

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.