Michael Troilo is completing his final year of doctoral studies in International Business and Business Economics at the University of Michigan’s Ross School of Business. His research interests focus on entrepreneurship in international settings, particularly how institutions such as legal systems and cultural norms impact new firm formation. He holds a BBA in accounting from the College of William and Mary and an MBA and a M.A. in Asian Studies from the University of Virginia. His professional experience includes four years as a senior CPA with Arthur Andersen and three years in various corporate finance positions with IBM and Terex Corporation. He is married with three children.

September 26th, 4:00 pm
Max Planck Institute of Economics
Entrepreneurship, Growth and Public Policy Group
Seminar Room V03

Rule of Law, Trust, and New Firm Formation

Prior research shows that institutions matter for entrepreneurial activity both to provide capital for new businesses and to protect against expropriation of rents. In this paper I focus on two institutions relevant for such protection: rule of law and trust. The research questions I try to answer are: 1) in what contexts do rule of law and trust function as substitutes or as complements to foster new firm formation? 2) What levels of protection are necessary to spur opportunity entrepreneurship vs. necessity entrepreneurship and Schumpeterian entrepreneurship vs. Kirznerian entrepreneurship? I use data from the Global Entrepreneurship Monitor (GEM) and World Values Survey (WVS) and a differences-in-differences methodology to address these questions.