The Effect of the Formal Institutional Environment on Entrepreneurial Intentions: The Case of Emerging Markets

Abdul Kader Jamali

Submitted to the
Institute of Graduate Studies and Research
in partial fulfillment of the requirements for the degree of

Master
of
Business Administration

Eastern Mediterranean University
August 2019
Gazimağusa, North Cyprus

Approval of the Institute of Graduate Studies and Research

Prof. Dr. Ali Hakan Ulusoy
Acting Director

I certify that this thesis satisfies all the requirements as a thesis for the degree of Master of Business Administration.

Assoc. Prof. Dr. Melek Şule Aker
Chair, Department of Business Administration

We certify that we have read this thesis and that in our opinion it is fully adequate in scope and quality as a thesis for the degree of Master of Business Administration.

Prof. Dr. Turhan Çetin Kaymak
Supervisor

Examining Committee

1. Prof. Dr. Turhan Çetin Kaymak

2. Prof. Dr. Seldjan Timur

3. Asst. Prof. Dr. Tahir Yeşilada

ABSTRACT

Entrepreneurial Intentions (EI) form the basis of entrepreneurial behavior. Consequently, and in order to raise entrepreneurship levels in any environment, the desirability to launch start-ups must be stimulated. This thesis aims at investigating the effect of the formal institutional environment on entrepreneurial intentions (EI) in the context of emerging countries, using a panel data structure observation of 25 emerging economies classified by the MSCI and the IMF over the timeframe of five years from 2014 until 2018. One dependent variable (EI), six formal institutional explanatory variables and two macro-economic control variables were included in the study. Data analyses were carried out on Stata software, and the results revealed that three factors significantly influenced entrepreneurial intentions (EI) in the selected developing countries. Financing for Entrepreneurs and Governmental Policies and Support had a significant positive impact on EI, while Starting a Business had a significant negative impact on EI. Discussion of the results and the limitations of the study are included.

Keywords: Entrepreneurship, Entrepreneurial Intentions, Formal Institutions, Emerging Markets

ÖZ

Girişimcilik niyetleri, girişimcilik davranışının temelini oluşturur. Sonuç olarak, ve herhangi bir ortamda girişimcilik seviyesini desteklemek için, işe başlamaların istenebilirliği teşvik edilmelidir. Bu tez, MSCI ve IMF tarafından sınıflandırılan 25 ülkeden 2014'e 2018'e kadar olan beş yıllık süre zarfında panel veri yapısı gözlemi kullanılarak, resmi bir kurumsal ortamın, girişimci niyetler üzerindeki gelişmekte olan ekonomi bağlamındaki etkisini araştırmayı amaçlamaktadır. Çalışmaya kurumsal faktörler ve iki açıklayıcı faktör dahil edildi, Stata yazılımı üzerinde veri analizleri yapıldı ve Rastgele Etki Regresyon analizlere göre Girişimciler ve Devlet Destek ve Politikaları için Finansmanın seçilen ülkelerde Girişimci Amaçlar üzerinde önemli bir olumlu etkisi olduğunu ortaya koydu. Sonuçların değerlendirilmesi ve çalışmanın zayıf yönleri de tartışılmıştır.

Anahtar Kelimeler: Girişimcilik, Girişimcilik Amaçları, resmi kurumlar, gelişmekte olan piyasalar

"Sonl pursue your education…"

My father's last three words during a phone call upon his kidnapping on the 14th of March 2013 in Syria.

Today… seven years later from the tragic incident… his wish! and my dream! are to be finally fulfilled.

Wherever you are, I shall honor your name!

Dedicated to the person who trusted me the most.
To the person who believed in me.
To my always remembered father…

Mohamed Jalal Jamali

1951 – Missing

ACKNOWLEDGMENT

I would like to express my deepest gratitude to Professor Dr. Turhan Çetin Kaymak for his patience and tolerance towards me, for guiding me through every stage of this thesis, for answering all my questions on the spot, and for his quick and valuable replies to my emails. He was clear and direct with me, and he helped me to improve the quality of my paper, and to better understand the process of academic writing. Thank you from the bottom of my heart.

I would like to acknowledge the members of my graduate committee for their advice and guidance, most especially Prof. Dr. Seldjan Timur, and Asst. Prof. Dr. Tahir Yeşilada. Their contributions were very helpful and valuable.

Also, I would like to thank all the assistants in my department for being constructive and professional, all the staff members for being friendly and helpful, and all of my friends for supporting me to reach my goal.

It is a pleasure to pay tribute to the to the staff of the institute of graduate research and studies for helping me change my format to be suitable and in compliance with the thesis writing standards.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS

EI	Entrepreneurial Intentions
FI	Formal Institutions
GDP	Gross Domestic Product
IMF	International Monetary Funds
MSCI	Morgan Stanley Capital International
TEA	Total Early Stage Entrepreneurial Activity
WBD	World Bank Group

Chapter 1

INTRODUCTION

1.1 Entrepreneurship and Entrepreneurial Intentions

Entrepreneurship plays a key role in the development of individuals, societies, and economies. It generates growth in the economy beside many other non-financial benefits such as : higher market share, superiority over competitors, and promoted living standards (Alvarez, et al., 2011; Luke, Verreynne, & Kearins, 2007). Thus, it has received ample importance and attention from policy makers and researchers (Acs, 2006; Wennekers, 2005; Minniti, 2008). Some of the benefits of entrepreneurship include, but not limited to: higher growth rates of productivity, more job opportunities, and more innovative products and services (Praag & Versloot, 2008). In addition, entrepreneurship brings about psychological satisfaction to the entrepreneurs (Benz, 2009).

Entrepreneurship is defined in several studies as follows “seizing an opportunity regardless of available resources” (Stevenson & Jarillo, 1986, pp. 10-23); a process in which one contemplates and reacts to seize the available opportunities (Timmons, 1999). Also, entrepreneurship is a process of creating and of realizing values for entrepreneurs (Morris & Jones, 1999).

When a person has the desire to launch a start-up and take the risks associated with the process, then this person has a high entrepreneurial intention (Park, 2017).

Entrepreneurial intentions (EI) has been defined by several researchers: “a state of mind in which people prefer to build, create or willing to deliver value to the society or organization” (Wu & Wu, 2012, pp. 752-774). It also refers to the intention of starting or creation of the company (Audet., 2001). Moreover, many countries try to facilitate and provide the environment for advancing and growing entrepreneurial ideas and intentions among their citizens by creating a better infrastructure and a more supportive systems (Baumol, 1990). Having high levels of EI would stimulate the entrepreneurship and yield all the benefits that it brings (Alvarez et al., 2011). In addition, EI provides insights into the processes of launching firms (Devonish, et al., 2010). Consequently, policy makers and researchers seek to determine the elements that affect the desire to start a business venture, and the associated decision-making process of potential entrepreneurs (Linan, Rodriguez, & Rueda, 2005). Several studies were conducted to highlight the determinants and factors that influence the EI at a cross-country level (Sanchez, 2018; Begley, Tan, & Schoch, 2005).

1.2 Entrepreneurial Intentions and Institutions

North (1991) defines institutions as “humanly devised constraints that structure political, economic and social interaction” (pp. 97-112). Institutions have different classifications: formal (political and economic) and informal (norms, values and traditions), and the institutional environment differs across societies and nations (Salimath & Cullen, 2010; Li , 2017). Moreover, economic behavior of a nation is influenced by institutions (Aidis, Estron, & Tomasz, 2008). Institutions are major drivers affecting EI, and previous studies have uncovered the influences of formal and informal institutions on entrepreneurship and on EI (Ahlstrom & Bruton, 2006; Manolova et al., 2008; Sanchez, 2018; Urban, 2013). And it is evident that the institutional landscape in terms of entrepreneurial activity does face not only formal,

but also informal dimensions and potential relations between them (Peng & Pinkham, 2009).

Furthermore, previous literature has shown how formal institutional factors (FI) affect the entrepreneurial activity and EI (Fuentelsaz et al., 2015; Begley, Tan, & Schoch, 2005; Li , 2017; Salimath & Cullen, 2010; Engle, Dimitriadi, & Schlaegel, 2011). These factors include financial constraints, government policies and incentives, regulations, security etc. Meanwhile, informal institutional factors also influence the decision-making process of individuals and companies through norms, culture, abilities and knowledge required for the creation of a new company (Alvarez et al., 2011). Informal institutional factors also operate at a deeper level as compared to other formal institutional ones (North, 1990).

Informal institutional factors also set the conditions for the FI as described in the model of Williamson (2000). Also, Li and Zahra (2012) state that differences in venture capital are dependent on the formal institutions and on culture. Estrin, Korosteleva, & Mickiewicz (2013a), explain in their paper that FI determinants such as corruption, government activity and weaker property rights significantly constrain the entrepreneurial growth potential.

Formal institutions affect the EI as observed in different literature studies, and significantly affect the economic development as explained by North (1990). Consequently, the current study will be cross-national, covering 25 emerging nations listed by Morgan Stanley Capital International (MSCI) and International Monetary Fund (IMF), and will analyze the effect of the formal institutional factors on EI in developing economies context. The factors included in the study will be

entrepreneurial intentions (EI) as a dependent variable, and starting a business, corruption control, governmental support and policies, financing for entrepreneurs, physical infrastructure and commercial infrastructure as independent variables. In addition, two control variables will be considered: real GDP growth rate and unemployment rate of total labor force. The data will be gathered from the Global Entrepreneurship Monitor (GEM), The World Bank Group (WBG), Transparency International and International Monetary Fund (IMF) observations range from 2014 until 2018.

This research work will comprise of five chapters. Chapter I introduces the topic to be followed by literature review in chapter II. Chapter III presents the research question, the data sources, and the research methodology. Findings and results will be evaluated in chapter IV followed by interpretation of the results. Discussion, implications, and limitations will be the final chapter V.

Chapter 2

LITERATURE REVIEW

2.1 Entrepreneurial Intentions and Formal Institutions

Intentions to launch a business, play a pivotal role in the creation of a venture as indicated by several researchers (Bird, 1988; Boyd, 1994; Gist, 1992; Krueger & Carsrud, 1993). Consequently, and to better understand these intentions, and explain which factors drive people to establish start-up companies, scholars and policy makers have used Shapero's model of Entrepreneurial Event (SEE), (Shapero, 1982) and Theory of Planned Behavior (TPB), (Ajzen, 1991). The SEE model by Shapero, suggests that intentions tend to be derived from personal perception and external environmental factors which compel the entrepreneur to act upon opportunities. On the other hand, the TPB model has also been used by researchers in order to investigate the EI in several scenarios and country settings (Guerrero, 2006; Kolvereid, 1996; Linan, Urbano, & Guerrero, 2011; Mboko, 2011; Tkachey, 1999). Since these models were developed, research into EI and its determinants has been expanding, and the primary objective for entrepreneurship scholars was to investigate the contribution of different factors to entrepreneurial intentions (Teriesen, Hessels, & Li, 2013).

Formal institutions, also called the regulatory environment (Busenitz, Gomez, & Spencer, 2000), directly affect the new venture formation rates and growth in the economy (Hwang & Powell, 2005). Similarly, start-up businesses can flourish or be severely damaged by the formal institutional environment. (Aldrich & Wiedenmayer,

1993). Moreover, the relationship between the institutional environment and entrepreneurship development has been elaborated in the studies of Douglass North and William Baumol (North, 1991; Baumol, 1990). In addition, previous research highlighted the role of institutions in developing, nurturing, and promoting the potential for new ventures at the state level (Aidis, Estron, & Tomasz, 2008; Acs, 2006). Furthermore, Shane (2004) discussed the influences of formal institutions on the levels and types of entrepreneurship in a country along with the public perception, intentions, recognized opportunities and intensity to start a new venture. Baumol (1990) demonstrates the entrepreneurs' response to formal institutional structures and incentives, and Shane, Locke & Collins (2003) state that institutional factors provide the leverage for entrepreneurs to promote socially productive entrepreneurial activities. Moreover, research indicates that an appropriate institutional environment has an effect on the individuals' tendency to establish a firm , find opportunities, introduce innovative services and concepts and generate employment (Verheul et al., 2002; El-Namaki, 1988; Baumol, 2002).

Many researchers have investigated the relationship between entrepreneurship and formal institutions, and include : governance factor (Dau & Cuervo-Cazurra, 2014), economic freedom (McMullen, Bagby, & Palich, 2008), property rights and financial capital (Bowen, 2008), governmental regulation (Klapper & Laeven, 2006), and corruption (Anokhin & Schulze, 2009). In addition, McMullen, Bagby, & Palich (2008), highlighted the effect of institutions on opportunity and necessity entrepreneurship.

Formal institutional factors also affect the nature of political responses, and help in reducing uncertainty, and provide basic infrastructure to facilitate the process of

obtaining funds to start a business (Busenitz, Gomez, & Spencer, 2000; Holmes & Miller, 2013). Further research into entrepreneurial intentions and formal institutions include studying environmental influences like industry opportunities (Morris & Lewis, 1995) and environmental support, and Political, financial and infrastructure support (Luthje, 2003). Also, Welter & Smallbone (2011) have discussed the socio-cultural and political environment that mobilize the influences upon the entrepreneurial intentions and activities. Likewise, the type of economic system influences the entrepreneurial activities on daily basis as seen in the research of Audretsch, Werner, & Tamyada (2007); Cuervo (2005). This thesis will build on and contribute to the ongoing research seeking links between entrepreneurship and institutions by (Busenitz et al., 2000) Gomez, & Spencer, 2000), and more specifically in the emerging markets environment by (Manolova et al., 2008), while focusing on the formal institutional aspect which will help decision makers of the developing markets to identify and resolve the institutional hurdles and push forward the entrepreneurship levels in their countries, as economists have argued that entrepreneurial behavior is motivated by institutional development (Stiglitz, 2006; Luiz, 2008). In brief, formal institutions do affect entrepreneurial intentions, yet this effect differs from one context to another.

2.1.1 Starting a Business

The World Bank defines starting a business as " The procedures, time, cost and paid-in minimum capital to start a limited liability company for men and women" (World Bank Group, 2019, p. 23) Many researchers and scholars maintain the point that too many rules and regulations put entrepreneurs off when it comes to establishing a business (Alvarez et al., 2011; Begley, Tan, & Schoch, 2005; Van Stel, Storey, & Thurik, 2007). Further, (Djankoy et al., 2002; Van Stel, Storey, & Thurik, 2007) find

that long procedures have negative impact on start-up companies while suggesting new elements to take into consideration for better entrepreneurial policies around the world. Consequently, the World Bank's "Doing Business" project (World Bank Group, 2019) advocates for the streamlining of governmental procedures and the removal of obstacles to stimulate the formation of new businesses. In addition, (Alvarez et al., 2011) explain that simplifying the procedures of creating a new firm was a common reform applied in 49 countries during the two years period of 2007 and 2008.

Furthermore, a model developed by (Shapero, 1982) titled "Entrepreneurial event formation" explains that entrepreneurs are driven by the surrounding circumstances (displacing events). This displacement can be positive or negative. For example, the negative form are the governmental obstacles on creating a business, and the positive form could be low costs associated with establishing a start-up company.

Moreover, the effects of institutional factors on the launching of new ventures have different outcomes in different countries, and the procedures and requirements to create a business vary from a country to another. For example, the World Bank states that it takes 152 days to start a business in Brazil, on the other hand it just takes two days to start in Australia (World Bank Group, 2019). Thus, it is evident from research that regulatory procedures create a burden on the entrepreneurial activity (Klapper & Laeven, 2006).

The intention to venture a new business depends upon individuals' perception and feasibility, financial support, property rights, etc. And research argues that formal institutional damage the business freedom or feasibility (Levie & Autio, 2008; Spencer & Gomez, 2004) which effects entrepreneurial intention in a negative way.

In addition, (Grilo, 2005) explains that the perception of entrepreneurs regarding the administrative or regulatory complexity lessens the chance for them to embark on a business activity. Similarly, Klapper & Laeven (2006) suggest that stricter regulatory or administrative (formal institutional factors) requirements form an obstacle for entrepreneurs to enter into market through starting a business. Thus, it is clear that less procedures and costs of starting a company have positive influence on entrepreneur's motivation to launch a venture.

2.1.2 The Role of Corruption in Society

It is also evident from various comparative studies on a cross-country level, that there is a relationship between entrepreneurial activity and government control over corruption (Aidis, Estron, & Tomasz, 2008). Corruption level is the second formal institutional factor considered in this research, Rodriguez et al. (2006) define corruption as "the use of public office or authority for personal benefit".

Further, Djankoy et al. (2002) and Douhan & Henrekson (2010) reflect upon the regulatory environment of inefficient institutions. Meon & Sekkat (2005) state that the level of corruption shape the way how individuals' perceive the government's control over its institutions. Also, Dreher & Gassehner (2013) discovered that corruption creates hurdles for entrepreneur's entry. In addition, high levels of corruption in several countries may adversely affect entrepreneurial activity (Akimova, 2002).

In Latin American countries, Alvarez, Urbano, & Coduras (2011) find that corruption control has a positive impact on entrepreneurship, but a lower impact than that of developed countries, and the research argues that a high level of unofficial economy and corruption would create extra costs and inefficient market conditions for entrepreneurs. Corruption is among several kinds of barriers that affect the business

operations and new business ventures in a negative way (Bohata & Mladek, 1999). And countries such as Poland, Slovakia and Romania have high level of bureaucratic corruption which eventually discourages the entrepreneurial activity due to high obstacles to enter (Johnson, McMilan., & Woodruff, 2000b). Moreover, it has been demonstrated through many studies that control over corruption has a positive impact on the entrepreneur's intentions as it increases trust in institutions and markets which brings innovation (Anokhin & Schulze, 2009). Entrepreneurs are not only negatively affected by corruption, but also by the hurdles that the corrupted environment creates on both the perceived opportunities and the desirability to enter into another market (Turton & Herrington, 2013). In summary, high levels of corruption have a negative impact on entrepreneurship and entrepreneurial intentions.

2.1.3 Government Policies and Incentives

Entrepreneurship support policies by governments are the plans and the arrangements set to promote the entrepreneurial performance and decisions (Klapper, Amit, & Guillen, 2010; Audretsch & Thurik, 2007). Entrepreneurs need resources to start a new venture, and to promote entrepreneurship governments need to enact favorable policies and incentives that would encourage entrepreneurs to start a business (Pals, 2006).

Furthermore, scholars find it is evident in developing countries like China, Brazil, Saudi Arabia, Malaysia and Nigeria, that governments have invested much into their local markets to improve the entrepreneurial intentions and perception of entrepreneurs regarding the applied policies and regulations according to Infedov (Placeholder1) and Oni & Daniya (2012). As the Chinese government made much effort to implement policies and incentives that would uplift the trendy technology businesses (Cullen, 2014). Similarly, entrepreneurship in Brazil has increased due to

the policies and incentives of the government towards the low-tech businesses (Etzkowitz, 2002). Government policies and incentives as a formal institutional factor do affect the entrepreneurial activity (Ihugba, 2014). Researchers and scholars have conducted several studies regarding the role of government incentives and policies and their effect on entrepreneurship development (Friedman, 2011; Ihugba, 2014; Mason, 2011; Greene, 2012).

Government policies are the essential ingredient to promote entrepreneurship in the country as well as the entrepreneurial activity and intentions. Audretsch, Werner, & Tamyada, (2007) shed light on the governments responsive attitude to promote entrepreneurship, as well as discussing that the government incentives and policies such as taxation, and physical and services infrastructure have an effect on entrepreneurship.

Taxation is one of the most important aspects of governmental policies, and it is evident from research that tax policies influence entrepreneurial activity (Haan & Sturm, 2000; Bearse, 1982; Holt, 1987; Staber, 1989) Also, Keuschnigg & Nielsen (2004) find that entrepreneurship is affected by progressive tax policies of the government. For example, in Nigeria, businesses in the agricultural sector, and for the first five years of their launch are not obliged to pay any taxes (Ngerebo & Masa, 2012).

In addition, Braunerhielm & Eklund (2014) and Djankov, Ganser, Mcliesh, Ramalho, & Shleifer (2010) consider the relationship between tax policies, regulations, compliance, government support and entrepreneurial entry. Djankov et al. (2010)

study is comprised of 85 countries, and they find that there is a relation between corporate tax laws and entrepreneurial activity.

Entrepreneurial intention and its relation with governmental policies seems to be fundamental as Djankoy et al. (2002) suggest that governmental regulations and policies of more procedures and longer delays, make it difficult for entrepreneurs to enter into market. Government support regarding the entry regulations also influence the entrepreneurs' perception and intentions, some government policies and regulations stimulate the overall entrepreneurial activity, and other regulations target only certain sectors of the economy. Consequently, government support by subsidizing few sectors encourage entrepreneurs to move and start business in a specific field (Akinyemi & Adejumo, 2018).

Ács, Szerb, & Lloyd (2018), in a report for the Global Entrepreneurship and Development Institute (GEDI), state that the United States of America is the leading country in supporting new businesses across all stages of firm development. Other aspects of government policies such as trade regulations invariably impact entrepreneurial activities (Aliyu, 2010; Ezedinma, 2008; Bhala, 2001). Also, policies such as licensing procedures and support with financial resources would also improve the entrepreneurial performance and entrepreneurs' perception and intentions to launch a venture (Bowale & Akinlu, 2012; Abereijo et al., 2009). In conclusion, the better the policies and the incentives provided by governments, the higher the levels of entrepreneurship and entrepreneurial intentions.

2.1.4 Commercial and Professional Infrastructure

The Commercial and Professional Infrastructure is a measure for the availability of experts that assist entrepreneurs in running their start-ups (Bosma & Kelley, 2019).

For example: when accounting, consulting and legal services firms are accessible this represents a good infrastructure. However, when these services are hardly reachable and expensive then the infrastructure is inadequate for entrepreneurs. Ahmad and Xavier (2012) indicated that services access is an important determinant of entrepreneurship in an emerging context. In addition, support services effect on desirability of starting a business has been investigated in both developed and emerging contexts (Begley, Tan, & Schoch, 2005). Moreover, support services were among the contextual factors that stimulate entrepreneurship in a research by Bruno & Tyebjee (1982). Similar studies on the determinants of Total Early Stage Entrepreneurial Activity (TEA), included commercial infrastructure factor (Li, 2017).

2.1.5 Physical and Service Infrastructure

Physical infrastructure is a term used to describe the public service systems that promote and simplify the business procedures, this includes transportation services such as : highways and railways, knowledge infrastructure such as: universities and research centers, communication infrastructure such as: internet and phone network, as well as: airports, ports, buildings and lands. (Bosma & Kelley, 2019; Audretsch, Heger, & Veith, 2015). Begley, Tan, & Schoch (2005) found through regression analysis, that physical infrastructure did not relate to feasibility and desirability aspects of the entrepreneurial process in an emerging market context. However, they uncovered that in Anglo-Saxon developed environment support services was related to feasibility of launching a business venture. Other researchers reported contradictory findings, they indicated that physical infrastructure influence entrepreneurial activity in both developing and developed markets (Li , 2017). Moreover, Ahmad & Xavier, (2012) investigated physical infrastructure as a significant factor affecting entrepreneurship in an emerging country (Malaysia).

2.1.6 Financing for Entrepreneurs

Financing for entrepreneurs is a formal institution discussed by Gnyawali & Fogel (1994) that plays major role in driving the entrepreneurial intentions and the potential for new ventures. Lack of financing is an obstacle for creating new firms (Auken, 2010). In addition, without financial support, entrepreneurial ideas won't be perused (Auken, 2010). The promotion of entrepreneurship can be achieved through governmental policies that focus on lowering the capital requirements for start-ups and increasing the access to bank credit, (Alvarez, et al., 2011; Gnyawali & Fogel, 1994). Marlow & Patton (2005) also suggest that an equal distribution of financial capital across genders is essential to promote the entrepreneuial behavior for all individuals.

Furthermore, financing difficulties faced by entrepreneurs have an influence on the entrepreneurial process and start-ups. Financial constraints limit the investments in start-ups (Beck, 2005). Lack of finance puts major constraints on the entrepreneurial start-ups (Pretorius & Shaw, 2004; Atieno, 2009; World Economic Forum, 2013).

Moreover, the absence of financial resources have been found to push entrepreneurial ventures to fail in South Africa (Pretorius & Shaw, 2004). Blanchflower & Oswald (1998) state that entrepreneurs require financial support to start a business and grow their firms. Scholars also indicate that financing intermediaries tend not to provide financial support to entrepreneurs in many developing countries due to the risk of investment (Leibenstein, 1968; Berger & Udell, 1998).

Furthermore, the absence of financial support has a negative impact on entrepreneurial activities (Beck, 2005). Similarly, the World Economic Forum (2013) explains that

credit access is an obstacle that hinders entrepreneurs to start a business. Overall, lack of financing negatively influence entrepreneurship and entrepreneurial intentions.

2.2 Emerging Economies Characteristics

This thesis will analyze data from 25 emerging markets included in the MSCI market classification (Morgan Stanley Capital International, 2018) and the IMF World Economic Outlook dataset emerging markets and developing economies list (International Monetary Fund, 2019). The MSCI (2018) market classification framework is based on several factors such as: economic development, size and liquidity requirements, and market accessibility criteria. Subsequently, nations are classified into 4 categories and include a list for emerging economies. In addition, the IMF identifies 155 countries as emerging market. An emerging market, also known as a developing market, is a country seeking to advance its production capacity by developing new economic activities alongside the ones in the traditional primary sector (Amadeo, 2019). These markets have several characteristics that distinguish them and poses both challenges and opportunities for the advancement of such economies. Heakal (2017) and Amadeo (2019) discuss the nature of the developing markets, and find that one characteristic is high growth rates due to increased investments and economic reform programs to turn them into open market economies. Another aspect of emerging economies is its low to middle per capita income. In addition, these countries experience fluctuations in exchange rates and commodities prices. Moreover, a dynamic political and economic environment, risky and highly yielding investments, immature capital markets are all aspects of emerging economies.

Emerging economies have attracted considerable attention from business scholars for many reasons. According to Strauss (2018) there are many reasons why emerging

economies are so important for both researches and investors. One major reason is these markets' rapid evolution and high growth relative to the developed markets.

The institutional environments in the developing markets are idiosyncratic (Manolova, Tatiana, Eunni, & Gyoshev, 2008; Urban, 2013), and most of these economies lack stability in the contextual factors influencing business ventures creation (Ahlstrom & Bruton, 2006). In addition, these countries have volatile political and economic conditions (Hoskisson, Eden, Lau, & Wright, 2000). Consequently, entrepreneurs in these countries try to compensate for the inadequate institutional environment by relaying on other factors such as networks (Kantis, Ishida , & Komori, 2002; Ahlstrom & Bruton, 2006) and informal mechanisms (Estrin & Prevezer, 2010). Therefore, and based on a literature review, it can be concluded that the formal institutional environment in emerging markets is challenging and presents risks for potential entrepreneurs.

Chapter 3

RESEARCH QUESTION, METHODOLOGY AND DATA SOURCES

3.1 The Research Question

Based on the literature review it is evident that there are two main characteristics of the formal institutional environment in the emerging markets. First, there are low levels of political and economic stability and weak regulatory grounds for entrepreneurs (Hoskisson et al., 2000; Ahlstrom & Bruton, 2006). Second, and as a result of such instability, entrepreneurs in the developing economies are being motivated by factors that circumvent these discouraging formal conditions (Estrin & Prevezer, 2010; Kantis & Komori, 2002). In addition, almost all the international studies cited in this thesis have recommended policy makers in the emerging markets to take effective actions that will generate more stability, less risk, and more favorable environment for entrepreneurs and investors (World Bank Group, 2019; Bosma & Kelley, 2019). Consequently, this thesis attempts to uncover to *what extent do the formal institutional factors influence entrepreneurial intentions in emerging economies.*

3.2 Overview of the study

This thesis will investigate nine variables classified into three groups: one dependent variable, six independent variables, and two control variables. Data for 25 countries were obtained from four different online sources for the years 2014-2018.

Table 1: List of countries included in the study

1.China	2.Colombia	3.Croatia
4.Egypt	5.Hungary	6.India
7.Indonesia	8.Korea	9.Malaysia
10.Mexico	11.Morocco	12.Peru
13.Philippines	14.Poland	15.Qatar
16.Romania	17.Russia	18.Saudi Arabia
19.South Africa	20.Taiwan	21.Thiland
22.Turkey	23.United Arab Emirates	24.Uruguay
25.Vietnam		

The classification of the countries as developing economies is derived from the MSCI Global Investable Market Indexes, and the IMF emerging markets list of 2019. The MSCI index covers 80 countries that are classified into four different categories: developed markets, emerging markets, frontier markets, and standalone markets. The Morgan Stanley emerging markets list includes 24 countries grouped according to the regions: the Americas sublist is composed of five countries, while Europe, Middle East & Africa sublist contains 10 countries, and Asia's sublist is comprised of nine nations. Moreover, the International Monetary Fund' World Economic Outlook dataset classifies 155 countries as emerging market and sorts them alphabetically along with information about the local currencies' of and the recent updates.

3.3 Description of the Dependent Variable

3.3.1 Entrepreneurial Intentions (EI)

The EI is the dependent variable of this study, and the data is derived from the Global Entrepreneurship Monitor (GEM), and particularly from the adult population survey (APS). This indicator represents the percentage of people that are willing to start their own business in the upcoming three years, and a greater score represents higher entrepreneurial intentions. Each year GEM teams select a sample of 2000 respondents from each country and asks about their perceptions of 15 different factor revolving around the entrepreneurial behavior and attitudes.

3.4 Description of the Independent Variables

3.4.1 Starting a Business (Start_Bus)

Starting a business indicator is one of the regulations measured by the World Bank "Doing Business" project, it is defined as the "procedures, time, cost and paid-in minimum capital to start a limited liability company for men and women (World Bank Group, 2019, p. 23). The World Bank "Doing Business" project evaluates 11 factors that influence businesses across 190 countries. The index is calculated by getting the average score of the 4 factors that are associated with launching a business, and the scores range from 0 to 100 where a higher number indicates a better regulatory performance.

3.4.2 Corruption Perception Index (CPI)

Transparency International provides data for the perceived levels of corruption in the public sector through 13 surveys and expert assessments across 180 nations. Countries that have advanced controls over corruption rank at the top with high scores, and those countries with extremely corrupted governments rank at the bottom with low scores, the highly corrupted environment gets a value between 0 and 9, while a very clean

environment has a value between 90 and 100. Transparency International also uses the CPI index to determine the global progress in fighting corruption, and introduces regional analysis, while highlighting the effect of corruption on democracy.

3.4.3 Governmental Support And Policies (Gov_Supp_Pol)

Governmental support and policies index analyses two factors: taxes and bureaucracy. Affordable taxes can compel an entrepreneur to start a business while very high taxes can deter entrepreneurs from launching start-ups. In addition to taxes, bureaucracy is studied in business processes and in facilities for funding, then the score is calculated with a higher value indicating more support and more favorable governmental policies for entrepreneurs. This data is extracted from the national expert survey (NES) of Global Entrepreneurship Monitor (GEM). Every year GEM teams interview 36 national experts of each country and ask about evaluations regarding 12 different factors that form the entrepreneurial framework conditions.

3.4.4 Financing for Entrepreneurs (Fin)

Global Entrepreneurship Monitor (GEM) analyses the accessibility of the funds for small and medium enterprises (SMEs), the four components of the financing for entrepreneurs index are debt, equity, grants, and subsidies. Financing is among several factors that compose the entrepreneurial framework which investigates how hard it is to start a new business venture, the data are obtained from the national expert survey (NES) introduced earlier in this chapter. A higher score represents more available financial resources while a lower score indicates a lack of financing.

3.4.5 Commercial and Professional Infrastructure (Comm_Inf)

The Global Entrepreneurship Monitor (GEM) presents a measure for the existence of legal and assessment services that promote small to medium size businesses, the indicator investigates the availability of property rights, distribution, and accounting

services and expertise. The data is extracted from the NES survey of GEM. The higher the score the better the commercial and professional infrastructure.

3.4.6 Physical and Services Infrastructure (Phyi_Inf)

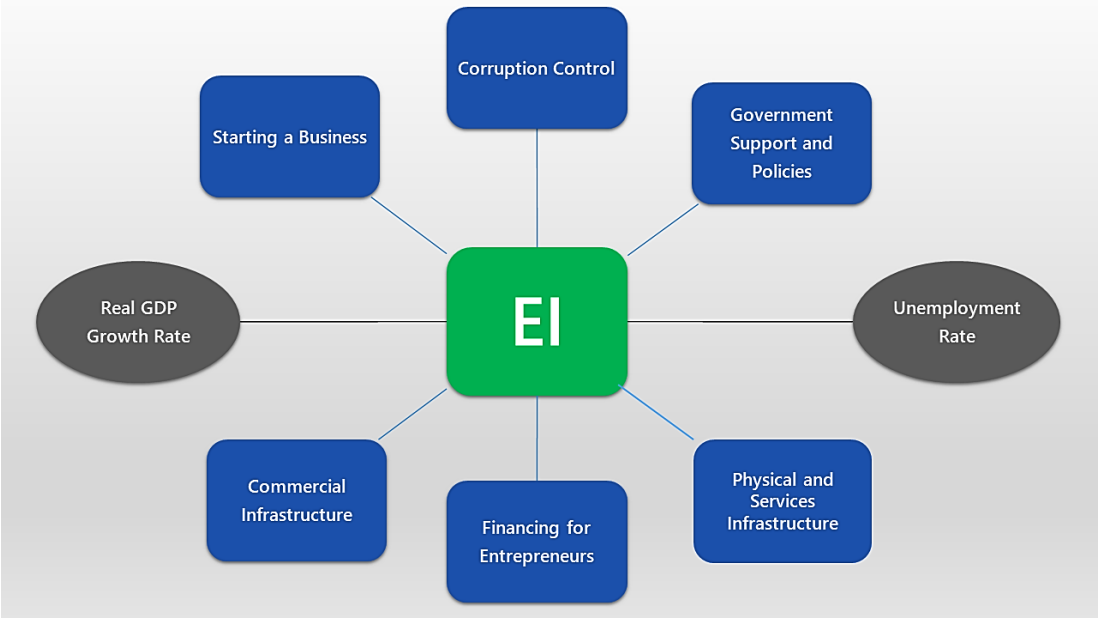
Besides the commercial and professional infrastructure, the GEM website includes an indicator for physical and services infrastructure which investigates the accessibility to physical resources, transportation, land or space, communication and utilities at non-discriminatory prices. Also, the higher the score the better access to infrastructure and the prices that SEMs have to pay in return.

3.5 Description of the Control Variables

3.5.1 GDP Growth (GDP_GR) & Unemployment Rate (Unemp_Rate)

The World Economic Outlook (WEO) dataset of the International Monetary Fund (IMF) includes data regarding real GDP growth rates for 237 countries. The index measures the annual percentage change while giving options to compare between countries, regions, and analytical groups. In addition to the real GDP growth rates provided by the International Monetary Fund (IMF) , the WEO dataset contains data about population and unemployment rates.

Figure 1: The Research Model



Chapter 4

DATA ANALYSIS AND RESULTS

4.1 Empirical Tests

Different types of relationship can be uncovered, when several institutional factors which impact the EI within an emerging economy are analysed and studied. Therefore, in this thesis, a panel data structure observing of 25 countries was carried out within a timeframe of 2014 to 2018. The institutional factors that are included in this research are: Entrepreneurial Intentions (EI), Starting a Business (START_ BUS), Corruption Perception Index (CPI), Governmental Support and Policies (GOV_SUPP_POL), Financing for entrepreneurs (FIN), Commercial and Professional Infrastructure (COMM_INF), Physical and Service Infrastructure (PHYI_INF), Real GDP Growth rate (GDP_GR) and Unemployment Rate (UNEMP_RATE). These are eight variables in total, of which EI is the dependent variable and GDP_GR as well as UNEMP_RATE, represent the control variables.

In carrying out the analysis, StataV15 and R-studio software were used. First of all, the variance inflation factor was calculated for the eight variables to check for multi-collinearity, of which if there is, it will have an adverse effect on the model. Following this, the descriptive statistics was evaluated with the mean, median, maximum, minimum and standard deviation calculated. Next, the Pearson correlation test was carried out to see the relationship amongst variable. And finally, the Haussmann test

was carried out to see the appropriate model i.e., either the fixed panel effect regression or the random panel effect regression.

4.1.1 Variance Inflation Factor (VIF)

Table 2: Variance Inflation Factor

Variables	Index
COMM_INF	1.9884
CPI	1.4197
FIN	3.0023
GDP_GR	1.4730
GOV_SUPP_POL	1.9115
PHYI_INF	2.2136
START_BUS	1.5815
UNEMP_RATE	1.2382

In a statement given by Hair et al. (1999), the maximum acceptable level for variance inflation factor is 10 or less. And so, any value exceeding the threshold of 10 is a clear sign of multi-collinearity. Therefore, the impact of this is an inflation of the standard error of the selected model, giving rise to statistically insignificant coefficient. In Table 2, it is obvious that no variable exceeds the threshold of 10 and therefore, our model will utilise all eight variables. PHYSI_INF and FIN also have high values but don't exceed the value of 10 that was put forward by Hair et al. (1999), meaning they can be left behind.

4.1.2 Descriptive Statistics

Table 3: Descriptive Statistics

	EI	COMM_INF	CPI	FIN	GDP_GR	GOV_SUPP_POL	PHYI_INF	START_BUS	UNEMP_RATE
Mean	29.59953	2.923467	45.58667	2.675133	3.276	2.727133	3.874667	82.72553	9.934667
Median	25.52	2.905	42.5	2.58	3.2	2.63	3.88	83.06	6.75
Maximum	63.76	3.64	74	3.71	8.2	3.79	4.7	95.83	27.5
Minimum	2.12	2	27	1.74	-3.5	1.66	2.8	59.14	0.8
Std Dev	18.38436	0.379259	12.20088	0.540246	2.310341	0.650987	0.456183	8.238533	8.051729

From Table 3, it can be seen that the dependent variable EI has a value of 29.59953 as the mean, 25.52 as the median with the maximum and minimum value as 63.76 and 2.12, respectively. COMM_INF has a mean of 2.923467, median of 2.905 with the maximum and minimum value of 3.64 and 2. CPI has a mean with a value of 45.58667, median of 42.5, with a maximum and minimum value of 74 and 27 respectively. FIN has a mean with a value of 2.675133 and a median of 2.58. The range of its value is from 3.71 to 1.74. GDP_GR has a mean of 3.276, median of 3.2 and a range of 8.2 to -3.5. GOV_SUPP_POL has a mean of 2.727133, with a median of 2.63, and a range of 3.79 to 1.66. PHYSI_INF has a mean of 3.874667, a median of 3.88, with a maximum of 4.7 and a minimum of 2.8. START_BUS has a mean of 82.72553, with a median of 83.06 and a maximum and minimum value of 95.83 and 59.14, respectively. UNEMP_RATE has a mean of 9.934667, a median of 6.75, having a range of 27.5 to 0. It should be noted that a higher score on any of the independent variables indicates a more favourable environment for potential entrepreneurs.

4.1.3 Pearson Correlation Matrix

Table 4: Pearson Correlation Matrix

	EI	COMM_INF	CPI	FIN	GDP_GR	GOV_SUPP_Pol	PHYI_INF	START_BUS	UNEMP_RATE
EI	1	0							
COMM_INF	0.292***	1							
CPI	0.067	0.026	1						
FIN	0.304***	0.640	0.0137	1					
GDP_GR	0.145	0.232	-0.122	0.469	1				
GOV_SUPP_POL	0.419***	0.508	0.133	0.666	0.288	1			
PHYI_INF	0.358***	0.507	0.216	0.572	0.397	0.463	1		
START_BUS	-0.004	0.094	0.398	-0.085	-0.162	-0.002	0.326	1	
UNEMP_RATE	-0.009	0.135	0.249	0.009	-0.118	0.095	-0.105	-0.106	1

The Pearson correlation analysis is carried out in this study to evaluate the relationship that exist between the Entrepreneurial Intentions (EI) and the other variables of interest. First of all, from Table 4, it can be seen that there is a significant positive correlation between COMM_INF and EI (r=0.292984; p=0.000274) at a p value of 0.01. Secondly, it can be seen there is an insignificant positive correlation between CPI and EI (r=0.067952; P=0.408672). Thirdly, it can be seen that there is a significant positive correlation between FIN and EI (r=0.304381; p= 0.000153） at the p<.01. Fourthly, there is an insignificant positive correlation between GDP_GR and EI (r= 0.14522; p= 0.076211). Fifthly, there is a significant positive correlation between GOV_SUPP_POL and EI (r= 0.419083; p= 0.0000000942) at the 0.01 level. Sixthly, there is a significant positive correlation that exists between PHYI_INF and EI (r= 0.358943; p= 0.00000646) at p<.01. Seventhly, there is an insignificant negative

uncorrelated pair that exist between START_BUS and EI (r= -0.004; P=0.961283). Finally, there is an insignificant negative uncorrelated pair that exist between UNEMP_RATE and EI (r=--0.00982; p=0.905034). A negative correlation indicates an inverse relationship between Start_Bus and EI, and also between Unemp_Rate and EI.

In all, there are four positive variables that are significantly correlated with EI, i.e., Governmental Support and Policies (GOV_SUPP_POL), Financing for Entrepreneurs (FIN), Physical Infrastructure (PHYI_INF) and Commercial and Professional Infrastructure (COMM_INF).

4.1.4 Model Specification

$$EI = \rho_o + \rho_1 \text{START\_BUS} + \rho_2 CPI + \rho_3 \text{GOV\_SUPP\_POL} + \rho_4 \text{FIN} + \rho_5 \text{COMM\_INF} + \rho_6 \text{PHYSI\_INF} + \rho_7 \text{GDP\_GR} + \rho_8 \text{UNEMP\_RATE} + \varepsilon_O$$

Where,

- EI stands for Entrepreneurial Intentions.
- START_BUS stands for Starting a Business.
- CPI represents the Corruption Perception Index.
- GOV_SUPP_POL represents the Governmental Support and Policies.
- FIN represents the Finance.
- COMM_INF represents the Commercial and Professional Infrastructure.
- $PHYSI\_INF$ represents the Physical and Services Infrastructure
- GDP_GR represents the Real GDP Growth rate.
- UNEMP_RATE represents the unemployment rate
- ε_O is the error term

4.1.5 Hausman Test

The Durbin-Wu-Hausman test is a test for endogeneity or more specifically, a test for model fit or misspecification. When conducting a panel data analysis, the Hausman test plays an important role in identifying whether the random effect or the fixed effect model is better. The null hypothesis, therefore, is that the random effect is a better model fit if the p value is less than 0.05. The alternative, however, is that the fixed model is better (Hausman, 1978).

Table 5: Hausman test for preferred model

	Coefficients			
	(b) Fixed	(B) random	(b-B) Difference	sqrt(diag(V_b-V_B)) S.E.
comm_inf	-5.332960	-.4937230	-4.839237	.
cpi	1.336477	.3145229	1.021954	.3967839
fin	13.171522	9.134402	4.037120	.
gdp_gr	-.0216954	-.5202779	.4985825	.2041041
gov_supp_pol	6.481104	5.031904	1.449200	.7015076
start_bus	-1.221948	-.6049154	-.6170328	.1775961
unemp_rate	1.166006	-.1236572	1.289664	.872942

b = consistent under Ho and Ha; obtained from xtreg
B = inconsistent under Ha, efficient under Ho; obtained from xtreg

Test: Ho: difference in coefficients not systematic

chi2(7) = (b-B)'[(V_b-V_B)^(-1)](b-B)
= 9.31
Prob>chi2 = 0.2309

From Table 5, it can be seen that the null hypothesis cannot be rejected because the p value is 0.2309, which is greater than 0.05. Therefore, the preferred model for our analysis is the random effect model. In the next section, the random effect model will be constructed, and the results will be interpreted.

4.1.6 Panel Random Effect Regression

Table 6: Panel Random Effect Regression

```
. xtreg ei comm_inf cpi phyi_inf fin gdp_gr gov_supp_pol start_bus unemp_rate, re

Random-effects GLS regression                   Number of obs     =        125
Group variable: country_id                      Number of groups  =         25

R-sq:                                           Obs per group:
     within  = 0.5673                                         min =          5
     between = 0.0531                                         avg =        5.0
     overall = 0.1892                                         max =          5

                                                Wald chi2(8)      =     105.99
corr(u_i, X)   = 0 (assumed)                    Prob > chi2       =     0.0000

------------------------------------------------------------------------------
          ei |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
    comm_inf |  -.4937230   5.036576    -0.56   0.572    -12.71618    7.026838
         cpi |   .3145229    .247406     1.27   0.204    -.1703838    .7994297
    phyi_inf |   .7528214   3.961512     0.19   0.849      -7.0116    8.517243
         fin |   9.134402   4.440612     3.41   0.010     6.456618     23.8635
      gdp_gr |  -.5202779   .8515328    -0.61   0.541    -2.189252    1.148696
gov_supp_pol |    5.031909   3.552116     2.66   0.021     2.476402    16.40044
   start_bus |  -.6049154   .3010284    -2.01   0.044     -1.19492   -.0149106
  unemp_rate |  -.1236572   .3577947    -0.35   0.730     -.824922    .5776076
       _cons |   5.755764   25.82524     0.22   0.824    -44.86077    56.37229
-------------+----------------------------------------------------------------
     sigma_u |  13.206118
     sigma_e |  9.0829977
         rho |  .67886306   (fraction of variance due to u_i)
------------------------------------------------------------------------------
```

From Table 6, it can be seen that our model is acceptable because the Probability of Chi-square (chi2), is less than 0.05. Meaning, the Hausman test is verified. From Table 6, FIN has a positive and significant impact on EI at a p value of 0.010, which is also less than 0.05, and each point increase in the score of FIN lead to an increase in EI by 9 points. Moreover, GOV_SUPP_POL has a positive significant impact on EI at a p value of 0.021, which is less than 0.05, and each point increase in the GOV_SUPP_POL score increases EI by 5 points. Finally, START_BUS has a negative significant impact on EI at a p value of 0.044, at p< .05 a negative coefficient

indicates that a point increase in the score of Start_Bus generates a decrease in EI by 0.64. Thus, the variables FIN, GOV_SUPP_POL and START_BUS have a statistically significant impact on EI. The R-Square is low with a value of 18.92% which means that 18.92% of the variation in EI can be explained by the change in the explanatory factors. The rho value is 0.67886306, this indicates an individual effect of cross section of 0.7%. In addition, it can be noticed from the regression analyses that the F- Statistic value is significant at $p<.05$ indicating that all coefficients are different from zero and that the model is a good fit.

Chapter 5

DISCUSSION, IMPLICATIONS, AND LIMITATIONS

5.1 Discussion

This thesis aimed at investigating the effect of the formal institutional environment on entrepreneurial intentions in developing economies, and whether the variation in EI can be explained by the selected formal institutional factors in an emerging markets context. The results of the R^2 indicate that 18.9% of the variation of EI can be explained by the contextual factors included in the study, this is consistent with Urban's (2013) study on EI in emerging market which included a low R^2 of 10%. Moreover, similar studies on Total Early Stage Entrepreneurial Activity (TEA) found higher R^2 results of 77.4% in low income sample and 51.3% in lower-middle income samples (Li, 2017), yet the latter study analyzed the combined effect of formal and informal institutional factors on TEA. The random effect regression results indicates that finance of entrepreneurs had a positive and significant impact on EI with a p value less than 0.05, this is close to what Fatoki and Chindoga (2011) have found stating that capital is a critical factor for entrepreneurship in emerging contexts, while other researchers found that finance is significant factor affecting TEA in lower to middle income countries (Li, 2017). Moreover, Casero et al. (2013) found that in a developed markets context, availability of credit had a significant impact on entrepreneurship. In addition, government support and policies had significant and positive impact on EI, a finding similar to Akinyemi & Adejumo (2018) who uncovered that regulations is positively and significantly related the conception phase of entrepreneurship.

Meanwhile, Saberi & Hamdan (2019) have found that support of the government moderates the relationship between entrepreneurship and economic growth across Gulf states. However, Urban (2013) had contrasting results where the governmental support was not associated with entrepreneurial intentions, and Li (2017) have also reported no significant impact for governmental support on TEA. Moreover, starting a business variable had a negative and significant impact on EI, a finding that is consistent with Begley, Tan, & Schoch, (2005) results in an emerging market context, and contradictory with Stel, Storey, & Thurik (2007) who claimed that the entrepreneur gets over the hardships of launching a business such as cost and time. A plausible explanation for this outcome, where entrepreneurs' intentions are negatively affected by a more supportive government procedures, might be a lack of trust in the government and its actions as the World Economic Forum states in its global competitiveness report that trust in public institutions in emerging economies is lower than 55 while in advanced economies the score is around 70 out of scale of 100 (Schwab, 2014). Further, commercial infrastructure was also insignificant in relation to EI, similarly access to support services did not have a significant influence on desirability in East and South Asia (Begley, Tan, & Schoch, 2005), while Ahmad & Xavier (2012) found that commercial infrastructure was among the least significant factors that affected entrepreneurship in Malaysia. In addition, the relationship between Corruption Perception Index (CPI) and EI was insignificant. One reason for this outcome might be demonstrated in Pathak, Xavier-Oliveira, & Laplume (2015) study which indicated that in highly corrupt environments such as transition economies, connections and networks that entrepreneurs have, will mitigate the risks that corruption poses to new businesses. Moreover, other researchers have shown that high corruption is negatively related to entrepreneurship (Liu, Hu, Zhang, & Carrick,

2019). Further, the control factor unemployment rate had a positive non-significant influence on entrepreneurial intentions which is a logical finding given the fact that having intentions to launch a business do not actually create new jobs. Finally, GDP growth rate had negative insignificant impact on entrepreneurial intentions, which is consistent with Doran, McCarthy, & O'Connor (2018) findings' that in low and middle income economies the relationship between GDP and entrepreneurial activity is negative and significant.

5.2 Implications and Recommendations

This thesis has many policy implications. First, and based on a review of the literature that generated consistent findings with this study, it is evident that the formal institutional factors in emerging markets are inconvenient for entrepreneurs, and that the developing countries have idiosyncratic institutional environments (Manolova et al., 2008; Urban, 2013; Akinyemi & Adejumo, 2018). Consequently, by informing the policy makers in these countries about such unfavorable conditions and the disparities that exist between the emerging economies, there should be a better identification of the encouraging factors and the barriers to entrepreneurship that are critical to each and every country of the emerging markets group. Moreover, this thesis have uncovered that financing is one of the significant factors that impact an entrepreneur will and decision to start a business. As a result, and in accordance with Alvarez, et al., (2011), Gnyawali & Fogel (1994), and Marlow & Patton (2005) recommendations, in order to promote entrepreneurship in emerging markets, there need to be more access to capital, reduced interest rates, lower terms to acquire loans, a variety of funding options, and an equal access to financial resources. Further, government support and policies is also one of the critical factors that influence entrepreneurial intentions in developing markets. Thus, policy makers in these countries need to enact

reforms and redesign the public policies to encourage entrepreneurs and stimulate the entrepreneurial intentions and behavior, these recommendations are in consistence with the suggestions of Akinyemi & Adejumo (2018), Pals (2006), and Bosma & Kelley (2019). Further, this thesis have found a negative significant impact of a better starting business procedures on entrepreneurial intentions, and attributed this result to a lack of trust in the government. As a result, it is evident for emerging economies that implementing better polices must be in parallel with steps to increase public confidence in the government, more control over corruption, better and higher quality governmental services, more trained governmental employees, and improved public institutions reputation are all critical steps to ensure that any policy changes would achieve the desired outcome and be perceived positively by the public, these suggestions are in accordance with the policy implications uncovered by Pathak, Xavier-Oliveira, & Laplume, (2015), Anokhin & Schulze (2009), Djankoy et al., (2002), and Van Stel, Storey, & Thurik, (2007).

5.3 Limitations and Future Research

This thesis has three main limitations. First, the sample size is small and does not represent the entire population of emerging markets which amount to more than 150 countries in the IMF classification. Consequently, an increase in the number of countries included in the thesis will generate more accurate generalizations. Second, the number of factors included in the study is limited and does not cover all aspects of the formal institutional environment which include other factors such as : property rights protection, taxation, and education. Thus, a more comprehensive model would generate better outcomes, Third, the existence of missing values and the imputation process might cause a bias in the data yet increasing the number of countries with full available data will decrease the overall percentage of missing values. Future research

paths should include larger sample size of countries classified by regions, income groups, and cultural dimensions similar to the approaches of Begley, Tan, & Schoch (2005) and Li (2017). Moreover, there is a need for more integrated models that combine the institutional variables with cognitive and psychological factors impacting entrepreneurs. These mixed models would lead to better predictions and more comprehensive models explaining the variations in entrepreneurial intentions (Schlaegel & Koenig, 2013).

REFERENCES

Abereijo, I. O., Adegbite, S., Ilori, M. O., Adeniyi, A., & Aderemi, H. (2009). Technological innovation sources and institutional supports for manufacturing small and medium enterprises in Nigeria. *Journal of Technology Management and Innovation, 42*, 82-89.

Acs, Z. (2006). How is entreprenureship good for economic growth? *Innovations 1*, 97-107.

Ahlstrom, D., & Bruton, G. (2006). Venture Capital in Emerging Economies: Networks and Institutional Change. *Entrepreneurship Theory and Practice, 30*(2), 299-320.

Ahmad, S. Z., & Xavier, S. R. (2012). Entrepreneurial environments and growth: evidence from Malaysia GEM data. *Journal of Chinese Entrepreneurship, 4*. doi:https://doi.org/10.1108/17561391211200939

Aidis, R., Estron, S., & Tomasz, M. (2008). Institutions and entrepreneurship development in Russia: A comparative perspective. *Journal of Business Venturing*, 656-666.

Ajzen, I. (1991). Theory of Planned Behaviour. *Organizational Behavior and Human Decision Processess, 50*, 179-211.

Akimova, I. (2002). *Performance of Small and Medium Manufacturing firms in Ukraine; Does quality of management matter? Fostering Sustainable Growth in Ukraine.* Newyork: Physica-Verlag Heidelberg.

Akinyemi, F., & Adejumo, O. (2018). Government policies and entrepreneurship phases in emerging economies: Nigeria and South Africa. *Journal of Global Entrepreneurship Research*, 8-35.

Aldrich, H. E., & Wiedenmayer, G. (1993). From Traits to Rates: An ecological Perspective on Organization Foundings. *Advances in Entrepreneurship, Firm Emergence and Growth*, 95-145.

Aliyu, S. R. (2010). Exchange rate volatility and export trade in Nigeria: an empirical investigation. *Applied Financial Economies, 20*(13), 1071-1084.

Alvarez, C., Urbano, D., Coduras, A., & Ruiz-Navarro, J. (2011). Environmental conditions and entrepreneurial activity: a regional comparison in Spain. *Journal of Small Business and Entreprise Development, 18*(1), 120-140.

Amadeo, K. (2019, 1 17). What Are Emerging Markets? Five Defining Characteristics. Retrieved from https://www.thebalance.com/what-are-emerging-markets-3305927

Anokhin, S., & Schulze, W. (2009). Enterpreneurship, innovation and corruption. *Journal of Business Venture*, 465-476.

Atieno, R. (2009). Linkages, access to finance and the performance of small scale enterprises in Kenya. *Journal of Accounting and Business Research*, 33-48.

Audet. (2001). A Longitudinal Study of the Entrepreneurial Intentions of University Students. *Enterprise and Innovation Management Studies, 2*(2), 145-160. Retrieved from https://www.researchgate.net/publication/265485034

Audretsch, D. B., Heger, D., & Veith, T. (2015). Infrastructure and entrepreneurship. *Small Business Economics*, *44*(2), 219–230.

Audretsch, D. B., Werner, B., & Tamyada, J. (2007). *Religion and Enterpreneurship.* Jena: Jena Economic Research.

Audretsch, D., & Thurik, I. a. (2007). *Explaining Entrepreneurship and the Role of Policy: a framework, Handbook of Entrepreneurship Policy*. Cheltenham, UK: Edward Elgar Publishing Ltd. .

Auken, L. N. (2010). Differences between female and male entrepreneurs use of bootstrap financing. *Journal of Develeopment Entrepreneurship*, 19-34.

Baumol, W. J. (1990). Entrepreneurship: Productive, Unproductive and Destructive. *Journal of Political Economy, 98*(5), 893-921.

Baumol, W. J. (2002). *The Free Market Innovation Machine: Analyzing the Growth Miracle of Capitalism.* Princeton, NJ: Princeton University Press.

Bearse, P. (1982). *A Study of entrepreneurship by region and SMSA size.* Wellesley, MA: Frontiers of Entrepreneurship Research, Babson College.

Beck. (2005). Financial and legal constraints to firm growth. Does Size matter? *Journal of Finance*, 137-177.

Begley, T., Tan, W., & Schoch, H. (2005). Politico-economic factors associated with interest in starting a business: a multi-country study. *Entrepreneurship Theory and Practice*, 35-55.

Benz, M. (2009). Entrepreneurship as a non-profit-seeking activity. *International Entrepreneurship and Management Journal*, *5*(1), 23–44.

Berger, A., & Udell, G. (1998). The economices of small business finance: The roles of private equity and debt markets in the financial growth cycle. *Journal of Banking and Finance*, 613-673.

Bhala, R. (2001). *International trade law. Theory and Practice.* New Jersey: Lexis Publishing.

Bird, B. (1988). Implementing Entrepreneurial Ideas: the Case for Intention. *The Academy of Management Review*, *13*(3), 442-453.

Blanchflower, D., & Oswald, A. (1998). What makes an Entrepreneur? *Journal of Labor Economics*, 26-60.

Bohata, M., & Mladek, J. (1999). The Development of the Czech SME Sector. *Journal of Business Venture*, 461-473.

Bosma, N., & Kelley, D. (2019). 2018/2019 Global Report. Global Entrepreneurship Monitor. Retrieved from https://www.gemconsortium.org/report

Bowale, E. ,., & Akinlu, A. (2012). Determinants of Small and Medium Scale Enterprises Performance and Poverty alleviation in developing countries: Evidence from south-west Nigeria. *European Journal of Humanities and Social Sciences, 17*(1), 848-863.

Bowen, H. D. (2008). Institutional Context and the allocation of entrepreneurial effort. *Journal of International Business Studies, 39*, 747-767.

Boyd, N. G. (1994). The influence of self efficacy on the development of entrepreneurial intention and actions. *Entrepreneurship Theory and Practice, 18*(4), 63-78.

Braunerhielm, P., & Eklund, J. (2014). Taxes, tax administration burdens and new firm formation. *Journal of Economics*, 1-11.

Bruno, A. V., & Tyebjee, T. T. (1982). The environment for entrepreneurship. *Enclyclopedia of Entrepreneurship*, 288-315.

Busenitz, L., Gomez, C., & Spencer, J. (2000). Country institutional profiles: Unlocking entrepreneurial phenomena. *Academy of Management Journal, 43*(5), 994-1003.

Casero, J. C., Gonza´lez, M. A., Escobedo, M. d., Martı´nez, A. C., & Mogollo´n, R. H. (2013). Institutional variables,entrepreneurial activity and economic development. *Management Decision, 51*(2).

Cuervo, A. (2005). Individual and Environmental Determinants of Entrepreneurship. *International Entrepreneurship and Management Journal*, 293-311.

Cullen, M. C. (2014). Business incubation in the eastern cape: a case study. *International Journal for innovation Education and Research, 2*(5), 76-89.

Dau, L., & Cuervo-Cazurra, A. (2014). To formalize or not to formalize: Entrepreneurship and Pro Market Institutions. *Journal of Business Venture, 29*(5), 668-686.

Devonish, D., Alleyne, P., Charles-Soverall, W., & Marshal, A. a. (2010). Explaining Entrepreneurial intentions in the Caribean. *International Journal of Entrepreneurial Behaviour and Research*, 149-171.

Djankov, S., Ganser, T., Mcliesh, C., Ramalho, R., & Shleifer, A. (2010). The effect of corporate taxes on investment and entrepreneurship. *American Economic Journal: Macroeconomics*, 31-64.

Djankoy, S., La Porta, R., Lopez-de-Silanes, F., & S. A. (2002). The Regulation of entry. *Journal of Economics*, 453-517.

Doran, J., McCarthy, N., & O'Connor, M. (2018). The role of entrepreneurship in stimulating economic growth in developed and developing countries. *Cogent Economics & Finance*.

Douhan, R., & Henrekson, M. (2010). Entrepreneurship and Second best Institution; Going beyond Baumol's typology. *Journal of Evolutionary Economics, 20*(4), 629-643.

Dreher, A., & Gassehner, M. (2013). Greasing the wheels? the impact of regulations and corruption on firm entry. *Public Choice, 155*(3-4), 413-432.

El-Namaki, M. (1988). Encourging entrepreneurs in developing countries. *Long Range Plann, 21*(4), 98-106.

Engle, R. L., Dimitriadi, N., & Schlaegel, C. (2011). Institutions and entrepreneurial intent: a cross-country study. *Journal of Developmental Entrepreneurship, 16*(02), 227-250.

Estrin , S., & Prevezer, M. (2010). A survey on institutions and new firm entry: How and why do entry rates differ in emerging markets? *Economic systems, 34*(3), 289-308.

Estrin, S., Korosteleva, J., & Mickiewicz, T. (2013a). Which Institutions encourage entrepreneurial growth aspirations? *Journal of Business Venture*(28), 564-580.

Etzkowitz, H. (2002). Incubation of incubators: Innovation as a triple helix of university-industry-government networks. *Science and Public Policy, 29*(2), 115-128.

Ezedinma, C. (2008). Impact of trade on domestic rice production and the challenge of self sufficiency in Nigeria. *Rice Policy and Food Security in Sub Saharan Africa*, 141.

Fatoki, O., & Chindoga, L. (2011). An Investigation into the Obstacles to Youth Entrepreneurship in South Africa. *International Business Research*.

Friedman, B. (2011). The relationship between governance effectiveness and entrepreneurship. *International Journal of Humanities and Social Science*, 221-225.

Fuentelsaz, L., González, C., Maícas, J. P., & Montero, J. (2015). How different formal institutions affect opportunity and necessity entrepreneurship. *BRQ Business Research Quarterly, 18*(4), 246-258.

Gist, M. &. (1992). Self efficacy: a theoretical analysis of its determinants and malleability. *Academy of Management Review, 17*, 183-212.

Global Entrepreneurship Monitor. (2018). *Entrepreneurial Behaviour and Attitudes*. Retrieved from gemconsortium.org: https://www.gemconsortium.org/data/key-aps

Global Entrepreneurship Monitor. (2018). *Entrepreneurial Framework Conditions*. Retrieved from gemconsortium.org: https://www.gemconsortium.org/data/key-nes

Gnyawali, D., & Fogel, D. (1994). Environments for entrepreneurship development. Key dimensions and research implications. *Entrepreneurship Theory and Practise*, 43-62.

Greene, F. (2012). *Should the focus of publicly provided small business assistance be on start-ups or growth businesses.* New Zealand: Ministry of Economics Development.

Grilo, I. T. (2005). Latent and actual entrepreneurship in Europe and the US: some recent developmets. *International Entrepreneur Management Journal, 1*(4), 441-459.

Guerrero, M. R. (2006). The impact of desirability and feasibility on entrepreneurial intentions: A structural equation model. *International Entrepreneurship and Management Journal, 4*, 35-50.

Haan, J. D., & Sturm, J. (2000). On the relationship between economic freedom and economic growth. *European Journal of Political Economy, 16*, 215-241.

Heakal, R. (2017, 08 17). What Is an Emerging Market Economy? Retrieved from https://www.investopedia.com/articles/03/073003.asp

Holmes, R., & Miller, T. H. (2013). The interrelationships among informal institutions, formal instititions and inward foreign direct investment. *Journal of Management, 39*(2), 531-566.

Holt, D. (1987). *Network Support System: How communities can encourage entrepreneurship.* Wellesley, MA: Frontiers of Entrepreneurship Research, Babson College.

Hoskisson, R. E., Eden, L., Lau, C. M., & Wright, M. (2000). Strategy in emerging economies. *Academy of management journal, 34*(3), 249-267.

Hwang, H., & Powell, W. (2005). Institutions and Entrepreneurship. *Handbook of Entrepreneurship Research*, 179-210.

Ihugba, O. a. (2014). Theoretical Analysis of Entrepreneurship Challenges and Prospects in Nigeria. *International Letters of Social and Humanistic Science*, 21-34.

International Monetary Funds. (2019, 04). Emerging market and developing economies. *World Economic Outlook Database*. Retrieved from https://www.imf.org/external/pubs/ft/weo/2019/01/weodata/weoselco.aspx?g=2200&sg=All+countries+%2f+Emerging+market+and+developing+economies

International Monetary Funds. (2019). Real GDP growth : Annual percent change. *World Economic Outlook 2019*. Retrieved from https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD/SWZ/AFG

International Monetry Funds. (n.d.). Unemployment rate : percent. *World Economic Outlook 2019*. Retrieved from https://www.imf.org/external/datamapper/LUR@WEO/OEMDC/ADVEC/WEOWORLD

Johnson, S., McMilan., & Woodruff, C. (2000b). Entreprenerus and the ordering of institutional reform: Poland, Slovakia Romania, Russia and Ukraine compared. *Economic Transit, 8*(1), 1-36.

Kantis, H., Ishida , M., & Komori, M. (2002). *Entrepreneurship in Emerging Economies: The Creation and Development of New Firms in Latin America and East Asia.*

Keuschnigg, C., & Nielsen, S. (2004). Progressive taxatio, moral hazard and entrepreneurship. *Journal of Public Economic Theory, 6*(3), 471-490.

Klapper, L., & Laeven, L. R. (2006). Entry regulation as a barrier to enterpreneurship. *Journal of Financial Economics, 82,* 591-629.

Klapper, L., Amit, R., & Guillen, M. (2010). *Entrepreneurship and firm formation across countries. In international differences in entrepreneurship.* Chicago: University of Chicago Press.

Kolvereid, L. (1996). Prediction of employment status choice intentions. *Entrepreneurship Theory and Practice, 21*, 47-57.

Krueger, N. F., & Carsrud, A. L. (1993). The Impact of prior entrepreneurial exposure on perceptions of new venture feasibility and desirability. *Entrepreneurship Theory and Practice, 18,* 5-23.

Leibenstein, H. (1968). Entrepreneurship and Development. *American Economic Reviewq,* 72-83.

Levie, J., & Autio, E. (2008). A theoretical grounding and test of the GEM model. *Small Business Economics*, *31*(3), 235-263.

Li, S. (2017). INSTITUTIONAL ENVIRONMENT AND TOTAL ENTREPRENEURIAL ACTIVITY: THE COMPARISON ON NATIONS.

Li, Y., & Zahra, S. (2012). Formal Institutions, culture and venture capital activity: a cross-country analysis. *Journal of Business Venture*, 95-111.

Linan, F., Rodriguez, J., & and Rueda, J. (2005). *Factors affecting entrepreneurial levels.* Amsterdam: 45th Congress of the European Regional Science Association.

Linan, F., Urbano, D., & Guerrero, M. (2011). Regional variations in entrepreneurial cognitions: Start up intentions of university students in Spain. *Entrepreneurship and Regional Development, 23*, 187-215.

Liu, J., Hu, M., Zhang, H., & Carrick, J. (2019). Corruption and Entrepreneurship in Emerging Markets. *Emerging Markets Finance and Trade, 55*(5), 1051-1068. doi: 10.1080/1540496X.2018.1531242

Luiz, J. (2008). *Managing Business in Africa, Practical Management Theory for an Emerging Market.* Cape Town: Oxford University Press.

Luke, B., Verreynne, M.-L., & Kearins, K. (2007). Measuring the benefits of entrepreneurship at different levels of analysis. *Journal of Management & Organization, 13*, 312–330.

Luthje, C. &. (2003). The 'making' of an entreoreneur: testing a model of entrepreneurial intent among engineering students at MIT. *R & D Management, 33*(2), 135-148.

Manolova, Tatiana, S., Eunni, R. V., & Gyoshev, B. S. (2008). Institutional Environment for Entrepreneurship: Evidence from Emerging Economies in Eastern Europe. *Entrepreneurship Theory and Practice, 32*(1), 203-218.

Marlow, S., & Patton, D. (2005). All credit to men? Entrepreneurship, Finance and Gender. *Entrepreneurship Theory and Practise*, 717-735.

Mason, C. a. (2011). Creating good public policy to support high growth firms. *Small Business Economics, 40*(2), 211-225.

Mboko, S. (2011). Towards and explanation of the growth in young entrepreneurship activities: A cross country survey of work values of college students. *Journal of Marketing Development and Competitiveness, 5*, 269-280.

McMullen, J. S., Bagby, D., & Palich, L. (2008). Economic Freedom and the motivation to engage in entrepreneurial action. *Enterpreneurial Theory and Practice, 32*(5), 875-895.

Meon, P., & Sekkat, K. (2005). Does Corruption grease or sand the wheels of growth? *Public Choice, 122*(1-2), 69-97.

Minniti, M. (2008). The Role of Government Policy on entrepreneurial activity: Productive, Un-Productive, Or Destructive. *Entreprenuer Theory Practise*, pp. 779-790.

Morgan Stanley Capital International. (2018). *MARKET CAP INDEXES*. Retrieved from msci.com: https://www.msci.com/market-cap-weighted-indexes

Morris, M., & Jones, F. F. (1999). Entrepreneurship in Established Organizations: The Case of the Public Sector. *Entrepreneurship Theory and Practice, 24*(1), 71-91.

Morris, M., & Lewis, P. (1995). The determinants of enterpreneurial activity. *European Journal of Marketing*, 31-48.

Ngerebo, T., & Masa, A. (2012). Appraisal of tax system in Nigeria (Case study of Value added tax). *Research Journal in Organizational Psychology and Education Studies*, 338-344.

North, D. C. (1990). *Institutions, Institutional Change and Economic Performance.* Cambridge: Cambridge University Press.

North, D. C. (1991). Institutions. *Journal of Economic Perspectives*, 97-112.

Oni, E., & Daniya, A. (2012). A Development of small and medium scale enterprises: The role of government and other financial institutions. *Arabian Journal of Business and Management Review*, 16-29.

Pals, S. (2006). *Factors determining Success/Failure in Business Incubator: A Literature Review of 17 Countries.* Worcester, UK: Worcester Polytechnic Institute.

Park, C. (2017). "A study on effect of entrepreneurship on entrepreneurial intention: Focusing on ICT Majors. *Asia Pacific Journal of Innovation and Entrepreneurship*, 159-170. Retrieved from https://www.emeraldinsight.com/doi/full/10.1108/APJIE-08-2017-024?fullSc=1

Parker, S. (2007). Law and the Economics of Entrepreneurship. *Comparative labor law and policy journal*, 695-716.

Pathak, S., Xavier-Oliveira, E., & Laplume, A. O. (2015). Entrepreneurship in Transition Economies: The Role of Corruption and Individual Attributes. *Journal of Balkan and Near Eastern Studies, 17*(4), 427-427. doi:10.1080/19448953.2015.1063307

Peng, M. S., & Pinkham, B. C. (2009). The Institution based view as a Third leg for Strategy Tripod. *Academic Manager Perspective, 23*(3), 63-81.

Praag, C. M., & Versloot, P. H. (2008). The Economic Benefits and Costs of Entrepreneurship: A Review of the Research. *Foundations and Trends in Entrepreneurship, 4*(2).

Pretorius, M., & Shaw, G. (2004). Business Plan in Bank Decision making when financing new ventures in South Africa. *South African Journal of Economics and Management Science*, 221-242.

Rodriguez, P., Siegel, D., Hillman, A., & Eden, L. (2006). Three Lenses on the multinational enterprise: Politics, Corruption and Corporate Social Reponsibility. *Journal of International Business Studies*, 733-746.

Saberi, M., & Hamdan, A. (2019). The moderating role of governmental support in the relationship between entrepreneurship and economic growth: A study on the

GCC countries. *JOURNAL OF ENTREPRENEURSHIP IN EMERGING ECONOMIES, 11*(2).

Salimath, M. S., & Cullen, J. B. (2010). Formal and informal institutional effects on entrepreneurship: a synthesis of nation-level research. *International Journal of Organizational Analysis, 18*(3), 358-385.

Schlaegel, C., & Koenig, M. (2013). *Determinants of Entrepreneurial Intent: A Meta-Analytic Test and Integration of Competing Models.* Baylor University.

Schwab, K. (2014). *The Global Competitiveness Report.* World Economic Forum.

Shane, S. (2004). *A General Theory of Entrepreneurship: the individul-opportunity Nexus.* Northampton, USA: Edward Elgar Publishing Inc.

Shane, S., Locke, E., & Collins, C. (2003). Entrepreneurial Motivation. *Human Resource Management Review, 13*, 257-279.

Shapero, A. (1982). *Social dimensions of entrepreneurship,*. New Jersey: Prientice Hall,Englewood Cliffs, NJ.

Spencer, J., & Gomez, C. (2004). The relationship among national institutional structures, Economic factors and domestic entrepreneurial activity: A Multicountry study. *Journal of Business Research, 57*, 1098-1107.

Staber, U. (1989). Organizaional foundings in the cooperative sector in Atlantic Canada: an ecological perspective. *Organization Studies, 10*, 383-405.

Stel, A. V., Storey, D. J., & Thurik, A. R. (2007). The Effect of Business Regulations on Nascent and Young Business Entrepreneurship. *Small Business Economics, 28*, 171–186. doi:10.1007/s11187-006-9014-1

Stevenson, H., & Jarillo, J. (1986). Preserving entrepreneurship as companies grow. *Journal of Business Strategy, 7*(1), 10-23.

Stiglitz, J. (2006). Civil Strife and economic and social policies. *Economics of Peace and Security, 1*(1), 6-9.

Strauss, A. (2018, 10 15). Five Reasons To Buy Emerging Markets. Retrieved from https://www.forbes.com/sites/adamstrauss/2018/10/15/five-reasons-to-buy-emerging-markets/#7b5da4fe661b

Teriesen, S., Hessels, J., & Li, D. (2013). Comparative international entrepreneurship research: A review and research agenda. *Journal of Management, 42*(1), 299-344. doi:10.1177/0149206313486259

The World Bank Group. (2018). *Historical Data Sets and Trends Data*. Retrieved from doingbusiness.org: http://www.doingbusiness.org/en/custom-query

Timmons, J. (1999). *New Venture Creation: Entrepreneurship in the 21th Centuries* (6th ed.). Homewood, IL, Boston , USA: Irwin/McGraw-Hill, .

Tkachey, A. &. (1999). Self employment intentions among Russian Students. *Entrepreneurship and Regional Development, 11*, 269-280.

Transparency International. (2018). *CORRUPTION PERCEPTIONS INDEX 2018.* Transparency International. Retrieved from https://www.transparency.org/whatwedo/publication/corruption_perceptions_index_2018

Transparency International. (2018). *The Corruption Perceptions Index*. Retrieved from Transparency.org: https://www.transparency.org/cpi2018#results

Turton, N., & Herrington, M. (2013). *Global Entrepreneurship Monitor South Africa Report.* Cape Town: UCT Centre for Innovation and Entrepreneurship.

Urban, B. (2013). Influence of the institutional environment on entrepreneurial intentions in an emerging economy. *The International Journal of Entrepreneurship and Innovation, 14*(3), 179-191.

Van Stel, A., Storey, D., & Thurik, A. (2007). The effect of business regulation on nascent and young business entrepreneurship. *Small Business Economics*, 171-186.

Verheul, I., Wennekers, A., Audretsch, D., & Thurik, A. (2002). *An eclectic theory of entrepreneurship.* Boston/Dordrecht: Kluwer Academic Publishers.

Welter, F., & Smallbone, D. (2011). Institutional perspectives on entrepreneurial behavior in challenging environments. *Journal of Small Business Management, 49*, 107-125.

Wennekers, S. v. (2005). Nascent entrepreneurship and the level of economic development. *Small Business Economy 24 (3)*, 293-309.

Williamson, O. (2000). The new institutional economics : taking stock, looking ahead. *Journal of economic literature, 38*(3), 595-613.

World Bank Group. (2019). *Doing Business 2019 : Training for Reform.* Washington: World Bank Group. Retrieved from http://www.doingbusiness.org/en/reports/global-reports/doing-business-2019

World Economic Forum. (2013). *Entrepreneurial Ecosystems Around the Globe and Company Growth Dynamics.*

Wu, S., & Wu, L. (2012). The Impact of higher education on entrepreneurial intentions of university students in China. *Journal of Small Business and Enterprise Development, 15*(14), 752-774.