

**INSTITUTIONS, RESOURCES, AND ENTRY STRATEGIES
IN EMERGING ECONOMIES**

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Institutions, Resources, and Entry Strategies in Emerging Economies

Abstract

We investigate the impact of market-supporting institutions on business strategies by analyzing the entry strategies of foreign investors entering emerging economies. We apply and advance the institution-based view of strategy by integrating it with resource-based considerations. In particular, we show how resource-seeking strategies are pursued using different entry modes in different institutional contexts. Alternative modes of entry—greenfield, acquisition, and joint venture (JV)—allow firms to overcome different kinds of market inefficiencies related to both characteristics of the resources and to the institutional context. In a weaker institutional framework, JVs are used to access many resources, but in a stronger institutional framework, JVs become less important while acquisitions can play a more important role in accessing resources that are intangible and organizationally embedded. Combining survey and archival data from four emerging economies, India, Vietnam, South Africa, and Egypt, we provide empirical support for our hypotheses.

Running Head: Institutions, Resources, and Entry Strategies

Keywords: Institutional theory, emerging economies, strategic adaptation to context, modes of entry, acquisitions, joint ventures.

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