Preface

There is arguably no need to motivate a volume on entrepreneurship in economics. If any, William Baumol’s famous quote on the absence of the Prince of Denmark in the discussion of Hamlet should well enough serve the purpose. Any reader browsing these first pages will arguably agree that the entrepreneur needs to be brought back to the discussion of economics.

In contrast, only some among the many individuals sharing Baumol’s view will already be familiar with the rule-based approach. Rules as devices for economic analysis have increasingly earned recognition since Eleanor Ostrom’s pioneering work was awarded the 2009 Nobel Memorial Prize in Economic Sciences. While Ostrom’s understanding of rules was predominantly informed by her empirical work, she has also engaged in methodological discourse on the use of rules. One of her last articles “Crafting analytical tools to study institutional change” (2011) presents “an overview of a new diagnostic tool for analysing institutional dynamics, mainly changes in rule systems”. The concluding discussion matches her own inductively derived rule methodology to what she sees as the most relevant among a number of “very interesting approaches to the study of the evolution of human societies” (ibid: 333). What follows is a minute introduction to the essentials of the rule-based approach (RBA), a synthetic analytical framework for the study of economic evolution originating from the works of Kurt Dopfer (2001, 2004, 2005, 2006; Dopfer and Potts 2008).

While Ostrom is very positive about the RBA in general, I have since long shared her concerns that it “does not provide us with enough details about the nature of rules and rule configurations […] to inform how changes might take place and how these changes could be measured” (Ostrom and Basurto 2011: 334). The volume at hand aspires to answer Ostrom’s call for methodological guidance on how to use the BRA in empirical research and to provide as exemplar a complete empirical study of entrepreneurship.

Thus, the three parts of this volume combine three distinct purposes. Part I demonstrates how a reasoning with rules may be employed for theory building. Part II aims at providing the methodological guidance that Ostrom has been asking
for by proposing a template for empirical investigations guided by the RBA. Its third part, in turn, puts the proposed methodology to an empirical test by conducting a study of entrepreneurship in Japan.

At first sight, the choice of Japan as empirical test ground might not seem obvious. It is, however, an ideal choice for demonstrating how rule-based analysis allows for bringing to light specific characteristics of an economy, which received approaches typically fail to capture. Thus, our choice of Japan predominantly originates from the potential of showcasing the integrative power of the rule-based analysis. Coincidentally, entrepreneurship in Japan has hardly been investigated so far in spite of the alarmingly low and constantly declining levels of latent and actual entrepreneurship. Thus, our choice kills two birds with one stone.

Parts of this volume follow some earlier work (Blind 2012; Blind and Pyka 2014). Nevertheless, this volume does not originate from a collection of essays but represents a dedicated monograph. As such, individual parts intimately build on each other. Aiming at increasing convenience to readers, the author has included a considerable number of cross-references for enhancing the cohesion between parts of the volume.

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References

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