

The Promise and Challenge of Entrepreneurial Ecosystems: An International Perspective

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The Historical Perspective

- “Economic gains from the 1992 programme could rise to 200 billion ECU or more, together with a substantial boost to employment.”
-- Cecchini Report, “*Europe 1992*”
- No role for entrepreneurship or innovation

The 2000 Lisbon European Council

“The Union has today set itself ***a new strategic goal*** for the next decade: *to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion.*”

The Mandate for Entrepreneurship

“Our lacunae in the field of entrepreneurship needs to be taken seriously because there is mounting evidence that the key to economic growth and productivity improvements lies in the entrepreneurial capacity of an economy”

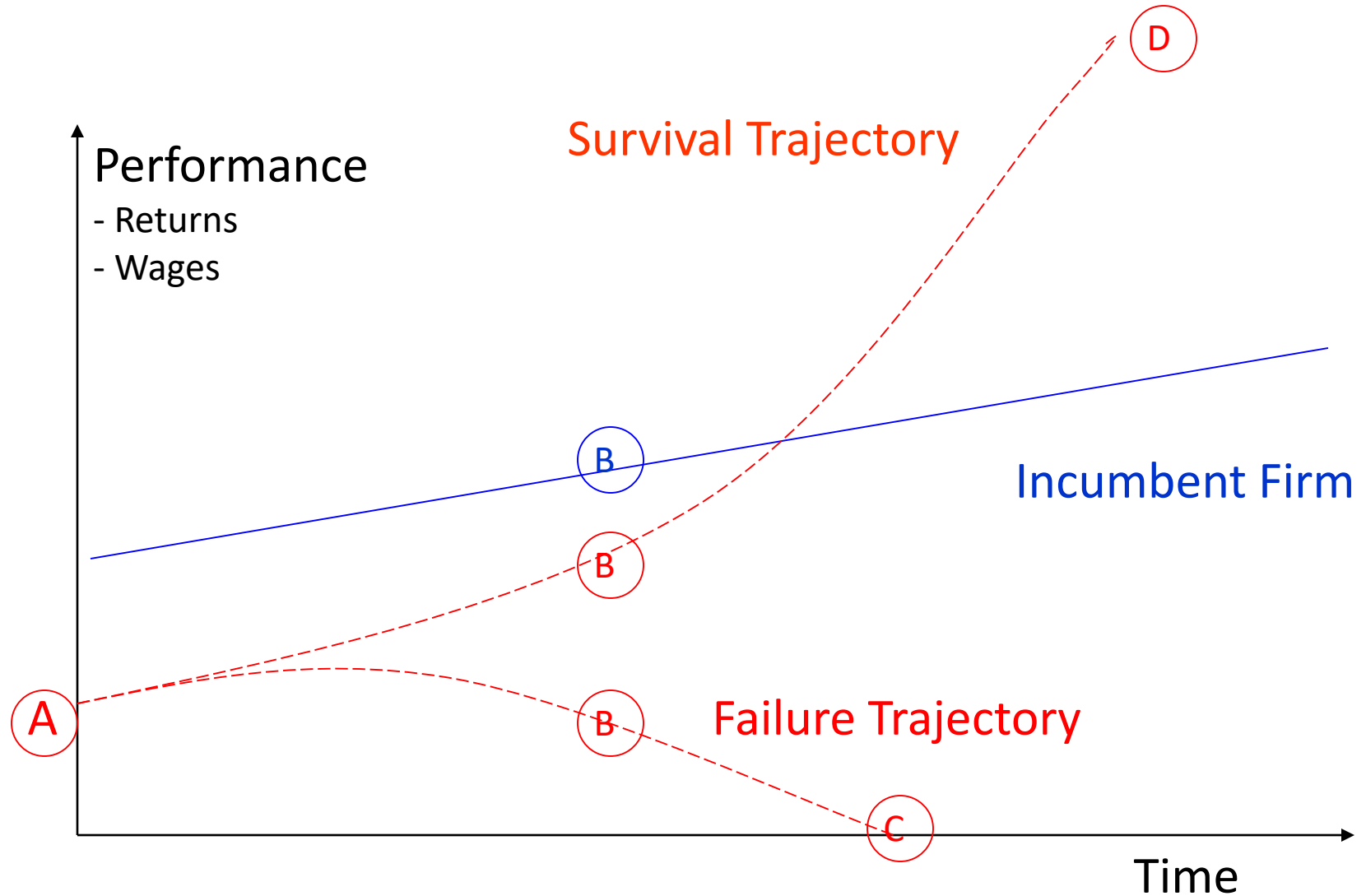
EC President, Romano Prodi

2002

Knowledge Spillover Entrepreneurship

- Addresses “European Paradox” of high investment in new knowledge but paucity of innovation & growth
- Knowledge filter inhibits spillover of knowledge created at firms & universities
- Entrepreneurship serves as conduit for spill over of knowledge created in an incumbent organizational context but commercialized in context of a newly created firm

Entrepreneurship & Growth



Drivers of Entrepreneurship

- *Factors & Resources* – human capital, social capital, knowledge, skilled labor
- *Spatial Structure & Organization* – clusters, diversity (human & industry), industry composition

Factors & Resources

- Physical Capital (Robert Solow)
- Natural Resources (David Riccardo)
- Unskilled Labor
- Skilled Labor
- Human Capital (Gary Becker)
- Creative Class (Richard Florida)
- Knowledge (Paul Romer)

Spatial Structure & Organization

- Clusters (Michael Porter, *The Competitive Advantage of Nations*, Harvard University Press, 1994)
- Specialization (Ken Arrow)
- Diversification (Jane Jacobs)
- Market Power (Alfred Chandler)
- (Localized) Competition (Ed Glaeser)
- Global Linkages

Role of (Entrepreneurial) Culture

--Saxenien, *Regional Advantage*, (Harvard University Press, 1994)

-- Acemoglu & Robinson, *Why Nations Fail: The Origins of Power, Prosperity*
(Profile Books, 2012)



