

Special Issue

Small Business Economics: An Entrepreneurship Journal (SBEJ)

“Entrepreneurial Finance in an Extended Period of Crises”

The Special Issue aims at collecting timely and high-quality original research papers on entrepreneurial finance during one of the most challenging periods for entrepreneurship. Contributions to the special issue will not only help to better understand current and future entrepreneurial challenges, but also to provide solutions. Interested colleagues will benefit from peer-feedback during two paper development workshops (PDWs), from the guest editorial teams’ experience and guidance, and from referee feedback in an accelerated and well-prepared review process. The first PDW has already been held. This is the call for papers for the second PDW and for SBEJ submissions. We want to emphasize that participation in the second PDW as well as SBEJ submissions are also open to new papers (i.e., papers not previously presented in one of the PDWs).

KEY DEADLINES

Submission of full papers to the second PDW: September 30, 2023

Submissions to the SBEJ: January 31, 2024

EDITORIAL TEAM

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RELEVANCE AND NOVELTY

The entrepreneurship research community already collected a variety of insights into how the COVID-19 pandemic affected entrepreneurs and entrepreneurship in general within the scope of, e.g., the 2021 *Small Business Economics* special issue on “Economic effects of the COVID-19 pandemic on entrepreneurship and small businesses.” This call extends and complements these insights by moving beyond the COVID-19 pandemic’s immediate / short-term consequences and options to counterbalance this external shock and instead a) pays attention to the pandemic’s longer term effects on entrepreneurship, b) incorporates the described interrelated and overlapping set of crises entrepreneurs face, and c) focuses on entrepreneurial finance during the periods of crises in particular.

RESEARCH AREAS

The world has been hit by the outbreak of the COVID 19 pandemic in 2020 causing too many fatalities and severe personal and economic damage. In February 2022, after about 8 billion people had received a COVID-19 vaccine, and the epidemic seemed to be overcome, Ukraine has been invaded by the Russian army. This conflict did not only yield humanitarian and refugee crises, but also had, among others, major effects on global markets, stock markets, energy costs, and food supply. In most countries, the monetary policy response to these overlapping crises was to keep interest rates at low levels and to provide financial support to households and companies to minimize layoffs during lockdown periods and to avoid widespread bankruptcies and potential contagion effects. This policy substantially increased the money supply resulting in demand-pull inflation. At the same time, supply was globally constrained by worker shortages and the disruption of complex supply chains. In addition, China's strict "Zero-Covid Policy" led to long lockdowns and quarantine measures and consequently to delays at ports and manufacturing hubs, and thus further constrained supply. Rising energy, commodity, and food prices, caused by the invasion of Ukraine, paired with about eight folded container freight rates fueled inflation to levels that most countries have not seen, at least for a long time. The primary monetary reaction to high inflation rates was quantitative tightening at unprecedented speed, thus risking a deeper recession. The first visible effects, triggered by increased interest rates, were bank failures and bailouts, as, e.g., of the Silicon Valley Bank, or the Signature Bank, as well as the emergency merger between Credit Swiss and UBS. The turmoil is not expected to have settled but rather to continue below the surface and to cause mistrust in the banking sector, tighter credit standards and thus, a reduced lending activity.

In summary, the last three years have arguably been challenging for the global economy at large. However, the COVID pandemic, the invasion of Ukraine, suppressed supply chains, demand-pull inflation, and sharp increases in the cost of capital affected entrepreneurial ecosystems and access to finance for young ventures and SMEs in particular. The collapse of the Silicon Valley Bank, which was a prominent start-up investor, paralleled with less optimism in general, could induce an era of contraction in the entrepreneurial finance market. Thus, driven by the extended period of crises, many business models, young ventures, and SMEs disappeared but new players, financial instruments, entrepreneurial ecosystems, markets, technologies, cryptocurrencies, or payment systems with disruptive potential emerged or will emerge and will probably reshape the entrepreneurial finance landscape. The extended period of crises has changed the world, and many of these changes are expected to persist.

POTENTIAL RESEARCH QUESTIONS

For this special issue of *Small Business Economics*, we aim to address fundamental entrepreneurial finance-related questions brought forward by the various and motivate submissions of original research papers on the following but not exclusive topics:

(1) Period of crises and longer term effects on entrepreneurship:

- Do entrepreneurs take advantage of “Impact Investments” during periods of crises?
- How does input and output price volatility affect young venture’s and SME’s production scheduling, pricing, and employment strategy?
- Did the COVID-19-related lockdown foster digital transformation by FinTechs?
- Do these crises have an impact on equity, diversity and inclusion (EDI) in young ventures, SMEs, or in the companies backing them?
- Relocation of entrepreneurial and financial ecosystems
- Disruption of supply chains and its impact on SMEs’ and young ventures’ decision making
- Do principles of economics of geography still apply after extended periods of stay-at-home orders, new technologies, as well as working from home?

(2) Impact of interrelated and overlapping set of crises on entrepreneurs

- Can start-up/SME investors still effectively exit from their investments?
- The development of FinTechs during an extended period of crises
- How did crypto-assets, information technology, and the related trends of capital-raising mechanisms change against the background of the ongoing and overlapping crises?
- Mid-term impact and effectiveness of COVID-related government support programs
- Corporate planning of distribution, financing, production, ingoing logistics, and risk management during an extended period of crises
- Impact and challenges of new venture creation and growth during an extended period of crises

(3) Crises effect on financial markets

- How does the extended period of crises affect investment decisions of start-up and expansion investors?
- What is the crises’ impact on the access to finance and the cost of capital for young ventures and SMEs?
- Did the crises change the negotiation power and equilibrium in the entrepreneurial finance market? If yes, how do/did the players react to such changes?
- Does alternative funding, e.g., crowdfunding or token offerings, replace “traditional” entrepreneurial finance channels? If yes, is the current state of regulation sufficient?
- Is Decentralized Finance (DeFi) a true and really new alternative to raise capital, e.g., through Initial Farm Offerings (IFOs)?

We invite contributions from various research methods and techniques, interdisciplinary research at the intersection of entrepreneurship, and other disciplines. We welcome qualitative, quantitative, and conceptual papers. While a wide range of papers submissions are invited, including conceptual, qualitative, and quantitative empirical work, we are looking for novel theoretical and practical contributions for entrepreneurship or small business research.

COMPLETE TIMELINE

- **September 30, 2023:** Deadline to submit papers for the Second PDW
- **October 10, 2023:** Decision on papers for the Second PDW
- **October 20, 2023:** Second PDW held online
- **January 31, 2024:** Deadline to submit papers for the Special Issue
- **April 31, 2024:** Decisions on the first submission
- **July 15, 2024:** Deadline to submit final papers
- **September 15, 2024:** Final decisions

SUBMISSION DETAILS

Authors of papers presented at the first PDW will be invited to participate in the subsequent online PDW on **October 20, 2023**. New full paper submissions will also be considered for the second PDW and should be sent to alexander.groh@luissbusinessschool.it before **September 30, 2023**. Authors of high-quality papers presented at one of the PDWs will be invited to submit their papers to the special issue. However, attendance or presentation is not a prerequisite for journal submissions but encouraged.

The guest editors will manage the editorial and review process of the SBEJ Special Issue submissions. All papers submitted for the Special Issue should be send to denis.schweizer@concordia.ca before **January 31, 2024**.

All papers are subject to the standard referee process of *Small Business Economics*. Further, guest editors can only conditionally accept papers: all conditionally accepted papers will undergo a final review by the Editorial Board of the SBEJ; only at that time will papers be formally accepted for publication.

Submissions must be original and unpublished works that are not concurrently under review for publication elsewhere. All submissions should conform to the SBEJ manuscript submission guidelines available at <https://www.springer.com/journal/11187/submission-guidelines>.