

NBER Entrepreneurship Research Boot Camp

Summer 2016

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.

TUESDAY, JULY 19 (morning session)

Josh Lerner, HBS and NBER

The Empirics of Entrepreneurial Venture Creation

Required Readings:

Bernstein, Shai, Arthur Korteweg and Kevin Laws, 2015 “Attracting Early Stage Investors: Evidence from a Randomized Field Experiment” *Journal of Finance*, forthcoming

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, 2013, With a Little Help from My (Random) Friends: Success and Failure in Post-Business School Entrepreneurship, *Review of Financial Studies*, October 2013, 26 (10), pp. 2411-52.

Nanda, Ramana, and Jesper Sorensen, 2010, Workplace peer effects and entrepreneurship, *Management Science*, July 2010 vol. 56 no.7 1116-1126

TUESDAY, JULY 19 (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 and Ben Pugsley (2011). "What Do Small Businesses Do?" *Brookings Papers on Economic Activity*, forthcoming.

WEDNESDAY, JULY 20 (morning 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. and J. Haltiwanger, “Labor Market Fluidity and Economic Performance” in Re-Evaluating Labor Market Dynamics 2014 Jackson Hole Symposium Volume Published by the Federal Reserve Bank of Kansas City, 2015, 17-108 (also NBER Working Paper No. 20479).

Davis, S., J. Haltiwanger, K. Handley, R. Jarmin, and J. Miranda, “Private Equity, Jobs and Productivity”, *American Economic Review*, December 2014, 3956-3990.

Decker, R., J. Haltiwanger, R. Jarmin and J. Miranda, “The Role of Job Creation in US Job Creation and Economic Dynamism,” *Journal of Economic Perspectives*, 2014.

Decker, R., J. Haltiwanger, R. Jarmin, and J. Miranda, “Where has all the Skewness Gone? The Decline of High Growth (Young) Firms in the US,” 2016, *European Economic Review*.

Decker, R., J. Haltiwanger, R. Jarmin, and J. Miranda, “Changing Business Dynamism: Volatility of Shocks vs. Responsiveness to Shocks?,” mimeo.

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., R. Jarmin, R. Kulick, and J. Miranda, “High Growth Young Firms: Contribution to Job Growth, Revenue Growth and Productivity,” 2015, mimeo.

Haltiwanger, J., R. Jarmin and J. Miranda, “Who Creates Jobs? Small vs. Large vs. Young” *Review of Economics and Statistics*, 2013.

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

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.

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]

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.

WEDNESDAY, JULY 20 (afternoon session)

Thomas Hellmann, Oxford University and NBER

Entrepreneurial Financing

Required readings:

Bottazzi, Laura, Marco Da Rin and Thomas Hellmann (2016) *The Importance of Trust for Investment: Evidence from Venture Capital*, forthcoming, *Review of Financial Studies*

Da Rin, Marco, Thomas Hellmann, and Manju Puri (2012), "A Survey of Venture Capital Research"; George Constantinides, Milton Harris, and René Stulz (eds.) *Handbook of the Economics of Finance*, vol 2, Amsterdam, North Holland

Kerr, W., Lerner, J., Schoar, A. (2014). "The consequences of entrepreneurial finance: a

regression discontinuity analysis”. *Review of Financial Studies*, 27:1, 20-55.

Nanda, Ramana, and Matthew Rhodes-Kropf. "Investment Cycles and Startup Innovation." *Journal of Financial Economics* 110, no. 2 (November 2013): 403–418

Robb Alicia and David T. Robinson (2014). “The Capital Structure Decisions of Startup Firms,” *Review of Financial Studies*, 27:1, 153-179.

Recommended readings:

Agrawal, Ajay, Christian Catalini and Avi Goldfarb. 2014, “Some Simple Economics of Crowdfunding.” In *Innovation Policy and the Economy*, Chicago, IL: University of Chicago Press.

Bernstein, Shai, Xavier Giroud and Richard Townsend, 2015, “The Impact of Venture Capital Monitoring” *Journal of Finance*, forthcoming.

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

Ewens, Michael and Matthew Rhodes-Kropf, 2015, "Is a VC Partnership Greater Than the Sum of Its Partners?" *Journal of Finance* @ needs updating @

Harris, Robert S., Tim Jenkinson and Steven N. Kaplan, “Private Equity Performance: What Do We Know?” forthcoming, @ to be updated @ *Journal of Finance*.

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

Hellmann, Thomas, Paul Schure and Dan Vo, (February 2015), "Angels and Venture Capitalists: Complements or Substitutes?"

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

Hochberg, Yael, 2016, *Accelerating Entrepreneurs and Ecosystems: The Seed Accelerator Model*. *Innovation Policy and the Economy*, Vol. 16 No. 1. (Solicited), 2016.

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.

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.

Yu, Sandy, 2015, “The Impact of Accelerators on High-Technology Ventures” Working paper

THURSDAY, JULY 21 (morning session)
Nicholas Bloom, Stanford University and NBER
Management, Organization and Innovation

Required readings:

a) Management

Bloom, Nicholas, and John Van Reenen (2007) “Measuring and Explaining Management Practices across Firms and Countries”, *Quarterly Journal of Economics*, 122(4), 1341-1408.

Bloom, Nicholas, and John Van Reenen (2014) “Human Resource Management and Productivity” *Handbook of Labor Economics Vol IV*, Eds by Orley Ashenfelter and David Card <http://www.stanford.edu/~nbloom/w16019.pdf>

Bloom, Nicholas, Eifert, Ben, Mahajan, Abarjit, McKenzie, David and John Roberts (2013) “Does management matter? Evidence from India” *Quarterly Journal of Economics* 128 (1) 1-51

b) Organization

Gibbons, Robert and John Roberts (2012) “Introduction” *Handbook of Organizational Economics*, Princeton: Princeton University Press

Bloom, Nicholas, Sadun, Raffaella and John Van Reenen. (2012). “The organization of firms across countries” *Quarterly Journal of Economics* 127(4): 1663-1705

c) Innovation

Bloom, Nick, Mark Schankerman and John Van Reenen (2013) “Technology Spillovers and Product Market rivalry”, *Econometrica* 81 (4) 1347–1393

Bloom, Nick, Mirko Draca and John Van Reenen (2015) “Trade induced technical change? The impact of Chinese imports on Innovation, IT and Productivity” *Review of Economic Studies*

Recommended 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 and P. Howitt (2009) *The Economics of Growth*, MIT Press

Bartelsman, Erik, Haltiwanger, John and Scarpetta, Stefano (2013) “Cross Country Differences in Productivity: The Role of Allocation and Selection” *American Economic Review*, 103(1) 305-334

Bertrand, Marianne, and Antoinette Schoar. 2003. “Managing with Style: The Effect of Managers on Firm Policies.” *Quarterly Journal of Economics*, 118 (4): 1169-1208.

Bloom, Nicholas, Carol Propper, Stephan Seiler & John Van Reenen (2015) “The Impact of Competition on Management Quality: Evidence from Public hospitals”, *Review of Economic Studies* <http://www.stanford.edu/~nbloom/BPSV.pdf>

Bloom, Nicholas, Raffaella Sadun, and John Van Reenen (2012) “Americans do IT Better: American Multinationals and the Productivity Miracle”, *American Economic Review* 102 (1),

Bloom, Nicholas, Raffaella Sadun, and John Van Reenen (2015) “Management as a Technology” Stanford mimeo <http://www.stanford.edu/~nbloom/MAT.pdf>

Blundell, Richard, Rachel Griffith and John Van Reenen (1999). “Market share, market value and Innovation: Evidence from British Manufacturing Firms” *Review of Economic Studies* (1999) 228, 529-554 <http://cep.lse.ac.uk/textonly/people/vanreenen/papers/marketshare.pdf>

Hsieh, Chiang-Tai, and Peter Klenow (2009) “Misallocation and Manufacturing TFP in China and India.” *Quarterly Journal of Economics*, 124(4), 1403-1448

Ichniowski, Casey, Kathryn Shaw and Giovanna Prenushi. (1997), “The Effects of Human Resource Management: A Study of Steel Finishing Lines”, *American Economic Review*, LXXXVII (3), 291-313.

Syverson, Chad (2011) “What determines productivity?” *Journal of Economic Literature*, 49(2) 326–365 <http://home.uchicago.edu/~syverson/productivitysurvey.pdf>

THURSDAY, JULY 21 (afternoon 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:

Benedson, 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.

FRIDAY, JULY 22 (morning session)

Philippe Aghion, LSE and NBER

Topic: *Innovation, Competition and Growth*

A Schumpeterian Perspective on Four Growth Enigmas

1) Competition and innovation

Aghion, P, Akcigit, U., and Howitt, P (2014), "What Do We Learn From Schumpeterian Growth Theory?" In Handbook of Economic Growth. Edited by P. Aghion and S. Durlauf. Vol. 2, 515-563. Amsterdam, Elsevier.

Blundell, R., R. Griffith, and J. Van Reenen. (1999). "Market Share, Market Value and Innovation in a Panel of British Manufacturing Firms." Review of Economic Studies, 66, 529-554.

Aghion, P., N. Bloom, R. Blundell, R. Griffith, and P. Howitt. (2005). "Competition and Innovation: An Inverted-U Relationship." Quarterly Journal of Economics, 120, 701-728.

2) Secular stagnation

Aghion, P., Bergeaud, A., Boppart, A., Klenow, P., and Li, H (2016), "Missing Growth from Creative Destruction", mimeo Stanford.

Bils, M (2009), "Do Higher Prices For New Goods Reflect Quality Growth Or Inflation?", Quarterly Journal of Economics, 637-675

Bils, M., and Klenow, P (2001), "Quantifying Quality Growth," American Economic Review, 91, 1006-1030.

Broda, C., and Weinstein, D (2010), "Product Creation And Destruction: Evidence And Price Implications", American Economic Review, 100, 691-723.

Byrne, D., Fernald, J., and Reinsdorf, M (2016), "Does the United States Have a Productivity Slowdown or a Measurement Problem?", Brookings Papers on Economic Activity, March 2016

Gordon, R (2012), "Is US Economic Growth Over? Faltering Innovation Confronts The Six Headwinds", NBER Working Paper #18315

Syverson, C (2016), "Challenges to Mismeasurement Explanations for the US Productivity Slowdown", NBER Working Paper #21974

3) Innovation, top income inequality, and social mobility

Aghion, P., Akcigit, U., Bergeaud, A., Blundell, R., and Hémous, D (2016), "Innovation and Top Income Inequality", mimeo LSE

Aghion, P., Akcigit, U., Toivanen, O., and Vaananen, A (2015), "Living "American Dream" in Finland: The Social Mobility of Innovators", mimeo LSE

Bell, A., Chetty, R., Jaravel, X., Petkova, N., and Van Reenen, J (2015), "The Lifecycle of Inventors," mimeo Harvard.

Chetty, R., Hendren, N., Kline, P., and Saez, E (2014), "Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States", Quarterly Journal of Economics, 129, 1553-1623.

Gabaix, X., and Landier, A (2008), "Why Has CEO Pay Increased So Much", Quarterly Journal of Economics, 123, 49-100

Guvenen, F., Kaplan, G., and Song, J (2014), "The Distribution of Lifetime Incomes in the United States", Meeting Papers 536, Society for Economic Dynamics.

Jones, C., and Kim, J (2014), "A Schumpeterian Model of Top Income Inequality", mimeo Stanford.

4) Firm dynamics

Akcigit, U. and W. Kerr. (2010). "Growth Through Heterogeneous Innovations." NBER Working Paper 16443.

Akcigit, U., Alp, H. and Peters, M (2014), "Lack of Selection and Limits to Delegation: Firm Dynamics in Developing Countries," mimeo University of Pennsylvania.

Klette, T. and S. Kortum. (2004). "Innovating Firms and Aggregate Innovation." Journal of Political Economy 112, 986-1018.

FRIDAY, JULY 22 (afternoon 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.

Marx, Matt, Joshua S. Gans, and David H. Hsu. 2014. "Dynamic Commercialization Strategies for Disruptive Technologies: Evidence from the Speech Recognition Industry." *Management Science* 60(12): 3103-3123.

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., Stern, S. and Wu, J (2016). "The Foundations of Entrepreneurial Strategy," mimeo, MIT Sloan School

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.

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]
- 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
- C.E. Eesley, D.H. Hsu and E.B. Roberts (2014). "The Contingent Effects of Top Management Teams on Venture Performance: Aligning Founding Team Composition with Innovation Strategy and Commercialization Environment," *Strategic Management Journal*, 35 (12): 1798-1817.
- Farre-Mensa, Joan, Deepak Hegde, and Alexander Ljungqvist. "The Bright Side of Patents." Harvard Business School Working Paper, No. 16-071, December 2015.
- 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 (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, Thomas, and Enrico Perotti. 2011. "The Circulation of Ideas in Firms and Markets." *Management Science*.
- 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., Gans, J., 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.

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

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.
