

## **Globalization as Catalyst for International Entrepreneurship**

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### **Abstract**

*Entrepreneurship play significant role on the social and economic development of nations across the globe. However, its influence varies across nations based on the level on entrepreneurial pedagogy and application of innovativeness. Thus, the influence of globalization assuages the barrier entrepreneurs are confronted with in reaching the global market. This research titled; Globalization and International Entrepreneurship is carried out to specifically examine the extent to which globalization has influenced international entrepreneurship. Again, the theoretical postulations of entrepreneurship were chronicled and how such theories have propelled entrepreneurial activities cross the globe. The research after critical review of several theories explored the Resource Based View (RBV) theory based on its practical application and relevance to the study. The research adopted a qualitative approach and submitted that globalization has been able to influence entrepreneurial ventures and that such has significantly driven entrepreneurial prosperity across nations of the world. Again, innovativeness has greatly induced international entrepreneurship in the 21<sup>st</sup> century. The study therefore recommends that International Organizations such as the World Bank, International Monetary Fund's as well as other Continental economic bodies intensify effort in sustaining trans-border entrepreneurial ventures. More so, both tie and untied economic aids be improve especially with the view to strengthening developing economies thereby enhancing their economic potentials to be able to access equal opportunities to complete favourably in the global market.*

**Keywords:** Globalization, International, Entrepreneurship, Theory

### **Introduction**

Globalization has resulted to increased trans-border activities in terms of business economic transactions between and among nations. The reality of globalization posed a neologism move to grasp the perpetual dynamics in the era of stiff competitiveness, customers' sophistication and removal of trade barrier for easy flow of business thereby leading to economic fortunes across the globe (Gorynia et al, 2022). The era of globalization leads to trade liberation, increased application of technology and innovativeness towards easy transactions of trade partners thereby making the world a global village.

Globalization provide easy access to business activities across one hundred and ninety seven (197) countries of the world Eke and Ubadudu (2022) noted that globalization is aimed at pursuing growth, pursuit of economic advancement as well as increased social, demographic, technological and political integration across the globe.

The ease of doing business report revealed that the global ranking in 2021 have new zeal and ranked first, followed by Singapore, China, Denmark, Korea Republic, United States, Georgia, United Kingdom, Norway and Sweden the top ten in terms of ease of doing business. This implies that globalization has showed significant impact in enterprise activities.

Globalization influences international entrepreneurship which is seen the pursuit of entrepreneurial activities argy the globe. International entrepreneurial refers to the cognitive and behavioral process associated with the exchange of values targeted at exploration of entrepreneurial opportunities (Alvedalen & Boschman, 2017, Eke & Ubabudu (2022).

Entrepreneurship serves as catalyst for national development but its magnitude varies across nations. The total world population is 7.888 billion in 2021 with a projection of 9.7 billion by 2050 and 10.4 billion by 2100 hence, entrepreneurship requires an aggressive approach to explore the needed actions to explore opportunities attached to population growth. Therefore, entrepreneurship requires innovativeness to enable it strive across the globe. The global innovation index 2022 revealed that top ten most innovative economies are Switzerland united states of America, Sweden, United Kingdom, Netherlands, Republic of Korea, Singapore, Germany, Finland and Denmark whereas, ranking of entrepreneur by countries revealed that Germany, United States of America, Japan, United Kingdom, China, South Korea, Switzerland and Canada thus, meaning that these nations have innovative and enterprising citizens. More so, in 2021, the world most entrepreneurial countries are united states of America 42.88, Germany, 41.05, United Kingdom: 35.8, Israel: 34.25, United Arabirates: 31.05, Polant: 29.75, Spain: 29.01, India: 25.47 and France 25.34 hence this is evident that there is a link between innovation, economic prosperity and entrepreneurial fortunes. For example, 16.5% of United States adult are entrepreneurs (GEM, 2022), and 67.7 of the world wealthiest individuals are self-made suggesting that globalization is not only aimed at facilitating business activities among nations but to also bridge the economic social, demographic and technology gaps aimed at making all nations of the world have easy and free access to both human and material resources without any hitches international entrepreneurship is evident and serves as catalyst towards economic and social prosperity.

### **Conceptual Review**

Globalization is seen as the integration of trade and technology across borders without any barrier (Spiegel, 2016). Thus, globalization poses radical changes in the way and manner businesses are transacted thereby not only increase competitiveness across nations thereby providing a broader range of choice to customers. More so, Andrew et al (2021) noted that globalization is the term used to describe the increasing integration of global economies, values, cultures, political and technological interdependence and population accessioned by cross border trade in products, rendering of services in flow and outflow of investments a cross border, information human capital, ideologies as well as goodwill. Therefore, globalization enables nations to boost economic, social, political and technology partnership strategically targeted at facilitating easy movement across nations. Through globalization, firms establish domestic organizations and pursue business objectives in foreign nations through the free flow of human and material resources information, trade, culture which leads to effective utilization of resources. This is therefore to address the barrier of high cost of production in any part of the world thereby helping firms to provide efficient services or provision of goods at the most economic viable prices.

International entrepreneurship is seen as the combination of innovative proactive and risk-taking ability which cut across national frontiers with the view to create value and efficient service delivery

across national border (Minas & Kleanthis, 2006). Though, entrepreneurship is fundamentally built on identification of opportunities and the ability to explore such but business opportunities varies with culture, perception, geographical and technological climate hence entrepreneurs strive to explore business opportunities across national boundaries. Thus, entrepreneurial prosperity largely depends on the extent to which identified business opportunities are being explored and this is anchored on the political, economic, demographic, social, technological, legal and natural business environments. Therefore, entrepreneurs seek to explore their potentials towards maximizing opportunities and make wealth across their immediate environment thus, look across border.

### **Demystifying the Indices of Globalization**

Globalization is largely characterized with providing easy avenue to transact business through free movements of goods and people. These enable entrepreneurs to explore business opportunities pursue their immediate and strategic objectives (Pedersen et al, 2019, The Economist, 2019 and Witt, 2019). Globalization has the following fundamental features:

- i. Free market Economy: This implies that globalization operates in a free-market economy where economy operates without government interventions. That is, production, import, export, sale, purchases, pricing and distribution are dictated based on the forces of the market
- ii. Integration of National Economy: Globalization is characterized with integration of world economy. Therefore, globalization leads to linkage of nations finance, trade, exchange, political affairs etc.
- iii. Easy movement of Goods: There is easy movement of goods and services through globalization. Consequently, process of tariffs is reduced or removed subsidies provided and restriction of movement relaxed to encourage free movement of goods and services.
- iv. Free flow of factors of production: Globalization create easy access for movement of factors of production like labour, capital, finance, experiences etc. which facilitate production thereby leading to efficient production and distribution of goods.
- v. Standardized technology resulting from easy transfer of technology due to globalization, the tendency that the best technologies are provided to enable entrepreneurs meet the resultant competitiveness.
- vi. Merger and Acquisitions: Considering the reality of globalization, several domestic firms in quest to remain a float and compete favourably in the global market result to merger or acquisition with multinational firms.
- vii. Increased in World Trade volume: resulting from the reality of globalization which leads to closing communication barriers and shortening of distance, the volume of trade has been greatly improved thereby expanding the global trade volume.
- viii. Increased access to global organization: Globalization has led to increased access to global organizations like Worlds Trade Organizations, International Monetary Funds, United Nations and World Bank. All these international organizations have been able to boost economic activities across the globe.

### **Entrepreneurship as Catalyst for Economic Development**

Entrepreneurship plays a significant role to economic development across the globe. Mason and Broun (2014), Pienaar (2013) and Spigel (2015) noted that entrepreneurship drives economic growth and provide new job, facilitates innovation by bringing new ideologies, products and services into the market as well as capable of contributing to the social change by developing products or services which reduces people dependence on obsolescence technologies. Therefore, entrepreneurship improves standard of living of people through people being engaged in employment as a result of setting up of industries. Thus, entrepreneurship reduces scarcity of products and services.

More so, entrepreneurship leads to economic independence of nations and individuals. Through entrepreneurship people are gainfully employed self-sufficient and that is capable of bridging the gap between the high class and low-class citizenship across the globe. Entrepreneurship provides avenue for optimal use of resources as well as providing the people needed tenacity to take calculated risks and explore business opportunities. More so, entrepreneurship promotes economic growth, creates easy access to goods and services and improves the overall standard of living. This also provide avenue for integration of ideologies and provide the people with tenacity to take calculated risks. Thus, entrepreneurship plays a significant role to economic development across the globe.

### Theories of Entrepreneurship

Table 1 describes the postulators of entrepreneurship theories and the year, what such theories portray and the core characteristics of such theories.

**Table 1: Table of Entrepreneurial Theories**

<b>Economist</b>	<b>Definition of Theory</b>	<b>Entrepreneurial Characteristics</b>
Richard Cantilon (1680-1734)	The contractor is the agent who buys the means of production to combine them into a new product.	The entrepreneur is a good production agent
Jean Baptise Say (1767-1832)	The entrepreneur brings people together to build a productive element	The entrepreneur is a leader
Frank knight (1885-1972)	The entrepreneur is convinced of a chance to make a profit	The entrepreneur is the one who has the security of success
Afred Marchall (1842-1924)	The entrepreneur is an innate leader who has the ability to anticipate change and act in risk situations	The entrepreneur is an innate leader
Max Weber (1864-1920)	The entrepreneur is a role player in accordance with the expectations of the society based on the religious beliefs, taboos and customs of the society he belongs to the result being capitalism.	The entrepreneur is a capitalist
Mark Casson (born 1945)	Entrepreneurship is driven by the demand for change, resulting from favourable economic conditions	The entrepreneur is flexible
Joseph Schumpeter (1883-1930)	The profile of the entrepreneur is guided by three major features innovation, vision and creativity.	The entrepreneur is a trendsetter
Israel Kirtzne (born 1930)	The entrepreneur is distinguished by the fact that a lively innovator	The entrepreneur is a lively innovator
Harvey Leibenstein (1922-1994)	The entrepreneur is the innovator who ensures that connection of various markets and combines elements in new innovations to meet the unmet market demand.	The entrepreneur is an innovator
David McClelland (1917 – 1998)	Entrepreneurs have three reasons to achieve things: the need to achieve, the need for affiliation and the need for power	The entrepreneur is motivated
Peter Drucker (1909-2005)	Innovation, resources and entrepreneurial behavior are the basis of entrepreneurship	The entrepreneur
Michael Kremer (born 1964)	Production tasks are proactively performed together so that any of them have a high value. The characteristic of this theory is the positive assortment match.	The entrepreneur is complementary

Ungureanu (2020)

Table 1 chronicled the theories of entrepreneurship, definition of their theories and postulations and their characteristics. Richard Cantilon (1680-1734) revealed that the contractor is the agent who buys

the means of production to combine them into a new product noting that entrepreneur is a good production agent. Again, Jean Baptise Say (1767-1832) revealed that the entrepreneur brings people together to build a productive element arguing that the entrepreneur is a leader. More so, Frank knight (1885-1972) noted that the entrepreneur is convinced of a chance to make a profit postulating the entrepreneur is the one who has the security of success. To Alfred Marchall (1842-1924) the entrepreneur is an innate leader who has the ability to anticipate change and act in risk situations and sees the entrepreneur is an innate leader while Max Weber (1864-1920) the entrepreneur is a role player in accordance with the expectations of the society based on the religious beliefs, taboos and customs of the society he belongs to the result being capitalism and noted that the entrepreneur is a capitalist. Additionally, Mark Casson (born 1945) theorized that Entrepreneurship is driven by the demand for change, resulting from favourable economic conditions and characterizes the entrepreneur as flexible. Joseph Schumpeter (1883-1930) noted that the profile of the entrepreneur is guided by three major features innovation, vision and creativity and seeing the entrepreneur as a trendsetter. Moreover, Israel Kirzner (born 1930) revealed that the entrepreneur is distinguished by the fact that a lively innovator and characterizes the entrepreneur is a lively innovator while Harvey Leibenstein (1922-1994) noted that the entrepreneur is the innovator who ensures that connection of various markets and combines elements in new innovations to meet the unmet market demand thereby seeing an entrepreneur as an innovator.

David McClelland (1917 – 1998) sees Entrepreneurs have three reasons to achieve things: the need to achieve, the need for affiliation and the need for power thus the entrepreneur is an innovator. Peter Drucker (1909-2005) sees entrepreneurship to be associated with Innovation, resources and entrepreneurial behaviors are the basis of entrepreneurship thus concluded that the entrepreneur is motivated. Finally, Michael Kremer (1964) revealed that Production tasks are proactively performed together so that any of them have a high value. The characteristic of this theory is the positive assortment match referencing that the entrepreneur is complementary. Therefore, the theories of entrepreneurship are complementary and fundamentally associated with innovation.

## **Theoretical Framework**

### **Resource Based View (RBV)**

Resource based view was postulated by Barney in 1991 with the ideology that core organizations resources and capabilities could imperatively vary across firms. This model as revealed by Gbade and Jato (2016) can be competitively utilized if these resources are combined and appropriately mobilized. However, Barney (1991) argued that firms' resources can be categorized into the physical resources which include plant, technological and firms' equipment, human capital resources which include employees' skills, training and experience while the organizational capital resources include formal or informal planning, control and reporting structures. Therefore, for firms' resources to be competitively utilized to enable such create edges over other players in such market, the firm must be able to apply the mathematical model (VRIN) adequately.

Therefore, the Resource Based View emphasized the situation where firm possess resources that is difficult to obtained, resources that cannot be easily purchased or transferred as well as requiring an extended learning curve. To this end, Barney (1991) and Madhani (2010) further buttressed that the mathematical model (VRIN) represents the following: (V = valuable, R = rare, I = imperfectly imitable, N = (Non) substitutable. Again, firm's core resources which are capable of creating a competitive edge could be dynamic in nature and varies from firm to firm which largely depends on

the management skills, employee's level of competence and environmental climate. The resources of entrepreneurial firms in this context represents the core variables in this instance innovation which are significantly potent techniques in meeting stakeholders needs thereby competitively striving in the market even though Onalo and Zubair (2016) argued that possession of core firm resources alone is not a guarantee to competitively strive above other firms. Thus, these uncommon and valuable resources required to be properly utilized by the entrepreneurial firms to meet the target of creating a competitive edge above other firms and such must collectively be initiated, pursued and accomplished by all the critical stakeholders. In addition, such innovative ideology of Resource Based View required to be integrated into the entrepreneurs' policies and objectives with the view to reinvigorate such to create value re-orientation on the needfulness to adopt such strategies to compete favorably in the market. Therefore, the perpetual dynamics of entrepreneurial innovation enables its application to only strive above competitors if entrepreneurial firms accept the dynamics and enshrined such into the firm's operational blue-print with the view to review such periodically.

Though, these studies have been able to explore several models but the theory of Resource Based View is anchored on this research. Apart from the fact that this theory has more practical applications to the study on globalization and international entrepreneurship, its focus on the three major organizational resources of physical resources, human capital resources and organizational capital resources makes it more imperative for the research to adopt it. Specifically, too, the study is anchored on Research Based View based on the following premises:

The Research Based View has a universality of assumptions of resource heterogeneity and the opportunity to create innovative output to meet the needs of stakeholders. This ideology will go a long way in creating a balanced and valuable competitive advantage towards striving in the market.

The Resource Based View revealed that firm's innovative tendencies do not necessarily emanates from environment scanning or marketing research but from visualizing the firm's internal resources and core competencies which such firms can utilized to create an edge above other players in the market.

The Resource Based View (RBV) postulates that organizational resources and capabilities are adopted to induce firms' growth and survival through the transformational and innovativeness anchored by the instrumentality of globalization and international entrepreneurship. Thus, the ideology of Resource Based View is not just to create innovative resources at all cost for the purpose of striving in the market but to also imbibe the vigour and institutionalized culture of innovation and creativity to perpetually meet customers perceived value. Conclusively, from the above evidence this research is anchored on the Resource Based View considering its practical applications to all the decomposed independent and dependent variables.

### **Research Methodology**

The study is qualitative research which is seen as the systematic subjective approach applied to describe life experiences and give meaning to such experiences (Nze, 2009). Qualitative research is aimed at gaining an insight; explore the depthness and richness into a phenomenon. To this end, qualitative research is seen as a soft science with a broad focus. Thus, Nze (2009) argued that the basic paradigm covers three fundamental areas such as positivism (quantitative), interpretivism (qualitative) and critical science. The interpretivism manifests in five different forms that is, case study, grounded theory, phenomenology, ethnography and history. The research on globalization and international entrepreneurship applied a qualitative approach to explore relevant literature.

## **Conclusion and Recommendations**

### **Conclusion**

The research revealed that globalization has been able to influence entrepreneurial ventures and that such has significantly driven entrepreneurial prosperity. Again, innovativeness has greatly propelled international entrepreneurship. More so, entrepreneurship play significant role to the socio-economic development of the global communities thus increased the fortunes for international economic ties as well as posing the potential in broadening the nation's economic profile.

This study therefore recommends that international Organizations such as the World Bank, International Monetary Fund's as well as other Continental economic bodies intensify effort in sustaining trans-border entrepreneurial ventures. More so, both tie and untied economic aids be improved especially with the view to strengthening developing economies thereby enhancing their economic potential to be able to access equal opportunities to complete favourably in the global market.

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