THE FUTURE OF ECONOMICS AND FINANCE

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Florida Atlantic U & NHH
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AGENDA

- Entrepreneurial Finance: Research, Practice, and Policy for Post-Covid-19 Economic Recovery
- Value Creation Principles
- Blockchain, Bitcoin & ICOs: A Review & Research Agenda
- Corporate Governance in Entrepreneurial Firms: A Review & Research Agenda

Welcome Q&A throughout!

Journal of
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Editorial

Entrepreneurial Finance: Research, Practice, and Policy for Post-Covid-19 Economic Recovery

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This issue comprises nine highly downloaded and cited articles in the *Journal of Risk and Financial Management*. Taken together these original and novel empirical studies offer practical policy contributions to a myriad of challenges faced by firms all over the world. This article summarizes the main contributions of these articles, all of which were developed and published in a pre-COVID-19 era, and then offers further reflections on their implications for research, practice, and policy to guide economic recovery in a post-COVID-19 world.

Building on the growing cross-country venture capital (VC) literature (Mäkelä and Maula 2005), Bradley et al. (2019) present descriptive evidence of trends in cross-border investments in Europe, Israel, and Canada. Their findings highlight "transaction-level" policies designed to attract foreign investment, as well as "ecosystem-level" policies designed to foster a domestic VC market. Among the many important implications is that policy makers should focus on both policies in tandem to grow a healthy, sustainable VC ecosystem. Despite early narratives of a potential decline in VC activity due to COVID-19's economic slowdown, VC activity has not significantly dropped (Hathaway 2020). Given the importance of VC activity to national and regional economic development, and considering that VC databases have systematic reporting lags, future research should examine COVID-19 trends such as: How did the COVID-19 pandemic reshape VC investment criteria and priorities, and national government policies? Which transaction and ecosystem policies effectively stimulate cross-country VC investment in a post-COVID-19 economy?

A new venture's performance reflects founder resources, strategy, and environmental factors (Debrulle et al. 2020). Khan et al.'s (2019) study extends this literature by examining 196 registered firms in Pakistan. They find that entrepreneurial strategy, network ties, and financial capital positively affect new venture performance, but human capital showed an insignificant effect on new venture performance. Given COVID-19's dramatic and disparate

check for updates

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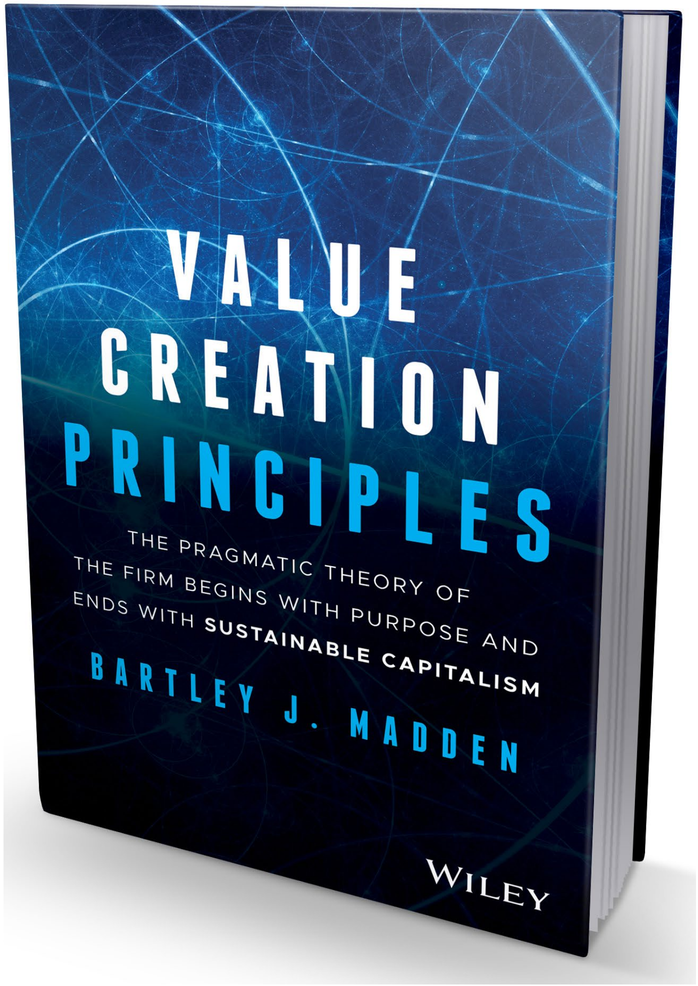
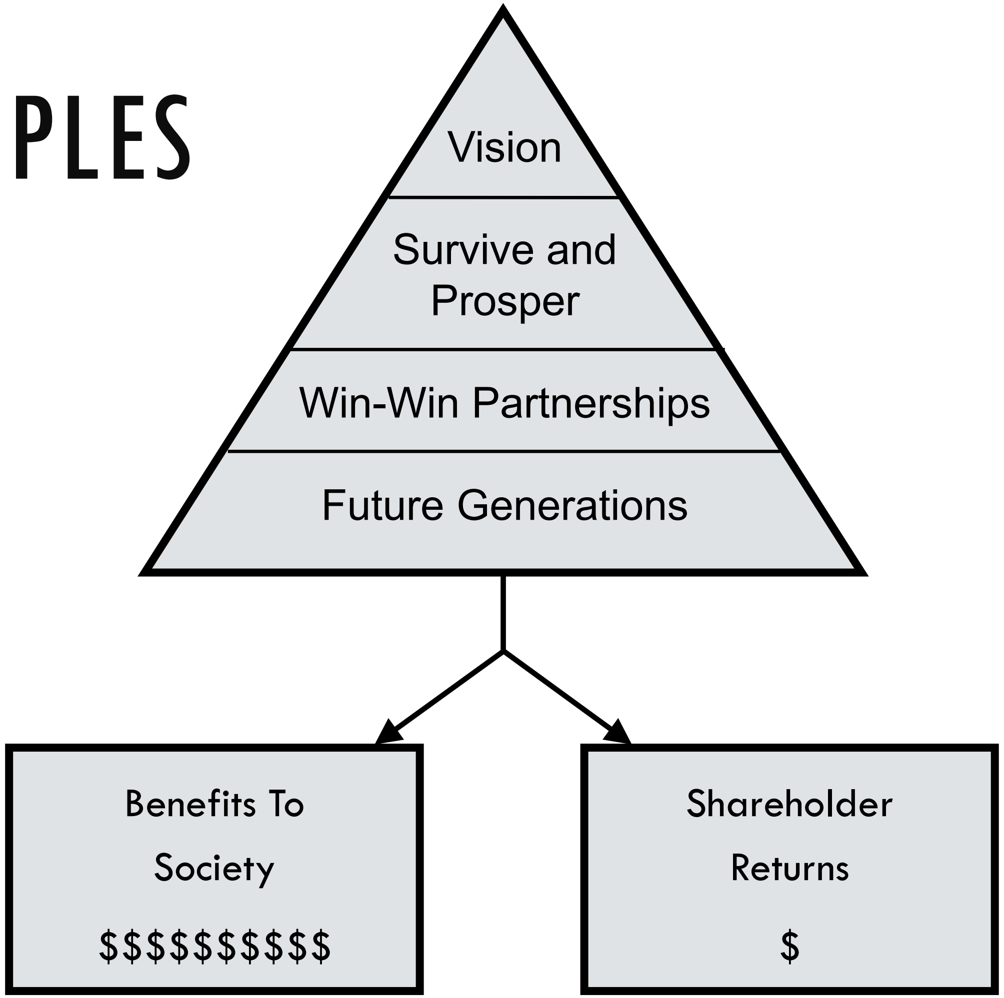
How did the Covid-19 pandemic reshape VC investment criteria and priorities, and national government policies?
Which transaction and ecosystem policies effectively stimulate cross-country VC investment in a post-Covid-19 economy?

- How does the Covid-19 pandemic affect entrepreneurs' ability to access financial capital, social capital, and human capital?
- What specific activities can entrepreneurs undertake be better ensure their ventures' survival and growth during and after the COVID-19 pandemic?
- How has the COVID-19 pandemic changed developing, transitioning, and emerging countries' government priorities for economic, social, and environmental goals?
- Considering entrepreneurship in the public and non-profit sectors (e.g., Audretsch et al. 2020), which post-COVID-19 government policies are most effective in generating economic growth, while not sacrificing environmental sustainability?
- How do the various COVID-19-era infections, restrictions on personal freedoms, and financial losses affect entrepreneurs' insomnia and stress?
- What stress-relieving activities help entrepreneurs to manage their personal well-being and venture success?
- Are there cross-country differences in the desired attributes of CIs and their signaled value? In a post-COVID-19 economy, what are CIs' investment priorities and due diligence strategies?
- Are there differences across the world's stock markets in post-COVID-19-era market efficiency and investor rationality? How has COVID-19 pandemic shaped investors' thinking on other investments, such as cryptocurrency?
- How have government shutdowns paralyzed and destroyed whole business sectors? In a post-COVID-19 era, which government policies lead to faster economic development?

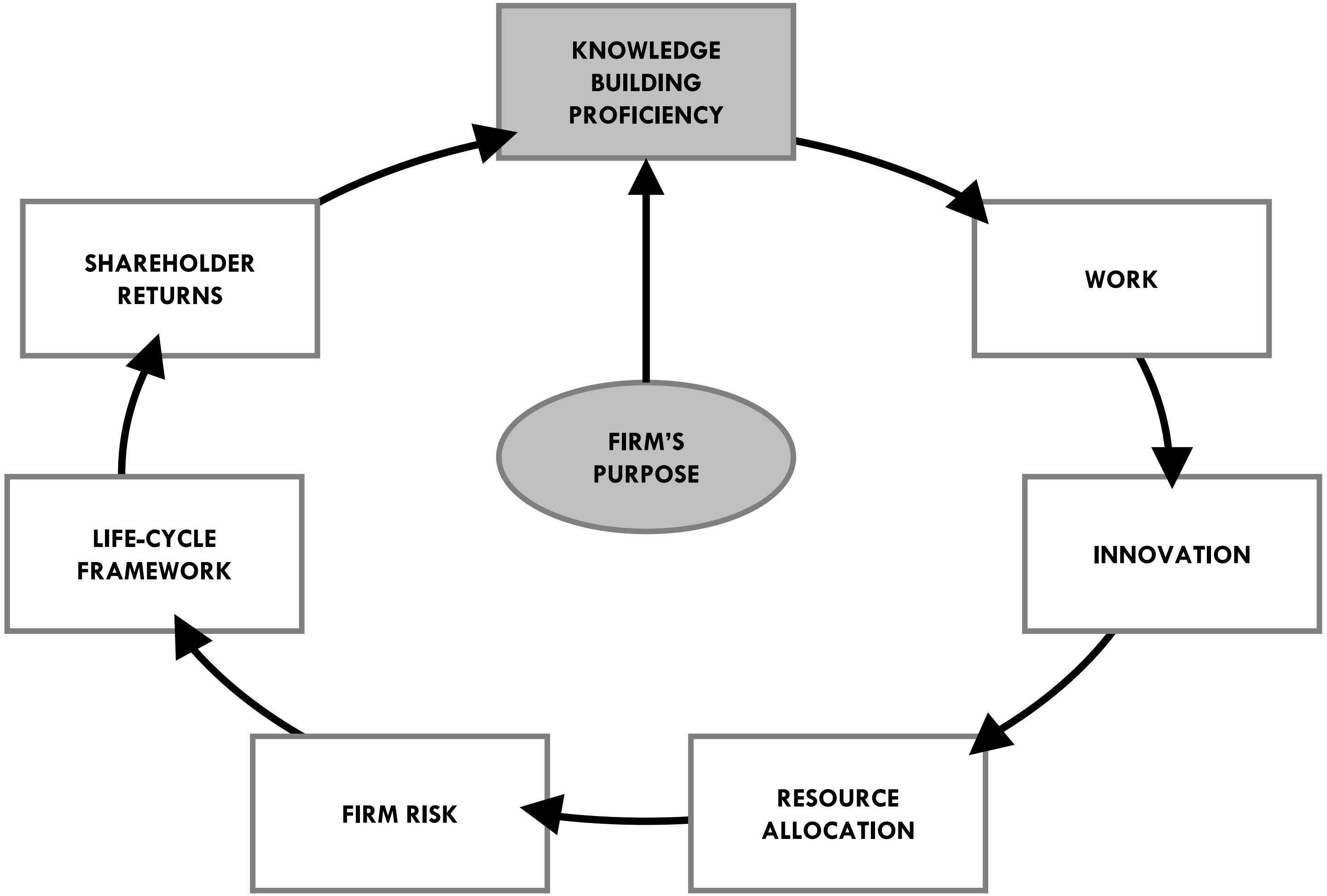
VALUE CREATION PRINCIPLES





The pragmatic theory of the firm begins purpose and ends with sustainable capitalism

MODEL OF VALUE CREATION



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Blockchain, Bitcoin, and ICOs: a review and research agenda

Romi Kher · Siri Terjesen · Chen Liu

Accepted: 1 October 2019

Abstract Blockchain, a decentralized validation protocol in which no one individual entity completely controls the process or information, is labeled both a "techno tour de force" and a "fraud." Austrian School researchers view the blockchain application Bitcoin as an ideal example of currency decentralization while ethics scholars fret about this very lack of control. Given the significant importance of the future of blockchain technology to a range of disciplines and the fragmented knowledge base with little cross-disciplinary integration to fields such as computer science and law, we begin by offering a nontechnical explanation of the basics of blockchain and its applications such as smart contracts, cryptocurrencies, tokens, and initial coin offerings. We systematically review 152 articles in the burgeoning academic literature on blockchain and its applications and synthesize the findings from five parallel lines of enquiry for scholars: computer science, economics, entrepreneurship, and law and governance. Finally, we outline a comprehensive research agenda for scholars of regulation policy and governance, entrepreneurship and sustainability, organization design and theory, and consumer behavior, highlighting promising phenomenon, methodologies, data, and theories. We aim to simplify and explain blockchain for what it is—a valuable tool that is revolutionary, transformational, and critical for scholars to understand and investigate.

Keywords Blockchain · Applications · Bitcoin · Initial Coin Offerings

JEL classification L26 · N20 · N70 · O33

1 Introduction

Blockchain is "an open, distributed ledger that can record transactions between two parties efficiently and in a verifiable and permanent way" (Iansiti and Lakhani 2017)

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Table 1 Management research on Blockchain and its applications: present and future

Field of research	Overview of primary research topics	# cited articles	Future management research questions
Computer Science	Explaining the technological underpinnings of blockchain and Bitcoin, highlighting current technological limitations (consensus algorithms and improving system efficiency), and proposing new currency alternatives	13	Can new business models and opportunities emerge from blockchain security issues? Beyond current technical approaches, can organizations and humans play a role in security and privacy?
	Improving privacy and security issues by proposing newer and updated protocols and algorithms. (51% attack, payments and tracking)	21	
Economics	Austrian school vision of freedom (anarcho-capitalism), game theory approaches to pooling/cooperation, and understanding token economics	15	How do organizations leverage lower transactions costs? Can this lead to societal good? Will economies of scale impact game theoretic outcomes?
Entrepreneurship	Understanding ICOs as a new way of entrepreneurial financing, exploring ICO pricing mechanisms, underpricing, design and success factors along with tokenization	62	What are policy implications for start-ups? ICO launches? Protecting investors? How are investor expectations different in ICOs versus traditional financing? What is the degree of ICO underpricing? How can social enterprises leverage blockchain applications? Can ICOs emerge as a new finding mechanism for SMEs?
Law and Governance	Advocating for comprehensive regulation to aid fraud prevention, ownership issues, taxation and ICO regulation	19	How will firm and innovation activity be impacted by uncertainty around governance and laws?
	Calls for specific regulation proposals addressing current issues	22	How will firms impact future legislation?

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Corporate governance in entrepreneurial firms: a systematic review and research agenda

Hezun Li · Siri Terjesen · Timurs Umans

Accepted: 5 October 2018

Abstract This systematic review covers the extant literature on corporate governance in entrepreneurial firms. Using a sample of 137 research papers published from pre-1990 through June 2018 in 60 journals, we categorize outlets, research methods (quantitative, qualitative, review, and non-empirical), theoretical perspectives, and research questions, highlighting key patterns. We then summarize the concepts under study in the sample literature, and the geographical sources and model specification of quantitative empirical studies. The conclusion highlights the quite fragmented nature of the field and the substantial knowledge gaps, and then proposes an actionable agenda for future research in terms of theories, research questions, research settings, and research designs. In particular, we describe the need to explore how corporate governance mechanisms interact with one another and affect firm outcomes, by applying novel theoretical perspectives and methods that could provide a better understanding of entrepreneurial firms' functioning.

Keywords Corporate governance · Entrepreneurial firms · Literature review · New venture boards · Research agenda

JEL classification G30 · L26 · M10

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1 Introduction

Table 9 Suggested future research directions

Theory	
Opportunities	Challenges
Rediscover agency, resource, institutional perspectives	May be difficult to observe individual- and team-level variables and link them to firm-level outcome variables
Apply new theoretical lenses, e.g., governance deviance, team production theory	
Apply behavioral and psychological perspectives	
Focus on team and individual levels of analysis	
Research questions	
Opportunities	Challenges
Explore relationship and interactions among various types of ownerships	May not be able to find "optimal" configuration
Extend research on board composition	Identify entrepreneurial firms' unique contingencies
Further discuss the relationship between TMT and BOD, especially BOD with VC's or TMT's presence	
Research setting	
Opportunities	Challenges
Emerging economies	Simple replication without understanding unique institutional factors
Cultural characteristics	Overemphasis on cultural difference
Social entrepreneurship ventures	
Cross-country studies	
Research design	
Opportunities	Challenges
SEM	Inadequate theoretical basis for model design
Non-linear regression	Reinvent existing theories rather than emerging new ones
Use of qualitative methods	