



## ABSTRACT

This thesis examines the influence of formal and informal institutions' quality on entrepreneurial activity rates. Most researchers suggest that the relationship between formal and informal institutions' quality and entrepreneurship is positively correlated. Besides, empirical evidence shows that informal institutions could positively moderate the relationship between formal institutions and entrepreneurial activity rates. Using data from the Global Entrepreneurship Monitor in 70 countries during 2017, this thesis's empirical results somehow find that the relationship between formal institutions' quality and entrepreneurial activity rates is negatively correlated. This thesis also finds that countries with less individualistic culture will encourage entrepreneurial activity. However, this thesis confirms that informal institutions could positively moderate the relationship between formal institutions and entrepreneurial activity rates, especially in individualistic countries.