

Henrekson, Magnus; Lindström, Anders

**Working Paper**

## The Global Award for Entrepreneurship Research

IFN Working Paper, No. 771

**Provided in Cooperation with:**

Research Institute of Industrial Economics (IFN), Stockholm

*Suggested Citation:* Henrekson, Magnus; Lindström, Anders (2008) : The Global Award for Entrepreneurship Research, IFN Working Paper, No. 771, Research Institute of Industrial Economics (IFN), Stockholm

This Version is available at:

<https://hdl.handle.net/10419/81468>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

IFN Working Paper No. 771, 2008

# **The Global Award for Entrepreneurship Research**

Magnus Henrekson and Anders Lundström

# THE GLOBAL AWARD FOR ENTREPRENEURSHIP RESEARCH<sup>\*</sup>

Magnus Henrekson<sup>†</sup> and Anders Lundström<sup>‡</sup>

October 23, 2008

*Abstract: The International Award for Entrepreneurship and Small Business Research* was instituted in 1996, and it is now firmly established as the leading Prize for outstanding research contributions in the area. Thanks to a generous donation from the Swedish entrepreneur Rune Andersson it has been possible to make a number of changes in order to strengthen the Prize even further: The name is changed to *The Global Award for Entrepreneurship Research*, the Prize sum is roughly doubled to 100,000 euros, and the system for nomination, evaluation and selection of future Award Winners is becoming more structured and transparent. This essay presents the background to and the organizations behind the Award, briefly categorizes Winners in the 1996–2008 period, describes the previous and future system for nomination, evaluation and selection of Award Winners, and discusses the criteria for the selection of Prize candidates and Award Winning contributions.

*Keywords:* Entrepreneurship; Innovation; Research award; Small business.

*JEL Codes:* L5; L26; M13; O31.

---

<sup>\*</sup> Magnus Henrekson is CEO of the Research Institute of Industrial Economics (IFN) and Jacob Wallenberg Professor at the Stockholm School of Economics. Anders Lundström, who initiated the Prize, was the CEO of the Swedish Foundation for Small Business Research (FSF) from 1997 to 2008. He is also Visiting Professor at the School of Innovation, Design and Engineering, Mälardalen University. We are grateful for useful comments and suggestions from a number of colleagues, notably Pontus Braunerhjelm, the new CEO of FSF and Leif Lundblad Professor at the Royal Institute of Technology, Stockholm.

<sup>†</sup> Corresponding author. Research Institute of Industrial Economics (IFN), P.O. Box 55665, SE-102 15 Stockholm, Sweden. Ph: +8-46-665 45 02. E-mail: Magnus.Henrekson@ifn.se. Homepage: [www.ifn.se/mh](http://www.ifn.se/mh).

<sup>‡</sup> Swedish Foundation for Small Business Research, Järntorgsgatan 3, SE-703 64 Örebro, Sweden. Ph: +8-46-618 16 36. E-mail: [lundstrom@fsf.se](mailto:lundstrom@fsf.se).

## 1. Introduction

In 1996 the Swedish Foundation for Small Business Research (FSF) and the Swedish Agency for Economic and Regional Growth (NUTEK) instituted the *International Award for Entrepreneurship and Small Business Research* (a.k.a. The FSF-NUTEK Award). This Prize is awarded annually and it consists of the statuette “The Hand of God”, created by Swedish Sculptor Carl Milles,<sup>1</sup> and a Prize sum of SEK 0.5 million in 2008 (roughly USD 85,000).

In the 13 years since its inception the Prize has become firmly established as the foremost global award for research on entrepreneurship.<sup>2</sup> In 2009 the Research Institute of Industrial Economics (IFN) is joining FSF and NUTEK to become the third partner in awarding the Prize. At the same time the Prize sum is increased to 100,000 euros (roughly USD 150,000 in 2008), and the procedure for nominating and evaluating prospective Award Winners is strengthened. The name of the Prize is also changed into the *Global Award for Entrepreneurship Research*. The partnership of IFN has become possible thanks to a generous donation by the Swedish entrepreneur and industrialist Rune Andersson and his holding company Mellby Gård AB.

Given that the Prize is now entering a new phase we deem that the time is ripe to present the Award more broadly covering the following aspects: A brief presentation of the organizations behind the Prize, the nomination and selection process of Winners, and a presentation and categorization of Award Winners between 1996 and 2008. The categorization of the 1996–2008 Winners in section 4 provides the backdrop for a central part of this article, namely the discussion of appropriate criteria for the selection of future Award Winners. In section 5 we describe the system, effective from 2009, for the nomination, evaluation, selection and presentation of Award Winners, and in section 6 we discuss at some length the criteria for identifying a “prize worthy” contribution. Section 7 concludes.

---

<sup>1</sup> Carl Milles was arguably Sweden’s most prominent sculptor in the 20<sup>th</sup> century. “The Hand of God” was one of Milles’ last works before his death. Originally, Milles created it to honor the Swedish innovator and entrepreneur C. E. Johansson who revolutionized precision measuring of auto and other industrial parts which made the assembly line possible, and the original still stands in Johansson’s hometown of Eskilstuna. Throughout the 1930s Milles worked at Cranbrook Academy of Art near Detroit. Thanks to a contribution from the United Auto Workers “Hand of God” was recast and donated to the city of Detroit in honor of Frank Murphy, Michigan Governor and US Supreme Court Associate Justice. It now stands outside the Frank Murphy Hall of Justice in Detroit.

<sup>2</sup> The Kauffman Foundation established the Kauffman Prize Medal in 2005. The Medal, which includes a USD 50,000 Prize, is awarded every two years to one scholar working in the United States under age 40, “whose research has made a significant contribution to entrepreneurship.” The inaugural Medal Winner was Scott Stern, an economist from Northwestern University’s Kellogg School of Management, and in 2007 the Medal was awarded to Toby Stuart, an organizational sociologist at Harvard Business School.

## **2. The Background to and the Organizations behind the Prize**

The *Swedish Foundation for Small Business Research* (FSF) started operations in 1994. Its objective is to serve as a bridge between the Swedish small business research community and parties involved in the development of new and small enterprises. To this effect, it initiates and disseminates policy relevant research on small businesses and entrepreneurship, and it offers entrepreneurship scholars and practitioners a forum for networking and the sharing of ideas. Research is conducted in program form, either within FSF or in association with various universities and colleges throughout Sweden. Currently, FSF has four broad research programs: growth and dynamics in the Swedish business sector, public sector entrepreneurship, entrepreneurship and innovation policy, and local and regional business development. A few years ago FSF initiated cooperation with sister organizations in 14 European countries, the so-called IPREG project (Innovative Policy Research for Economic Growth, see [www.ipreg.org](http://www.ipreg.org)). The Award Winners together with experts and research scholars from eight countries and the European commission are members of the FSF International Council, meeting twice annually. FSF also has a Scientific Forum consisting of some 60 full and associate professors in Sweden. In total FSF cooperates with close to 200 researchers in Sweden and internationally. The Government contributes roughly 55 percent of the funding.

The *Swedish Agency for Economic and Regional Growth* (NUTEK) is a government authority founded with the purpose of contributing to the creation of new firms, a larger share of expanding businesses and less regional disparity in terms of economic growth and employment creation. To this effect, they develop and disseminate relevant knowledge, tools and methods, run and support programs fostering small and new firms in selected areas, counsel entrepreneurs, take decisions on and co-ordinate regional support for enterprises, and gather data and conduct analyses on which government decisions can be based.

In 1996 FSF and NUTEK hosted the ICSB (International Council for Small Business) World Conference in Stockholm. During the planning of this conference Anders Lundström first presented the idea to establish an award for outstanding contributions in the field of entrepreneurship and small business research. The first Prize was to be awarded at the 1996 world conference. The obvious objective was to put the limelight on a vibrant and rapidly expanding research field, dealing with issues of crucial importance for future prosperity, but at the time

still largely neglected in the discussion of economic development and policymaking. In order to establish an Award with great standing within the research community it was decided both that the Prize sum should be sizeable, and that the nomination, evaluation and selection process had to meet the highest standards.

One of the first steps was to contact Sveriges riksbank (the Central Bank of Sweden) to enquire whether they were willing to participate. This seemed natural given that they had established the *Sveriges Riksbank Prize in Economic Science in Memory of Alfred Nobel* in 1968. A letter was sent to the Governor of the Bank. The proposal was formally rejected since, according to the Governor, the Bank was not allowed to inaugurate such an award. Luckily enough, the reply from the Governor was cited by a Swedish journalist in an article in a leading newspaper. In turn, this article was read by a high-ranking manager at the leading Swedish telecom company, Telia, and following one year of negotiations and discussions an agreement was signed that made Telia a partner of the Award together with NUTEK and FSF. The Prize sum was set to USD 50,000, and it was decided that the above-mentioned statuette “The Hand of God” would also be part of the Award.

The project period was initially set to three years. Thanks to the positive response both from the research community and the general public it was then extended and the Award was made permanent with FSF and NUTEK as principals. At this point, the Prize was strengthened by combining the formal Award ceremony in Stockholm with other ancillary activities such as the “Entrepreneurship Week” consisting of a number of seminars and events in cooperation with regional organizations around Sweden with the Award Winner(s) and his/her research holding center stage. The interest in the Entrepreneurship Week has been growing over the years; an increasing number of organizations participate, and new locations and universities express an interest in organizing events during the week.

The Award Winners automatically become members of the FSF International Council, most of the Winners in the first ten years wrote position papers for the 10<sup>th</sup> anniversary of the Award, and these papers were published in a special issue of *Foundations and Trends in Entrepreneurship* (Lundström and Halvarsson 2006). Furthermore, the Award Winners have figured prominently on plenary panels at international academic conferences, and the EU Commission has shown great interest in their research. To handle the many ancillary activities added over the years, FSF and NUTEK employed a full-time project manager in 2002.

To measure the notoriety of the Prize in targeted groups surveys were conducted in 2005 and 2007 by an independent consultancy firm. It turned out that close to 75 percent of all respondents were familiar with the Prize and the Winners. Hence, the Award is now firmly established and the stage is set for the next step ahead, which includes adding a new partner, namely the *Research Institute of Industrial Economics* (IFN).

IFN is a private non-profit research institution founded in 1939. The institute is devoted to independent, non-partisan, high-quality academic research in economics. In addition, IFN provides high quality analysis and policy recommendations for public and private decision-makers on current and emerging policy issues of relevance for the business sector.

The Confederation of Swedish Enterprise is the principal of IFN. They contribute some 35 percent of the budget. The remainder is financed by research grants obtained in competition with other leading departments and institutions in its field. Research is conducted within four broad program areas: globalization and corporate restructuring, competition and trade in services, the economics of entrepreneurship, and the economics of electricity markets. With few exceptions the research staff of roughly 20 full-time scholars hold a doctorate in economics.

FSF, IFN and NUTEK are jointly responsible for the *Global Award for Entrepreneurship Research*. How the work regarding the nomination, evaluation and selection of Award Winners is conducted from 2009 and onwards will be presented in section 5. A project group decides upon the administration and furthering of the Award and the various ancillary activities. FSF and NUTEK continue to take responsibility for the marketing and dissemination activities, such as the production of information material and the planning and enactment of the Entrepreneurship Week.<sup>3</sup> IFN is responsible for commissioning and preparing the scientific evaluations of the main candidates for the Global Award, to assist in the formulation of the formal motivation for the Award winning contributions, and to ascertain that an essay about the contributions of the Award Winner(s) as well as a publishable Prize Speech are produced for publication in the *SBE*. The work is coordinated by the project group and the project man-

---

<sup>3</sup> This also includes the marketing of two other awards, namely the annual award to a young Swedish entrepreneurship scholar (not older than 35) and for the international projects of student entrepreneurs. IFN has no part in these activities.

ager. The project group also has the joint task of developing and maintaining the new website for the Global Award.

### **3. The Nomination and Selection Process 1996–2008**

According to the original statutes the Award should be given to “a person who has produced scientific work of outstanding quality and importance, thereby giving a significant contribution to theory-building concerning entrepreneurship and small business development, the role and importance of new firm formation and the role of SMEs in economic development.”

Hence, the prime reason for receiving the Award is outstanding scientific achievement. In addition, other aspects may be factored in. This is made explicit by Anders Lundström and Sune Halvarsson (2006), the then CEOs of FSF and NUTEK, who state that the ambition behind the Award is threefold: (1) to highlight the importance of research produced in the areas of entrepreneurship and small business; (2) to further stimulate and promote research within these fields; and (3) to diffuse the state-of-the-art research among scholars, practitioners, and people involved in small business development.

Since the inception of the Prize an invitation has been extended in June every year to almost 400 leading entrepreneurship and small business scholars world wide to nominate candidates. The selection of the Award Winner is then made by a Prize Committee, which also has the right to nominate candidates. The Committee consists of 6–8 members. In order to be eligible one has to be a full professor at a Swedish university working on small business and entrepreneurship issues. Committee members have been appointed by the board of FSF. The term is normally two years, and the chairman is elected for one year. One can be reelected both as a member and as a chairman for additional terms. *Table A1* in the Appendix presents the Committee members and their terms of office in the period 1996–2008. It should be noted that the Committee’s work takes place in the year preceding the announcement of a certain Winner. Hence, being chairman in 2004 implies chairing the Committee selecting the 2005 Winner etc.

The discussions within the Committee are confidential; it is not allowed to report to outsiders the various considerations that lay behind individual Prizes and candidacies. However, it is still possible, based on the list of Winners in the first 13 years of the Award, to offer some



general reflections on the criteria used and categorizations of scholars and types of research awarded.

#### **4. Presentation and Categorization of Previous Winners**

It is clear from the statutes that it is possible to reward both research focusing on the aggregate effect of small firms and entrepreneurial activity and research dealing with micro aspects of small businesses and entrepreneurship where the object of study is the individual entrepreneur or firm.

This is not the place to elaborate in detail on the contributions of Award Winners. Landström (2005) provides a thorough account of the contributions and careers of all Winners through 2002. Since 2003 the contributions of the Winners are presented in an essay in *Small Business Economics* written by one or several members of the Prize Committee, in some cases with an outside co-author possessing particular expertise of the scholar in question.<sup>4</sup>

*Table 1* provides a brief presentation of all Award Winners until 2008. Twice the Prize was shared between two scholars (Acs/Audretsch and Beccatini/Sabel) and once the Prize was awarded to a specific research effort (Diana) involving five scholars (Brush/Carter/Gatewood/Greene/Hart). Hence, there are 19 Award Winners. Normally, the Prize is awarded to one person only, but in the case of the Acs/Audretsch shared Prize it is obvious that the Committee felt that the contribution that was awarded was inseparably tied to the joint effort of the two scholars. When the Prize was shared by Beccatini/Sabel it was rather the case that the analysis of a particular phenomenon, namely the advantages of a geographical agglomeration of specialized small firms (“Industrial Districts”), was rewarded. The Committee decided to give the Prize to what they considered to be the two most influential contributors on this issue. A similar reasoning lay behind the Award to the five scholars behind the Diana project.

Table 1 about here

---

<sup>4</sup> See Eliasson and Henrekson (2004), Davidsson (2005), Hjorth and Johannisson (2008), Douhan, Eliasson and Henrekson (2007), Holmquist and Carter (2008), and Landström and Steyaert (2009) for presentations of the contributions of Winners in the 2003–08 period.

Regarding where the Winner has his/her main affiliation at the time of receipt of the Prize there is a heavy US domination. Nine times out of thirteen the Winners came solely from US institutions. In two cases single Winners were from other countries (the UK and Sweden). One of the Winners (Reynolds) held professorships both in the US and the UK when he received the Award, and Beccatini from Italy shared the Prize in 2002.

Keeping in mind the difficulties of drawing a sharp demarcation line between micro and macro oriented research on entrepreneurship and small businesses, we try to categorize the Winners work in this dimension.<sup>5</sup> As shown in Table 1 we deem that five Prizes have been awarded to research dealing with the macro importance of new and small firms, two Prizes (Baumol and Kirzner) to research focusing on the role and aggregate importance of entrepreneurship (*viz.* the entrepreneurial function) in the economic system, and six Prizes to scholars conducting micro level analyses of entrepreneurship and small businesses.

It is also evident that although all Winners have had a profound impact on entrepreneurship and small business research, how this has come about differs considerably. In some cases scholars have posed the right questions at the right time and also framed their analysis in a way that has speeded diffusion of their ideas. As a result, they have kept the research community busy for decades collecting data, testing hypotheses, amassing evidence, and in some cases leveling heavy criticism against the original work. This is true for Birch, and for Sabel who (in particular together with Michael Piore in their famous 1984 book) built on and disseminated Beccatini's research outside Italy.<sup>6</sup> Birch has not published a single peer-reviewed journal article in the field, and Beccatini and Sabel have produced broad and accessible analyses drawing on historical and contemporary evidence. Their analyses are highly persuasive and easily communicated to policymakers and the general public.<sup>7</sup>

---

<sup>5</sup> This is also done by Landström (2005) for all Winners through 2002. Our classification concurs with Landström's in this respect.

<sup>6</sup> A famous parallel case is Paul Krugman's (1991) popularization of economic geography, a field that had been highly specialized was then brought to the attention of mainstream economists, and thereby also to the fore of the policy discussion.

<sup>7</sup> The enormous impact of these technically unsophisticated contributions bear witness to Lawrence Summers' (1991) heavy criticism of modern macroeconomics, where he claims that most empirical work that actually further our knowledge tells its story regardless of the precise way in which it is analyzed: "In large part, it is its simplicity that makes it persuasive."

Although entrepreneurship and small business research is a young field and therefore has but a short history, it is still true that there was a pool of excellent people for the Prize Committee to choose from. In particular, there were several pioneers that are highly visible and readily recognized by virtually every scholar working in the field. Even a cursory look at the list of Winners in Table 1 makes it clear that virtually every Winner so far can be labeled a pioneer in some important respect. In most cases those pioneers have not only contributed in terms of their own research but they have also been active in promoting entrepreneurship education and the field itself in a wider sense by starting journals, organizing conferences and writing influential surveys setting the agenda for further research from that point onwards.

The most obvious research pioneers are probably Arnold Cooper and Ian MacMillan who started pushing and giving legitimacy and academic credibility to entrepreneurship research long before the appearance of David Birch's highly publicized work. Bengt Johannisson played a similar pioneering role in Scandinavia. Birch's work highlighted the key role of small firms and Gazelles in job creation, thereby changing the perception of the policy relevance of the field more broadly.

Several scholars have been awarded at least partly for their instrumental role in helping entrepreneurship research progress towards more of a "normal science" using systematically collected and valid data for hypothesis testing, thereby making the work in the field more cumulative. David Storey and Paul Reynolds are perhaps the two most obvious examples of Winners who have contributed to the field in this way.

There are also examples of Award Winners who were highly renowned scholars in a core scientific discipline, and then ventured into the study of entrepreneurship using the same well-established methodological toolbox. Hence, making the study of entrepreneurship an important subfield within a core discipline, and thereby raising the legitimacy of entrepreneurship as a field of research. A prime example is Howard Aldrich, who was a leading organization sociologist before he stumbled onto entrepreneurship issues in the 1980s.

In several cases people have been awarded for the study of specific issues or topics. The Diana group and Beccatini/Sabel are perhaps the most obvious cases in point. Other examples include Bill Gartner for his extensive studies of new venture creation and entrepreneurial behavior, although he is also rewarded for bridging different research paradigms and the com-

munities of scholars that represent them. Acs/Audretsch can also be said to be largely rewarded for the study of a specific issue, namely the crucial importance of new and small firms in innovation. However, their contribution goes well beyond that in that they more or less single-handedly created the field of small business economics, including the establishment of *SBE*.

Finally, we have the Prizes to the two economists William Baumol and Israel Kirzner. It is well-known that there is no role for the entrepreneur in the basic microeconomic model of the firm, or in the standard aggregate (exogenous or endogenous) models of economic growth.<sup>8</sup> Baumol, being a highly reputed mainstream economist forcibly pointed this out back in 1968 and has insisted ever since in numerous scholarly books and articles that without the entrepreneur economics is blatantly incomplete. Kirzner, on the other hand, has been a heterodox economist throughout his career working in the Austrian tradition. Building on von Mises' and Hayek's analyses of competition and the role of knowledge he has analyzed the workings of the capitalist system where the entrepreneur is the lead character.

In summary, this brief overview of previous Award Winners shows that there is great diversity in their work and achievements: both quantitative and qualitative work, both micro and macro oriented focus, a wide range of publication outlets from easily accessible books and reports to highly specialized scholarly articles, from the development of new datasets to conceptual and methodological improvements, from having great impact on the research community to having impact on policymaking, and the promotion of education and training in entrepreneurship.

## **5. System for Nomination, Evaluation, Selection and Presentation of Future Award Winners**

The nomination, evaluation and selection of Award Winners, is delegated to an autonomous Prize Committee, which is elected by the board of FSF. From 2009 the members and chairman of the Prize Committee are normally elected for a term of three years, and the Committee will consist of six members, giving the chairman the decisive vote in case of a split Committee. In order to ascertain continuity no more than two members should be replaced in a given year. The Committee members are appointed solely based on their scientific credentials. They

---

<sup>8</sup> See, e.g., Barreto (1989), and Bianchi and Henrekson (2005), respectively.

are expected to be leading academics in the field, and having reached the level of full professor or the equivalent. A chairman cannot be reelected for a consecutive term, but Committee membership can be extended for an additional three-year period. In exceptional cases it is possible to be reelected for a third consecutive term. After an interim of at least three years a previous Committee member can once more be elected.

As already noted the Prize is entering a new phase beginning with the 2009 Award Winner. Most obviously, the increased resources made available through a generous donation from the Swedish entrepreneur Rune Andersson and his holding company Mellby Gård AB will make it possible to raise the Prize sum to 100,000 euros, an approximate doubling compared to the previous sum of SEK 500,000 in recent years.

An equally important improvement is to continue to increase the stringency and thoroughness of the process for the evaluation and selection of future Winners. As before a number of distinguished entrepreneurship scholars will be invited to nominate candidates. This invitation has been extended every year since 1995. From now on this will be done in a structured and transparent manner, where an invitation to nominate will be extended to:

- All previous Award Winners;
- The editors and the members of the editorial boards of the journals in entrepreneurship and small business research included in the Social Sciences Citation Index. At present, the following six journals qualify: *Journal of Business Venturing*, *Entrepreneurship Theory and Practice*, *Small Business Economics*, *Entrepreneurship and Regional Development*, *Journal of Small Business Management* and *International Small Business Journal*;
- Present and past members of the FSF Scientific Forum who also hold or have held positions as full professors.

Self-nominations are disallowed, but members of the Prize Committee will continue to have the right to nominate candidates. These nominations provide the first step in the creation of a list of potential candidates considered by the Prize Committee. It is at the discretion of the Committee to decide which candidates should be targeted for a more thorough evaluation. A candidate can be on the list for several years and therefore during that time be regarded as a potential candidate for the Award.

In 2009 the Prize will be awarded for the 14<sup>th</sup> time. In the first few years there was an obvious backlog of worthy candidates; scholars widely recognized as key contributors to the budding field of entrepreneurship and small business research. But as time elapses the number of candidates about whom there is wide agreement dwindles. The backlog is gradually depleted, and in the meantime the field of entrepreneurship research has expanded and is still expanding at a rapid rate. Therefore, it is imperative to improve the high-quality selection process characterized by continuity and robustness. The eventual selection of the Winner needs to be based on thorough evaluations and comparisons of a number of worthy candidates, and the pool of candidates from which the Winner is selected must be reasonably stable, reflecting the long-term efforts of the Prize Committee. To this effect, it has been decided that the Prize Committee “inherits” a limited number of short-listed candidates from the previous year, and except in rare cases the Winner will be selected from this pool of short-listed candidates. However, the Committee is also commissioned to add one or two new candidates to this pool based on nominations and discussions in that year (and previous years).

All short-listed candidates will be thoroughly evaluated by a specialist in the candidate’s field.<sup>9</sup> These outside evaluations are strictly confidential. The evaluation of a Winner by the commissioned expert will form the basis for a published presentation of the Winner co-authored by the outside expert and the member of the Prize Committee who is most familiar with the Winner’s work. In some cases the commissioned expert may be a member of the Prize Committee, but this is likely to be an exception rather than a rule.

As before the name of the Award Winner will be announced at FSF’s Annual Conference (“Small Business Days”) in the city of Örebro in central Sweden in late January. After the announcement the Award Winner will be requested to prepare a publishable Prize Speech that can be delivered at the official Award ceremony in Stockholm in September. Also, the Award will still be given by the Minister of Enterprise, Trade and Communication and the Winner is then expected to tour Sweden during the Entrepreneurship Week, the annual seminar tour of Swedish university cities taking place during the week (in September) when the Award is conferred. The ambition is that both the essay presenting the contribution of the Winner and the Prize speech are published in *SBE* shortly after the Prize is awarded.

---

<sup>9</sup> To use solicited expert reports to evaluate strong candidates is in line with the procedure of the Nobel Prize Committee, see Lindbeck (2007).

A new website for the Award has been built from scratch containing an overview of the Prize, criteria for selection and nomination, systematic presentations of all Award Winners since 1996, their Prize speeches and other pertinent information about the Winners and the entrepreneurship field more generally. The website is located at [www.e-award.org](http://www.e-award.org), and it is also easily found via the websites of the three organizations hosting the Prize ([www.fsf.se/award](http://www.fsf.se/award), [www.ifn.se/award](http://www.ifn.se/award), and [www.nutek.se/award](http://www.nutek.se/award))

Resources have been ascertained to have an active research scholar in the entrepreneurship area spending up to 25 percent of his/her time on researching the Prize, building and updating the website etc. The scholar will initially be tenured at IFN.

From 2009 the term “small business” is dropped from the name of the Prize. An obvious advantage of this change is a shortening of its name, but it also reflects the fact that it is made clear that this is an Award for research on entrepreneurship irrespective of whether this entrepreneurship takes place in small firms or in other types of organizations. In practice, research on small firms will continue to play a great role among the Award winning contributions, since entrepreneurship is so often tied to new and small businesses.

## **6. Criteria for the Selection of Future Winners**

So what is a worthy contribution? This is a key question lacking a precise answer, but it must nevertheless be elaborated upon. Naturally, there have been lengthy discussions of this issue in the Prize Committee over the years, and the following presentation is greatly inspired by those discussions and by inputs from current and previous Committee Members on an earlier version of this text. Assar Lindbeck’s (1985, 2007) insightful discussion of the criteria used to select the Nobel Prize Winners in Economic Science has also been an important source of inspiration.

First and foremost, a prize worthy contribution needs to be *original* and *influential*. One can think of many ways in which a contribution is influential, notably through its impact on subsequent scientific work (normally by virtue of the scientific work *per se*, but sometimes through the organization of large research programs), by furthering entrepreneurship as a field (by creating important data bases, by starting influential journals, scientific communities etc.), by furthering entrepreneurship education and training at the academic level, and by influenc-

ing policy making and society more broadly. However, it takes time before one can be reasonably sure that a contribution is both original and influential, rather than a virulent fad that will taper off with only negligible long-run effects. One needs to allow the requisite time for potential criticism and scrutiny by other scholars before one can be sure that the contribution is as solid as it first appeared. Therefore, a certain caution and “conservatism” can be expected also in the future.

A prime ambition of the Prize Committee is that over a longer time span the Award winning contributions should reflect the extraordinary width of entrepreneurship as a social science field, spanning the entire spectrum from anthropology to theoretical microeconomics, and its methodological diversity from hermeneutics to formalized deductivism via traditional hypothesis testing by means of state-of-the-art statistical methods. Therefore, the Committee cannot be rigid about what type of work is rewarded, such as setting up a rule that articles in peer-reviewed journals is the sole type of publication that counts.

Yet another dimension concerns what aspects of entrepreneurship that can be rewarded. Here at least three important aspects come to mind: (i) the environment and the organizations in which entrepreneurship is conducted; (ii) the character of the entrepreneur (personality, cognitive and affective aspects); and (iii) the role of the entrepreneur and/or the entrepreneurial function in a wider sense (at the level of the community, region, country, industry).<sup>10</sup> All three aspects are highly relevant, and a scholar may be rewarded for contributions to any of them. High-quality research that manages to connect two or all three aspects in a coherent framework is rare, and is therefore looked upon favorably.

Given that the Prize should reflect the width and diversity of the field one should expect a shifting over the years of candidates across fields and research traditions. When there is a close race it is also natural to give priority to contributions which have more clearly withstood “the test of time”.

In most cases the Committee will single out *one* individual who has done one or several outstanding contributions to the field in one or several of the dimensions mentioned above. It

---

<sup>10</sup> These three aspects can be seen as one way of operationalizing Venkataraman’s (1997, p. 120) definition of entrepreneurship as a scholarly field: “seeks to understand how opportunities to bring into existence ‘future’ goods and services are discovered, created, and exploited, by whom, and with what consequences.”



seems likely that, as the field matures and becomes more specialized and methodologically sophisticated, the share of scholars who are rewarded for producing original and influential scientific work *per se* will increase. This reflects the fact that crucial pioneering efforts in building data bases, starting journals and so on will gradually wane in importance as a field becomes more firmly established.

In other cases the Prize Committee may decide that a specific phenomenon (e.g., female entrepreneurship, the role of small firms in innovation, or the “Industrial District”) or a novel subdiscipline should be awarded. This is the most likely circumstance when there will be more than one Award Winner.

When selecting prize worthy contributions (both actual Winners and nominees added to the shortlist of individuals evaluated by an outside specialist) the Committee has and will largely rely on *qualitative* judgment. Quantitative methods like citation counts and impact factor adjusted publication volumes will continue to provide important complementary information about candidates, but they will never substitute for qualitative judgment. Nor will the Prize be given as a sort of life-time achievement award to scholars who have managed to amass an extraordinary volume of solid, well-published work, but where none of it stands out as original and truly influential. Hence, quantity cannot substitute for quality, and it is possible to give the Award to a scholar even for a single landmark contribution.<sup>11</sup>

## **7. Concluding Remarks**

Since its inception in 1996 the *International Award for Entrepreneurship and Small Business Research* has become firmly established and widely recognized as the leading international Award in the area.

Effective from 2009 a number of changes are made in order to strengthen the Prize even further: The name is changed to the *Global Award for Entrepreneurship Research*, the Prize sum is increased to 100,000 euros, and the system for nomination, evaluation and selection of future Award Winners is becoming more structured and transparent. In this essay we have pre-

---

<sup>11</sup> This is not without precedence. Among the Nobel Laureates in Economic Science this is fairly common. John Nash, Michael Spence, Myron Scholes, Bertil Ohlin, Harry Markowitz, George Akerlof, Finn Kydland, and Robert Solow are prime examples. A few of them have fairly long publication lists, but it was one or two fundamental contributions that earned them the Nobel Prize. See Lindbeck (2007).

sented the background to and the organizations behind the Award, categorized Winners in the 1996–2008 period, described the previous and future system for nomination, evaluation and selection of Award Winners, and discussed the criteria for the selection of Prize candidates and Award Winning contributions.

As a final note it may be worth asking whether the benefits of a Prize of this kind exceed the direct and indirect costs involved. Obviously, there is little need to spend resources on convincing the community of research scholars in the area that entrepreneurship and individual entrepreneurs are of crucial importance for economic progress and job creation. However, this is by no means the conventional wisdom in mainstream economics and management. To the extent that a prestigious Award can help disseminate the state-of-the art research among scholars, practitioners, and people involved in small business development considerable good may be achieved.

An Award of this kind may also function as a source of inspiration for other scholars. First, at least for some scholars it is likely to provide an incentive in itself, a remuneration to aim for, but more importantly it makes us pay attention to pursuits that are seldom highlighted in the public eye. It can show us that there are other heroes besides lavishly paid movie actors, athletes and finance wizards, and that their insights and findings can make a big difference for our communities and our well-being.

The fact that quality is systematically favored relative to quantity when the Winner is selected may hopefully give scholars stronger incentives to produce high-quality research rather than large amounts of passable research. It is also important to bridge the communication gap that arises when increasingly specialized researchers study similar phenomena using diverse methods and concepts unique to their own discipline. Interdisciplinarity may be heralded in theory but it tends to be shunned in practice. This Award and the growing stock of Award Winners points to the diversity of entrepreneurship research, and it may also show that those who succeed in crossing disciplinary boundaries in interesting ways are sometimes profusely rewarded.

## Appendix

Table A1 Members of the Prize Committee, 1995–2008.

Name	Affiliation	Position/Period
Pontus Braunerhjelm	Royal Institute of Technology, KTH	Member 2006–2008
Per Davidsson	Jönköping International Business School	Member 1998–2003
Gunnar Eliasson	Royal Institute of Technology, KTH	Chairman 2003 Member 2004–2008
Bertil Gandemo	Lund University	Member 1995–1999
Magnus Henrekson	Stockholm School of Economics and IFN	Chairman 2007–2008 Member 2002–2008
Carin Holmquist	Stockholm School of Economics	Chairman 1995–1998, 2004 Member 1999–2008
Claes Hultman	Örebro University	Member 1995–1999
Bengt Johannisson	Växjö University	Member 2003–2005
Sven-Erik Johansson	University of Skövde/Jönköping International Business School	Member 1995–1999
Hans Landström	Lund University	Chairman 1999–2002 Member 1995–2008
Åsa Lindholm-Dahlstrand	Halmstad University	Member 2006–2008
Leif Lindmark	Jönköping International Business School	Member 1995–1999
Christer Olofsson	Swedish University of Agricultural Sciences, SLU	Member 1995–1999
Sören Sjölander	Chalmers Institute of Technology	Member 2003–2005
Elisabeth Sundin	Linköping University	Member 1995–1999
Johan Wiklund	Jönköping International Business School	Chairman 2005–2006 Member 2004–2008
Ivo Zander	Uppsala University	Member 2007–2008

*Note:* The affiliation refers to the Committee member's affiliation at the time of service. The Committee's work takes place in the year preceding the announcement of a certain Winner. The Committee also awards a Prize to a Swedish entrepreneurship scholar aged 35 or younger. Originally, one male and one female scholar were awarded annually, but since 2008 there is only one Award Winner per year alternating between males and females.

## References

- Barreto, Humberto (1989), *The Entrepreneur in Economic Theory*. London and New York: Routledge.
- Bianchi, Milo and Magnus Henrekson (2005), "Is Neoclassical Economics still Entrepreneurless?" *Kyklos* 58(4), 353–377.
- Davidsson, Per (2005), "Paul D. Reynolds: Entrepreneurship Research Innovator, Coordinator, and Disseminator." *Small Business Economics* 24(4), 351–358.
- Douhan, Robin, Gunnar Eliasson and Magnus Henrekson (2007), "Israel M. Kirzner: An Outstanding Austrian Contributor to the Economics of Entrepreneurship." *Small Business Economics* 29(1–2), 213–223.
- Eliasson, Gunnar and Magnus Henrekson (2004), "William J. Baumol: An Entrepreneurial Economist on the Economics of Entrepreneurship." *Small Business Economics* 23(1), 1–7.
- Hjorth, Daniel and Bengt Johannisson (2008), "Building New Roads for Entrepreneurship Research to Travel by: On the Work of William B. Gartner." *Small Business Economics* x(z), xx–yy (in press).
- Holmquist, Carin and Sara Carter (2008), "The Diana Project: Pioneering Women Studying Pioneering Women." *Small Business Economics* x(z), xx–yy (in press).
- Knight, Frank H. (1921). *Risk, Uncertainty and Profit*, Boston, MA: Houghton Mifflin Company.
- Krugman, Paul (1991), *Geography and Trade*. Cambridge, MA: MIT Press.

- Landström, Hans (2005), *Pioneers in Entrepreneurship and Small Business Research*. New York: Springer.
- Landström, Hans and Chris Steyaert (2009), "Bengt Johannisson's Contribution." *Small Business Economics* x(z), xx–yy (in press).
- Lindbeck, Assar (1985), "The Prize in Economic Science in Memory of Alfred Nobel." *Journal of Economic Literature* 23(1), 37–56.
- Lindbeck, Assar (2007), "The Sveriges Riksbank Prize in Economic Science in Memory of Alfred Nobel 1969–2007." Available at: [http://nobelprize.org/nobel\\_prizes/economics/articles/lindbeck/index.html](http://nobelprize.org/nobel_prizes/economics/articles/lindbeck/index.html).
- Lundström, Anders and Sune Halvarsson, eds. (2006), "Entrepreneurship Research: Past Perspectives and Future Prospects." *Foundations and Trends in Entrepreneurship* 2(3), 145–259.
- Piore, Michael J. and Charles F. Sabel (1984), *The Second Industrial Divide*. New York: Basic Books.
- Schumpeter, Joseph A. (1911/1934). *The Theory of Economic Development*. Cambridge, MA: Harvard University Press.
- Summers, Lawrence H. (1991), "The Scientific Illusion in Empirical Macroeconomics." *Scandinavian Journal of Economics* 93(2), 129–148.
- Venkataraman, S. (1997), "The Distinctive Domain of Entrepreneurship Research." In Jerome Katz, ed., *Advances in Entrepreneurship, Firm Emergence and Growth, Volume III*. Greenwich, CT: JAI Press, 119–138.

Table 1 Award Winners 1996–2008 (affiliation and country pertains to the situation at the time of receipt of the Prize).

<i>Year</i>	<i>Winner(s)</i>	<i>Birth year</i>	<i>Country</i>	<i>Field</i>	<i>Prize Citation</i>	<i>Remark</i>
<b>Macro importance of new and small firms</b>						
1996	David L. Birch MIT/Cognetics Inc.	1937	USA	Economics	“for having identified the role of new and small firms for job creation”	Great impact on policymaking.
1998	David J. Storey Univ. of Warwick	1947	UK	Economics/ Management	“responsible for the increased focus in research on unbiased large-scale and high-quality empirical work”	Large impact on policies for regional development; outstanding synthesizer.
2001	Zoltan J. Acs Univ. of Baltimore	1952	USA	Economics	“empirical analyses of an impressive number of important questions concerning the role of small firms in the economy”... “the role of small firms in innovation”	Bridge-builders between economics and related fields; founders of <i>SBE</i> , tireless promotion of the field. Impact on policymaking.
	David B. Audretsch Indiana Univ.	1954	USA	Economics		
2002	Giacomo Beccatini Univ. of Florence	1927	Italy	Economics	for revitalizing Marshalls’ ideas of the “advantages of geographical agglomeration of specialized small firms”; furthering “our understanding of flexible specialization of co-operating small firms”; “importance of networks”	Emphasize the systemic perspective. Impact on policymaking.
	Charles F. Sabel Columbia Univ.	1947	USA	Political science, Law		
2004	Paul D. Reynolds Babson College & London Bus. School	1938	USA & UK	Sociology	“has taken entrepreneurship research to new levels, given it new directions and organized several innovative and large-scale empirical investigations into the nature of entrepreneurship and its role in economic development”	Initiator and co-ordinator of two massive projects: PSED and GEM. Impact on policymaking. The importance for the field cannot be over-rated.
<b>Role and aggregate importance of entrepreneurship/the entrepreneurial function</b>						
2003	William J. Baumol New York Univ.	1922	USA	Economics	”his insistence that the entrepreneur should have a key role in the theory of the firm”; ”his studies of the role of institutions for the channelling of entrepreneurship into productive use”; ”his early formulation of a competition policy emphasizing the disciplinary effect of dynamic entrepreneurship”	A highly reputed mainstream economist who very early on and with great consistency has urged the professions to heed the instrumental role of the entrepreneur in their analyses.
2006	Israel M. Kirzner New York Univ.	1930	USA	Economics	“clarifies the role of the entrepreneur in society and emphasizes that the behavior of a single entrepreneur may be of importance for the renewal and rationalization of markets” ... “the most prominent contemporary advocate of the Austrian School”	Explains the instrumental role of the entrepreneur in the capitalist system, and why the insistence on general equilibrium in economic modelling makes the entrepreneurial function superfluous.

### Micro level analyses of entrepreneurship and small businesses

1997	Arnold C. Cooper Krannert School of Management, Purdue Univ.	1933	USA	Management	His "pioneering work on technical entrepreneurship, new technology-based firms, and incubator organizations has significantly enhanced our understanding of entrepreneurial phenomena."	Masters both qualitative and quantitative methods. Has improved data quality and insisted on use of sophisticated methods.
1999	Ian C. MacMillan Wharton School, Univ. of Pennsylvania	1940	USA	Management	"instrumental in introducing an international perspective to entrepreneurship research, exemplified by the international comparative studies on cultural differences in entrepreneurship and small business behaviour"; "the integration of two separate research fields: entrepreneurship/small business research and management/strategy research."	Important pioneer.
2000	Howard E. Aldrich Univ. of North Carolina at Chapel Hill	1943	USA	Sociology	"has generated significant insights into the knowledge of formation and evolution of new and small firms."; "major contributions ... by integrating the most central research questions of the field into a broader sociological research context."	Leading sociologist highlighting entrepreneurship.
2005	William B. Gartner Clemson Univ.	1953	USA	Management	For his research on "new venture creation and entrepreneurial behaviour"; he has shown mastery in combining "the best of two research traditions": US style positivism and hermeneutics.	Important in promoting entrepreneurship education, and in forming connections between scholars working in different fields.
2007	The Diana Group: Candida G. Brush Babson College	1948	USA	Management	For their unique effort to pool "their competencies to create a research team examining women's entrepreneurship. An important contribution lies in the identification of growth oriented women entrepreneurs and issues of access to and usage of resources."	Impact on policymaking. Particularly in creating awareness of gender differences in the availability of external finance. Partly also on the macro importance of women entrepreneurship.
	Nancy M. Carter Univ. of St. Thomas	1949	USA	Management		
	Elizabeth J. Gatewood Wake Forest Univ.	1944	USA	Management		
	Patricia G. Greene Babson College	1954	USA	Sociology		
	Myra M. Hart Harvard Bus. School	1941	USA	Management		
2008	Bengt Johannisson Växjö University	1942	Sweden	Management	"the furthering of our understanding of the importance of social networks of the entrepreneur in a regional context. He has also documented and explained how the social networks of the entrepreneur are related to the 'life' of the entrepreneur."	Key contributor to the organisation of the European entrepreneurship and small business research fields.

*Note:* We treat Management and Business administration as synonyms, writing Management throughout.