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Locally-embedded Institutional Intermediaries in an Early Stage Market-based Economy: Entrepreneurship in Kathmandu's Indrachok Market Area

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Abstract:

Broad-based institutional intermediaries such as government agencies and non-governmental organizations often struggle to support entrepreneurial ventures in early stage market-based economies. Instead, social actors that have close ties with individuals and organizations in a geographic region, which we refer to as locally-embedded institutional intermediaries, may have greater significance for the ventures. Employing mixed methods in an exploratory study we examine two research questions: (1) what types of institutional intermediaries support entrepreneurial formation and ongoing operations in urban settings of an early stage market-based economy, and (2) which factors are associated with the relative importance of different types of institutional intermediaries. Employing a sample from the Indrachok market area in Kathmandu, Nepal, we find that a triad of family members, local suppliers, and fellow entrepreneurs form the key locally-embedded institutional intermediaries, complemented by secondary institutional intermediaries in the form of local politicians, police, government, religion, and micro-lenders. In addition, we find that local suppliers (fellow entrepreneurs) have the greatest (least) importance for retail and registered business as mediated by the businesses' choice of cluster locations. This work advances our understanding of how and why locally-embedded institutional intermediaries address voids in market-based institutions in early stage market-based economies.

Bio

GARRY D. BRUTON is a professor of entrepreneurship and strategy at the M. J. Neeley School of Business at Texas Christian University in Fort Worth, Texas. Dr. Bruton has published or has forthcoming over 100 academic articles in some of the leading academic publications, including the *Academy of Management Journal*, *Strategic Management Journal*, *Journal of International Business*, *Journal of Business Venturing*, *Entrepreneurship Theory & Practice*, *Strategic Entrepreneurship Journal*. Garry currently is associate editor of the *Strategic Entrepreneurship Journal*. He is also the past president of the Asia Academy of Management. His research interests focus on entrepreneurship and strategy in emerging economies.

Garry's publications have been used in some of the leading MBA programs around the world, and his writings have appeared in the *Wall Street Journal*. He was selected as the first holder of the Kathryn and Craig Hall Distinguished Chair in Entrepreneurship in 2005, sponsored by the Fulbright Program. He is one of the few scholars in the world selected to hold a Fulbright Chair twice and holds the Craig Hall Distinguished Chair in Entrepreneurship again in 2018 in Vienna, Austria.

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