Journal of
Risk and Financial Management

MDPI

Perspective

Encouraging Entrepreneurship and Economic Growth

David Ahlstrom [1,*], Amber Y. Chang [1] and Jessie S. T. Cheung [2]

1 Department of Management, The Chinese University of Hong Kong, Shatin, NT, Hong Kong; changyu@baf.cuhk.edu.hk
2 Kairos Fellowship Limited, Unit 701, 7/F, 102 Austin Road, Kowloon, Hong Kong; jessie.cheung.liow@gmail.com
* Correspondence: ahlstrom@baf.cuhk.edu.hk; Tel.: +852-3943-7093

Received: 18 October 2019; Accepted: 23 November 2019; Published: 28 November 2019

check for updates

Abstract: The economy has seen unprecedented growth in the past two centuries, raising average incomes by 30-fold. With this added wealth, living standards also improved greatly. Although many factors impact economic growth, it is accepted that entrepreneurship plays a key role. Therefore, understanding the antecedents of entrepreneurship and the link to economic development, often through institutions, should be of higher importance to researchers and policymakers. This Special Issue of the *Journal of Risk and Financial Management* sought to provide a brief overview of the economic growth literature and its link with entrepreneurship while adding insight through the Special Issue papers regarding the drivers of entrepreneurship in different contexts. Thus, the papers gathered here addressed several aspects of entrepreneurship and how it may be encouraged through networking, cornerstone investors in initial public offerings, new financing methods such as with cryptocurrencies, and through entrepreneur health. The research sites were primarily in Asia. This lead paper summarizes the issue's papers while also providing a short overview of the economic growth literature and its link to entrepreneurship and institutions. This Special Issue, thus contributes to the empirical and theoretic research on the drivers of entrepreneurship and the association with economic growth.

Keywords: Asia; economic growth; entrepreneurial finance; entrepreneurship; institutional theory

---

1. Introduction

What is role of entrepreneurship in economic growth and what factors encourage (or discourage) entrepreneurship? This Special Issue (SI) of the *Journal of Risk and Financial Management* (*JRFM*) sought to examine primarily the latter question through the papers of the issue while providing an overview answer to the first question in this lead paper of the SI. The historically fast economic growth of the past two centuries (and entrepreneurship's role) is much greater and more widespread than is commonly believed (McCloskey 2006; Rosling et al. 2018). Real incomes have not gone up two or three times over the past two centuries as is commonly thought, rather they have gone up some 30 times, with standards of living rising even as much as 100 times if product improvements are included (McCloskey 2006; Nordhaus 1997; Rosling et al. 2018). Indeed, some two centuries ago, near the start of the 1800s, the average person consumed less than $3 a day (in current US dollars)—around what is considered today to be near extreme poverty (Si et al. 2019)—and expected future generations to go on consuming that same amount as that person's ancestors long had (McCloskey 2010). At that time, the average adult in protoindustrial countries, such as the Netherlands and the United Kingdom (UK), earned about what those in parts of sub-Saharan Africa earn today, and had little hope of seeing the end of his or her country's poverty. However, the people of 19th century Europe and (shortly thereafter) elsewhere, were to see unprecedented institutional change and economic growth (McCloskey 2010; McCloskey 2013; North et al. 2009). Beginning with the Industrial Revolution in the 1700s, the Netherlands, and later the UK, Western Europe and the United States (US) started experiencing accelerated economic growth that would soon give their populations new expectations about their lives and the future (Baten 2016; Rosling et al. 2018). Spurred by inventions, productivity improvements, and new venture creation, new industries would change the economic landscape and living standards, especially for the poor (Ahlstrom 2010; McCloskey 2016; Mokyr 1992).

While some parts of the world did experience what historical sociologist Goldstone (2002) has called efflorescences, the occasional doubling and tripling of incomes in places such as classical Greece, Rome, or in Song China did not last. No country was "rich" in preindustrial times. Not until the economies of Northern Europe and North America experienced a sharp uptick in growth around the start of the 19th century (and were able to sustain that steady upward growth), did some countries become wealthy with unprecedented living standards (Maddison 2007; Rosling et al. 2018), followed by many more in the 20th century (Baten 2016). Indeed the effects of what has come to be called the "Great Enrichment" of the past two centuries (McCloskey 2016; Tomizawa et al. 2019) have been profound. A typical person in early 1800s Sweden, a country that had been further impoverished through multiple serious military defeats and the loss of all land holdings in Finland and others around the Baltic, earned little more than one to two dollars a day at that time. Though Sweden's economic takeoff was to occur later than that of the UK and US (Sweden was the "China" of the late 19th and early 20th centuries in terms of developmental success stories), the average Swede now earns over $150 a day. Moreover, if improvements in the efficiency of products and their wider availability (such as the vast reductions in the cost of lighting and the ubiquity of electricity, for example) are included in this calculation, the daily earnings figure goes up to as much as $200 to $300 per day, in real adjusted terms (Aghion et al. 2019; McCloskey 2016; Nordhaus 1997).

Moreover, it is incorrect to say that the owners of capital have captured most of the gains of the extensive economic growth of the past two centuries as it has sometimes been argued (Piketty 2014; Phelps 2013). This hypothesis can be easily rejected just by looking around at the development and household wealth and health gains in India, China and elsewhere (McCloskey 2010; Rosling et al. 2018). Or even in later bloomers' like in Botswana and Bangladesh, where people's standards of living have gone up greatly with a concomitant decrease in extreme poverty (Sharma 2017; Si et al. 2019), though more remains to be done (Banerjee and Esther 2011). Much research has also confirmed that labor, along with the consumers of products, capture the vast majority of the gains from innovations (Nordhaus 1997; Phelps 2013) and growth (Kaldor 1957; McCloskey 2010). As such, the economic growth of the past two centuries is no trivial matter; it is not just added wealth that the world has realized, but also major improvements in living standards, health, worker safety, and a doubling or near-tripling of life expectancies in nearly all countries of the world (Phelps 2013; Rosling et al. 2018). Recent research has also suggested the benefits of economic growth to the environment, often through technological development and substitution of older technologies for more efficient ones, though many challenges remain for researchers, businesses, and policymakers in that area (Ahlstrom 2010; Nordhaus 2019).

What has encouraged this economic growth? This is a complicated question that has required book-length treatments to answer, often covering multiple levels of analysis and extended time durations, sometimes over centuries of change (e.g., Acemoglu and Robinson 2012; Acs et al. 2008; Diamond 1997; Goldstone 2007; McCloskey 2010; Phelps 2013). Research in business, however, has sought to focus on factors leading to economic growth that center more on organizations and their outputs such as innovation and new venture creation (Acs et al. 2008; Ahlstrom 2010; Akcigit and Kerr 2018). Thus, recent evidence has slowly started to emerge regarding the importance of entrepreneurship to economic growth in a region (Audretsch et al. 2006), though there has been less research on the key antecedents of entrepreneurship (Baumol 1990; Kirzner 1997). Thus this Special Issue of *JRFM* sought research exploring some lesser studied factors promoting entrepreneurship at the organizational level. Papers were sought from diverse fields such as management, finance, and financial economics. Research emerged in the Special Issue on topics including the salience of network ties (Khan et al. 2019), entrepreneur health and new venture development (Levasseur et al. 2019), key cornerstone investors and financing (McGuinness 2019), and new fintech topics such as cryptocurrency and its link to entrepreneurship (Cumming et al. 2019), while this lead paper sought to address the salience of this topic through an overview of the factors linked to economic growth and entrepreneurship. This overview is discussed and the Special Issue articles are summarized in the latter part of this paper.

Therefore, the discussion that follows seeks to overview the factors that encourage entrepreneurship and the implications of this SI. This paper and SI thus contribute to research at the organizational level of analysis regarding entrepreneurship and its contribution to economic growth (Acs and Audretsch 1990; Acs et al. 2008). It further has implications for researchers and policymakers in examining lesser-considered aspects of growth surrounding entrepreneurship and several formal and informal institutions. This research on organizations and the encouragement of entrepreneurship is a fairly new area of work which is also being examined more in entrepreneurship and economic history (Acemoglu and Robinson 2012; Klein 2008; Landes et al. 2012; Landström and Lohrke 2010; Tomizawa et al. 2019). It is hoped that continuing research on the antecedents and barriers to entrepreneurship (and by implication economic growth) can be undertaken as this Special Issue of *JRFM* has explored.

2. Economic Growth, Entrepreneurship and Other Factors

How do countries grow and develop? The study of economic growth has a long history dating back at least to the 1700s with the writings of Adam Smith and American founder Alexander Hamilton (Nair and Ahlstrom 2008; Peskin 2002; Peskin 2004; List 1841; Schumpeter 1912; Smith 1776). Further research in areas including economic history, which studies the positive growth factors (Landes 1998; McCloskey 2006; Mokyr 2016), and development economics, which examines more of the hindrances (Acemoglu and Robinson 2012; Sachs 2003) has explained much about economic growth and development. Other fields, such as geography (Diamond 1997), sociology (Goldstone 2007), management (Christensen and Raynor 2013; Tomizawa et al. 2019), and entrepreneurship (Acs et al. 2009; Schumpeter 1912) have also contributed to examining and explaining the causes of the fast growth in incomes (and standards of living) over the past two hundred years in what has come to be called the Great Enrichment (McCloskey 2006).

Many of the factors researchers and theorists have linked to economic growth have been at a fairly macro level of analysis, such as culture and geography (Diamond 1997; Jones and Romer 2010; Landes 1998), though these factors have not proved their explanatory value (Rodrik et al. 2004). Only fairly recently, have researchers returned to examining entrepreneurship such as with the actions of entrepreneurs and innovators (Acs et al. 2008; Audretsch et al. 2006; Akcigit and Kerr 2018; Christensen and Raynor 2013; Landes et al. 2012; Peskin 2004). We provide just a brief outline of the literature on economic growth before returning to entrepreneurship and innovation's role and some further supporting factors to entrepreneurship connected to the current Special Issue's focus.

As noted, first, there is a long and well-known line of research that gives geographic factors such as weather, rainfall, ports, and disease vectors primacy in explaining economic growth and development (Diamond 1997; Harris 2001; Sachs 2003). Recent research related to geography in international business has focused more on regional advantages conferred by regions and the clusters (Porter 1998; Saxenian 1996). However, geography fails to explain much about economic growth, income, and firm competitiveness (Davies and Ellis 2000; Easterly and Levine 2003) as the geographic "advantages" are often long present before a country's economic growth starts and have been shown to have little direct impact on a country's income (Rodrik et al. 2004). There is also too much variation in different countries' economic performances in the same region with similar geographies and climates, such as Germany and the countries of the Balkans for example, to conclude that geography has a consistent and lasting effect on economic growth (McCloskey 2010).

A second view focuses on capital and the various ways it can be acquired (or seized) and accumulated. This includes a wide range of work in economics, history, and international business, and includes arguments about capital accumulation in terms of savings and increased thrift (Miniter 2012; Piketty 2014; Weber 2002), investment property theft and piracy, colonialism, and conquest

(Findlay and O'Rourke 2009). However, recent work in economic history has shown that in Britain, an early exemplar of economic growth, investment in accumulated physical capital as a share of national income was actually below many other countries in Europe (Crafts et al. 1990). Neither did the capital in Britain's colonies produce much growth. Countries such as Britain, France, and Spain experienced improved economic growth largely after divesting their colonies in the 20th century (McCloskey 2010; Mokyr 2010). Nor was Britain heavily dependent on capital during its early economic takeoff in the 1800s (McCloskey 1970). A preponderance of capital, whether financial or physical, does not explain much economic growth (McCloskey 2010).

A third traditional line of research seeking to explain economic growth emphasizes the role of international trade. This is called the integration view as this view emphasizes participation in the larger global economy through trade, the transfer of technology, human capital, and institutions (Rodrik 2003). The transportation arguments fall into this broad line of research as well, though empirical research suggests that improved transportation such as the railroad, while helpful, has a fairly small incremental effect on economic growth as it represents only a small part of an economy (McCloskey 2010; Fogel 1964). Similarly, international trade by itself is a minor factor compared with day to day "domestic trade" within a country or region (McCloskey 2010). Though trade and foreign direct investment (FDI) do bring positive institutional change and management techniques, the direct effect of trade on economic growth is minor (Bender et al. 2018; Bloom et al. 2019; Rodrik et al. 2004)[1]. Regarding international trade and economic growth, McCloskey (2016, p. 584) concludes: "The gains from trade are good to have, but Harberger triangles show that they are small when put on the scale of a 9900 percent [Great] enrichment."

3. Encouraging Entrepreneurship

If three of the more commonly argued "traditional" factors associated with economic growth—geography, capital accumulation, and trade—have small and often indirect effects on growth, what about other factors that have recently gotten more attention and shown more positive results in studies (Rodrik et al. 2004)? Though entrepreneurship was slow to receive much attention from economists (except for Schumpeter) and even from management scholars until fairly recently (Baumol 1968; Baumol et al. 2007; Urbano et al. 2019), in the past couple of decades, the importance of entrepreneurship to economies (Acs et al. 2008; Ahlstrom 2010) and also quite directly through productivity gains has become increasingly evident to both researchers and policymakers (Aghion et al. 2019; Audretsch et al. 2006). More recent research has also demonstrated the importance of positive, inclusive institutions (Acemoglu and Robinson 2012; Baumol 1990) and innovation (Christensen and Raynor 2013; Romer 1990) in spurring economic growth, particularly through entrepreneurship (Acs et al. 2008; Mokyr 2016). This is particularly the case in terms of productivity-advancing innovations (Crafts 2004; Mokyr 2010) and newer growth firms bringing efficiency and improved living standards to lower income-consumers (McCloskey 2010; Prahalad 2004). Inclusive institutions contribute to economies in a number of ways, though the emphasis in this Special Issue is institutions and related key factors that contribute to (or block) entrepreneurship.

In that case, it can be asked, if entrepreneurship helps cause economic growth, then what encourages entrepreneurship and innovation, and what does not? This Special Issue of *JRFM* sought to address these issues. It has done so through a call for papers seeking research on organizational and institutional factors that encourage entrepreneurship and innovation or those that create barriers. Most of the submissions to the Special Issue were on encouraging entrepreneurship. The Special Issue papers examined the literature analyzing the attributes to growth and success of new businesses in

---

1 There are other, less accepted arguments such as rainfall and coal deposits that roughly fit into the geographic view. These views are extensively reviewed in McCloskey (2010). The institutions and techniques brought by trade can have a stronger direct effect on economic growth (Rodrik et al. 2004).

developing economies. They dealt with micro factors such as organizational factors encouraging entrepreneur health, financing and governance, funding and Cornerstone allocations in Chinese Equity Offers, and more macro topics such as cryptocurrency and networks. One key topic addressed briefly by some of the papers, institutions, and entrepreneurship, is addressed further in this lead paper below, which briefly adds some discussion of institutions and entrepreneurship before then concluding with the summaries of the papers of this *JRFM* Special Issue.

4. Institutions and Entrepreneurship

Indeed, after a somewhat slow start, more recent research in entrepreneurship from management, psychology, and allied social sciences such as finance and economics has started to recognize the indispensability of entrepreneurship for economic growth (Landström and Lohrke 2010; Landes et al. 2012). Additionally, considerable evidence has emerged in recent years that institutions, both formal and informal, positively impact both entrepreneurship and economic growth (Acs et al. 2008; Acemoglu and Robinson 2012; Rodrik et al. 2004; Tomizawa et al. 2019). Because of the obvious benefits of such economic progress, understanding the antecedents of entrepreneurship and how the entrepreneurship of firms and individuals alike is linked to consequences for a country's economy should be of very high importance to researchers and policymakers alike (Miniter 2012).

However, there is surprisingly limited amount of work that systematically links the antecedents of entrepreneurship in a unified framework that considers both the various levels and the institutional backdrop (Bjørnskov and Foss 2008; Bjørnskov and Foss 2013; Holcombe 1998). As noted, interest in entrepreneurship in the other social sciences, such as economics (Baumol 1968; Baumol et al. 2007), management (Bruton et al. 2008), sociology (Thornton 1999), anthropology (Oxfeld 1992), and economic and business history (Landes et al. 2012), is also a relatively recent phenomenon. Research is also slowly accumulating not only on the antecedents of entrepreneurship but also on the barriers to entrepreneurship (Landes et al. 2012). This interesting line of work shows that before the start of the Great Enrichment two centuries ago, entrepreneurship (as well as innovation into new production methods) was often stopped by powerful interests facilitated by the local institutional regime including the nobility and craft and merchant guilds in Europe (Ogilvie 2019). This discouraged new ventures and total factor productivity improvement that could not be controlled centrally (Acemoglu and Robinson 2012) or did not benefit the local guilds or city councils (Mokyr 1992). Indeed, powerful interests long conspired to stop entrepreneurship and the innovations it brings because of the potential loss of monopoly or monopsony power (Frey 2019; McCloskey 2017). This has made the study of inclusive institutions particularly important as researchers study how institutions may have facilitated entrepreneurship first by protecting entrepreneurs and later by encouraging them by lowering their costs (Acemoglu and Robinson 2012; Acs et al. 2008).

In a basic sense, economic growth comes from improvements in total factor productivity, both in terms of firm activity and what users are able to realize from more efficient and effective goods and services (Ahlstrom 2010; Bjørnskov and Foss 2013). This traditionally refers to output changes and other efficiencies that cannot be directly linked to the more traditional production factors of land, labor, and capital. As such, there is evidence then that the main factor that accounts for different growth experiences across countries is the difference in total factor productivity broadly applied (Parente and Prescott 2005), which often derives from innovation and new venture creation, in turn, facilitated by factors that promote entrepreneurship.

Inclusive institutions can encourage productive entrepreneurship that encourages economic growth (Acemoglu and Robinson 2012; Baumol et al. 2007). Although more research is needed on the mediating variables that help to carefully specify the relationship between institutions, entrepreneurship, and growth, it is generally held that institutions facilitate entrepreneurship and growth (Rodrik 2003). In particular, inclusive, productive institutions help lower the transaction costs of searching for alliance partners and financing and establishing and enforcing contracts will encourage entrepreneurship (Acemoglu and Robinson 2012; Ahlstrom et al. 2018; Hitt et al. 2004). Inclusive institutions can also help with bargaining, monitoring, and the reduction of information asymmetry (Spence 1973) and related corporate governance challenges such as the principal-principal problem (Young et al. 2008).

Institutions that encourage entrepreneurship can also do so not only by reducing transaction costs, but also by easing the ability of entrepreneurs and their funders in identifying and valuing resources (including human capital) and facilitating their allocation and application (Christensen et al. 2019). In addition, both formal and informal institutions can be in place to protect entrepreneurs and innovators from being stopped by powerful monopolists and oligopolists that do not want their economic rent disrupted by newer, productive betterments. This is something that major economies in Europe and East Asia suffered from for centuries until the institutional and cultural reforms of the 18th and 19th centuries (Frey 2019; McCloskey 2006; McCloskey 2013; Ogilvie 2019). This is also true for monopsonists having the only game in town for labor. Throughout the Middle Ages and well into the Renaissance in Europe, single monopsonist sellers of crafts and labor, such as the merchant and craft guilds, as well as medieval city councils, strongly enforced trading and work rules, effectively locking out innovation that impacted (at least in the short run) employment within the city or the guild (Frey 2019; Ogilvie 2019). Many helpful innovations were delayed or even shelved and forgotten for a long time, this likely impeding entrepreneurship, growth, and development (Dunbar and Ahlstrom 1995; Frey 2019; Garud and Ahlstrom 1997). Inclusive institutions that arose in greater numbers in the 18th and 19th centuries helped to facilitate entrepreneurship while also protecting their new firms and innovations from the monopolist and monopsonists who had squelched innovation and new ventures in the past, or otherwise appropriated property rights of entrepreneurs and artists, reducing their incentive to stay in business and keep innovating (Peng et al. 2017).

In other words, such institutions positively influence entrepreneur total factor productivity and provide protection from monopolists and other locally and regionally dominant political or politically connected (actors that prevent innovation or appropriate its rents (Acemoglu and Robinson 2012). Low transaction costs also result from well-defined and enforced institutions such as property rights and other corporate governance laws (Peng et al. 2017; Young et al. 2014). Institutions related to the quality of regulations and the judiciary and enforcement regime that directly influence property rights also influence the relationship between entrepreneurship and total factor productivity, and therefore growth. Regulations that are well-conceived and enforced can also protect entrepreneurs from interference such as they faced in centuries past when their new power looms were destroyed or their electric streetlights in cities boycotted, light bulb factories burned down. Entrepreneurs suffer many challenges, and a better understanding of factors such as institutions and other firm-level topics will help entrepreneurs as they navigate uncertain business environments and hopefully contribute to economic growth and development.[2]

5. The Four Articles of the Special Issue

In addition to this lead paper, this Special Issue of *JRFM* contains four papers discussing the encouragement of entrepreneurship, largely at the organizational level of analysis (see Table 1).

---

2 There is a limited but slowly growing literature on barriers to innovation and entrepreneurship. At The organizational level these include institutional barriers (Zhu et al. 2012), financial barriers (Alessandrini et al. 2009), and cultural barriers among others (McCloskey 2010; Wang et al. 2008). Research also suggests that different obstacles (at different levels) impact different forms of innovation (Amara et al. 2016). Research is needed on the mechanisms by which these barriers impede innovation and new ventures beyond basic cost arguments and how these might be resolved.

Table 1. Summary of papers in the *JRFM* Special Issue.

Authors:	**Khan, Li, Safdar, and Khan, 2019**
Title:	The Role of Entrepreneurial Strategy, Network Ties, Human and Financial Capital in New Venture Performance
Findings:	In this paper, the authors examine the role of various factors, such as entrepreneurial strategy, network ties, human and financial capital, and its relative importance in contributing to the success and sustainability of new ventures in Pakistan as an emerging market. Based on the analysis of empirical findings gathered from 196 SMEs in Pakistan, the study shows that entrepreneurial strategy, network ties, and financial capital are significant and positive driving factors for the performance of newly-started firms while human capital plays a less significant role in the success of the new ventures. Moreover, network ties, which refer to the connection with suppliers, customers, and business partners, are the most important success factors. Stronger network ties help generate more sales and/or reduce cost, leading to higher profitability.
Authors:	**Levasseur, Tang, and Karami, 2019**
Title:	Insomnia: An Important Antecedent Impacting Entrepreneurs' Health
Findings:	The paper explores the relationship and impact of insomnia on entrepreneurs' health. It focuses on the mechanism that negative affect and emotions result in poor health, thereby establishes the primary cause of such negative emotions, i.e., insomnia, and the underlying reason for suboptimal entrepreneurial process. The authors hypothesize that entrepreneurs' insomnia increases their perceived stress, which heightens their negative affect, which in turn, causes health conditions to deteriorate. Further, it is proposed that entrepreneurs' stress and negative affect serially mediate the relationship between insomnia and poor health. These hypotheses are supported by the empirical data gathered from 152 entrepreneurs who are from various industries in Iran. The implication is that entrepreneurs can reduce stress levels and become healthier through improving sleep quality. The findings provide a different perspective from present research calls which emphasize stress reduction as a way to enhance entrepreneurial performance.
Author:	**McGuinness, 2019**
Title:	The Role of Governance and Bank Funding in the Determination of Cornerstone Allocations in Chinese Equity Offers
Findings:	The paper examines the factors contributing to the participation of cornerstone investors ("CI") in initial public offerings ("IPO") in the Hong Kong equity market. The author proposes two key routes that companies can position themselves to attract more cornerstone investment. The first avenue is through securing more bank funding, especially longer-term bank facilities. CIs prefer pre-IPO firms with more and longer-term bank debt as they can take advantage of reduced agency costs from due diligence done and risk taken by the lending banks. The second way is to structure a board of directors with attributes that are recognized by potential CIs as valuable to company growth.
Authors:	**Cumming, Johan and Pant, 2019**
Title:	Regulation of the Crypto-Economy: Managing Risks, Challenges, and Regulatory Uncertainty
Findings:	The article reviews the development of blockchain and initial coin offerings (ICO), highlights cryptocurrency frauds and legal challenges. Blockchain-based cryptocurrencies offer an alternative channel for entrepreneurs to raise financing with much lower barriers through ICO. However, the pseudonymous and decentralized nature of cryptocurrencies enables individuals or groups to conduct financial activities without registering the entities with any sovereign nations, leading to regulatory and security issues. Crypto frauds, such as fictitious assets, fake investment funds/advisors and manipulated crypto-exchange, as well as other cybersecurity frauds are detailed in this paper. The article also gives an account of related regulatory development in several countries, including China, India, Canada, Norway, and the UK. Referring to the recent guidelines on ICO from the US Security and Exchange Commission, the author illustrates the regulatory uncertainty with various types of crypto assets. The paper concludes that it is necessary to form an ecosystem with a regulatory framework that protects investors against fraud while encouraging fintech innovation to facilitate entrepreneurial financing.

The first paper in the Special Issue is: "The role of entrepreneurial strategy, network ties, human and financial capital in new venture performance," by Najib Ullah Khan, Shuangjie Li, Muhammad Nabeel Safdar, and Zia Ullah Khan. Many studies have been conducted on newly-established enterprises, with some emphasizing success factors while others, the reasons for failure. However, there is less work analyzing the growth and success of new businesses in developing economies (Ahlstrom and Ding 2014; Urbano et al. 2019). In this paper, the authors examine the role of various factors, such as entrepreneurial strategy, network ties, human and financial capital, and its relative importance in contributing to the success and sustainability of new ventures in the South Asian country of Pakistan as an emerging economy.

Based on the analysis of empirical findings gathered from 196 SMEs there, the study shows that entrepreneurial strategy, network ties, and financial capital are significant and positive driving factors for the performance of newly-started firms while interestingly human capital plays a less significant role in the success of the new ventures. Moreover, network ties, which refer to the connections with suppliers, customers, and business partners, are key success factors. Stronger network ties help generate more sales and reduce costs, leading to higher profitability. Therefore, new ventures are recommended to focus initially on the above-mentioned three success factors, in developing economies. The paper concludes with practical contributions to policymakers and the Small and Medium Enterprises Development Authority in Pakistan (and equivalents overseas) in hopes of increasing the chance of start-up survival and long-term development of new businesses, considering the significant contribution of SMEs to developing economies. The mixed findings with respect to human capital and HR in entrepreneurial firms require further research given its importance in larger firms in developing economies (Huang et al. 2016).

The second paper moves to the level of the entrepreneur in dealing with the newer, key topic of entrepreneurial health. That paper is "Insomnia: An important antecedent impacting entrepreneurs' health" by Ludvig Levasseur, Jintong Tang, and Masoud Karami. The paper explores the relationship and impact of insomnia on entrepreneurs' health. It particularly focuses on the mechanism that negative affect and emotions play in poor health, and further suggests the primary cause of such negative emotions—insomnia—as a key underlying reason for suboptimal entrepreneurial process. The authors hypothesize that entrepreneurs' insomnia increases their perceived stress, which heightens their negative affect, which in turn causes their health condition to deteriorate. Further, it is proposed that entrepreneurs' stress and negative affect serially mediate the relationship between insomnia and poor health. These hypotheses are supported by empirical data gathered from 152 entrepreneurs who are from various industries in Central Asia (Iran). The implication is that if entrepreneurs should focus on improving sleep quality, which can help yield better entrepreneurial outcomes. The findings provide a different perspective from the recent research, which emphasizes stress reduction and is less concerned with insomnia, which may be the more important health factor in entrepreneurial performance.

This second paper contributes to entrepreneurship literature by offering insights on the causal relation of insomnia and entrepreneurs' health, by responding to calls for analyzing the role of emotions to entrepreneurs, and by conducting an empirical study to verify the link to insomnia and the stress-health relationship. The authors suggest further study on the relationship among policies that impact entrepreneurs' physical well-being, as well as the relationship between entrepreneurs' insomnia and their respective entrepreneurial performances.

Continuing with papers from an Asian research site, the third article in the Special Issue is "The role of governance and bank funding in the determination of cornerstone allocations in Chinese equity offers" by Paul B. McGuinness. Cornerstone investors are well-known individuals or large institutional investors to whom shares of an initial public offering (IPO) are allocated at around the IPO price to signal to the market that the IPO is a trusted investment. The McGuinness paper examines the factors contributing to the participation of the cornerstone investors in IPOs in the Hong Kong equity market. CI commitment is crucial to the potential success of a company's IPO since the CI is declared in the prospectus document with a stock allocation and lock-up period ahead of the IPO application period.

This gives quality assurance or "certification effect" to subsequent potential investors who consider the IPO subscription, conferring additional legitimacy on the offering firm, which is particularly important in China (Ahlstrom et al. 2008). McGuinness (2019) proposes two key routes whereby companies can position themselves to attract more cornerstone investment. The first avenue is through securing more bank funding, especially longer-term bank loans. CIs actually prefer pre-IPO firms with more and longer-term bank debt as they can take advantage of reduced agency costs from the due diligence done and risk taken by the lending banks. A second way is to structure a board of directors with attributes that are recognized by potential CIs as valuable to company growth.

The first hypothesis of this CI paper was supported by the results from a dataset consisting of all IPO issuers listed in the Hong Kong Stock Exchange Main Board over a five-year period. On the other hand, regarding the second proposed method regarding certain qualities of board members, the findings show that the proportion of independent directors in the board is positively correlated with CI presence in the IPOs of family-controlled issuers, but not evident in the IPOs of state-sponsored or non-family-dominated issuers. Moreover, younger age of board members contributes to CI presence but not the gender mix. While the analysis is based on the Hong Kong market where cornerstone arrangements have been prominent, the paper also offers insights on other Asian markets, notably Singapore, Malaysia and India, whose markets (and listed firms) sometimes struggle with investor legitimacy (Young et al. 2008).

The fourth and final paper in the SI considers economies Europe as well as in Asia. That paper is "Regulations of the crypto-economy: Managing risks, challenges, and regulatory uncertainty" by Douglas J. Cumming, Sofia Johan, and Anshum Pant. This paper reviews the development of the new innovations of the blockchain and initial coin offerings (ICO), highlights cryptocurrency frauds and legal challenges, and gives an account of related regulatory development in several countries. Blockchain is a distributed ledger technology that transforms conventional business transactions through its ability of peer-to-peer, secure, and transparent identity verification. Blockchain-based cryptocurrencies offer an alternative channel for entrepreneurs to raise financing with much lower barriers through ICO. However, the pseudonymous and decentralized nature of cryptocurrencies enables individuals or groups to conduct financial activities without registering the entities with any sovereign nations, leading to regulatory and security issues. Crypto frauds, such as fictitious assets, fake investment funds/advisors, and manipulated crypto-exchange, as well as other cybersecurity frauds, have become evident and are detailed in this paper in the SI.

Among the jurisdictions mentioned, China and India have recently banned the use of cryptocurrencies, and Canada and Norway consider cryptocurrencies as taxable assets. While the UK had not issued related policy before the publication date of this paper, the European Union has recently released guidelines to promote harmonization of relevant regulations across member countries. Referring to the recent guidelines on ICO also from the US Security and Exchange Commission, the author illustrates the regulatory uncertainty with various types of crypto assets. The paper concludes that it is necessary to form an ecosystem with a regulatory framework that protects investors against fraud. Legitimacy needs to be better established in cryptocurrency and related fintech innovation to set investors more at ease with the important new methods of entrepreneurial financing (Ahlstrom et al. 2008; Cumming and Schwienbacher 2018; Newman et al. 2017).

6. Conclusions

The world economy has experienced unprecedented growth in the past two centuries, raising average incomes approximately 30 times and the average standard of living, including improvements to products, by as much 100-fold (McCloskey 2016; Nordhaus 1997). And this growth was not just about money. Health and life expectancy improved greatly during the same time (Rosling et al. 2018). Although many factors impact economic growth, it is widely accepted today that entrepreneurship plays a key role in fostering growth and improved standards of living (Ahlstrom 2010; McCloskey 2010; Urbano et al. 2019). As such, this Special Issue of the *Journal of Risk and*

Financial Management sought to add more insight regarding the antecedents of entrepreneurship. That entrepreneurship is linked to a country's economic development should make this general topic a high priority for researchers and policymakers alike (Ahlstrom and Ding 2014). The papers in this Special Issue addressed several aspects of entrepreneurship and its encouragement through networking, cornerstone investors, new methods of financing, and improving entrepreneur health. This lead paper has also added an overview of the determinants of economic growth and the increasingly established link of entrepreneurship to growth through formal and informal institutional structures (Urbano et al. 2019), as is also suggested by the papers in this Special Issue.

If this paper and Special Issue could have one broad takeaway message for researchers and policymakers, it would be that the way entrepreneurial firms emerge and grow is importantly affected by an array of institutions. These include institutions at varying degrees of formalization ranging from labor market function, industrial relationships, financial innovations, and generally how well entrepreneurial activity, education and support is accepted and given by a society (McCloskey 2010, 2013; Cumming et al. 2019). Given the importance of entrepreneurship for economic growth, understanding the factors that encourage (or block) entrepreneurship is vital for researchers and policymakers alike (Aghion et al. 2019). It is hoped that this Special Issue of *JRFM* will encourage more research on factors that facilitate productive entrepreneurship as well as the forces that can impede entrepreneurs, whether purposely or not, at multiple levels of analysis (De Soto 2000; McCloskey 2019).

Conflicts of Interest: The authors declare no conflict of interest.

References

Acemoglu, Daron, and James Robinson. 2012. *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*. New York: Crown Books.

Acs, Zoltan, and David B. Audretsch. 1990. *Innovation and Small Firms*. Cambridge: MIT Press.

Acs, Zoltan J., Sameeksha Desai, and Jolanda Hessels. 2008. Entrepreneurship, economic development and institutions. *Small Business Economics* 31: 219–34. [CrossRef]

Acs, Zoltan J., David B. Audretsch, and Robert. J. Strom, eds. 2009. *Entrepreneurship, Growth, and Public Policy*. Cambridge: Cambridge University Press.

Aghion, Philippe, Antonin Bergeaud, Timo Boppart, Peter J. Klenow, and Huiyu Li. 2019. Missing growth from creative destruction. *American Economic Review* 109: 2795–822. [CrossRef]

Ahlstrom, David. 2010. Innovation and growth: How business contributes to society. *The Academy of Management Perspectives* 24: 11–24.

Ahlstrom, David, and Zhujun Ding. 2014. Entrepreneurship in China: An overview. *International Small Business Journal* 32: 610–18. [CrossRef]

Ahlstrom, David, Garry D. Bruton, and Kuang S. Yeh. 2008. Private firms in China: Building legitimacy in an emerging economy. *Journal of World Business* 43: 385–99. [CrossRef]

Ahlstrom, David, Douglas. J. Cumming, and Silvio Vismara. 2018. New methods of entrepreneurial firm financing: Fintech, crowdfunding and corporate governance implications. *Corporate Governance: An International Review* 26: 310–13. [CrossRef]

Akcigit, Ufuk, and William R. Kerr. 2018. Growth through heterogeneous innovations. *Journal of Political Economy* 126: 1374–443. [CrossRef]

Alessandrini, Pietro, Andrea F. Presbitero, and Alberto Zazzaro. 2009. Bank size or distance: what hampers innovation adoption by SMEs? *Journal of Economic Geography* 10: 845–81. [CrossRef]

Amara, Nabil, Pablo D'Este, Réjean Landry, and David Doloreux. 2016. Impacts of obstacles on innovation patterns in KIBS firms. *Journal of Business Research* 69: 4065–073. [CrossRef]

Audretsch, David B., Max Keilbach, and Erik E. Lehmann. 2006. *Entrepreneurship and Economic Growth*. Oxford: Oxford University Press.

Banerjee, Abhijit, and Duflo Esther. 2011. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. New York: PublicAffairs.

Baten, Joerg. 2016. *A History of the Global Economy. From 1500 to the Present*. Cambridge: Cambridge University Press.

Baumol, William J. 1968. Entrepreneurship in economic theory. *The American Economic Review* 58: 64–71.

Baumol, William. 1990. Entrepreneurship: Productive, unproductive and destructive. *The Journal of Political Economy* 98: 893–21. [CrossRef]

Baumol, William J., Robert E. Litan, and Carl J. Schramm. 2007. *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity*. New Haven: Yale University Press.

Bender, Stefan, Nicholas Bloom, David Card, John Van Reenen, and Stefanie Wolter. 2018. Management practices, workforce selection, and productivity. *Journal of Labor Economics* 36: S371–S409. [CrossRef]

Bjørnskov, Christian, and Nicolai J. Foss. 2008. Economic freedom and entrepreneurial activity: Some cross-country evidence. *Public Choice* 134: 307–28. [CrossRef]

Bjørnskov, Christian, and Nicolai J. Foss. 2013. How strategic entrepreneurship and the institutional context drive economic growth. *Strategic Entrepreneurship Journal* 7: 50–69. [CrossRef]

Bloom, Nicholas, Erik Brynjolfsson, Lucia Foster, Ron S. Jarmin, Megha Patnaik, Itay Saporta-Eksten, and John Van Reenen. 2019. What drives differences in management practices? *American Economic Review* 109: 1648–83. [CrossRef]

Bruton, Garry D., David Ahlstrom, and Krzysztof Obloj. 2008. Entrepreneurship in emerging economies: Where are we today and where should the research go in the future? *Entrepreneurship Theory and Practice* 32: 1–14. [CrossRef]

Christensen, Clayton, and Michael Raynor. 2013. *The Innovator's Solution: Creating and Sustaining Successful Growth*. Boston: Harvard Business Review Press.

Christensen, Clayton M., Efosa Ojomo, and Karen Dillon. 2019. *The Prosperity Paradox: How Innovation Can Lift Nations Out of Poverty*. New York: Harper Business.

Crafts, Nicholas, Stephen J. Leybourne, and Terence C. Mills. 1990. Measurement of trend growth in European industrial output before 1914: Methodological issues and new estimates. *Explorations in Economic History* 27: 442–67. [CrossRef]

Crafts, Nicholas. 2004. Productivity growth in the industrial revolution: A new growth accounting perspective. *The Journal of Economic History* 64: 521–35. [CrossRef]

Cumming, Douglas J., and Armin Schwienbacher. 2018. Fintech venture capital. *Corporate Governance: An International Review* 26: 374–89. [CrossRef]

Cumming, Douglas J., Sofia Johan, and Anshum Pant. 2019. Regulation of the Crypto-Economy: Managing Risks, Challenges, and Regulatory Uncertainty. *Journal of Risk and Financial Management* 12: 126. [CrossRef]

Davies, Howard, and Paul Ellis. 2000. Porter's competitive advantage of nations: Time for the final judgement? *Journal of Management Studies* 37: 1189–214. [CrossRef]

De Soto, Hernando. 2000. *The Mystery of Capital Why Capitalism Succeeds in the West and Fails Everywhere Else*. New York: Basic Books.

Diamond, Jared M. 1997. *Guns, Germs, and Steel: The Fates of Human Societies*. New York: W.W. Norton.

Dunbar, Roger L., and David Ahlstrom. 1995. Seeking the institutional balance of power: Avoiding the power of a balanced view. *Academy of Management Review* 20: 171–92. [CrossRef]

Easterly, William, and Ross Levine. 2003. Tropics, germs, and crops: How endowments influence economic development. *Journal of Monetary Economics* 50: 3–39. [CrossRef]

Findlay, Ronald, and Kevin H. O'Rourke. 2009. *Power and Plenty: Trade, War, and the World Economy in the Second Millennium*. Princeton: Princeton University Press.

Fogel, Robert. 1964. *Railroads and American Economic Growth*. Baltimore: Johns Hopkins Press.

Frey, Carl Benedikt. 2019. *The Technology Trap: Capital, Labor, and Power in the Age of Automation*. Princeton: Princeton University Press.

Garud, Raghu, and David Ahlstrom. 1997. Technology assessment: A socio-cognitive perspective. *Journal of Engineering and Technology Management* 14: 25–48. [CrossRef]

Goldstone, Jack A. 2002. Efflorescences and economic growth in world history: Rethinking the "Rise of the West" and the Industrial Revolution. *Journal of World History* 13: 323–89. [CrossRef]

Goldstone, Jack. 2007. *Why Europe? The Rise of the West in World History 1500–1850*. New York: McGraw-Hill Education.

Harris, Marvin. 2001. *Cultural Materialism: The Struggle for a Science of Culture*, (Updated edition). Walnut Creek: Altamira Press.

Hitt, Michael A., David Ahlstrom, M. Tina Dacin, Edward Levitas, and Lilia Svobodina. 2004. The institutional effects on strategic alliance partner selection in transition economies: China vs. Russia. *Organization Science* 15: 173–85. [CrossRef]

Holcombe, Randall G. 1998. Entrepreneurship and economic growth. *The Quarterly Journal of Austrian Economics* 1: 45–62. [CrossRef]

Huang, Liang-Chih, David Ahlstrom, Amber Yun-Ping Lee, Shu-Yuan Chen, and Meng-Jung Hsieh. 2016. High performance work systems, employee well-being, and job involvement: An empirical study. *Personnel Review* 45: 296–314. [CrossRef]

Jones, Charles I., and Paul M. Romer. 2010. The new Kaldor facts: Ideas, institutions, population, and human capital. *American Economic Journal: Macroeconomics* 2: 224–45. [CrossRef]

Kaldor, Nicholas. 1957. A model of economic growth. *Economic Journal* 67: 591–624. [CrossRef]

Khan, Najib Ullah, Shuangjie Li, Muhammad Nabeel Safdar, and Zia Ullah Khan. 2019. The role of entrepreneurial strategy, network ties, human and financial capital in new venture performance. *Journal of Risk and Financial Management* 12: 41. [CrossRef]

Kirzner, Israel M. 1997. Entrepreneurial discovery and the competitive market process: An Austrian approach. *Journal of Economic Literature* 35: 60–85.

Klein, Peter G. 2008. Opportunity discovery, entrepreneurial action, and economic organization. *Strategic Entrepreneurship Journal* 2: 175–90. [CrossRef]

Landes, David S. 1998. *The Wealth and Poverty of Nations*. New York: WW Norton and Co.

Landes, David S., Joel Mokyr, and William J. Baumol, eds. 2012. *The Invention of Enterprise: Entrepreneurship from Ancient Mesopotamia to Modern Times*. Princeton: Princeton University Press.

Landström, Hans, and Franz T. Lohrke, eds. 2010. *The Historical Foundations of Entrepreneurial Research*. Cheltenham: Edward Elgar.

Levasseur, Ludvig, Jintong Tang, and Masoud Karami. 2019. Insomnia: An Important Antecedent Impacting Entrepreneurs' Health. *Journal of Risk and Financial Management* 12: 44. [CrossRef]

List, Friedrich. 1841. *The National System of Political Economy: All Four Books and the Appendices in a Single Volume Paperback*. Translated by Stephen Lloyd. New York: Pantianos Classics.

Maddison, Angus. 2007. *Contours of the World Economy 1–2030 AD: Essays in Macro-Economic History*. Oxford: Oxford University Press.

McCloskey, Donald N. 1970. Did Victorian Britain Fail? *Economic History Review* 23: 446–59. [CrossRef]

McCloskey, Deirdre N. 2006. *The Bourgeois Virtues: Ethics for an Age of Commerce*. Chicago: University of Chicago Press.

McCloskey, Deirdre N. 2010. *Bourgeois Dignity: Why Economics Can't Explain the Modern World*. Chicago: University of Chicago Press.

McCloskey, Deirdre N. 2013. Tunzelmann, Schumpeter, and the hockey stick. *Research Policy* 42: 1706–15. [CrossRef]

McCloskey, Deirdre N. 2016. The Great Enrichment: A humanistic and social scientific account. *Social Science History* 40: 583–98. [CrossRef]

McCloskey, Deirdre N. 2017. *Bourgeois Equality: How Ideas, Not Capital or Institutions, Enriched the World*. Chicago: University of Chicago Press.

McCloskey, Deirdre N. 2019. *Why Liberalism Works: How True Liberal Values Produce a Freer, More Equal, Prosperous World for All*. New Haven: Yale University.

McGuinness, Paul B. 2019. The Role of Governance and Bank Funding in the Determination of Cornerstone Allocations in Chinese Equity Offers. *Journal of Risk and Financial Management* 12: 114. [CrossRef]

Miniter, Brendan, ed. 2012. *The 4% solution: Unleashing the Economic Growth America Needs*. New York: Crown Business.

Mokyr, Joel. 1992. *The Lever of Riches: Technological Creativity and Economic Progress*. Oxford: Oxford University Press.

Mokyr, Joel. 2010. *The Enlightened Economy an Economic History of Britain 1700–1850*. New Haven: Yale University Press.

Mokyr, Joel. 2016. *A Culture of Growth: The Origins of the Modern Economy*. Princeton: Princeton University Press.

Nair, Anil, and David Ahlstrom. 2008. Balancing Hamiltonian and Jeffersonian contradictions within organizations. *Journal of Management Inquiry* 17: 306–17. [CrossRef]

Newman, Alexander, Susan Schwarz, and David Ahlstrom. 2017. Microfinance and entrepreneurship: An introduction. *International Small Business Journal* 35: 787–92. [CrossRef]

Nordhaus, William D. 1997. Do real output and real wage measures capture reality? The history of light suggests not. In *The Economics of New Goods*. Edited by Robert J. Gordon and Timothy F. Bresnahan. Chicago: University of Chicago Press, pp. 29–70.

Nordhaus, William. 2019. Climate change: The ultimate challenge for Economics. *American Economic Review* 109: 1991–2014. [CrossRef]

North, Douglass C., John Joseph Wallis, and Barry R. Weingast. 2009. *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*. Cambridge: Cambridge University Press.

Ogilvie, Sheilagh. 2019. *The European Guilds: An Economic Analysis*. Princeton: Princeton University Press.

Oxfeld, Ellen. 1992. Individualism, holism, and the market mentality: Notes on the recollections of a Chinese entrepreneur. *Cultural Anthropology* 7: 267–300. [CrossRef]

Parente, Stephen, and Edward Prescott. 2005. A unified theory of the evolution of international income levels. In *Handbook of Economic Growth*. Edited by Philippe Aghion and Steven Durlauf. Amsterdam: North Holland, vol. 1, pp. 1371–416.

Peng, Mike W., David Ahlstrom, Shawn M. Carraher, and Weilei Stone Shi. 2017. An institution-based view of global IPR History. *Journal of International Business Studies* 48: 893–907. [CrossRef]

Peskin, Lawrence A. 2002. How the Republicans learned to love manufacturing: The first parties and the 'New Economy'. *Journal of the Early Republic* 22: 235–62. [CrossRef]

Peskin, Lawrence A. 2004. *Manufacturing Revolution: The Intellectual Origins of Early American Industry*. Balitimore: Johns Hopkins University Press.

Phelps, Edmund S. 2013. *Mass Flourishing: How Grassroots Innovation Created Jobs, Challenge, and Change*. Princeton: Princeton University Press.

Piketty, Thomas. 2014. *Capital in the Twenty First Century*. Cambridge: Belknap Press.

Porter, Michael E. 1998. Clusters and the new economics of competition. *Harvard Business Review* 76: 77–90.

Prahalad, Coimbatore Krishnarao. 2004. *The Fortune at the Bottom of the Pyramid*. Philadelphia: Wharton School Press.

Rodrik, Dani, ed. 2003. *In Search of Prosperity: Analytic Narratives on Economic Growth*. Princeton: Princeton University Press.

Rodrik, Dani, Arvind Subramanian, and Francesco Trebbi. 2004. Institutions rule: The primacy of institutions over geography and integration in economic development. *Journal of Economic Growth* 9: 131–65. [CrossRef]

Romer, Paul M. 1990. Capital, labor, and productivity. *Brookings Papers on Economic Activity. Microeconomics* 1990: 337–67. [CrossRef]

Rosling, Hans, Anna Rosling Rönnlund, and Ola Rosling. 2018. *Factfulness: Ten Reasons We're Wrong about the World—and Why Things are Better than You Think*. New York: Flatiron Books.

Sachs, Jeffrey D. 2003. *Institutions Don't Rule: Direct Effects of Geography on Per Capita Income*. No. w9490. Washington: National Bureau of Economic Research.

Saxenian, Annalee. 1996. *Regional Advantage*. Cambridge: Harvard University Press.

Schumpeter, Joseph A. 1912. *The Theory of Economic Development*. Trans. 1934. Cambridge: Harvard University Press.

Sharma, C. K. 2017. Poverty eradication. *Global Journal of Transformation in Law, Human Rights and Social Justice [ISSN: 2581–4001 (online)]* 1: 3–5.

Si, Steven, David Ahlstrom, Jiang Wei, and John Cullen. 2019. Business, entrepreneurship and innovation toward poverty reduction. *Entrepreneurship and Regional Development*. [CrossRef]

Smith, Adam. 1776. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Chicago: University of Chicago Press.

Spence, Michael. 1973. Job market signaling. *Quarterly Journal of Economics* 87: 355–74. [CrossRef]

Thornton, Patricia H. 1999. The sociology of entrepreneurship. *Annual Review of Sociology* 25: 19–46. [CrossRef]

Tomizawa, Aki, Li Zhao, Geneviève Bassellier, and David Ahlstrom. 2019. Economic growth, innovation, institutions, and the Great Enrichment. *Asia Pacific Journal of Management*. [CrossRef]

Urbano, David, Sebastian Aparicio, and David Audretsch. 2019. Twenty-five years of research on institutions, entrepreneurship, and economic growth: What has been learned? *Small Business Economics* 53: 21–49. [CrossRef]

Wang, Linda C., David Ahlstrom, Anil Nair, and Rachel Z. Hang. 2008. Creating globally competitive and innovative products: China's next Olympic challenge. *SAM Advanced Management Journal* 73: 4–16.

Weber, Max. 2002. *The Protestant Ethic and the Spirit of Capitalism*. Translated by Peter Baehr, and Gordon C. Wells. New York: Penguin Books.

Young, Michael N., Mike W. Peng, David Ahlstrom, Garry D. Bruton, and Yi Jiang. 2008. Corporate governance in emerging economies: A review of the principal–principal perspective. *Journal of Management Studies* 45: 196–220. [CrossRef]

Young, Michael N., Terence Tsai, Terence Wang, Shubo Liu, and David Ahlstrom. 2014. Strategy in emerging economies and the theory of the firm. *Asia Pacific Journal of Management* 31: 331–54. [CrossRef]

Zhu, Yanmei, Xinhua Wittmann, and Mike W. Peng. 2012. Institution-based barriers to innovation in SMEs in China. *Asia Pacific Journal of Management* 29: 1131–42. [CrossRef]