

Seminar (M.Sc.)

(Quasi-) Experiments in Entrepreneurship Research

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Fachbereich Wirtschaftswissenschaften

Economic Policy, Innovation and Entrepreneurship Group

Winter Term 2019-20

Time and location

Monday, 14:00-18:00 (bi-weekly, **only** on Oct 21, Nov 04, Nov 18, Dec 02, Dec 16, Jan 20, Feb 03, Feb 10)
Hörsaal 3 alt (Diagonale 5)

Overview

In entrepreneurship research, just as in other fields of empirical research in economics and the social sciences, it is challenging to identify causal effects. However, without solid understanding of the causal relationships underlying the antecedents, processes and effects of entrepreneurial activities, researchers are severely restricted in their ability to give advice to policy makers. Entrepreneurship researchers have adopted a variety of approaches to deal with this challenge. These include laboratory experiments, randomized control trials (RCTs, also known as field experiments), as well as quasi-experimental econometric techniques. In this course, we will discuss the methods and results of selected studies based on these approaches.

Requirements (6 ECTS Credits):

- Seminar paper (55% of final grade; about 15 pages; due Feb. 29, 2020) and presentation (30%; about 15 minutes)
- Completion of mandatory reading assignments before the respective seminar session
- Attendance throughout the course and active participation in the seminar discussion (15% of final grade)

All individual requirements have to be fulfilled to pass the course.

Registration and choice of seminar topics (listed below as Presentation 1-16; each topic will be assigned to two students) by e-mail to mavlikeeva@incher.uni-kassel.de. Registration is open immediately. Please name three preferred topics. Max. number of participants: 32

Background reading:

Angrist, J. D.; Pischke, J. S. (2014). *Mastering 'Metrics: The Path from Cause to Effect*. Princeton University Press.

Athey, S., & Imbens, G. W. (2017). The econometrics of randomized experiments. In *Handbook of Economic Field Experiments* (Vol. 1, pp. 73-140). North-Holland.

Topics and reading assignments

Session 1 (October 21, 2019): Introduction: Issues in entrepreneurship research

No reading assignment

Session 2 (November 04, 2019): Laboratory experiments in entrepreneurship research

Reading assignment for all students: Astebro, T., Herz, H., Nanda, R., & Weber, R. A. (2014). Seeking the roots of entrepreneurship: Insights from behavioral economics. *Journal of Economic Perspectives*, 28(3), 49-70.

Presentation 1: A classical experiment on entrepreneurial overconfidence

Introductory reading: Camerer, C., & Lovallo, D. (1999). Overconfidence and excess entry: An experimental approach. *American Economic Review*, 89(1), 306-318.

Presentation 2: Benefits from being one's own (and someone else's) boss?

Introductory reading: Fehr, E., Herz, H., & Wilkening, T. (2013). The lure of authority: Motivation and incentive effects of power. *American Economic Review*, 103(4), 1325-59.

Session 3 (November 18, 2019): Field experiments: some basic considerations

Reading assignment for all students: List, J. A. (2011). Why economists should conduct field experiments and 14 tips for pulling one off. *Journal of Economic Perspectives*, 25(3), 3-16.

Presentation 3: Field experiments and randomization

Introductory reading: Bruhn, M., & McKenzie, D. (2009). In pursuit of balance: Randomization in practice in development field experiments. *American Economic Journal: Applied Economics*, 1(4), 200-232.

Instructor presentation 1: Ethnicity, entrepreneurship and labor market discrimination: evidence from Russia.

Session 4 (December 02, 2019): Financing development through funding entrepreneurs?

Presentation 4: Transfer payments

Introductory reading: De Mel, S., McKenzie, D., & Woodruff, C. (2012). One-time transfers of cash or capital have long-lasting effects on microenterprises in Sri Lanka. *Science*, 335(6071), 962-966.

Presentation 5: Cash versus in-kind grants

Introductory reading: Fafchamps, M., McKenzie, D., Quinn, S., & Woodruff, C. (2014). Microenterprise growth and the flypaper effect: Evidence from a randomized experiment in Ghana. *Journal of Development Economics*, 106, 211-226.

Presentation 6: Microcredit

Introductory reading: Banerjee, A., Duflo, E., Glennerster, R., & Kinnan, C. (2015). The miracle of microfinance? Evidence from a randomized evaluation. *American Economic Journal: Applied Economics*, 7(1), 22-53.

Session 5 (December 16, 2019): Entrepreneurship training and economic development

Presentation 7: Training potential entrepreneurs or actual small business owners?

Introductory reading: de Mel, S., McKenzie, D., & Woodruff, C. (2014). Business training and female enterprise start-up, growth, and dynamics: Experimental evidence from Sri Lanka. *Journal of Development Economics*, (106), 199-210.

Presentation 8: Training business practices or training personality?

Introductory reading: Campos, F., Frese, M., Goldstein, M., Iacovone, L., Johnson, H. C., McKenzie, D., & Mensmann, M. (2017). Teaching personal initiative beats traditional training in boosting small business in West Africa. *Science*, 357(6357), 1287-1290.

Instructor presentation 2: Testing the effectiveness of online entrepreneurship training in Ecuadorian schools.
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Session 6 (January 20, 2020): Entrepreneurship education and training in industrialized countries

Presentation 9: Does entrepreneurship training work for children?

Introductory reading: Rosendahl Huber, L., Sloof, R., & Van Praag, M. (2014). The effect of early entrepreneurship education: Evidence from a field experiment. *European Economic Review*, 72, 76-97.

Presentation 10: Role models and female entrepreneurship

Introductory reading: Bechthold, L. A., & Rosendahl Huber, L. (2018). Yes, I can!—A Field Experiment on Female Role Model Effects in Entrepreneurship. *Academy of Management Proceedings* (2018, No. 1).

Presentation 11: Entrepreneurship training and the labor market

Introductory reading: Fairlie, R. W., Karlan, D., & Zinman, J. (2015). Behind the GATE experiment: Evidence on effects of and rationales for subsidized entrepreneurship training. *American Economic Journal: Economic Policy*, 7(2), 125-61.

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Session 7 (February 03, 2020): Quasi-experimental entrepreneurship studies: approach and examples

Reading assignment for all students: Angrist, J. D., & Pischke, J. S. (2010). The credibility revolution in empirical economics: How better research design is taking the con out of econometrics. *Journal of Economic Perspectives*, 24(2), 3-30.

Presentation 12: Entrepreneurship education – a quasi-experimental approach

Introductory reading: Oosterbeek, H., Van Praag, M., & Ijsselstein, A. (2010). The impact of entrepreneurship education on entrepreneurship skills and motivation. *European Economic Review*, 54(3), 442-454.

Presentation 13: Peer effects on entrepreneurial activity and performance

Introductory reading: Lerner, J., & Malmendier, U. (2013). With a little help from my (random) friends: Success and failure in post-business school entrepreneurship. *The Review of Financial Studies*, 26(10), 2411-2452.

Session 8 (February 10, 2020): Quasi-experimental studies: further examples

Presentation 14: Health insurance as a barrier for entrepreneurship?

Introductory reading: Fairlie, R. W., Kapur, K., & Gates, S. (2011). Is employer-based health insurance a barrier to entrepreneurship? *Journal of Health Economics*, 30(1), 146-162.

Presentation 15: Intellectual property rights and academic entrepreneurship

Introductory reading: B Hvide, H. K., & Jones, B. F. (2018). University Innovation and the Professor's Privilege. *American Economic Review*, 108(7), 1860-98.

Presentation 16: Entrepreneurship and regional development

Introductory reading: Glaeser, E. L., Kerr, S. P., & Kerr, W. R. (2015). Entrepreneurship and urban growth: An empirical assessment with historical mines. *Review of Economics and Statistics*, 97(2), 498-520.