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The Known, The Unknown, And The Path To Private Investment Pursuit And Thrive For Emerging Countries

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Abstract

This study is a review of historical and modern literature on investment pursuit and thrive primarily private sector investment (PSI) in Emerging Economies (EEs). A total of 110 studies published in peer-reviewed journals were examined using the documentary source method. The study shows that the knowledge gap of the research issues exists in how marketing/advertising/technology constraints, economic and social risks affect the growth of private firms, and the tactics for optimising firm value. It documents that PSI research in EEs has theoretical underpinnings that facilitate easier formulation and replication of research models in different EEs. It originally established the need to move beyond quantitative methodologies of examining investment issues to a perspective that adopts qualitative methods and firm-level focus. It evidently confirmed that Africa and Asia are prone to investment restraints, environmental uncertainty, and poor investment management. And that even when ground-breaking research is undertaken in Africa, it often ends up in files, books, or libraries, largely ignored by practitioners due to widespread illiteracy, economic, social, political, and other related bottlenecks. The findings of the study imply an opportunity to investigate the least explored PSI areas to facilitate EEs' economic prosperity is critical. It also suggests that a more focused study in the lack areas will fill the gaps, enrich the literature, and provide new knowledge to emerging researchers, practitioners and policymakers to ultimately reach the SDGs.

Keywords: Investment, Private Sector Investment, Domestic Investment, FDI, Economic Growth, Emerging Economies.

A. Background and Rationale for the Review

The growth (prosperity) of any economy depends on adequate investment pursuit and thrive. Recent studies say that attention is now put on private sector investment (PSI) as the engine of economic growth for developing nations (Ali et al., 2019; Ayeni, 2020; Beck et al., 2023; Ofosu-Mensah Ababio et al., 2018, 2022; Sadiq et al., 2021). Previous studies also show that private investment has a better impact on economic growth than public investment because, undeniably, private investment is more efficient and less prone to corruption (Everhart & Sumlinsk, 2002; Jongwanich & Kohpaiboon, 2008; Kinkyo, 2007). Ang (2009), Ofosu-Mensah Ababio (2019), and Sadiq et al. (2021) document that PSI is directly tied to economic growth. So, any impairment to PSI will eventually stifle an economy's growth.

In recent years, policymakers of emerging and frontier economies have concentrated on private sector development primarily PSI to help reduce unemployment and poverty, create jobs and wealth, and boost economic growth. Empirical studies conducted in Africa, Asia, and Latin America established clear correlations between private investment and economic growth (Anyanwu, 2006; Ayeni, 2020; Hoeffler, 2002; Sadiq et al., 2021). Unfortunately, even decades after significant reforms in most EEs, aggregate growth in many reforming economies has at best remained erratic (Ayeni, 2014; World Bank, 2003). While the reasons for poor aggregate performance vary across African, Asian, and Latin American countries, there is substantial evidence that poor response to private sector investment has delayed long-term growth in many of these economies (DFID, 2002; Ghani & Din, 2006). As a result, in most developing economies, the private sector's long-awaited role as a growth engine has not materialised (Acosta & Loza, 2005; Anyanwu, 2006; Ofosu-Mensah Ababio et al., 2018; 2022; Sadiq et al., 2021).

A number of reasons have been assigned to the lower than optimum level of PSI in EEs, particularly in Africa. Serrasqueiro (2017) finds finance pivotal to the pursuit and thrive of all forms of investment. In most developing regions, the link from investment to growth is simply missing, and this could be attributable to constraints, uncertainty, and inadequate management affecting PSI's ability to thrive (Brunello et al., 2022; Ofosu-Mensah Ababio, 2019; Ofosu-Mensah Ababio et al., 2018, 2022). Indeed, the ideas that enable or impede EEs' PSI operations tend to be more theoretical than qualitative empirical investigations. But without confirmed qualitative empirical investigations, EEs will not be in a good

position to create workable strategies to increase PSI, and thereby stimulate economic progress. So, the primary goal of this study is to examine the historic and current state, trends, gaps, and paths for PSI research to accelerate investment thrive in EEs. Also, to determine what future research routes EEs researchers, scholars, and practitioners should pursue to boost economic growth, and thereby reach the SDGs.

The next section discusses the constituents of PSI research in EEs. It is followed by a section that evaluates the review methodology. The findings are presented and debated in next section. The final section identifies important research gaps, conclusions, and research directions for the future.

B. Constituents and Importance of Private Investment Research in Ees

B1. Private Sector Investment

Private sector investment (PSI) consists of domestic investment (DI) usually owned by indigenous private investors, foreign direct investment (FDI), and international portfolio investment owned by international private investors. Both domestic and international investors have the potential to play significant roles in investment boosts, poverty reduction, job creation, and economic growth. Studies by Ali et al. (2019), Ayeni (2020), and Ofosu-Mensah Ababio (2019) document positive linkages between domestic and foreign investments, and their spill-over effects on economic growth of developing countries.

B2. Domestic Investment

The largest share of investment in any country should be domestic (World Bank, 2003). DI, as the engine of economic growth, enhances the domestic economy's productive capacity, provides the foundation for higher future income, and creates jobs (Dubey, 2008). For EEs, persistently high DI levels are important to achieve the growth rates necessary to raise poor people's incomes above the poverty line (DFID, 2001; World Bank 2003). Indisputably, domestic investors might play a critical dual role in reducing poverty, first by supplying investment funds and assuring their effective use, and secondly by guiding investment to secure desirable economic and social outcomes. Moreover, to feed and provide its rising population with gainful jobs, EEs must increase domestic investment to acceptable levels, ensuring money finds its most productive use, projects maximise employment and are in line with the ideals of sustainable inclusive development.

B3. Foreign Investment

According to Badawi et al. (2019), foreign direct investment (FDI) can play important roles in EEs development efforts, including supplementing

domestic savings since EEs have low savings rates, making it difficult to finance investment projects needed for accelerated growth. Furthermore, FDI raises local personnel skills through training people and learning through doing, thereby boosting their productivity. China, the recipient of the greatest amount of foreign investment of all EEs' foreign investment, usually contributes less than 15% of total gross fixed capital formation. FDI can fill this resource gap by providing resources for investment (Amponsah et al., 2020). They also tend to have superior technology compared to local EE firms (Ali et al., 2019). Thus, FDI can provide low-cost local investors access to new technologies and skills, enhancing local technology capabilities and their capability to compete on world markets.

C. Methodology for the Literature Review

The methodology employed is mainly documentary sources and is presented as follows:

Data Type / Source: This study is based on a survey of peer-reviewed articles from finance journals and journals of diversity of disciplines related to private sector investment (PSI) research in emerging economies (EEs). After extensive search, 110 articles on PSI and general investment in EEs were identified, selected, analysed, and discussed.

Journals Used: The data was sourced from over fifty journals: The Journal of Finance, Journal of Economics and Finance, Journal of International Development, The Review of Financial Studies, World Development, African Development Review, Journal of Agricultural Economics, Studies in Economics and Finance, The World Economy, Cogent Economics & Finance, Development Policy Review, Investment Analysis Journal, Journal of African Economics, Journal of Economic Development, Journal of Investment Compliance, Journal of Applied Economics, South African Journal of Economics, World Bank, and some additional journals that were classified as others.

Time frame: The review spans mainly from 2001 to 2021. This period was chosen largely to ensure that both historical and contemporary PSI issues in EEs were explored. Furthermore, it allowed different political regimes in EEs, which usually span from four to seven years, particularly with regards to macro-political uncertainties on PSI in EEs, to be examined.

Database: The relevant articles were selected by searching over ten databases: Wiley, Springer, Oxford Academia, Jstor, Emerald, Taylor & Francis, Academia, Palgrave Macmillan, Google Scholar, Elsevier, and Sage amongst a few others.

Search Descriptors: To decide whether to include an article in the investigation, the theme, abstract or citation with six keywords-

investment, private investment, investment constraints, investment determinants, investment uncertainties, investment management, and the full text with three keywords: developing economies, emerging markets, and emerging economies, were thoroughly searched.

Relevance: The over three hundred articles downloaded were screened to ensure only peer-reviewed papers that relate directly to PSI research in EEs were selected for the review. Moreover, only full-text peer-reviewed articles were reviewed to eliminate those that were not related to PSI research in EEs. Thus, each of the 110 selected peer-reviewed articles was fully screened to confirm it had relevant information for the study.

Language: Only articles written in English Language were selected for the review because it is the only official language the author can communicate confidently.

Geographical boundary: The search and for that matter, the exploration covered PSI research conducted at the country and/or global or cross-country level, as well as countries and continents with their economies labelled Emerging Economies (EEs), which include EEs in Africa, Middle East, Asia, Europe, North America, and South America, as well as PSI publications on EEs with no specific country or continent.

D. Presentation of Findings

The findings of the review are thoroughly discussed in this section.

The findings are largely in line with the work of Duncombe and Boateng (2009), and Ofosu-Mensah Ababio et al. (2022) who found similar results for several sections of the study examined.

D1. Distribution of Articles in Top Finance/PSI Journals

Table 1: Designated Journals

Top Finance /PSI Journals	Number of Articles
The Journal of Finance	20 (18.2%)
Journal of Economics and Finance	7 (6.4%)
Journal of International Development	4 (3.6%)
The Review of Financial Studies	4 (3.6%)
World Development	4 (3.6%)
African Development Review	3 (2.7%)
Journal of Agricultural Economics	3 (2.7%)
Studies in Economics and Finance	3 (2.7%)
The World Economy	3 (2.7%)

SUB TOTAL	**51(46.36)**
Cogent Economics & Finance	2 (1.8%)
Development Policy Review	2 (1.8%)
Investment Analysis Journal	2 (1.8%)
Journal of African Economics	2 (1.8%)
Journal of Economic Development	2 (1.8%)
Journal of Investment Compliance	2 (1.8%)
Journal of Applied Economics	2 (1.8%)
South African Journal of Economics	2 (1.8%)
World Bank	2 (1.8%)
Other Journals	41 (37.27%)
Total of All Journals	**110 (100%)**

Table 1 shows the number (with percentage) of articles published by the designated journals. The first five journals are the highest-presented finance journals. Eighteen of the selected journals contributed slightly above 62.7% of the total number of journal articles that were classified. It was made up of 51 articles from the top Finance /PSI journals, representing 46.36%, and 18 articles representing 16.37% of the next set of the top Finance/PSI journals that were analysed. The journal with the highest percentage of articles was the Journal of Finance (20 articles, 18.2%), and it is also the topmost journal amongst the Finance/PSI journals. The Journal of Economics and Finance had the second highest with seven (7), representing 6.4%. It was followed by the Journal of International Development, The Review of Financial Studies, and World Development, with four (4) articles each representing 3.6%. It was then followed by 3 articles each representing 2.7%, by the African Development Review, Journal of Agricultural Economics, Studies in Economics and Finance, and The World Economy. The analysis shows that the top most preferred journals for publishing PSI research in EEs are the Journal of Finance, Journal of Economics and Finance, Journal of International Development, The Review of Financial Studies, and World Development. Altogether, the first five journals constituted 35.56% of the publications reviewed.

Also, Cogent Economics & Finance, Development Policy Review, Investment Analysis Journal, Journal of African Economics, Journal of Economic Development, Journal of Investment Compliance, Journal of Applied Economics, South African Journal of Economics, and the World Bank had a fair representation of 2 articles each representing 1.81%. A

substantial contribution of 41 articles, representing 37.27%, were published in other Finance /PSI related journals that equally focus on investment, finance, and worldwide developmental issues. The study signals that modern authors are more dynamic, developmentally and internationally focused, and are spreading their research dissemination through renowned journals.

D2. Distribution of Articles by Year of Publication

Figure 1 shows the distribution of articles by year of publication. The overall trend shows a progression of strong interest in research on PSI in the mid-years, recording the highest number of articles in the year 2013.

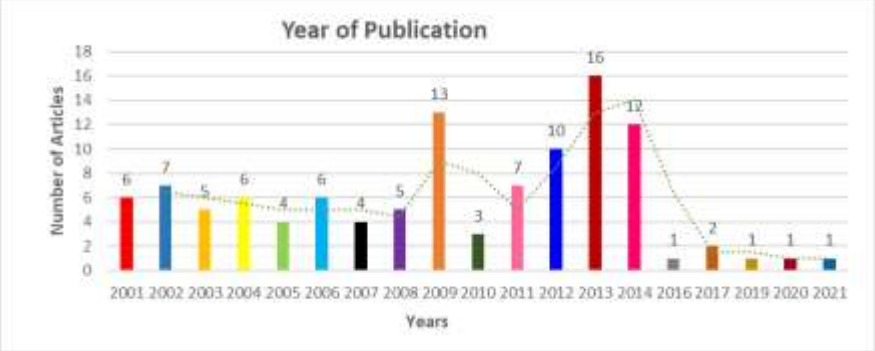

Figure 1: Distribution and Trend of PSI in EEs Research by Year of Publication

Sadly, there is clear indication that future researchers and practitioners exploring PSI in EEs may not benefit from up-to-date findings, contributions, and knowledge in the research area.

D3. Distribution of Articles by Investment Type/Activities, Research Focus and Sub-Themes

Table 2a: Distribution of PSI in EEs Research Articles by Investment Type

Investment Type	Number of Articles
Domestic Investment (DI)	5 (4.5%)
Foreign Direct Investment (FDI)/ International portfolio Investment (IPI)	13 (12%)
Private Investment (DI, FDI, IPI)	27 (24.5%)
Public Investment	5 (4.5%)
General Investment	43 (39.1%)

Other Investment Activities	17 (15.4%)
Total	**110 (100%)**

Table 2a shows that general investment, made up of private (local and foreign investors), and public investment recorded the highest articles (43, 39.1%) researched. The second highest was private investment with 27 (24.5%) articles, which consist of private DI and FDI/IPI. The third was other investment activities of 17 (15.4%) articles which could not be clearly classified. The fourth was foreign direct investment and international portfolio investment (made up of direct and indirect investments owned by foreign private investors only) with 13 (12%) articles. The least researched were domestic investment (owned by the indigenous or nationals only), and public investment (consisting of public or state investment) with 5 (4.5%) articles each. Though the bulk of the research has focused on all types of investment, general issues that pertain to both private indigenous and foreign investments in emerging economies were most explored.

D3b Research Focus

The literature has been categorised according to the main issues concerning the research focus. The review of PSI research in EEs was categorised into four main themes and a minor theme.

Figure 2 indicate that the majority of articles explored focused on issues on investment constraints with 45(41%) articles, investment determinants 32(29%) articles, and investment valuation and management 16(15%) articles. The less-represented issues were focused on macroenvironment/ uncertainties with 12(11%) articles, while the least represented was investment performance evaluation/growth which recorded 5(4%) articles.

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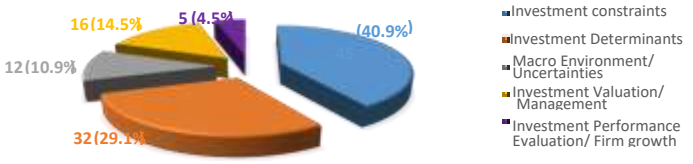

Figure 2. Research Focus- Distribution of Research Articles by Main Themes

Also, table 2b shows that for the investment constraints category, more articles were focused on finance constraints with 21(20%) articles, and management and administration constraints with 11(10%) articles, and they were fairly represented by policy, infrastructural, and institutional

constraints with 7 (6%) articles as well as marketing, advertising, and technological constraints with 6(5%) articles. Likewise, for the investment determinants category, more articles were focused on public investment, cost of capital, real GDP/output with 19(17%) articles, and fund availability from money and capital markets with 14(12%) articles, were both adequately represented.

Similarly, for the macroenvironment and uncertainties category, more studies were focused on political risk with 6 (5%) articles, while the fairly represented was economic risk with 4(3%) articles, and the least represented was social risks with 2(1.8%) articles. Furthermore, for the investment valuation and management category, more articles focused on financial asset valuation with 9(8%) articles recorded, while physical and real asset valuation were fairly represented with 7(7%) articles. Lastly, for the investment performance evaluation and firm growth, there was only one classification, which was firm performance/firm value/growth, and it was the least represented with 5(4%) articles. The knowledge gap leans towards how marketing, advertising, and technology constraints; as well as economic and social risks impact private investment, private enterprise growth, and strategies for maximising firm value.

D3c. Sub-Themes

Table 2b: Distribution of PSI in EEs Research Articles by Sub-Themes

Research Focus		Number of Articles
Investment Determinants		**32 (29%)**
Cost of Capital, Real GDP/Output, Public Investment	*19 (17%)*	
Funds Availability (from money and capital markets)	*14 (12%)*	
Investment Constraints		**45 (41%)**
Finance constraints (Access and Cost of Funds)	*21 (20%)*	
Marketing, Advertising, Technology Constraints	*6 (5%)*	
Management, HRD, Administrative Constraints	*11 (10%)*	
Policy, Infrastructural, Institutional Constraints	*7 (6%)*	
Macro Environment/ Uncertainties		**12 (11%)**
***Economic Risk** (Inflation, Interest Rate, Exchange Rate, External Debt and Real GDP Instability)*	*4 (3%)*	
***Political Risk** (Political Freedom: democracy, Political Instability, Policy Uncertainty)*	*6 (5%)*	
***Social risk** (Weak Security and Safety; Corruption, Crime, Unemployment, Poverty upsurge)*	*2(1.8%)*	
Investment Valuation/ Management		**16 (4.5%)**
Financial Assets Valuation (Debt/ Equity Instruments)	*9 (8%)*	
Physical/ Real Assets Valuation (Short-term, Long-term Capital Projects)	*7 (7%)*	
Investment Performance Evaluation/ Growth		**5 (4%)**
Firm Performance, Firm Value/ Growth	*5 (4%)*	
Total		**110 (100%)**

Furthermore, regarding the specific sub-themes, management, human resource development, and administrative constraints recorded 11(10%) articles; policy, infrastructural, and institutional constraints recorded 7(6%) articles; and marketing, advertising, and technology constraints

recorded 6(5) articles. Although all the sub-topics were fairly represented, there is a need to further investigate these sub-areas to unearth and adequately address the real problems inhibiting PSI research in EEs, because academics are interested in examining new dynamics that have bearing on practice. Additionally, with investment valuation and management, the focus was more on financial asset valuation, which includes debt and equity instruments, compared to physical and real asset valuation, which also comprises articles on short- and long-term projects or investments. The knowledge gap lies in the insufficient exploration of investment performance, evaluation and growth, and its effect on PSI thrive.

The knowledge gap seems to exist in the limited exploration of social risks (safety and security, unemployment and poverty, corruption, and the crime upsurge). However, in quantum, a less-researched theme does not necessarily mean it is the most attractive for research contributions. Likewise, in quantum, a more-researched theme does not necessarily mean it is the least attractive for research contributions. So, although investment constraints were largely researched, they still remain a reality with respect to PSI pursuit and thrive in EEs.

D4. Mapping PSI Research in EEs: Issues and Evidence

Table 3: Mapping Research Issues to Investment Activities

		Investment Activities				
		Domestic Investment (DI)	Foreign Direct Investment/International Portfolio Investment	Private Investment (Domestic, FDI, Portfolio)	General Investment (Private and Public)	Total
Research Issues	Investment Constraints	**10**	**3**	**14**	**18**	**45**
	Investment Determinants	3	8	10	11	**32**
	Macro Environment/ Uncertainties	0	0	6	6	**12**
	Investment Valuation/ Management	2	2	5	7	**16**
	Investment Performance Evaluation/ growth	0	0	1	4	**5**
Total		**15**	**13**	**36**	**46**	**110**

Table 3 shows mapping of investment issues to research activities; investment constraints mapped to general investment (public and private investment) had the majority of representation of 18 articles, followed by investment constraints mapped to private investment of 14 articles, then followed by investment determinants mapped to general investment of

11 articles. Similarly, fairly represented was investment valuation/management mapped to general investment of 7 articles, and macroenvironment/uncertainty mapped to private investment, and general investment of 6 articles each. The least represented was investment performance evaluation/firm growth mapped to private investment of 1 article, and macro uncertainty mapped to DI, FDI, as well as investment performance evaluation/firm growth mapped to DI, FDI, and private investment each had no article representation. Furthermore, the results of the article on the macro-uncertainty mapped to DI and FDI indicate an opportunity to further explore sub-areas where gaps exist.

Table 4: Research Issues and Sectors of the Economy Cross tabulation

		Sectors of the Economy								Total
		Manufacturing	Agriculture/ Natural Resource	Education /Health	Banking/ Financial Market	Utilities	Infrastructure	Corporate	Across-Sectors	
Research Issues	Investment Constraints	4	9	1	6	0	2	6	17	45
	Investment Determinants	0	3	0	3	1	2	0	23	32
	Macro Environment/ Uncertainties	0	0	0	0	1	1	2	8	12
	Investment Valuation/ Management	1	0	0	2	0	0	8	5	16
	Investment Performance Evaluation/ Firm growth	0	0	0	0	1	0	1	3	5
Total		5	12	1	11	3	5	17	56	110

Table 4 shows the mapping of research issues to sectors of the economy. The mapping of research issues to the sectors shows that the bulk of the studies on investment determinants (23 articles) were applicable across sectors, followed by investment constraints applicable across sectors (17 articles), and then investment constraints mapped to the agricultural and natural resource sectors (9 articles). Similarly, fairly represented were investment valuation and management mapped to the corporate sector, and macroenvironmental uncertainties mapped to across sectors of 8 articles each. The least represented were investment constraints mapped to the health and education sectors, macro uncertainties mapped to the utilities and infrastructure sectors, and performance evaluation and firm growth mapped to the utilities and corporate sectors, each with one article only.

Unfortunately, investment determinants mapped to manufacturing, health/education, and corporate sectors; investment constraints mapped to utilities sector; macro uncertainties mapped to manufacturing, agricultural/natural resources, health/education, bank/financial markets sectors; investment valuation/management mapped to agricultural/natural resource, health/education, utilities, and infrastructure sectors; and investment performance evaluation/firm growth mapped to manufacturing, agricultural/natural resource,

health/education, bank/financial markets, and infrastructure sectors each had no article representation. The results suggest that gaps exist in the deficit areas, and need to be filled to contribute new knowledge to foster PSI boom in EEs.

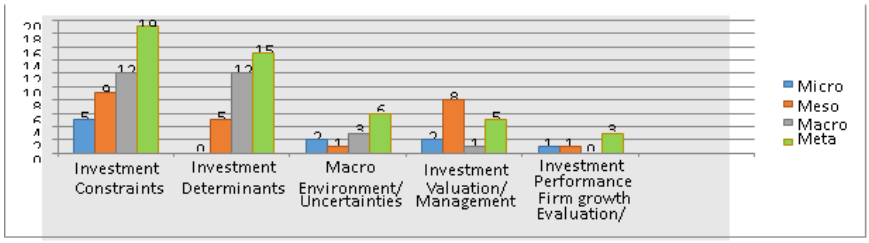

Figure 3. Mapping Research Issues to Level of Analysis

Figure 3 indicates the mapping of research issues to the level of analysis-micro, meso, macro, and meta. Investment constraints mapped to meta had the majority of representation of 19 articles, followed by investment determinants mapped to meta of 15 articles, then followed by investment determinants mapped to macro, and investment constraints mapped to macro of 12 articles each. Additionally, the fairly represented were investment constraints mapped to meso of 9 articles, investment valuation/management mapped to meso of 8 articles, and macro environment uncertainties mapped to meta of 6 articles, whilst the less represented were macro uncertainties mapped to meso, investment valuation/management mapped to micro, and meso of one (1) article each.

Nonetheless, investment determinants mapped to micro, and investment performance evaluation and firm growth mapped to macro had no article representation. Overall, the findings imply an opportunity to explore the less or least represented areas, so more studies in the scarcity areas will contribute more knowledge, fill the gaps, and enrich PSI literature.

E. Theoretical, Conceptual, and Methodological Approaches used for Psi Research in Ees

E1. Theoretical and Conceptual Approaches

Table 5: Distribution of PSI in EEs Research Articles by Theory

Theoretical / Conceptual Framework	Number of Articles
Group One: Investment Constraints	
Theory of Investment Behavior (Jorgenson,1967; Fry, 1988, 1993; Killick, 1978)	14
Flexible/ Neoclassical accelerator Model and theory (Jorgenson, 1963, 1967, 1971)	11
The General Theory of Employment (Keynes, 1936)	5
Theory of Money and Capital in Economic Development (McKinnon & Shaw, 1973)	4
Theory of Money, Investment and Growth (Galbis, 1979)	3
Group Two: Investment Determinants	
The Cost of Capital, Corporation Finance and the Theory of Investment (Modigliani & Miller, 1958)	4
Theory of Financial liberalization and Intermediation (Goldsmith, 1969; Shaw, 1973; Mckinnon, 1973)	5
Theory of the firm: Capital Theory and Investment Behaviour (Chenery, 1952; Jorgenson, 1963)	12
The Theory of Investment Determinant Behaviour (Jorgenson, 1967)	8
Financial Development and Economic Growth theory (McKinnon, 1973; Shaw, 1973; Levine, 1997)	3
Group Three: Macro Environment/ Uncertainties	
Theory of Investment Uncertainty (Dixit, 1987; Ingersoll & Ross, 1988; Hubbard, 1994; Serven, 1997)	9
Exchange Rate Instability Theory (Krugman, 1988)	1
Theory of irreversibility, Uncertainty and Investment (Pindyck, 1991; Serven & Solimono, 1992)	3
Economic Instability and Aggregate Investment theory (Pindyck & Solimano, 1993)	2
Group Four: Investment Valuation/ Management	
Theory of Investment Valuation (Stiglitz & Weiss, 1981; Fazzari et al, 1988)	6
Models of Distributed Lags and Investment Analysis (Koyck, 1954)	2
Theory of Money, Investment and Growth (Galbis, 1979)	1
Models of Statistical Analysis of Co-integrated Vectors (Johansen, 1988)	3
Group Five: Investment performance Evaluation/Growth	
Simulation and the Asymptotics of optimization Estimators Models (Pakes & Pollard, 1989)	1
Theory of Money, Investment and Growth (Galbis, 1979)	2
Private Sector Assessment (Samuel, 1989)	1
Other: No defined model or theory used	3
Total	**110**

Group one (1) consist of theoretical and conceptual frameworks used in studying investment issues related to investment constraints. Although all the theories were fairly widely used in this group, three major theories- the theory of investment behaviour (14 articles), the flexible/neoclassical accelerator model and theory (11 articles), and the theory of the firm (7 articles)- tended to be the underpinning theories used in the research area. Similarly, group two consists of theoretical and conceptual frameworks used in studying issues related to investment determinants. Here also, all the theories were adequately used, but the following two major theories- the theory of the firm: capital theory and investment behaviour (12 articles), and the theory of investment determinant behaviour (8 articles) tended to be the main foundation theories that were used in the research area. Group three also entails theoretical and conceptual frameworks used in studying issues related to the macroenvironment or uncertainties. Only one major theory, the theory of

investment uncertainty (9 articles) tended to be the underpinning theory that was used in the research area.

Furthermore, group four comprises theoretical and conceptual frameworks used in studying issues related to investment valuation or management. Though all the theories were fairly widely used, one major theory, the theory of investment behaviour (6 articles), was inclined to be the underpinning theory that was used in that research area. The last but not the least, group five, encompasses theoretical and conceptual frameworks used in studying investment issues related to investment performance, evaluation and firm growth. Theories behind this research area were equally used. Finally, there were three other articles of research that had no defined model or theory supporting their study. Notwithstanding, the majority of PSI research in EEs had solid fundamental theoretical foundations that facilitate easier formulation of research models, their replication in different EEs, and making the knowledge contributed more theoretically and practically grounded.

Distribution of PSI in EEs Research Articles by Theoretical and Conceptual Frameworks

From figure 4, theoretical and conceptual approaches most commonly used was framework base approaches with 37(33.6%) articles. It is followed by model base approaches with 20(18.2%) articles, and mixed approaches with 15 (13.6%) articles respectively. Then followed by category-based approaches with 11 (10%) articles, and concept base approaches with 10 (9.1%) articles respectively.

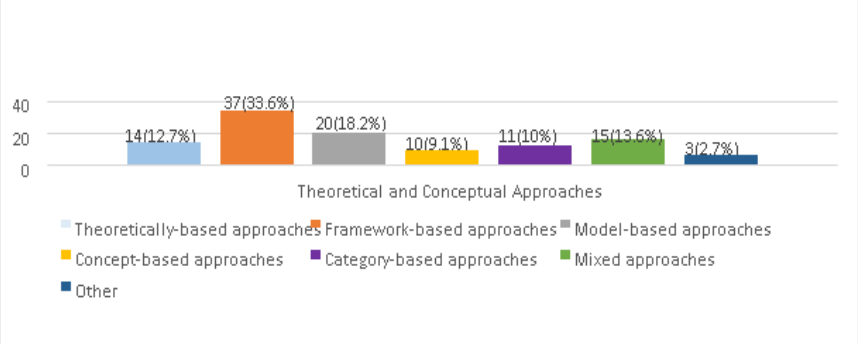

Figure 4. Distribution of Theoretical and Conceptual Approaches Used

The least was other theoretical and conceptual approaches of 3(2.7%) articles which consists of unclear approaches that were used for studying PSI in EEs. Here also, the results signify that most of the theoretical and conceptual approaches have been fairly applied.

E2. Inspiration behind Theory Analysis

Figure 5, shows the inspiration behind the theory, of the 110 articles explored, majority of the research had socio-technical theories (37 articles, 34%), as their inspiration behind the theories used, the next was technical theories (36 articles, 33%), and followed by social theories (24 articles, 22%).

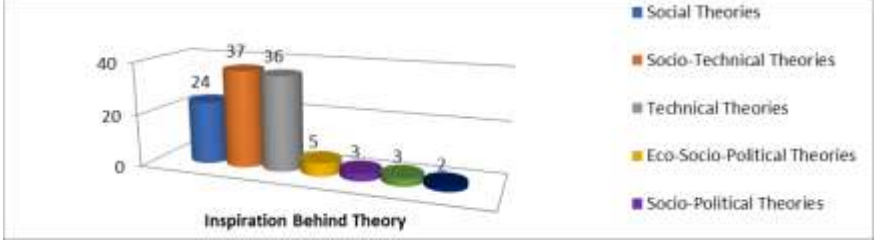

Figure 5. Distribution of PSI in EEs Research Articles by Inspiration behind Theory

Besides, eco-socio-political theories recorded 5(4.5%) articles as inspiration behind the theory used; the less represented were socio-political theories, and politico-economic theories of 3(2.7%) articles each, and no defined theoretical approach evident of 2(1.8%) articles, which had neither an unclear theoretical approach nor inspiration behind theory.

Table 6: Theoretical and Conceptual approaches and Research Issues Cross-tabulation

		Research Issues					Total
		Investment Constraints	Investment Determinants	Macro Environment/ Uncertainties	Investment Valuation/ Management	Investment Performance Evaluation/ Economic growth	
Theoretical and Conceptual approaches	Theoretically-based approaches	1	5	3	4	1	14
	Framework-based approaches	16	14	3	2	2	37
	Model-based approaches	7	2	3	8	0	20
	Concept-based approaches	7	2	0	0	1	10
	Category-based approaches	6	3	1	1	0	11
	Mixed approaches	8	4	1	1	1	15
	Other	0	2	1	0	0	3
Total		45	32	12	16	5	110

Table 6 shows the mapping of theoretical and conceptual approaches to research issues. Framework-based approaches mapped to investment constraints had the highest representation of 16 articles, followed by framework-based approaches mapped to investment determinants with 14 articles. Also, frameworks fairly used in studying issues relating to

investment constraints and investment valuation/management, were model-based approaches and mixed approaches with 8 articles each.

Some of the less represented of one (1) article each are theoretically-based approaches mapped to investment constraints, and category-based approaches mapped to macro uncertainties and investment valuation /management. PSI research on investment constraints and determinants in particular, have strong theoretical underpinnings that facilitates easier formulation of research models and their replication in research conducted in different EEs, which makes novel knowledge contributed more theoretically and practically grounded.

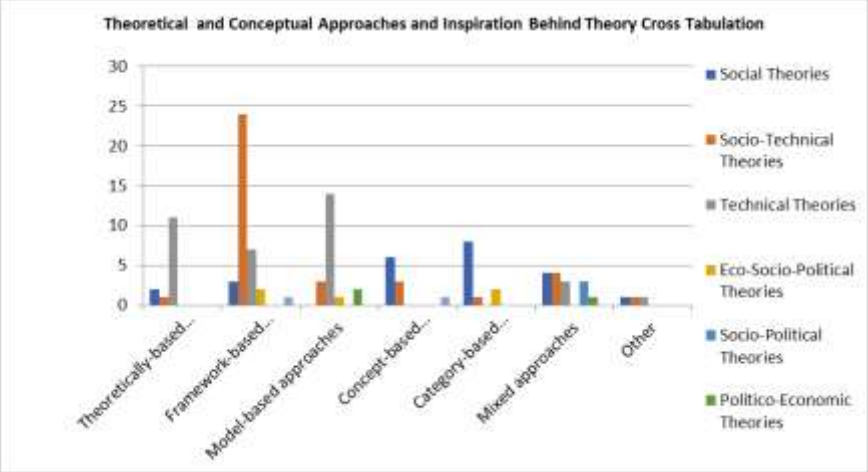

Figure 6. Mapping Theoretical and Conceptual Approaches to Inspiration behind Theory

From figure 6 the mapping of theoretical and conceptual approaches to inspiration behind theory, shows that the majority representation was 24 studies which used framework-based approaches with socio-technical theories as their inspiration behind theory, followed by 14 studies which used model-based approaches with technical theories as their inspiration behind theory. Fairly represented were theoretically-based approaches mapped to technical theories (11 articles), category-based approaches with socio-technical theories (8 articles), and concept-based approaches with socio-technical theories (6 articles). The less represented were theoretically based approaches with socio-technical theories, model-based approaches with eco-socio-political theories, and mixed approaches with economic theories of one (1) article each. However, quite a number of studies using concept-base, category-base, and other approaches consist of research with no specific or underpinning theory, hence no representation.

Table 7: Mapping Theoretical and Conceptual Approaches to Methods Used

		Method Used							Total
		Survey	Case Study	Content	Archival	Econometric	Stim/Exp.	Mixed	
Theoretical and Conceptual approaches	Theoretically-based approaches Framework-based approaches	0	1	2	1	3	3	4	**14**
	Model-based approaches	9	1	1	0	24	1	1	**37**
	Concept-based approaches	3	2	0	0	6	8	1	**20**
	Category-based approaches	0	1	6	1	0	0	2	**10**
	Mixed approaches	2	5	3	1	0	0	0	**11**
	Other	2	0	0	0	0	2	11	**15**
Total		0	0	1	1	1	0	0	**3**
		16	**10**	**13**	**4**	**34**	**14**	**19**	**110**

Table 7 shows the mapping of theoretical and conceptual approaches to methods used. Framework-based approaches mapped to econometric analysis had the highest representation of 24 articles, followed by mixed approaches mapped to mixed methods with 11 articles. Similarly, fairly represented were framework-based approaches to survey with 9 articles, model-based approaches to stimulation and experimental study with 8 articles, then followed by model-based approaches to econometric analysis, and concept-based approaches to case studies with 6 articles each. Some of the less represented of one (1) article each are theoretically-based approaches mapped to case studies, framework-based approaches to case studies, concept-based approaches and category-based approaches mapped to archival data analysis.

However, model-based approaches mapped to content analysis and archival data analysis, concept-based approaches mapped to econometric analysis and survey, category-based approaches to econometric analysis, and stimulation and experimental studies had no representation. There is therefore, the need to fill these gaps in order to provide rich literature that have fundamental theoretical grounding that facilitates realistic future replication and contributions in the research areas.

Table 8: Mapping Theoretical and Conceptual Approaches to Methodology Used

		Methodology Used				
		Quantitative	Qualitative	Mixed	Descriptive	Total
Theoretical and Conceptual approaches	Theoretically-based approaches	11	1	1	1	14
	Framework-based approaches	34	2	0	1	37
	Model-based approaches	20	0	0	0	20
	Concept-based approaches	1	4	1	4	10
	Category-based approaches	1	7	0	3	11
	Mixed approaches	2	1	10	2	15
	Other	2	1	0	0	3
Total		71	16	12	11	110

Table 8 displays the mapping of theoretical and conceptual approaches to the methodology used. Framework-based approaches mapped to quantitative were highly represented with 34 articles, followed by model-based approaches mapped to quantitative with 20 articles. Similarly, fairly represented were theoretically based approaches to quantitative with 11 articles, mixed approaches to mixed methodologies with 10 articles, and category-based approaches to qualitative with 7 articles.

Besides, some of the less-represented articles are theoretically-based approaches mapped to qualitative, framework-based approaches to descriptive, concept-based approaches to quantitative, and category-based approaches mapped to mixed methodologies. Unfortunately, there was no representation for model-based approaches mapped to qualitative, mixed, and descriptive methodologies or category-based approaches mapped to mixed methodologies. Therefore, there are clear indications of gaps in the literature used in conducting PSI research in EEs. These gaps also need to be filled to facilitate realistic replication of theories and ensure the knowledge contributed is more firmly and theoretically grounded.

E3. Methodological Issues

Distribution of PSI in EEs Research Articles by Methods Used

From figure 7, three research methods mostly used for private investment research in EEs were econometric analysis (34 articles, 31%), mixed methods (19 articles, 17%), and survey (16 articles, 14.5%). Similarly, stimulation and experimental study (14 articles, 13%), content analysis (13 articles, 12%), and case study (10 articles, 9%) were fairly represented.

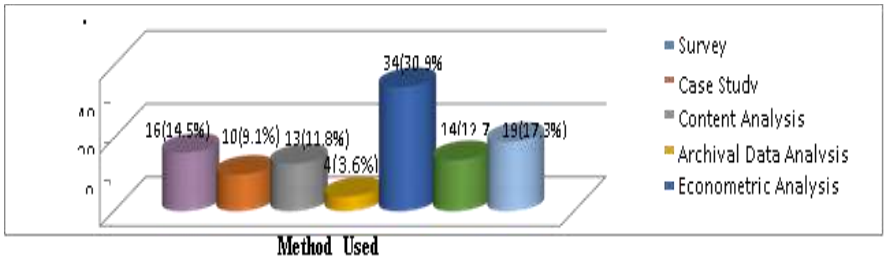

Figure 7. Distribution of PSI in EEs Research Articles by Methods Used

The less represented research method was archival data analysis (4 articles, 3%). Future research in the area should focus on using more of the deficit methods particularly archival data analysis to fill the gaps identified.

Distribution of PSI in EEs Research Articles by Methodology Used

Similarly, with reference to figure 8, the most commonly used methodology for PSI research in EEs were quantitative (71 articles, 64.5%), and qualitative (16 articles, 14.5%).

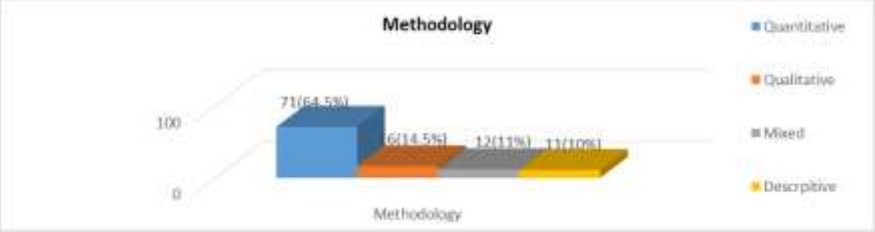

Figure 8. Distribution of PSI in EEs Research Articles by Methodology Used

Mixed, articles using a combination of quantitative and qualitative (12 articles, 11%), and descriptive (11 articles, 10%) were fairly represented. Future research in the area should use more of the latter methodologies to fill the gaps identified.

Table 9: Mapping Methodology used and Research Issues.

		Research Issues					Total
		Investment Constraints	Investment Determinants	Macro Environment/ Uncertainties	Investment Valuation/ Management	Investment Performance Evaluation/ Economic growth	
Methodology Used	Quantitative	24	23	8	13	3	**71**
	Qualitative	9	5	2	0	0	**16**
	Mixed	6	3	1	1	1	**12**
	Descriptive	6	1	1	2	1	**11**
Total		**45**	**32**	**12**	**16**	**5**	**110**

From table 9, quantitative mapped to investment constraints had the highest with 24 articles, followed by quantitative to investment determinants of 23 articles, and followed by quantitative to investment valuation/ management with 13 articles. Additionally, fairly represented was qualitative mapped to investment valuation/ management with 9 articles, and quantitative to macro-environment and uncertainties with 8 articles.

A few of the least represented are mixed to investment valuation/ management, and descriptive to investment performance evaluation/ firm growth with 1 article each. Regrettably, there were no representation for qualitative mapped to investment valuation/management and investment performance evaluation/ firm growth. The analysis shows that quantitative methodology was commonly used, but very few studies used qualitative and descriptive methodologies for the research explored.

Table 10: Cross-tabulation of Method Used and Methodology Used

		Methodology Used				Total
		Quantitative	Qualitative	Mixed	Descriptive	
Method Used	Survey	14	1	1	0	16
	Case Study	2	5	0	3	10
	Content Analysis	2	7	1	3	13
	Archival Data Analysis	1	2	0	1	4
	Econometric Analysis	34	0	0	0	34
	Stimulation and Experimental Study	11	0	2	1	14
	Mixed Methods	7	1	8	3	19
Total		71	16	12	11	110

Furthermore, with reference to table 10, the mapping of methods used to methodology used; the econometric analysis mapped to quantitative had the majority of representation with 34 articles, followed by survey to quantitative with 14 articles. Similarly, fairly represented were stimulation and experimental study mapped to quantitative with 11 articles, and mixed methods to mixed methodology with 8 articles.

The least represented were archival data analysis to descriptive, survey to qualitative, and concept analysis to mixed methodology with 1 article each. Sadly, there were no representation for survey mapped to descriptive, and econometric analysis to qualitative, mixed and descriptive. This clearly confirms the need to move beyond econometric methods and quantitative methodologies of examining PSI research, to techniques which tend to use more qualitative methodologies and are of firm-level reality focus.

E4. Geographical Distribution

Geographical Distribution of PSI in EEs Research Articles

As shown in Figures 9, the frequency of literature on PSI research in EEs reviewed in this study indicate that most of the prior studies were concentrated in Africa (28 articles, 26%), no country specified (27 articles, 25%), global-level: across countries (20 articles, 18%), and Asia (16 articles, 15%).

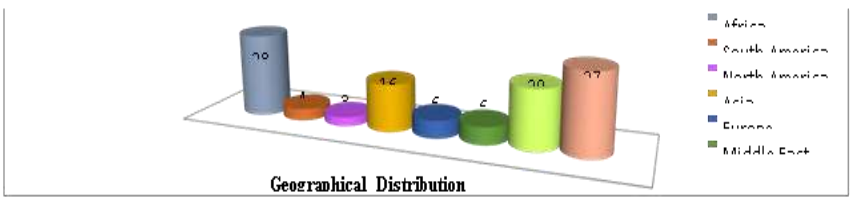

Figure 9. Geographical Distribution of PSI in EEs Research Articles

There seems to be a dominance of studies on investment in Africa. This is arguably reflective of the major challenges, constraints, and uncertainties confronting PSI, particularly in Sub-Saharan Africa, a region that is more prone to problems.

Despondently, even when novel research is conducted in Africa, they often end up in files and books heaping up in libraries. They not applicable to practitioners largely due to political, social, economic, mass illiteracy, and other related problems.

Geographical Distribution and Research Issues Cross-tabulation

Also, from figure 10, Africa mapped to investment determinants had the highest with 13 articles, followed by Africa mapped to investment constraints of 12 articles recorded, then followed by no country specified to investment valuation/ management, and to investment constraints with 11 and 10 articles respectively.

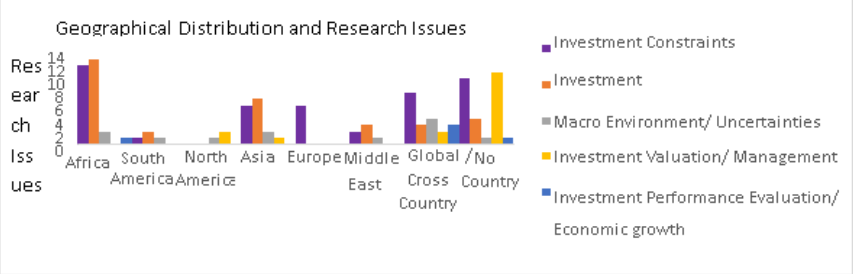

Figure 10. Geographical Distribution and Research Issues Cross-tabulation

Additionally, fairly represented was global mapped to investment constraints with 8 articles, and Asia to investment determinant with 7 articles. The least are South America to investment constraints and to macro environment and uncertainties, and North America to macroenvironment and uncertainties with 1 article each. However, South America mapped to investment valuation/management and investment performance evaluation/ firm growth; and Europe mapped to investment constraints, macro environment and uncertainties, investment valuation/management and investment performance evaluation/ firm growth had no representation. The analysis evidently show that Africa and Asia are prone with issues relating to investment constraints, investment determinants, macro-environment and uncertainties, and poor investment management.

Table 11: Geographical Distribution and Method Used Cross-tabulation

		Geographical Distribution								Total
		Africa	South America	North America	Asia	Europe	Middle East	Global / Cross Country	No Country	
Method Used	Survey	6	1	0	2	0	2	3	2	16
	Case Study	2	0	1	1	1	1	3	1	10
	Content Analysis	3	0	0	0	0	0	4	6	13
	Archival Data Analysis	1	0	0	1	1	0	1	0	4
	Econometric Analysis	13	3	1	3	3	1	7	3	34
	Stimulation and Experimental Study	0	0	0	2	0	0	0	12	14
	Mixed Methods	3	0	1	7	1	2	2	3	19
Total		28	4	3	16	6	6	20	27	110

Table 11 displays, the mapping of geographic region to methods used. Africa mapped to econometric analysis had the highest of representation with 13 articles, and no country specified mapped to stimulation and experimental study had the second highest representation of 12 articles, followed by Africa to quantitative with 18 articles, and the next was global to quantitative with 11 articles. Similarly, fairly represented was Asia mapped to mixed methods with 7 articles and Africa to survey with 6 articles, whilst the least represented were Europe to case study, and archival data analysis and the Middle East to case study and econometric analysis with 1 article each.

However, there was no representation for North America mapped to survey, content analysis, archival data analysis, stimulation, or experimental study. This finding further echoes that PSI research in most regions of EEs usually uses econometric analysis and/or stimulation and experimental study, but less use of other methods.

Table 12: Cross-tabulation of Geographical Distribution and Methodology Used

		Geographical Distribution								Total
		Africa	South America	North America	Asia	Europe	Middle East	Global / Cross Country	No Country	
Methodology Used	Quantitative	18	4	2	8	4	5	11	19	**71**
	Qualitative	6	0	0	0	1	0	6	3	**16**
	Mixed	4	0	0	5	0	1	0	2	**12**
	Descriptive	0	0	1	3	1	0	3	3	**11**
Total		**28**	**4**	**3**	**16**	**6**	**6**	**20**	**27**	**110**

Table 12 displays the mapping of geographic region to methodology used. No country specified mapped to quantitative had the majority of representation with 19 articles, followed by Africa to quantitative with 18 articles, and the next was global to quantitative with 11 articles. Similarly, fairly represented was Asia mapped to quantitative with 8 articles, and

Africa to qualitative with 6 articles; whilst the least represented were Europe to qualitative, North America to descriptive with 1 article each.

Nevertheless, there were no representation for North America mapped to qualitative and mixed; and South America to qualitative and mixed. This clearly further reiterates the point that Africa and other developing regions generally use quantitative methodology in studying PSI research in EEs to the near neglect of the other methodologies in particular, qualitative methodology.

Geographical Distribution and Level of Analysis Cross-tabulation

Figure 11 depicts the mapping of geographic region to level of analysis, global or cross-country mapped to meta had the majority of representation with 15 articles, followed by Africa to meta with 13 articles, and the next was Asia to macro with 12 articles. In addition, fairly represented were Africa mapped to macro with 10 articles, and no country specified to meso with 9 articles, while the least represented were South America to meso and to meta, and Europe to micro and macro with 1 article each.

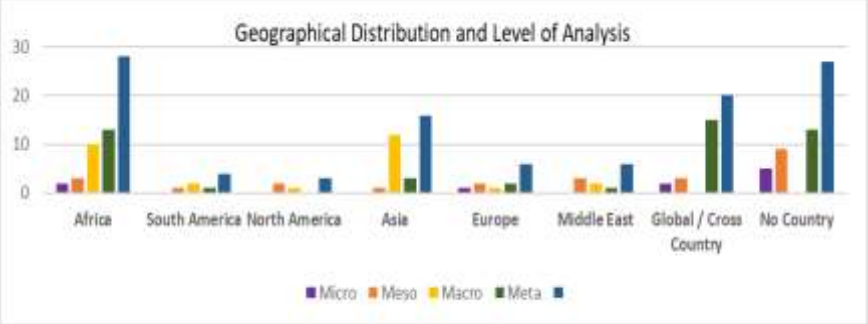

Figure 11. Mapping of Geographical Distribution and Level of Analysis

Unpredictably, there was no representation for South America mapped to micro, the Middle East to micro, and North America to micro and meta. This obviously indicates that in Africa and most parts of the EEs, the PSI research was mainly conducted at the meta level, with little focus at the meso and micro levels. Generally, the findings of this study corroborate those of Duncombe & Boateng (2009), who obtained similar results.

F. Research Gaps and Future Research Directions

F1. Gaps in Issues and Evidence

The first gaps noted in the literature evaluated are investment activities and PSI research issues in EEs. Of the 110 articles analysed, domestic investment recorded only 5 articles. Besides, there was insufficient evidence on PSI research issues, very few studies focused on marketing,

advertising, technology, policy, infrastructure, and institutional constraints, while the social risks which include weak security and safety, crime, corruption, unemployment, and the rise in poverty, were barely investigated, 2 articles only.

Another significant gap was the 41 journals with one publication each. But these are renowned international journals where future PSI research could be published. Regrettably, the trend reveals that fewer PSI studies were undertaken in recent years, with the least articles recorded in the last five years. It is very worrying the trend shows less interest in PSI research in recent years. So, more studies on the deficit areas are desired to help enrich PSI literature in EEs.

F2. Gaps in Theoretical and Conceptual Frameworks

The second gaps emphasis on theoretical and conceptual strategies underpinnings PSI research in EEs. Three articles had no obvious underpinning theories, while the less-used technique was concept-based strategies. Another minor gap was two publications with no obvious theoretical inspiration. Although most of the research were properly conceptualised, they do not seem to follow a more practical or well-defined research trajectory that provides adequate grounding to support future studies. Accordingly, PSI research that combine theoretically-based and practically-oriented underpinnings are needed to accomplish the desired sustainable development in EEs.

F3. Gaps in Methodological Approaches and Geographical Coverage

The third revealed gaps in the literature studied lied in methodologies used for PSI research in EEs and geographical coverage. The most apparent gap in the methodology applied was the paucity of studies using archival data analysis. Archival data analysis methods are particularly significant in PSI research because "the *past* is a beacon for the future." Thus, firm-specific issues could best be known and addressed when well-informed of past records, occurrences, and events. Also, qualitative research approaches seemed to be lacking.

Another substantial lacuna exists in geographical spreading, specifically in northern or Latin America. Besides, the study shows that economies in Africa and Asia are plagued with challenges, obstacles and/ or restrictions allied to PSI pursuit and flourishing in those continents. In light of the latter, more knowledge is needed to enable private investors to leverage and boost PSI participation, expansion, optimise firm value, and consequently contribute to the economic prosperity and sustainable development of EEs.

F4. Conclusions and Pointers for Future Research

A review of PSI research in EEs was conducted to critically assess the state of research on the topic, as well as identify the existing gaps, and areas to be researched and/or addressed. The study shows that five journals were widely used for publishing PSI research in EEs. Equally, other standard journals were used, signaling that modern-authors are more dynamic. Most of the articles explored were published in the early- and mid-2000s. This is a clear indication that future researchers, scholars, and practitioners exploring PSI in EEs may not benefit from contemporary and emerging issues that might facilitate PSI activities and boom.

Besides, the study evidently shows that the main issues focused on investment constraints, investment determinants, the macro-environment and uncertainties. The knowledge gap lies in how marketing, advertising, and technology constraints; economic and social risks impact on private investment and private enterprises growth, and the ways in which maximising firm value could be achieved. Also, very few studies had no specific underpinning theory or fundamental theoretical grounding that facilitates realistic future replication. Despondently, although most of the research and contributions were well-argued, they were explored quantitatively using mainly econometric analysis; only a few were investigated qualitatively. There is therefore a need to move beyond the quantitative techniques of examining investment issues to a perspective that adopts the use of qualitative approaches and firm-level focus. Besides, the study clearly shows that Africa and Asia are extremely prone to investment problems. Future research on PSI in EEs must focus on the deficit areas in order to contribute new knowledge, fill the existing gaps, enrich the literature, and thereby reach the SDGs.

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