

# Contents

---

Acknowledgements

ix

Introduction

xiii

## PART I THE LONG VIEW

1. Adam Smith (1976) [1776], 'Of the Division of Labour' in R.H. Campbell and A.S. Skinner (eds), *An Inquiry into the Nature and Causes of the Wealth of Nations*, Oxford: Clarendon Press, 13–24 3
2. Karl Marx (1929) [1912], 'Historical Tendency of Capitalist Accumulation' in *Capital: A Critique of Political Economy. The Process of Capitalist Production*, London: Allen & Unwin, 844–7 15
3. Alfred Marshall (1947) [1920], 'Conclusion. Correlation of the Tendencies to Increasing and to Diminishing Return' in *Principles of Economics*, Chapter XIII, London: Macmillan, 314–22 19
4. John Maynard Keynes (1972) [1926], 'The End of Laissez-Faire' in *Essays in Persuasion*, Volume IX of The Collected Writings of John Maynard Keynes, London: Macmillan and St. Martin's Press, 272–94 28
5. Joseph A. Schumpeter (1950), 'Crumbling Walls' in *Capitalism, Socialism, and Democracy*, Chapter XII, London: Allen & Unwin, 131–42 51

## PART II THE SHORT VIEW

6. Michael J. Piore and Charles F. Sabel (1984), 'Possibilities for Prosperity: International Keynesianism and Flexible Specialization' in *The Second Industrial Divide: Possibilities for Prosperity*, Chapter 10, New York: Basic Books, 251–80, 338–9 65
7. William A. Brock and David S. Evans (1989), 'Small Business Economics', *Small Business Economics*, 1 (1), 7–20 97
8. Gary Loveman and Werner Sengenberger (1991), 'The Re-emergence of Small-Scale Production: An International Comparison', *Small Business Economics*, 3 (1), March, 1–37 111

## PART III THE SIZE DISTRIBUTION OF FIRMS

9. Jacob Viner (1932), 'Cost Curves and Supply Curves', *Zeitschrift für Nationalökonomie*, III, 23–46 151
10. Robert E. Lucas, Jr. (1978), 'On the Size Distribution of Business Firms', *Bell Journal of Economics*, 9 (2), Autumn, 508–23 175
11. Boyan Jovanovic (1982), 'Selection and the Evolution of Industry', *Econometrica*, 50 (3), May, 649–70 191

12. Hugo A. Hopenhayn (1992), 'Entry, Exit, and Firm Dynamics in Long Run Equilibrium', *Econometrica*, **60** (5), September, 1127–50 213

#### **PART IV ENTRY, EXIT, GROWTH AND SURVIVAL**

13. David S. Evans (1987), 'Tests of Alternative Theories of Firm Growth', *Journal of Political Economy*, **95** (4), August, 657–74 239
14. Timothy Dunne, Mark J. Roberts and Larry Samuelson (1988), 'Patterns of Firm Entry and Exit in U.S. Manufacturing Industries', *Rand Journal of Economics*, **19** (4), Winter, 495–515 257
15. Timothy Dunne, Mark J. Roberts and Larry Samuelson (1989), 'The Growth and Failure of U.S. Manufacturing Plants', *Quarterly Journal of Economics*, **CIV**, November, 671–98 278
16. Tito Boeri (1994), 'Why are Establishments so Heterogeneous?', *Small Business Economics*, **6** (6), December, 409–20 306

#### **PART V INNOVATION, FIRM SIZE AND TECHNOLOGICAL CHANGE**

17. Michael Gort and Steven Klepper (1982), 'Time Paths in the Diffusion of Product Innovations', *Economic Journal*, **92**, September, 630–53 321
18. Kenneth J. Arrow (1983), 'Innovation in Large and Small Firms' in Joshua Ronen (ed.), *Entrepreneurship*, Chapter 2, Lexington, MA: Lexington Books, 15–28 345
19. Sidney G. Winter (1984), 'Schumpeterian Competition in Alternative Technological Regimes', *Journal of Economic Behavior and Organization*, **5** (3–4), September–December, 287–320 359
20. Zoltan J. Acs and David B. Audretsch (1988), 'Innovation in Large and Small Firms: An Empirical Analysis', *American Economic Review*, **78**, (4), September, 678–90 393
21. Albert N. Link and John Rees (1991), 'Firm Size, University-based Research and the Returns to R&D' in Zoltan J. Acs and David B. Audretsch (eds), *Innovation and Technological Change: An International Comparison*, Chapter 4, Hemel Hempstead: Harvester Wheatsheaf, 60–70 406
22. Zoltan J. Acs and David B. Audretsch (1993), 'Innovation and Firm Size: The New Learning' in M. Dodgson and R. Rothwell (eds), *International Journal of Technology Management*, Special Publication on Small Firms and Innovation, 23–35 417

#### **PART VI FIRM SIZE, ENTREPRENEURSHIP AND ECONOMIC GROWTH**

23. William J. Baumol (1990), 'Entrepreneurship: Productive, Unproductive, and Destructive', *Journal of Political Economy*, **98** (5), part 1, October, 893–921 433
24. Thomas J. Holmes and James A. Schmitz, Jr. (1990), 'A Theory of

- Entrepreneurship and Its Application to the Study of Business Transfers', *Journal of Political Economy*, **98** (2), 265–94 462
25. Gavin C. Reid (1991), 'Staying in Business', *International Journal of Industrial Organization*, **9**, 545–56 492
26. Sharon Gifford (1992), 'Innovation, Firm Size and Growth in a Centralized Organization', *Rand Journal of Economics*, **23** (2), Summer, 284–98 504
27. Laura d'Andrea Tyson, Tea Petrin and Halsey Rogers, (1994), 'Promoting Entrepreneurship in Eastern Europe', *Small Business Economics*, **6** (3), June, 165–84 519

## **PART VII LIQUIDITY CONSTRAINTS AND SMALL FIRM FINANCE**

28. Steven M. Fazzari, R. Glenn Hubbard and Bruce C. Petersen (1988), 'Financing Constraints and Corporate Investment', *Brookings Papers on Economic Activity*, **1**, March, 141–95 541
29. David S. Evans and Boyan Jovanovic (1989), 'An Estimated Model of Entrepreneurial Choice under Liquidity Constraints', *Journal of Political Economy*, **97** (4), August, 808–27 596
30. Douglas Holtz-Eakin, David Joulfaian and Harvey S. Rosen (1994), 'Sticking It Out: Entrepreneurial Survival and Liquidity Constraints', *Journal of Political Economy*, **102** (1), February, 53–75 616
31. Nico van der Wijst and Roy Thurik (1993), 'Determinants of Small Firm Debt Ratios: An Analysis of Retail Panel Data', *Small Business Economics*, **5** (1), March, 55–65 639
32. Joshua Lerner (1994), 'Venture Capitalists and the Decision to go Public', *Journal of Financial Economics*, **35** (3), 293–316 650
33. D.J. Storey (1994), 'New Firm Growth and Bank Financing', *Small Business Economics*, **6** (2), April, 139–50 674

*Name Index*

687