

# T17bP15 / Public Policy and Entrepreneurship

**Topic :** T17b / Sectorial Policy - Economics

**Chair :** Evren Tok (Hamad Bin Khalifa University)

**Second Chair :** Jason McSparren (University of Massachusetts, Boston)

## GENERAL OBJECTIVES, RESEARCH QUESTIONS AND SCIENTIFIC RELEVANCE

Public policy continues to be an important determinant of economic growth so long as institutions and policy-makers interfere to shape the market economy. During the last few decades all levels of government at the federal, regional and municipal level have become key players in the promotion of the entrepreneurial economy. This panel intends to examine different aspects of entrepreneurship and its relation to public policy to help us reach a better understanding of the economic role of entrepreneurs. The panelists are expected to provide a national or cross-national perspective about what policies effectively encourage entrepreneurship, while discussing a possible role for government.

Public policy and entrepreneurship nexus is a vital realm in both developed and developing world. The re-emergence of entrepreneurship and the shift from a market economy to an entrepreneurial economy accelerated due to an increased globalization and has lead to the development of new entrepreneurship policies at all levels of government. Policy-makers in developed countries face the challenge of having to develop new entrepreneurship policies to ensure economic growth within their regions and nations. Policy-makers in developing/underdeveloped countries meanwhile acknowledge the importance of entrepreneurship for sustainable, bottom-up development.

In the literature, there has been attempts offering a rigorous economic examination of entrepreneurship, to foster better public policies that encourage and support entrepreneurial activity. In particular, this panel brings together studies concerning the links between entrepreneurship, innovation, and economic growth that shed light on implications for public policy (Acz et al, 2013). These implications are crucial as they illustrate public policy decisions involving entrepreneurship that can be guided and utilized.

Entrepreneurship is a primary catalyst for economic growth and regional development (Hall and Sobel, 2006). Policymakers at various scales devote significant resources to foster entrepreneurship, however the frameworks for thinking about government's role in the entrepreneurial process are still understudied. What role public policy plays in encouraging the development and growth of entrepreneurial enterprises remains a crucial one (RAND, 2009).

Therefore, understanding entrepreneurial motivation is important for researchers and policy-makers. The panel, overall, attempts to provide answers on types of policies that could national, state and local governments enact in order to generate more entrepreneurial opportunities?

## CALL FOR PAPERS

This panel welcomes scholars who examine different aspects of entrepreneurship and its relation to public policy. The panelists are encouraged to contribute with comparative perspectives on what policies effectively encourage entrepreneurship, while discussing a possible role for government. We invite scholars who are interested in studying the links between entrepreneurship and economic growth that shed light on implications for public policy. These implications are crucial as they illustrate public policy decisions involving entrepreneurship that can be guided and utilized. The panel, overall, attempts to provide answers on types of policies that could national, state and local governments enact in order to generate more entrepreneurial opportunities. Given that during the last few decades all levels of government at the federal, regional and municipal level have become key players in the promotion of the entrepreneurial economy, a multilevel perspective to entrepreneurship-public policy nexus is more urgent than ever.

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## Session 1

Wednesday, June 28th 14:00 to 16:00 (Manasseh Meyer MM 2 - 1)

### Discussants

Evren Tok (Hamad Bin Khalifa University)

Jason McSparren (University of Massachusetts, Boston)

### The role of government at each stage of business growth

Jennifer Auer (Optimal Solutions Group LLC)

Mark Turner

At the start of this decade, new business starts in the U.S. and in countries such as Germany and the United Kingdom hit 15-year lows according to the Global Entrepreneurship Monitor. Over the same period, public and private sectors have increasingly invested resources to help educate, connect, and ensure capital access for new and growth-oriented businesses. In addition to government-funded business assistance (e.g., Small Business Development Centers in the U.S.), entrepreneur service providers have grown to include accelerators, crowd-funded venture capital, university-sponsored entrepreneurship curriculum, bank-supported industry clusters, and more.

With a diverse array of private sector resources available in the U.S. and other developed countries, it is important to ask what the appropriate role of government is in efficiently generating more opportunities in the current entrepreneurial resource market. For example, private sector accelerators have emerged to move promising proofs of concept through the startup stage. Conversely, government-supported industry clusters have emerged in economically distressed metropolitan areas to mimic private sector success in places like Silicon Valley.

This paper applies two theoretical lenses to inform the appropriate role of government in entrepreneur policy: business life cycle stages from management theory and market failures from classical economics. With a large and diverse sector of entrepreneur resources, the U.S. offers a unique testing ground for understanding efficient and inefficient interventions and deriving lessons learned for other countries and contexts. First, the paper outlines common challenges at each stage of the business life cycle. Second, it applies the lens of market failures to hypothesize which stages are less likely to be targeted by the private sector and would require public intervention. Third, it identifies the evolution of public and private sector entrepreneur resources and programs in the U.S. that have operated to serve each stage over the past decade. Importantly, the analysis will be used to inform the stages in which service gaps exist and what innovative policies might increase entrepreneur opportunity at that stage.

### India's National Policy for Skill Development and Entrepreneurship (2015): An Ontological Assessment

Priyansha Rawat (National Law School of India University ,Bangalore ,India)

Arkalgud Ramaprasad (University of Illinois at Chicago)

Chetan J Dixit (National Law School of India University)

India's National Policy for Skill Development and Entrepreneurship (2015): An Ontological Assessment

India has formulated a National Policy for Skill Development and Entrepreneurship in 2015. (Ministry of Skill Development and Entrepreneurship, 2015) Despite voluminous research on the subject, the approach to skill

development and entrepreneurship is fragmented. There is no unified framework to address the problem systematically and systemically. The paper presents: (a) an ontological framework for national skill development and entrepreneurship; (b) the results of mapping India's policy document on the topic onto the framework, and (c) the implications of the relative emphases on various elements highlighted by the mapping.

The method of construction of the ontology and mapping the policy is like that used to study national healthcare, educational, and heritage and antiquities policies. (Dai, Deng, Ramaprasad, & Syn, 2016; Ramaprasad, Dixit, Rawat, Swati, & Acharya, 2016; Ramaprasad, Singai, Hasan, Syn, & Thirumalai, 2016; Ramaprasad, Win, Syn, Beydoun, & Dawson, 2016) It is based on the concept of ontological meta-analysis and synthesis described by Ramaprasad and Syn (2015).

The preliminary results show that India's policy seeks to create unbridled skill development and entrepreneurship through generative and catalytic policies, with no restrictions and prohibitions. The policy is to be implemented through the agency of the government, industry, and academia – with the government having a dominant role. NGOs and other external partners have very little role. A variety of policy instruments will be employed – dominantly educational, informational, technological, economic, and fiscal. The policies are targeted primarily at individuals – both youth and adults. However, attention is given to communities too. While skill development is emphasized more, entrepreneurship is given significant attention.

The policy is asymmetric – focusing only on the generative and catalytic and not on the restrictive and prohibitive effects. It is also imbalanced in the role of the agents, especially industry and academia. Overall, the coverage of the policy is broad and comprehensive. Ongoing assessment of the outcomes using the ontological framework can help make course corrections. The framework can be generalized and applied to other countries and contexts for a comparative analysis.

Dai, G., Deng, F., Ramaprasad, A., & Syn, T. (2016). China's National Health Policies: An Ontological Analysis. *Online Journal of Public Health Informatics*, 8(3), e196. doi:10.5210/ojphi.v5i3.4933

Ministry of Skill Development and Entrepreneurship. (2015). National Policy for Skill Development and Entrepreneurship. Retrieved from [www.skilldevelopment.gov.in](http://www.skilldevelopment.gov.in) on July 28, 2016.

Ramaprasad, A., Dixit, C., Rawat, P., Swati, & Acharya, V. (2016). Leapfrogging India's Antiquated Antiquities Laws: A Digital Strategy Proceedings of International Conference on Culture & Computer Science. Namibia.

Ramaprasad, A., Singai, C. B., Hasan, T., Syn, T., & Thirumalai, M. (2016). India's National Higher Education Policies since Independence: An Ontological Analysis. *Journal of Educational Planning and Administration*, 30(1), 5-24.

Ramaprasad, A., & Syn, T. (2015). Ontological Meta-Analysis and Synthesis. *Communications of the Association for Information Systems*, 37, 138-153.

Ramaprasad, A., Win, K. T., Syn, T., Beydoun, G., & Dawson, L. (2016). Australia's National Health Programs: An Ontological Mapping. *Australasian Journal of Information Systems*, 20, 1-21. doi:10.3127/ajis.v20i0.1335

## **Governance and barriers to entrepreneurship development in ASEAN+3: Empirical Evidence from World Bank Data**

Ha Thai Thanh (National Academy of Public Administration, Central Region Campus)

This paper explores the impact of the governance indices on the development of entrepreneurship in the context of ASEAN+3 countries including China, Japan and South Korea. These are the three important partners to South East Asian nations in wide range of development aspects. With the use of World Bank's data set on the World Governance Indices and Entrepreneurship known as Doing Business, natural logarithm regression analysis was adopted to figure out the extent to which governance would exert its impact on the entrepreneurship development in the member countries of ASEAN as well as China, Japan and South Korea. On the basis of the study findings, conclusions and recommendations were to be drawn for policy modernization in the ASEAN+3 countries. This research found a diverse impact of governance on the constraints for entrepreneurship, thereby contributing a better knowledge to explain the governance-entrepreneurship nexus in the ASEAN Plus Three context.

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## Session 2

Wednesday, June 28th 16:15 to 18:15 (Manasseh Meyer MM 3 - 5)

### Discussants

Jason McSparren (University of Massachusetts, Boston)

Evren Tok (Hamad Bin Khalifa University)

### **Innovation politics and economics of innovation: Tax policies to support technology commercialization**

Jarunee Wonglimpiyarat (College of Innovation, Thammasat University, Thailand)

High-tech businesses are important in enhancing the innovative capacity of nation. Many countries use tax schemes as one of the government policy instruments to provide an environment conducive to the growth of high-tech companies. This paper analyses the tax policies and research and development (R&D) tax incentives to promote technology commercialization in the cases of Singapore and Thailand. Singapore and Thailand represent the two Asian countries that use tax policies to drive economic growth and innovation. Both countries pursue a developmental state role in fostering the economics of innovation.

Tax policies are among the public policy measures to promote entrepreneurship and induce innovations. The government policies play an important role in supporting the development of high-tech industries. The analysis is focused on the government dimension of Porter's Diamond Model (Porter 1990, 2001). The analyses in this study attempt to understand the innovation politics and economics of innovation by answering the research question: To what extent the tax policies have helped support the process of technology commercialization in the country cases of Singapore and Thailand? The study attempts to fill the gap in existing literature with regard to policy studies on high-tech entrepreneurship. This research employed a case study methodology. The interviews were carried out with the tax authorities, government agencies and companies having experiences of government services. The interview data were supported by an examination of secondary data in order to provide a cross check on the validity of research (Yin, 2013).

It is interesting to see that the government of Singapore has been successful in supporting high-tech start-ups through effective policies to enhance the landscape of the country. This includes adopting the US model and making appropriate changes to suit the economy of Singapore. In the case of Thailand, although the country has far more resources than Singapore, Thailand suffers from lack of effective policies to support early stage start-ups and chronic political unrest apart from poor linkages among various actors in the innovation system. The results reveal the government intervention model whereby the governments of both countries have pursued a developmental state role in fostering innovative entrepreneurship. The study offers insightful lessons linking tax policy to the perspective of science and technology (S&T) policy. The policy implications would be useful to other developing economies in shaping the direction of the national innovation system.

### **Is there a tourism-employment nexus in the philippine economy? An empirical analysis**

Annabelle Ramos (University of Santo Tomas)

Virgilio Tatlonghari (University of Santo Tomas)

The study focuses on the causal relationship domestic employment and tourist arrivals, exchange rate, capital formation, and economic growth in the Philippines. The data were collected from the World Travel Tourism Council and the Philippine Statistics Authority covering more than three (3) decades from 1980 to 2014. The hypotheses were tested using Johansen cointegration test and Granger Causality test. The study found that there

is long run relationship between domestic employment and its predictors. At the same time unidirectional causality running from domestic employment to as well as from domestic employment to capital formation instead of the other way around. Since tourism generates foreign exchange revenues and jobs, it is recommended that the government invest more heavily on tourism-related infrastructures.

## **Culture, Locality and Entrepreneurship Education: A Comparative Perspective from Qatar**

Evren Tok (Hamad Bin Khalifa University)

This paper aims at studying local social, moral, traditional, cultural and sustainability aspects of entrepreneurship education in growing the next generation of entrepreneurs in the Arabian Gulf region, more specifically, the State of Qatar. More specifically, we intend to analyze the effectiveness of existing entrepreneurship education in Qatar in comparative perspective in offering solutions to local realities. A crucial step is to identify the gaps in the existing entrepreneurial activities and education efforts particularly addressing the need for immediate and medium-term impacts by answering if there is necessary focus and strategy for building home grown entrepreneurs. The study aspires to draw localized understandings of entrepreneurship and its education in contrast to “often emulated” Western models.