# Contents

1 **Introduction** .................................................. 1  
1.1 What Makes an Entrepreneur? ........................................... 2  
1.2 Is This an Economics Piece of Research? .......................... 2  
1.3 Why Entrepreneurship? And Why Japan? ........................... 4  
1.4 Terminology .......................................................... 5  
1.5 Structure of This Book ................................................ 6  
References ........................................................................ 7

**Part I  A Theory of Entrepreneurship Through the Rule-Based Approach**

2 **The Rule-Based Approach in the Analysis of Economic Change** .... 13  
2.1 Change as Reflected in Economic Thought .......................... 13  
2.2 Building Blocks of the Rule-Based Approach ...................... 15  
2.2.1 Rules Versus Operations ............................................. 16  
2.2.2 Micro, Meso and Macro Domains .................................. 16  
2.2.3 Classes and Orders of Rules ....................................... 18  
References ........................................................................ 19

3 **The Rule-Based Economy and the Function of the Entrepreneur** .... 21  
3.1 Rules in an Evolving Economy .......................................... 21  
3.2 The Function of Entrepreneurs in a Rule-Based Economy ........ 23  
3.3 Generalised Roles of Inventors, Entrepreneurs and Financiers ... 24  
References ........................................................................ 25

4 **The Entrepreneurial Process in Terms of Rules** ....................... 27  
4.1 Dimensions and Forms of Entrepreneurship .......................... 28  
4.2 Reasons to Apply Individual Entrepreneurship in a Start-Up Operation .................................................. 29
4.3 Propositions on Entrepreneurship ................................ 31
  4.3.1 Entrepreneurship in the Rule-Based Approach:  
        A Synthesis ................................................. 35
4.4 The Limits to Generality as Imposed by Localism ............ 36
References ...................................................................... 38

Part II The Rule-Based Approach in Empirics: A Methodological Sketch

5 Construction of Empirical Models: The System of Factor Rules (SFR) 43
  5.1 Instrumental Realism as Guiding Rail for Identifying Influencing Factors 44
  5.2 Clearing One’s Findings from Prices and Quantities ............. 44
  5.3 Classifying Factor Rules by Class and Order ........................ 45
  5.4 Examining How Factor Rules Impact on the Response Rule .. 46
  5.5 Understanding How Factor Rules Interact ............................ 46
References ...................................................................... 47

6 Changing and Meta-stable Sub-systems (CSS and MSSS) ...... 49
  6.1 Criteria for Extracting the Changing Core of the SFR.......... 49
  6.2 Obtaining Data for the Extraction of the CSS .................... 52
References ...................................................................... 54

7 Analysis of the Changing Sub-sytem (CSS): Developing and Testing of Hypotheses 57
  7.1 Hermeneutics .......................................................... 58
  7.2 Statistics .................................................................. 60
  7.3 Agent-Based Simulations ............................................. 61
References ...................................................................... 62

8 Rule-Based Economics in Empirical Practice: An Exemplar .... 65
  8.1 Defining the Subject Matter ........................................... 65
  8.2 Identify Potential Influences ......................................... 67
  8.3 Extracting Effective Influences ....................................... 69
  8.4 Evidencing Effective Influences ..................................... 70
  8.5 Developing Policy Recommendations .............................. 73
References ...................................................................... 73


9 Assembling the Model of Entrepreneurship in Japan: The System of Factor Rules (SFR) ........................................ 77
  9.1 Identifying Potential Factor Rules ..................................... 77
  9.1.1 Literature Review ...................................................... 78
  9.1.2 Expert Interviews: Academia ...................................... 82
  9.1.3 Exploratory Fieldwork: Rule Adopters and Rejecters .... 84
9.2 Interdependencies Between Factor Rules .......................... 86
9.3 SFR of Entrepreneurship in Japan ................................. 88
References ................................................................. 89

10 Reducing the Model of Entrepreneurship in Japan:
Extraction of its Changing Sub-system (CSS) ......................... 93
10.1 Economic Environment .............................................. 94
10.2 Business Founders as Members of Society ....................... 99
10.3 The Role of Government Policy .................................. 102
   10.3.1 Direct Financial Support .................................. 104
   10.3.2 Tax Schemes ................................................. 105
   10.3.3 Supply-Side Measures ..................................... 106
10.4 Economic Alternatives to Self-Employment ...................... 107
References ................................................................. 112

11 Putting to Work the Model of Entrepreneurship in Japan ...... 115
11.1 Structure of the Changing Sub-system ............................ 115
11.2 Introducing the Japanese “Founder Force” ....................... 117
   11.2.1 Number of New Businesses and Age Structure of
       Business Founders ............................................. 119
   11.2.2 Spatial Distribution of Start-Ups .......................... 121
   11.2.3 Gender Ratio Among Business Founders .................. 122
   11.2.4 Education and Professional Experience .................... 124
11.3 Founder Subgroups: Differentiating Characteristics .......... 126
References ................................................................. 128

12 Evolution of Entrepreneurship in Japan: Analysis
of its Changing Sub-system .............................................. 131
12.1 The Determinants of the Rule Population of ENTREPRENEURIAL
       SPIRIT .......................................................... 132
12.2 The Determinants of the Rule Population of INDIVIDUAL
       ENTREPRENEURSHIP and of Frequency of Start-Up Operations ... 138
References ................................................................. 144

13 Entrepreneurship in Japan: Interpretation of Findings ......... 147
13.1 Understanding ENTREPRENEURIAL SPIRIT in Japan .......... 147
13.2 Understanding Latent Entrepreneurship and Start-Up
       Operations in Japan .............................................. 149
13.3 Theoretical Propositions on Entrepreneurship in Empirical
       Perspective ....................................................... 151
References ................................................................. 153
Part IV Conclusion

14 The Entrepreneur in Rule-Based Economics: Summary of Findings and Research Outlook ........................................... 157
14.1 Entrepreneurship as a Rule and the Entrepreneur as a Propagator of Rules ........................................... 157
14.4 Research Outlook ........................................ 163
References ............................................ 164

15 Policy Design in Rule-Based Economics: Implications for Entrepreneurship in Japan ........................................... 167
15.1 Fostering ENTREPRENEURIAL SPIRIT ...................................... 168
15.2 Increasing Levels of Latent Entrepreneurship ...................... 169
15.3 Enabling More Actual Entrepreneurship ........................... 171
References ............................................ 172

16 Rule-Based Economics in Empirical Practice: Effective Tool for Theory Building ........................................... 175
16.1 Benchmarking Rule-Based Economics Against Traditional Approaches ........................................... 176
16.2 Rule-Based Economics: Challenges of an Evolving Framework ........................................... 177
16.3 Living Up to Expectations: The Rule-Based Approach in Empirical Research ........................................... 179
References ............................................ 182

17 Appendices ........................................... 183

List of Abbreviations ........................................... 203

Glossary ................................................. 205

Bibliography ............................................. 211
The Entrepreneur in Rule-Based Economics
Theory, Empirical Practice, and Policy Design
Blind, G.D.
2017, XX, 220 p. 21 illus., Hardcover
ISBN: 978-3-319-62778-6