This PDF is a selection from a published volume from the National Bureau of Economic Research

Volume Title: International Differences in Entrepreneurship

Volume Author/Editor: Josh Lerner and Antoinette Schoar, editors

Volume Publisher: University of Chicago Press

Volume ISBN: 0-226-47309-0; 978-0-226-47309-3

Volume URL: http://www.nber.org/books/lern08-2

Conference Date: February 1-2, 2008

Publication Date: May 2010

Chapter Title: Front matter, table of contents

Chapter Author: Josh Lerner, Antoinette Schoar

Chapter URL: http://www.nber.org/chapters/c12117

Chapter pages in book: (cover - viii)

JOSH LERNER is the Jacob H. Schiff Professor of Investment Banking at Harvard Business School and codirector of the Innovation Policy and the Economy and Entrepreneurship Working Groups at the National Bureau of Economic Research.

ANTOINETTE SCHOAR is the Michael Koerner '49 Professor of Entrepreneurial Finance at MIT Sloan School of Management and codirector of the Entrepreneurship Working Group at the National Bureau of Economic Research.

AN NBER CONFERENCE REPORT

For information on books of related interest or for a catalog of new publications, please write:

Marketing Department The University of Chicago Press 1427 East 60th Street Chicago, IL 60637-2954 U.S.A. www.press.uchicago.edu

Jacket photo: © Stuart Kelly / Alamy Printed in the U.S.A.

BOOKS OF RELATED INTEREST

Studies of Labor Market Intermediation Edited by David H. Autor

From the traditional craft hiring hall to the Web site Monster.com, a multitude of institutions exist to facilitate the matching of workers with firms. *Studies of Labor Market Intermediation* analyzes how these third-party actors intercede where workers and firms meet, thereby aiding, impeding, and, in some cases, exploiting the matching process. By building a conceptual foundation for analyzing the roles that these understudied economic actors serve in the labor market, this volume develops both a qualitative and

AN NBER CONFERENCE REPORT

Measuring the Subjective Well-Being of Nations: National Accounts of Time Use andWell-BeingEdited by Alan B. Krueger

quantitative sense of their significance to market operation and worker welfare.

Putting forward a new method for measuring, comparing, and analyzing the relationship between happiness and the way people spend their time—across countries, regions, and history—this book will help set the agenda of research. It does so by introducing the system of National Time Accounting (NTA), which relies on individuals' own records of their time use and their evaluations of their emotional experiences during various uses of time. This approach provides an alternative method of measuring well-being that differs from traditional measures such as the Gross National Product. A distinguished group of contributors here summarize the NTA methodology, provide illustrative findings about happiness based on NTA, and subject the system to a rigorous conceptual and methodological critique that only strengthens the approach.

AN NBER CONFERENCE REPORT

International Differences in the Business Practices and Productivity of Firms Edited by Richard B. Freeman and Kathryn L. Shaw

Globalization and the expansion of information technologies have reshaped managerial practices, forcing multinational firms to adjust business practices to different environments and domestic companies to adapt to foreign competitors. In this book, a distinguished group of contributors examines managerial practices across firms, divisions within firms, and countries in this period of change. This volume combines qualitative and quantitative insider analysis of business practices such as the use of teams, incentive pay, lean manufacturing, and quality control, revealing the elements that determine which practices are adopted and why. The studies offer valuable insights into the link between management practices and the productivity and performance of international firms in a fast-paced global economy.

AN NBER CONFERENCE REPORT

1

THE UNIVERSITY OF CHICAGO PRESS www.press.uchicago.edu ISBN-13: 978-0-226-47309-3 ISBN-10: 0-226-47309-0 9 0 0 0 0 9 7 8 0 2 2 6 4 7 3 0 9 3 EDITED BY JOSH LERNER AND ANTOINETTE SCHOAR

INTERNATIONAL DIFFERENCES



National Bureau of Economic Research

Chicago

-0



INTERNATIONAL DIFFERENCES IN ENTREPRENEURSHIP

National Bureau of Economic Research

Edited by Josh Lerner & Antoinette Schoar

INTERNATIONAL DIFFERENCES IN ENTREPRENEURSHIP

Edited by Josh Lerner & Antoinette Schoar



Often considered one of the major forces behind economic growth and development, the entrepreneurial firm can accelerate the speed of innovation and dissemination of new technologies, thus increasing a country's competitive edge in the global market. As a result, cultivating a strong culture of entrepreneurial thinking has become a primary goal throughout the world.

Surprisingly, there has been little systematic research or comparative analysis to show how the growth of entrepreneurship differs among countries in various stages of development. International Differences in Entrepreneurship fills this void by explaining how a country's institutional differences, cultural considerations, and personal characteristics can affect the role that entrepreneurs play in its economy. Developing an understanding of the origins of entrepreneurs as well as the choices they make and the complexity of their activities across countries and industries are of central importance to this volume. In addition, contributors consider how environmental factors of individual economies, such as market regulation, government subsidies for banks, and support for entrepreneurial culture affect the industry and the impact that entrepreneurs have on growth in developing nations.

International Differences in Entrepreneurship



A National Bureau of Economic Research Conference Report

International Differences in Entrepreneurship

Edited by Josh Lerner and Antoinette Schoar

The University of Chicago Press

Chicago and London

JOSH LERNER is the Jacob H. Schiff Professor of Investment Banking at Harvard Business School and codirector of the Entrepreneurship and Innovation Policy Working Groups at the National Bureau of Economic Research. ANTOINETTE SCHOAR is the Michael Koerner '49 Professor of Entrepreneurial Finance at the Massachusetts Institute of Technology Sloan School of Management and codirector of the Entrepreneurship Group at the National Bureau of Economic Research.

The University of Chicago Press, Chicago 60637 The University of Chicago Press, Ltd., London © 2010 by the National Bureau of Economic Research All rights reserved. Published 2010 Printed in the United States of America

19 18 17 16 15 14 13 12 11 10 1 2 3 4 5 ISBN-13: 978-0-226-47309-3 (cloth) ISBN-10: 0-226-47309-0 (cloth)

Library of Congress Cataloging-in-Publication Data

International differences in entrepreneurship / edited by Josh Lerner and Antoinette Schoar.

p. cm.— (National Bureau of Economic Research conference report)

Includes bibliographical references and index. ISBN-13: 978-0-226-47309-3 (alk. paper) ISBN-10: 0-226-47309-0 (alk. paper)

1. Entrepreneurship—Congresses. 2. Entrepreneurship—Case studies. 3. Economic policy—Congresses. 4. Trade regulation— Congresses. 5. Small business—Government policy—Developing countries—Congresses. I. Lerner, Joshua. II. Schoar, Antoinette. III. Series: Conference report (National Bureau of Economic Research) HB615.I5754 2010 338'.04—dc22

2009027709

The paper used in this publication meets the minimum requirements of the American National Standard for Information Sciences— Permanence of Paper for Printed Library Materials, ANSI Z39.48-1992.

National Bureau of Economic Research

Officers

John S. Clarkeson, *chairman* Kathleen B. Cooper, *vice-chairman* James M. Poterba, *president and chief executive officer* Robert Mednick, *treasurer*

Directors at Large

Peter C. Aldrich Elizabeth E. Bailey Richard B. Berner John H. Biggs John S. Clarkeson Don R. Conlan Kathleen B. Cooper Charles H. Dallara George C. Eads Jessica P. Einhorn Mohamed El-Erian Jacob A. Frenkel Judith M. Gueron Robert S. Hamada Karen N. Horn John Lipsky Laurence H. Meyer Michael H. Moskow

Kelly Horak, controller and assistant corporate secretary Alterra Milone, corporate secretary Gerardine Johnson, assistant corporate secretary

> Alicia H. Munnell Rudolph A. Oswald Robert T. Parry James M. Poterba John S. Reed Marina v. N. Whitman Martin B. Zimmerman

Directors by University Appointment

George Akerlof, California, Berkeley Jagdish Bhagwati, Columbia Glen G. Cain, Wisconsin Ray C. Fair, Yale Franklin Fisher, Massachusetts Institute of Technology Mark Grinblatt, California, Los Angeles Saul H. Hymans, Michigan Marjorie B. McElroy, Duke Joel Mokyr, Northwestern Andrew Postlewaite, Pennsylvania Uwe E. Reinhardt, Princeton Nathan Rosenberg, Stanford Craig Swan, Minnesota David B. Yoffie, Harvard Arnold Zellner (Director Emeritus), Chicago

Directors by Appointment of Other Organizations

Jean-Paul Chavas, Agricultural and Applied
Economics AssociationWilliam W
DevelopGail D. Fosler, The Conference Board
Martin Gruber, American Finance
AssociationRobert M
Certified
Angelo MTimothy W. Guinnane, Economic History
AssociationAngelo M
Harvey Rd
Busines,
John J. Sie
AssociationArthur B. Kennickell, American Statistical
AssociationBusines,
John J. Sie
AssociationThea Lee, American Federation of Labor
and Congress of Industrial OrganizationsAssocia

William W. Lewis, Committee for Economic Development
Robert Mednick, American Institute of Certified Public Accountants
Angelo Melino, Canadian Economics Association
Harvey Rosenblum, National Association for Business Economics
John J. Siegfried, American Economic Association

Directors Emeriti

Andrew Brimmer Carl F. Christ George Hatsopoulos Lawrence R. Klein Franklin A. Lindsay Paul W. McCracken Peter G. Peterson Eli Shapiro Arnold Zellner

Relation of the Directors to the Work and Publications of the National Bureau of Economic Research

1. The object of the NBER is to ascertain and present to the economics profession, and to the public more generally, important economic facts and their interpretation in a scientific manner without policy recommendations. The Board of Directors is charged with the responsibility of ensuring that the work of the NBER is carried on in strict conformity with this object.

2. The President shall establish an internal review process to ensure that book manuscripts proposed for publication DO NOT contain policy recommendations. This shall apply both to the proceedings of conferences and to manuscripts by a single author or by one or more co-authors but shall not apply to authors of comments at NBER conferences who are not NBER affiliates.

3. No book manuscript reporting research shall be published by the NBER until the President has sent to each member of the Board a notice that a manuscript is recommended for publication and that in the President's opinion it is suitable for publication in accordance with the above principles of the NBER. Such notification will include a table of contents and an abstract or summary of the manuscript's content, a list of contributors if applicable, and a response form for use by Directors who desire a copy of the manuscript for review. Each manuscript shall contain a summary drawing attention to the nature and treatment of the problem studied and the main conclusions reached.

4. No volume shall be published until forty-five days have elapsed from the above notification of intention to publish it. During this period a copy shall be sent to any Director requesting it, and if any Director objects to publication on the grounds that the manuscript contains policy recommendations, the objection will be presented to the author(s) or editor(s). In case of dispute, all members of the Board shall be notified, and the President shall appoint an ad hoc committee of the Board to decide the matter; thirty days additional shall be granted for this purpose.

5. The President shall present annually to the Board a report describing the internal manuscript review process, any objections made by Directors before publication or by anyone after publication, any disputes about such matters, and how they were handled.

6. Publications of the NBER issued for informational purposes concerning the work of the Bureau, or issued to inform the public of the activities at the Bureau, including but not limited to the NBER Digest and Reporter, shall be consistent with the object stated in paragraph 1. They shall contain a specific disclaimer noting that they have not passed through the review procedures required in this resolution. The Executive Committee of the Board is charged with the review of all such publications from time to time.

7. NBER working papers and manuscripts distributed on the Bureau's web site are not deemed to be publications for the purpose of this resolution, but they shall be consistent with the object stated in paragraph 1. Working papers shall contain a specific disclaimer noting that they have not passed through the review procedures required in this resolution. The NBER's web site shall contain a similar disclaimer. The President shall establish an internal review process to ensure that the working papers and the web site do not contain policy recommendations, and shall report annually to the Board on this process and any concerns raised in connection with it.

8. Unless otherwise determined by the Board or exempted by the terms of paragraphs 6 and 7, a copy of this resolution shall be printed in each NBER publication as described in paragraph 2 above.

Contents

	Introduction Josh Lerner and Antoinette Schoar	1
I. INTERNATIONAL	Perspectives on the Nature of Entrepreneurship	
	1. Explaining International Differences in Entrepreneurship: The Role of Individual Characteristics and Regulatory Constraints Silvia Ardagna and Annamaria Lusardi	17
	2. Who Are the Microenterprise Owners? Evidence from Sri Lanka on Tokman versus De Soto Suresh de Mel, David McKenzie, and Christopher Woodruff	63
	3. Business Ownership and Self-Employment in Developing Economies: The Colombian Case Camilo Mondragón-Vélez and Ximena Peña	89
	 Entrepreneurship and Firm Formation across Countries Leora Klapper, Raphael Amit, and Mauro F. Guillén 	129
	5. Does Less Market Entry Regulation Generate More Entrepreneurs? Evidence from a Regulatory Reform in Peru Sendhil Mullainathan and Philipp Schnabl	159

6. The International Asian Business Success Story? A Comparison of Chinese, Indian, and Other Asian Businesses in the United States, Canada, and the United Kingdom Robert W. Fairlie, Julie Zissimopoulos, and Harry Krashinsky	179
7. Are There Cultural Determinants of Entrepreneurship? Rajkamal Iyer and Antoinette Schoar	209
II. INTERNATIONAL PERSPECTIVES ON POLICIES TOWARD ENTREPRENEU	RSHIP
8. Entrepreneurship and Credit Constraints: Evidence from a French Loan Guarantee Program Claire Lelarge, David Sraer, and David Thesmar	243
9. Government Sponsored versus Private Venture Capital: Canadian Evidence James A. Brander, Edward J. Egan, and Thomas F. Hellmann	275
10. Is Entrepreneurship Missing in Shanghai? Yasheng Huang and Yi Qian	321
Contributors Author Index Subject Index	347 349 353