberalisation as their primary engine of growth. Scholars have now built on the work by Hoskisson et al. (2000) to try to provide a greater overall context for the definitions of emerging economies. For instance, Bruton et al. (2013) further argued that the legal and cultural environmental setting of a nation must be a critical factor in determining whether a nation is emerging or not.

All too often scholars have tended to view the list of which nations are emerging as entirely static. It must be noted that the dominant concepts in the definition of an emerging economy must be evolution and change; nations launched on the economic path of emergence all aim at becoming fully developed. It should therefore not be assumed that nations that were emerging 20 years ago are still emerging today, as many, such as Taiwan and South Korea, are now well developed economies.

3 Entrepreneurship and innovation as solutions to social and economic development in emerging economies

Entrepreneurship is a process of discovery, evaluation, and exploitation of entrepreneurial opportunities (Shane and Venkataraman, 2000). As a field of research, entrepreneurship can be seen as resulting in new organisations (Truls, 2001) or may be part of a revitalisation of mature organisations in response to perceived opportunities (Onetti et al., 2010). The most obvious symptom of entrepreneurship is that of starting up new businesses. In recent years, more and more entrepreneurs have intended to explore and exploit valuable local and global opportunities (Shane, 2003), and leverage abilities to manage uncertainty in a proactive manner (Onetti et al., 2010).

Such global ambitions have been particularly evident in emerging economies, which often can offer products and services not immediately suited to their own domestic economies at prices of interest to buyers from more developed economies. In time, in the context of their own developing economies, domestic demand can supplement or even replace demand for export.

Over the past three decades, entrepreneurship has played a role as a major driving force for growth and as a major solution for problems of social and economic development in emerging economies. The effects of such development have not been strictly limited to the emerging economies themselves; at present, there is a major spill-over to the economic workings of the world as a whole in which the entrepreneurship of emerging economies can now be said to constitute one of the major forces driving the current world economic recovery.

Innovation is also liable to discover and create new opportunities. Sometimes, innovations happen at intermediate stages, leading to more efficient methods of production. At higher stages, innovation can occur on the cutting edge, creating new products and services on the world market. At any stage, new insights and ideas can push social and economic development in emerging economies, through more effective products, processes, services, technologies, or ideas that are thought through to become readily available for markets, governments and society. Emerging economies can go from reproducing processes for producing goods and services of the developed world to developing new approaches better suited to their own environments. In business and economics, innovation is a catalyst for growth. Though it is perhaps more correct to speak of the post-war Japanese economy as 're-developing', in the matter of the manufacturing of automobiles, a thorough rethinking and implementation of quality controls did manage to upstage the established methods of the then dominant US and European auto-makers and make of Japanese industry a major force in automobile production. Perhaps post-war South Korean industry fits more readily into the role of an emerging economy leap-frogging over multiple stages of development in an astonishingly short time. Rapid advancements in electronics, computers, software, and communications over the past few decades have certainly gotten firmly established in emerging Asian economies, to the point that it has become increasingly difficult to speak of many of them as 'emerging'. China, as biggest emerging economy country, has strategically proposed that innovation will be the biggest driving force pushing the nation's social and economic development over the next three decades. With such examples, other high-growth, low-income, emerging economies reliant principally on economic liberalisation for their

growth have come to understand more clearly the necessity of innovation as an additional and necessary solution for sustaining their social and economic development.

In addition to the above, we can see that entrepreneurial and innovative activities differ substantially depending on the type of organisation and creativity involved. Recent research results show that there are as many opportunities as fields of entrepreneurship in emerging economies (e.g., Bruton et al., 2013; Lin and Si, 2010; Onetti et al., 2010). The extant research on entrepreneurship and innovation also shows a cross-impact matrix to explain how entrepreneurship or innovation can act as a single force or as a matrix to discover, evaluate, and exploit of entrepreneurial opportunities or innovate all the levels of society to push and develop the emerging economies (e.g., Khavul et al., 2010; Webb et al., 2013; Hitt et al., 2011; Onetti et al., 2010; Shane and Venkataraman, 2000; Zahra et al., 2009; Baker et al., 2005). Additionally, research in international business and entrepreneurship has demonstrated that internationalisation is, among other factors, probably driven by a firm's efforts to leverage its capability in innovation, and a high-tech firm can gain access to quite a lot of capital to finance its necessary innovation research through international channels (Buckley and Casson, 1976; Dunning, 1993; Hennart, 2012; Kotha et al., 2001; Lu and Beamish, 2001; McDougall and Oviatt, 1996; Zahra and George, 2002). Furthermore, some research has indicated that product and process innovations benefit firms not only with improved competitiveness at home, but also with additional opportunities at making presentations in international markets (e.g., Eriksson et al., 1997).

Filatotchev and Bishop (2002) have provided empirical evidence that newly listed high-tech firms are apt to do well in the international environment and so have established that from the research point of view, scholars must accord particular importance to the effects of innovation on success in internationalisation. Floatation in an international stock market injects fresh equity capital, which can foster entrepreneurial firms' capacities for innovation (Deeds et al., 1998).

Some research has further argued that innovation and internationalisation can be considered respectively as two major growth options (Ansoff, 1957; Onetti et al., 2010; Vernon, 1966) in the current hyper-competitive and complex environment of global business (Si and Bruton, 1999). By revisiting the research and practices of the past few decades, we can see much evidence of entrepreneurial and innovative success leading to social and economic success in emerging economies. Scholars must examine such issues with different perspectives and from several angles to best explore how innovation and entrepreneurship may be the glue that establishes and integrates social and economic development in emerging economies. Scholars also need to consider social needs and how we as researchers of entrepreneurship and innovation can help to develop policies leading to solutions and making our societies better.

4 Special issue articles

4.1 Three themes

Looking across the six papers in this special issue, we can identify three major themes. First, the papers appearing in the special issue studied entrepreneurship issues in emerging economies. Winkel et al. help to answer the question of entrepreneurial bricolage. Specifically, they find that the entrepreneurial process in emerging economies

is receiving much interest but that the critical role of bricolage has not been seriously examined.

Entrepreneurs in the highly uncertain and dynamic environments of emerging economies discover, develop, and exploit opportunities with limited and idiosyncratic resources. Such entrepreneurs also navigate the entrepreneurial process within restrictive and unsupportive institutional environments. This article argues that bricolage becomes a key mechanism for exploring and explaining entrepreneurship in emerging economies. Yu and Si broadly address the roles and relationships among institutional environment, entrepreneurial motivation, and entrepreneurial decision in the context of China.

They analyse the entrepreneurial decision of listing of a Chinese IPO on a foreign stock exchange and find that the decision to list on a foreign stock exchange is driven not only by short-term financial considerations (liquidity, costs of capital), most of which have been abundantly examined in prior literature, but also by entrepreneurial long-term strategy considerations.

Looking at the cross-question variables, MMADU helps to address the issue of how to improve productivity, develop more entrepreneurs and create jobs through Skills Acquisition and Training Institutions in Nigeria. This study discovered that the main problem confronting skills-acquisition in Nigeria is the accumulation of capital for setting up the trainee after the programme; policy inconsistencies, corruption, and poor projection targeting head the list of other associated problems.

A second theme is comprised of innovation management issues in emerging economies. The papers falling into this group are by Xiong, Li and Feng; and by Jun Lin. Xiong et al. provide insights into the question of how to use a high technology innovation model to answer specific technology innovation issues. Specifically, they analyse the necessity of coupling development between strategic emerging and traditional industries. They examine possible solutions to problems in logically linking modern and traditional practices in time and space, as they report that China's modern environmental industry and its traditional rubber manufacturing industry are in the developmental state of moderate coupling, hampered by a mild recession. Lin looks at the relationships among innovation, international alliances, and the traditional culture of China, with the aim of developing a theoretical framework to examine the obstacles related to national culture and organisational processes that impede Chinese partners' propensities toward innovation. This framework elaborates how traditional cultural moderators can influence the adoption of the mechanisms of innovation by taking into account such factors as identity change, problems of legitimacy, diffusion patterns, group identity, task accomplishment, uncertainty assessment, and resource acquisition and preparation.

The third major theme is about the intersection of entrepreneurship and innovation management issues in emerging economies. Gupta and Pandit help to answer the question of innovation, entrepreneurial orientation and their effects on the growth of a firm. They examine the influence of innovation and the moderating influence of environmental dynamism (exogenous) and resources (endogenous) on the growth of innovative firms for small and medium enterprises (SMEs) in India. They also examine the main-effect model, a two-way interaction using the contingency approach and a three-way interaction using the configuration approach. In their examination of the open-innovation issues in Mexico, Graf and Braun investigate the open-innovation readiness of both Mexican enterprises and of governmental policy instruments. The authors also examine whether the open-innovation concept is applicable and appropriate in the Mexican context with its

special entrepreneurial culture and international linkages predetermined by the North American Free Trade Agreement (NAFTA).

Viewed together, the six papers in this special issue can create a critical mass to enhance our understanding of the linkages among entrepreneurship, innovation and emerging economies.

5 Conclusions and acknowledgements

The main objective of this special issue is to develop insights into the field of entrepreneurship and innovation in emerging economies. However, the articles in this special issue address only a relatively narrow part of the questions and issues we raised in the introduction paper. Looking forward, I believe that these research articles can help people to more fully understand the issues of entrepreneurship and innovation in emerging economies. I hope that further research, firmly grounded in the context of entrepreneurship and innovation, will be able to speak not only to readers from emerging economies but also to a global audience, and so will contribute to the development of entrepreneurship and innovation theories at every level of economic development.

This special issue received a total of 45 submissions from scholars based in 17 different countries. While six papers appear in this special issue, I thank all the authors who submitted their work, and all the reviewers who assisted us.

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