THREE ESSAYS ON ENTREPRENEURSHIP: THEORY, MEASUREMENT, AND ENVIRONMENT

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ABSTRACT

This dissertation consists of three essays. In Essay One, I question the conventional wisdom that economic transactions are governed either by the price mechanism or by the authority of the firm. I argue that the exchange of information and knowledge for innovative production does not totally conform to such alternatives of governance. I term such exchanges hidden transactions. Since innovative production takes place inside the mind, individual entrepreneurship is the fundamental force that initializes hidden transactions. Institutional factors that enhance hidden transactions are important. In Essay Two I consider two types of entrepreneurship, conceiving entrepreneurship and performing entrepreneurship, and argue that while conceiving entrepreneurship is largely unobservable performing entrepreneurship can be measured. A confirmatory factor analysis under latent variable modeling is proposed and multiple indicators are used to manifest performing technology entrepreneurship. Results show that the proposed model is plausible. In Essay Three, I argue that the performing entrepreneurship of a region depends on the entrepreneur’s regional opportunity set. Four components of the opportunity set include the availability of strategic resources, the ease of combining resources, the ease of founding a firm, and the security of doing business. The OLS model results indicate that R&D investment, anchor firms, appropriate government size, and intellectual property law are important elements of these components.