

# **Title: Knowledge, ability and entrepreneurs : the cognitive underpinnings of entrepreneurship.**

*Author: Luc Tardieu, Centr d'Analyse Economique, France*

## **Abstract**

The cognitive underpinnings of the theory of entrepreneurship are often considered to be information requirements. The entrepreneur needs specific information about the market opportunities ; once he has obtained information he automatically involves in a specific activity that leads him to use this information. However, information is quite different from knowledge. Knowledge is subjective, organized, and embodied, information is objective, isolated, and disembodied (i.e. separated from the entrepreneur as an individual). Information needs to be relevant (related to the context) and relevantly computed. Entrepreneurship then assumes that the entrepreneur only needs awareness in order to make the link between information and profit opportunities. This assumption is closely related to the problem of knowledge and ability. An individual, once the information is grasped, needs to put it in an organized structure of knowledge and to have the ability to use it in a relevant way.

This paper is an attempt to evaluate the underpinnings of entrepreneurial activity on the basis of the knowledge categorization made by G. Ryle and B.J. Loasby. The difference they make between “know how” and “know that” might be a powerful tool in order to analyse the knowledge requirements of entrepreneurial activity. What kind of specific knowledge does the entrepreneur need to be an entrepreneur ? Enlarging the categories of knowledge made by Ryle and Loasby, the cognitive underpinnings of entrepreneurship may be more explicit, allowing conclusions about the education of entrepreneurs and explanations about the lack of entrepreneurial activity in certain countries.