

Entrepreneurship policy report summary

Title	On the Road to an Entrepreneurial Economy: A Research and Policy Guide
Publish date	February 26, 2007
Country and publisher	The United States The Kaufman Foundation
Type of report	Policy analysis The report outlines four policies that research suggests to be conducive to innovative entrepreneurship and two policy areas that are likely to be important to promoting innovative entrepreneurship.
Main message	The report concentrates on four topic areas: workforce quality, health care cost, innovation, and regulation and litigation. Two other policy areas (tax and regulation of the capital markets and corporate governance) are also mentioned, but both areas are very complicated and more research is needed to clarify their connection to entrepreneurship activity.
Governments policy targets/goals	
Definition (How are they quantified?)	
Focus/policy areas	Workforce, health care, innovation, regulation and litigation, tax and regulation of the capital markets and corporate
Implemented/suggested policies	Four policies subjects that innovative entrepreneurs find most important <ul style="list-style-type: none"> - ensuring a skilled workforce - reforming health care - promoting innovation - limiting overly burdensome regulation and liability litigation Two other policy subjects <ul style="list-style-type: none"> - tax - regulation of the capital markets and corporate governance
Key findings	Ensuring a skilled workforce: <ul style="list-style-type: none"> - entrepreneurial driven improvements in the education system - more enlightened immigration policies, designed to attract and retain highly skilled foreign workers and potential entrepreneurs Reforming health care: <ul style="list-style-type: none"> - the most entrepreneurial approach to reforming the health care is to unfetter the health insurance from employment. Two approaches are suggested in the report. Promoting innovation: <ul style="list-style-type: none"> - shifts in the patent system that reduce the likelihood that overly broad legal protection of “intellectual property” will inhibit the entry of innovative new firms - improve the ways that university-developed ideas are commercialized - monitor ideas and inventions developed abroad Limiting overly burdensome regulation and liability litigation: <ul style="list-style-type: none"> - regulations should only be implemented if estimated benefit

	<p>exceed cost and further that regulations should also be designed to minimize cost</p> <p>Tax:</p> <ul style="list-style-type: none">- new research suggest that the relationship between taxation and entrepreneurial activity is more complicated then it may appear. For example when the tax rates increase the government bears more of the entrepreneurial endeavors. With more risk-sharing by another party, the entrepreneur’s own “risk premium” will be lower, encouraging the entrepreneur to assume more risk. <p>Regulation of the capital markets and corporate governance</p> <ul style="list-style-type: none">- it has been impossible to uphold the well-developed financial system in the US because of corporate financial reporting scandals in the recent past. Therefore, the verdict is still out on the impact of the recent corporate governance reforms and the litigation environment on innovation. More research is needed on the area.
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http://www.kauffman.org/pdf/Entrepreneurial_Roadmap_web.pdf