The impact of home institutions on the internationalization of emerging market SMEs: A systematic review

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Abstract

Purpose: The purpose of our paper is to review literature on home-country institutional factors influencing the internationalization of small and medium enterprises (SMEs) from emerging markets. Based on our analysis, we propose a research agenda to guide future studies in this field.

Design / Methodology / Approach: Our paper follows a systematic procedure to review 58 selected articles on how institutional contexts in emerging economies impact SME internationalization, covering studies from 1999 to 2023. This period was chosen to capture recent research following the post-1990 market liberalization in most emerging economies, which has shaped new opportunities and challenges for SMEs expanding abroad.

Findings: Our literature review shows that SMEs' internationalization knowledge in emerging markets is strongly shaped by home-country institutional conditions. Key mechanisms include imprinting by home institutions and learning from domestic institutional sources, both critical yet underexplored areas in SME development. These processes offer substantial opportunities for future research into how institutional contexts influence SMEs' global growth.

Originality / value: Our research builds on previous studies that have emphasized firm-level and external factors such as host market appeal, consumer needs, and resource availability driving SMEs' internationalization. Focusing on home institutional factors, we provide a comprehensive review of academic studies and propose a future research agenda on the external institutional influences shaping emerging market SMEs' global expansion.

Keywords: Small and Medium Enterprises; Internationalization; Institutional theory; Foreign Direct Investment; Emerging Markets

1. Introduction

Over the past two decades, there has been a growing body of research on the internationalization of firms originating from emerging markets (Chittoor et al., 2015; Deng & Zhang, 2018; Filatotchev et al., 2009; Hong et al., 2015; Jormanainen & Koveshnikov, 2012; Wu & Zhao, 2015). This literature has emphasized upon the unique institutional conditions within the home country in emerging economies as an antecedent for the internationalization of its firms (Cuervo-Cazurra, 2016). However, most of this literature has focused on large, group-affiliated or state-owned firms, which have greater resources, sophisticated products, connections and managerial knowledge required to undertake internationalization. Comparatively, much less is known about the unique barriers faced by small and medium-sized enterprises (SMEs) based in emerging markets, although the literature on this stream has been gaining momentum significantly in the recent times (Bianchi et al., 2017; Bianchi & Wickramasekera, 2016; Filatotchev et al., 2009; Kumari et al, 2023).

The scarcity of studies on emerging market-based SMEs' internationalization stems from several factors, such as limited access to reliable data, underdeveloped research infrastructure, and a predominant focus on developed markets where data and resources are more readily available (Dekel-Dachs et al, 2021). Addressing this gap is, however, crucial because SMEs in emerging markets significantly contribute to economic growth, job creation, and innovation (Karadağ, 2016; Kongolo, 2010). Understanding their internationalization processes can inform the design of policies and support systems tailored to their unique challenges and opportunities. This is even more important today as technological advancements, particularly in digital technologies and e-commerce platforms, have lowered barriers to international markets, enabling SMEs in emerging markets to more easily access global customers (Rakshit et al, 2022; Todd & Javalgi, 2007). Additionally, new trade agreements and shifts in trade policies, such as the Africa Continental Free Trade Area

(AfCFTA), present fresh opportunities and challenges for these SMEs (Debrah et al, 2024). The COVID-19 pandemic has also reshaped global supply chains and market dynamics, making it crucial to understand how SMEs in emerging markets adapt and internationalize in a post-pandemic world (Lee et al, 2022; Puthusserry et al, 2022). Moreover, the increasing emphasis on sustainability and Environmental, Social, and Governance (ESG) criteria requires SMEs to develop strategies that meet these standards while expanding internationally (Gammeltoft & Panibratov, 2024; Wang & Esperança, 2023). Addressing these recent changes through focused research can provide valuable insights and support for SMEs in emerging markets, promoting more inclusive and sustainable global economic growth.

The rise of internationalization among emerging market-based SMEs (EM-SMEs) can be attributed to two major institutional changes. First, prior to the market liberalization era, institutional conditions for SME growth were limited (Alon et al., 2013). However, post-liberalization, governments in emerging markets began recognizing SMEs as vital for socio-economic development, driving employment and entrepreneurship (Tiwari et al., 2016). Post-liberalization, reforms such as reduced barriers to trade and foreign investment (Ten Kate, 1992) created opportunities for EM-SMEs to collaborate with foreign firms, enhancing their capabilities in internationalization, though primarily through exports and global value chains rather than foreign investment (Kumari et al., 2023). Second, many emerging market governments have recently implemented financial (e.g., loans, export grants) and non-financial (e.g., training, technical assistance) programs to support local SMEs (Tagoe et al., 2005). While not specifically designed for internationalization, these programs have facilitated SME growth beyond domestic markets, resulting in EM-SMEs outperforming their developed-market counterparts. Notably, one-third of all SMEs globally are located in countries such as Brazil, China, India, and Mexico (Kiss et al., 2012).

Despite these developments, EM-SMEs face greater liabilities of smallness, foreignness and newness as compared to large firms and SMEs from developed countries during their internationalization process. Also, other institutional challenges in emerging economies, such as, greater levels of corruption, bureaucracy and uncertainty, have been found to deter SMEs internationalization prospects. Publicly funded schemes and training to support SMEs in undertaking internationalization are also in their infancy (Cziráky et al., 2005), and these factors adversely impact their internationalization. Therefore SMEs must develop flexible structures and strategies to benefit from internationalization (Zhang et al, 2014). Prior reviews on this topic suggest that, due to the lack of foreign market knowledge and technological development infrastructures, EM-SMEs face challenges to survive in the global market (Chandra et al, 2020). Institutional factors are related to the development of SMEs' knowledge and are therefore argued as being of prime importance to the internationalization of SMEs from emerging economies. Tables 1 and 2 show the differences between SMEs and large firms, and SMEs from developed versus emerging countries in terms of their internationalization.

*** Insert Tables 1 and 2 about here ***

While the literature acknowledges the unique institutional advantages and challenges faced by EM-SMEs compared to firms in developed countries, few studies have thoroughly reviewed the external institutional factors influencing their internationalization. Prior reviews (e.g., Dekel-Dachs et al., 2021; Chandra et al., 2020) and studies focus on internal firm-level factors, such as innovation, networks, and dynamic capabilities contributing to export performance (e.g., Kolbe et al., 2022; Jeong, 2016). This study has three main contributions. First, it identifies unique institutional facilitators and barriers that lead EM-SMEs to internationalize, given their different home environments. Second, as the study of SMEs' internationalization in emerging markets is still developing, this review highlights existing theories used in the literature, expanding on Ruzzier et al.'s (2006) work on developed markets. Finally, the study emphasizes the significance of the home institutional environment in shaping EM-SMEs' internationalization knowledge. Based on the above, it offers recommendations for future research in this area.

2. Methodology

We used the systematic literature review approach (Tranfield et al., 2003; Wong et al., 2012), following a five-step process: designing research questions, identifying relevant articles and studies, selecting and assessing these sources, conducting a combined analysis, and finally, writing and applying the findings. A database of articles was compiled and subsequently evaluated to provide insights related to the research questions.

We utilized the academic journal guide provided by the Chartered Association of Business Schools (ABS) journals list (updated in 2021) as the basis of journal quality, which has been most popular in prior review studies. Initially, only peer-reviewed journals that were ABS 4*, 4 and 3 rated were considered; however, because of the limited number of articles that only focus on SMEs in emerging markets, journals with ABS 2 and 1 ratings were also considered. We then conducted a search for keywords within the “Title” and “Abstract” fields of each journal with the combination of search strings: “Internationalization”, “Internationalisation”, “Small Medium Enterprises”, “SME”, “Small”, “Small Businesses”, “Emerging Markets”, “Emerging Economies”, “Developing Countries”, “Developing Markets” and “Institutions”. Additionally, we also included individual emerging countries listed in the International Monetary Fund (IMF) in our search terms to avoid missing studies which focused on single countries. Our search spanned over the years 1999-2022. The timescale was used with the intention of reviewing the relatively recent set of studies on this topic more rigorously, and also due to the fact that most emerging markets liberalized their home markets post 1990. Our initial search resulted in 237 articles. The third step included the elimination of duplication. Denyer & Tranfield (2009) emphasize that a systematic literature review should include pre-determined criteria for relevance and quality to select articles aligned with the research questions. Based on this approach, we shortlisted articles that specifically examined the role of the home institutional environment in the internationalization of SMEs from emerging markets, as this was the focus of our review. Further selection criteria was applied to only include: (1) Articles that included both empirical tests (qualitative, quantitative or mixed methods), and theory building; and (2) Articles focused on management studies. Overall, after applying all the criteria, a total number to 58 relevant articles were selected and reviewed. Table 3 shows the list of articles selected based on the journals.

*** Insert Table 3 about here ***

Our descriptive analyses of the literature shows that out of the 58 studies, 21 have focused on the BRIC (Brazil, Russia, India and China) countries. There are an increasing number of studies, however, from other emerging countries such as Colombia, Peru, Indonesia and Malaysia. An increasing number of studies are also focusing on multi-country studies, however, these are limited. Regarding methodologies, approximately 60% of the studies relied on quantitative data analysis, primarily conducted on primary data collected through surveys. This may be due, in part, to the limited availability of secondary data on SMEs in emerging market countries, particularly concerning foreign investments rather than exports by these firms. Additionally, while fewer studies have employed qualitative data analysis, this trend has been on the rise. Notably, only two studies utilized a mixed-methods approach.

We used a qualitative approach to compare findings across selected studies by classifying articles into themes to analyze trends and research gaps. A conceptual model based on previous studies (Costa et al., 2016; Ruzzier et al., 2006) was used to guide theme identification. This model included Antoncic & Hisrich's (2000) work on international ventures and traditional internationalization. Articles were clustered around internationalization antecedents, barriers, and theories to form an analytical framework for a systematic literature review. A database of articles was constructed and evaluated to address the research questions.

3. Findings

3.1 Institutional ‘facilitators’ of emerging market SMEs’ internationalization

Institutional theory has been an important basis for studying the internationalization of EM-SMEs, because, in contrast to large companies, SMEs are more profoundly influenced by their home institutional environment due to their limited internal resources and capabilities. Institutions, defined as "rules of the game" (North, 1990), are formal (regulatory) and informal (normative, cultural, cognitive). Supportive institutions positively affect SMEs' opportunity motivation, driving international expansion (Garcia-Cabrera et al., 2016). Strategic choices like resource access and expansion depend on institutional regulatory, normative, and cognitive factors (Peng et al., 2008). Conversely, weak formal institutions raise transaction costs and uncertainty for firms, including SMEs. Market liberalization often brings both economic and institutional changes. The state plays a key role in reshaping the institutional environment and initiating market reforms, establishing new governance forms (Smallbone et al., 2010). In relation to home-based institutional facilitators, we refer to the external institutional factors –

both positive and negative – that have driven SMEs to focus on international markets, relative to home.

In the context of EM-SMEs, as Table 4 suggests, first, pro-market liberalization reforms, such as the removal of tariff barriers, have significantly boosted EM-SMEs' export opportunities. These reforms fostered a positive mindset toward internationalization and accelerated their global efforts (Felzensztein et al., 2022). Improved access to finance, reduced taxes, and export processing zones have further encouraged export-focused manufacturing (Njinyah, 2018). Increased imports and FDI have enabled SMEs to learn from large multinational enterprises (Prashantham & Birkinshaw, 2008). Market liberalization has also facilitated international R&D collaboration and improved human capital (Ikiara, 2003). Collaborating with multinationals helped SMEs access new technologies in production, marketing, and product design, while building professional networks crucial for international ventures (Prashantham et al., 2019).

Overall, while pro-market reforms have been widely argued to have enabled the growth of EM-SMEs, research has also highlighted the "dark side" of liberalization, which has intensified competition from large multinational enterprises (MNEs) and increased SMEs' reliance on exporting within global value chains (GVCs) (Su et al., 2020; Yeung, 2017). In this context, larger EM firms, particularly those affiliated with business groups, have disproportionately benefited due to their size and resources, allowing them to engage in higher value-added activities through international expansion. In contrast, SMEs have been argued to engage in lower value-added activities such as basic manufacturing and supplying to lead firms in GVCs. This has been illustrated in the case of the Korean automobile industry, where smaller firms, often suppliers to larger MNEs, struggled to compete with the advanced technologies, economies of scale, and brand recognition that large MNEs brought with them. Many SMEs were forced out of business or absorbed into larger MNEs (such as Hyundai or Kia) as suppliers under increasingly stringent terms (Kim, 1997). The same is also illustrated in the case of Brazilian SMEs in the footwear industry, which, prior to market liberalization had enjoyed protection from international competition. Post-liberalization, local shoemakers found themselves competing against cheaper, mass-produced imports by larger firms, which imported to Brazil, driving down prices. Many SMEs, unable to compete on price, were forced to cut costs, lay off workers, or close down entirely, although some were able to collaborate with larger firms and engage in internationalization (Campos et al., 2018).

*** Insert Table 4 about here ***

In addition to pro-market reforms, recent government incentives and support services have improved SME internationalization prospects. Rahman et al. (2022) highlight that advisory services, training, and financial support (e.g., loans, grants) have helped Bangladeshi SMEs engage in internationalization. Improved information and communication infrastructure also supports internationalization. Yan et al. (2020) find that government initiatives like trade delegations, export regulation guidance, and network access aid Chinese SMEs in expanding abroad. Additionally, China's Belt and Road Initiative creates opportunities for SMEs to invest in participating countries (Li et al., 2019).

Second, studies have shown that institutional constraints in emerging economies often drive firms to prefer internationalization over local expansion - known as institutional “escape” (Jones & Coviello, 2005). This concept, initially observed in large EM firms, also applies to EM-SMEs. For example, Rodgers et al. (2022) find that Russian SMEs use internationalization to avoid high government intervention, such as frequent inspections and heavy taxation. Similarly, Fabian et al. (2009) report that Colombian SMEs, facing a weak legal framework and threats like drug-related crime and corruption, internationalize to seek safer environments and new opportunities. Deng & Zhang (2018) observe that poor institutional quality in China pushes SMEs to invest abroad, while strong home institutions support overseas sales growth.

3.2 Institutional 'barriers' of emerging market SMEs internationalization

Home institutions in emerging markets have also been argued to create barriers for its SMEs to undertake international expansion. In relation to barriers, we focus on the institutional factors – both positive and negative – that have caused SMEs to focus on the domestic context and internationalize less. As Table 5 shows, access to institutional finance is a significant barrier for EM-SMEs (Vos et al., 2007). Despite government financing opportunities, these SMEs often struggle to obtain external funds, such as bank loans from state-owned banks, unlike larger firms, which impedes their international activities (Bernard & Jensen, 2004). Insufficient governmental assistance, unfavorable regulations, and monopolistic financial institutions increase borrowing costs and limit financial aid for SMEs (Ayob et al., 2015). Publicly funded schemes are rare in emerging markets, leading to severe capital restrictions (Cziráky et al., 2005). Consequently, Williams et al. (2012) note that international remittances become a crucial financial source for EM-SMEs, supporting their internationalization efforts.

*** Insert Table 5 about here ***

In addition to the scarcity of access to public financing, Semensato et al (2022), examining the internationalization of Brazilian SMEs, suggest that complex legal systems and governmental changes at the local levels have also created barriers for SMEs to innovate and reduced SMEs' risk taking propensity to engage in higher levels of internationalization. Psychic distance-related issues such as language and other social differences are also argued to deter SME internationalization among Bangladeshi SMEs (Rahman et al, 2017). Lack of government support in certain industries such as manufacturing has also been argued to deter the internationalization of Indian SMEs via a greater perception of psychic distance, whereas such support is argued to be relatively greater in other industries such as services (Puthusserry et al, 2014).

Furthermore, weak home institutions increase the "liabilities of origin" for emerging market firms, including EM-SMEs, hindering their international expansion, particularly into developed countries with stronger institutions (Marano et al., 2016). These liabilities often lead to perceptions of corruption and lower-quality products or services (Shirodkar & Shete, 2021). For instance, in Russia, factors like political instability, corruption, and high power distance create significant barriers for SME internationalization (Volchek et al., 2013). Similarly, political instability in Malaysia has led to foreign partners resisting mergers and joint ventures with Malaysian firms (Che Senik et al., 2011). A cross-case study by Narooz and Child (2017) comparing Egypt and the UK highlights that entrenched cultural traditions in emerging markets, such as Egypt's collectivist culture, contribute to environmental uncertainty and inequality in institutional rules, further impeding the internationalization of Egyptian SMEs.

Apart from these issues within SMEs' home institutions, institutional issues at the international level can also adversely impact the internationalization scope of firms from emerging economies, including SMEs. For instance, Jafari-Sadeghi et al (2019) suggest that geopolitical circumstances such as sanctions and embargoes create barriers for EM-SMEs, especially those operating in or exporting to Iran and Russia. Often, such sanctions change from time to time, which also creates institutional uncertainties in relation to payment, purchase of advanced technologies and exchange rates. Roy et al (2016) suggest that international trade policies often do not pay sufficient attention to SMEs concerns, and SMEs are often adversely impacted by procedural and currency related barriers between countries.

3.3 Institutions and the role of networks

This section examines how institutional network-based factors facilitate EM-SMEs' internationalization. Johanson and Vahlne's (1990) updated Uppsala model emphasizes the importance of market knowledge and learning in the internationalization process. It suggests that initial exporting helps firms develop knowledge about host markets, leading to further expansion efforts. Firms also gain insights through their networks and business relationships, interacting with customers, competitors, and firms in other industries (Ibeh & Kasem, 2011). These networks provide crucial coordination, as firms are likely to pursue internationalization when their business partners are doing the same (Matlay et al., 2006).

Theoretically, the role of networks is also associated to the resource-based view (RBV) (Wernerfelt, 1984) in explaining EM-SMEs' internationalization (Kazlauskaitė et al., 2015; Temouri et al., 2022). Although compared to large firms, SMEs are generally resources constrained, EM-SMEs often have distinctive resources, such as deep knowledge of local markets, and strong relationships within local networks, which they can exploit to enter foreign markets. Temouri et al. (2022), for instance, emphasize that the social capital of EM-SMEs obtained through these networks forms an important resource which can be mobilized in internationalization. Furthermore, SMEs may also benefit from unique capabilities such as flexible structures, lesser bureaucratic constraints and the entrepreneurial mindsets of managers (Nyamrunda & Freeman, 2021).

Given that emerging countries often provide limited governmental and institutional support for SMEs to internationalize, the network perspective (alongside the RBV) has been applied to examine how firms leverage informal ties and collaborations to overcome these challenges (Prashantham et al, 2019; Bianchi, 2014). While networks are important for large firms too, large firms are less dependent on them for survival as they have more internal resources and capabilities. On the other hand, networks form important channels that help EM-SMEs in building trust and legitimacy, considered as important intangible resources in emerging markets where formal institutions are weak or corrupt. By associating with reputable partners or participating in business networks, EM-SMEs are found to enhance their credibility and reduce transaction costs associated with distrust or legal uncertainties (Ahlstrom & Bruton, 2006).

Networks also provide EM-SMEs with a competitive advantage by giving them access to new technologies, distribution channels, or even new business models (Acquaah, 2007), as well as in gaining expertise and knowledge that they might not possess in-house, such as management skills, technical know-how, or market insights (Elfring & Hulsink, 2003). Handoyo et al (2021), for instance, based on Indonesian SMEs, suggest that institutional networking such as with national export development agencies, trade associations and other governmental agencies form an important success factor for SME internationalization. As Table 6 suggests, networking complements knowledge obtained from initial exporting of products and R&D efforts in new product development. Puthusserry et al (2020) also argue that participating in industry associations, social networks, trade fairs and trade missions form important sources of external learning for Indian SMEs, and this complements the learning from their own prior internationalization experiences.

*** Insert Table 6 about here ***

Several studies in China have examined the impact of home-based social networks, commonly known as 'guanxi', on the internationalization performance of SMEs. For example, Zhou et al. (2007) found that these networks mediate the relationship between Chinese SMEs' internationalization orientation and firm performance. They also highlighted how network creation has benefited companies in information gathering, such as identifying foreign market opportunities, obtaining advice, experiential learning, and fostering trust and solidarity. Similarly, Yan et al. (2020) found that informal embeddedness in the institutional context, along with the development of both political and business guanxi, helped Chinese SMEs overcome the effects of psychic distance, particularly when entering markets like the United States. Child et al. (2022) found comparable effects among SMEs from other emerging markets, such as the Middle East and India, while Berko Obeng Damoah (2018) reported similar findings in Ghana.

Through these informal networks, EM-SMEs in particular develop confidence, pride and trustworthiness among stakeholders. Jafari-Sadeghi et al (2021) also find that international networking with foreign collaborators such as distributors, suppliers and other types of partners improves the internationalization prospects of SMEs in emerging markets. Similarly, Ferro et al. (2009) also discussed how the incumbent social networks in Colombia played three roles that have enhanced the informational capacity of SMEs to internationalize; these roles are linked to opportunities, visions and uncertainty. Zain & Ng (2006), Ooi & Richardson (2019) and Zamberi-Ahmad (2014) also emphasized how SMEs in Malaysia used their network relationships to facilitate their internationalization processes. Kujala & Tornroos (2018) also emphasize the role of effectuation processes in the internationalization of Ghanian SMEs. They show how such processes followed by SME leaders impact their market selection decisions and help them to gain initial credibility.

However, a study in Brazil (Dib et al., 2010) found that managers' entrepreneurial attitudes are crucial for the speed and choice of internationalization modes, while the impact of social networks was similar to traditional SMEs. This contrasts with other research that highlights networking as critical for rapid internationalization in emerging markets (Ferro et al., 2009; Lin et al., 2016). Informal social and business networks provide valuable connections and information for initiating internationalization (Ferro et al., 2009; Che Senik et al., 2011). Although both developed and EM-SMEs use networks for internationalization, these networks specifically help EM-SMEs overcome the liabilities of smallness and foreignness (Coviello, 2006).

3.4 Institutions and imprinting effects

Finally, institutional imprinting came across as a key factor influencing the internationalization of emerging market firms. Imprinting theory (Stinchcombe, 1965) posits that organizations are shaped by the conditions of their founding environments, and these early influences persist over time. This concept has garnered significant attention in management research across various levels of analysis, from individual managers to firms as well as industries (Carroll & Hannan, 1989; Johnson, 2007; Marquis & Huang, 2010; McEvily et al., 2012; Swaminathan, 1996). Carroll and Hannan (1989) suggest that environmental conditions are mapped onto the organization during its founding and early growth stages, influencing its economic, technological, and institutional contexts (Baron et al., 1999). This imprinting effect shapes how firms adapt and internationalize, reflecting the lasting impact of their initial conditions.

Organizational imprinting theory has been applied to understand the internationalization of emerging market firms, although research on SMEs has been limited. Ciszewska-Mlinaric et al. (2018) used imprinting theory to explore how institutional changes influenced the internationalization of Polish firms founded in varying contexts—under the communist regime, during the transition period, and post-transition. However, their study did not specifically focus on SMEs. Leung et al. (2013) found that in Singapore, the human resource models of SMEs during their growth stages were influenced by the founders' early experiences. Similarly, Kumari et al. (2023) found that SMEs established before market liberalization were less likely to internationalize through foreign direct investment (FDI) compared to those founded after liberalization. This was attributed to high government intervention, which hindered product innovation and risk-taking due to stringent regulations and penalties (Banalieva et al., 2018; Han et al., 2014; Roth & Banalieva, 2016). In contrast, liberalization reforms improved policy frameworks for SMEs, offering reduced taxes, export processing zones, and financial support for establishing foreign subsidiaries (Kumari et al., 2023). Consequently, SMEs founded during and after the liberalization era developed different "mental models" for internationalization compared to those established during the pre-liberalization era of protectionism, reflecting the impact of changing institutional environments on their internationalization strategies.

4. Discussion and Future research opportunities

Our review reveals two key themes explaining EM-SMEs' internationalization through institutional factors. The first theme is institutional 'learning,' which highlights the importance of information and managerial knowledge in internationalization (Costa et al., 2016; Stoian et al., 2018). Knowledge is crucial for SMEs making informed decisions in foreign markets (Hutchinson et al., 2007). Collaborative networks aid SMEs by providing access to knowledge, credibility, relationships, and channels, while also reducing costs and risks (Zain & Ng, 2006). Accordingly, this theme suggests that EM-SMEs face greater challenges in internationalization compared to their counterparts in developed countries due to inadequate institutional support. EM-SMEs often lack access to sophisticated information, knowledge, and networks crucial for international expansion, exacerbated by weaker institutional facilitation. While SMEs in developed countries also encounter barriers related to information gaps, EM-SMEs are more constrained by the limited quality of information sources, training, and management processes provided by local agencies. This deficiency adversely impacts the decision-making capabilities of SME managers and hinders their internationalization efforts.

The second key theme emerging from the literature review is the ‘imprinting’ effect of the home institutional environment, which serves as a significant barrier to EM-SMEs’ internationalization. This body of work suggests that the institutional conditions at the time of an SME's founding shape its risk-taking propensity. For instance, limited support in emerging markets, such as inadequate financing schemes and information asymmetries, often leads SME managers to adopt a risk-averse stance, even as institutional conditions evolve. Additionally, the imprinting effect can exacerbate the liabilities of origin for EM-SMEs, particularly when they enter developed markets. Weak governance in emerging markets can result in negative perceptions about the ethical standards and quality of their products and services. However, recent improvements in home institutional factors, such as market liberalization and increased government support, have fostered more positive mental models for EM-SMEs, facilitating their engagement with foreign markets and internationalization in the last 15-20 years. We synthesize these findings and outline a research agenda for further exploration.

4.1 Institutions affecting knowledge and learning

Prior literature emphasises the importance of various types of knowledge (such as managerial knowledge, institutional and socio-political knowledge, technological knowledge, supply chain knowledge, etc.) in determining the internationalization of SMEs. This has been a common theme is past reviews on this topic (see for example, Dekel-Dachs et al, 2021; Chandra et al, 2020). However, we find that there are some distinct sources of institutional knowledge used by SMEs in emerging markets which are leveraged through business or social relationships, government institutions and the prior experience of decision makers (Che Senik et al., 2011). These unique sources of knowledge open up worthwhile opportunities for further research.

4.1.1 Experiential knowledge through 'inward' linkages

First, 'experiential knowledge' and learning has been considered a key element for SMEs to help manage their internationalization process, and has been discussed within the Uppsala model (Johanson & Vahlne, 1977). However, unlike developed country SMEs who gain this knowledge from the experience of exporting or investing in foreign markets, emerging market SMEs gain most of this knowledge from collaborating and networking with foreign firms 'within' their home market (Tiwari & Korneliussen, 2018). This is also illustrated in the Springboard perspective, which, for instance, emphasizes a stage-wise entrepreneurial act whereby EM firms first develop foundational skills through inward FDI – i.e. linkages with foreign firms in the home country. This is followed by engaging in outward FDI (OFDI) (as against investing within the home market) to acquire strategic assets, knowledge, and other resources. Subsequently, the knowledge gained from OFDI is transferred to the home market to engage in resource and technological upgrading. Finally, with enhanced competencies, the EM firm increases the scale of its OFDI in the final stages (Luo & Tung, 2018; Maksimov & Luo, 2021). Learning through inward linkages thus forms the first stage of Springboarding. Yet, most literature on the Springboard process is limited to larger EM firms which have greater resources required for the later stages of internationalization (specifically, OFDI).

Likewise, the Linkage-Leverage-Learning (LLL) model (Mathews, 2002; 2006) offers another explanation for the rapid internationalization of EM firms, and is an extension of the traditional (ownership-location-internalization) OLI model. According to this model, EMFs begin by 'linking' with Western multinational enterprises (MNEs) to access global resources through collaborative partnerships. They then 'leverage' these connections to overcome resource limitations and finally engage in ‘learning’ by repeatedly linking and leveraging these partnerships. However, Lu et al. (2017) argue that the LLL model assumes that learning from linkages occurs only outside the EM firms' home environment, overlooking the fact that EM firms also gain knowledge by collaborating with firms *within* their domestic market. To address this, they propose the Inward-Outward LLL (or the IOL^3) model, which posits that EM firms learn through both inward and outward linkages. The concept of inward linkages is also supported by the growing literature on the relationship between inward and outward FDI (Li et al., 2012; Stoian & Mohr, 2016). While inward FDI in a firm's industry can create spillover effects for local firms, direct collaborations and linkages with subsidiaries of foreign firms in the home environment can serve as a source of learning about globally relevant technologies and business models.

Inward foreign direct investment (FDI) following market liberalization in emerging markets has led to valuable spillover of technological knowledge to not only large firms but also to SMEs. It is seen that networking and collaborations with foreign firms in the industry within the home environment provides SMEs, in particular, with the initial experiential knowledge of foreign markets and institutions. However, as noted previously, literature on the dark side of liberalization, especially from the governance perspective of global value chains (GVCs) also emphasizes the increased competition and other institutional issues faced by EM-SMEs from larger multinational enterprises (or lead firms in GVCs) (Su et al., 2020; Yeung, 2017). This includes, for instance, greater dependency on lead firms, lower value-added roles played by EM-SMEs such as basic manufacturing and assembly as highlighted in Apple’s value chains, and the struggle to meet strict international standards especially in the environmental and labor areas, which can lead to financial strain. Despite these issues, obtaining knowledge from inward linkages remains crucial for EM-SMEs. Yet, there is limited research on how this knowledge is obtained and can be leveraged among SMEs in particular. Literature, so far, has recognized a number of ways, and these offer future research opportunities –

(1) International experience of directors and managers: The prior international knowledge and experience held by directors and managers of EM-SMEs has been argued as an important factor mitigating psychic distance issues for such SMEs to internationalize (Puthusserry et al, 2021). Relatedly, returnee entrepreneurs and managers – persons who have worked in foreign countries and returned to their home emerging market – are an important source of this type of knowledge for SMEs in emerging markets (Filatochev et al, 2009). It has been seen that returnee managers with international experience, utilize their foreign market knowledge, technological knowhow and connections to enhance the focal SMEs' partnerships with foreign customers (Wright et al, 2008). The experience and market knowledge of returnee entrepreneurial firms is also positively associated with their levels of internationalization and foreign market commitment (Bai et al, 2017). Therefore, returnee entrepreneurs in an emerging market have been argued to have great potential to improve an SME's internationalization prospects using their knowledge and experience of working abroad (Adu-Gyamfi & Korneliussen, 2013). However, it may be difficult for EM-SMEs to employ returnee managers, or retain them due to their resource constraints. Once again, this could be attributed to the institutional frameworks supporting returnee entrepreneurs in individual emerging market countries. E.g. Gruenhagen (2019) as well as Wright et al (2008) emphasize the development of science parks, provision of funding and other networking-related support as crucial ways adopted in China to attract returnee entrepreneurs. However, much research so far on this issue has focussed on returnee entrepreneurs' own ventures rather than them serving in EM-SMEs.

(2) Informal networking by SME managers (Zain & Ng, 2006; Zhou et al., 2007) has been argued to serve as a strategic response to overcome the lack of formal (or regulatory)

institutional support in gaining experiential knowledge. For example, the social and family-based networks of *guanxi* in China have been explored in several studies; and have proven to provide unique opportunities to SMEs (Mac & Evangelista, 2016a; Zhou et al., 2007). Through the information obtained from home-based *guanxi* and other forms of social capital, SMEs have been found to make strategic, competitive and marketing decisions to reduce physic distance of foreign markets, and are able to enter new foreign markets (Puthusserry et al, 2020). Evidence from Colombia also shows that entrepreneurs making extensive use of social networks to develop informal relationships with potential buyers and suppliers tend to internationalize faster (Ferro et al., 2009). Yet, although the use of informal networks in generating knowledge has been the most explored in prior studies on EM-SMEs, there is scope for further exploration as to whether this knowledge is indeed reliable, and how this substitutes or complements, the knowledge obtained from formal host-market experience (such as by exporting or operating in foreign markets).

Furthermore, some studies have highlighted that, while guanxi is often considered a valuable asset for navigating domestic markets, it can pose challenges when EM-SMEs seek to expand internationally. For example, Su (2013) suggests that EM-SMEs heavily reliant on guanxi may find themselves constrained during internationalization, where such networks are less effective. Over-reliance on guanxi also impedes the development of broader, more diverse networks in internationalization. Moreover, guanxi relationships typically emphasize immediate reciprocity and short-term benefits, which can detract from long-term strategies crucial for international growth (Zhou et al., 2007). In international markets, where business relationships are often governed by contracts rather than personal ties, dependence on guanxi can lead to misunderstandings, mistrust, or even failed negotiations. The cultural misalignment between guanxi-based approaches and the formal business practices common in many Western countries can serve as a significant barrier (Park & Luo, 2001). Furthermore the culture of guanxi in emerging markets can also be utilized by larger firms who are more likely to receive favors from banks, suppliers, and government bodies due to their established relationships (Xin & Pearce, 1996). This can adversely impact SMEs to compete on an equal footing and expand internationally.

(3) Research has also identified the positive role played by formal 'institutional agencies' in supporting the internationalization of SMEs via training and development of SMEs which forms an important source of knowledge. For example, in Egypt, formal institutional agencies assist SMEs to acquire additional information regarding foreign buyers and value chain partners, and at the same time, also allow the forging of network ties with international partners - reducing the perceived risk of internationalization (Narooz & Child, 2017). Likewise, SMEs in Brazil that rely heavily on the information and knowledge from local institutional sources have shown better international performance (Amal & Rocha Freitag Filho, 2010). Furthermore, as suggested previous in 3.1, formal institutions such as government-provided advisory services, counseling, and training, along with financial support can enable EM-SMEs to gain loans, grants, and subsidies, which can complement the knowledge gained through agencies and facilitate their internationalization (Rahman et al., 2022). Additionally, the development of information and communication technology infrastructure can further enhanced SMEs' prospects for international expansion. Formal government support through initiatives like trade delegations to foreign markets, information on export regulations, and guidance on securing privileged access to government networks can be instrumental in EM-SMEs to internationalize (Yan et al., 2020). Colonial and historical relations between countries have been argued as an important determinant in this regard (Pacheco & Akhter, 2021), however this warrants further research. On the other hand, weak formal institutions, or the lack of supportive institutions may also drive EM-SMEs to escape the home market and seek international locations (Deng & Zhang, 2018). While this argument is relevant to all emerging

market (EM) firms, regardless of size, EM-SMEs are particularly impacted by the presence or absence of home institutional support due to their limited resources.

4.1.2 Nonmarket knowledge and capabilities

'Nonmarket' strategy involves firms addressing the concerns of external institutional stakeholders in their strategic actions (Sun et al., 2021). This strategy typically includes corporate political activity and corporate social responsibility (Shirodkar et al., 2024). While much of the existing research focuses on large firms, studies on how SMEs engage with socio-political stakeholders are less common (Adomako et al., 2023). Large firms often have the resources to engage directly with government policymakers, but SMEs, both in developed and emerging economies, frequently rely on trade associations and other collectives for nonmarket engagement (Miller, 2013).

SMEs typically operate on a more localized scale compared to larger firms, which means they mostly interact with local policymakers who have limited influence over broader trade and investment policies that affect internationalization (Macpherson & Holt, 2007). Moreover, in emerging economies, legitimate channels for contacting the government or engaging in lobbying are often limited for SMEs. Although trade associations offer a channel, these associations are usually dominated by larger business groups, leaving SMEs in a subordinate or "follower" role (Rodgers et al., 2022). Consequently, SMEs may depend on personal connections or networks with local policymakers to navigate government processes and business norms (Zain & Ng, 2006). In addition to these collective alliances, some SMEs, such as those in Russia, may adopt proactive nonmarket actions like "concealment"—hiding critical business information to avoid stringent government interventions—or even resort to bribery (Rodgers et al., 2022). For these SMEs, internationalization can serve as an alternative strategy to escape local institutional constraints.

SMEs also face significant challenges in addressing social issues and meeting increasing sustainability standards, especially during internationalization. As EM-SMEs often engage in global value chains (GVCs) led by large multinationals, they encounter growing demands for sustainability certification from both emerging market governments and international customers, including lead firms in GVCs (Jamali et al., 2017). These certification schemes can be prohibitively expensive for EM-SMEs. Research on how these firms manage resource constraints while meeting global sustainability demands is sparse and warrants further investigation. Although social entrepreneurship literature highlights efforts to develop frugal innovations for emerging markets' bottom-of-the-pyramid problems, scaling such innovations internationally remains challenging (Ghauri et al., 2014). Nonetheless, some studies suggest that opportunities for scaling these products in institutionally similar foreign markets are emerging (Letaifa, 2016). Overall, there is a need for more research into how EM-SMEs build nonmarket knowledge and capabilities to navigate these complex demands and opportunities.

4.2 Imprinting effects of home institutions

The other important aspect that differentiates the internationalization of SMEs from developed countries with that of EM-SMEs is the imprinting effect of the home institutional environment. In addition to learning via networking and collaborations, firms (and especially, SMEs) are greatly influenced by the founding institutional conditions, which get stamped on their future (Stinchcombe, 1965). This is because, firms formulate strategies to respond to external institutional conditions at the time of founding, and these strategies become the source of their competitive advantage. To change these strategies if institutional conditions change in the future becomes often difficult.

Studies on the imprinting effect of the domestic (or home) institutional environment on the internationalization of SMEs from emerging economies are gaining momentum, although most studies on this issue focus on large firms. Research on large firms indicates that these firms may engage in unethical business practices, such as bribery and pervasive use of connections, due to being founded in weak institutional environments. These practices often persist as they expand internationally (Shirodkar et al., 2017). This imprinting effect can complement the liabilities of 'origin' for firms from emerging markets (Marano et al., 2016). For SMEs, the situation is even more challenging, because, in addition to the general liabilities of origin, SMEs face liabilities of 'smallness,' which are further aggravated by the uncertainty and information asymmetries in emerging markets caused by institutional voids (Narooz & Child, 2017; Akbar et al., 2017). These factors have been shown to negatively impact SME internationalization. For instance, a study by Shirokova & Tsukanova (2013) found a significant negative correlation between institutional hostility—characterized by higher corruption, instability, and bureaucracy—and the internationalization of Russian SMEs. Additionally, Tovstiga et al. (2004) found that institutional weaknesses related to intellectual property rights, international trade regulations, warranties, customs, and tariffs pose significant obstacles for innovative Russian SMEs seeking to internationalize. However, high-tech SMEs that succeed in generating substantial intellectual capital have been shown to perform better in these challenging environments (Tovstiga & Tulugurova, 2007).

Additionally, there may be an imprinting effect linked to firms being established during 'pre-liberalization' regimes in emerging markets (Kumari et al., 2023; Roth & Banalieva, 2016). Studies focused on firms more generally (i.e. not limited to SMEs) suggest that firms founded before the liberalization era in emerging markets are often strongly influenced by the protectionist policies of that time (Dai et al., 2018). Many emerging economies implemented socialist policies that favored protectionism, emphasizing the need to replace imports with locally produced goods and services. This negative attitude toward importing, exporting, and foreign investment is likely to be deeply ingrained in SMEs founded during the pre-liberalization period in these markets (Ciszewska-Mlinaric et al., 2018). For instance, a study in China (not limited to SMEs) found that during the communist era, individuals who later became entrepreneurs often joined the Chinese Communist Party (CCP) and spent considerable time socializing with strongly communist leaders during formative years. This resulted in a deep ideological imprint that influenced their attitudes as entrepreneurs in the post-liberalization period, leading many to avoid entering foreign markets for an extended time (Marquis & Qiao, 2018). These insights are likely applicable to SMEs as well. For example, Kumari et al. (2023) found that SMEs in emerging markets that were founded in the pre-liberalization era tend to be more risk-averse when it comes to FDI-based internationalization. Roth & Banalieva (2016), who also focus on SMEs, suggest that the impact of this imprinting effect on internationalization may vary depending on the length of the liberalization transition, with a longer reform period potentially dampening the internationalization aspirations of pre-liberalization SMEs. However, research on how this imprinting effect specifically influences SMEs is still limited, indicating a valuable area for further study.

5. Conclusion

Our paper aimed to provide a systematic literature review of the home-based institutional facilitators and barriers to the internationalization of SMEs in emerging markets. Our review builds on previous studies that have predominantly focused on the 'external' drivers of SME internationalization in emerging markets, such as the attractiveness of host markets, consumer needs, and resource availability (Chandra et al, 2020; Dekel-Dachs et al, 2021). We found that institutional learning and imprinting are crucial mechanisms through which these SMEs acquire internationalization knowledge. Unlike firms in developed countries, EM-SMEs significantly derive this knowledge from their home country's institutional environment. This includes embedding within local institutions, forming linkages with foreign firms, benefiting from industry FDI spillover effects, leveraging the experience of returnee managers and entrepreneurs, and networking with both institutional and informal actors.

Emerging market firms, as latecomers to international business, often lack sophisticated technological resources, and need to catch up with their global counterparts. This challenge is even more pronounced for SMEs from emerging markets, which lack these resources to a greater extent than large firms and differ significantly from SMEs in developed countries in terms of resource and technological sophistication (Alon et al, 2018; Berning & Holtbrügge, 2012). Yet, EM-SMEs also possess unique resources such as social capital within local institutional networks, strategic flexibility and entrepreneurial mindsets at the managerial level, which can be exploited for internationalization (Nyamrunda & Freeman, 2021; Temouri et al., 2022). Our review suggests that many studies focusing on EM-SMEs' internationalization of still utilize traditional theories that were used to explain the internationalization of large Westen multinational enterprises – these include the Uppsala model, born-global theory, resource-based view and network models, for instance (Chandra et al, 2020). The Uppsala model, which advocates for a gradual process of internationalization, has been utilized in conjunction with RBV and network theory because of EM-SMEs' greater learning and resource needs, which can be compensated through formal and informal institutional linkages. Conversely, research based on international entrepreneurship and born-global theories suggests that high-tech firms can engage in international activities from their inception (Zhou, 2007). While our review indicates that the born-global model has been rarely applied to EM-SMEs, a few recent studies highlight its potential relevance and emphasize the importance of managerial factors, such as entrepreneurial orientation, in adopting a born-global approach (Falahat et al., 2018; McCormick & Somaya, 2020).

Furthermore, our review indicates that the relatively newer theories which have been developed by examining the internationalization patterns of large emerging market firms – such as the Springboard perspective (Luo and Tung, 2007), LLL (Mathews, 2017) and the IOL^3 model (Lu et al, 2017) have been much underutilized in the context of SMEs. For instance, whereas the Uppsala model suggests that firms gain the necessary knowledge to increase their international resource commitments from host countries, our review suggests that EM-SMEs gain this knowledge largely from their home institutional environment. Likewise, our review also finds that EM-SMEs internationalize to access technological resources and capabilities unavailable domestically, thereby enhancing their non-financial outcomes and strengthening their position in global markets (Yeoh, 2014). However, both springboard and LLL (as well as the IOL^3) model also emphasise the role of government support and connections used by large firms (especially state-owned firms), which SMEs lack. Yet, leveraging and building upon these theories to explain the unique aspects of SMEs in emerging markets will add further value.

Future research could also further benefit from the directional effects of institutional distance (e.g. Hernández & Nieto, 2015; Konara & Shirodkar, 2018; Tang & Buckley, 2022) on the location choices of EM-SMEs' FDI. Although our review notes the effects of the perceptual issues (or psychic distance) faced by EM-SMEs during internationalization, there is generally less research on the effects of administrative (regulatory) distance in this stream of research. The lack of focus in our review also stems from our less focus on the host-institutional factors driving the FDI of EM-SMEs. Chen et al (2024), for instance, find that Chinese SMEs tend to invest in politically less risky countries, and in economically developed markets. Zhu et al (2020), however, suggest that the FDI location choice depends on entry motivations of EM-SMEs. E.g. developed markets offer institutionally stronger environments for high-tech EM-SMEs to advance technological development, whereas other developing countries may offer less competitive markets and lower entry barriers. In contrast, SMEs from developed countries may enter host markets based on their own resources and capabilities. That is, these SMEs are likely to enter developed markets when they have high levels of knowledge intensity, whereas, international experience drives entry into developing markets (Huett et al, 2014).

In summary, our review emphasizes the relevance of institutional theory as a key framework for understanding the internationalization of SMEs from emerging markets. Future research using this theory could benefit from examining the complexity of institutional reforms—specifically the speed and scope of these reforms across multiple dimensions. For instance, rapid reforms, especially privatization, can create opportunities for SMEs to focus on product innovation. However, a high speed of reforms also increases the pressure to learn quickly, often resulting in lower quality products and services, which in turn increases SMEs' liabilities of origin when these products are exported (Marano et al., 2016). Additionally, the inconsistency of reforms—such as high-speed privatization coupled with slow development of financing schemes and training for SMEs—can create a misaligned institutional structure that hinders innovation. This inconsistency might drive SMEs to seek opportunities in foreign markets (Shi et al., 2017), but it also reduces learning opportunities and increases their liabilities of foreignness, limiting their ability to undertake extensive internationalization (Shirodkar et al., 2023). Exploring how SMEs are imprinted by, and learn from these complex institutional conditions in emerging economies, is an important area for further research.

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TABLES

Table 1: Key differences between the internationalization of SMEs and large firms.

	SMEs	Large firms
Antecedents of internationalization		
Managerial		
Entrepreneurial orientation	Entrepreneurial orientation (risk taking, innovativeness and proactiveness) at the managerial level is significant for internationalization.	Entrepreneurial orientation is important at the firm-level (e.g. expenditure on R&D) but less significant at the managerial-level.
Experience and Mindset	Managers' international experience is a significant factor. Flexible and learning mindset, adaptability to foreign cultures is considered significant.	Internationalization experience is important, but at the firm-level, rather than managerial. Flexibility is less due to structured processes.
Firm-level		
Knowledge and resources	Limited knowledge and resources. Access to capital is limited – typically, reliant on savings and small loans.	Knowledge and resources are significantly greater. Easier access to capital through equity, debt markets and institutional investors.
Liabilities	Liabilities of smallness and newness.	Liabilities of foreignness.
Non-market capabilities	More localized capabilities gained via joining local collectives, such as trade associations.	More national-level capabilities gained via firms' individual connections and lobbying with policymakers.
External-institutional		
Distance	Psychic distance between home and host countries play a role, and can be mitigated through managerial experience and networking.	Institutional (regulatory and cultural) and geographic distances between home and host countries play a role, but can be mitigated through entry- or establishment- mode choices.
Industry factors	High tech and service industries play a positive role in speedier internationalization. Lesser protectionism by host governments based on industry.	Specific industries (e.g. telecommunications) may be protected by host governments from large foreign firm participation.
Trade agreements	Play a significant role. Trade agreements often lack SME concerns.	Play a relatively lesser significant role, and there is ability to surpass trade barriers through FDI.
Imprinting effects	Founding effects of weak home institutions and pre-liberalization impact the risk taking propensity of SMEs in relation to activities such as innovation and internationalization.	Founding effects of weak home institutions and pre-liberalization increase (unethical) firm-level practices which may increase liabilities of origin.
Outcomes of internationalization		
International growth	Largely through exporting, and lesser through foreign direct investment (FDI).	FDI is significantly greater, and often follows exporting based on experiential knowledge gained.
Performance	Impact on performance from internationalization is more significantly positive.	Impact on performance from internationalization can be mixed (both positive and negative).
Internationalization scope	Smaller set of export markets.	Larger set of countries with both exporting and FDI.

Source: Authors own work based on Kalantaridis, (2004); Kuivalainen et al (2021); OECD (2023)

Table 2: Differences between Developed and Emerging market SMEs in terms of internationalization prospects.

	Developed country SMEs	Emerging market SMEs
Managerial		
Skills and Networks (Gao et al. 2019; Zahoor et al., 2022)	Higher – due to better education and training systems. Extensive access to business development services. Well-developed, extensive international networks.	Lower – due to lack of training and education. Limited access to business development services. Less developed, limited international networks.
Firm-level		
Technological intensity (Zamani, 2022)	Higher - due to better access and affordability.	Lower - due to cost and access barriers.
Export potential (Campbell, 1996)	Higher - due to established trade agreements, focus on quality, certifications and market access.	Often lower - due to lack of market access, cost of certifications, and trade barriers.
Innovation (Wynarczyk et al, 2013)	Advanced – supported by R&D institutions and funding.	Frugal and local necessity-based.
External-institutional		
Regulatory environment (Mallett et al, 2019)	More stable and well-established regulations. Robust legal framework, lower risk of corruption.	Unstable - frequently changing regulations. Less robust legal framework, higher risk of corruption.
Government support (Zulu-Chisanga et al. 2021)	Strong and clear support. Lesser bureaucratic hurdles.	Poor and vague support. Many bureaucratic hurdles.
Inter-country (Qiao et al., 2020; Morita-Jaeger and Borchert, 2020)	Numerous trade agreements, lower tariffs.	Fewer trade agreements, higher tariffs.

Source: Authors own work

Table 3: Number of Studies Based on Journals

Journal	ABS 2021 rating	Articles
Journal of International Business Studies	4*	2
Entrepreneurship Theory and Practice	4	2
Journal of Business Venturing	4	1
Journal of World Business	4	2
British Journal of Management	4	1
Global Strategy Journal	4	1
International Business Review	3	4
Management International Review	3	3
Journal of Business Research	3	2
Journal of International Marketing	3	1
International Marketing Review	3	4
International Journal of Entrepreneurial Behavior & Research	3	1
Management and Organization Review	3	1
Journal of International Management	3	1
Industrial Marketing Management	3	2
International Small Business Journal	3	1
International Journal of Entrepreneurship and Innovation	2	3
Thunderbird International Business Review	2	2
European Business Review	2	1
Critical Perspectives on International Business	2	2
European Journal of International Management	2	3
Journal of Small Business and Enterprise Development	2	1
International Entrepreneurship and Management Journal	1	1
Journal of International Entrepreneurship	1	9
Journal of East-West Business	1	1
Cogent Business & Management	1	1
Review of International Business and Strategy	1	1
Journal of Asia Business Studies	1	1
International Journal of Emerging Markets	1	2
Journal of Global Marketing	1	1
Total		**58**

Source: Authors own work

Table 4: Home-institutional facilitators of EM-SME internationalization

Institutional facilitators	Underlying aspects	Studies
Economic liberalization / freedom reforms	Elimination of tariff and non-tariff barriers	Felzensztein et al (2022)
	Development of export processing zones	Njinyah (2018)
	Collaborations with state-owned enterprises and business groups	Prashantham & Birkinshaw (2008)
Direct incentives and initiatives	Advisory services, counselling and training by governments	Rahman et al (2022)
	Access to loans, grants and subsidies	
	Government sponsored trade delegations to foreign markets, information provision on export regulations	Yan et al (2020)
	Inter-country arrangements (e.g. Belt and Road Initiative)	Li et al (2019); Yan et al (2020)
'Escape' due to institutional constraints	Frequent inspections and pervasive taxation regimes Inadequate supportive legal frameworks Corruption, instability and other institutional 'voids'	Rodgers et al (2022), Fabian et al. (2009)

Source: Authors own work

Table 5: Home-institutional barriers faced by EM-SMEs during internationalization

Institutional barriers	Underlying aspects	Studies
Financial and regulatory barriers	Lack of easy access to finance High borrowing costs	Ayob et al. (2015)
	Capital restrictions	Cziráky et al. (2005)
	Complex legal systems and cultural traditions	Semensato et al (2022), Narooz and Child (2017)
	Lack of industry-specific government support	Puthusserry et al (2014)
Perceptual and political barriers	Liabilities of "origin" – negative perceptions among of EM-SMEs' product quality and ethical standards	Volchek et al. (2013a; b)
	Sanctions and embargoes –on products / services originating from certain home countries	Jafari-Sadeghi et al (2019)
Cultural and policy barriers	Psychic distance – differences in language, culture, etc. between the home country and international markets	Puthusserry et al (2014)
	Lack of supportive trade policies towards SMEs, or lack of concern for SMEs' issues in trade policies	Roy et al (2016)

Source: Authors own work

Table 6: Home-institutional networking in EM-SMEs

Institutional networking sources	Effect on internationalization	Studies
National export development agencies	Improved export performance	Handoyo et al (2021)
Trade fairs and associations	Reduced psychic distance, and liabilities of smallness	Puthusserry et al (2020), Yan et al (2020), Child et al (2022)
Social networking	Improved international orientation	Zhou et al. (2007), Ferro et al. (2009)
Networking with foreign firms operating in the domestic market	Improved internationalization speed and choice of higher commitment entry modes	Zain & Ng (2006), Ooi & Richardson (2019) and Zamberi-Ahmad (2014)

Source: Authors own work