

# Preface

Entrepreneurship is vital for maintaining and enhancing the vigor and vitality of any economy, be it developed or developing. This is because of the life-cycle phenomenon whereby existing businesses slowly have to mature and decline. This process is accelerated in the Information Technology era because of the fast pace of technology development leading to faster technological obsolescence of older companies. As a biological ecosystem is periodically rejuvenated and further developed by the new sprouts, an economy is maintained and developed by new ventures. It is therefore not surprising that entrepreneurship development is a priority for all nations, especially the developing ones.

Among the developing nations, a special group is identified as 'Emerging Economies' (EE) by economists and policy-analysts. Starting with a small but economically significant group of four countries, comprising Brazil, Russia, India, and China (BRIC), the groups have been expanded and modified to include about 30-odd countries depending on the purpose of analysis. It is estimated that they currently have more than 50 % of the GDP share and have the potential of overtaking the developed countries in terms of market capitalization in about two decades. Our review of the literature has found that the group (EE) is rather amorphous and self-organizing as per the exigencies of the situation. The main reason why this group of countries stands out from 'Developing Countries' is that they share some characteristics of developed countries but are still not fully developed. While most of the EE countries are growing at a relatively high rate, there are doubts about the sustainability of such growth, as there are institutional deficiencies as well as political, monetary, and social risks to businesses in these countries. In view of such risks, the general approach of the investors from developed countries is that they would invest in EE for value-creation and diversification of markets rather than for the safety of their investments or for deriving the full returns from them.

Under these circumstances, entrepreneurship and new venture creation assumes a special character in these countries. It is basically a process of muddling through to development in spite of institutional deficiencies, as we have observed in Chap. 1 of this book. Our review and analysis have shown that there are about nine types of

inadequacies plaguing the emerging economies, which we have discussed under the following subheadings: (1) Underdeveloped institutions, (2) Unclear and inconsistent policies, (3) Inadequate governance, (4) Disjointed infrastructure, (5) Limited funding options, (6) Inhibiting culture, (7) Personalized networks, (8) Ill-funded and ambivalent education system, and (9) Reluctant internationalization. Some of these issues and their impact on entrepreneurship have been brought out by the research-papers presented in the ICIER-BRIC International Conference held at Indian Institute of Management Bangalore during 8–10 December 2011. Fourteen papers selected from those presented at the conference along with the elaborate introductory chapter are the contents of this book (see details in Table 1).

The short summaries of the chapters given in Table 1 support the view presented in the introductory chapter that the institutional deficiencies prevalent in EE are adversely affecting the process of entrepreneurship and new venture creation, making it more of a ‘muddling-through’ process rather than a planned and systematic one. The chapters are organized under five parts (including the introductory chapter in Part I), each of which highlights a particular subtheme and its impact on new venture creation and management. Part II (*Entrepreneurial Ecosystem*) contains papers that deal with the entrepreneurial ecosystem in general as well as with specific aspects of it (such as culture, IPR laws and venture capital) with special reference to their impact on entrepreneurial motivation and performance.

Parts III–V deal with specific types of entrepreneurial initiatives that are largely used in EE as (partial) solutions to the institutional deficiencies in EE. The first of these (*Social Networks for Entrepreneurship*) is known to be effectively compensating for many of the institutional deficiencies coming in the way of entrepreneurial performance. The papers in this part describe the use of informal and formal networks (especially the personal networks) by entrepreneurs to manage issues like internationalization, collaborative business with larger forms, and even the stigma of entrepreneurial failures. The next part is on *Sustainable Entrepreneurship*. Under this heading, we combine two major aspects of sustainability—one about the ‘entrepreneurial’ ways of protecting the ecological environment from crude and careless entrepreneurial action and/or doing business in ways that are compatible with the demands of the environment (Green Entrepreneurship) and the other about the protection/development of the marginalized sections of people whom mainstream entrepreneurship fails to recognize (Social Entrepreneurship). The last part is about *Micro-Entrepreneurship*, which is used as a means of self-employment (especially among women) under conditions of resource-constraints, institutional inadequacies, and high unemployment rates that are characteristic of EE.

This book, therefore, develops a panoramic view of the issues and challenges of doing business in EE and demonstrates some of the effective ways of coping with the special circumstances prevailing in these countries. While the papers deal with specific issues, the introductory chapter is intended to provide a comprehensive understanding of the context in which such issues emerge and are dealt with. We do

**Table 1** Organization of the book—parts, chapters, and themes

Part no. and title	Chapter no.	Title of the chapter	Authors of the chapter	Theme of the chapter
I. Introduction	Chapter 1	Emerging Economies: Muddling Through to Development	Mathew J. Manimala and Kishinchand Poomima Wasdani	This introductory chapter discusses the institutional inadequacies in emerging economies under nine subheadings and highlights their implications for entrepreneurship and new venture creation
II. Entrepreneurial Ecosystem	Chapter 2	An Empirical Analysis of the Singapore Entrepreneurship Ecosystem: A Case Study for BRIC Economies to Ponder	Raymond Keng Wan Ng	Identifies the problems in the business ecosystem of Singapore that de-motivate students from selecting entrepreneurship as their career option
	Chapter 3	The Impact of Ethnicity on Entrepreneurship: A Global Review and Lessons for Nigeria	Kabiru Isa Dandago and Yusha'u Ibrahim Ango	Assesses the impact of cultural attributes of ethnic groups on their entrepreneurial attitude
	Chapter 4	Economic Implications of Intellectual Property Rights in Evolving Markets	Rajesh Asrani	Develops a scale to measure the implications of intellectual property laws on foreign direct investments, growth of gross domestic product, rise in technology transfer, trade flows and joint ventures, in evolving markets
	Chapter 5	Factors Affecting Capital Structure of Indian Venture Capital-Backed Growth Firms	Swati Panda	Discusses the various factors that affect the capital structure of firms that use venture capital fund as the major source of their finance
	Chapter 6	Bridging the Cross Cultural Transformatonal LI (Distance Measure) at Huawei Technology India Private Ltd	Bidipta Das, Menaka Rao and Vasanthi Srinivasan	Discusses methods of attracting, retaining and grooming talent used by an international start-up in emerging market (India)

(continued)

**Table 1** (continued)

Part no. and title	Chapter no.	Title of the chapter	Authors of the chapter	Theme of the chapter
III. Social Networks for Entrepreneurship	Chapter 7	How Do Entrepreneurs Benefit from their Informal Networks?	B. Sharada and Parameshwar P. Iyer	Comparing the benefits derived by entrepreneurs from different types of informal networks, this paper shows that the most beneficial one is the 'Ex-colleague network' and the least beneficial is the 'Alumni network'
	Chapter 8	Conceptualizing the Process of Opportunity Identification in International Entrepreneurship Research	Indujeeva Keerthilal Peiris, Michèle Akoorie, and Paresha Sinha	A conceptual paper that reviews the role of opportunity recognition in international entrepreneurship
	Chapter 9	Symbiotic Venture and Social Capital: The Effects of Market Orientation on Small Entrepreneur Firms in China	Ji Li, Zhenyao Cai, Hong Zhu, Tao Liu and Shengping Shi	Using 89 symbiotic dyads, the paper demonstrates the role of social capital in creating stability (trust, sharing resources and marketing successes) of symbiotic ventures (functionally collaborating large and small firms)
	Chapter 10	Social Fluidity Mapping System—A Way to Reduce Social Stigma in Business Failures	P. Baba Gnanakumar	Demonstrates the higher impact of social acceptance when compared to customer acceptance of entrepreneurship failure, on social stigma and the competitive advantage of the firm (continued)

**Table 1** (continued)

Part no. and title	Chapter no.	Title of the chapter	Authors of the chapter	Theme of the chapter
IV. Sustainable Entrepreneurship	Chapter 11	Green Entrepreneurship in India: Global Evaluation, Needs Analysis and Drivers for Growth	Ashish Sharda, Abhishek Goel, Ankit Mishra and Satish Chandra	Describes the process of starting, developing and sustaining a green enterprise and identifies the lack of government support and the knowledge of the processes involved in starting a green enterprise as the major reasons for its limited acceptance and prevalence
	Chapter 12	Green Awareness by Corporates and Entrepreneurs in India: A Case Study of Pune City in Maharashtra State	Pradnya Chitrao and Asha Negendra	Discusses the environment-friendly business practices that would help business become sustainable
	Chapter 13	Social Entrepreneurship—Building Sustainability Through Business Models and Measurement of Social Impact	Shinu Abhi, Vasanti Venugopal and Sandeep Shastri	Discusses the business models of social enterprises that ensure sustainability of the businesses under conditions of resource constraints
V. Micro-Entrepreneurship	Chapter 14	Implications of Driving Factors for Entrepreneurship: A Case Study for Immigrants, Ethnic, and Religious Minorities' Entrepreneurship in Pune City	Sonal Muluk, Poonam Rawat and Mahesh Laxmikant Abale	Discusses the motivating factors of immigrants as well as religious and minority groups to select entrepreneurship as their career by creating micro-businesses in most cases
	Chapter 15	Success and Life Satisfaction among Women Micro-Entrepreneurs	Latha Krishnan and T.J. Kamalanabhan	Assesses the relationship between entrepreneurial success and life satisfaction of women engaged in micro-businesses

hope that this book will serve almost as a handbook on new venture creation and management in emerging economies, which may provide useful insights into actual and potential entrepreneurs as well as the academics (researchers), consultants, trainers, and policy-makers who are actively involved in the various aspects of Entrepreneurship Development in Emerging Economies.

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