

HANDBOOK OF ENTREPRENEURSHIP RESEARCH
An Interdisciplinary Survey and Introduction

International Handbook Series on Entrepreneurship

VOLUME 1

Series Editors

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SERIES FOREWORD

Interest in entrepreneurship has surged in the last decade. Scholars across a broad spectrum of fields and disciplines have responded by generating new research approaches uncovering a wealth of new findings and insights about entrepreneurship. This new research spans not just a diverse set of fields, such as management, finance, psychology, economics, sociology, and geography but also a wide range of countries reflecting the fact that entrepreneurship is a global phenomenon. The exceptionally cross-disciplinary nature of entrepreneurship has made it difficult for scholars in any one particular field to become aware of and understand the leading contributions and insights emerging in other disciplines. The purpose of this series is to compile a series of handbooks, each devoted to a particular issue in the entrepreneurship field. Each handbook will draw upon the leading international scholars from the entire range of disciplines contributing to entrepreneurship to articulate the state of knowledge about a particular topic. The contribution should identify the fundamental questions which are being posed, the methodological approaches, types of data bases used for empirical analyses, the most important empirical regularities to emerge in the literature, major policy conclusions, and the most promising research direction. Thus, each handbook will reflect the interdisciplinary nature of entrepreneurship that has proven to be elusive to discipline-based scholars. A goal of the Handbook Series is not only to provide a state-of-the-art coverage of what has been learned about entrepreneurship, but that when viewed in its entirety, entrepreneurship is emerging as a bona fide academic discipline.

The particular topics in the Series will be drawn from discussions with the leading scholars. Each handbook will be directed and compiled by a Handbook Editor. (S)he will work closely with the Series Editor to ensure that the contents and contributions are appropriate, and that there is consistency with the other volumes in the Series.

The titles published in this series are listed at the end of this volume.

HANDBOOK OF
ENTREPRENEURSHIP
RESEARCH

An Interdisciplinary Survey
and Introduction

Edited by

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KLUWER ACADEMIC PUBLISHERS

BOSTON / DORDRECHT / LONDON

Library of Congress Cataloging-in-Publication Data

A C.I.P. Catalogue record for this book is available
from the Library of Congress.

ISBN 1-4020-7358-5 (HC) ISBN 0-387-24080-2 (SC) E-book ISBN 0-387-24519-7

Printed on acid-free paper.

First softcover printing, 2005

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Printed in the United States of America.

9 8 7 6 5 4 3 2 1 SPIN 11313915

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“Research and theory on entrepreneurial phenomena is advancing rapidly in scope and quality. The year 2003 is an excellent time for a comprehensive status report by the best scholars in the field. Acs and Audretsch have clearly organized such a statement – it will be a boon to all those seeking an authoritative overview of the current status of entrepreneurial research. The focus on advanced economies or the advanced sectors of developing countries reflects the emphasis in the extant research and theory. This new *Handbook* sets the framework for an expansion of attention to the vast majority of entrepreneurs – who are operating in the third world.”

Paul D Reynolds, London Business School, UK and Babson College, USA

“In the Kluwer *Handbook of Entrepreneurship Research*, Acs and Audretsch have compiled an impressive collection of contemporary contributions from many of the very best scholars in entrepreneurship across disciplines. It provides doctoral students with a broad yet solid introduction to the field, and established scholars with an overview that is otherwise very hard to obtain. It is a must read for every academic who is serious about entrepreneurship.”

Per Davidsson, The Jönköping International Business School, Sweden

“Acs and Audretsch have assembled a virtual who’s who list of researchers in the fledgling field of entrepreneurship. Even more usefully, the *Handbook* also includes reviews of the vast array of work closely related to entrepreneurship that has appeared primarily in economics, psychology and sociology journals; despite their relevance, locating these studies can prove difficult as their authors frequently do not focus on the implications for their research for entrepreneurship. As its ‘Handbook’ label implies, it should be a valuable reference tool for those in the area for years to come.”

Olav Sorenson, Anderson School of Business, University of California at Los Angeles (UCLA), USA

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Preface

The purpose of the *Handbook of Entrepreneurship Research* is to provide a distinctive multidisciplinary, starting point for entrepreneurship research as defined by leading scholars. The chapters are carefully written reviews of the literature focusing on current research problems and future research directions. They are written by leading disciplinary scholars that have made a major impact on entrepreneurial thinking in economics, finance, psychology, management, strategy and sociology.

The first edition of the *Handbook of Entrepreneurship Research* has been very well received. Indeed, it far exceeded our expectation. The reason for this we believe is that there was a real need for a handbook of entrepreneurship. While entrepreneurship is not a field of research in any major discipline (certainly not in economics, if judged by the JEL classification) it is, in fact, a blossoming field of study that cuts across several disciplines.

The *Handbook of Entrepreneurship Research* provides a high quality introduction to and synthesis of the field of entrepreneurship research under one cover. It is not a collection of existing articles, but a carefully crafted “roadmap” through the emerging literature on entrepreneurship. Answers to many research questions can easily be found in the Handbook. Therefore, we have achieved our main objective with this book, that is, creating a reader friendly but still, valuable resource for the entrepreneurship community.

Of course there was one problem with the original idea. While the Handbook was written primarily with graduate students in mind, it was priced for professors of entrepreneurship with endowed chairs! We hope that this paperback edition remedies that problem. Enjoy.

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The International Award for Entrepreneurship and Small Business Research

BACKGROUND

In 1996, The Swedish Foundation for Small Business Research (FSF) and NUTEK (The Swedish National Board for Industrial and Technical Development), together with the Swedish telecommunications company Telia Företag AB, founded the International Award for Entrepreneurship and Small Business Research.

The ambition behind the Award was, and still is, threefold: to highlight the importance of the research that is being produced in the areas of entrepreneurship and small business, to further stimulate and promote scholarly work within these fields of research and to spread the research among scholars, practitioners and people involved in small business development.

In line with the last of these three ambitions, the Award winner is invited to give seminars in a yearly seminar tour held in Sweden. The tour, organized jointly by FSF and Nutek, who today are the two organizations behind the award, covers 10 cities yearly and has been running since 1998. The Award winner is also invited as keynote speaker at the yearly World Congress of the International Council for Small Business (ICSB).

The Award is given annually to a person who has produced scholarly work of outstanding quality and importance, thereby giving a significant contribution to theory-building concerning entrepreneurship and small business development, and the importance of new firm formation and/or small and medium sized enterprises' role in economic development. The research results for which the Award is presented should lead to an increased understanding of the conditions under which small business operates.

The Scientific Council of FSF is responsible for the evaluation on candidates and the final selection of the annual winner.

NOMINATION PROCESS

An independent award committee appointed by the Swedish Foundation for Small Business Research annually appoints the winner. This committee reviews

nominations from 250 qualified researchers globally who are invited to nominate candidates for the Award on a yearly basis. This procedure is unique and a way of ensuring the academic quality and relevance of the Award winner.

This nomination- and decision-making process, together with its USD 50 000 prize sum, gives the Award a unique position, making it the most prestigious award of its kind. Besides the honour and the prize sum, the Award consists of the statuette “God’s Hand” created by the famous Swedish sculptor Carl Milles (1875–1955).

PREVIOUS AWARD-WINNERS:

- 2003 Dr William Baumol
- 2002 Dr Giacomo Becattini and Dr Charles Sabel
- 2001 Dr Zoltan J. Acs and Dr David B. Audretsch
- 2000 Dr Howard E. Aldrich, USA
- 1999 Dr Ian C. MacMillan, USA
- 1998 Dr David J. Storey, UK
- 1997 Dr Arnold C. Cooper, USA
- 1996 Dr David Birch

To learn more about the award and for more information on all award winners, please visit our website: www.fsf.se. For more information on ICSB, please visit: www.icsb.org

Anders Lundstrom
Swedish Foundation for Small Business Research (FSF)

PART ONE

Introduction to Entrepreneurship