



Table of Contents

I. Introduction.....	3
II. Literature Review and Hypotheses Development.....	6
2.1.1 Formal Institutions and Entrepreneurial Activity	9
2.1.2 Informal Institutions and Entrepreneurial Activity	12
2.1.3 The Moderate Effects of Informal Institutions on Formal Institutions and Entrepreneurial Activity.....	13
III. Data and Methodology.....	15
3.1 Data	15
3.1.1 Dependent Variable	15
3.1.2 Independent Variables	15
3.1.3 Control Variables.....	18
3.2 Methodology	20
IV. Results	21
4.1 Descriptive Statistics and Correlation.....	21
4.2 Hypothesis 1	26
4.3 Hypothesis 2.....	27
4.4 Hypothesis 3.....	28
V. Discussion and Conclusion	29
VI. References	32
VII. Appendix.....	37