



ENTREPRENEURSHIP AND DEVELOPMENT IN THE 21ST CENTURY

BRUNO S. SERGI • COLE C. SCANLON

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EDITED BY

BRUNO S. SERGI

AND

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United Kingdom – North America – Japan – India – Malaysia – China

Emerald Publishing Limited
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2019

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British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-1-78973-234-4 (Print)

ISBN: 978-1-78973-233-7 (Online)

ISBN: 978-1-78973-235-1 (Epub)



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James E. Owers is the Director of the Economics Program in the Harvard University Summer School and a Professor in the Program. He has also served on the faculties of the University of Massachusetts, the Massachusetts Institute of Technology (MIT), and the University of California. He has visited numerous universities around the world and has research affiliations with several organizations. Professor Owers has published more than 100 articles on financial topics. His foundational paper on Spin-Off Restructuring in the *Journal of Financial Economics* has now been cited in over 1,000 published research papers. SSRN rates the downloads of his research papers as being in the all time top 10% of all financial economist researchers. Dr. Owers has broad experiences consulting, teaching executive programs, and hosting financial seminars for more than thirty Fortune 500 Firms.

Stephen Pitts S. J. is the Director of Religious Formation at Sacred Heart Catholic Church in El Paso, Texas. He entered the Jesuit order after undergraduate studies in Math and Computer Science and, in his Jesuit training, earned master's degrees in Philosophy, Theology, and International and Development Economics. Stephen has taught at Jesuit College Preparatory of Dallas and the University of San Francisco. In addition, he has worked with migrants in Tijuana, Mexico and with indigenous populations in Chiapas, Mexico. As the Director of Religious Formation at Sacred Heart Catholic Church, Mr. Pitts studies the relationship between migration and local economic development.

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Keaton Scanlon is an Agro Forestry student currently based in Southern Oregon, USA. She has experience working with agroforestry and medicinal plant preservation initiatives in Senegal, Mexico, Ecuador, and the United States. Passionate about exploring the connections between modern-day humans and traditionally used plants, Keaton is especially excited about how respecting and preserving these connections can empower women.

Teague Scanlon is an Undergraduate Student at Pomona College majoring in Environmental Analysis with a concentration in Sustainability in the Built Environment. His specific research interests include environmental resilience, urban design, and economic empowerment. Teague is currently exploring how creative uses of physical infrastructure can combat climate change and build community.

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Preface by Bill Drayton CEO, Ashoka

In an everything-changing world, *everyone* must be a changemaker.

And the highest level of changemaking, entrepreneurship, becomes ever more critical. This is so both because it is the primary engine causing the rate of change to continue to accelerate exponentially and because that very escalation requires ever more entrepreneurial responses.

Thus entrepreneurship is increasingly the wellspring that defines society's well-being and the future. It sets our objectives, and it determines how quickly and wisely we develop – on all dimensions, not just economic.

We also live in a world where the degree and extent of interconnection is increasing exponentially. This *fact* (consider, e.g., the web) feeds the rate of change and vice versa. Again, entrepreneurship is the driving force – and the bridge that helps each of these two intertwined exponential curves feed and multiply the other.

The wonderfully diverse scholars of *Entrepreneurship and Development in the 21st Century* look deeply at entrepreneurship and how it works in wonderfully diverse environments – from North Korea to the Navajo nation to Senegal to criminal markets not served by the law.

The authors explore what enables entrepreneurship to flourish – ranging from particular types of graduate education to rapidly evolving ways that enable entrepreneurs (and allies) to collaborate. They also weigh how varying environments affect the vitality and direction of entrepreneurship – ranging from the collectivism of West African culture to the nature and availability of financial mechanisms.

Each of these lenses allows the reader to enter and understand a world that is fascinating in its own right.

However, the cumulative impact of the book is far greater than that.

Here we see the new engine of history at work. And we see it everywhere.

How did society get to this radically different place? A little history provides the necessary background.

By 1700, business said to *everyone*, “If you have a better idea and implement it, we will make you rich and respected – and we’ll copy you.” Thus inviting *everyone* to entrepreneur changed the world. From after Augustus to 1700, there was no growth in average per capita income in the West. Once business made this structural leap, the rate of change and the level of interconnectedness began their subsequent centuries’ exponential acceleration. This revolution has now spread across the globe and was joined structurally by the citizen sector after 1980.

As this book illustrates, the new world this revolution has brought about is today's reality. The world of earlier millennia where one learned a skill (banker or baker) and repeated it for life in many-walled workplaces is now quickly dying. Instead, everyone must master the complex abilities required to be a changemaker, and all groups must become fluid, open teams of teams. People and groups that aren't making these big changes are being left behind.

Indeed, the world is increasingly divided by "the new inequality" – between the very many who are successfully in the new change game and those left behind. The new inequality gets worse every year as the gap between the two groups widens. The world can't get enough of the former and has disappearing demand for the latter. Hence the universal worsening of income inequality. Hence also the rapidly spreading "Us versus Them" politics fired by the permanent anger of the excluded other half.

Here is the biggest challenge for entrepreneurship: How can we end "the new inequality"? How can we ensure that every human is a giver, is powerful, is a changemaker?

Bill Drayton
CEO, Ashoka: Everyone a Changemaker

Acknowledgments

We would like to express thanks, first and foremost, to the contributors of *Entrepreneurship and Development in the 21st Century*, the first volume of the newly-created Lab for Entrepreneurship and Development Book Series, and our publisher, Emerald Publishing. In particular, we would like to thank the Executive Editor Charlotte Maiorana for her help setting up the new book series, Editorial Assistant Charlie Wilson for supporting the entire production process, and Project Manager S. Rajachitra for handling all of the final production steps. We would like to offer a special thanks to the Institute for Quantitative Social Science at Harvard University for supporting the creation of the Lab for Entrepreneurship and Development and for sponsoring our first annual Entrepreneurship and Development Conference, from which work on this inaugural volume of our new book series originated.

Bruno S. Sergi
Cole C. Scanlon

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Endorsements – Entrepreneurship and Development in the 21st Century

“Whether you are an academic economist, a financial industry professional, or simply interested in understanding the forces shaping our economies, you will find *Entrepreneurship and Development in the 21st Century* timely and relevant. It features a collection of papers related to how entrepreneurship leads to the creation of new technologies and jobs and ultimately to changes in the global economic landscape.”

Apostolos Serletis, Professor and President of the Society for Economic Measurement, University of Calgary

“*Entrepreneurship and Development in the 21st Century*, edited by Bruno S. Sergi and Cole C. Scanlon, features a diverse array of topics describing the new trends in entrepreneurship and development across countries, cultures, and industry sectors. Anyone interested in teaching or researching venture capital, micro-entrepreneurship, micro-finance, cryptocurrency, blockchain technology, or alternative fair trade will treasure this book.”

Sunil Mohanty, Leonard and Claire Professor of Finance and Chairperson, Brooklyn College, City University of New York.

“Eye-opening perspectives on entrepreneurship in the developing world and a refreshing counterpoint to the Silicon Valley worldview. Anyone interested in the mechanisms of entrepreneurship in communities around the world should read this.”

Nick Slavin, Co-Founder & CEO, Fuzionaire, and Chairman, Slavin Family Foundation

“This well-written edited volume is an excellent reading for practitioners, policy makers and academics who need to get a deeper insight into the rapidly evolving systemic changes in entrepreneurship in emerging markets. The Editors masterly links a number of highly relevant academic topics that provide a rounded picture about the challenges that entrepreneurs are to face in the following decades.”

Professor Roman Matousek, Chair in Finance, Director of Research Excellence, Director, Global Centre for Banking and Financial Innovation (GCBFI), Nottingham University Business School

“*Entrepreneurship and Development in the 21st Century* uses an interdisciplinary approach to the relationship between entrepreneurship and economic development – how such a relationship interacts with some determinants of economic development including institutional development, sustainability, financial development, technologies, culture, etc. It provides multi-faceted views on economic development and its determinants, which stimulate further research across disciplines on the issue of entrepreneurship and development. I highly recommend this book to researchers and postgraduate students in the fields of entrepreneurship, economic development, banking, microfinance, venture capital, etc.”

*Michael K Fung, Associate Professor of Economics,
Hong Kong Polytechnic University*

“This is a sound collection of academic papers on the ‘Entrepreneurship and Development in the 21st Century’ edited by Bruno S. Sergi and Cole C. Scanlon. The book provides a wide-ranging authoritative evaluation and in-depth coverage of the dynamic trend of entrepreneurship. The easy read collection also supports the Lab for Entrepreneurship and Development’s mission of generating knowledge of entrepreneurship and development across disciplinary and cultural boundaries.”

*Dr. Abel Adekola, Dean and Professor of International Management,
Jay S. Sidhu School of Business & Leadership, Wilkes University,
Pennsylvania, USA*

“I highly recommend the book *Entrepreneurship and Development in the 21st Century* co-edited by Bruno S. Sergi and Cole C. Scanlon, published by Emerald Publishing. Colleges and universities worldwide, in both developed and developing countries, have been embracing the importance of entrepreneurship and innovation and the creation of economic value for their communities. This book of readings bridges a literature gap by providing a new contribution to research frontiers on entrepreneurship. It is a timely book to be considered for adoption by scholars teaching entrepreneurship with all of its aspects. I taught entrepreneurial finance and published on venture capital and believe that this book will be enriching to scholars in both developing and developed countries considering different stages of entrepreneurial development.

*Dr. Musa Essayad, JP Morgan Chase Bank Professor
of Business, McNeese State University*

“Dr. Sergi and Mr. Scanlon have edited a wonderful book about entrepreneurship in the 21st century. This book embraces and celebrates the positive impact of entrepreneurship toward economic growth and job creation. It is a must-read for people who are interested in the future of entrepreneurship!”

Adjunct Prof. Kevin Chen, New York University.