

Report No.	HIAS-E-65
Title	Entrepreneurship in Micro and Small Enterprises —Empirical Findings from Resurveys in Northeastern Areas of Delhi, India—
Author(s)	Asit Banerji ^(a) , Jun Goto ^(b) , Hironori Ishizaki ^(c) , Takashi Kurosaki ^(d) , Kaushalesh Lal ^(a) , Shampa Paul ^(a) , Yasuyuki Sawada ^(e) , Shunsuke Tsuda ^(f)
Affiliation	<p>(a) Center for Economic and Social Research, India</p> <p>(b) Kobe University</p> <p>(c) Rebright Partners Ltd.</p> <p>(d) Institute of Economic Research, Hitotsubashi University</p> <p>(e) University of Tokyo</p> <p>(f) Brown University</p>
Issued Date	March 2018
Abstract	<p>To deepen our understanding of the urban informal sector and small enterprises in developing countries, we surveyed micro and small entrepreneurs in northeastern areas of Delhi, India. The baseline survey was conducted in November—December 2014, covering 506 sample entrepreneurs in both manufacturing and service sectors. Between June and August 2017, the endline survey was conducted to collect panel information on firm performance. As the demonetization policy in November 2016, in which high value banknotes were demonetized overnight, affected small and micro enterprises, specific questions on its impact were added in the endline survey. Between the two surveys, artefactual field experiments were also applied to the subsample to collect information on social, risk, and time preferences. In this paper, we present details of the resurveys implemented under this project and describe the key variables collected. Among 226 entrepreneurs who participated in the artefactual field experiments, many showed their tendency for present bias and high discount rates. On average, the participant entrepreneurs behaved in an altruistic manner, took substantial risk, and reduced their risk-taking when they were assigned the role of the leader. Out of 287 entrepreneurs who participated in the endline survey, 50% were unregistered with the government, implying that they were highly informal. During the period between baseline and endline surveys, innovations to expand the business were not very active, either. The majority of sample entrepreneurs were affected at least temporarily by the demonetization in 2016.</p>
Keywords	
JEL	O17, O14, L26