

Universität Kassel

Institut für Volkswirtschaftslehre

Fachgebiet Allgemeine Wirtschaftspolitik (Prof. Dr. Guido Bünstorf)

<p>Vorlesung / Seminar (MA): Economics of Entrepreneurship</p>

Wintersemester 2010/2011

Zeit: Montag, 14.15.-15.45 Uhr und Mittwoch, 8.00-10.00 Uhr (Beginn: 25.10.2010)
Nora-Platzi-Str. 6 Raum 0213

Themenvergabe ab 31.09.2010 per E-Mail: krabel@uni-kassel.de

Lecturer: Stefan Krabel

Objectives:

This course has two objectives. First, it provides an introduction into the economics of entrepreneurship. Second, and equally important, it is an opportunity to practice the active use of English.

Entrepreneurship is a major driving force in dynamic economies. New businesses are an important target of policy makers worldwide. At the same time a sizeable scholarly literature on entrepreneurship has recently emerged in economics and related fields such as management, psychology and geography. The course in Economics of Entrepreneurship (EE) provides an introduction to the essential economic theories and empirical studies analyzing the phenomenon of entrepreneurship. The course agenda covers a broad range of topics including new venture creation, business performance, the economic relevance of entrepreneurship and entrepreneurship policies.

To enhance participants' skills and confidence in using English as a scholarly communication tool, all lectures and presentations will be in English. Each participant will give a presentation on a seminal paper in the entrepreneurship literature. Substantial amounts of time will be allocated to classroom discussion. In addition, each participant will write a 12-page essay in English. It is moreover planned to have guest presentations by non-German-speaking visitors.

The course material intentionally cuts across disciplinary boundaries. It comprises elements of economic, management and psychology research related to entrepreneurship. In this way, participants study current issues from different perspectives, also gaining diverse methodological insights. Upon completing the course, participants will be able to understand and critically reflect the broad scope of entrepreneurial processes, to evaluate and classify entrepreneurship policies and to assess the potential influence of entrepreneurship on economic growth.

Organization:

The course will be held twice a week. Lectures will be given on Mondays, while the Wednesday sessions are reserved for student presentations and classroom discussion. The lectures will introduce students to the state of the art of entrepreneurship research. The agenda of the lectures is outlined below.

Agenda (lecture part):**A: Basic concepts**

Theories of entrepreneurship
Empirical methods in entrepreneurship

B: Determinants of entrepreneurship

Incentives and capabilities of entrepreneurs
Entrepreneurial traits
Immigration, culture and entrepreneurship

C: Firm formation

Firm financing
Venture creation

D: Firm performance

Entrepreneurial performance
Firm survival
Entrepreneurs' income

E: Entrepreneurship Policy

Wealth and entrepreneurship
Entrepreneurship and policy
Finance, innovation and taxation policies

F: Academic Entrepreneurship

The relevance of academic entrepreneurship
Academic entrepreneurship in the context of technology transfer

Requirements for participation:

There are no specific requirements for participation. Prior completion of basic courses in microeconomics, mathematics/statistics and economic policy is helpful (but not mandatory). As the course is taught in English, good command of the English language and willingness to communicate in English are required.

Credits:

Requirements in order to obtain **6 credits** for the course:

- A 30-minute presentation of a research paper on entrepreneurship (in English).
- A term paper (in English) of ca. 12 pages (1.5 line spacing, standard font size, one inch margins) based on the oral presentation. This paper should summarize the contents and methods of the discussed research paper and discuss it in the context of the relevant scholarly literature (due March 31st, 2011).
- Attendance of **all** student presentations (attendance is mandatory for the Wednesday sessions)
- Active participation in the classroom discussion

Please note that plagiarism will not be tolerated!!

Introductory reading:

- Parker, S. (2009): *The Economics of Entrepreneurship*. New York, Cambridge University Press.
- Lazear, E.P. (2004): “Balanced Skills and Entrepreneurship”, *American Economic Review*, Papers and Proceedings, May 2004.
- Carlsson, B., Acs, Z.J., Audretsch, D.B. and P. Braunerhjelm (2009): “Knowledge creation, entrepreneurship, and economic growth: a historical review”, *Industrial and Corporate Change*, 18(6), 1193-1229.
- Shane, S. (2009): “Why encouraging more people to become entrepreneurs is bad public policy.” *Small Business Economics*, 33(2): 141-149.

List of papers for seminar presentations:

1. Shane, S. (2000): “Prior Knowledge and the Discovery of Entrepreneurial Opportunities.” *Organization Science*, 11: 448-469.
2. Shane, S., Locke, E.A. and C.J. Collins (2003): “Entrepreneurial Motivation”, *Human Resource Management Review*, 13(2), 257-279.
3. Davidsson, P. and B. Honig (2003): “The role of social and human capital among nascent entrepreneurs”, *Journal of Business Venturing*, 18(3), 301-331.
4. Wright, M., Hmieleski, K., Siegel, D. and M.D. Ensley (2007): “The Role of Human Capital in Technological Entrepreneurship”, *Entrepreneurship: Theory and Practice*, 31(6), 791-806.
5. Gompers, P., J. Lerner and D. Scharfstein (2005): “Entrepreneurial Spawning: Public Corporations and the Genesis of New Ventures, 1986 to 1999”, *Journal of Finance*, 60(2), 577-614.
6. Levie, J. (2007): “Immigration, in-migration, ethnicity and entrepreneurship in the United Kingdom. *Small Business Economics*, 28(2/3), 143-169.
7. Kalnins, Arturs and Wilbur Chung (2006) “Social Capital, Geography, and Survival: Gujarati Immigrant Entrepreneurs in the U.S. Lodging Industry” *Management Science* 52(2) 233–247
8. Abdessalam, R., Bonnet, J. and N. Le Pape (2004): “An Explanation of the Life Span of New French Firms”, *Small Business Economics*, 23(3), 237-254.
9. Audretsch, D.B. and M. Keilbach (2007): “The Localisation of Entrepreneurship Capital: Evidence from Germany”, *Papers in Regional Science*, 86(3), 351-365.
10. Klepper, S. (2007): “Disagreements, Spinoffs, and the Evolution of Detroit as the Capital of the U.S. Automobile Industry.” *Management Science*, 53(4): 616-631.
11. Stam, E. (2007): “Why Butterflies Don’t Leave: Locational Behavior of Entrepreneurial Firms”, *Economic Geography*, 83(1), 27-50.
12. Wagner, J. and R. Sternberg (2004): “Start-up activities, individual characteristics, and the regional milieu: Lessons for entrepreneurship”, *Annals of Regional Science*, 38(2), 219-240.
13. Fritsch, M. (2004): “Entrepreneurship, entry and performance of new business compared in two growth regimes: East and West Germany.” *Journal of Evolutionary Economics*, 14: 525–542.
14. Toby E. Stuart and Olav Sorenson (2003): “Liquidity Events and the Geographic Distribution of Entrepreneurial Activity” *Administrative Science Quarterly*, 48, (2) 175-201

15. Reynolds, P., Bosma, N., Autio, E., Hunt, S., De Bono, N., Servais, I., Lopez-Garcia, P. and N. Chin (2005): "Global Entrepreneurship Monitor: Data Collection Design and Implementation", *Small Business Economics*, 24(3), 205-231.
16. Chesbrough, H. (2003): "The governance and performance of Xerox's technology spin-off companies." *Research Policy*, 32: 403-421.
17. Lowe, R. A. and A. A. Ziedonis (2006): "Overoptimism and the Performance of Entrepreneurial Firms" *Management Science*, 52(2): 173-186.
18. Dutz, M.A. Ordober, J.A. and R.D. Willig (2000): "Entrepreneurship, access policy and economic development: Lessons from industrial organization", *European Economic Review*, 44(4-6) 739-747.
19. Chen, H., Gompers, P., Kovner, A. and J. Lerner (2009): "Buy Local? The Geography of Successful and Unsuccessful Venture Capital Expansion" NBER Working Paper 15102.
20. Shane, S. and T. Stuart (2002): "Organizational Endowments and the Performance of University Start-ups", *Management Science*, 48(1), 154-170.
21. Iversen, J., Jorgensen, R., and N. Malchow-Moller, (2008): "Defining and Measuring Entrepreneurship", *Foundations and Trends in Entrepreneurship*, 2008, (4), (1), 1-63.
22. Sarasvathy, S. (2004): "The questions we ask and the questions we care about: reformulating some problems in entrepreneurship research", *Journal of Business Venturing*, 19(5), 707-717.