

**NBER Entrepreneurship Research Boot Camp**  
**Summer 2012**  
**Reading List**

This reading list contains all the required and recommended readings for each of the sessions. “Required reading” means that every student is expected to have carefully read and analyzed these papers. “Recommended readings” means that students should have made an effort to have a look at these papers.

**WEDNESDAY, JULY 18 (morning session)**

**Josh Lerner, HBS and NBER**

*The Empirics of Entrepreneurial Venture Creation*

**Required Readings:**

Bhide, Amar, 2000, *The Origin and Evolution of New Business*, New York: Oxford University Press. Chapter 1.

Giannetti, Mariassunta, and Andrei Simonov, 2009, Social interactions and entrepreneurial activity, *Journal of Economics and Management Strategy*, 18, 665-709.

Gompers, Paul, Josh Lerner, and David Scharfstein, 2005, Entrepreneurial spawning, *Journal of Finance* 60, 577-614.

Kaplan, Steven, Berk Sensoy, and Per Stromberg, 2009, Should Investors Bet on the Jockey or the Horse? Evidence from the Evolution of Firms from Early Business Plans to Public Companies, *Journal of Finance* 64:1, 75-115.

Lerner, Josh, and Ulrike Malmendier, 2012, With a little help from my (random) friends: success and failure in post-business school entrepreneurship, [Working Paper](#)

Nanda, Ramana, and Jesper Sorensen, 2010, Workplace peer effects and entrepreneurship, *Management Science*, forthcoming

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**WEDNESDAY, JULY 18 (afternoon session)**

**Erik Hurst, University of Chicago and NBER**

*Entrepreneurship and Household Behavior*

**Required readings:**

Evans, David and Boyan Jovanovic (1989). “An Estimated Model of Entrepreneurial Choice Under Liquidity Constraints”, *Journal of Political Economy*, 97(4), 808-27.

Evans, David, and Linda Leighton, "Some Empirical Aspects of Entrepreneurship", *American Economic Review*, 79(3), 519-35.

Holtz-Eakin, Douglas, David Joulfaian, and Harvey Rosen, (1994). "Sticking It Out: Entrepreneurial Survival and Liquidity Constraints." *Journal of Political Economy*, 102, 53-75.

Hurst, Erik and Annamaria Lusardi (2004). "Liquidity Constraints, Household Wealth, and Entrepreneurship", *Journal of Political Economy*, 112(2), 319-47.

Hamilton, Bart (2000). "Does Entrepreneurship Pay? An Empirical Analysis of the Returns to Self Employment", *Journal of Political Economy*, 108, 604-31.

Moskowitz, Toby and Annette Vissing Jorgensen (2002) "The Returns to Entrepreneurial Investment: A Private Equity Premium Puzzle?", *American Economic Review*, 94(2), 745-78.

Hurst, Erik, Geng Li and Ben Pugsley (2011). "Are Household Surveys Like Tax Forms: Evidence from Income Underreporting of the Self Employed", Working Paper

Hurst, Erik, Geng Li and Ben Pugsley (2011). "What Do Small Businesses Do?" *Brookings Papers on Economic Activity*, forthcoming.

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#### **THURSDAY, JULY 19 (morning session)**

**Scott Stern, MIT Sloan and NBER**

***Entrepreneurial Strategy***

#### **Required readings:**

Arora, A., A. Fosfuri and A. Gambardella (2001). "Markets for Technology and their Implications for Corporate Strategy," *Industrial and Corporate Change*, 10(2): 419-451.

Gans, Joshua S. 2011. "When is Static Analysis a Sufficient Proxy for Dynamic Considerations? Reconsidering Antitrust and Innovation." *Innovation Policy and the Economy* 11.

Gans, J.S., and S. Stern (2003). "The Product Market and the Market for Ideas: Commercialization Strategies for Technology Entrepreneurs," *Research Policy*, 32: 333-350

Gans, J.S., D. Hsu and S. Stern (2008). "The Impact of Uncertain Intellectual Property Rights on the Market for Ideas," *Management Science*, 54(5): 982-997.

Hellmann, Thomas, and Enrico Perotti. 2011. "The Circulation of Ideas in Firms and Markets." *Management Science*.

Luo, Hong. "When to Sell Your Idea: Theory and Evidence from the Movie Industry." Harvard Business School Working Paper, No. 12-039, November 2011.

### **Recommended readings:**

Anton, J.J. and D.A. Yao. 1994. "Expropriation and Inventions: Appropriable Rents in the Absence of Property Rights." *American Economic Rev.* 84 190-209.

Arora, A. 1995. "Licensing Tacit Knowledge: Intellectual Property Rights and the Market for Know-How", *Economics of Innovation and New Technology* 4 41-49.

Arora, A., A. Fosfuri, and A. Gambardella. 2001. *Markets for Technology: The Economics of Innovation and Corporate Strategy*. Cambridge, MA: MIT Press. [Not available electronically]

Baumol, W., "Entrepreneurship, Innovation and Growth: The David-Goliath Symbiosis," <http://www.econ.nyu.edu/user/baumolw/sfg.pdf>

Chatterji, A. and K. Fabrizio (2012). "Do the Costs of Cooperation Drive the Gale of Creative Destruction? Commercialization Strategies in the Medical Device Industry," mimeo, Duke University

Eesley, C., Hsu, D. and E. Roberts (2012). "Focus or Diversify? Aligning Founding Teams with Strategy and Environment," mimeo, University of Pennsylvania.

Gans, J.S., and S. Stern (2000). "Incumbency and R&D Incentives: Licensing the Gale of Creative Destruction," *Journal of Economics and Management Strategy*, 9(4): 485-511.

Gans, J.S., and S. Stern. 2010. "Is There a Market for Ideas?" *Industrial and Corporate Change* 19(3): 805-837.

Gans, J.S., D.H. Hsu and S. Stern. 2002. "When Does Start-up Innovation Spur the Gale of Creative Destruction?" *RAND Journal of Economics* 33: 571-86.

Hellmann, T. (2007). "The role of patents for bridging the science to market gap," *Journal of Economic Behavior and Organization*, 63(4): 624-657.

Hellmann, T, and M. Puri (2000). "The Interaction between Product Market and Financing Strategy: The Role of Venture Capital," *Review of Financial Studies*, 13(4): 959-984.

Hsu, D. (2006). "Venture Capitalists and Cooperative Start-up Commercialization Strategy," *Management Science*, 52: 204-219

Hsu, D. and M. Marx (2012). "Technology Commercialization Strategy Dynamics and Entrepreneurial Performance: Evidence from the Speech Recognition Industry," working paper, University of Pennsylvania.

Lamoreaux, N. and K. Sokoloff (2001). "Market Trade in Patents and the Rise of a Class of Specialized Inventors in the 19th Century United States," American Economic Review Papers and Proceedings, 91(2): 39-44.

Lerner, J. and R. Merges. 1998. "The Control of Technology Alliances: An Empirical Analysis of the Biotechnology Industry," Journal of Industrial Economics. 46 125-156.

Levine, A. (2007). "Licensing and Scale Economies in the Biotechnology Pharmaceutical Industry," mimeo., Stanford University.

Malmendier, U. and J. Lerner, "Contractibility and the Design of Research Agreements," American Economic Review, 100(1): 214-246.

Teece, D. 1986. "Profiting from Technological Innovation: Implications for Integration, Collaboration, Licensing and Public Policy." Research Policy 15: 285-305.

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**THURSDAY, JULY 19 (afternoon session)**

**John Haltiwanger, University of Maryland and NBER**

***Productivity and Entrepreneurship***

The focus of the lecture will be on what we know about the contribution of entry and young firms to productivity and job growth. An overview of theoretical underpinnings as well as the empirical evidence will be presented. In addition, both discussion and material about data sources that can be used to study entry and the productivity and survival dynamics of young firms will be provided.

**Required Readings:**

Davis, S., J. Haltiwanger and J. Faberman, "Labor Market Flows in the Cross-Section and Over Time," Journal of Monetary Economics, January 2012.

Foster, L., J. Haltiwanger and C.J. Krizan, "Market Selection, Reallocation, and Restructuring in the U.S. Retail Trade Sector in the 1990s, Review of Economics and Statistics, 2006.

Foster, L., J. Haltiwanger, and C. Syverson, "Reallocation, Firm Turnover and Efficiency: Selection on Productivity or Profitability," American Economic Review, March 2008.

Haltiwanger, J., "Job Creation and Firm Dynamics in the U.S." [Innovation Policy and the Economy, Volume 12](#) (2012), Josh Lerner and Scott Stern (eds.) [in readings as Haltiwanger\_2011]

Haltiwanger, J., R. Jarmin and J. Miranda, "Who Creates Jobs? Small vs. Large vs. Young" Review of Economics and Statistics (forthcoming).

Syverson, C. "What Determines Productivity?" *Journal of Economic Literature*, June 2011.

**Recommended Readings:**

Baily, M., C. Hulten, and D. Campbell. "Productivity Dynamics in Manufacturing Establishments." *Brookings Papers on Economic Activity: Microeconomics*, 187-249, 1992.

Davis, S., and J. Haltiwanger, "Gross Job Flows," in Ashenfelter and Card (eds.), *Handbook of Labor Economics*, North-Holland: Amsterdam, 1999.

Davis, S., J. Haltiwanger, R. Jarmin, C.J. Krizan, J. Miranda, A. Nucci, and K. Sandusky. "Measuring the Dynamics of Young and Small Businesses: Integrating the Employer and Nonemployer Universes." in Timothy Dunne, J. Bradford Jensen, and Mark J. Roberts (eds.), *Producer dynamics: new evidence from micro data*. 2010.

Dunne, T. M. Roberts, and L. Samuelson. "Patterns of Firm Entry and Exit in U.S. Manufacturing Industries." *RAND Journal of Economics*, 19(4): 495-515, 1988.  
Ericson, R. A. Pakes, "Markov Perfect Industry Dynamics: A Framework for Empirical Work," *Review of Economic Studies*, Vol. 62(1), 1995, 53-82.

Hopenhayn, H. "Entry, Exit, and Firm Dynamics in Long Run Equilibrium." *Econometrica*, 60(5): 1127-1150, 1992.

Jovanovic, B., "Selection and the Evolution of Industry," *Econometrica*, 50(3), 649-670, 1982.

Melitz, M. and G. Ottaviano "Market Size, Trade, and Productivity", *Review of Economic Studies*, January 2008.

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**FRIDAY, JULY 20 (morning session)**

**Benjamin Jones, Northwestern University and NBER**  
***Human Capital in Innovation and Entrepreneurship***

**Required Readings:**

Kline, S. and N. Rosenberg (1986). "An Overview of Innovation," in *The Positive Sum Strategy: Harnessing Technology for Economic Growth*, Rosenberg et al. (eds.), 275-305.

Wadhwa, V., R. Freeman, and B. Rissing (2010). "Education and Tech Entrepreneurship," *Innovations*, Spring 2010. <http://ssrn.com/abstract=1127248>.

Jones, B. (2009). "The Burden of Knowledge and the Death of the Renaissance Man: Is Innovation Getting Harder?" *Review of Economic Studies*. 76(1): 283-317.

Wuchty, S., B. Jones, and B. Uzzi (2007). "The Increasing Dominance of Teams in the Production of Knowledge," *Science*, 316.

Jones, B. (2010). "Age and Great Invention," *Review of Economics and Statistics*, 92 (1): 1-14.

### **Recommended Readings:**

Jones, C. (1999). "Growth: With or Without Scale Effects?" *American Economic Review*, 89(2): 139-144.

Kortum, S. (1997). "Research, Patenting, and Technological Change." *Econometrica*, 65(6): 1389-1419.

Weitzman, M. (1998). "Recombinant Growth," *Quarterly Journal of Economics*. 113(2): 331-360.

Jones, B., S. Wuchty, and B. Uzzi (2008). "Multi-University Research Teams: Shifting Impact, Geography and Stratification in Science," *Science*, 322.

Jones, B. and B. Weinberg (2011). "Age Dynamics in Scientific Creativity," *Proceedings of the National Academy of Sciences*, 108 (47).

Simonton, Dean K., "Age and Outstanding Achievement: What Do We Know After a Century of Research?" *Psychological Bulletin* 104 (September 1988b), 251-267.

Zuckerman, Harriet and Robert Merton, "Age, Aging, and Age Structure in Science," in Robert Merton (Ed.) *The Sociology of Science* (Chicago, IL: University of Chicago Press, 1973), 497-559. [Not available electronically]

Simonton, Dean K. *Scientific Genius: A Psychology of Science* (Cambridge: Cambridge University Press, 1988a). [Not available electronically]

Kuhn, Thomas S., *The Structure of Scientific Revolutions* (Chicago: University of Chicago Press, 1962).

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**FRIDAY, JULY 20 (afternoon session)**  
**Philippe Aghion, Harvard University and NBER**  
***Competition and Innovation***

### **Required readings:**

Aghion, P, Bloom, N, Blundell, R, Griffith, R, and P. Howitt (2005) "Competition and Innovation: An Inverted U Relationship", *Quarterly Journal of Economics*.

Aghion P, Blundell R, Griffith R, Howitt P and S. Prantl (2007) “The effects of entry on incumbent innovation and productivity,” *Review of Economics and Statistics*, Vol. 91, No. 1, pp. 20-32

Aghion, P, Dewatripont, M, Du, L, Harrison, A, and P. Legros (2012) “Industrial Policy and Competition”, Working Paper

Aghion, P, Howitt, P , and S. Prantl (2011), “Patent Protection, Product Market Reforms and Innovative Investments”, Working Paper

Nickell, S (1996), “Competition and Corporate Performance”, *Journal of Political Economy*.

Qian, Y (2007), "Do National Patent Laws Stimulate Domestic Innovation in A Global Patenting Environment?", *Review of Economics and Statistics*, 89, 436-453.

### **Recommended readings:**

Aghion, P and R. Griffith (2006), *Competition and Growth*, MIT Press [Not available electronically]

Acemoglu, D (2009) *Introduction to Modern Economic Growth*, Princeton [Not available electronically]

Aghion, P and P. Howitt (2009), *The Economics of Growth*, MIT Press [Not available electronically]

Boldrin, M, and D. Levine (2008), *Against Intellectual Monopoly*, Cambridge University Press [Not available electronically]

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## **SATURDAY, JULY 21 (morning session)**

**Antoinette Schoar, MIT Sloan and NBER**

***Development and Entrepreneurship***

### **Required readings:**

Banerjee, A. and Duflo, E. (2008). "Do Firms Want to Borrow More? Testing Credit Constraints Using a Directed Lending Program." M.I.T. Working Paper.

Bertrand, M., Schoar, A., 2006. The role of family in family firms, *Journal of Economic Perspectives* 20, 73–96.

Bruhn, M., D. Karlan, A. Schoar, “What capital is missing in developing countries”, *American Economic Review*, May 2010.

De Mel, S., McKenzie, D., and Woodruff, C. (2008). "Returns to Capital in Microenterprises: Evidence from a Field Experiment". *The Quarterly Journal of Economics*, 123(4): 1329-1372.

Karlan, D., and J. Zinman (2009). "Observing Unobservables: Identifying Information Asymmetries With a Consumer Credit Field Experiment." *Econometrica* 77:1993-2008.

La Porta, R., F. López-de-Silanes, A. Shleifer, and R. Vishny, "Law and Finance," *Journal of Political Economy*, CIV (1998), 1113–1155

Rajan, R., and Zingales, L. (1998), "Financial dependence and growth", *American Economic Review*, 88: 559–586.

### **Recommended readings:**

Bennedson, M., Nielsen, K., Perez-Gonzalez, F., Wolfenzon, D., 2007. Inside the family firm: the role of families in succession decisions and performance. *Quarterly Journal of Economics* 122, 647–691.

Bertrand, M., S. Johnson, K. Samphantharak and A. Schoar, *Mixing Family With Business: A Study of Thai Business Groups and the Families Behind Them*, *The Journal of Financial Economics*, June 2008, 88 (3), 466-498.

Claessens, S., Djankov, S., Lang, L., 2000. The separation of ownership and control in East Asian Corporation. *Journal of Financial Economics* 58, 81–112.

Schoar, A. (2010) "The Divide Between Subsistence and Transformational Entrepreneurship" *Innovation Policy and the Economy*, Vol. 10, edited by [Josh Lerner](#) and [Scott Stern](#), NBER, University of Chicago Press.

Udry, C. and Anagol, S. (2006). "The Return to Capital in Ghana." *American Economic Review*, 96(2): 388–393.

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**SATURDAY, JULY 21 (afternoon session)**

**Thomas Hellmann, UBC and NBER**

***Venture Capital Financing***

### **Required readings:**

Bottazzi, Laura, Marco Da Rin and Thomas Hellmann (2008), "Who are the active investors? Evidence from venture capital" *Journal of Financial Economics*, 89(3), 488-512



Da Rin, Marco, Thomas Hellmann, and Manju Puri (2011), "[A survey of venture capital research](#)"; Forthcoming in George Constantinides, Milton Harris, and René Stulz (eds) Handbook of the Economics of Finance, vol 2, Amsterdam, North Holland Bottazzi,

Hsu, David, What Do Entrepreneurs Pay for Venture Capital Affiliation?, Journal of Finance, 59: 1805-1844, August 2004

Kaplan, Steven, and Per Strömberg, 2003, "Financial Contracting Theory Meets the Real World: Evidence from Venture Capital Contracts," Review of Economic Studies 70, 281–315.

Kerr, W., Lerner, J., Schoar, A. (2011). "The consequences of entrepreneurial finance: a regression discontinuity analysis". Review of Financial Studies, forthcoming.

### **Recommended readings:**

Ewens, Michael, and Matt Rhodes-Kropf, 2012, "Is the VC Partnership Greater than the Sum of its Partners?" Mimeo, Harvard Business School

Hellmann, Thomas and Manju Puri, 2002, "Venture Capital and the Professionalization of Start-up Firms: Empirical Evidence" The Journal of Finance, 57(1), 169-197

Kaplan, Steven, and Per Strömberg, 2004, "Characteristics, Contracts, and Actions: Evidence from Venture Capital Analyses," Journal of Finance 59, 2177-2210.

Kaplan, S., Schoar, A. (2005). "Private equity performance: returns, persistence, and capital flows". Journal of Finance 60, 1791–1823.

Lerner, J., Schoar, A., Wongsunwai, W. (2007). "Smart institutions, foolish choices? The limited partner performance puzzle". Journal of Finance 62, 731-764.

Samila, Sampsa and Olav Sorenson "Venture Capital, Entrepreneurship, and Economic Growth" Review of Economics and Statistics, 93 (2011): 338-349

Sorensen, Morten, 2007, "How smart is the smart money? A two-sided matching model of venture capital" Journal of Finance 62:6, 2725-62.

Tian, Xuan, 2011 "The Causes and Consequences of Venture Capital Stage Financing," Journal of Financial Economics, 101, 132-159