## Foundations of Entrepreneurship and Economic Development

David A. Harper

## Contents

List of illustrations	ix
Preface	xi
Introduction	1
The distinctive approach in this book 3	
Analytical conception of entrepreneurship 5	
Analytical distinctions between the entrepreneur and other economic	
decision-makers 8	
Organisation of the book 13	
The theory of entrepreneurial discovery	18
Antecedents to the entrepreneurial-discovery approach 19	
Kirzner's theory of entrepreneurial discovery 21	
Characteristics of entrepreneurial alertness 25	
Kirzner's conception of the market process 30	
Psychological determinants of entrepreneurial alertness	35
LOC (contingency expectations) 39	
Self-efficacy (competence expectations) 46	
The causal link between personal agency beliefs and entrepreneurial	
alertness 50	
Institutions I: Rule of law, property and contract	57
Institutions and alertness 57	
Rule-of-law constitutions 62	
The institution of private property 13	
Freedom of contract 82	

5	Institutions II: Money, political and legal decentralisation	00
	and economic freedom	89
	The phenomenon of money 90	
	Political decentralisation 102	
	Legal decentralisation 108	
	Freedom of entrepreneurial choice and concrete liberties 115	
	Empirical studies on economic freedom and economic performance 119 Conclusion 125	
6	Culture and alertness	127
	The entrepreneurial power of individualism, and cultural convergence I The approach in this chapter 132	21
	Variation in cultural conceptions of the self 131	
	Effects of different cultural self-conceptions upon agency beliefs 145	
	Effects of different self-conceptions upon alertness 151	
	Revisiting the cornerstone and convergence hypotheses 164	
	Conclusion 169	
1	The market-process approach to public policy	171
	Policy goals and- assumptions 111	
	TheMPP 119	
	Comparison of the MPP with other policy programmes 195 Conclusion 209	
8	Empirical testing and conceptual development	211
	Potential empirical tests 212	
	Are market-preserving institutions generally applicable across cultures? 216 Reciprocal causation 218	
	Further work on public policy analysis 223	
	Further work on public policy analysis 225	
9	Concluding remarks	225
	Notes	228
	Bibliography	241
	Index	267