

RESEARCH PROJECTS 2015

Project Title

Equity Crowdfunding in China: An Exploratory Study

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Abstract

The proposed project is an exploratory study of equity crowdfunding in China. While most research on crowdfunding focuses on the relative success of fundraising efforts in prepaid/rewards-based crowdfunding projects, we seek to understand what happens after fundraising in the under-examined format of equity crowdfunding (EC). Specifically, what types of formal and informal governance institutions are established in EC-backed firms following the mobilization of funding? What is the relationship between governance and performance in EC-backed firms vs. comparable firms that obtain equity financing from venture capital (VC) firms? The co-PIs will explore these issues through multi-case, inductive research methodology, involving four or more firms in each category (EC- and VC-backed), operating in similar locations and sectors. Our findings will have policy implications for China's emergent regulatory regime for internet finance; and theoretical implications for research on entrepreneurship, corporate governance, financial development, and institutional innovation in emerging market economies.

