ASSESSING SKILLS AND COMPETENCIES NEEDED TO STIMULATE ENTREPRENEURSHIP IN SOUTH AFRICA

AUTHORS: Kaka Y.

YEAR: 2003

TAGS: South Africa
WOMEN IN BUSINESS: INEQUALITY IN SPITE OF FORMAL EQUALITY

AUTHORS: Rantasa K.S. Tominc P. Rebernik M.

YEAR: 2003

PUBLICATION: Organizacija

TAGS: Gender

n/a
Individual efforts to create new firms are reflected in the total early-stage activity (TEA) index. The TEA index is a measure of the prevalence of individuals engaged in the start-up or gestation phase or in managing a young business, less than 42 months old. The GEM adult population survey identifies such individuals who will own part of the business and have been active in implementing the new firm. TEA reflects the percentage of the adult population (18–64 years) who are active in the creation of a new business. With an overall rate of 13.6% TEA rate, New Zealand maintains its rank as the most entrepreneurial country amongst the developed countries. New Zealand's rate of individual entrepreneurship was exceeded by four developing countries. They include Uganda, Venezuela, Argentina, and Chile. Although New Zealand may rank higher, statistically there is no difference between New Zealand and Brazil, USA, Australia, China, and Iceland.
NEW ZEALAND WOMEN ENTREPRENEURS

AUTHORS: Eden S. Cruickshank P.

YEAR: 2004

PUBLICATION: International Journal of Entrepreneurship and Small Business

TAGS: Gender New Zealand

Women make a significant contribution to the entrepreneurial advantage of nations and women-owned businesses are critical to economic prosperity. A higher level of participation by women in the economic arena is associated with higher standards of living (Reynolds et al., 2004). Nonetheless, since the inception of the GEM project in 1999, data have shown that women's participation in entrepreneurship is only about two-thirds that of men (Minniti and Arenius, 2003). In New Zealand it was expected that the entrepreneurial gender gap would be closing, possibly more quickly than in other countries, however the research results indicated the opposite.
This paper first examines the impact of entrepreneurship research on policy development in 20 countries of the Global Entrepreneurship Monitor project. Curiously, despite its entrepreneurial endowments, the impact on New Zealand falls behind other countries. For a deeper insight, the paper then compares entrepreneurship and innovation policies in New Zealand and Sinaloa, Mexico. New Zealand has a robust innovation policy yet places little emphasis on the needs of actual individual entrepreneurs and their decision to choose self-employment. In Sinaloa, the emphasis is on creating more and better entrepreneurs, but there is no innovation policy. Both sides have something to learn from the other.
At 13.9% of the adult population, New Zealand’s "Total Early-Stage Entrepreneurial Activity" is highest amongst developed countries. This benchmark uses the Global Entrepreneurship Monitor (GEM) methodology. New Zealand has a high level of opportunity entrepreneurship and a moderate level of necessity entrepreneurship. New Zealand’s entrepreneurial firms contribute about half of all new jobs created annually. Informal investment is a more important source of financing to entrepreneurs than venture capital. The proportion of female entrepreneurs has slipped over the past three years. Maori are more entrepreneurial than the rest of population. The study argues that New Zealand has an excellent innovation policy but no entrepreneurship policy.
The disproportional impact of high growth firms on economies around the world has made them a natural focus of policy attention in New Zealand. That is what is behind New Zealand’s ICT taskforce recommendations in 2003 to grow 100 ICT companies each doing over US$ 100 million sales per year by 2012 (a huge accomplishment for a small economy). Those companies could help New Zealand’s foreign exchange earnings and jobs, not to mention improved health care, better resourced schools and tertiary institutions, debt reduction and increased savings, and improved standard of living (ICT Taskforce, 2003).
HOW WE FINANCE OUR NEW AND GROWING FIRMS

AUTHORS: Frederick H. Bygrave W.

YEAR: 2004

PUBLICATION: International Journal of Entrepreneurship and Small Business

TAGS: Financing Angel Investment Venture Capital New Zealand Australia

Entrepreneurs are the engines that drive new companies and financing is the fuel that propels them. One form of that financing is called informal investing, sometimes called "business angel activity" (which we reserve for more professional and commercial investors). Informal investors use their own money and carry out their own due diligence to invest in the entrepreneurial opportunities of other entrepreneurs.
As the world’s investors become more actively interested in a broader definition of business value creation, and as policy makers become ever-more interested in the role of entrepreneurship generally in fuelling economic growth, the role of social enterprise in creating economic and social value needs to be examined more closely. Yet this is where the evidence is weakest. In particular, and despite the unquestioned interest in the subject, a single definition of social entrepreneurship remains elusive. The growth in social entrepreneurship globally over the last decade has been impressive, but the precise meaning of the term remains a matter of debate. This is a barrier to research. There is a substantial body of case study material on how to be a good social entrepreneur. However, there is little or no theory; little systematic data at a national level; and nothing in the way of international comparisons of impact and types of social entrepreneurial activity. This renders the area of little interest to investors in particular since there is no estimation of the hard economic impact that these ventures create.
This paper examines the factors that drive individuals to become angel investors. Drawing on concepts from the psychological theory of planned behaviour and the economic theory of portfolio allocation, a series of hypotheses are postulated and tested using data on adults from countries participating in the Global Entrepreneurship Monitor in 2001. Attitudes, experience and skills emerge as being more important than demographic characteristics. Additionally, using trust and risk concepts, the study compares the drivers of angel investments in ventures owned by strangers versus ventures owned by entrepreneurs with whom the entrepreneur is acquainted.
This paper presents new empirical evidence on the existence of cognitive divergence among actors in the entrepreneurial ecosystem. These cognitive disjoints among the actors were examined on the 9 entrepreneurial framework conditions (hereinafter referred to as EFCs), which were developed in the GEM (Global Entrepreneurship Monitor) study. The EFCs, which consist of factors such as financial support, government policies, government programmes, education and training, research and development transfer, internal market openness, access to physical infrastructure and culture and social norms were postulated to facilitate the development of new firms or the growth of nascent firms. The actors were selected for their unique knowledge about entrepreneurship from their professional background and career experiences by the respective national teams that participated in the GEM study. Although the actors were chosen to represent the 9 entrepreneurial framework conditions (EFC), efforts were made to select the actors based on 4 distinct groups: policy makers, entrepreneurs, investors, and venture support professionals. Past studies, which were based on institutional and social perception theories have examined the existence of cognitive divergence or perception differences among distinct individuals, groups or clusters, but little is known about the cognitive disjoints among the key players/actors in the entrepreneurial economy. This void in the literature leaves open many questions. Are there significant differences in perception among the key actors of entrepreneurship on the entrepreneurial framework conditions? If there are, in what areas do these perceptions converge and diverge? What are the implications of cognitive divergence among these actors?
NEW ZEALAND NECESSITY ENTREPRENEURS

AUTHORS: Maritz P. A.

YEAR: 2004

PUBLICATION: International Journal of Entrepreneurship and Small Business

TAGS: New Zealand Immigration

The necessity entrepreneur (NE) is someone who never considered starting or owning a business until there was no other option. Using the methodology of the global entrepreneurship monitor, this paper examines New Zealand necessity entrepreneurs in the light of propositions cited in the literature that NE is associated with three factors: positively with economic growth (real GDP growth rate); positively with unemployment (unemployment rate); negatively with a generous welfare system (expenditures on social security). Factor 1 is confirmed through the GEM data; Factors 2 and 3 are not supported by the data. Immigration is seen as a possible contributory factor to the moderately high NE rates in New Zealand. In addition, unique characteristics of migrant necessity entrepreneurs pave ways for initiatives and intervention by local governments.

ACCESS ARTICLE
Total entry-level entrepreneurial activity (TEA) for Australia and New Zealand are amongst the highest in the OECD countries, whilst South Africa has one of the lowest TEA rates of the 28 participants in the global entrepreneurship monitor 2004 (hereinafter referred to as GEM). This paper evaluates the differences in TEA amongst these three countries and highlights reasons for the differences. The findings are in turn linked to economic activity, together with the relationship between unemployment and social expenditure.
ENTREPRENEURSHIP AND REGIONAL DEVELOPMENT: THE ROLE OF CLUSTERS

AUTHORS: Rocha H.

YEAR: 2004

TAGS: Regional Studies Clusters

Do clusters matter to entrepreneurship and entrepreneurship regional outcomes? Why (or why not)? These questions, anchored in the current gap between the interest in clusters and entrepreneurship and the little research on their joint impact on regional development, are the leitmotiv of this book. In effect, near 400 million people are starting or running new businesses, half of them in developing countries. Also, hundreds of cluster initiatives have been launched in all the regions of the world arguing that, among other benefits, they promote entrepreneurship and employment growth. Yet, both academics and policymakers know little about the joint impact of entrepreneurship and clusters on regional development. The reason is the wide diversity of theoretical and policy approaches to define and measure clusters and entrepreneurship, and to evaluate their effect on regional development.
Defining entrepreneurship as the creation of new organisations, this paper explores, from a literature review standpoint, the moderating effect of clusters on the impact of entrepreneurship on development. To identify potential causes of this moderating effect, the paper focuses on three different impacts: entrepreneurship on development, clusters on development, and clusters on entrepreneurship. The findings of the paper are threefold. First, entrepreneurship is positively associated with economic growth. Given the importance of entrepreneurship in changing the economic and social structure of the economy, more research on the impact of entrepreneurship on development – i.e. focus on capabilities rather than on output – is needed. Second, it is difficult to reach empirical generalisations on the impact of clusters on development and entrepreneurship given conceptual and methodological constraints. Both positive results and caveats are found at different levels of analysis and at different stages of development of a cluster. Finally, given the previous finding, it is difficult to generalise on the impact of clusters on the association between entrepreneurship and development. Consensus on and validity between conceptual and operational definitions of clusters; consideration of context as well as process and, therefore, quantitative and qualitative methods; and differentiation between levels of analysis controlling for cluster stage and strength are the main criteria for future studies to consider to disentangle the impact of clusters on entrepreneurship, development and the association between entrepreneurship and development.
The aim of this paper is to identify regions with industrial clusters in Germany and to analyse their entrepreneurial environment. A new index employing industry data supplied from the German Federal Labour Office is used to elaborate on spatial clusters in the most concentrated German industries. A second data set collected as part of the Global Entrepreneurship Monitor (GEM), serves to assess the relationship between regional clusters and entrepreneurial activities and attitudes. The paper tests the rather popular but hitherto seldomly empirically-proven hypothesis that the existence of one or several industrial cluster(s) in a region has a positive impact on the number of start-ups and attitudes in the very same region. The implications of the findings with respect to regional policies encouraging industrial clusters are discussed briefly in the concluding section.
THE SCARCITY OF FEMALE ENTREPRENEURSHIP

AUTHORS: Tominc P. Rebernik M.

YEAR: 2004

PUBLICATION: Drustvena Istrazivanja

TAGS: Gender Slovenia Croatia SSCI

The main part of our paper presents an analysis of women’s participation in the entrepreneurial process in the earliest stage – we were interested in gender differences with regard to the ability to create or start a new business. Our research is based on the Global Entrepreneurship Monitor (GEM) project. The results of this analysis revealed that there are evident differences between male and female entrepreneurs in the earliest stage of the entrepreneurship process, as well as among the 37 countries included in the GEM. There are a number of factors suggesting that dissimilar processes lead to opportunity and necessity entrepreneurship, which holds for men and women, and that processes that affect female entrepreneurship are different from those affecting male entrepreneurship. Specific attention in this paper is given, primarily, to Slovenia as well as to Croatia.
Most entrepreneurs are confident in their ability, tend to be risk takers, and appear to have the vision that others fail to see. A growing number of these entrepreneurs are setting up and operating their enterprise business from their home premises. Who are these individuals, what motivated them to start up a home based business, and what challenges and problems do they face is the focus of this New Zealand study on home based entrepreneurs. For those who have a work ethic, are self-disciplined, and can separate work life from family life, being a home-based entrepreneur (HBE) can be an attractive alternative. A desire to be your own boss and the belief that "I can do it" as well as those who are "necessity entrepreneurs" are just a few of the factors that influence New Zealanders to establish themselves as home-based entrepreneurs. The signs are encouraging for New Zealand HBEs, as a majority are satisfied with both business performance and profits. But the reality is that operating a business venture from home is not easy and poses a variety of challenges as well as considerable discipline to keep the work-life balance on track.
In this paper, we compare entrepreneurship practice of the Maori culture with that of the other five ethnic groups or cultures in New Zealand including European New Zealanders, Europeans, Chinese, Indians and Pacific Islanders. One of the most reported findings in previous GEM reports was that Maori are every bit as entrepreneurial as other ethnicities. Some commentators were surprised by this finding, since Maori collect more than their proportionate share of benefit entitlements. But we have shown that Maori have a history of entrepreneurship and enterprise upon which to draw (Frederick and Henry, 2004). The Maori economy, though small, is "robust and poised for continued expansion", says a recent report by the Institute of Economic Research (NZIER, 2003).
A growing body of literature suggests that variations across countries, in entrepreneurial activity and the spatial structure of economies could potentially be the source of different efficiencies in knowledge spillovers, and ultimately in economic growth. We develop an empirical model that endogenizes both entrepreneurial activity and agglomeration effects on knowledge spillovers within a Romerian framework. The model is tested using the GEM cross-national data to measure the level of entrepreneurship in each particular economy. We find that after controlling for the stock of knowledge and research and development expenditures, both entrepreneurial activity and agglomeration have a positive and statistically significant effect on technological change in the European Union.
This study investigates the influence of network perspectives on entrepreneurial opportunity recognition, based on two factors: the cohesiveness of current networks and the accessibility to opportunity recognition and human capital through network contacts. The previous literature regarding network cohesiveness, human capital, education, and work status is presented, and, based on this research, three hypotheses are created. The data for the study were collected from the 2002 Global Entrepreneurship Monitor (GEM) study. Additional telephone interviews were conducted in Belgium (n=3,102) and Finland (n=1,434). The results indicate that individuals living in well-populated areas were more likely to recognize opportunities compared to individuals in rural, less-populated areas. These effects were much stronger among Finnish participants. Additionally, an individual's education level was the only human capital factor found to positively impact the chance of recognizing business opportunities. Possible explanations for these findings, in light of social network theory, are discussed.
Using a large sample of individuals in 28 countries, we investigate what variables are significantly correlated with an individual’s decision to become an entrepreneur. Following existing literature in economics, we link such a decision to demographic and economic characteristics. In addition, we argue that perceptual variables such as alertness to opportunities, fear of failure, and confidence about one’s own skills are also important. Our results suggest that perceptual variables are significantly correlated with new business creation across all countries in our sample and across gender. Although our data do not allow the identification of causal relationships, our findings suggest that, when making decisions, nascent entrepreneurs rely significantly on subjective and often biased perceptions rather than on objective expectations of success. Thus, perceptual variables should be included in economic models of entrepreneurial behavior.
Globally the gender gap is decreasing and in New Zealand targeted policies and governmental encouragement for women appeared to have lowered barriers to women entering entrepreneurial businesses. However recent research carried out as part of the Global Entrepreneurship Monitor (GEM) project revealed an unexpected increasing entrepreneurial gender gap from 2001 to 2003. This paper analyses the findings from the GEM results to seek explanations for this unexpected result.
Paul Davidson Reynolds is the 2004 winner of the International Award for Entrepreneurship and Small Business Research. In this article Professor Reynolds’ contributions are summarized in terms of four sets of triplets. The first is as innovator, coordinator and disseminator of novel and important empirical research studies. The second triplet concerns the main areas of his contributions: regional variations in entrepreneurial activity, nascent entrepreneurship and firms in gestation and international comparisons of the prevalence of entrepreneurial activity. The third set of triplets concerns what aspects of the research process he has contributed to: development of new empirical methods to research entrepreneurship; coining of new concepts that now permeate this field of research, and provision of important empirical results. The final set of triplets concerns the audiences to which Reynolds’ research appeal: researchers, policy-makers and business practitioners. It is concluded that although his contributions are many and of different kinds, the single most important one is that his research has made it increasingly unreasonable to theorize and design research as if the economy essentially consisted of a relatively stable core of large, established firms and entry and exit of new firms were relatively infrequent, marginal and insignificant.
ENTREPRENEURSHIP & SOCIAL NETWORK DEVELOPMENT – A LIFE CYCLE APPROACH

AUTHORS:  Klyver K.

YEAR:  2005

PUBLICATION:  n/a

TAGS:  Networks

Unpublished PhD Dissertation, University of Southern Denmark
Despite of the significant role of informal venture capital in the financing of new entrepreneurial ventures, there is little research explaining the factors determining the propensity of individuals to make micro-angel investments. Building on a social psychological theory of planned behavior and economic theory on the determinants of demand for risky assets in household portfolios, we develop a set of hypotheses predicting the propensity of individuals to make informal investments in new businesses owned by others. The hypotheses are tested using data from 6,007 interviews of Finnish adults carried out in the Global Entrepreneurship Monitor program in 2000-2002. The findings provide important guidance for policy makers considering how to increase the supply of early stage risk capital. Keywords: informal venture capital, theory of planned behavior, household portfolios JEL classification: G24, G28, M13, D14 Running title: What drives micro-angel investments?
AN EMPIRICAL ASSESSMENT OF ENTREPRENEURIAL BEHAVIOR: THE CASE OF ITALY

AUTHORS: Minniti M.

YEAR: 2005

PUBLICATION: Global Business and Economic Review

TAGS: Italy Regional Studies

General agreement exists on Italy's strong entrepreneurial tradition. It is also customarily believed that the large majority of entrepreneurial firms are located in the Northern part of the country. Recent years however, have seen an increasing number of small ventures being initiated by younger Italians in the South. Using an original data set collected in Italy during spring 2001, the paper documents the shift taking place in the Italian entrepreneurial landscape. In addition to demographic factors, previous managerial experience and alertness to unexploited opportunities are shown to be among the main reasons for the redistribution of entrepreneurial activity across the country.
The new venture decision is a crucial stage in the process of creating a new business and is influenced by a series of social, demographic, cultural and economic factors, amongst others. These factors have been the subject of several studies, though there is still no widely accepted agreement on exactly how they affect the decision to create a new enterprise. This study will provide evidence on which variables affect the new venture decision, as well as the extent of their influence based on the analysis of a sample of 7524 cases, using information obtained via the Global Entrepreneurship Monitor 2001 Project. At the same time, we provide evidence to show that there are differences in the way these variables affect new ventures born out of need or out of opportunity.
ENTREPRENEURIAL FRAMEWORK CONDITIONS AND THE OCCURRENCE OF ENTREPRENEURSHIP AMONG UGANDANS: AN INTERNATIONAL COMPARISON

AUTHORS: Namatovu R.

YEAR: 2005

PUBLICATION: n/a

TAGS: Uganda Environmental Factors Cultural Factors

Unpublished PhD Dissertation, Makerere University, Uganda
GENDER DIFFERENCES AND START-UP CAPITAL: UGANDA IN AN INTERNATIONAL COMPARISON

AUTHORS: Orobia L.A.

YEAR: 2005

PUBLICATION: n/a

TAGS: Gender Financing Uganda

Unpublished PhD Dissertation, Makerere University, Uganda
ENTREPRENEURS AND VENTURE CAPITAL: ATTITUDES AND UNDERSTANDING IN NEW ZEALAND AND AUSTRALIA

AUTHORS: Prebble D.R. Kelly S. J.

YEAR: 2005

PUBLICATION: Journal of Applied Business Research

TAGS: Financing New Zealand Australia

n/a
The paper presents an analysis of growth aspirations of entrepreneurs in micro-, small-, and medium-sized enterprises in Slovenia. First, the performance of Slovenian and other European small- and medium-sized established enterprises is compared, and after that the growth aspirations of both established and nascent/new enterprises are analyzed. As the Global Entrepreneurship Monitor research project indicated, adults entering entrepreneurial activity in Slovenia have very high expectations regarding the growth of their enterprises. At the same time, the mortality index of new ventures in Slovenia is among the highest in Europe. Human capital is also analyzed, together with obstacles that hinder better business results of enterprises.
The Global Entrepreneurship Monitor research program was designed as a comprehensive assessment of the role of entrepreneurship in national economic growth. The conceptual model reflected in a wide range of factors associated with national variations in entrepreneurial activity and the major contextual features. Empirical tests of the many relationships in the model required four major data collection activities: adult population surveys, unstructured interviews with national experts, self-administered questionnaires completed by national experts, and assembly of relevant standardized measures from existing cross-national data sets. Adult population surveys were implemented to identify those entrepreneurially active, which required a set of precise criteria and careful processing to ensure harmonized counts and prevalence rates across 41 countries. Existing evidence on measures of reliability indicates that the measures met contemporary standards and the project was cost-effective.
UNDERSTANDING BUSINESS CREATION: SERENDIPITY AND SCOPE IN TWO DECADES OF BUSINESS CREATION STUDIES

AUTHORS:  Reynolds P.D.

YEAR:    2005

PUBLICATION:  Small Business Economics

TAGS:  

This is the acceptance speech by Paul D. Reynolds upon receiving the 2004 International Award for Entrepreneurship and Small Business Research. The award is sponsored by the Swedish Foundation for Small Business Research (FSF) and the Swedish Business Development Agency (NUTEK). In this speech Reynolds reflects on his contribution to entrepreneurship research.
This paper is about the impact of clusters on entrepreneurship at the regional level. Defining entrepreneurship as the creation of new organisations and clusters as a geographically proximate group of interconnected firms and associated institutions in related industries, this paper aims to answer three research questions: first, do clusters matter to entrepreneurship at the regional level? Second, if clusters are associated with different levels of entrepreneurship, what explains those differences? Third, what do the answers to the previous questions imply for academics and policy makers? To answer these questions, this paper distinguishes between clusters and industrial agglomerations and advances a theoretical model and empirical research to explain the impact of clusters on entrepreneurship at the regional level. This paper uses the 97 German planning regions as units of analysis to test the hypotheses. Using hypotheses testing and OLS fixed-effects model, this paper finds that clusters do have an impact on entrepreneurship at the regional level, but industrial agglomerations do not. Implications for academics and policy makers and suggestions for future research are given in the concluding section.
Entrepreneurial activity is generally assumed to be an important aspect of the organization of industries most conducive to innovative activity and unrestrained competition. This paper investigates whether "total entrepreneurial activity" (TEA) influences GDP growth for a sample of 36 countries. We test whether this influence depends on the level of economic development measured as GDP per capita. Adjustment is made for a range of alternative explanations for achieving economic growth by incorporating the "Growth Competitiveness Index" (GCI). We find that entrepreneurial activity by nascent entrepreneurs and owner/managers of young businesses affects economic growth, but that this effect depends upon the level of per capita income. This suggests that entrepreneurship plays a different role in countries in different stages of economic development.
This paper presents an empirical analysis of the factors which promote entrepreneurial activity across a number of transition, developing and developed countries. It produces results which highlight the importance of institutions in promoting entrepreneurial activity. This work is part of an on-going research project on the relationship between the legal system and factors which influence economic development. In particular, it has been shown that legal rules protecting creditors and investors influence the size of financial markets which in turn influence economic development. Our paper thus extends the analysis of the impact of institutions beyond that previously established to demonstrate its influence on another driver of economic development.
This paper is an introduction to the present special issue dedicated to scientific research using data collected as part of the Global Entrepreneurship Monitor (GEM) and considering new venture creation as the hallmark of entrepreneurship. After a short description of GEM’s theoretical and methodological background, this introduction highlights the main results of seven papers which were presented at the First GEM Research Conference in Berlin from 1 to 3 April 2004. First, there is empirical evidence that the role of entrepreneurial activity differs across the stages of economic development, in that there appears to be a U-shaped relationship between the level of development and the rate of entrepreneurship. Consequently, a positive effect of entrepreneurial activity on economic growth is found for highly developed countries but a negative effect for developing nations. Second, it is shown that different types of entrepreneurship may have a different impact on a nation’s innovativeness and economic growth rate. In particular, potentially high-growth business start-ups and so-called opportunity entrepreneurship enhance knowledge spillovers and economic growth. Third, entrepreneurship is again shown to be a regional event that can only be understood if regional framework conditions, including networks and regional policies, are taken into consideration.
The study of female entrepreneurship traditionally has been inspired by gender equality issues. Female entrepreneurs were assumed to experience gender-related discrimination and to experience more difficulties when starting up and running a business than their male counterparts. Today research and policy have been more and more fuelled by the idea that female entrepreneurs are important for economic progress. Even when issues such as barriers and obstacles to female entrepreneurs are raised in the gender and entrepreneurship debate, this is usually done from the perspective that female entrepreneurs are an untapped resource and have potential to contribute to a country's economic performance. Indeed, although gender equality is one of the arguments underlying the support for female entrepreneurs within the European Union, the argument that female entrepreneurs (have the potential to) contribute to economic performance continues to play a role here. In the report Good practices in the promotion of female entrepreneurship of the European Commission (2002, p.3) it is argued that women face a number of gender-specific barriers to starting up and running a business that have to be tackled as women are considered 'a latent source of economic growth and new jobs and should be encouraged'. Hence, the main argument to date for studying women's entrepreneurship is that female entrepreneurs are an engine of economic growth' (Ahl, 2002, p. 125). The basis for this argument is the acknowledgement that entrepreneurship (in general) is important for economic performance. The link between entrepreneurship and economic growth has been established by several scholars and is well documented (see Carree and Thurik, 2003, for an overview). Moreover, in its goal for Europe to become the most competitive and dynamic knowledge-based economy in the world by 2010 the Lisbon European Council (2000) emphasizes the importance of entrepreneurship and innovation to be developed in particular by small and medium-sized enterprises (SMEs).
Based upon two strands of literature, this paper hypothesizes a U-shaped relationship between a country’s rate of entrepreneurial dynamics and its level of economic development. This would imply a different scope for entrepreneurship policy across subsequent stages of development. Regressing global entrepreneurship (GEM) 2002 data for nascent entrepreneurship in 36 countries on the level of economic development as measured either by per capita income or by an index for innovative capacity, we find support for a U-shaped relationship. The results suggest that a ‘natural rate’ of nascent entrepreneurship is to some extent governed by ‘laws’ related to the level of economic development. For the most advanced nations, improving incentive structures for business start-ups and promoting the commercial exploitation of scientific findings offer the most promising approach for public policy. Developing nations, however, may be better off pursuing the exploitation of scale economies, fostering foreign direct investment and promoting management education.
Because it is difficult to define empirically the role of the entrepreneur, little empirical evidence exists regarding entrepreneurship and economic growth. The Global Entrepreneurship Monitor (GEM) defines entrepreneurship as a process of forming new businesses. Using the GEM's outcome data (Total Entrepreneurship Activity [TEA] rates), the effect of entrepreneurship upon macro level economic growth is explored. A lengthy literature review is provided, including research on the role of entrepreneurship on economic growth and on the theories linking entrepreneurship and economic growth. The model is proposed to incorporate new firm creation and innovation, as primarily based upon the growth model's variant of the Cobb-Douglas production function with Constant Return to Scales. Five hypotheses are proposed based on the model. For this study, the 2002 data set of the GEM is utilized. It is comprised of data from 37 countries and is supplemented by macroeconomic indicators collected from national and international statistical sources. The results support one hypothesis, indicating that High Potential TEA is the sole form of entrepreneurship that has an explanatory effect of differing rates of economic growth. The limits are discussed, as are the exploratory findings of the study and areas for future research. (AKP)
The trend in women’s self-employment appeared to be upward in the 1980s and 1990s, but women are still less likely than men to start new businesses. The economic growth potential in most industrialized countries is gendered, and with lack of paid employment opportunities, more hopes are targeted towards women’s entrepreneurship. We will explore women’s self-employment preferences across Scandinavian countries, and the influence and importance of societal and individual factors affecting self-employment preferences and their similarities and differences. Perception of self-employment skills arises across the countries as the most salient factor predicting self-employment preference. The multivariate models differ across the countries, thus challenging the existence of a universal Scandinavian model that explains the entrepreneurial activities of women. This article makes two contributions. First, we show that gender has become a key element in new firm formation activities. Second, we contribute to entrepreneurial theories by demonstrating similarities and differences across the countries and adding the importance of structural issues for explaining gender and entrepreneurial activities.
Building on Global Entrepreneurship Monitor research, this study examines the impact of specific norms supporting women's entrepreneurship on the relative rates of women to men engaged in entrepreneurship in different countries. These specific norms are themselves related to both a country's general support for entrepreneurship and its level of gender equality. Countries with higher overall levels of entrepreneurial activity also tended to evidence higher relative proportions of female participation. These findings are still seen when controlling for the substantial effect of countries' economic development in shaping patterns of entrepreneurial activity.
THE ROLE OF KNOWLEDGE IN BUSINESS START-UP ACTIVITY

AUTHORS: De Clercq D. Arenius P.

YEAR: 2006

PUBLICATION: International Small Business Journal

TAGS: Belgium Finland SSCI

Drawing on the literature on knowledge and self-efficacy, we examine the effects of individuals’ possession of and exposure to knowledge on the likelihood to engage in business start-up activity. Our analyses are based on data collected for the 2002 Global Entrepreneurship Monitor. More specifically, we analysed data from individuals located in Belgium and Finland in terms of their education and skills, and their contacts with the entrepreneurial community. Our findings suggest that knowledge-based factors indeed have a strong impact on the decision to engage in business start-up activity. We also found cross-country differences for these knowledge-based effects, in particular as regards the growth-orientation of business start-up activity. We discuss our findings and provide directions for future research.
GENDER AND ENTREPRENEURSHIP

AUTHORS: Elam A.

YEAR: 2006

TAGS: Gender

Gender and entrepreneurship
Purpose – This paper sets out to assess the market for start-up finance in the UK for high growth potential entrepreneurial firms. Design/methodology/approach – The paper uses data from the UK's Global Entrepreneurship Monitor surveys between 2001 and 2003 to assess the scale of equity finance in the UK. It further examines the strengths and weaknesses of the UK financial markets for supporting high growth potential firms on the basis of an additional survey of 60 experts conducted during September and October 2003. Findings – The paper suggests that there are areas of the market that are strongly served by existing financial mechanisms. However, there is a perception amongst business support agencies, venture capitalists and entrepreneurs alike that the size of investments in the formal venture capital market has been increasing and that companies seeking investments above this level, up as high as £2 million, may be restricted in their access to finance. The paper tests this qualitative finding on a number of empirical data sources and finds that there is indeed an “equity gap” of between £150,000 and £1.5 million. It concludes that lack of finance in this area represents a brake on the expansion of high growth potential businesses in the UK. Research limitations/implications – The empirical data covered in this paper are from three large-scale surveys of the adult population in the UK. While this is robust as a reflection of what is happening amongst the whole spectrum of business start-up activity, the methodology was not originally conceptualised as a mechanism for assessing the scale of the equity gap. This evidence was gained from a qualitative survey of actors in the market. Further research should survey high growth potential firms and financiers themselves in more detail to develop the analysis on a more systematic basis. Practical implications – The research will be of interest to policy makers who seek appropriate mechanism for developing a funding “ladder” to support businesses through the growth process. It identifies a clear gap in the market for growth finance that is evidence on which to base funding priorities in the future. Originality/value – Academic and policy attempts to quantify the scale of the equity gap in the UK have been limited by availability of longitudinal and systematic data. As a result, they have tended to be largely qualitative in nature and prone to anecdote. Many of these studies do corroborate the findings reported here, but this does represent a first attempt to provide a
A MEASUREMENT FRAMEWORK FOR INTERNATIONAL ENTREPRENEURSHIP POLICY RESEARCH: FROM IMPOSSIBLE INDEX TO MALLEABLE MATRIX

AUTHORS: Hindle K.

YEAR: 2006

PUBLICATION: International Journal of Entrepreneurship and Small Business

TAGS:

The Global Entrepreneurship Monitor (GEM), a multifaceted, multinational research programme now in its seventh year of field operation, currently dominates the field of international entrepreneurship policy research but faces a crisis of credibility. Despite having created and continuing to develop a very rich database capable of addressing many of the complexities requisite for understanding entrepreneurship at the national and international levels of analysis, GEM has chosen to disguise the depths of its potential research and policy utility through a misnamed quest for unobtainable simplicity at the centre of the project and a disorganised variety of report presentations at the periphery. Subsequent to a review of the entrepreneurial definitional literature and a resolution of its many themes into six components of entrepreneurial activity, based on Penrose’s (1959/1995) articulation of the practical meaning of ‘entrepreneurial services’, this paper suggests that a ‘malleable matrix’ approach can provide a practical measurement framework capable of reporting national entrepreneurial activity in a structure that is comprehensive without being overwhelming.
Using a sample obtained from a survey conducted in the United States during summer 2002, we study the variables related to observed differences in the rate of entrepreneurial involvement between black and white Americans. We find strong evidence that differences in subjective and often biased perceptions are highly associated with entrepreneurial propensity across these two racial groups. In addition, we find that black Americans tend to exhibit more optimistic perceptions of their business environment than other racial groups and are more likely than others to attempt starting a business. In fact, our results show that blacks are almost twice as likely as whites to try starting a business. Thus, our results suggest that the under representation of black Americans among established entrepreneurs is not due to lack of trying but may instead be due to stronger barriers to entry and higher failure rates.
This study explores gender differences in entrepreneurship and informal investment in Ireland, a country with one of the lowest rates of female entrepreneurship in the developed world. Females in Ireland are less likely than males to be engaged in either the demand for (as entrepreneurs), or the supply of (as informal investors), entrepreneurial finance. Using Global Entrepreneurship Monitor data from a telephone survey of nearly 6,000 individuals, we present a comparative analysis of 73 female and 172 male nascent entrepreneurs, and 40 female and 91 male informal investors. We find no differences in the planned absolute financial capitalization of new ventures of female and male nascent entrepreneurs or in the investments made by female and male informal investors. We compare the full sample (from which we identified the nascent entrepreneurs) and find that females, when compared to males, are less likely to report perceiving opportunities, less likely to perceive they have the skills and knowledge required to start a business, and are less likely to know a recent entrepreneur. We argue that this might suggest that there may be less demand for start-up capital from females. We conclude by suggesting that policies that focus narrowly on the provision of finance to female entrepreneurs may have limited impact on the levels of female entrepreneurial activity.
This paper aims at describing and explaining the differences in the growth aspirations of male and female entrepreneurs in Slovenia, in particular of those who are in the early stage of their entrepreneurial activity. This paper is based on Global Entrepreneurship Monitor data. Explanatory variables affecting the growth aspirations of early-stage entrepreneurs are related to the personal characteristics of entrepreneurs – their entrepreneurial capacity (skills and motivation), as well as to the environmental characteristics regarding cultural and social support for entrepreneurship and, to some extent, also to firm characteristics, especially the age of the firm. All these topics are analysed on the basis of gender differences.
The importance of entrepreneurship for economic development has been confirmed by seven years of research in the Global Entrepreneurship Monitor research project. Slovenia has been a part of it since 2002. On the basis of extensive and internationally comparable data, high-expectation early-stage entrepreneurship is analyzed. Early-stage entrepreneurs in Slovenia have extremely high growth expectations in comparison with other countries. High-expectation entrepreneurs in GEM countries are most likely to be males and from 18 to 24 years old. High-expectation entrepreneurs in Slovenia are more likely to be older and also less educated.
EXPLAINING THE EXCEPTIONAL ENTREPRENEURIAL PERFORMANCE OF RURAL CATALONIA: THE INFLUENCE OF INFORMAL INSTITUTIONAL FACTORS

AUTHORS: Vaillant Y.

YEAR: 2006

TAGS: Institutions Cultural Factors Environmental Factors Spain

Explaining the exceptional entrepreneurial performance of rural Catalonia: the influence of informal institutional factors
Using Global Entrepreneurship Monitor data for 29 countries this study investigates the (differential) impact of several factors on female and male entrepreneurship at the country level. These factors are derived from three streams of literature, including that on entrepreneurship in general, on female labor force participation and on female entrepreneurship. The paper deals with the methodological aspects of investigating (female) entrepreneurship by distinguishing between two measures of female entrepreneurship: the number of female entrepreneurs and the share of women in the total number of entrepreneurs. The first measure is used to investigate whether variables have an impact on entrepreneurship in general (influencing both the number of female and male entrepreneurs). The second measure is used to investigate whether factors have a differential relative impact on female and male entrepreneurship, i.e., whether they influence the diversity or gender composition of entrepreneurship. Findings indicate that – by and large – female and male entrepreneurial activity rates are influenced by the same factors and in the same direction. However, for some factors (e.g., unemployment, life satisfaction) we find a differential impact on female and male entrepreneurship. The present study also shows that the factors influencing the number of female entrepreneurs may be different from those influencing the share of female entrepreneurs. In this light it is important that governments are aware of what they want to accomplish (i.e., do they want to stimulate the number of female entrepreneurs or the gender composition of entrepreneurship) to be able to select appropriate policy measures.
ENTREPRENEURSHIP AT COUNTRY LEVEL; ECONOMIC AND NON-ECONOMIC DETERMINANTS

AUTHORS: Wennekers S.

YEAR: 2006

TAGS: Determinants

Entrepreneurship at country level; economic and non-economic determinants
Since Wetzel (1982, 1983) identified the business angel as a primary source of risk capital, there has been increased interest in the role of informal investors in the formation of new business ventures in the developed OECD countries. However, there remains little known about informal investors in developing or newly industrialized economies such as Singapore. Based on data collected using the Global Entrepreneurship Monitor (GEM) methodology (Reynolds et al., 2002), this paper examines the characteristics of informal investors in Singapore, and analyses the key determinant factors that differentiate individuals who become informal investors from those who do not make informal investments. In particular, we examine if these factors differ depending on the relationship between the investor and entrepreneur. We also investigate the differences between determinants of higher and lower value investment propensities. The findings reveal that knowing entrepreneurs personally was the factor with the strongest influence on informal investing propensity in Singapore. Other findings suggest that informal investing propensity in Singapore is less influenced by demographic factors and income, and more by prior entrepreneurial experience and self-perceived skills with new business formation.
It is widely recognized that Foreign Direct Investment (FDI) plays an important role in economic development. However, its impact on entrepreneurial activity has not been well researched. Internalization theory is used to explore how inward FDI impacts entrepreneurial activity. Using data from Global Entrepreneurship Monitor (GEM), we find significant differences in entrepreneurial activity between Ireland and Hungary in both the type of people starting businesses and the opportunities pursued. Economic development policies should focus on increasing human capital, promoting enterprise development, and upgrading the quality of FDI.
HOW IS ENTREPRENEURSHIP GOOD FOR ECONOMIC GROWTH?

AUTHORS: Acs Z.

YEAR: 2007

PUBLICATION: Innovations

TAGS:
This paper is an introduction to the second Global Entrepreneurship Research Conference. The conference focused on developing a better understanding of the relationships among entrepreneurship, economic growth and public policy, and variations according to the stage of economic development. The papers in this special issue conduct analysis with GEM micro-and-macro data, and offer several important policy recommendations. First, middle-income countries should focus on increasing human capital, upgrading technology availability and promoting enterprise development. It is important to start enterprise development policies early because the main drivers are perceptual variables that are difficult to change in the short run. Second, for developed economies, reducing entry regulations, in most cases, will not result in more high-potential startups. Both labor market reform and deregulation of financial markets may be needed to support growth of high-performance ventures.
This paper explains individual start-up activities on the basis of both person-related characteristics and the regional context. The analysis is based upon micro data from the GEM adult population survey. Both individual and regional variables have an influence on the decision to become self-employed. There are considerable differences between nascent opportunity entrepreneurship and nascent necessity entrepreneurship. Whereas the results for opportunity entrepreneurship are in line with theoretical predictions the factors influencing necessity entrepreneurship are far more difficult to determine. The most significant change between 2001 and 2003/2004 is the reversal of the influence of a change in the regional rate of unemployment on nascent entrepreneurship activities.
There is much attention for the role of entrepreneurship in enhancing regional or national growth. However, an absence of empirical entrepreneurship studies (i) including both national and regional measures of entrepreneurship and (ii) acknowledging the variation in types of entrepreneurship causes a gap in understanding the determinants and consequences of entrepreneurial behaviour and the actual spatial level involved. In this contribution we provide a first step towards bridging this gap. We use a large database from the Global Entrepreneurship Monitor (GEM) to create several indicators on regional, early-stage entrepreneurial activity and map these for 125 regions in Europe. Our preliminary results confirm the importance of making a distinction between low and high ambition entrepreneurship. We find, however, that regional variation in high ambition early-stage entrepreneurial activity is less pronounced as compared to overall early-stage entrepreneurial activity. This suggests that national forces are more important to growth and innovation aspirations than to general early stage entrepreneurship.
ENTREPRENEURSHIP, WELFARE, PROVISION AND UNEMPLOYMENT: RELATIONSHIPS BETWEEN UNEMPLOYMENT, WELFARE PROVISION, AND ENTREPRENEURSHIP IN THIRTY-SEVEN NATIONS PARTICIPATING IN THE GLOBAL ENTREPRENEURSHIP

AUTHORS: Bygrave W. Cowling M.

YEAR: 2007

PUBLICATION: Comparative Labor Law & Policy Journal

TAGS: Unemployment

This paper studies the relationship between entrepreneurship and unemployment. We focus on Necessity TEA (total entrepreneurial activity for those individuals pushed into entrepreneurship because they have no better alternatives for work). We a priori predict that when unemployment is high, TEA (necessity) will be high as outside alternatives in the labor market diminish. Yet we also predict that this effect will be moderated in nations where unemployment benefits are high. In addition we focus on the composition of the stock of unemployed and how difficult, or easy, it is to start a new business. Both factors have been shown to be important in previous studies (Cowling and Mitchell, 1997; Robson, 1998). Our findings offer some support for our a priori predictions, but show that the unemployment effect is far more complex than previously believed.

ACCESS ARTICLE
This exploratory study defines a number of propositions regarding the relation between social security arrangements and the rate of early-stage entrepreneurial activity at the country level. We state that in investigating this relation it may be relevant to distinguish between social security contributions paid by employers and employees, and to look at micro-based indicators (replacement rates) for the benefits an individual is entitled to in case of unemployment and illness. Furthermore, we state that it may be especially relevant to focus on the social security position of self-employed relative to the social security position of employees. Using a sample of countries participating in the Global Entrepreneurship Monitor, we explore how various measures of entrepreneurial activity are related to various measures of social security arrangements. Our analysis using aggregate indicators shows that the height of employer social security contributions negatively influences entrepreneurial activity at the macro level, but that the height of employee contributions has no impact. The results of our analysis using micro-level based indicators suggest that the replacement rate of employees has a significantly negative influence on the level of early-stage entrepreneurship at the macro level.
EXPLORING THE RELATIONSHIP BETWEEN MEDIA COVERAGE AND PARTICIPATION IN ENTREPRENEURSHIP: INITIAL GLOBAL EVIDENCE AND RESEARCH IMPLICATIONS

AUTHORS: Hindle K. Klyver K.

YEAR: 2007

PUBLICATION: International Entrepreneurship and Management Journal

TAGS: Environmental Factors Media Coverage

Using a set of variables measured in the Global Entrepreneurship Monitor (GEM) study, our empirical investigation explored the influence of mass media through national culture on national entrepreneurial participation rates in 37 countries over 4 years (2000 to 2003). We found that stories about successful entrepreneurs, conveyed in mass media, were not significantly associated with the rate of nascent (opportunity searching) or the rate of actual (business activities commenced up to 3 months old) start-up activity, but that there was a significant positive association between the volume of entrepreneurship media stories and a nation’s volume of people running a young business (that is in GEM terminology, a business aged greater than 3 but less than 42 months old). More particularly, such stories had strong positive association with opportunity oriented operators of young businesses. Together, these findings are compatible with what in the mass communications theory literature may be called the ‘reinforcement model’. This argues that mass media are only capable of reinforcing their audience’s existing values and choice propensities but are not capable of shaping or changing those values and choices. In the area covered by this paper, policy-makers are committing public resources to media campaigns of doubtful utility in the absence of an evidence base. A main implication drawn from this study is the need for further and more sophisticated investigation into the relationship between media coverage of entrepreneurship, national culture and the rates and nature of people’s participation in the various stages of the entrepreneurial process.

ACCESS ARTICLE
In this paper, we compared the availability of different types of financing sources to address the issue of capital availability to entrepreneurial propensity and we scrutinise the influence of business costs by utilising a new composite index using data from the World Bank's Doing Business Database. The availability of three types of financing sources was analysed: traditional debt financing, venture capital financing, and informal investments. The study's findings show that only informal investments have statistically significant influence on entrepreneurial propensity. Regulatory business costs were found to deter opportunity driven entrepreneurship, but had no impact on necessity entrepreneurship.
EXPORTING ENTREPRENEURS: DO THEY ACTIVATE THEIR SOCIAL NETWORK IN DIFFERENT WAYS THAN DOMESTIC ENTREPRENEURS?

AUTHORS: Klyver K. Christensen P.R.

YEAR: 2007

PUBLICATION: International Journal of Globalisation and Small Business

TAGS: Internationalization Networks Denmark

Based on a representative sample of entrepreneurs operating at three succeeding phases of the entrepreneurial process, this study investigates if differences in social network structures can be found between export-oriented and domestic-oriented entrepreneurs. Two hypotheses are developed based on previous research into internationalisation, including the Uppsala model and the Born Global model. Data are drawn from the Danish participation in the Global Entrepreneurship Monitor (GEM) and a follow-up survey in 2003. Statistical analyses indicate that export-oriented entrepreneurs activate larger personal networks with a higher proportion of business relations compared to domestic-oriented entrepreneurs. However, findings also indicate that any differences existing in the early stages of the entrepreneurial process between export- and domestic-oriented entrepreneurs tend to disappear in the later stages of the entrepreneurial process.

ACCESS ARTICLE
This study explores gender differences in the composition of entrepreneurs’ networks at four new venture stages: discovery, emergence, young and established.
THE ROLE OF SOCIAL NETWORKS AT DIFFERENT STAGES OF BUSINESS FORMATION

AUTHORS: Klyver K. Hindle K. Meyer D.

YEAR: 2007

PUBLICATION: Small Enterprise Research – The Journal of SEAANZ

TAGS: Networks Australia

This study empirically tests the fundamental assumption that social networks are important to entrepreneurs. This assumption underpins most social network research conducted in the field of entrepreneurship and is seldom questioned. Empirical data were drawn from Australia’s participation in the Global Entrepreneurship Monitor project (GEM) from 2000-2005 – an aggregate sample of 14,205 randomly selected Australians. The study demonstrated: (1) statistically significant differences in social networks when entrepreneurs and nonentrepreneurs are compared and (2) that the structural diversity of social networks changes during the entrepreneurial process. It was found that structural diversity was most important to entrepreneurs in the discovery stage, least important to entrepreneurs in the start-up stage and of medium importance to entrepreneurs in the young business stage.
INFLUENCE OF SOCIAL NETWORK STRUCTURE ON ENTREPRENEURSHIP PARTICIPATION - A STUDY OF 20 NATIONAL CULTURES

AUTHORS: Klyver K. Hindle K. Meyer D.

YEAR: 2007

PUBLICATION: International Entrepreneurship and Management Journal

TAGS: Networks Cultural Factors

By investigating differences in social networks among entrepreneurs in 20 cultures, this paper contributes to the debate on whether there is universality in the process of entrepreneurial networking. Representative samples of entrepreneurs were identified in the same manner in 20 countries from 2000 to 2004 (N=304,560). The sampling methodologies and the questions asked were similar across all countries. Logistic regression was used to test for significant regional interaction effects involving personally knowing an entrepreneur. Results are contrary to the existence of any mono-dimensional form of networking practice but do strongly support the existence of both variform universality (culture moderates the importance of networking) and functional universality (cultural similarities in networking practice exist).

ACCESS ARTICLE
THE SHIFTING FAMILY INVOLVEMENT DURING THE ENTREPRENEURIAL PROCESS

AUTHORS: Klyver K.

YEAR: 2007

PUBLICATION: International Journal of Entrepreneurial Behaviour and Research

TAGS: Family Business Networks

Using an entrepreneurial network perspective, this article seeks to investigate the involvement of family members during early stages of the entrepreneurial process – the time from intention until the business is established.
I THINK I CAN, I THINK I CAN…: A STUDY OF ENTREPRENEURIAL BEHAVIOR

AUTHORS: Koellinger P. Minniti M. Schade C.

YEAR: 2007

PUBLICATION: Journal of Economic Psychology

TAGS: Perceptions SSCI

Many firms fail shortly after inception. Yet individuals continue starting businesses. Prewar economists such as Keynes invoked animal spirits and stressed psychological factors in their explanations of economic behavior. Using a large sample obtained from surveys conducted in 18 countries, we study what variables have a significant impact on an individual’s decision to start a business. We find strong evidence that subjective, and often biased, perceptions have a crucial impact on new business creation across all countries in our sample. Our findings are consistent with the idea that individuals rely significantly on their perceptions rather than on objective probabilities, evaluate their businesses prospects by taking an overconfident "inside view" of their situation, and, as a result, overestimate their likelihood of success.
Regional differences in the influence of role models: comparing the entrepreneurial process of rural Catalonia, Regional Studies 41, 779–795. The paper examines the impact of entrepreneurial role models on the entrepreneurial process in rural areas with a strong entrepreneurial history versus those not necessarily characterized by such a tradition. To attain this objective, a socio-cultural institutional approach to entrepreneurship is adopted. A Rare Events logit model using a robust Spanish data set from 2003 is carried out. The main contribution of the study indicates that the difference between entrepreneurial activity levels in rural Spain is in large part explained by the presence of entrepreneurial role models favouring entrepreneurial activity in rural Catalonia, an area with a strong entrepreneurial tradition.
Entrepreneurship is becoming an increasingly important source of employment for women across many countries. The level of female involvement in entrepreneurial activity, however, is still significantly lower than that of men. We take a behavioral economics approach and, using a large sample of individuals in 17 countries, we investigate what variables influence the entrepreneurial propensity of women and whether those variables have a significant correlation with differences across genders. In addition to demographic and economic variables, we include a number of perceptual variables. Our results show that subjective perceptual variables have a crucial influence on the entrepreneurial propensity of women and account for much of the difference in entrepreneurial activity between the sexes. Specifically, we find that women tend to perceive themselves and the entrepreneurial environment in a less favorable light than men across all countries in our sample and regardless of entrepreneurial motivation. Our results suggest that perceptual variables may be significant universal factors influencing entrepreneurial behavior.
This paper develops and tests hypotheses concerning the effect of migrant status and ethnicity on propensity to engage in entrepreneurship (defined as new business activity) at the individual level in the UK. The hypotheses are tested using bivariate analysis (Pearson tests of independence) and multivariate analysis (binary logistic regression). Bivariate analysis suggests that new business activity varies with migrant status and ethnicity. Multivariate analysis suggests that migration increases the odds of engaging in new business activity, that the independent effect of ethnicity is marginal, and that being a recent ethnic minority migrant decreases the odds, after controlling for other individual level factors. At the regional level, a preliminary analysis suggests that gross migration flow has a higher correlation with new business activity than other commonly used regional demographic or economic development measures.
THE RELATIONSHIP BETWEEN HIGH GROWTH SMES AND ENTREPRENEURSHIP POLICY. A COMPARISON OF ITALY WITH OTHER COUNTRIES

AUTHORS: Maestri A.

YEAR: 2007

TAGS: High Growth Entrepreneurship Policy Italy
Several studies have shown the existence of significant differences in the rate of new business creation between men and women. Specifically, it has been shown that women are much less likely to be involved in entrepreneurship than men worldwide. It is not yet understood, however, if such differences are the result of personal characteristics of the individual and of her economic environment or are, instead, the result of universal and, perhaps, evolutionary phenomena. Our empirical analysis is conducted using representative samples of population for 37 countries and a special form of bootstrapping that allows us to equalize individuals' conditions and, as a result, analyze the choices of men and women put in identical economic environments and socio-economic circumstances.
This paper holds in tension two perspectives on the framing of entrepreneurship: one as a discipline and the other as a domain of practice. Cooperative inquiry is the research method used to 'hold' and 'conduct' this inquiry with the purpose of exploring the implications of both the different definitional frames of entrepreneurship and the use of a cooperative inquiry research method. First, we demonstrate the application and implementation of the cooperative inquiry. Second, the implications of the different definitional frames are explored within the contexts of Australian education policy and the teaching and learning practice of entrepreneurship. Finally, the implications and possibilities of a cooperative inquiry research method are discussed for the Global Entrepreneurship Monitor (GEM) project.
ENTREPRENEURSHIP SAFARI: A PHENOMENON-DRIVEN SEARCH FOR MEANING

AUTHORS: Rocha H. Birkinshaw J.

YEAR: 2007

PUBLICATION: Foundations and Trends in Entrepreneurship

TAGS:

We propose a model that links seven different conceptions of entrepreneurship and maps them in relation to eight associated disciplines and theories, specifying their corresponding units and levels of analysis and stage in the entrepreneurial process. Entrepreneurship scholars are attempting to either carve out a distinctive domain for the field or build a distinctive theory of entrepreneurship. However, an obstacle for understanding entrepreneurship is the lack of integration of the assumptions implicit in different conceptualizations of entrepreneurship. We contribute a scholarship of integration approach for understanding the phenomena underlying these conceptualizations and linking entrepreneurship domain, theory, method, and policymaking.
ENTREPRENEURSHIP, PROXIMITY AND REGIONAL INNOVATION SYSTEMS

AUTHORS: Sternberg R.

YEAR: 2007

PUBLICATION: Tijdschrift Voor Economische En Sociale Geografie

TAGS: Regional Studies Immigration Innovation SSCI

Research on regional innovation systems (RIS) suffers from two research gaps: The lack of focus on the entrepreneurial dimension and the dominance of empirical studies on intraregional networks and linkages between innovative actors. Referring to the agenda set by Oinas and Malecki, this paper deals with both interrelated issues. It is shown that while intraregional connections are without any doubt of great relevance for the functioning of RISs they bear the risk of lock-in effects. The complementary importance of extra-regional relationships for the innovativeness of economic regions is emphasised. Entrepreneurial migrants play a crucial role in such relationships. This paper provides a discussion of the five dimensions of proximity recently introduced by Boschma. It is argued that geographical proximity is only one, but often not the most important dimension. For international connections of innovative actors within RIS, cognitive and institutional proximity might be even more relevant.
This paper focuses on the causal chain of creation of new innovative firms, their regional causes (i.e. embeddedness) and their effects on regional economic development and the related entrepreneurship policies. Theoretical argumentation refers to the role of innovative new firms for regional growth on the one hand and on the influence of the regional environment on the existence and development of new innovative firms on the other. Empirical data stems from the European Regional Innovation Survey (ERIS). Results show that new innovative firms are more strongly embedded in a regional context than older firms, but, on the other hand, strong intraregional embeddedness coincides with a lower impact on regional employment, even if controlled for firm age or firm size. Thus, local entrepreneurship support policies need not focus primarily on intraregional networks for new innovative firms in order to make start-ups capable of surviving and growing. Rather, intraregional and interregional embeddedness ('local buzz' and 'global pipelines') should be strived for and supported by relevant policy programmes.
INFORMAL INVESTMENTS IN TRANSITION: MOTIVATIONS, CHARACTERISTICS AND CLASSIFICATIONS IN EASTERN EUROPE

AUTHORS: Szerb L. Rappai G. Makra Z. Terjesen S.

YEAR: 2007

PUBLICATION: Small Business Economics

TAGS: Financing SSCI

This paper investigates the factors driving informal investment in Croatia, Hungary and Slovenia. Using Global Entrepreneurship Monitor (GEM) data, we find that the low rates of informal investment activity and the small amounts of investments in these countries are driven by entrepreneurial behaviors consistent with limited market economy experience. We extend prior studies by investigating the role of business ownership, and identify significant differences between individuals with and without business ownership experience in terms of having start-up skills, knowing an entrepreneur and fearing failure. Cluster analysis identifies seven distinct groups of informal investors, and reveals the heterogeneity in terms of investors’ age, gender, level of education, amount of investment, start-up skills, ownership status, income, opportunity perception and country of residence.
This study explores individual and country-level environmental drivers of informal "seed" investment. We examine four types of informal investors based on business ownership experience (or no such experience) and close family relationship with investee (or no such relationship): "classic love money", "outsider", "kin owner" and "classic business angel" investors. At the environmental level, we are interested in the role of economic development, income tax policies, start-up costs, pro-enterprise government programmes, availability of debt financing, entrepreneurship education and culture. Using Global Entrepreneurship Monitor data from telephone interviews with 257,793 individuals in 31 countries, including 5,960 informal investors, we report drivers for the four types of seed investment. Descriptive statistics are consistent with prior research: informal investors are likely to be older males who work full-time, earn high incomes, perceive start-up opportunities in the environment, and believe that they have the skills to start their own businesses. At the environmental level, we find that countries with higher percentages of informal investors are significantly likely to have higher levels of economic development, higher business start-up costs, higher levels of entrepreneurship education, lower income taxes and lower power distance. Other environmental effects on the four populations of informal investors are reported and discussed, as well as implications for practice, policy and future research.
GROWTH ASPIRATIONS AND CULTURAL SUPPORT FOR ENTREPRENEURSHIP: A COMPARISON OF POST-SOCIALIST COUNTRIES.

AUTHORS: Tominc P. Rebernik M.

YEAR: 2007

PUBLICATION: Small Business Economics

TAGS: High Growth Entrepreneurship Cultural Factors Europe SSCI

Based on GEM data this paper explores whether significantly different growth aspirations of early stage entrepreneurs in Slovenia, compared to those in Hungary and Croatia, are also accompanied by significantly different opportunity recognition, cultural support for entrepreneurship and self-efficacy. Our results suggest that a higher degree of alertness to unexploited perceived opportunities, and cultural support for entrepreneurial motivation may be the cause of higher growth aspirations of Slovenian early stage entrepreneurs, while self-efficacy with regard to entrepreneurial skills, knowledge and experience was not found to be crucial.

ACCESS ARTICLE
This paper focuses on differences in male and female early-stage entrepreneurship in Hungary, Croatia and Slovenia. The analysis was performed on two levels: cross-country analysis and inter-country analysis. The paper focuses on three main characteristics of early-stage entrepreneurial activity among adults: entrepreneurial capacity, analysed through entrepreneurial awareness and risk aversion, motivation for entrepreneurship, by analysing opportunity-driven and necessity-pushed entrepreneurship, and entrepreneurial growth aspirations of male and female early-stage entrepreneurs in Hungary, Croatia and Slovenia. Despite sharing a long history of adjoining living, countries differ significantly in various aspects. Significant gender differences were identified within each of the three countries. Some of the most interesting results include: lower entrepreneurial awareness also lowers risk aversion among adults in a country; men are more likely to perceive and exploit business opportunities than women; women are, on average, less likely to start new firms; however, once started, female entrepreneurs have similar growth aspirations as their male counterparts.
The study of predictors of entrepreneurial activity at the country level has been dominated by economic influences. However, the relative stability of differences in entrepreneurial activity across countries suggests that other forces such as institutional and/or cultural factors are at play. The objective of this paper is to explore more specifically how post-materialism may help to explain differences in total entrepreneurial activity across countries. Total entrepreneurial activity is defined as the share of adults in the total population of 18 to 64 years old who are either actively involved in starting a new business or in managing a business less than 42 months old. The measure for post-materialism is based upon Inglehart’s four-item post-materialism index. Because of the known interactions between economic, cultural, and social factors found in previous research, a set of economic, demographic and social factors is included to investigate the independent role post-materialism plays in prediction of entrepreneurial activity levels. In particular, per capita income is used to control for economic effects. Education rates at both secondary and tertiary levels is used as a demographic variable. Finally, life satisfaction are included to control for social effects. Data from 28 countries, world-wide, are used to test the hypotheses, based on intersecting data available from the Global Entrepreneurship Monitor, World Values Survey and other published sources. Findings confirm the significance of post-materialism in predicting total entrepreneurial activity even when controlling for these other factors.
This paper analyses how different institutional frameworks condition the influence of selected social traits: the social stigma to entrepreneurial failure and the presence of entrepreneurial role models, over entrepreneurial activity levels in a rural area with strong industrial and entrepreneurial history versus those that are not necessarily characterized by such a tradition. To attain this objective we undertake a rare events logit model using a robust Spanish dataset from 2003. The main contribution of the study indicates that there is a significant difference between entrepreneurial activity levels in rural Catalonia as compared to rural areas in the rest of Spain. This difference is in large part explained by the distinct impact of the observed social traits, where the presence of entrepreneurial role models is a prominent explanatory factor favouring entrepreneurial activity in rural (Catalonia) areas with strong industrial tradition. The findings of the paper back the growing call for territorial specificity in the formulation and application of entrepreneurship support measures, distinguishing between rural and urban areas. Hence, and in accordance with the new rural paradigm, entrepreneurship promotion should take a more holistic character and become an integral part of any rural development plan. The paper's results imply that fostering business creation in rural areas is more often than not a generational process, where the search for short-term benefits can result in the mistaken impression that in rural areas entrepreneurship support policy does not work.
We examine the relationship, across 39 countries, between regulation and entrepreneurship using a new two-equation model. We find the minimum capital requirement required to start a business lowers entrepreneurship rates across countries, as do labour market regulations. However the administrative considerations of starting a business – such as the time, the cost, or the number of procedures required – are unrelated to the formation rate of either nascent or young businesses.

Given the explicit link made by Djankov et al. (2002) between the speed and ease with which businesses may be established in a country and its economic performance – and the enthusiasm with which this link has been grasped by European Union policy makers – our findings imply this link needs reconsidering.
In western industrialized countries men are on average more than twice as active in entrepreneurship as women. Based on data from a recent representative survey of the adult population in Germany this paper uses an empirical model for the decision to become self-employed to test for differences between women and men in the ceteris paribus impact of several characteristics and attitudes, taking the rare events nature of becoming an entrepreneur into account. Furthermore, a non-parametric approach using Mahalanobis distance matching of man and woman which are as similar as possible in all characteristics and attitudes but the "small difference" is used to investigate the difference in the propensity to become self-employed by gender. A core finding is that the difference between men and women in both the extent and the effect of considering fear of failure to be a reason not to start one's own business is important for the explanation of the gender gap in entrepreneurship.
CHARACTERISTICS AND DETERMINANTS OF INFORMAL INVESTMENT IN SINGAPORE

AUTHORS: Wong P.K. Ho Y.P.

YEAR: 2007

PUBLICATION: Venture Capital

TAGS: Financing Singapore SSCI

Since Wetzel (1982, 1983) identified the business angel as a primary source of risk capital, there has been increased interest in the role of informal investors in the formation of new business ventures in the developed OECD countries. However, there remains little known about informal investors in developing or newly industrialized economies such as Singapore. Based on data collected using the Global Entrepreneurship Monitor (GEM) methodology (Reynolds et al., 2002), this paper examines the characteristics of informal investors in Singapore, and analyses the key determinant factors that differentiate individuals who become informal investors from those who do not make informal investments. In particular, we examine if these factors differ depending on the relationship between the investor and entrepreneur. We also investigate the differences between determinants of higher and lower value investment propensities. The findings reveal that knowing entrepreneurs personally was the factor with the strongest influence on informal investing propensity in Singapore. Other findings suggest that informal investing propensity in Singapore is less influenced by demographic factors and income, and more by prior entrepreneurial experience and self-perceived skills with new business formation.

ACCESS ARTICLE
THE RELATIONSHIP BETWEEN NATIONAL CULTURE AND NATIONAL ENTREPRENEURIAL ACTIVITY

AUTHORS: Wu S.

YEAR: 2007

PUBLICATION: World Review of Entrepreneurship, Management and Sustainable Development

TAGS: Cultural Factors

In this paper, I sought to link national culture and national entrepreneurial activity. Using data collected through Global Entrepreneurship Monitor and Hofstede's four dimensions of national culture, I found that individualism and total entrepreneurial activity (TEA) are negatively related, but that the other three dimensions are not significantly related to either TEA or FEA (firm entrepreneurial activity). The findings suggest that policy makers should create an environment and make policies that encourage collectivism so that entrepreneurship booms in the country or in different regions of a country. I also point out directions for future research.
The explosive growth in the rate of new business formation by women has spurred renewed research interest in the area of female entrepreneurship and its related economic impact. Yet, there has been a dearth of research into the influence of gender on new venture formation and development. This study draws on GEM Canada data to examine the differences between female and male entrepreneurs in the early stages of small enterprise development. Gender differences are explored within the context of a variety of personal as well as business-related variables. The impact of the enterprise’s stage of development is also examined. The analysis confirms previous findings relating to the differing characteristics of male and female entrepreneurs, and revealed mixed support for the hypothesis that business-related attributes would be the more robust discriminators for firms that are beyond the nascent stage of development. The paper provides a discussion of the implications of these empirical findings, as well as some directions for future research.
This paper examines 2 years of data from GEM Canada in order to develop new insights into the factors that contribute to the performance outcomes of female enterprises and how these factors are affected by the firm’s stage of development. The analysis encompasses both personal and organizational characteristics and assesses their association with selected performance measures at the early stage as well as at the established phase of development. The findings indicate that the greater propensity of men to pursue business growth and earnings can be attributed to marital status (live with a partner) and the expected depth of the ownership team. Moreover, the performance outcomes for male entrepreneurs are influenced by a relatively wide range of variables, with business demographics being more prominent than for the female enterprises. For both genders, the mix of relevant underlying factors varies as the venture progresses along the ‘nascent-new-established’ continuum.
ENTREPRENEURSHIP AND COMPETITIVENESS DYNAMICS IN LATIN AMERICA

AUTHORS: Acs Z. Amorós J.E.

YEAR: 2008

PUBLICATION: Small Business Economics

TAGS: Latin America Competitiveness SSCI

This study analyses the relationship between entrepreneurial dynamics and the level of competitiveness in Latin American countries. Based on a stage of economic development model, we demonstrate that Latin American countries under the model followed different paths related to competitiveness. These different paths can explain the effect of specific competitiveness conditions on entrepreneurial dynamics in Latin America.

ACCESS ARTICLE
Entrepreneurship is considered to be an important mechanism for economic development through employment, innovation and welfare effects. The papers in this special issue are from the 3rd Global Entrepreneurship Monitor Research Conference held in Washington D.C. in 2007. The introduction has three objectives. First, to discuss the importance of the three stages of economic development, the factor-driven stage, the efficiency-driven stage and the innovation-driven stage. Second, to examine the empirical evidence on the relationship between stages of economic development and entrepreneurship. Third, to present a summary of the papers.
In this paper, we compare two datasets designed to measure entrepreneurship: The Global Entrepreneurship Monitor (GEM) dataset and the World Bank Group Entrepreneurship Survey (WBGES) dataset. We find a number of important differences when the data are compared. First, GEM data tend to report significantly higher levels of early stage entrepreneurship in developing economies than do the World Bank business entry data, while the World Bank business entry data tend to be higher than GEM data for developed countries. Second, we find that the magnitude of the difference between the datasets across countries is related to the local institutional and environmental conditions for entrepreneurs, after controlling for levels of economic development. Our findings suggest that entrepreneurs in developed countries have greater ease and incentives to incorporate, both for the benefits of greater access to formal financing and labor contracts, as well as for tax and other purposes not directly related to business activities.
INSTITUTIONS AND ENTREPRENEURSHIP DEVELOPMENT IN RUSSIA: A COMPARATIVE PERSPECTIVE

AUTHORS: Aidis R. Estrin S. Mickiewicz T.

YEAR: 2008

PUBLICATION: Journal of Business Venturing

TAGS: Russia Networks Institutions SSCI

In this paper we use a comparative perspective to explore the ways in which institutions and networks have influenced entrepreneurial development in Russia. We utilize Global Entrepreneurship Monitor (GEM) data collected in 2001 and 2002 to investigate the effects of the weak institutional environment in Russia on entrepreneurship, comparing it first with all available GEM country samples and second, in more detail, with Brazil and Poland. Our results provide strong evidence that Russia’s institutional environment is important to explain its relatively low levels of entrepreneurship development, where the latter is measured in terms of both number of start-ups and of existing business owners. In addition, Russia’s business environment contributes to the relative advantage of entrepreneurial insiders (those already in business) to entrepreneurial outsiders (newcomers) in terms of new business startups.
This study analyzes the relationship between entrepreneurial dynamics in Latin-American countries and the level of competitiveness these countries show. Based on the research conducted by Wennekers et al. [Small Business Economics, 24(3):293–309, 2005] that demonstrates a U-shaped relationship between the country’s rate of entrepreneurship and its level of competitiveness and economic development, we hypothesize that Latin-American countries have a descending behaviour under the U-shaped curve approach. The results from three regression models support this hypothesis and suggest that competitiveness and economic growth deter entrepreneurial dynamics on Latin-American countries. We discuss that Latin-American countries need to improve some structural factors to achieve a high level of entrepreneurial dynamics.
This paper explores the state of formal and informal equity sources currently available for financing entrepreneurial activity in Chile. By integrating theoretical perspectives regarding formal and informal equity funding and information gathered from the Global Entrepreneurship Monitor (GEM) surveys, the paper argues that despite the favorable environment existing in Chile for equity investment, these markets are still incipient and strongly dependent on public policies. In this respect it is proposed that public intervention to address equity gaps in Chile should also adopt a demand-side perspective, aimed at improving the quality of investment opportunities, and should incorporate a geographical dimension, considering the particularities and financial needs of non-metropolitan regions.
This study analyzes the relationship between entrepreneurial dynamics in Latin-American countries and the level of competitiveness these countries show. Based on the research conducted by Wennekers et al. [Small Business Economics, 24(3):293–309, 2005] that demonstrates a U-shaped relationship between the country’s rate of entrepreneurship and its level of competitiveness and economic development, we hypothesize that Latin-American countries have a descending behaviour under the U-shaped curve approach. The results from three regression models support this hypothesis and suggest that competitiveness and economic growth deter entrepreneurial dynamics on Latin-American countries. We discuss that Latin-American countries need to improve some structural factors to achieve a high level of entrepreneurial dynamics.
Alrich and Martínez (2001) pointed out that in “entrepreneurship many are called, but few are chosen”. Many entrepreneurs try seriously to create a lasting organization, but most of them do not pass through the three stages of the entrepreneurial startup process. There is scarce research exploring the entrepreneurial startup process, particularly studying across countries the prevalence of individuals in the different stages. This paper uses data collected across 35 countries participating in the 2005 Global Entrepreneurship Monitor (GEM) study and we examine whether individual-level factors and national culture are related to the ratio of nascent entrepreneurs to potential entrepreneurs, and to the ratio of baby business owners to potential entrepreneurs. Our results show that there is significant variation across countries in how many individuals are active in the different stages of the entrepreneurial startup process. Our results also indicate that gender and age are related to a high ratio of nascent entrepreneurs to potential entrepreneurs.
ECONOMIC FREEDOM AND ENTREPRENEURIAL ACTIVITY: SOME CROSS-COUNTRY EVIDENCE

AUTHORS: Bjørnskov C. Foss N.J.

YEAR: 2008

PUBLICATION: Public Choice

TAGS: Institutions Policy SSCI

While much attention has been devoted to analyzing how the institutional framework and entrepreneurship impact growth, how economic policy and institutional design affect entrepreneurship appears to be much less analyzed. We try to explain cross-country differences in the level of entrepreneurship by differences in economic policy and institutional design. Specifically, we use the measures of economic freedom to ask which elements of economic policy making and the institutional framework that are responsible for the supply of entrepreneurship (our data on entrepreneurship are derived from the Global Entrepreneurship Monitor). The combination of these two datasets is unique in the literature. We find that the size of government is negatively correlated with entrepreneurial activity but that sound money is positively correlated with entrepreneurial activity. Other measures of economic freedom are not significantly correlated with entrepreneurship.
This exploratory study addresses two research questions: What factors are related to firms’ decision to internationalize, and after they internationalize, What factors relate to firms’ choice of high-risk versus low-risk foreign entry modes? We contribute to the literature by examining these questions with two separate sets of entrepreneurial firms: nascent (in the process of being set up but not yet operational) and existing (operational) firms. Accordingly, we draw on different streams of research, including the theory of planned behaviour and the new venture theory of internationalization, to study firm involvement in foreign markets. Among nascent firms, growth orientation and innovation level relate positively to the plan to internationalize; however, we find no discriminating factors for whether nascent firms plan to choose high-versus low-risk entry modes. For existing firms, growth orientation and team size are positively associated with internationalization. Finally, existing firms that have chosen high-risk (versus low-risk) entry modes are more growth oriented and differ in their individual-level factors.
The type of activity in which entrepreneurs engage is likely to influence the potential contribution of entrepreneurship to economic growth and prosperity. Yet the entrepreneurship literature has focused largely on identifying the determinants of the level, rather than the type, of entrepreneurial activity. In this paper we hypothesize that a country’s institutional environment will influence the allocation of entrepreneurial effort, and in particular will influence the extent to which entrepreneurial effort is directed toward high-growth activities. We test our hypotheses using data on 40 countries over the period 2002–2004. We find that the allocation of entrepreneurial effort toward high-growth activities is positively related to a country’s financial and educational activities targeted at entrepreneurship, and is negatively related to a country’s level of corruption. Our study is the first to provide empirical evidence that institutional characteristics significantly influence the allocation of entrepreneurial effort, and it is therefore the first to identify an empirically important channel through which a nation's institutions may contribute to economic growth.
ENTREPRENEURSHIP UNIVERSITY SUPPORT AND ENTREPRENEURIAL ACTIVITY IN SPAIN: A GEM DATA BASED ANALYSIS

AUTHORS: Coduras A. Urbano D. Rojas A. Martinez S.

YEAR: 2008

PUBLICATION: International Advances in Economic Research

TAGS: Spain Education and Training

The main purpose of this research is to analyse the statistical relationship between entrepreneurship university support and the level of entrepreneurial activity in Spain. Concerning the methodology, data has been provided by the National Spanish GEM (Global Entrepreneurship Monitor). Different statistical methods have been used in this research (descriptive statistics, anova, correlation, linear regression and non linear regression and logit). The main findings of the study demonstrate that there is not a significant statistical relation between entrepreneurship universities support and the entrepreneurial level of activity in Spain. Moreover, it has been found that entrepreneurial intention is statistically related with universities support, showing the improvement of the influence of high education in Spanish entrepreneurship.
We draw on the knowledge spillover literature to suggest that a country’s proportion of export-oriented new ventures represents an outcome of knowledge spillovers that stem from foreign direct investment (FDI) and international trade (export spillovers) as well as a source of knowledge spillovers (entrepreneurship spillovers). To test the hypotheses, we use macrolevel data from 34 countries during the period 2002–2005. We find that the relationship between FDI and international trade on the one hand and a country’s proportion of export-oriented new ventures on the other differs for higher- and lower-income countries. In addition, a country’s proportion of export-oriented new ventures affects the subsequent emergence of new businesses.
AN EXPLORATORY STUDY OF INTERNATIONAL COMMITMENT BY NASCENT AND EXISTING FIRMS

AUTHORS: De Clercq D. Bosma N.S.

YEAR: 2008

PUBLICATION: Journal of Small Business and Entrepreneurship

TAGS: Internationalization

An exploratory study of international commitment by nascent and existing firms
ENTREPRENEURIAL ASPIRATIONS, MOTIVATIONS, AND THEIR DRIVERS

AUTHORS: Hessels J. Van Gelderen M. Thurik A.R.

YEAR: 2008

PUBLICATION: Small Business Economics

TAGS: Aspirations SSCI

Several drivers of entrepreneurial aspirations and entrepreneurial motivations are investigated using country-level data from the Global Entrepreneurship Monitor (GEM) for the years 2005 and 2006. We estimate a two-equation model explaining aspirations using motivations and socioeconomic variables, and explaining motivations using socioeconomic variables. We find that countries with a higher incidence of increase-wealth-motivated entrepreneurs tend to have a higher prevalence of high-job-growth and export-oriented entrepreneurship and that a country’s level of social security relates negatively to the prevalence of innovative, high-job-growth, and export-oriented entrepreneurship. We also find that the increase-wealth motive mediates the relationship between socioeconomic variables and entrepreneurial aspirations.
INDICATORS OF ENTREPRENEURSHIP ACTIVITY: SOME METHODOLOGICAL CONTRIBUTIONS

AUTHORS: Justo R. De Castro J.O. Maydeu-Olivares A.

YEAR: 2008

PUBLICATION: International Journal of Entrepreneurship and Small Business

TAGS: Cultural Factors

Using a model-based approach, this paper reexamines the measurement of entrepreneurial activity at the national level. Our contribution centres on two main aspects. First, our study allows for the measurement of the likelihood of entrepreneurial behaviour, or entrepreneurial propensity. Second, utilising the social network theory, we introduce the social entrepreneurial environment as a key indicator of the likelihood of entrepreneurial activity. Using the data provided by the Global Entrepreneurship Monitor (GEM) project, we provide an alternative measure of entrepreneurial activity, which includes entrepreneurial social environment, assumes the existence of a continuum in entrepreneurial behaviour and provides a measure of entrepreneurial propensity. Results indicate that our model provides support for the combined use of entrepreneurial propensity and the entrepreneur’s social context.
FAMILY SITUATION AND THE EXIT EVENT: REASSESSING THE OPPORTUNITY-COSTS OF BUSINESS OWNERSHIP

AUTHORS: Justo R. DeTienne D.

YEAR: 2008

PUBLICATION: Frontiers of Entrepreneurship Research

TAGS: Exit Gender Family Business

Previous research into entrepreneurial exit has examined exit from a firm perspective focusing upon performance as the primary determinant of exit; however, new research is emerging which suggests that other variables (e.g. entrepreneurial human capital) may impact the exit decision over and above that accounted for by firm performance. Our research adopts a gender and family embeddedness perspective to examine the impact that gender and family situation (marital status, number of children, running a family business) have on voluntary exit decisions over and above that attributed to firm performance.
his article aims to investigate the practice adopted by entrepreneurs regarding their use of consultants through the business life cycle.
This paper presents an analytical framework, focused on individuals as the unit of analysis that enables micro-level analytical insights to be drawn from data collected in the Global Entrepreneurship Monitor (GEM) project. GEM is among the largest entrepreneurship research initiatives in the world. Its main purpose is to investigate how entrepreneurship influences economic development at the national level. It has had a strong influence on industry and entrepreneurship policy practice around the world. However, regardless of all GEM's previous achievements it is argued in this paper that an additional analytical framework complementing the earlier macro-level focus is crucial. The strengths and limitations of the proposed analytical framework are discussed. The key to successful micro-level analysis of GEM data is the ability to compare characteristics of entrepreneurship across countries and across different life cycle stages.
Entrepreneurs differ in the degree and type of novelty that they introduce to the economy. This study provides theoretical insights and empirical evidence on the emergence of entrepreneurial innovativeness. The results suggest that entrepreneurial innovativeness depends both on individual factors and on the environment in which the individual acts. In particular, high educational attainment, unemployment, and a high degree of self-confidence are significantly associated with entrepreneurial innovativeness at the individual level. Furthermore, the distribution of innovative and imitative entrepreneurship varies across countries. Entrepreneurs in highly developed countries are significantly more likely to engage in innovative rather than purely imitative activities. The theoretical approach of this study combines a judgment and decision making framework with factors that contribute towards the individual perception of decision alternatives. Data used in the empirical analysis originate from the 2002–2004 adult population surveys of the Global Entrepreneurship Monitor, yielding a sample of 9,549 nascent entrepreneurs from 30 different countries.
A THEORETICAL GROUNDING AND TEST OF THE GEM MODEL

AUTHORS: Levie J. Autio E.

YEAR: 2008

PUBLICATION: Small Business Economics

TAGS: Education and Training Perceptions SSCI

The Global Entrepreneurship Monitor model combines insights on the allocation of effort into entrepreneurship at the national (adult working age population) level with literature in the Austrian tradition. The model suggests that the relationship between national-level new business activity and the institutional environment, or Entrepreneurial Framework Conditions, is mediated by opportunity perception and the perception of start-up skills in the population. We provide a theory-grounded examination of this model and test the effect of one EFC, education and training for entrepreneurship, on the allocation of effort into new business activity. We find that in high-income countries, opportunity perception mediates fully the relationship between the level of post-secondary entrepreneurship education and training in a country and its rate of new business activity, including high-growth expectation new business activity. The mediating effect of skills perception is weaker. This result accords with the Kirznerian concept of alertness to opportunity stimulating action.

ACCESS ARTICLE
The development of entrepreneurship is the focus of considerable policy interest in South Africa and many other countries. This is particularly in recognition of its contribution to economic growth, poverty alleviation and employment creation. In South Africa, various new strategies and institutions have recently been created with a view to empowering formerly disadvantaged members to enter the mainstream economy as entrepreneurs rather than job seekers. While the government directs considerable efforts to advancing Small, Medium and Micro Enterprises (SMMEs), certain environmental factors can favour or hinder the optimal development of these firms. According to the Global Entrepreneurship Monitor (GEM) reports, the level of entrepreneurial activity in South Africa is rather low in relation to that in other countries at a similar level of development. This paper uses factor analysis to examine the internal and external environmental conditions influencing the development of small ventures on the basis of a survey conducted in Pietermaritzburg, the capital of the KZN province. The results indicate that three clusters constrain SMME development in Pietermaritzburg: management, finance and external environmental conditions. In the external set, rising crime levels, laws and regulations, and taxation are found to be significant constraints to the development of business firms.
ECONOMIC FREEDOM AND THE MOTIVATION TO ENGAGE IN ENTREPRENEURIAL ACTION

AUTHORS: McMullen J.S. Bagby R.D. Palich L.E.

YEAR: 2008

PUBLICATION: Entrepreneurship: Theory and Practice

TAGS: Institutions Economic Freedom SSCI

Using institutional theory, the Heritage Foundation/Wall Street Journal 2003 Index of Economic Freedom, and the 2002 Global Entrepreneurship Monitor, we regress opportunity-motivated entrepreneurial activity (OME) and necessity-motivated entrepreneurial activity (NME) on 10 factors of economic freedom and gross domestic product (GDP) per capita for 37 nations. We find that both OME and NME are negatively associated with GDP per capita and positively associated with labor freedom, but that various other factors of economic freedom are uniquely related to either OME or NME. Specifically, we find that OME, but not NME, is positively associated with property rights, while NME, but not OME, is positively associated with fiscal freedom and monetary freedom. Thus, governmental restrictions of economic freedom appear to impact entrepreneurial activity differently depending on the particular freedom restricted by government and the entrepreneur's motive for engaging in entrepreneurial action.
In this paper we use data from a developing country, South Africa, to empirically identify the determinants of start-up rates across different sub-national regions and in particular to investigate the role of access to finance on a regional (sub-national) level on start-ups. We find that the most important determinants of start-up rates across South Africa's magisterial districts are profit rates, educational levels, agglomeration as measured by the economic size of a district, and access to formal bank finance. Profits have by far the strongest effect on start-up rates. This, together with the insignificance of unemployment for start-ups, may imply that start-ups in South Africa are mainly opportunity-driven, as opposed to being necessity driven. It is also found that access to formal bank finance matter for regional start-up rates, which is not typical for a developing country and that market-size (agglomerations) is negatively associated with start-up rates in South Africa--an unexpected finding which may imply the existence of 'congesting' factors such as increased competition, tougher barriers to entry, monopolistic behaviour, and a greater difficulty to be innovative and novel.
This paper reports the findings of an exploratory empirical study that examines the differences between male and female entrepreneurs in Singapore with respect to motivation and personality traits to determine the extent of the gender ‘gap’. Using a conceptual framework combining the entrepreneurial personality characteristics identified by McClelland (1976) and Brockhaus (1982), the study’s main hypothesis was that there were significant gender differences in terms of motivation and personality characteristics between Singaporean entrepreneurs. A survey among 85 entrepreneurs was conducted and the results suggest that there are no significant gender differences in terms of motivation but that there are significant differences in personality traits. The paper concludes by recommending that further research be conducted on other aspects of the Global Entrepreneurship Monitor’s conceptual model that could better explain the differences between male and female entrepreneurs.
INTERNATIONALIZATION OF SLOVENIAN SMES AS A LEARNING AND UNLEARNING PROCESS

AUTHORS: Rebernik M. Pusnik K.

YEAR: 2008

PUBLICATION: Handbook of research on European business and entrepreneurship: towards a theory of internationalization

TAGS: Internationalization Slovenia
THE COUPLING BETWEEN ENTREPRENEURSHIP AND PUBLIC POLICY: TIGHT IN DEVELOPED COUNTRIES BUT LOOSE IN DEVELOPING COUNTRIES

AUTHORS: Schøtt T. Wickstrøm Jensen K.

YEAR: 2008

PUBLICATION: Estudios de Economía

TAGS: Policy SSCI

In this paper we compare the coupling between entrepreneurship policy and entrepreneurship activity in developed and developing countries. Using new institutional arguments, we argue that developing countries are prone to implement policies that (1) are based on experiences in developed countries which have not proven to transfer fittingly to developing economies, (2) are only partly implemented and are not internally consistent as a result of a lack of resources to do so, and (3) are more beneficial on paper than on actual activity. Following this perspective, the coupling between entrepreneurship policy and entrepreneurship activity is hypothesized to be lower for developing countries than for developed countries. Using GEM data correlating the TEA index of early-phase entrepreneurship with indicators of policies obtained from key expert informants supports this proposition.
DETERMINANTS OF ENTREPRENEURSHIP IN SLOVENIA FROM AN INTERNATIONAL PERSPECTIVE

AUTHORS: Tajnikar M. Pusnik K.

YEAR: 2008

PUBLICATION: Advances in Entrepreneurship Research

TAGS: Determinants

Determinants of entrepreneurship in Slovenia from an international perspective
This study investigates three competing but complementary perspectives on factors related to entrepreneurial firm growth. We examine individual (entrepreneur) firm and national environment factors associated with the growth expectations of nascent, baby and established firms. Using 25,384 data points from Global Entrepreneurship Monitor (GEM)’s survey of entrepreneurial activity in 35 countries, we find male gender, personal acquaintance with an entrepreneur, innovative product/service, low levels of competition and based in less-developed countries are associated with high growth expectations for all three business stages. Nascent and baby firms’ business growth expectations are also linked to having higher levels of start-up capital and outside investment. In contrast to some previous research, we find that a firm’s initial size is the best predictor of growth expectations. Altogether, size-related factors determine not only initial growth expectations, but also growth expectations at later firm stages. The law of disproportionate growth (i.e. a small number of firms are responsible for most expected job creation) holds for both start-ups and established businesses, although the latter are more rare. While both start-up and established firm growth expectations are higher in the developing countries, the fastest growing young firms are mainly found in developed countries.
This report is an empirical examination of entrepreneurial framework conditions—the environmental conditions that encourage and support entrepreneurial activity at the national level. In particular, it attempts to validate the framework conditions employed in the Global Entrepreneurship Monitor (GEM), a multi-year, multinational study of entrepreneurial activity widely used in entrepreneurship research. The validity of the GEM entrepreneurial framework conditions is examined using empirical analysis of data drawn from Global Competitiveness Report measures for 53 countries over 4 years. The data suggest an alternative conceptualization of entrepreneurial framework conditions: commercial munificence, technology openness, regulatory openness, and technology influx. These findings have implications for theorists and policy makers interested in antecedents to entrepreneurially based economic growth.
Rapid technological changes in Global markets today, which require rapid responses of markets, make innovation development a prerequisite. Businesses exploit new ideas to create new products, processes or services and new methods of organisation. In knowledge economies, entrepreneurship is linked with innovation and novel practices. Studies have shown that entrepreneurial activity may not be related to the level of economic welfare, as new entrepreneurs are pushed by the need and not the opportunity motive. Therefore, high levels of 'need' entrepreneurs are met in low development economies. Greece lies in the 18th position of the world classification (2004). Greek Governments foster entrepreneurship by supporting innovative practices at labour markets (bottom-up development policy) and schools (education policies promoting attitude stimulation and creativity development).
This paper investigates whether various start-up motivations and a country’s level of social security can explain the prevalence of entrepreneurial aspirations. For entrepreneurial aspirations and motivations we use country-level data from the Global Entrepreneurship Monitor (GEM) for the year 2005. We distinguish between the necessity motive, independence motive and increase wealth motive and between aspirations in terms of innovativeness, job growth and export orientation. Our findings indicate that social security negatively affects a country’s supply of ambitious entrepreneurship. Our results also suggest that entrepreneurial aspirations in terms of job growth and export relate positively to the increase wealth motive.
This dissertation is interested in explaining how and why the culture of family and society impacts the competitive advantage of organizations and nations. Central to such an explanation is the development of a theory of the family firm because that theory is a potential link between the four distinct systems, the family, organization, nation, and society. This dissertation consists of four essays, three theoretical and one empirical.
Efforts to control corruption increase levels of trust in the ability of the state and market institutions to reliably and impartially enforce law and the rules of trade. Such trust facilitates the development of arms-length trade and the coordination of complex economic activities. We posit that better control of corruption will also be associated with rising levels of innovation and entrepreneurship. Absent such trust, however, monitoring and other transactions cost should restrict the scale and scope of trade and thus, hamper productivity and investment in innovation and entrepreneurship. Longitudinal data from 64 nations lends support to our propositions, thus helping unpack the puzzling relationship between entrepreneurship, innovation, and corruption.
Countries and regions are committed to stimulating entrepreneurship by opening doors to (potential) entrepreneurs. The commonly held belief is that a variety of entrepreneurs would lead to an enriched dynamic environment and as such lies at the root of economic prosperity. Over the past 25 years, entrepreneurship literature has established that entrepreneurial activity is highly unevenly distributed over regions. Also it has been confirmed that the regional context matters for individuals’ decisions to engage in entrepreneurship. Therefore, for studying the entrepreneurial process and its role for economic development it is desirable to appreciate regional differences in explaining individuals’ engagement in entrepreneurial activity. However, there are still a very limited number of studies investigating these macro-micro relationships. In addition, there is limited knowledge on the linkages between different types of entrepreneurship and regional economic development. This thesis investigates the causal mechanisms between regional conditions and different types and phases of entrepreneurial activity at the individual level on the one hand, and entrepreneurial activity and regional economic development on the other hand. In this study we link recent insights from economic geography to the entrepreneurship literature. A conceptual multilevel framework expressing the abovementioned relationships is introduced. The subsequent chapters encompass empirical studies, each exploring parts of the framework. One of the databases used is extracted from the Global Entrepreneurship Monitor (GEM) and enables analyses on over 370,000 individual observations, over 136 regions in 17 European countries. For the Netherlands we employ data on a more disaggregated scale (Nuts3 level). Our results predominantly support the relevance of integrating the regional level and individual level for studying the entrepreneurial process. We find that a large share of the observed regional differences in (types and phases of) entrepreneurial activity are accounted for by composition effects, i.e. characteristics of the population in terms of age, education and income. We also find that urbanisation effects play a key role in (i) explaining regional levels of specific types of entrepreneurship and (ii) determining linkages between specific types of entrepreneurship and regional economic development. At the national level we find a negative relationship between the degree of employment protection and the level of ambitious
entrepreneurship. We demonstrate that, by using information on the individual, regional and national level, some specific elements of ‘what entrepreneurship does for economic development’ can be explored by appreciating regional context and considering different types of entrepreneurship. We argue that such a multilevel approach opens other avenues for further research into the role of entrepreneurship for economic development. This should also feed policy makers in their decisions on opening and and perhaps closing some doors to (potential) entrepreneurs.
DETERMINANTS OF EARLY-STAGE ENTREPRENEURIAL ACTIVITY IN EUROPEAN REGIONS; DISTINGUISHING LOW AND HIGH AMBITION ENTREPRENEURSHIP

AUTHORS: Bosma N.S. Schutjens V.A.J.M.

YEAR: 2009

PUBLICATION: Making the Difference in Local, Regional and National Economies: Frontiers in European Entrepreneurship Research

TAGS: Innovation Regional Studies Europe

Determinants of early-stage entrepreneurial activity in European regions; distinguishing low and high ambition entrepreneurship
MAPPING ENTREPRENEURIAL ACTIVITY AND ENTREPRENEURIAL ATTITUDES IN EUROPEAN REGIONS

AUTHORS: Bosma N.S. Schutjens V.A.J.M.

YEAR: 2009

PUBLICATION: International Journal of Entrepreneurship and Small Business

TAGS: Longitudinal Analysis Regional Studies Europe

There is increasing attention on the attitudes towards entrepreneurship as an important predictor of entrepreneurial activity. So far, the focus has mainly been on the individual or national levels. This paper describes, based on the existing literature, the link between the entrepreneurial attitudes and entrepreneurial activity at the regional level. We explore both the entrepreneurial attitudes and activity using data from the Global Entrepreneurship Monitor over the period from 2001–2006. We provide newly constructed and harmonised regional indices on entrepreneurial attitudes and entrepreneurial activity across 18 European countries. By mapping these indices, patterns emerge on different spatial levels. We observe a positive link between entrepreneurial attitudes and entrepreneurial activity, but argue that this relationship is not clear-cut, in particular, when linking to economic development. Regional and national forces – in terms of population density, national institutions and the differences in cultures – matter in determining how the link between entrepreneurial attitudes and entrepreneurial activity is established.

ACCESS ARTICLE
This study examines the impact that selected institutional factors have upon the entrepreneurial activity of women and men in rural areas. To do so, the results of the Adult Population Survey from the Spanish Global Entrepreneurship Monitor for the year 2004 have been used in a rare events logit regression model where rurality and sex have been introduced as interaction terms in order to identify any statistically significant distinctions of the impact of the selected independent variables upon rural women's entrepreneurial activity. The results indicate that compared to rural men, Spanish rural women tend to be less involved in entrepreneurial activities and are less optimistic about their abilities as entrepreneurs, although the fear of failure is not a significant impediment of their involvement in entrepreneurship.
The concentration of ownership of enterprises varies significantly among countries. In this paper we investigate the role that differences in legal systems among nations play in molding founders’ preferences with respect to the ownership structure of their start-ups. We develop an economic framework which articulates the impact that the quality of protection offered to shareholders and debt holders has on the supply of debt and equity financing and the incentives of the founders to recruit partners or opt for sole ownership. The theoretical analysis predicts that a positive relationship is likely to exist between the quality of the legal system and the ownership concentration of start-ups. This prediction is in contrast to the findings on relationships in large publicly traded firms. Using data obtained from the Adult Population Survey of the Global Entrepreneurship Monitor project from 2001 to 2004 about ownership preference patterns, we confirm the prediction.
Family enterprises are important to many established market economies; however, little empirical research has been conducted to identify the importance and distinctiveness of family enterprises in postsocialist transition economies. Our exploratory study examines how family ownership and management influence the performance and internalization of family businesses in transition economies and estimates their importance for these economies, based on the case of Slovenia as one of the most developed European transition countries. Our proposals and conclusions could be useful for policymakers and family business owners and managers in other transition countries.
The purpose of this paper is to establish whether succession problems in family businesses contribute to more modest growth aspirations compared to family businesses where succession solutions are gained. It aims to focus especially on transition countries, where studies on this topic are very rare.
Entrepreneurship is particularly relevant in explaining the process of economic development. From the cognitive perspective, entrepreneurial intentions are the main factor leading to the creation of a company. The main objective of this paper is therefore to analyze if different perceptions affect entrepreneurial intentions and examining the possible differences between potential entrepreneurs of two European areas: the Southern countries (Spain, Italy, Greece and Portugal) and the countries Scandinavia (Finland, Sweden and Denmark). The empirical analysis, using logistic regression with Global Entrepreneurship Monitor data shows that socio-cultural personal perceptions of opportunity and help explain the entrepreneurial intention. The role of cultural and institutional differences is considered in the conclusions.
NEW ZEALAND'S PERFECT STORM OF ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT

AUTHORS: Frederick H. Monsen E.

YEAR: 2009

PUBLICATION: Small Business Economics

TAGS: New Zealand Economic Development SSCI

Applying a grounded-theory approach to analyzing the Global Entrepreneurship Monitor (GEM) data, we attempt to explain why New Zealand exhibits only a moderate level of economic development despite its high level of entrepreneurship. By statistically analyzing why 34 other countries in the 2005 GEM dataset exhibit small deviations from the classical quadratic curvilinear relationship between entrepreneurship and economic development, we develop a better understanding of the entrepreneurial framework conditions underlying New Zealand’s large deviation from this trend line. Based on our findings from the GEM data we make policy recommendations that could aid in moving New Zealand (and other countries) closer toward the trend line and thus promote economic development.
CULTURAL NORMS & BUSINESS START-UPS: THE IMPACT OF NATIONAL VALUES ON OPPORTUNITY AND NECESSITY ENTREPRENEURS

AUTHORS: Hechavarria D. Reynolds P.D.

YEAR: 2009

PUBLICATION: International Entrepreneurship and Management Journal

TAGS: Cultural Factors

It has long been known that the level of entrepreneurship, indicated as the percentage of incorporated and unincorporated nascent businesses relative to the labor force differs strongly across countries. This variance is related to differences in levels of economic development (Wennekers et al. 2005), but also to diverging demographic, cultural, and institutional characteristics (Acs and Armington 2004; Busenitz et al. 2000; Fusari 1996; Karlsson and Duhlberg 2003; Rocha 2004; Thurik et al. 2006; Wong et al. 2005). Incorporating an institutional perspective, the aim of this research is to test if culture, operationalized through the World Values Survey (WVS) data, is a significant factor in predicting opportunity and necessity entrepreneurship rates at the country level. Opportunity and necessity entrepreneurship rates will be averaged from the 2001 to 2003 Global Entrepreneurship Monitor (GEM) and aggregated for 38 countries in this cross-sectional analysis.
In this paper the relationship between a country’s prevalence of new ventures and its rate of economic growth is investigated, while taking into account new ventures’ export orientation. It is generally acknowledged that new venture creation as well as export activity may both be important strategies for achieving national economic growth. However, to our knowledge no attempt has been made to investigate empirically the role of export-driven new ventures in economic growth. We focus on the national level and use data for a sample of 34 countries over the period 2002–2008. Our results suggest that, on top of a positive relation between entrepreneurial activity in general and subsequent macroeconomic growth, there is an additional positive effect of export-oriented early-stage entrepreneurship in higher-income countries. However, there is no such additional effect in lower-income countries.
THE SPATIAL DISPERSION OF INFORMAL INVESTMENT AT A REGIONAL LEVEL: EVIDENCE FROM THE UK

AUTHORS: Jones-Evans D. Thompson P.

YEAR: 2009

PUBLICATION: European Planning Studies

TAGS: Regional Studies United Kingdom Financing SSCI

Although there have been various studies on the geographical specialization of venture capital in the UK, there remains a gap in the research on regional differences in the behaviour of those informal investors who make a significant contribution to the funding of entrepreneurial ventures. Utilizing a unique data set from the Global Entrepreneurship Monitor project, this study will estimate the level of informal investment activity across the different regions of the UK. The relationship between informal investment and early stage formal venture capital availability is also examined to determine which areas display the greatest funding gaps in the provision of equity finance. It shows that while formal and informal investments are heavily concentrated in highly prosperous areas such as London and the South East of England, informal investments make a larger relative contribution to early stage and expansion equity capital within poorer regions.
UNEMPLOYMENT BENEFITS CROWD OUT NASCENT ENTREPRENEURIAL ACTIVITY

AUTHORS: Koellinger P. Minniti M.

YEAR: 2009

PUBLICATION: Economics Letters

TAGS: Unemployment SSCI

Analyzing a cross-country panel of 16 OECD countries from 2002 to 2005, we find that higher unemployment benefits crowd out nascent entrepreneurial activity. Our results hold regardless of entrepreneurial motivation (necessity or opportunity) and entrepreneurial type (imitative or innovative).
Purpose – The purpose of this paper is to compare the entrepreneurial activity, attitudes and social connections of four groups of ethnic minority females in the UK, with the aim of examining the extent of gender and ethnic background effects on nascent start-up activities and the attitudes of women belonging to these ethnic minority groups. Design/methodology/approach – A two-stage approach is adopted to examine the situations of four main female ethnic minority groups using data from the Global Entrepreneurship Monitor (GEM) adult population survey for the UK. The first stage adopts a binary logistic approach to determine the importance of social networks, opportunity perception and risk aversion to the probability of being involved in nascent entrepreneurial activities. The second stage of analysis examines the differences in these perceptual variables to determine the extent to which different female ethnic minority groups are embedded in different social environments when attempting to start a business. Findings – There are considerable differences amongst different ethnic groups in the level of entrepreneurial activity by women, their attitudes towards entrepreneurship, and the social capital available to them when starting a business. Practical implications – The findings suggest that policy makers should take the differences by ethnic groupings into account when developing bespoke development policies designed to alleviate the barriers faced by women. Originality/value – The paper is one of the first comparative studies focusing on women from different ethnic backgrounds. Rather than assuming homogeneity, or examining specific groups in isolation it allows the different conditions faced by prospective entrepreneurs from each group to be examined.
In this article, we examine the evolution of entrepreneurship in Latin America as presented in the Global Entrepreneurship Monitor (GEM) studies. These studies present a key set of internationally comparable statistics on entrepreneurship, which have supplied the data for important studies of the role and determinants of entrepreneurship. Here we propose another study along these lines, relating changes in entrepreneurship to changes in economic performance. We obtain an apparently paradoxical result: Latin America has high levels of entrepreneurship, but relatively modest rates of economic growth. Is it possible that, after all, entrepreneurship does not matter much for economic growth? Or is Latin America somehow immune to the beneficial effects of entrepreneurship? We attempt to explain this apparent puzzle.
MANAGEMENT OF RESOURCES AND PERFORMANCE IN FAMILY AND NON-FAMILY FIRMS

AUTHORS: Levie J. Lerner M.

YEAR: 2009

PUBLICATION: Family Business Review

TAGS: Family Business United Kingdom SSCI

This study draws on agency theory and the resource-based view to hypothesize that family and nonfamily businesses differ in the capital that they deploy and the way that they deploy it. It, and test this hypothesis in a large U.K.-based sample of 319 family business and 258 nonfamily business owner/managers. The analysis revealed that adverse selection, opportunism, and niche marginalization are more prevalent among family business owner/managers. Yet, their businesses are similar to those of their nonfamily business peers in performance outcomes such as size and growth, which suggests that weaknesses in human and financial capital choice are offset by strengths in the social capital of family firms.
SCREENING ITEM EFFECTS IN ESTIMATING THE PREVALENCE OF NASCENT ENTREPRENEURS

AUTHORS: Reynolds P.D.

YEAR: 2009

PUBLICATION: Small Business Economics

TAGS:

The use of human population surveys to estimate the prevalence of nascent entrepreneurs has become a major feature of both longitudinal studies of the firm creation process, such as the US Panel Studies of Entrepreneurial Dynamics (PSED) research program, as well as cross-national comparisons, as reflected in the Global Entrepreneurship Monitor (GEM) initiative. The basic procedure has been to use interview screening items to locate individuals that may be considered candidate nascent entrepreneurs; other criteria are then used to identify those considered active nascent entrepreneurs. In these human population surveys, little attention has been paid to the potential impact of variations in wording in the initial screening items, either across time in the same language or in different languages, on the final prevalence rates. Analysis of 134 independent samples in the US over the 1993–2006 period, where different screening items were employed, indicates a major impact of item wording. Once adjustments to account for item variation were made, there was no statistically significant change in the prevalence of active nascent entrepreneurs, from 5 to 6 per 100 over the 1998–2006 period. This pattern of temporal stability is consistent with three other national programs measuring U.S. new firm creation activity.
This paper overviews the sources currently financing entrepreneurship in Chile, with special emphasis on public instruments, and uses the information gathered by Global Entrepreneurship Monitor (GEM) Chile between 2003 and 2006 to test the hypothesis that, despite public efforts, there is still a finance gap, that may significantly influence domestic economic performance in the long term. After a thorough bibliographic review regarding financial alternatives in Chile and a descriptive analysis of GEM data, results show that while there is sufficient available public funding in Chile, it is not being channeled to a sufficiently wide range of entrepreneurs. Some of the factors that reduce the impact of Chilean public financing policies and that require further research include the lack of competitive high-tech clusters within the country; the lack of attention given to informal investment and to the training of entrepreneurs; and the existence of centrally designed programs that do not take into account the geographical organization of capital markets and the spatial differences and gaps in private financing.
Although accessing finance is key to the foundation of any business, particular concerns have been expressed about the ability of UK women-owned firms to obtain external finance. In this article we use an econometric approach to explore the effect of perceptions of financial barriers to start-up on the start-up decision itself. Our analysis is based on the Global Entrepreneurship Monitor (GEM) UK 2004 database. Standardizing for a range of individual characteristics, we find that women are around 7.4% more likely to perceive financial barriers to business start-up than men. As perceptions of financial barriers are linked negatively to the start-up decision, stronger perceptions of financial barriers among women are having a disproportionate effect on women's start-up decisions. However, being female also has an additional negative effect on the start-up decision, not linked to financial barriers. Policy responses, therefore, need to take into account the demand-side with the aim of countering the more negative perceptions of start-up finance among potential women entrepreneurs. Mentoring and confidence-building programmes are obvious possibilities. We also find support for the value of university and college-based work experience programmes.
New Zealand (NZ) has been proclaimed as a leader in entrepreneurship by the Global Entrepreneurship Monitor (GEM) assessment. This paper links GEM findings to results from a NZ-based survey of micro-business operators and identifies factors that explain why NZ is a leader in the Entrepreneurship rating. NZ entrepreneurs are largely opportunity seeking: they want to be their own boss and are interested in the growth. They are relatively well-educated and are supported by well developed business infrastructures and support agencies. However, what directly contributes to the high propensity to set-up new businesses is not clear.
THE RESPONSIVENESS OF ENTREPRENEURS TO WORKING TIME REGULATIONS.

AUTHORS: Stephen F. Urbano D. Van Hemmen S.

YEAR: 2009

PUBLICATION: Small Business Economics

TAGS: Regulatory Environment SSCI

In this article, we analyse the impact of enforcement practices (proxied by judicial formalism) and the regulation of working time on entrepreneurial activity by opportunity. We find that higher enforcement formalism mitigates the negative impact exerted by rigid working time regulations on the number of entrepreneurs. While it is agreed that regulatory rigidities may increase labour transaction costs, we show that entrepreneurs are less sensitive to labour regulations the higher the level of enforcement formalism in which they operate. Higher formalism is associated with lower enforcing efficiency and lower probability of being punished for transgressing laws. A policy implication is that encouraging labour flexibility might not improve conditions for entrepreneurial activity in procedurally formalist countries. This is due to the fact that, in those countries, flexibility de facto characterises employment relations, no matter what the law says.

ACCESS ARTICLE
It was Maryann Feldman who first characterized entrepreneurship as a predominantly “regional event.” While the spatial, or more specifically, the regional perspective has long been ignored by entrepreneurship research, this changed in recent years. Globalization and regionalization (as two sides of the same coin), the new role of small firms in general for regional growth, and the increasing relevance of entrepreneurship policies drew several researchers’ attention to the regional causes and consequences of entrepreneurial activities. This review assesses several theoretical arguments supporting the idea that entrepreneurial activities as well as entrepreneurial success (measured, for example, in terms of survival rates) are influenced in many cases by the attributes of the region (defined as a sub-national spatial unit) where the potential founder and the real founder of a firm was or actually is located. While there are still significant gaps in research in terms of adequate regional theories of entrepreneurship, a great number of empirical studies have been undertaken in the past decade to explore the interdependent relationship between regional environment on the one hand and entrepreneurial activities and success on the other. The results are quite heterogeneous, as are the environments between regions within and especially between countries. However, it is rather clear now that the regional environment as an important context variable must not be ignored any further when exploring the determinants of firm creation and of new-firm growth.
This paper explores differences in the proportion of export-oriented early-stage entrepreneurial activity in twelve Asian countries. Drawing on varieties of capitalism theory, we find that Asian countries with high quality institutions are more likely to have higher proportions of young export-oriented firms. However, analysis on a 52 country data set indicates that Asian countries have significantly fewer young export-oriented firms than do non-Asian countries. Furthermore, the multi-country study reveals that countries with higher proportions of export-oriented entrepreneurial activity tend to have flexible industrial relations, high quality vocational training, and confrontational labor-employer relations, however the proportion of export-oriented new ventures is not related to the quality of corporate governance and inter-firm relations.
For women, owning and managing a home-based business can provide the flexibility to meet family responsibilities and undertake employment, although potentially at the cost of business performance and growth. Using data from the Global Entrepreneurship Monitor survey for the UK, this research note explores the characteristics of those self-employed women who operate their businesses from home. Results indicate that a greater proportion of women with poor levels of entrepreneurial resources are more likely to operate home-based businesses, suggesting this decision is shaped by circumstance. The research also finds that such home-based businesses are more likely to operate part time, thus contributing further to their marginality.
This paper presents an extension to the economic growth model developed by Wong, Ho, and Autio (2005), to reflect differences in the economic effects of opportunity and necessity-based entrepreneurship in both emerging and developed countries. Data from 44 countries for the years 2004 and 2005, as collected by Global Entrepreneurship Monitor (GEM) research and Global Competitiveness Report (GCR) research, are used to identify predictors of GDP growth for emerging and developed nations. The GEM data are used to determine the effect of different types of entrepreneurship on GDP growth. The GCR data operationalize additional control variables suggested by three economic growth theories: new economic geography, endogenous growth theory and national systems of innovation. This contribution to the literature suggests that, in developed countries, a significant portion of economic growth rates can be attributed to high-expectation entrepreneurs exploiting national investments in knowledge creation and regulatory freedom. However, in emerging countries this effect is absent. It is hypothesized that a threshold exists for entrepreneurs to gain access to the formal economy, below which entrepreneurial contributions act through informal mechanisms.
START-UP CAPITAL AND CHINESE ENTREPRENEURS: THE ROLE OF FAMILY

AUTHORS:  Au K. Kwan H.K.

YEAR:  2009

PUBLICATION:  Entrepreneurship: Theory and Practice

TAGS:  Financing Family Business Hong Kong China SSCI

This paper examines the formation of the initial capital structure of Chinese start-up firms. Contrary to the predominant view of Chinese family business, this study found that family funding is not the major source of start-up capital under certain conditions. Employing two surveys conducted separately in Hong Kong and the mainland of the People's Republic of China, it was revealed that Chinese entrepreneurs seek initial funding from their family rather than from outsiders only if they expected lower transaction costs and lower levels of family interference in the business. The implications of the findings for entrepreneurship of ethnic Chinese communities in East Asia are discussed.
A growing number of studies on entrepreneurial motivation, intentions, and behavior include entrepreneurial self-efficacy (ESE) as an explanatory variable. While there is broad consensus among researchers on the importance of including ESE in an intentionality model, there remain inconsistencies in the definition, dimensionality, and measurement of ESE. This study takes an important step toward refinement and standardization of ESE measurement. Within a new venture creation process framework, a multi-dimensional ESE instrument is developed and tested on a diverse sample that includes nascent entrepreneurs. Implications for entrepreneurship theory and entrepreneurship education are discussed.
Starting a business involves risk and, thus, requires a risk-taking attitude. The concept of risk and entrepreneurship has been widely discussed in the entrepreneurship literature; most studies comparing entrepreneurs with non-entrepreneurs such as managers or bankers. So far, little research exists on the risk attitudes of the different types of entrepreneurs — those who pursue a new business because of opportunity and those who do so through necessity. This study aims to fill this gap. Our particular focus is on individuals’ motivations to start their businesses and the nonmonetary returns from entrepreneurship. The results show that opportunity entrepreneurs are more willing to take risks than necessity entrepreneurs. In addition, those who are motivated by creativity are more risk tolerant than other entrepreneurs. The study contributes to the literature about both risk attitudes of entrepreneurs and necessity and opportunity entrepreneurship.
In this study, we examine the effect of entrepreneurs' motivation and the local economic environment on young venture performance. Field data was collected from entrepreneurs of two different regions, South America and Europe. Our findings suggest that the degree of entrepreneurial motivation at firm creation (i.e., necessity-driven versus opportunity-driven motivation) determine subsequent venture performance during firm infancy (i.e., three to four initial years from inception). Results show that the human capital profile of necessity-driven entrepreneurs at the moment of firm start-up is weaker than that of opportunity-driven entrepreneurs in both regions. When we compare the profile of necessity-driven entrepreneurs for each region, noticeable differences arise.
Applying real options logic, we build and test a multi-level model that explicates the influence of a country’s intellectual property protection regime on the effect of human and financial capital on growth aspirations. The results suggest that the strength of the intellectual property regime moderates negatively the relationship between an individual’s education and entrepreneurial growth aspirations; and it moderates positively the relationship between an individual’s household income and growth aspirations. Intellectual property protection thereby encourages specialization amongst differently qualified entrepreneurs. Our findings support claims that strategic entrepreneurial behaviors cannot be fully understood without giving attention to the context in which those behaviors are observed.
The topic concerning intrapreneurs pursuing new ventures within established firms is underresearched, despite the booming literature on corporate venturing. We know little about whether intrapreneurs are especially competent, proactive, innovative, growth-oriented and risk takers – and how well they perform. These issues are addressed by comparing intrapreneurs with commoners and with entrepreneurs starting new firms, and also by comparing spin-off entrepreneurs starting a new firm based on an existing firm with independent entrepreneurs. Our comparisons use two data sets: our Global Entrepreneurship Monitor (GEM) survey of adults in Denmark with follow-up interviews of intrapreneurs, entrepreneurs and commoners, and our survey of newly established entrepreneurs in a typical county in Denmark. Comparisons reveal that intrapreneurs are more competent and growth-oriented than entrepreneurs. Likewise, spin-off entrepreneurs are more competent and growth-oriented than independent entrepreneurs, and spin-off firms quickly reach higher performance. These similarities and differences among intrapreneurs, spin-off entrepreneurs and independent entrepreneurs offer directions for a deeper understanding of both internal and external venturing.
THE IMPACT OF REGIONAL INNOVATION SYSTEMS ON THE LEVEL OF CORPORATE ENTREPRENEURSHIP ACTIVITY

AUTHORS: Baronet J. Riverin N.

YEAR: 2010

PUBLICATION: International Journal of Entrepreneurship and Small Business

TAGS: Regional Studies Innovation Employee Entrepreneurial Activity Canada

Among the many factors that can influence intrapreneurship or corporate entrepreneurship, the impact of regions and regional innovation systems has never been tested. This paper tries to fill this gap. Based on data from the 2005 Global Entrepreneurship Monitor (GEM) for corporate entrepreneurship and the 2007 report on Quebec regional innovation systems providing data for 2002 to 2004, we study the corporate entrepreneurship levels in 16 regions of Quebec and establish that several aspects of the regional environment affect these levels. We observe that aspects of regional knowledge resulting from regional innovation systems have a positive impact on a region's level of corporate entrepreneurship. Specifically, the regional innovation level – as represented by research and development investments and the acquisition of licences – positively impacts the levels of corporate entrepreneurship. In addition, access to extraregional innovation also indirectly impacts the levels of corporate entrepreneurship.
This paper attempts to explain the major reasons for the low levels of entrepreneurship in South Africa. The paper challenges the commonly held notion that entrepreneurial success is correlated to educational achievement, even though entrepreneurship is heavily reliant on innovation processes. This paper uses the Global Entrepreneurship Monitor (GEM) study reports on South Africa as a reference framework for its theoretical analysis and raises issues related to ethnicity, education and innovation as possible factors for success. In addition, the paper reiterates that innovation need not be technical but also social and call on the government to enhance the entrepreneurial mindsets of its people.
El presente artículo analiza en el marco del Proyecto GEM (Global Entrepreneurship Monitor), la existencia de diferencias de género en la actividad emprendedora en el período 2003-2006 en España y Extremadura. También se examinan estas diferencias a través de diversas características y factores psicológicos, sociales o económicos. Los resultados del estudio empírico más significativos nos revelan que el género está relacionado con la actividad emprendedora, con la edad, con el nivel de estudios y de renta del empresario o con el conocimiento de otros empresarios, con la percepción de oportunidades y con el miedo al fracaso, pero estas relaciones son débiles y poco explicativas.
he paper deals with the main stages of private (small) entrepreneurship development and changing approaches to the SME policy in Russia under the systemic transition. The author argues that the entrepreneurship and SME policy in Russia remains rather reactive that pro-active. A special attention is paid to the crisis (2008-2009) impact both on the entrepreneurial activity of population based on GEM data as well as on the State inconsistent policy to promote SME under slowdown. In Russia, the strategic objective of government policies must be to support productive entrepreneurship and limit the options for rent-oriented or even parasitic growth of the two other types. But this task involves fundamental changes in the system of ownership rights and the entire structure of social relations, for the domination of unproductive and 'destructive' entrepreneurship is inseparable from the system of 'power-ownership' dominating in Russia.
This paper shows the results of the exploratory research on the impact of the entrepreneurial training in the propensity of becoming an investor in others' businesses, in the adult population of a selected sample of the nations that participated in the Global Entrepreneurship Monitor (GEM) 2008 edition, classified in different stages of competitiveness and development. The main objective of this research has been to add more information and conclusions to the previous studies on informal investors and business angels’ characteristics made by Bygrave et al. (2003, 2006); Maula et al. (2005); O’Gorman and Terjesen (2006); Szerb et al. (2006); Arenius, Autio et al (2007). Thus, thanks to the GEM Project, the year 2008, it was possible to get data on entrepreneurial training in the population of most of the participating countries. So, after the previous cited studies, GEM disposes of data on a variable that could never be included before in the analysis: the possession or not of training in starting businesses. Using GEM data, and applying Logistic Regressions, the authors found that trained individuals in entrepreneurship, at least to some degree, are more prone to become investors in others’ businesses than those who have not this training. The authors also investigated the impact of this training in each group of nations depending on their stage of competitiveness. Interesting differences arose. The authors also investigated the weight of the entrepreneurship training among the individual characteristics of the population and included it in the personal contextual variables to measure its effect among them in the decision of becoming investors in others’ businesses. The paper constitutes an initial exploration of this issue and the authors are conscious of the limitations of this first approach. There is a long way to answer the great quantity of questions that arise thanks to this preliminary study, and they must be an interesting subject for further research and papers’ writing.
THE MODERATING EFFECT OF INSTITUTIONAL CONTEXT ON THE RELATIONSHIP BETWEEN ASSOCIATIONAL ACTIVITY AND NEW BUSINESS ACTIVITY IN EMERGING ECONOMIES

AUTHORS: De Clercq D. Danis W.M. Dakhli M.

YEAR: 2010

PUBLICATION: International Business Review

TAGS: Institutions Environmental Factors Networks SSCI

Varying institutional environments provide the foundation for a great deal of international business (IB) research yet relatively little empirical work has examined the association between institutional factors and new business development in emerging economies, although the importance of new business development for economic transition and growth is widely acknowledged. Drawing from social network and institutional theories, we address this gap by examining the effect of associational activity on the level of new business activity in emerging economies, and testing the thesis that associational activity becomes more instrumental for new business creation when aspiring entrepreneurs confront higher institutional burdens (i.e., obstacles derived from underdeveloped or absent institutions). On the basis of data from two cross-national research projects—the Global Entrepreneurship Monitor and the World Values Survey—we find a positive relationship between a country’s associational activity and new business activity; this relationship is stronger for higher regulatory and normative institutional burdens and lower cognitive institutional burdens. This study is among the first to examine empirically the possible substitution effect between social ties and institutions to predict new business activity; it paints a nuanced picture of how social networks might be more instrumental in contexts characterized by weak institutions. We discuss the implications of these findings for IB theory and practice and offer directions for further research in the area.
MAKING SENSE OF HIGH-TECH ENTREPRENEURIAL CAREERS: THE MEANING(S) AND MATERIALITIES OF WORK FOR YOUNG ADULTS

AUTHORS: Dohrman R.L.

YEAR: 2010

TAGS: Youth

This project's broad goal is to articulate the dominant discourses and materialities of entrepreneurial work in order to understand how these intersections of these work processes enable and constrain young adults' career choices. Using a theoretical framework that included the communicative constitution of organizing (CCO), the meaningfulness of work, sensemaking, and D/discourse theories, this project explicates discourse-materiality interrelationships by asking three research questions: (RQ1): How are entrepreneurship and entrepreneurial work communicatively constituted by young adults?; (RQ1a): What are the D/discourses of entrepreneurship and entrepreneurial work for young adults?; and (RQ1b): What are the material-symbolic intersections of entrepreneurship and entrepreneurial work? To respond to these questions, multiple methods were used in this study, including a discourse analysis of mainstream media, thematic analyses of interviews with young entrepreneurs and focus groups with members of the Millennial Generation, and a secondary data analysis of the Global Entrepreneurship Monitor (GEM) data set. There were two discourses of entrepreneurial work articulated by the young adults in this project: entrepreneurship as resistance to corporate work; and entrepreneurship as exclusively high-tech and white-collar. Additionally, the materiality of entrepreneurial work in terms of objects (i.e., the desk), sites (i.e., the garage), bodies (i.e., age), and time (i.e., typical daily schedules) are explicated and described. These themes lead to seven key theoretical contributions; specifically, this project: (a) illustrates the material-symbolic intersections of entrepreneurial work and introduces time as a fourth research thread through which CCO scholars could study the material aspects of work; (b) highlights how the Discourses of entrepreneurship have been constructed for and by a young generation; (c) offers collective sensemaking as an complement to the individual traits-based model of understanding entrepreneurial work; (d) illustrates the unique benefits of the Draw-an-Entrepreneur (DAENT) test to portray the materialities of work; (e) details the advantages of multi-methodological approaches for explicating entrepreneurial careers; (f) suggests that the perceived meaningfulness of one’s work may lessen the negative impacts of the enterprising self and ideal worker ideologies; (g) concludes that the meaningfulness of entrepreneurial work was centered on the development of imaginative and social capital, which offers a new definition of career; and (h) illuminates issues of class in
entrepreneurial research and in everyday conversation.
In this article, we explore how gendered entrepreneurship rates are affected by both soft (values, beliefs and expectations) and hard (institutionalized norms and practices) measures of cultural institutions. We use data from the 2001 Global Entrepreneurship Monitor for 25?265 individuals in 11 countries to examine how institutional arrangements related to women’s employment (role of occupational segregation, gender wage inequality, female business leadership and public childcare support) interact with individual-level perceptions in ways that increase women’s start-up. Controlling for national variations in opportunity structure, our results show that gendered institutions (female business leadership, gender wage inequality and public expenditures on childcare) influence the decision to start a business indirectly through perceptions and gender.
FACTORS DETERMINING THE ENTREPRENEURIAL CONSOLIDATION IN LATIN AMERICA

AUTHORS: Herranz A.Á. de Lara P. V. Barraza S. Legato A. M.

YEAR: 2010

PUBLICATION: African Journal of Business Management

TAGS: Latin America SSCI

In this paper, we analyze the factors determining the entrepreneurial consolidation in Latin American countries participating in the global entrepreneurship monitor project (GEM). We include in our research both the entrepreneur and social characteristics that lead to business consolidation. Our research is based in the analysis of such characteristics in a sample of seven Latin American countries during years 2006 and 2007 by developing a multi-equation model with panel data.
DETERMINANTS OF THE ENTERPRISE CONSOLIDATION IN SPAIN

AUTHORS:  Herranz A.Á. Martín M.Á.G. De Lara P.V.

YEAR:  2010

PUBLICATION:  Revista Europea de Direccion y Economia de la Empresa

TAGS:  Determinants
ENTREPRENEURIAL EXIT AND ENTREPRENEURIAL ENGAGEMENT

AUTHORS: Hessels J. Grilo I. Thurik A.R. van der Zwan P.

YEAR: 2010

PUBLICATION: Journal of Evolutionary Economics

TAGS: Serial Entrepreneurship

We investigate whether and how a recent entrepreneurial exit relates to subsequent engagement. We discriminate between six levels of engagement including none, potential, intentional, nascent, young and established entrepreneurship. We use individual-level data for 24 countries that participated in the Global Entrepreneurship Monitor during 2004, 2005 and 2006 (some 350,000 observations). Our findings indeed show that a recent exit decreases the probability of undertaking no entrepreneurial activity, whereas it substantially increases the probabilities of being involved in all other engagement levels. Investigating the conditions under which an exit increases engagement in entrepreneurial activities, we find that the probability of entrepreneurial engagement after exit is higher for males, for persons who know an entrepreneur and for persons with a low fear of failure. Educational attainment does not seem to be relevant. Moreover, there exists large cross-country variation in the probability of entrepreneurial engagement after exit.
GENDER DIFFERENCES IN ENTREPRENEURIAL NETWORKING AND PARTICIPATION

AUTHORS: Klyver K. Grant S.

YEAR: 2010

PUBLICATION: International Journal of Gender and Entrepreneurship

TAGS: Gender Networks

Purpose: The purpose of this paper is to investigate the relationship between an individual's personal acquaintance with an entrepreneur and his/her participation in entrepreneurial activity at three distinct new venture stages: discovery (intending to start a business), start-up (actively in the process of starting a business), and young (running a business for less than three months).

Design/methodology/approach: Using Global Entrepreneurship Monitor data from 35 countries (n=311,720) pooled across three years (2002-2004) and multinomial logistic regression, the paper examines the relationship between entrepreneurial networking and entrepreneurial participation across gender. Gender differences in entrepreneurial networking are also examined.

Findings: The findings indicate that individuals who personally know an entrepreneur are more likely to participate in entrepreneurial activity at any venture stage but that female entrepreneurs, compared with their male counterparts, are less likely to be acquainted with an entrepreneur. Taken together, these findings suggest that one of the reasons why women are less likely to become entrepreneurs is that they lack entrepreneurial resource providers or role models in their social networks.

Research limitations/implications: The paper is subject to two limitations. First, the paper includes a single item measure of social network composition. Second, although the paper includes data from 2000 to 2004, the dataset is cross-sectional and is thus based on different cohorts of participants. The paper offers a number of implications for theory, practice, and future research. One of the most important implications is that female entrepreneurship participation could be enhanced by policy directed at promoting female entrepreneur role models and connecting women with entrepreneurs.

Originality/value: The paper utilizes a representative sample of 311,720 individuals in 35 countries. Entrepreneurs are classified as operating at three distinct phases of the entrepreneurial process: discovery, start-up, and young and the relationship between entrepreneurial networking and entrepreneurship participation is examined within each of these phases.
GENDER FACTORS AND FEMALE ENTREPRENEURSHIP: INTERNATIONAL EVIDENCE AND POLICY IMPLICATIONS

AUTHORS: Kobeissi N.

YEAR: 2010

PUBLICATION: Journal of International Entrepreneurship

TAGS: Gender Policy
This research examined the effects of social capital on entrepreneurial opportunity perception and weak tie investment using individual-level data from the Global Entrepreneurship Monitor linked with national-level data on social capital. Consistent with a social capital perspective, this study found that a resident of a country with higher generalized trust and breadth of formal organizational memberships was more likely to perceive entrepreneurial opportunities. A resident of a country with higher generalized trust was also more likely to invest in an entrepreneur with whom he or she had a weak personal tie than was a resident of a country with lesser generalized trust.
In 2008, the world had undergone a global economic crisis. Since women always face greater difficulties in obtaining capital than men, the economic crisis had a greater effect on them. The purpose of this paper is to examine the implications of the global crisis for women’s entrepreneurship, from the perspective of equality, diversity and inclusion.
Tradtitionally different factors and variables have been considered in the economic growth models. Following Solow’s model, economists considered physical capital and technology during 1950s–1980s. With the introduction of endogenous growth models, new forms of capital were introduced in the production function; human capital, public capital and more recently social capital. However, the consideration of qualitative variables is necessary to improve the economic growth analysis. The improvement of statistical information has favored their introduction in the economic growth models. Recently, “entrepreneurship” concept has been considered in this type of analysis. Entrepreneurship considers the capacity and ability to create new business and production activity. It is an activity not an occupation. Some authors like Schumpeter have included it in their models and they have analysed its effects on economic growth. But it is also necessary to include the role of social climate, that in a schumpterian way it could be represented by income distribution. The main objective of the paper is to analyze the relationship between entrepreneurship, income distribution and economic growth following the ideas developed by Schumpeter and we will contrast them from a empirical analysis using the GEM (Global Entrepreneurship Monitor) data.
In this article we provide an introduction to the papers in the special section of this edition of the European Journal of Development Research. We start by framing the challenges posed by female entrepreneurship to the research community, note some of the findings in the literature pertaining to the cross-national understanding of female entrepreneurship, and review the existing literature on the role and experience of female entrepreneurs in developing countries. Despite progress in understanding the motivations, constraints and issues that confront female entrepreneurs, there is still substantial scope for further research. We then discuss four papers that advance this research agenda.
This study analyses the dynamics, structure and connections between entrepreneurial activity, economic development and firm efficiency. While the usual presumption on the relationship between these variables implies straightforward, linear and positive impacts, empirical evidence shows that those impacts are significant, more complex and less straightforward. The evidence of entrepreneurial activity in Croatia shows that the early stages of entrepreneurship development are very dynamic and volatile. Furthermore, significant inter-regional differences exist in entrepreneurial activity, firm performance and economic development across six Croatian regions. Correlations between entrepreneurial activity, firm performance and economic development are significant but depend on whether the entrepreneurial activity is opportunity or necessity based. This study confirms the theoretical presumption about complex and multilayered connections between different types of entrepreneurship activity and economic development. This paper examines how one dimension of national culture (an individualist–collectivist orientation) is related to Total Entrepreneurial Activity, depending on the level of economic development, measured by GDP per capita. Researchers have traditionally associated individualism with high rates of firm creation, arguing that an orientation towards achievement and the pursuit of personal objectives (dominant aspects in individualist cultures) are determinants of entrepreneurial activity. The current analysis shows that a country’s culture correlates to entrepreneurship, but cannot uphold the idea that higher levels of individualism mean higher rates of entrepreneurship. Using data from the Global Entrepreneurship Monitor on 52 countries, the results show that a country’s entrepreneurship rate is negatively related to individualism when development is medium or low, and positively related to individualism when the level of development is high. Thus, individualism is not related to entrepreneurship in the same way in countries with differing levels of development.
The paper investigates the efficiency of entrepreneurial processes in European Union member states and Croatia as a European Union candidate country. The authors follow the model of Davidsson (2004), who argues that entrepreneurial activity originates in three waves: the wave of ability, need and opportunity for entrepreneurship; the wave of perceptive ability, perceptive need and perceptive opportunity for entrepreneurship; and entrepreneurial motivation and activity. The authors of the paper argue that the efficiency of the transformations of one entrepreneurship wave to another can be measured by Data Envelopment Analysis (DEA) on the basis of the Global Entrepreneurship Monitor database, which is a new approach to the analysis of entrepreneurial processes. The results indicate high level of heterogeneity of entrepreneurial processes among European Union member states. The authors give special attention to Croatia and conclude that the membership of Croatia in European Union would not threaten the entrepreneurial processes of this European Union candidate country.
The recognition of business opportunities is the first stage in the entrepreneurial process. This article analyses the effects of individuals’ possession of and access to knowledge on the probability of recognizing good business opportunities in their area of residence. The authors use an eclectic theoretical framework, consisting of intellectual and social capital concepts. In particular, they analyse the role of individuals’ educational level, their perception that they have the right knowledge and skills to start a business, whether they own and manage a firm, their contacts with other entrepreneurs, and whether they have been business angels. The hypotheses proposed here are tested using data collected for the GEM project in Spain in 2007. The results show that individuals’ access to external knowledge through the social networks in which they participate, is fundamental for developing the capacity to recognize new business opportunities.
This paper is a cross-national study testing a framework relating cultural descriptive norms to entrepreneurship in a sample of 40 nations. Based on data from the Global Leadership and Organizational Behavior Effectiveness project, we identify two higher-order dimensions of culture – socially supportive culture (SSC) and performance-based culture (PBC) – and relate them to entrepreneurship rates and associated supply-side and demand-side variables available from the Global Entrepreneurship Monitor. Findings provide strong support for a social capital/SSC and supply-side variable explanation of entrepreneurship rate. PBC predicts demand-side variables, such as opportunity existence and the quality of formal institutions to support entrepreneurship.
This article explores female entrepreneurial activities in 13 Latin American and Caribbean countries: Argentina, Bolivia, Brazil, Chile, Colombia, Dominican Republic, Ecuador, Jamaica, Mexico, Peru, Puerto Rico, Uruguay and Venezuela. Specifically, we explore the following research questions: What percentage of the female and male Latin American populations is involved in opportunity- and necessity-based entrepreneurial activities? And what quality of institutions is associated with female entrepreneurial activity opportunity and necessity rates? We comment on the impact of female entrepreneurship on economic development and conclude with implications for policy, practice and future research.
WHERE IS THE GEM PROJECT RESEARCH LEADING US?

AUTHORS:  Díaz-Casero J.C. Vázquez Á.R. Urbano D.

YEAR:  2010

PUBLICATION:  Revista Europea de Direccion y Economia de la Empresa

TAGS:

This paper investigates where GEM Project research (Global Entrepreneurship Monitor) is leading us. GEM was created in 1997 as a jointly research with Babson College (USA) and London Business School (UK) and the objective was to analyse and compare the entrepreneurial activity around the world. The paper revises and analyzes the main articles using GEM data for the period 1999-2006. Also, recommendations about future research based on the state of the art of current studies are advanced.

ACCESS ARTICLE
A RESEARCH OF ENTREPRENEURIAL ENVIRONMENT: EVALUATION OF SHENZHEN BASED ON GEM

AUTHORS: Hui X.

YEAR: 2010

PUBLICATION: Journal of Sustainable Development

TAGS: Shen Zhen Cultural Factors Environmental Factors

The paper investigates the current status of entrepreneurial environment in Shenzhen based on Global Entrepreneurship Monitor (GEM) model. Through expert interviews, I analyze nine aspects of entrepreneurial environment of Shenzhen and compare them with other GEM data. These aspects include financial support, government policies, government programs, education and training, research and development transfer, commercial and professional infrastructure, access to physical infrastructure, market openness and cultural and social norms.
The past decades have witnessed an increase of the proportion of firms created by women in Canada. However, despite the increasing number of female entrepreneurs, research in the field keeps reporting that women are twice less likely to start a business than men; when they do start a venture, it is smaller in size and shows a lower growth level than male-controlled firms. The purpose of this research was to examine how female and male entrepreneurs participating to the Global Entrepreneurship Monitor (GEM) Canada survey compared in terms of their motives to start a business. Motivations were compared using the “push-pull” dichotomy among a sample of owners of recently created firms across Canada. In general, the results of this study show a relationship between success at launching a business and some characteristics of opportunistic entrepreneurs such as: level of education, skills, self-confidence, income and networking. As men tend to have acquired these characteristics in a higher proportion than women, it would not be surprising to see women obtaining on average lower results than men when these characteristics are measured.
Entrepreneurs are of key importance in translating creativity into economic output. Consequently the urban dimension of entrepreneurship is a subject of great interest. This chapter sets out a framework encompassing the process between entrepreneurial perceptions and entrepreneurial activity at the individual level and demonstrate how an urban environment can have an impact on this process. The chapter creates entrepreneurship indices for thirty-five world cities exploiting the Global Entrepreneurship Monitor (GEM) Database 2001-2006. We investigate differences between city-level and country-level for a selection of these indices and show that, indeed, most of them are higher for world cities than for the rest of their respective countries. Albeit very preliminary, the results provide an initial exploration of the entrepreneurial advantage of world cities.
The main purpose of this paper is to analyze the influence of environmental factors on entrepreneurial activity, focusing on Latin America, and using the institutional approach as theoretical framework. Through a panel data model with information from the Global Entrepreneurship Monitor and Doin Business, we demonstrate that informal institutions, such as political stability, control of corruption and role models are related to the entrepreneurial activity. Likewise, contrary to the expected results, formal institutions, such as procedures and time for starting a new business, and business and entrepreneurial skills, do not have a significant influence on entrepreneurship in Latin American countries.
This paper analyzes the content and the evolution of the research based on the GEM Project (Global Entrepreneurship Monitor). With this aim, a rigorous search of the published articles in the journals included in the Journal Citation Reports (JCR) was made, through an exploratory analysis focused in the articles that have used GEM data. The main findings of the study show that institutional approach is the most useful conceptual framework. Also, although there are still few academic publications using GEM data, the number of articles is increasing in terms of “niches” for future research lines.
In the recent decades the role of new firms has been recognized as one of the key elements for economic and social development. While governments dedicated their efforts to design polices and strategies for the support of the entrepreneurial activity, the academy has focused its interest, among other topics, on the analysis of conditioning factors to entrepreneurship.
ENVIRONMENTAL CONDITIONS AND ENTREPRENEURIAL ACTIVITY: A REGIONAL COMPARISON IN SPAIN

AUTHORS: Alvarez C. Urbano D. Coduras A. Ruiz-Navarro J.

YEAR: 2011

PUBLICATION: Journal of Small Business and Enterprise Development

TAGS: Spain Gender Environmental Factors

Purpose – The main objective of this paper is to analyse the influence of environmental factors on entrepreneurship at the Spanish regional level, using institutional economics as the theoretical framework for the research. Additionally, this work aims to emphasize how environmental conditions have different effects according to the gender of entrepreneurs.

Design/methodology/approach – Regional panel data (19 Spanish regions and the 2006-2009 period) from the Global Entrepreneurship Monitor (GEM), specifically from the Spanish National Expert Survey (NES) for environmental conditions and the GEM Adult Population Survey (APS) for entrepreneurial activity were analysed within a fixed effects model with panel corrected standard errors.

Findings – The main findings of the study indicate that both informal (cultural and social norms, perception of opportunities to start-up and entrepreneur social image) and formal factors (intellectual property rights) influence entrepreneurship, but the informal are more determinant than the formal. Concerning the gender issues, informal and formal institutions are also determinant, but female entrepreneurship is significantly associated with the women’s support to start-up, whereas primary and higher education are associated only with male entrepreneurial activity.

Research limitations/implications – The results of the research should be interpreted carefully, because the availability of data constrained the analysis to a time period that is not reflective of the economic cycle; on the contrary, the data correspond to a period of recession, and thus the results cannot be generalized. Also, the study could extend the analysed period and compare the obtained results with international data, considering the global number of participant countries in the GEM Project.

Originality/value – The study provides a methodology to analyse the environmental factors for new firm creation at a regional level, combining GEM data and institutional economics.
This study analyzes, from a multicountry perspective, the influence of the sociodemographic profiles of nascent and new entrepreneurs on their behavior. The panel data-based research approach combines temporal series and cross-sectional data to assess entrepreneurial activities across 22 countries with varying income levels. The results show that entrepreneurs' characteristics influence entrepreneurial behavior significantly and positively, in the following order: previous experience of the founder, age, and education. These findings suggest valid recommendations for stimulating entrepreneurship, both for enterprising business founders and for the institutions responsible for designing economic and regional development policies.
ENTREPRENEURIAL OPPORTUNITIES IN PERIPHERAL VERSUS CORE REGIONS IN CHILE

AUTHORS: Amorós J.E. Felzenszttein C. Gimmon E.

YEAR: 2011

PUBLICATION: Small Business Economics

TAGS: Chile Regional Studies SSCI

Governmental policies tend to support and boost entrepreneurship in peripheral regions in many countries. This research revives the debate about specific regional policies designed to foster local new business creation, and the entrepreneurial framework conditions needed at the regional level for emerging regions such as Latin America. We applied one of the Global Entrepreneurship Monitor’s methodologies, the National Experts Survey, to a sample of 695 key informants in Chile at eight regions of which six are classified as peripheral. Using non-parametric statistics we compared the differences between peripheral and core regions. The main results indicate that peripherally located entrepreneurship experts perceive their regions as in a worse position than centrally located experts in terms of finance access and physical infrastructure. On the other hand, the results indicate that peripheral entrepreneurship experts detect more market dynamism in their regions and surprisingly perceive general policy and government programs as supporting entrepreneurship although the Chilean government had not promoted many regional policies.
This article provides an introduction to the special issue of Academia, Revista Latinoamericana de Administración dedicated to the Global Entrepreneurship Monitor (GEM), project. As a region, the countries of Latin America and the Caribbean correspond to the second highest representation in GEM after Europe. The papers presented here are the result of studies that emphasize the Latin American context through the use of the GEM’s conceptual framework and data. This introduction describes the GEM project, summarizes some key indicators for the region and analyses the contributions of these articles stressing the importance of systematic study of entrepreneurship in Latin America.
QUANTIFYING THE RELATIONSHIP BETWEEN ENTREPRENEURSHIP AND COMPETITIVENESS DEVELOPMENT STAGES IN LATIN AMERICA

AUTHORS: Amorós J.E. Fernández C. Tapia J.

YEAR: 2011

PUBLICATION: International Entrepreneurship and Management Journal

TAGS: Latin America Competitiveness

This research aims to quantify the importance of a country’s entrepreneurship level in terms of its competitiveness rates. Our hypothesis is that those countries entrepreneurship growth rates increase their competitiveness indicators and that this entrepreneurial improvement could be a key factor in reaching the next stage of development. We establish this relationship using a longitudinal database of Latin American countries that participated in the Global Entrepreneurship Monitor (GEM) and the Global Competitiveness Reports of the World Economic Forum (WEF) from 2001 to 2006. GEM and WEF construct aggregated indexes using several variables to rate each country’s entrepreneurship activity and competitiveness development. We use a discriminant analysis to identify various countries’ competitiveness subgroups and show how each country’s entrepreneurship rates have weight in different stages of competitiveness, placing a special emphasis on Latin America. Our results suggest that Latin American countries need to gain entrepreneurial dynamics and economic (and competitiveness) development by transforming their typical self-employment or low value-added new ventures for local markets into strong, innovative networked firms competing globally. Some management and policy implications are also discussed.

ACCESS ARTICLE
This chapter analyzes the prevalence of high-aspiration entrepreneurs at both the country and individual level. The descriptive analysis reveals significant variation in high-aspiration entrepreneurship across countries as well as between high and low-income economies. At the country level, the analysis of institutional influences shows the difficulty of firing to be negatively and significantly associated to the prevalence of early-stage high-aspiration entrepreneurs. The individual-level analysis confirms this effect. Thus, overall, the findings suggest that country-level factors exercise an important influence on individual-level entrepreneurial growth aspirations. The analysis also demonstrates the unique value of GEM data for the development of more robust and generalizable models of entrepreneurial growth aspirations.
In this article, we explore how new capabilities emerge and solidify in new ventures that are faced with fundamental uncertainty from their environment. To do so, we draw from the organizational and entrepreneurial literature on cognition and capabilities. Using initial qualitative evidence from a multifirm study in the context of new venture internationalization, we develop a cognition-based model of capability emergence in new ventures. Our findings extend the capability development and learning implications of internationalization to the fundamental character of organizing processes in start-ups. Moreover, we derive avenues for future entrepreneurship research on the origins and evolution of capabilities in new ventures.
Due to its unique political institutions and good economic track record, Switzerland used to be called a special case. This paper investigates the start-up propensities in this country based on the individual data of the adult population survey of the Global Entrepreneurship Monitor. The focus is on the factors that are distinctive for Switzerland: language differences and differences in taxes on corporate profit and personal income. There are substantial entrepreneurship disparities among the language areas of Switzerland. Still, I do not find evidence for a cultural influence. The different start-up propensities in the three language areas can be explained by structural characteristics of the regional economy. The same applies to differences in income and profit taxes. If other regional factors are taken into account, I do not find evidence for a direct influence of taxes on the entrepreneurial propensity of the inhabitants of Swiss regions. There is however some evidence for indirect effects. This paper adds to our understanding of the effects of culture and tax differences on entrepreneurship.
Differences in entrepreneurial activity and entrepreneurial attitude are substantial and persistent across nations and regions. However, studies on entrepreneurship that encompass regions and countries at the same time are lacking. This paper explains both national and regional differences in entrepreneurial attitude and activity for 127 regions in 17 European countries, based on Global Entrepreneurship Monitor (GEM) data. We reveal the importance of institutional factors and economic and demographic attributes to variations in regional entrepreneurial attitude and activity. Our findings point at the relevance of distinguishing between components of entrepreneurial attitudes, i.e. fear of failure in starting business, perceptions on start-up opportunities and self-assessment of personal capabilities to start a firm. We find different determinants of these components, suggesting that they reflect different aspects of entrepreneurial attitude. In explaining regional prevalence rates of phases in entrepreneurial activity (nascent, baby business, established business) we find significant contributions of entrepreneurial attitude components. Urban regions and regions with high levels of nearby start-up examples show relatively high rates of early-stage entrepreneurship. A large number of start-up procedures does not discourage early-stage entrepreneurship.
Regional economic growth literature has established that differences in regional productivity can to large extent be explained by the density of economic activity. This effect of ‘urbanization economies’ has been documented for regions in the United States (Ciccone and Hall 1996) and Europe (Ciccone 2002). Many studies have since contributed to ‘opening’ the black box of urbanization economies (Duranton and Puga 2004; Rosenthal and Strange 2004). Consistent with recent literature (Acs et al. 2004) we argue that entrepreneurship constitutes a relevant additional explanatory factor for observed regional variation in labor productivity. Moreover we argue that specific types of entrepreneurship can be related to urbanization effects. The need for identifying specific types of entrepreneurship requires the inclusion of the individual as the unit of analysis.
INFORMAL INVESTMENT AND ENTREPRENEURIAL ACTIVITY

AUTHORS: Bygrave W. Bosma N.S.

YEAR: 2011

PUBLICATION: The Dynamics of Entrepreneurship

TAGS: Financing

Informal investment and entrepreneurial activity
APPLICATION OF THE SELF-ORGANIZING MAP (SOM) TO ANALYZE THE NASCENT ENTREPRENEURS' PATTERNS: EVIDENCE FROM GEM 2011

AUTHORS:  Chuang L.M. Chao S.T. Lin C.W.

YEAR:  2011

PUBLICATION:  Roundtables on Entrepreneurship Education in Asia, January, Taipei, Taiwan.

TAGS:

Application of the self-organizing Map (SOM) to analyze the nascent entrepreneurs’ patterns: evidence from GEM 2011
ARE SOCIAL NETWORKS MORE IMPORTANT FOR NEW BUSINESS ACTIVITY IN EMERGING THAN DEVELOPED ECONOMIES? AN EMPIRICAL EXTENSION

AUTHORS: Danis W.M. De Clercq D. Petricevic O.

YEAR: 2011

PUBLICATION: International Business Review

TAGS: Networks SSCI

To extend prior theoretical and empirical work in the IB and entrepreneurship fields, this study examines how fundamentally different institutional conditions in emerging versus developed economies may clarify variations in the level of new business activity across countries. The empirical results support the argument that social networks are more important for new business activity in emerging than in developed economies. Furthermore, in emerging economies, the relationship between associational activity and new business activity is stronger for countries with higher regulatory and normative institutional burdens, whereas these moderator effects are absent in developed economies. The study's findings offer important implications for research and practice.
This study considers the relationship between people's access to resources and their likelihood to start a new business, and particularly how this relationship might be moderated by formal and informal institutions. Individual-level resources might be more potent for new business creation in countries with financial and educational systems that are more oriented toward entrepreneurship, higher levels of trust, and cultures that are less hierarchical and conservative. The hypotheses are tested by undertaking random-effects multilevel analyses of a multi-source data set that spans a 5-year time period (2003–2007). The study's findings offer important implications for research and practice.
This paper compares the impact of institutions on men and women’s decisions to establish new business start-ups between 2001 and 2006. We use data from the Global Entrepreneurship Monitor survey (GEM) which cover at least 2,000 individuals per year in each of up to 55 countries and have merged it with country-level data, from the World Bank, Economist Intelligence Unit, Polity IV and the Heritage Foundation. We find that women are less likely to undertake entrepreneurial activity in countries where the state sector is larger, but the rule of law is not generally found to have gender-specific effects. However, more detailed institutional components of discrimination against women, in particular, restrictions on freedom of movement away from home, make it less likely for women to have high entrepreneurial aspirations in terms of employment growth, even if their entry into entrepreneurial activities, including self-employment, is not affected by this.
This study investigates the influence of human capital, social capital, and cognition on nascent entrepreneurs' export intentions. The results indicate that while human capital and social capital influence the level of intended export, cognitive characteristics, such as self-efficacy and risk aversion, do not seem to influence entrepreneurs' intended level of export. The study makes three original contributions to international entrepreneurship research. The first one is the focus on “Real” Born Globals, i.e. entrepreneurs who express export intentions in the prefounding phase. The second is the focus on the individual-level factors rather than firm-level factors that explain export. Finally, the effect of experience is investigated from a path-dependency perspective rather than a “the-more-the-better” perspective. Our study suggests that it may be productive for researchers to look further into the concept of intention, as entrepreneurs' decision to internationalize presupposes a conscious intention of carrying out the action. Thus, the factors influencing the decision to internationalize may have been present prior to the founding of the venture.
DO INCENTIVES MATTER TO PROMOTE HIGH TECHNOLOGY-DRIVEN ENTREPRENEURIAL ACTIVITY?

AUTHORS: González J.L. Peña I. Vendrell F.

YEAR: 2011

PUBLICATION: International Entrepreneurship and Management Journal

TAGS: Spain Innovation Regional Studies SSCI

A productive human capital is a necessary but not sufficient condition for regional economic growth. An additional condition is the adequate allocation of talented people in innovative entrepreneurial activities, which according to previous literature have a higher social value than traditional ones. Using a large and representative sample of small and medium enterprises (SMEs) located in the Basque Autonomous Community (Spain), we empirically analyze, separately in manufacture and services, whether individual incentives and market conditions are aligned in such a way that the talent is properly allocated in innovative entrepreneurial activities. Through a novel use of existing empirical methods we find that (i) entrepreneurs operating in high-tech sectors have, on average, more entrepreneurial talent and private returns than their counterparts; and that (ii) entrepreneurial talent and private returns are positively and significantly correlated. These novel insights suggest that private and social incentives are adequately aligned.

ACCESS ARTICLE
DISCOVERY OF ENTREPRENEURIAL OPPORTUNITIES: A GENDER PERSPECTIVE

AUTHORS: Gonzalez-Alvarez N. Solis-Rodriguez V.

YEAR: 2011

PUBLICATION: Industrial Management and Data Systems

TAGS: Gender SSCI

The aim of this paper is twofold. First, it intends to analyze the influence of human capital and social capital on the second of the stages in the process of entrepreneurial creation established by Shane and Venkataraman, the discovery of opportunities for creating a business. Second, it aims to analyze the existence of gender differences both in the discovery of opportunities and in the stock of human and social capital possessed by men and women.
We investigate whether and how a recent entrepreneurial exit relates to subsequent engagement. We discriminate between six levels of engagement including none, potential, intentional, nascent, young and established entrepreneurship. We use individual-level data for 24 countries that participated in the Global Entrepreneurship Monitor during 2004, 2005 and 2006 (some 350,000 observations). Our findings indeed show that a recent exit decreases the probability of undertaking no entrepreneurial activity, whereas it substantially increases the probabilities of being involved in all other engagement levels. Investigating the conditions under which an exit increases engagement in entrepreneurial activities, we find that the probability of entrepreneurial engagement after exit is higher for males, for persons who know an entrepreneur and for persons with a low fear of failure. Educational attainment does not seem to be relevant. Moreover, there exists large cross-country variation in the probability of entrepreneurial engagement after exit.
Entrepreneurship amongst minority language speakers: the case of Wales, Regional Studies. Using data from the Global Entrepreneurship Monitor (GEM) survey, this study explores the entrepreneurial characteristics of Welsh speakers who live both inside and outside Welsh language clusters, focusing on the extent to which they follow those patterns predicted by theories drawn from the ethnic entrepreneurship field. The results indicate that whilst fluent Welsh speakers are more likely than non-Welsh speakers to perceive opportunities for business starts and be involved in business starts in non-Welsh-speaking areas, this can be largely explained by differences in environmental and personal characteristics.
GENDER DIFFERENCES IN ENTREPRENEURIAL NETWORKS: ADDING AN ALTER PERSPECTIVE

AUTHORS:  Klyver K.

YEAR:  2011

PUBLICATION:  Gender in Management

TAGS:  Gender Networks Family Business

By adding an alter perspective to the traditional ego perspective on gender differences in entrepreneurial networks, the purpose of this study is to investigate whether involvement of family members who are not partners and exchange of emotional support is associated not only with the gender of the entrepreneurs but also the gender of entrepreneurs' alters.
Using data from representative population surveys in 17 countries, we find that the lower rate of female business ownership is primarily due to women's lower propensity to start businesses rather than to differences in survival rates across genders. We show that women are less confident in their entrepreneurial skills, have different social networks and exhibit higher fear of failure than men. After controlling for endogeneity, we find that these variables explain a substantial part of the gender gap in entrepreneurial activity. Although, of course, their relative importance varies significantly across countries, these factors appear to have a universal effect.
START-UP FINANCING IN THE AGE OF GLOBALIZATION

AUTHORS: Korosteleva J. Mickiewicz T.

YEAR: 2011

PUBLICATION: Emerging Markets Finance and Trade

TAGS: Financing SSCI

We investigate the determinants of start-up financing in 54 countries, using the Global Entrepreneurship Monitor (GEM) surveys for years 2001-2006. We find that financial liberalisation increases the total financial size of the individual start-up entrepreneurial project both via the increased use of external and of own funds. In addition, the volume of start-up finance responds positively to international capital inflows as represented by loans from non-resident banks and remittances, and negatively to the volume of offshore deposits. The positive impact of remittances on total volume of start-up financing is via own finance of the entrepreneur.
The current study focused on the role played by culture and gender differences in family business: to what extent are family businesses different across cultures, to what extent are family businesses owned by women different from family businesses owned by men and is there a culture by gender interaction? These questions were examined using data collected as part of the adult population surveys of the Global Entrepreneurship Monitor (GEM) in 10 countries including four Anglo-Saxon countries (US, UK, Australia, New Zealand), three European countries (Spain, Sweden, Hungary), one Latin American country (Brazil), one East Asian country (Singapore) and one Mediterranean country (Israel). Results showed consistently big cross-cultural differences between the owners of family businesses in the ten countries and far smaller and less consistent differences between male and female owners of family businesses. These findings offer a strong support for social theories of gender and a much weaker support for evolutionary theory.
Entry into entrepreneurship is a strategic act for individuals who seek an optimal way to exploit their human, social and financial capital. Trade-offs associated with this choice are influenced by institutional conditions. We use signaling theory, employment choice theory and theory on strategic entry to develop hypotheses on the effect of business regulations and rule of law on strategic and non-strategic entrepreneurial entry. Analysing a six-year panel of 54 countries, we find lighter burden of regulation associated with a higher rate and relative prevalence of strategic entrepreneurial entry. Rule of law moderates this effect such that regulation has a significant effect on strategic entry only when rule of law is strong. These findings are robust against alternative proxies. Implications are drawn for prospective entrepreneurs, existing organisations, policy, and further research.
BUSINESS AND SOCIAL ENTREPRENEURS IN THE UK: GENDER, CONTEXT AND COMMITMENT

AUTHORS:  Levie J. Hart M.

YEAR:  2011

PUBLICATION:  International Journal of Gender and Entrepreneurship

TAGS:  Social Entrepreneurship Gender United Kingdom

Objectives: What sort of people become social entrepreneurs, and in what way do they differ from business entrepreneurs? This question is important for policy because there has been a shift from direct to indirect delivery of many public services, requiring a professional approach to social enterprise. Yet we know little about who sets up social enterprises. Prior work: Much prior work on social entrepreneurs has been based on small and convenience samples, and this is true in the United Kingdom as elsewhere. An exception is work based on annual UK Global Entrepreneurship monitor (GEM) surveys (e.g. Levie et al., 2006). Approach: Defining and distinguishing business from social entrepreneurs is problematic. However, inclusion of items that measured the relative importance of economic, social and environmental goals in the 2009 UK GEM survey enables us to compare business and social entrepreneurs based on two different definitions: activity-based (setting up or running a new business or any kind of social, voluntary or community activity, venture or initiative) and goals-based (setting up or running a new organisation which has mainly economic goals versus mainly social goals). We use logistic multivariate regression techniques to identify differences between business and social entrepreneurs in demographic characteristics, effort, aspiration, use of resources, industry choice, location and organisational structure, identified from a representative sample of 30,000 adults interviewed in the United Kingdom in 2009. Results: The results show that the odds of an early-stage entrepreneur being a social rather than a business entrepreneur are reduced if they are male, from an ethnic minority, if they work 10 hours or more per week on the venture, and if they ever worked in their parents business, while they are increased if they have higher levels of education and if they are a settled in-migrant to their area. Implications: These results suggest that a high proportion of social enterprise founders are part-time founders. This could be a cause for concern for policy-makers keen to shift delivery of professional services from the public sector to a professional third sector. Future surveys could test if there is a hand-over of control from founders to full-time managers as social enterprises mature. Value: To our knowledge, this is the first time that large representative samples of business and social
entrepreneurs have been compared using multivariate analysis. This type of research complements case-based research, enabling hypotheses raised by qualitative research to be tested on representative samples of a population.
This paper discusses the determinants of becoming an intrapreneur. Individuals maximise their utility while deciding among three occupations: independent entrepreneurship, paid employment and intrapreneurship. I show that intrapreneurs resemble employees rather than entrepreneurs. Specifically, comparing the decision-making of intrapreneurs to that of entrepreneurs, the former are significantly more risk averse, expect lower but less uncertain reward and are broadly endowed with a poorer set of entrepreneurial abilities; despite having higher levels of human capital they fail to recognise business opportunities and have lower confidence in their entrepreneurial skills. A distinction within the category of intrapreneurship, based on the level of engagement and therefore the level of personal risks they bear, adds to our understanding of intrapreneurship. Engaged intrapreneurs, i.e., intrapreneurs that expect to acquire an ownership stake in the business, unlike the rest of intrapreneurs, share the attributes usually assumed to characterise entrepreneurs.
Using a multi-level approach, this study introduces a ranking of Latin American countries according to their likelihood of entrepreneurial activity at the national level, based on data provided by the Global Entrepreneurship Monitor collected in 2006. The method adjusts traditional rankings by considering the effect of major determinants of entrepreneurial activity both at the national and individual levels. Results indicate there are several Latin American countries that are not fully developing their entrepreneurial potential.
This study focuses on the factors that lead individuals to create new ventures. It draws on the social psychology literature and applies the theory of planned behavior to understand and predict nascent entrepreneurship. To test the integrity of this theory in predicting entrepreneurial behavior, this study uses data from the Global Entrepreneurship Monitor (GEM) research program in Peru. The findings of the study provide partial support for the theory. Implications of these findings are discussed.
The typical new start-up firm acquires external financing in stages through its development. Researchers have frequently examined the later stages of financing; however, they have rarely analyzed the early stages of financing. This study examines the determinants of the initial start-up financing of entrepreneurial firms in 27 countries. There are information asymmetries and moral hazard problems inherent in the funding of an initial start-up firm. Empirical results show that institutional investors rely on the experience of entrepreneurs in managing start-ups and the quality of investor protection to reduce moral hazard. On the other hand, informal investors are also common in initial start-up funding. They tend to be attracted to the type of products in the new firm. In comparison, informal investors are likely to have a social relationship with the entrepreneur, and thus have information about that person’s skill and character, which renders entrepreneurial experience less important.
The aim of this article is to identify the influencing factors of early-stage entrepreneurial aspirations in efficiency-driven economies based on Global Entrepreneurship Monitor (GEM) Adult Population Survey (APS) database for the year 2008. Within the entrepreneurial aspirations the innovativeness of entrepreneurial businesses and the job growth expectations were studied.
This paper examines how one dimension of national culture (an individualist–collectivist orientation) is related to Total Entrepreneurial Activity, depending on the level of economic development, measured by GDP per capita. Researchers have traditionally associated individualism with high rates of firm creation, arguing that an orientation towards achievement and the pursuit of personal objectives (dominant aspects in individualist cultures) are determinants of entrepreneurial activity. The current analysis shows that a country’s culture correlates to entrepreneurship, but cannot uphold the idea that higher levels of individualism mean higher rates of entrepreneurship. Using data from the Global Entrepreneurship Monitor on 52 countries, the results show that a country’s entrepreneurship rate is negatively related to individualism when development is medium or low, and positively related to individualism when the level of development is high. Thus, individualism is not related to entrepreneurship in the same way in countries with differing levels of development.
FROM MAKING THE STATE TO INSTITUTIONALIZING ENTREPRENEURSHIP POLICY IN SLOVENIA

AUTHORS: Rebernik M. Bradac Hojnik B.

YEAR: 2011

PUBLICATION: Handbook of research on entrepreneurship policies in Central and Eastern Europe

TAGS: Policy Slovenia
THE ATTITUDE TOWARD THE RISK OF ENTREPRENEURIAL ACTIVITY: EVIDENCE FROM CHILE

AUTHORS: Sepúlveda J.P. Bonilla C.A.

YEAR: 2011

PUBLICATION: Academia Revista Latinoamericana de Administración

TAGS: Risk Chile SSCI

We study the factors that may influence the attitude toward the risk of entrepreneurial activity and its impact on the propensity to become an entrepreneur. We proxy the attitude toward risk by using the answers to the fear of failing question contained in the Global Entrepreneurship Monitor survey. Interesting results are found. First, we found that being male, having more years of formal education and believing to have the necessary skills to develop a new venture all have a negative effect on an individual’s attitude toward risk and therefore, increase the probability of becoming an entrepreneur. Age affects the risk in a quadratic way (first positive but after some point negative). Finally, contrary to conventional wisdom, having the experience of shutting down a business has no effect on the risk’s attitude for developing a new venture in the Chilean case.
ENTREPRENEURS' EXPECTED RETURNS AFFECTED BY THEIR NETWORKS: A CROSS-NATIONAL STUDY USING GLOBAL ENTREPRENEURSHIP DATA

AUTHORS: Bahn S. de Souza Silveira Greco S. M. Yadollahi Farsi J. Rastrigina O. Schøtt T.

YEAR: 2011

PUBLICATION: Asia Pacific Journal of Innovation and Entrepreneurship

TAGS: Networks

Entrepreneurs' expected returns affected by their networks: a cross-national study using Global Entrepreneurship data
DETERMINANTS AND DYNAMICS OF NASCENT ENTREPRENEURSHIP IN ENTREPRENEURIALLY ACTIVE AND PASSIVE ECONOMIES: A MACRO-LEVEL ANALYSIS

AUTHORS: Wahga A.I.

YEAR: 2011

TAGS: Determinants

Determinants and dynamics of nascent entrepreneurship in entrepreneurially active and passive economies: a macro-level analysis
THE INFLUENCE OF PERCEPTIONS ON POTENTIAL ENTREPRENEURS

AUTHORS: Liñán F. Santos F. J. Fernández-Serrano J.

YEAR: 2011

PUBLICATION: International Entrepreneurship and Management Journal

TAGS: Perceptions Entrepreneurial Intention Cognitive Models SSCI

Much research has tried to explain why some people, but not others, choose to become entrepreneurs. The cognitive approach provides a useful insight to explore the entrepreneur-related phenomena through perceptions and intentions. Cross-national studies of this kind are rare, since large international surveys are needed. In this sense, the GEM-project questionnaire includes some questions about entrepreneurial perceptions of the adult population. Thus, the main objective of this paper is building a theoretical framework of entrepreneurial perceptions and testing their influence on entrepreneurial intentions with GEM data. This may allow overcoming some of the weaknesses of previous studies in entrepreneurial intentions. Three kinds of perceptions are identified: individual perceptions, perceptions about entrepreneurial opportunities, and socio-cultural perceptions. Their effect on intentions is tested along with some control variables. Results confirm that these perceptions are relevant variables in explaining the entrepreneurial intention of individuals across nations. At the same time, results from this paper would contribute to the opening up of a new line of analysis using GEM-project data: the conception stage of the new venture process; that is, the study of potential entrepreneurs.
The extraordinary growth of the Irish economy since the mid-1990s—the ‘Celtic Tiger’—has attracted a great deal of interest, commentary and research. Indeed, many countries look to Ireland as an economic development role model, and it has been suggested that Ireland might provide key lessons for other EU members as they seek to achieve the objectives set out in the Lisbon Agenda. Much of the discussion of Ireland’s growth has focused on its possible triggers: the long-term consequences of the late 1980s fiscal stabilisation, EU structural funds, education, wage moderation and devaluation of the Irish punt. The industrial policy perspective has highlighted the importance of inflows of foreign direct investment, but a notable absence from the discourse on the ‘Celtic Tiger’ has been any mention of the role of new business venture creation and entrepreneurship. In this paper we use unpublished Irish VAT data for the years 1988–2004 to provide the first detailed look at national trends in business birth and death rates in Ireland over the ‘take-off’ period. We also use sub-national VAT data to shed light on spatial trends in new venture creation. Our overall conclusions are that new business formation made no detectable contribution to the acceleration of Ireland’s growth in the late 1990s, although we do find evidence of spatial convergence in per capita business stocks.
Despite the impressive development of substantive theories in entrepreneurship, without the development of measurement theories, further advancement of the field is problematic. In particular, the notion of opportunities, central to entrepreneurship research, requires adequate macro-level operationalization. We demonstrate how to employ data envelopment analysis (DEA) to operationalize not only innovative opportunities, but also technological arbitrage opportunities. We provide an illustrative example based on a sample of 66 countries during the period of 1993–2002. We include estimates of innovative and arbitrage opportunities for possible use by other scholars, discuss the promise and limitations of such estimates, demonstrate how both innovative and arbitrage opportunities correlate with the rates of entrepreneurial activity, and suggest several possible directions for future research.
THE KNOWLEDGE SPILLOVER THEORY OF ENTREPRENEURSHIP: AN APPLICATION TO FOREIGN DIRECT INVESTMENT

AUTHORS: Acs Z. Brooksbank D. O’Gorman C. Pickernell D. Terjesen S.

YEAR: 2012

PUBLICATION: International Journal of Entrepreneurship and Small Business

TAGS: Foreign Direct Investment Policy Knowledge Spillovers

Does the knowledge spillover theory of entrepreneurship provide an explanation for the emergence of knowledge-based entrepreneurship in Ireland and Wales? To examine the reasons for different levels of knowledge-based entrepreneurship in these two regions we explore FDI and entrepreneurship policy. We outline key measures of knowledge creation, and evaluate the extent and nature of FDI activity and its relationship with entrepreneurship in general and knowledge-based entrepreneurship in particular. Policy implications include the need for more integrated policy directions for countries that are characterised by weak knowledge creating institutions yet wish to encourage knowledge-based entrepreneurship.

ACCESS ARTICLE
This paper constructs a Regional Entrepreneurship and Development Index (REDI) that captures the contextual features of entrepreneurship across regions. Using both institutional data and survey data weaknesses in the incentive structure that affects regional development can be identified. The entrepreneurial disparities among regions are analysed at the country and regional level using a penalty for bottleneck methodology. The methodology allows us to coordinate public policy action at national and regional levels.
We explore the country-specific institutional characteristics likely to influence an individual’s decision to become an entrepreneur. We focus on the size of the government, on freedom from corruption, and on ‘market freedom’ defined as a cluster of variables related to protection of property rights and regulation. We test these relationships by combining country-level institutional indicators for 47 countries with working age population survey data taken from the Global Entrepreneurship Monitor. Our results indicate that entrepreneurial entry is inversely related to the size of the government, and more weakly to the extent of corruption. A cluster of institutional indicators representing ‘market freedom’ is only significant in some specifications. Freedom from corruption is significantly related to entrepreneurial entry, especially when the richest countries are removed from the sample but unlike the size of government, the results on corruption are not confirmed by country-level fixed effects models.
Concretely, scholars from Babson College (USA) and London Business School (United Kingdom) launched in 1999 the Global Entrepreneurship Monitor (GEM) with the aim to analyze the level of entrepreneurial activity around the world. Specifically, this Project studies the variation of entrepreneurship over time, the differences among the countries, the entrepreneurship support policies and the relationship between entrepreneurial activity and economic development.
START-UP RATES AND INNOVATION: A CROSS-COUNTRY EXAMINATION

AUTHORS: Anokhin S. Wincent J.

YEAR: 2012

PUBLICATION: Journal of International Business Studies

TAGS: Innovation Longitudinal Analysis Policy SSCI

Despite the widespread assumptions of the positive relationship between start-up rates and innovation, the empirical support for this conjecture in the cross-country context is largely lacking. We draw upon recent advances in the entrepreneurship literature to propose that the relationship between start-up rates and innovation is not uniformly positive, as expected by the early scholars of entrepreneurship, but instead depends on the country’s stage of development. The relationship is positive in the developed countries, but negative in countries in early development stages. On balance, there is a weak negative association between start-up rates and innovation. We test our hypotheses on a multi-source dataset that covers 35 countries over the period from 1996 to 2002. The relationships are robust to the choice of three moderators and two dependent variables, as well as a number of post-hoc tests. Our findings indicate that broad-strokes policy efforts that aim at promotion of entrepreneurship as a means to boost country innovativeness may be misguided, and instead suggest a contingency approach.
MOVING ON FROM NASCENT ENTREPRENEURSHIP: MEASURING CROSS-NATIONAL DIFFERENCES IN THE TRANSITION TO NEW BUSINESS OWNERSHIP

AUTHORS:  Bergmann H. Stephan U.

YEAR: 2012

PUBLICATION:  Small Business Economics

TAGS:  SSCI

Nascent entrepreneurship and new business ownership are subsequent stages in the entrepreneurial process. We illustrate how information from the largest internationally harmonized database on entrepreneurship, the Global Entrepreneurship Monitor project, can be used to approximate the entrepreneurial process. We make a methodological contribution by computing the ratio of new business ownership to nascent entrepreneurship in a way that reflects the transition from nascent to new business ownership and provides cross-nationally comparable information on the efficiency of the entrepreneurial process for 48 countries. We report evidence for the validity of the transition ratio by benchmarking it against transition rates obtained from longitudinal studies and by correlating it with commonly used entrepreneurship indicators and macro-level economic indices. The transition ratio enables future cross-national research on the entrepreneurial process by providing a reliable and valid indicator for one key transition in this process.

ACCESS ARTICLE
THE SELECTIVENESS OF THE ENTREPRENEURIAL PROCESS

AUTHORS:  Brixy U. Sternberg R. Stüber H.

YEAR:  2012

PUBLICATION:  Journal of Small Business Management

TAGS:  Germany Determinants SSCI

This paper focuses on the phase before a firm is founded. Based upon cross-sectional data from the German section of the Global Entrepreneurship Monitor, the specific aim of this paper is to shed some light on the selection that takes place during the entrepreneurial process and to explain empirically the demographic and cognitive characteristics of (potential) entrepreneurs. The results reveal significant differences between and common determinants of the different phases of the entrepreneurial process.
This article highlights the main causes that encourage renewed interest in the venture, places it in the current Spanish economic framework and examines key indicators of activity provided by the observatory latest Global Entrepreneurship Monitor, establishing the characteristics of entrepreneurial activity of the population Spanish. The main objective is to provide a framework for assessing the entrepreneurship of our people, identifying some of the challenges that the main actors are designing measures to promote entrepreneurship in our country face, according to the widespread perception that entrepreneurship is a key element in overcoming the current economic and financial crisis. It is concluded that the main challenge that the Spanish population is facing in achieving a more widespread entrepreneurship is its cultural transformation, especially strata currently most affected by unemployment: young people and those from economic sectors long years oversized.
In this paper, we examine the role played by regional entrepreneurship to enhance competitiveness. Firm formation may rejuvenate and transform an economy. The Basque entrepreneurial ecosystem, if properly with expanded resources and endowed, may push forward the current economy towards a new knowledge and innovation based competitive stage. As any region is enabled to build a distinctive entrepreneurial capacity, and esta may occur capital by constructing a more entrepreneurial values—committed with tightly compacted and socioeconomic agents, such a region will be able to develop a comparative advantage leading the economy towards a more innovative and competitive region; this, ultimately, should translate into a larger social and economic wealth. This goal should be challenged with the aim of achieving a higher social cohesion through inclusive entrepreneurship (i.e., the entrepreneurial activity developed by senior, immigrant, women, young or handicapped entrepreneurs).
We develop entrepreneurship and institutional theory to explain entrepreneurial growth aspirations across individuals and institutional contexts. Our framework generates hypotheses at the national level about the negative impact of higher levels of corruption, weaker property rights and greater government activity on entrepreneurs' aspirations to increase employment. We further explore whether individual's social networks compensate for weaknesses in national institutions. We use the Global Entrepreneurship Monitor surveys in 42 countries for 2001–2006, applying a multilevel estimation framework to test our ideas. We find that the relationship between growth aspiring entrepreneurs and institutions is complex; they benefit simultaneously from strong government (in the sense of property rights enforcement), and smaller government, but are constrained by corruption. Social networks mediate some but not all institutional deficiencies.
We analyze theoretically and empirically the impact of the shadow economy on entrepreneurial entry, utilising 1998-2005 individual-level Global Entrepreneurship Monitor data merged with macro level variables. A simple correlation coefficient suggests a positive linear link between the size of the shadow economy and entrepreneurial entry. However, this masks more complex relationships. With appropriate controls and instrumenting for potential endogeneity where required, the impact of the shadow economy on entry is found to be negative, based on a linear specification. Moreover, there is also evidence of nonlinearity: entrepreneurial entry is least likely when the shadow economy is of medium size. We attribute the negative effects of shadow economy on entry to perceived strong competition faced by new entrants when the shadow economy is widespread. At the individual level, an extensive shadow economy has a more negative impact on respondents who are risk averse. In addition, in the economies where property rights are strong, the negative impact of the shadow economy is weaker.
INNOVATION, ENTREPRENEURIAL ACTIVITY AND COMPETITIVENESS AT A SUB-NATIONAL LEVEL

AUTHORS: González J.L. Peña I. Vendrell F.

YEAR: 2012

PUBLICATION: Small Business Economics

TAGS: Innovation Competitiveness Regional Studies SSCI Spain

The capability to generate new knowledge and to create new firms differs across regions. Our study is an attempt to test the extent to which differences in such capabilities are associated with regional competitiveness. Using data from Spanish NUTS2 regions for the period 2000–2004, our results show that a higher capacity of a region to simultaneously generate new knowledge and start-up firms is positively linked to its level of competitiveness. This finding supports the belief that innovation per se is a necessary, but not sufficient, condition for regional economic development.
While much attention has been devoted to analyzing how the institutional framework and entrepreneurship impact growth, how economic policy and institutional design affect entrepreneurship appears to be much less analyzed. We try to explain cross-country differences in the level of entrepreneurship by differences in economic policy and institutional design. Specifically, we use the measures of economic freedom to ask which elements of economic policy making and the institutional framework that are responsible for the supply of entrepreneurship (our data on entrepreneurship are derived from the Global Entrepreneurship Monitor). The combination of these two datasets is unique in the literature. We find that the size of government is negatively correlated with entrepreneurial activity but that sound money is positively correlated with entrepreneurial activity. Other measures of economic freedom are not significantly correlated with entrepreneurship.
This article investigated the impact of the owner-manager’s network on firm's innovation. The main hypotheses of this study were: total network size, the role model and opportunity motivation, all have positive effects on the firm's innovation. Additionally, it was hypothesized that the impact of total network size on innovation is moderated by the role model and opportunity motivation. For testing the hypotheses, this study used a sample of 1668 owner-managers in the Global Entrepreneurship Monitor (GEM) survey data collected through interviews with adults in Iran and Denmark in 2008, 2009 and 2010. The total network size was measured on a numerical scale in terms of number of different categories from whom a person gets advice. The measure for the role model was personal knowing of an entrepreneur within the last two years. Opportunity motivation got a numerical value based on its category: “motivated because of no better working option” or “no better option and also motivated by opportunity” or “motivated by opportunity” or “have job and seek opportunity”. Innovation was measured on a numerical scale based on time that the technologies needed for producing the product or service is available, customers who consider the product as new and competitors who have the same products or services. The method for testing the hypotheses was multiple regressions controlling for country, sex, age and education of the owner managers. Results showed that the total size of networks has positive effect on firm’s innovation and the impact of social networks on innovation is moderated negatively by the role model, namely the entrepreneurs who do not have a role model, size of network is more strongly associated with firm’s innovation. Maybe networks compensate for the role model
This paper contributes to the existing debate on the determinants of non-profit activity. The main theories have been centered in (1) the study of the individual behavior of people (donors, non-profit entrepreneurs), (2) one single factor or (3) one single country. To quantify this approach, data for 38 countries have been used, extracted from World Values Survey, United Nations Development Program and Global Entrepreneurship Monitor. A structural modeling approach based in partial least squares (PLS) has been applied. The results provide evidence of the strength of environmental factors such as trust, economic development and social care public expenditures in non-profit activity. The model doesn’t confirm the existence of a positive relationship between entrepreneurship and non-profit activity. Nevertheless, the authors consider that the supply side theories and the idea of spatial production of entrepreneurship are quite consistent and find some signs evidencing a positive relationship between these variables.
DETERMINANTS OF HOTELS AND RESTAURANTS ENTREPRENEURSHIP: A STUDY USING GEM DATA

AUTHORS: Ramos-Rodríguez A.R. Medina-Garrido J. Ruiz-Navarro J.

YEAR: 2012

PUBLICATION: International Journal of Hospitality Management

TAGS: Determinants Hospitality SSCI

The objective of this work is to assess the influence of certain factors on the likelihood of being a Hotels and Restaurants (H&R) entrepreneur. The factors evaluated are demographic and economic variables, variables related to perceptions of the environment and personal traits, and variables measuring the individual's intellectual and social capital. The work uses logistic regression techniques to analyze a sample of 33,711 individuals in the countries participating in the GEM project in 2008. The findings show that age, gender, income, perception of opportunities, fear of failure, entrepreneurial ability, knowing other entrepreneurs and being a business angel are explanatory factors of the probability of being an H&R entrepreneur.

ACCESS ARTICLE
STANJE SLOVENSKEGA PODJETNIŠTVA IN IZZIVI IZOBRAŽEVANJA ZA PODJETNOST : SLOVENSKI PODJETNIŠKI OBSERVATORIJ 2013

AUTHORS: Rebernik M. Sirec K. Mocnik D.

YEAR: 2012

PUBLICATION: Maribor: Ekonomsko-Poslovna Fakulteta, 2014

TAGS: Slovenia
INNOVATION DRIVEN GROWTH ASPIRATIONS OF SLOVENIAN EARLY-STAGE ENTREPRENEURS

AUTHORS:  Sirec K. Tominc P. Rebernik M.

YEAR:  2012

PUBLICATION:  Entrepreneurship and Innovation

TAGS:  
DO EU REGIONAL POLICIES FAVOUR REGIONAL ENTREPRENEURSHIP? EMPIRICAL EVIDENCE FROM SPAIN AND GERMANY

AUTHORS: Sternberg R.

YEAR: 2012

PUBLICATION: European Planning Studies

TAGS: Regional Studies Spain Germany SSCI Europe

The European Commission in the scope of its cohesion policy tries to increase competitiveness of the European Union (EU) regions by supporting, beside many other instruments, entrepreneurial activities in the EU sub-national regions. This paper sheds an empirical light on the relationship between entrepreneurial activities and entrepreneurial perceptions on the one hand and the economic performance of regions eligible for EU regional policies in Spain and Germany on the other. Based on empirical data on the NUTS2 level, there will be analysis of whether previous EU support has later had an impact on entrepreneurial activities and/or entrepreneurial perception in the regions. The results show empirical evidence for a relationship between entrepreneurial activities and EU regional policies. However, other determinants such as gender and the role model function have an even stronger impact. Some of the results may help to increase the effectiveness of EC regional policies and of regional policies of the national governments, especially if the interdependence of entrepreneurship support policies and proper regional policies is considered.

ACCESS ARTICLE
FEMALE ENTREPRENEURIAL GROWTH ASPIRATIONS IN SLOVENIA: AN UNEXPLOITED RESOURCE

AUTHORS:  Tominc P. Rebernik M.

YEAR:  2012

PUBLICATION:  New Horizons in Entrepreneurship

TAGS:  Gender High Growth Entrepreneurship Slovenia
The paper describes gender differences in entrepreneurial attitudes and activity in 8 countries of the Danube region. The research results indicate that in all the countries analyzed fewer women than men believe that promising business opportunities exist in their environment; fewer women are confident in their entrepreneurial skills, knowledge, and experiences; and more women indicate the fear of failure, which would prevent them from starting a business. In all the countries analyzed, women are also less entrepreneurially active than men. When analyzing entrepreneurial education and training in 8 countries of the Danube region, the research results suggest that those who received formal and/or informal entrepreneurial education and training are on average more likely to start a business; this holds true for both genders. On average, 1 in 5 adult men and 1 in 8 adult women received formal entrepreneurship education and training. Meanwhile, on average, 1 in 7 men and 1 in 10 women received some informal training for entrepreneurship. Gender differences are significant.
Our research investigates how state-sponsored social protection is associated with undertaking the initial steps to start businesses in knowledge-intensive sectors. We define social protection as policies to protect individuals against economic risk. Although research generally shows a negative link between coordinated market economies and business creation, we highlight conditions when social protection may actually have positive consequences on entrepreneurial action. Specifically, these policies can encourage individuals to develop specific skills, which can be used by those who start businesses to pursue opportunities in knowledge-intensive sectors. Findings from a cross-national sample of individuals starting businesses in 16 advanced industrialized countries are consistent with this claim. We also find that educational attainment moderates this positive direct relationship. Our study is one of the first that provides new explanations for how welfare states can actually promote certain types of entrepreneurial action in highly coordinated economies by orienting their economic activity toward a system of highly skilled and productive labor.
This study analyzes some of the determinants of product innovation in the case of entrepreneurs from the transformation industries, using a model estimated via the Partial Least Square method, to establish whether these determinants change according to whether they are found in developed or developing countries. Such factors include human capital, technology, the degree of market competition, expectations or economic performance. The research also analyzes the effects these factors have on product innovation and some of the determining factors for innovation in the internationalization of entrepreneurial businesses from the transformation industries.
Institutional environment influences the perceptions of desirability and feasibility, society's social and cultural environment, such as beliefs, values and attitudes, conditions behaviour and decisions made by individuals. This research evaluates the influence of institutional environment on entrepreneurial intention using a comparative analysis of different attitudes among university students in two countries: Portugal and Spain. In particular, this study aims to examine the perceptions of desirability, feasibility and intention toward the creation of one's own business and how these variables influence the entrepreneurial intention as compared these two different institutional contexts. Results revealed differences among attitudes toward entrepreneurship in both countries. With respect to the perception of feasibility, the majority of students in Extremadura (Spain) consider that it is easier to create a business in nowadays than it was several decades ago. However, from the students of Beira Interior (Portugal) consider that it is more difficult. Furthermore, in Extremadura, the entrepreneurial intention is higher than in Beira Interior.
ENTREPRENEURIAL PERCEPTIONS AND INTENTIONS: THE ROLE OF GENDER AND CULTURE

AUTHORS: Shinnar R.S. Giacomin O. Janssen F.

YEAR: 2012

PUBLICATION: Entrepreneurship: Theory and Practice

TAGS: Perceptions Entrepreneurial Intention Gender Cultural Factors SSCI

This paper examines how culture and gender shape entrepreneurial perceptions and intentions within Hofstede's cultural dimensions framework and gender role theory. We test whether gender differences exist in the way university students in three nations perceive barriers to entrepreneurship and whether gender has a moderating effect on the relationship between perceived barriers and entrepreneurial intentions across nations. Findings indicate significant gender differences in barrier perceptions. However, this gap is not consistent across cultures. Also, a moderating effect of gender on the relationship between barriers and entrepreneurial intentions is identified. Implications for research and practice are discussed.
THE POLITICAL AND LEGAL DETERMINANTS OF VENTURE CAPITAL INVESTMENTS AROUND THE WORLD

AUTHORS: Bonini S. Alkan S.

YEAR: 2012

PUBLICATION: Small Business Economics

TAGS: Venture Capital Macroeconomics Financing SSCI

This paper investigates the political and legal determinants of cross-country differences in venture capital (VC) investments. Our results show strong and positive effects of a favorable sociopolitical and entrepreneurial environment on the inception and development of VC investment activity. Controlling for effects due to the legal system prevailing in each country, we find strong evidence that this factor plays an important role in explaining cross-sectional variance. This result conveys important normative implications: entrepreneurship and innovation benefit significantly from an active VC industry, which also allows the ignition of virtuous cycles. Activating this cycle, though, relies on some socioeconomic prerequisites that government and institutions should primarily address.
Since the 1990s, several new indices like the Index of Economic Freedom, Doing Business, Global Competitiveness Index, have been created to achieving real progress in modernizing the business climates of developed and developing countries alike. These indicators however are focused largely on ameliorating burdens for current business, addressing issues with property rights, processes, etc. While necessary conditions, in the public effort to improve the economic incentives and create employment, they remain insufficient to foster the economic font of development: entrepreneurship. It has to be clear that entrepreneurship, and entrepreneurship policy is not merely about small business, or even at times about business at all, but about creating environments where people are able to perceive entrepreneurial opportunities, opportunities to improve their lives and be empowered by the environment to act upon their visions. While much has been written about the Global Entrepreneurship Monitor (GEM) and increasingly about the Global Entrepreneurship Development Index (GEDI), this paper represents the first attempt to examine private enterprise development in Africa.
In its first ten years, the Global Entrepreneurship Monitor (GEM) has had three main aims: to measure differences in the level of entrepreneurial activity between countries, to uncover factors determining national levels of entrepreneurial activity and to identify policies that would stimulate entrepreneurship. This paper reviews the theoretical and empirical contributions by the GEM consortium ten years after the presentation of its first Global Report in 1999. The evolution of GEM measures of entrepreneurship is tracked, and the quantity and quality of peer-reviewed scholarship based on GEM data and models are assessed. Prospects and recommendations for the future are noted, as GEM continues to expand and scholars outside the consortium increasingly employ GEM data in their work.
CONSEQUENCES OF CULTURAL PRACTICES FOR ENTREPRENEURIAL BEHAVIORS

AUTHORS: Autio E. Pathak S. Wennberg K.

YEAR: 2013

PUBLICATION: Journal of International Business Studies

TAGS: Cultural Factors

Although national culture is an important regulator of entrepreneurship, there is a dearth of studies that (i) explore the effects of national cultural practices on entrepreneurial behaviors by individuals; (ii) use appropriate multi-level research designs; (iii) consider the effects of culture on different entrepreneurial behaviors such as entry and post-entry growth aspirations. We combined Global Entrepreneurship Monitor (GEM) and Global Leadership and Organizational Behavior Effectiveness (GLOBE) data from 42 countries for 2005 – 2008 to address these gaps using a multi-level design. We found societal institutional collectivism practices negatively associated with entrepreneurial entry but positively associated with entrepreneurial growth aspirations. Uncertainty avoidance practices were negatively associated with entry but not with growth aspirations, while performance orientation practices were positively associated with entry. This highlights the differential effects of cultural practices on entrepreneurial entry and growth aspirations, and demonstrates the value of multi-level techniques in analyzing the effect of culture on entrepreneurship.

ACCESS ARTICLE
ENTREPRENEURSHIP AND ECONOMIC GROWTH: AN ASSESSMENT OF THE ECONOMIC PERFORMANCE IN COUNTRIES PARTICIPATING IN THE GLOBAL ENTREPRENEURSHIP MONITOR (GEM)

AUTHORS: Barcelos B. O

YEAR: 2013

TAGS: Economic Development

Entrepreneurship and economic growth: an assessment of the economic performance in countries participating in the Global Entrepreneurship Monitor (GEM)
THE USE OF GLOBAL ENTREPRENEURSHIP MONITOR DATA IN ACADEMIC RESEARCH: A CRITICAL INVENTORY AND FUTURE POTENTIALS

AUTHORS: Bergmann H. Mueller S. Schrettle T.

YEAR: 2013

PUBLICATION: International Journal of Entrepreneurial Venturing

TAGS:

We systematically review all 109 empirical, peer-reviewed journal articles which are based on the global entrepreneurship monitor's (GEM) adult population survey data. GEM has become a major database for internationally comparative entrepreneurship research because it is unique and allows investigating research questions that could not have been addressed before. Our research objectives are three-fold: first, we analyse how researchers currently use GEM data in empirical academic research. To do so, we apply an analysing framework that includes data source, level of analysis, variables, methods, measurement schemes, and analytical procedures. Second, we identify best practices and problematic fields of application. Third, we develop suggestions for the future design and use of GEM data. We distinguish between implications for researchers working with existing GEM data and implications for people responsible for the collection of new GEM data, i.e., the national GEM teams and the coordination team.
The Global Entrepreneurship Monitor (GEM) is a project carried out by a research consortium dedicated to understanding the relationship between entrepreneurship and national economic development. Since 1999 GEM reports have been a key source of comparable data across a large variety of countries on attitudes toward entrepreneurship, start-up and established business activities, and aspirations of entrepreneurs for their businesses. The growing databases increasingly allow for in-depth academic research and this is mirrored by the rapidly increasing amount of GEM-based scientific publications in a wider range of academic journals. At this point it is appropriate to provide an overview on these publications, to summarize their main contributions, and to provide some directions for obtaining promising GEM-based academic contributions in the future. This publication provides a review of 89 GEM-based academic publications in SSCI-listed journals since 2004, with the objectives to highlight the particular advantages of GEM data, their quality and usability, as well as their limitations. It also recommends a number of ways in which the GEM project might evolve further and make more impact on entrepreneurship research, on entrepreneurship policy and practice, and ultimately on getting more grip on the complex relation between entrepreneurship and economic development.
In economic agglomeration studies, the distinction of various externalities circumstances related to knowledge spillovers remains largely unclear. This paper introduces human capital, innovation and several types of entrepreneurship as potential drivers of regional economic performance with an impact of agglomeration economies. We use measures of specific types of entrepreneurship, discerned at the individual level, as well as human capital and invention through patenting activity for the period 2001–2006. The empirical application on 111 regions across 14 European countries investigates their relation with observed regional productivity rates in 2006. Our main findings indicate that (i) human capital, patenting activity and entrepreneurship are all linked to regional performance, more so in regions containing large as well as medium-sized cities; (ii) they act as complements rather than substitutes, facilitating productivity differently; and (iii) accounting for patenting activity and entrepreneurship captures agglomeration externalities effects previously subscribed only to the density of resources of regional performance. The particular role of regions with medium-sized cities next to regions with large cities complies with observed growth trends as well as recently proposed place-based development approaches that assume that interactions between institutions and geography are critical for regional economic performance.
As the high share of failed new businesses shows, the marked success of new firms is still rather low. Hence, enhancing the quality of new firms is an important goal of entrepreneurship support policies. Schemes that give professional assistance to individuals who want to start up a business are a key feature of most developed countries’ policies towards improving the performance of new firms. In our sample, only approximately half of nascent entrepreneurs seek professional assistance. Given that assistance is highly subsidized and available to everyone interested in starting up a firm, we ask why certain nascent entrepreneurs do not seek assistance. By using survey data consisting of an initial screening interview and a follow-up interview after 1 year, we are able to show that men and well-educated founders tend to refrain from professional assistance. Notably, those without any experience in the industry of the planned business are more apt not to seek assistance. This finding suggests that cognitive biases such as overconfidence might play a role in explaining the assistance-avoiding behaviour. Policy measures aiming at improving the knowledge of potential entrepreneurs are therefore well advised to target well-educated males in particular.
EFECTOS EN EL MERCADO ESPAÑOL DEL ESPÍRITU EMPRENDEDOR INMIGRANTE LATINOAMERICANO

AUTHORS:  Coduras A.

YEAR:  2013

PUBLICATION:  Claves para la comprensión de la inmigración latinoamericana en España

TAGS:  Spain Immigration
Entrepreneurship research is progressing towards the construction of indexes that integrate the information of the three predominant approaches: the entrepreneurial activity output; the population’s entrepreneurial behavior, values and aspirations; and the context in which entrepreneurship takes place. In this study we compare the Global Competitiveness Index data, one of the objective sources of information selected among those recognized as descriptors of national contexts, with the national entrepreneurial context qualitative information provided by the Global Entrepreneurship Monitor. The main purpose of this research is to contribute to the knowledge of entrepreneurial context sources of information by opening a discussion around the usefulness and contribution that could make the Global Entrepreneurship Monitor source in this field, and to determine if it is recommendable to proceed to its formal validation in the short time. The obtained results evidence that the two sources do not overlap to the degree of substituting one by the other and that the Global Entrepreneurship Monitor provides relevant qualitative details about the state of entrepreneurial context that are interesting to complement the Global Competitiveness Index information. The conclusion is to recommend the formal validation of this source, being also necessary to make comparisons with other relevant sources and to clear up its role in the progress of the integrated indexes.
The actual triple-C, as a combination of economic and financial crises, in addition to the crisis in credibility of economic policy, has fostered North-North and South-North immigration. The objective of this work is to determine the dimension of immigrant’s entrepreneurship, according to their recipient countries being factor driven, efficiency driven, and innovation driven economies. We demonstrate that efficiency driven nations are characterized by moderate demographic growth and immigrant’s entrepreneurial activity along with a very discrete immigration, while the innovation driven nations are defined by a negative demographic growth and discrete immigrant’s entrepreneurial activity along with an important reception of immigrants.
Okolje, v katerem živijo in delujejo posamezniki, pomembno vpliva na njihovo odlocitev, da ustanovijo podjetje ali razširijo obstoječe. Ker je okolje mogoče oblikovati z ustreznijo industrijsko politiko, v prispevku na osnovi tistega dela podatkovne zbirke svetovne raziskave Globalni podjetniški monitor (gem) za leto 2012, ki je bila oblikovana z anketiranjem nacionalnih izvedencev, analiziramo podjetniško okolje v Sloveniji. Ugotovitve analize smo povezali z možnimi kanali politicne intervencije, ki jih predlaga v teoreticnem delu predstavljeni modelni okvir podjetniške politike. Analiza kaže, da v Sloveniji še vedno ni zadovoljivega družbenega konsenza o pomembnosti podjetništva in njegovi vlogi za gospodarsko rast in družbeni razvoj. Rezultati tudi opozarjajo, da je še zlasti pomembno okrepiti intervencijo na ponudbeni strani podjetništva, saj bo potencialni podjetnik izkoristil zaznano priložnost le, ce bo imel
In this study, we describe the development of the entrepreneurship education system in the Basque Country and its provinces. The purpose of our research work is to identify the players who offer different entrepreneurship education programmes, to analyse the main features of such programmes, and most importantly, to assess their effectiveness for enhancing entrepreneurial activity in the Basque region. Using data from the global entrepreneurship monitor (GEM) project, our findings show that individuals who have participated in several entrepreneurship education programmes during successive stages of their lifespan are more likely not only to engage in the creation of new ventures, but also in launching more foreign-market oriented and innovation driven larger size start-ups.
This paper examines how network attributes are related to firms’ organisational characteristics. The paper utilises Adult Population Survey (APS, 18–64) data for 15 countries. The sample descriptives show that, on the whole, the network environment differs across firm characteristics, but private networks dominate all characteristics. Latent class analysis results show that female entrepreneurs are significantly less likely to fall into any class, relative to class five, when compared to men. While some firm characteristics increase the odds of receiving advice from all sources (transforming type firms), others increase the odds of receiving advice from the private network environment only (business services and starting phase firms).
We model and test the relationship between social and commercial entrepreneurship drawing on social capital theory. We propose that the country prevalence rate of social entrepreneurship is an indicator of constructible nation-level social capital and enhances the likelihood of individual commercial entry. We further posit that both social and commercial entrepreneurial entry is facilitated by certain formal institutions, namely strong property rights and (low) government activism, albeit the latter impacts each of these types of entrepreneurship differently. We apply bivariate discrete choice multilevel modeling to population-representative samples in 47 countries and find support for these hypotheses.
SOCIO-DEMOGRAPHIC FACTORS AND NETWORK CONFIGURATION AMONG MENA ENTREPRENEURS

AUTHORS: Huang V.Z. Nandialath A. Alsayaghi A.K. Karadeniz E.E.

YEAR: 2013

PUBLICATION: International Journal of Emerging Markets

TAGS: Networks Middle East and North Africa

The field of entrepreneurship has seen a dramatic increase in studies focusing on networks and relations. Research in this area has thus far focused on how the structure and quality of entrepreneurs' existing interpersonal ties shape information access and thereby influence entrepreneurial outcomes. The purpose of this paper is to extend the focus further by examining how the entrepreneur's socio-demographic profile affects advisory network configuration in the Middle East and North Africa (MENA) context.
DO DEMOGRAPHICS INFLUENCE AGGREGATE ENTREPRENEURSHIP?

AUTHORS: Lamotte O. Colovic A.

YEAR: 2013

PUBLICATION: Applied Economics Letters

TAGS: Longitudinal Analysis Youth Senior Entrepreneurship SSCI

Analysing a cross-country panel of 53 countries from 2001 to 2009, we find that the age distribution of a population is related to entrepreneurial activity. More specifically, a high share of young people in a country positively influences nascent entrepreneurship, whereas a high share of older people has a negative influence.
DESIGNING A GLOBAL STANDARDIZED METHODOLOGY FOR MEASURING SOCIAL ENTREPRENEURSHIP ACTIVITY: THE GLOBAL ENTREPRENEURSHIP MONITOR SOCIAL ENTREPRENEURSHIP STUDY

AUTHORS: Lepoutre J. Justo R. Terjesen S. Bosma N.S.

YEAR: 2013

PUBLICATION: Small Business Economics

TAGS: Social Entrepreneurship SSCI

Although there is a high level of practitioner, policymaker, and scholar interest in social entrepreneurship, most research is based on case studies and success stories of successful social entrepreneurs in a single country. We develop a methodology to measure population-based social entrepreneurship activity (SEA) prevalence rates and test it in 49 countries. Our results provide insights into institutional and individual drivers of SEA. Using the Global Entrepreneurship Monitor (GEM) methodology of Total Entrepreneurial Activity (TEA), we find that countries with higher rates of traditional entrepreneurial activity also tend to have higher rates of social entrepreneurial activity. We develop a broad definition of social entrepreneurship and then explore types based on social mission, revenue model, and innovativeness.
The paper deals with early entrepreneurial activity of individuals. It is focused both on entrepreneurs owning and managing a young firm and on nascent entrepreneurs who do steps towards launching a new venture. Demographic, socioeconomic, psychological and other factors influencing early entrepreneurial activity were analyzed based on data gathered from representative samples of adult population in the Czech Republic in 2006 (n = 2 001) and 2011 (n = 2 005). Unlike some earlier work on the subject, binary choice models were used in order to quantify the ceteris paribus effects of individual factors. Results showed that, ceteris paribus, men, people with higher entrepreneurial self-efficacy and people who know somebody else, who has launched a new business recently, more often involved in early entrepreneurial activity. The probability of such involvement grew, depending on the utilized model, till 36 to 46 years of age and decreased onwards. For both the phase of nascent entrepreneurship and that of start-up management, entrepreneurial status in society and the level of education were insignificant. Region and fear of failure played a larger role in nascent entrepreneurship, while gender and household income were significant factors related to the next phase of launching and managing a new business. Gender inequality related to start-up early management in between 2006 and 2011 increased. Overall, the study (1) shows robust findings concerning entrepreneurial entry in the Czech Republic, (2) differentiates between factors influencing nascent entrepreneurs and start-up owner-managers, and (3) provides policy recommendations for mitigating the negative role of entrepreneurial activity inhibiting factors.
The role of intuition applied to entrepreneurship remains under-researched. The present work contributes to the progress on research on this field proposing and testing an indicator to measure the degree of intuition of entrepreneurs at early and consolidated stages. The indicator is designed under the literature highlights and applied over a sample of 501 early stage and consolidated entrepreneurs, a sample extracted from GEM Spain 2011-2012. The intuitive behavior of the Spaniard entrepreneurs is moderated and depends significantly on leadership abilities along with skills to motivate others, capacity to develop technological products or services, and the age. The intuitive style is proportionally more prevalent at early stages of entrepreneurship and, in Spain, does not show significant dependence on the previous experience of the entrepreneurs as employees, managers of companies, other entrepreneurial activities or years in the same sector as they are operating at present.
DETERMINANTS OF GROWTH ASPIRATIONS: EMPIRICAL EVIDENCE OF THE SOUTH-EASTERN EUROPEAN COUNTRIES

AUTHORS: Sirec K. Mocnik D.

YEAR: 2013

PUBLICATION: Ekonomski Revija

TAGS: Determinants Europe High Growth Entrepreneurship
This study introduces a novel multidimensional measure of the entrepreneurial environment that reveals how differences in institutional arrangements influence both the rate and the type of entrepreneurial activity in a country. Drawing from institutional theory, the measure examines the regulatory, normative, and cognitive dimensions of entrepreneurial activity, and introduces a novel conducive dimension that measures a country's capability to support high-impact entrepreneurship. Our findings suggest that differences in institutional arrangements are associated with variance in both the rate and type of entrepreneurial activity across countries. For the formation of innovative, high-growth new ventures, the regulative environment matters very little. For high-impact entrepreneurship an institutional environment filled with new opportunities created by knowledge spillovers and the capital necessary for high-impact entrepreneurship matter most.
The Comparison of the Global Entrepreneurship Monitor and the Global Entrepreneurship and Development Index Methodologies has four aims: (1) to provide a comprehensive comparison of the GEM and GEDI approaches by using both methods side by side to analyze entrepreneurship development; (2) to offer the GEM community a useful example on how the GEM and the GEDI methodologies can be successfully combined to allow for a more in-depth country analysis of entrepreneurial performance; (3) to provide a comprehensive summary of Hungary’s entrepreneurial performance from 2006-2010; and (4) to demonstrate the policy applications of the GEDI Index.
In this paper, we provide a brief review of how entrepreneurship policies have evolved and what implied conceptions of “entrepreneurship” underlie attempts to measure the phenomenon. We propose that a major shortcoming in policy thinking is the insufficient recognition that entrepreneurship, at a country level, is a systemic phenomenon and should be approached as such. To address this gap, we propose the concept of National Systems of Entrepreneurship that recognizes the systemic character of country-level entrepreneurship, and also recognizes that, although embedded in a country-level context, entrepreneurial processes are fundamentally driven by individuals. We then explain how the Global Entrepreneurship and Development Index methodology is designed to profile National Systems of Entrepreneurship. We apply the GEDI approach to examine the entrepreneurial performance of the European Union. According to the GEDI index, the EU countries reveal considerable differences in their entrepreneurial performance. Moreover, there are even larger differences over the 14 pillars of entrepreneurship. In addition to highlighting bottleneck factors, the index also provides rough indications on how much a country should seek to alleviate a given bottleneck. While there are numerous ways to improve entrepreneurship in the EU and its member states, we analyze only one simple situation. An important implication of the analysis is that uniform policy does not work, and the EU member states should apply different policy mixes to reach the same improvement in the GEDI points.
This review systematically examines comparative international entrepreneurship (CIE) research, analyzing 259 articles published in 21 leading journals from 1989 to 2010. We outline the importance of multi-country studies of entrepreneurial activity in enabling the comparison and replication of research and generating meaningful contributions to scholarship, practice, and policy. Our systematic review classifies research findings into four levels—individual, firm, industry, and country—each with respect to characteristics, antecedents, and outcomes of entrepreneurial activities as well as theory and methodology. Taken together, our review highlights the heterogeneous nature of entrepreneurship across countries and its role in explaining outcomes at firm (e.g., financial and export performance) and country (e.g., economic growth) levels as well as antecedents at the country level (e.g., culture). We find the CIE literature is highly fragmented with substantial knowledge gaps related to content, theory, and methodology, for which we outline a detailed future research agenda. Given the atheoretical nature of most published CIE research, we provide specific suggestions to extend the current dominant theoretical perspectives (institutions, culture, resource-based view, transaction cost economics, economic growth, and human capital); consider new lenses from management, international business, and entrepreneurship; and integrate and test multiple theories. From a content perspective, we outline the need to define and cross-reference prior studies of entrepreneurship and prioritize emerging phenomena that are critical to practice, and policy, and offer specific directives for integrated and multi-level studies of characteristics, antecedents, and outcomes. Methodological suggestions include theory-based rationale for the selection of countries, greater attention to data collection and sample selection equivalence, and the solutions to the ecological fallacy problem. We urge scholars to work together and across countries, cooperating with interested agencies and associations to develop new longitudinal, multi-level data sets and introduce dual qualitative/quantitative approaches and new diverse, sophisticated analytical tools.
We use data from the Global Entrepreneurship Monitor (GEM) and the Global Leadership and Organizational Behavior Effectiveness (GLOBE) study for 42 countries to investigate how the effects of individual's self-efficacy and of fear of failure on entrepreneurial entry are contingent on national cultural practices. Using multi-level methodology, we observe that the positive effect of self-efficacy on entry is moderated by the cultural practices of institutional collectivism and performance orientation. Conversely, the negative effect of fear of failure on entry is moderated by the cultural practices of institutional collectivism and uncertainty avoidance. We discuss the implications for theory and methodological development in culture and entrepreneurship.
INFLUENCE OF INTELLECTUAL PROPERTY, FOREIGN INVESTMENT, AND TECHNOLOGICAL ADOPTION ON TECHNOLOGY ENTREPRENEURSHIP

AUTHORS: Laplume A.O. Xavier-Oliveira E. Pathak S.

YEAR: 2013

PUBLICATION: Journal of Business Research

TAGS: SSCI Barriers To Technological Adoption Foreign Direct Investment Intellectual Property Rights Technology Entrepreneurship

Using a multi-level modeling approach, the present study empirically examines how intellectual property rights, inflow of foreign direct investment and barriers to technological adoption affect the likelihood of individuals' entry into technology entrepreneurship in a sample of 20 emerging economies. The results suggest that regimes with strong intellectual property rights protection combined with high levels of foreign direct investment per capita decrease the likelihood of individuals' entry into technology entrepreneurship, whereas low barriers to technological adoption increase this likelihood. These findings contribute to understanding the influence that national institutions and foreign investment exercise on the entrepreneurial behavior of early-stage technology entrepreneurs in emerging economies, for which the extant literature shows mixed results.
This paper examines a specific, yet unexplored, dimension of human capital; namely, intrapreneurial experience. Intrapreneurial experience is defined as a human capital attribute of employees who have a leading role in the development and implementation of re-generation activities within an organization under a proactive, innovative, and risk-oriented focus. The effect of individuals’ intrapreneurial experiences on firm creation from an organization (i.e., corporate venturing) is tested by using data collected from different countries. Using a binomial logistic regression analysis and data from the 2011 Global Entrepreneurship Monitor (GEM), results show that intrapreneurial experience is positively associated with corporate venturing. Moreover, the effect on corporate venturing seems to be higher than that exerted by other human capital variables of employees.
In the last years, the business creation and management literature has paid increasing attention to the entrepreneurship that occurs within organizations. Most empirical studies show a positive relationship between corporate entrepreneurship and performance. The objective of this article is to identify which internal and external factors condition corporate entrepreneurship. The study uses two different theoretical perspectives: Resource-Based Theory (for internal factors) and Institutional Economics (for external or environmental factors). Both theories have been widely used in the strategic management and entrepreneurship literature, however, very few studies in the corporate entrepreneurship field are grounded on them together. The research applies negative binomial regression and uses data from the Global Entrepreneurship Monitor (GEM) for the period 2004–2008. Overall the sample has 339,071 observations and it provides information for 9 different European countries (Greece, Spain, Italy, Ireland, the Netherlands, France, the United Kingdom, Denmark and Finland). Results reinforce the importance of internal factors (knowledge, personal networks and being able to identify business opportunities) compared to external (having fear of failure, media impact and the number of procedures to create a company). Contributions of the study are both theoretical and practical. On the one hand, it contributes to the development of the literature in the corporate entrepreneurship field. On the other hand, it provides useful insights for those companies that are interested in entrepreneurship within the organizations.
Research on corporate entrepreneurship (CE) has grown rapidly over the past decades. Past studies from several complementary fields such as management, strategy, finance, entrepreneurship and marketing, have contributed to a better understanding of this complex and dynamic of entrepreneurship within established organizations. Particularly, previous special issues published in well-know journals evidenced a clear evolution from building to testing theories, methods from qualitative to more sophisticated quantitative analysis and findings in different contexts (see Table 1 in Appendix). To date, there are still unexplored issues. Since 90’s, Guth and Ginsberg (1990) identified opportunities and challenges to extend the study of corporate entrepreneurship in a global context as how the changes in the international environment influence strategic management. Ten years later, Zahra et al. (1999) argued the necessity to developing better theory building in CE research. Twenty years later, Phan et al. (2009) recognized the limits of applicability of certain theories developed in CE in different contexts. Yet, little is known about the CE activity across different regions (Antoncic and Hisrich 2001; Dess et al. 2003; Gómez-Haro et al. 2011; Yang and Li 2011; Zahra and Covin 1995).
The purpose of this paper is to analyze the main socio-cultural factors that influence women entrepreneurship in Catalonia, using institutional economics as a theoretical framework. The empirical research employs logistic regression models (rare events logit), utilizing data obtained from the Global Entrepreneurship Monitor project (GEM). The main findings highlight that ‘fear of failure’ and ‘perceived capabilities’ are the most important socio-cultural factors on the probability of becoming a woman entrepreneur. The research contributes both theoretically, advancing knowledge of the socio-cultural factors that affect female entrepreneurship, and practically, helping in the development of educational programmes and support policies to promote entrepreneurial activity.
INFORMATION EXPOSURE, OPPORTUNITY EVALUATION AND ENTREPRENEURIAL ACTION: AN INVESTIGATION OF AN ONLINE USER COMMUNITY

AUTHORS: Autio E. Dahlander L. Frederiksen L.

YEAR: 2013

PUBLICATION: Academy of Management Journal

TAGS: Entrepreneurial Action Online Communities SSCI

We study how an individual’s exposure to external information regulates the evaluation of entrepreneurial opportunities and entrepreneurial action. Combining data from interviews, a survey, and a comprehensive web log of an online user community spanning eight years, we find that technical information shaped opportunity evaluation, and social information about user needs drove individuals to entrepreneurial action. Our empirical findings suggest that reducing demand uncertainty is a central factor regulating of entrepreneurial action, an insight that received theories of entrepreneurial action have so far overlooked.
This Invited Editorial introduces the Entrepreneurship Research Journal Special Issue focused on discussing entrepreneurship in Europe as a complex, multilevel phenomenon. Building on the evidence offered by the four articles and related commentaries in this issue, we discuss entrepreneurial phenomena at different micro-, meso-, and macro-levels. Our analysis suggests that the diffusion of entrepreneurial initiatives in Europe is an important challenge that should be high on the agenda of entrepreneurship scholars, with important implications for policy-makers. We conclude with some research questions for future studies at the European level, which may contribute to move the debate in the proposed direction.
Although prior research primarily has investigated the independent financial, human, and social capital effects on the decision to create a new venture, little research has investigated the combined effects, leaving potentially meaningful interdependencies less well understood. This study addresses that void explicitly by investigating both the independent effects and the combined effects of human, social, and financial capital influences on the new venture creation decision. The results of the study suggest a change in focus from resource access to resource use and produce important theoretical and practical implications.
This paper explores the entrepreneurial experience (and spirit) of politicians. To what extent have they been involved in entrepreneurial activities? Are politicians more or less entrepreneurial than their voters? Are entrepreneurship policies more or less important to politicians compared to the voters they represent? The Members of the Swedish Parliament were asked the same questions regarding their entrepreneurial activities as found in the Global Entrepreneurship Monitor (GEM). The empirical results indicate that when we analyse the statistical significance of the differences and control for individual characteristics, politicians have similar experiences and ambitions to the rest of the population when it comes to entrepreneurial activities. Politicians have a high potential for becoming entrepreneurs in the future, but seem to be less optimistic about how entrepreneurs are perceived in the cultural context. In addition, there is a substantial discrepancy between how politicians and voters perceive the ease of starting and running a business. Unlike politicians, voters do not agree that it is easy to start and run a business in Sweden.
Knowledge and Entrepreneurial Employees: A Country-Level Analysis

Authors: Stam E.

Year: 2013

Publication: Small Business Economics

Tags: Employee Entrepreneurial Activity Knowledge Spillovers Innovation SSCI

According to the knowledge spillover theory of entrepreneurship, knowledge created endogenously results in knowledge spillovers, which allow independent entrepreneurs to identify and exploit opportunities (Acs et al. in Small Bus Econ 32(1):15–30, 2009). The knowledge spillover theory of entrepreneurship ignores entrepreneurial activities of employees within established organizations. This ignorance is largely empirical, because there has been no large-scale study on the prevalence and nature of entrepreneurial employee activities. This article presents the outcomes of the first large-scale international study of entrepreneurial employee activities. In multiple advanced capitalist economies, entrepreneurial employee activity is more prevalent than independent entrepreneurial activity. Innovation indicators are positively correlated with the prevalence of entrepreneurial employee activities, but are not or even negatively correlated with the prevalence of independent entrepreneurial activities.
This paper develops a model of entrepreneurial start ups in an economy with costly firm creation, costly entry to the skilled labor market, and a mismatch between skilled workers and available jobs, as prevailing in many developing countries. It examines several mitigating policies, such as improving the business environment, reducing tax rates and cost of starting business, and subsidizing entrepreneurial search and skilled employment. To be effective, policies need to target the most binding constraints to productive entrepreneurship. When the constraints are on the side of firms, search subsidies would be more effective in encouraging productive start ups than subsidies to skilled employment, although fewer entrepreneurs may choose to operate in the formal sector than under the latter. Both types of subsidies should be phased out with reforms of the business environment and improved labor markets.
Knowledge spillover theory of entrepreneurship and the prevailing theory of economic growth treat opportunities as endogenous and generally focus on opportunity recognition by entrepreneurs. New knowledge created endogenously results in knowledge spillovers enabling inventors and entrepreneurs to commercialize it. This article discusses that knowledge spillover entrepreneurship depends not only on ordinary human capital, but more importantly also on creativity embodied in creative individuals and diverse urban environments that attract creative classes. This might result in self-selection of creative individuals into entrepreneurship or enable entrepreneurs to recognize creativity and commercialize it. This creativity theory of knowledge spillover entrepreneurship is tested utilizing data on European cities.
We advance and test an institutional anomie theory of opportunity entrepreneurship for understanding the combinative effects of selected cultural values and social institutions to explain national differences in rates of opportunity entrepreneurship. We theorize opportunity entrepreneurship as a creatively deviant response to anomic conditions in societies, i.e., when social institutions block traditional means of achievement. Using 10 years of data for a pooled time series cross-sectional analysis, we examined a unique mixture of cultural and institutional variables and their interactions as predictors of nation-level opportunity entrepreneurship rates. We found support for most hypotheses showing that specific institutional contexts mitigate or enhance the effects of cultural drivers of opportunity entrepreneurship.
We introduce a novel concept of National Systems of Entrepreneurship and provide an approach to characterizing them. National Systems of Entrepreneurship are fundamentally resource allocation systems that are driven by individual-level opportunity pursuit, through the creation of new ventures, with this activity and its outcomes regulated by country-specific institutional characteristics. In contrast with the institutional emphasis of the National Systems of Innovation frameworks, where institutions engender and regulate action, National Systems of Entrepreneurship are driven by individuals, with institutions regulating who acts and the outcomes of individual action. Building on these principles, we also introduce a novel index methodology to characterizing National Systems of Entrepreneurship. The distinctive features of the methodology are: (1) systemic approach, which allows interactions between components of National Systems of Entrepreneurship; (2) the Penalty for Bottleneck feature, which identifies bottleneck factors that hold back system performance; (3) contextualization, which recognizes that national entrepreneurship processes are always embedded in a given country’s institutional framework.
Entrepreneurship has long been seen as an important instrument in stimulating and generating economic growth. The amount of research trying to identify key factors that drive entrepreneurship is considerable; yet, little consensus has been achieved. We argue that this lack of consensus could be on account of model uncertainty as empirical studies often tend to be selective on what variables are included in the final model. Drawing on recent literature, we demonstrate the benefits of Bayesian model averaging (BMA) in reducing the impact of model uncertainty on empirical research in entrepreneurship. Additionally, BMA provides measures of variable importance and can be seen as a complementary approach to dominance/relative importance analysis. We show that when model uncertainty is corrected for, gross domestic product per capita, unemployment, the marginal tax rate, and the volatility of inflation are the only macro variables significantly and universally associated with aggregate entrepreneurship. Furthermore, the emphasis on inflation and taxation suggests that governments have the power to influence the quantity and distribution of entrepreneurial activity by setting incentives that are not entrepreneurship specific but overlap significantly with general and fundamental principles of economic stability.
ECONOMIC AND POLITICAL INSTITUTIONS AND ENTRY INTO FORMAL AND INFORMAL ENTREPRENEURSHIP

AUTHORS: Autio E. Fu K.

YEAR: 2014

PUBLICATION: Asia Pacific Journal of Management

TAGS: Institutions Asia-Pacific Longitudinal Analysis

We investigated the influence of economic and political institutions on the prevalence rate of formal and informal entrepreneurship across 18 countries in the Asia-Pacific region during the period 2001–2010. We found the quality of institutions to exercise a substantial influence on both formal and informal entrepreneurship. One standard-deviation increase in the quality of economic and political institutions could double the rates of formal entrepreneurship and halve the rates of informal entrepreneurship. The two types of institutions had a complementary effect on driving entry into formal entrepreneurship, whereas only direct effects were observed for informal entry.
Bosma N. and Sternberg R. Entrepreneurship as an urban event? Empirical evidence from European cities, Regional Studies. This paper investigates whether urban areas are more entrepreneurial than other parts of countries and to what extent the observed differences between cities are caused by individual characteristics and context effects. Using Global Entrepreneurship Monitor (GEM) data from 47 urban areas in 22 European Union member states, it is found that in particular opportunity-motivated (instead of necessity-motivated) entrepreneurship tends to be higher in urban areas. Adopting a multilevel framework focusing on 23 urban areas in 12 European Union countries, it is found that urban regions with high levels of economic growth and diversity of economic activities exhibit higher levels of opportunity-motivated entrepreneurial activity than their counterparts.
This paper seeks to better understand the significance of spatial context conditions and personal attributes for early-stage entrepreneurship. We combine individual with regional and national level data using multilevel analysis to test our hypotheses. We differentiate between two phases in the entrepreneurial process as well as between general and ambitious entrepreneurship. First, we show that both the national and the regional context significantly impact individual entrepreneurial activities. Second, individual level characteristics exert the greatest overall influence, but the direction of this influence is not stable. Third, the impact of the three levels varies across the different phases in the entrepreneurial process as well as between different types of start-ups. Fourth, we demonstrate that cross-level interactions between individual characteristics and spatial context factors are important in explaining entrepreneurial activities.
INSTITUTIONAL DETERMINANTS OF GROWTH-ASPIRATION ENTREPRENEURSHIP

AUTHORS: Karaagac Z.

YEAR: 2014

TAGS: High Growth Entrepreneurship Institutions

The thesis is a country-level study on the institutional and human capital determinants of growth-aspiration entrepreneurial activity. By using country-level panel-data analysis, the study is to our knowledge the first to test to what extent country-level human capital accumulation is associated with the prevalence of growth-aspiration entrepreneurship. Overall findings of the study suggest that there are different effects of the institutional determinants on the prevalence of growth-aspiration entrepreneurship in developing countries and developed countries. The study also found that country-level human capital moderates the effects of the institutional environment.
This paper presents a regional application of the Global Entrepreneurship and Development Index methodology of Acs et al. (2013) to examine the level of entrepreneurship across Hungary’s seven NUTS-2 level regions. The Regional Entrepreneurship and Development Index (REDI) has been constructed for capturing the contextual features of entrepreneurship across regions. The REDI method builds on a Systems of Entrepreneurship Theory and provides a way to profile Regional Systems of Entrepreneurship. Important aspects of the REDI method including the Penalty for Bottleneck analysis, which helps identify constraining factors in Regional Systems of Entrepreneurship, and Policy Portfolio Optimization analysis, which helps policy-makers consider trade-offs between alternative policy scenarios and associated allocations of policy resources. The paper portrays the entrepreneurial disparities amongst Hungarian regions and provides country level, multi-level and single-level public policy suggestions to improve the level of entrepreneurship and optimize resource allocation over the 14 pillars of entrepreneurship in the seven Hungarian regions.
This paper is an introduction to the special issue from the 4th Global Entrepreneurship Monitor Research Conference held at Imperial College Business School, London, in 2010. The paper has two objectives. The first is to summarize the history of the GEM consortium, some of the contributions that it has delivered, and some challenges and opportunities ahead. The second is to present a summary of the papers in the context of the utility of GEM data in comparative entrepreneurship research.
STIGMA AND ENTREPRENEURIAL FAILURE: IMPLICATIONS FOR ENTREPRENEURS’ CAREER CHOICES

AUTHORS: Simmons S.A. Wiklund J. Levie J.

YEAR: 2014

PUBLICATION: Small Business Economics

TAGS: SSCI

We use data from global entrepreneurship monitor to examine the act of entrepreneurial reentry by entrepreneurs who exit a failed business. We study reentry by mode of entry and by form of organizing. We find that, in countries where the levels of stigma and regulatory conveyance of stigma markings were at their highest, entrepreneurs who exited failed businesses were less likely to reenter into entrepreneurial activity. Our finding suggests that negative social and economic sanctions that are associated with stigma markings speak only to one side of the entrepreneurship phenomenon. On the other side, stigma can function as a stimulus for entrepreneurs to defy the illegitimacy of the failed business and to actively seek out and engage in innovative behaviors that contribute to the overall diversity of entrepreneurial activities in their country.
INSTITUTIONS AND SOCIAL ENTREPRENEURSHIP: THE ROLE OF INSTITUTIONAL Voids, INSTITUTIONAL SUPPORT AND INSTITUTIONAL CONFIGURATIONS

AUTHORS: Stephan U. Uhlaner L.M. Stride C.B.

YEAR: 2014

PUBLICATION: Journal of International Business Studies

TAGS: Institutions

We develop the institutional configuration perspective to understand which national contexts facilitate social entrepreneurship (SE). We confirm joint effects on SE of formal regulatory (government activism), informal cognitive (postmaterialist cultural values), and informal normative (socially supportive cultural norms, or weak-tie social capital) institutions in a multilevel study of 106,484 individuals in 26 nations. We test opposing propositions from the institutional void and institutional support perspectives. Our results underscore the importance of resource support from both formal and informal institutions, and highlight motivational supply side influences on SE. They advocate greater consideration of institutional configurations in institutional theory and comparative entrepreneurship research.
REGIONALE GRÜNDUNGSFÖRDERUNG: GRÜNDUNGSBEZOGENE RAHMENBEDINGUNGEN UND GRÜNDUNGSAKTIVITÄTEN AM BEISPIEL DER REGION HANNOVER

AUTHORS:  Sternberg R.

YEAR: 2014

PUBLICATION:  Zukunft der Wirtschaftsförderung

TAGS:  Regional Studies

Regionale gründungsförderung: gründungsbezogene rahmenbedingungen und gründungsaktivitäten am beispiel der region Hannover
This Handbook focuses on the interdependent relationship between entrepreneurship and creativity. This relationship is analysed from the perspective of different disciplines, including economic geography, sociology, education, economics, psychology, and also in different spatial contexts.
THE CREATIVE ENVIRONMENT AS STIMULATOR FOR ENTREPRENEURIAL OPPORTUNITIES

AUTHORS: Stützer M.

YEAR: 2014

PUBLICATION: Handbook of Research on Entrepreneurship and Creativity

TAGS: Creativity
This article seeks to better understand the link between regional characteristics and individual entrepreneurship. We combine individual-level Global Entrepreneurship Monitor data for Western Germany with regional-level data, using multilevel analysis to test our hypotheses. We find no direct link between regional knowledge creation, the economic context and an entrepreneurial culture on the one side and individual business start-up intentions and start-up activity on the other side. However, our findings point to the importance of an indirect effect of regional characteristics as knowledge creation, the economic context and an entrepreneurial culture have an effect on the individual perception of founding opportunities, which in turn predicted start-up intentions and activity.
A Globális Vállalkozói Monitor (GEM) vállalkozói kutatás 1999. évi indulása óta eltelt majd másfél évtized alatt 1,5 milliót meghaladó adatállománya ki- építésével a világ legnagyobb, vállalkozói adatokat tartalmazó információforrása lett. A standardizált adatfelvételnek és a minden évben azonos formában feltett kérdéseknek köszönhetően lehetőségünk az országok összehasonlítása és a változók időbeli alakulásának nyomon követése. Jelen tanulmány a GEM 18–64 éves felnőtt lakosság körében végzett felmérését mutatja be. A szerzők ismertetik a GEM koncepcionális modelljét, az alkalmazott vállalkozási definíciókat, illetve elemzik a modellen alapuló kérdéséket, a legfontosabb változókat és a minta kialakításának folyamatát is. A felmérést Magyarország 2011. évi adatfelvételének példáján írják le. Kitérnek a felmérés fő problémáiira is, azaz elemzik a reprezentativitást és a kérdések ország- és közönségtartományi eltéréseit.

ACCESS ARTICLE
ENTREPRENEURIAL ATTITUDES, ACTIVITIES AND ASPIRATIONS AS DRIVING FORCES OF ENTREPRENEURIAL ECOSYSTEM IN KOREA

AUTHORS: Bahn S. Seo S. Park J. Jang S.

YEAR: 2014

PUBLICATION: Asia Pacific Journal of Innovation and Entrepreneurship

TAGS: Korea

This paper aims to enhance the global understanding of the main characteristics of entrepreneurship process in Korea. We have compared attitudes, activities, and aspirations among entrepreneurs working in entrepreneurial ecosystems in Korea, Japan, Singapore, and Indonesia using Global Entrepreneurship Monitor (GEM) 2013 data. In Korea, opportunity perceptions of entrepreneurship and perceived entrepreneurial capabilities in 2013 improved compared to 2012 somewhat over the previous year but still remained low compared to the rates in other innovation-driven countries. Fear of failure would prevent starting a business was higher than in innovation-driven countries, and the rate had increased since 2010. The rates of overall entrepreneurial intention and of attitudes to entrepreneurship had not improved. Korea?s 2013 Total Early-Stage Entrepreneurial Activity (TEA) rate (TEA includes individuals in the process of starting a business and those running new businesses less than 3 ½ years old) (6.9%) ranked it 16th among 26 innovation-driven countries. In Korea, The proportion of improvement-driven opportunity activities in TEA somewhat increased compared to 2012 but still remained low compared to that in the innovation-driven countries. Korea had the highest TEA rate for necessity-driven entrepreneurial activities among innovation-driven countries.

Among the 11 Asian, Japan and Korea had the highest proportion of early-stage entrepreneurs in the 55 to 64 group and the lowest proportion in the 18 to 24 group. Koreans between 35 and 44 had the highest TEA rate, reflecting their relatively strong willingness to launch entrepreneurial activities based on experience drawn from their former jobs. On the other hand, those 18 to 24 had lowest TEA. One distinct quality of entrepreneurship in Korea was the ratio of male to female participation in entrepreneurship. Men?s TEA rate of 9.7% was 2.5 times that of women (3.9%) in Korea. Korea?s rate of business discontinuation was 2.5%, lower than the innovation-driven country average of 2.7%. Korea had the lowest the expectation of high employment growth rate. The main entrepreneurship issues in Korea concern the degree to which Koreans fear it and the participation
rates of young people and females. This paper shows the need to develop policies designed to change attitudes to and perceptions of entrepreneurship, especially among the young and women.
SEEKING ASSURANCE WHEN TAKING ACTION: LEGAL SYSTEMS, SOCIAL TRUST AND STARTING BUSINESSES IN EMERGING ECONOMIES

AUTHORS: Kim P.H. Li M.

YEAR: 2014

PUBLICATION: Organization Studies

TAGS: Emerging Economies Legal Systems Nascent Entrepreneurship Institutions Protective Function of Law Social Trust SSCI

This study examines how institutional conditions provide assurances founders seek when creating businesses. Classical theories predict legal institutions promote supportive conditions that foster business creation. We develop an alternative theory for why this relationship is not as straightforward in emerging economies. In these regions, people may be discouraged from taking entrepreneurial action because of the difficulties in accessing legal protections efficiently. We also introduce theory regarding the moderating role of generalized social trust because of its normative influences on business creation. We argue that generalized trust in strangers exerts positive moderating effects on the direct relationship between legal protections and entrepreneurship. The findings from our multilevel analysis of 30 emerging economies are consistent with our theory. Our work advances a new framework for how entrepreneurs cope with uncertain business conditions in emerging economies where informal, normative social structures offer more privately oriented safeguards than do formal, publicly oriented institutions. Our study also reconnects macro-institutional theories with individual-level accounts of entrepreneurship.

ACCESS ARTICLE
There is a broad consensus that the likelihood of becoming an entrepreneur is not only influenced by individual characteristics but also by spatial context conditions. However, context factors are not per se stable; they tend to vary over time which is particularly relevant during economic cycles. In Germany, for instance, the rapid economic downturn of 2008/2009 was preceded by a period of growth and followed by an economic upswing in many regions. However, the impact of this crisis on entrepreneurship has not been empirically studied comprehensively. Using data from the Global Entrepreneurship Monitor (GEM), we analyse entrepreneurial activities in the 39 German NUTS2 regions covering a 13-year period before, during and after the Great Recession of 2008/2009. Applying multilevel regression techniques, we hypothesize that both space and time matter for individual entrepreneurial behaviour. Our results show, first, that space and time can be regarded as two interrelated dimensions that jointly impact entrepreneurial activities. Second, similar individual attributes are associated with diverging likelihoods of becoming an entrepreneur in case individuals are nested in different regions or different time periods and are thus exposed to dissimilar context conditions. Third, the type and number of individual, context and interaction effects are motive-related, i.e. they depend on whether the entrepreneurial action is either opportunity-driven or necessity-driven.
This study examines interactions between political processes and intellectual property rights regimes that can influence the propensity of early-stage entrepreneurs to employ the latest available technologies in their ventures. We argue that the effects of intellectual property regimes are moderated by the nature of a country’s political system, including the influence of Pirate parties, which advocate for minimal intellectual property enforcement. We combine large-panel cross-country survey data on entrepreneurs and country-level measures of polity (democracy versus autocracy) and intellectual property rights with a new measure (created by the authors) estimating the influence of Pirate parties. Results indicate that entrepreneurs in more democratic (high polity) countries enjoy higher levels of technology usage as intellectual property rights strengthen. By contrast, entrepreneurs in more autocratic (low polity) countries are less likely to use the latest technology as intellectual property rights strengthen. The influence of Pirate parties makes strengthening intellectual property rights more positive for technology use in entrepreneurship. These results contribute to the literature examining institutional and political determinants of high-value forms of entrepreneurship—which may hinge on the extent to which entrepreneurs’ interests are considered by technology and intellectual property policy-makers.
The aim of this paper is to analyze the gender differences in entrepreneurial intentions by studying a range of socioeconomic and psychosocial factors. Furthermore, we aim at analyzing these differences in three groups of countries depending on the stage of economic development of each country according to the Global Competitiveness Report. Using a logistic regression analysis and data from the 2008 APS (Adult Population Survey) database which is part of the Project GEM (Global Entrepreneurship Monitor), results show the existence of gender differences in entrepreneurial intentions. The model proposed in the study has decreasing explanatory power as the degree of economic development increases, and is also more conclusive for men than women. An important methodological innovation we implemented in the current study is the use of the variable gender as a dependent variable rather than a variable of a socio demographic nature.
This study examines the proposition that the migration experience influences perceptions of risk and, as such, the ‘migrant condition’ is a factor in explaining relatively high rates of entrepreneurship among immigrants in many host countries. The study analyses data obtained from the Global Entrepreneurship Monitor (GEM) Spain 2009 Survey with regard to perceptions of risk in beginning a new venture. The study finds that immigrants to Spain, irrespective of their origin or ethnicity, are less likely than native Spaniards to perceive business creation as a risky situation. Moreover, the findings suggest that the perception of risk has a significant impact on the decision to engage in business start-up activity.
ABOUT THE INTERACTIVE INFLUENCE OF CULTURE AND REGULATORY BARRIERS ON ENTREPRENEURIAL ACTIVITY

AUTHORS: Romero I. Fernández-Serrano J.

YEAR: 2014

PUBLICATION: International Entrepreneurship and Management Journal

TAGS: Cultural Factors Regulatory Environment SSCI

In this paper cultural values and regulatory barriers to start-up are presented as characteristics of the business environment which influence the international differences in the level of entrepreneurial activity. A first objective of this paper is to measure the importance of a country’s cultural values in determining the national level of entrepreneurial activity, calculated by the Total Entrepreneurial Activity rate from the Global Entrepreneurship Monitor. Culture is studied using Schwartz’s value structure (Schwartz 1994). This allows for the differentiating of seven cultural orientations that are then arranged around three bipolar dimensions: Autonomy- Embeddedness, Egalitarianism-Hierarchy and Harmony-Mastery. The paper also studies the effect of regulatory barriers for business start-ups on the Total Entrepreneurial Activity in different countries. Regulatory barriers are determined using data from the “Doing Business” project of the World Bank. The role of cultural values and regulatory barriers in entrepreneurial activity is tested using data from 56 countries and Structural Equation Modeling. The paper shows that cultural values and regulatory barriers are not related to entrepreneurship in the same way in countries with differing levels of development. On the contrary, the strength and nature of the influence of both factors on entrepreneurial activity depends on a country’s per capita GDP. Furthermore, the impact of regulatory barriers on entrepreneurship is moderated by cultural values. Thus, the discouraging effect of the regulatory barriers on entrepreneurial activity is more important in those countries with a societal culture characterized by autonomy, egalitarianism and harmony values.
To date, little is known about how working time preferences and fair wage perceptions affect employees’ entrepreneurial intentions. Using data from the German Socio-Economic Panel Study, we provide first evidence that the difference between the actual and desired amount of working hours in paid employment is positively related to the propensity to switch to self-employment. Furthermore, our analysis supports the hypothesis that employees who perceive their current wage level as very unfair are more likely to have higher entrepreneurial intentions. However, the closer actual wages get to the wage levels perceived as fair, the more employees are likely to remain in their current employment situation. We also tested the interaction effect of working time preferences and fair wage perceptions. In line with our theoretical considerations, we find that employees who perceive their wages as unfair and, simultaneously, prefer different work hours have the strongest entrepreneurial intentions.
WHAT DETERMINES THE LEVEL OF INFORMAL VENTURE FINANCE INVESTMENT? MARKET CLEARING FORCES AND GENDER EFFECTS

AUTHORS: Burke A. van Stel A. Hartog C. Ichou A.

YEAR: 2014

PUBLICATION: Small Business Economics

TAGS: Financing Gender Angel Investment SSCI

We undertake the first research to move analysis beyond estimating the propensity for a person to become an informal investor and onto the core concern which is the total volume of venture finance. We find that a 1 % increase in entrepreneurial activity increases the number of informal investors by 1.7 %. However, the average invested amount declines by 0.8 %, leading to a net positive total increase of about 0.9 %. This result indicates that, to a considerable extent, demand for informal investment creates its own supply. As a result, the research finds that market forces help solve finance constraints for new ventures and hence lessen the need for public policy intervention. This effect is stronger for males than females.
Using macro-level panel data, we examine the effects of taxation and tax progressivity on entrepreneurship in a large group of European countries. We address two main questions. First, we try to explore whether tax increases discourage entrepreneurial activity, focusing on new self-employment (nascent entrepreneurship). Second, we investigate the impact of tax progressivity on entrepreneurship, again focusing on new self-employment. We find that tax progressivity at higher-than-average incomes has a robust negative effect on nascent entrepreneurship. We discuss the policy implications of our results.
The proposition that entrepreneurs’ innovation is embedded in networking is refined. We distinguish between networking in the public sphere and networking in the private sphere, and hypothesize that innovation benefits from public sphere networking but suffers from private sphere networking. These hypotheses are tested with a representative sample of 56,611 entrepreneurs in 61 countries surveyed in the Global Entrepreneurship Monitor. Hierarchical linear modeling shows that, while overall networking benefits innovation, innovation is decreased by private sphere networking and increased by networking in the public sphere, especially in the professions and internationally. A further refinement is to consider entrepreneurs’ endeavors as embedded in society with its system of education for entrepreneurship. We hypothesize that the quality of a national system moderates the impacts of networks on innovation by adding value to networks. Analyses show that quality of national educational system adds innovation benefits to both public sphere networking and private sphere networking.
This article analyzes the content and evolution of research based on the Global Entrepreneurship Monitor (GEM) project. We conducted a rigorous search of articles published in journals within the Thomson Reuters’ Social Sciences Citation Index® through an exploratory analysis focused on articles using GEM data. The main findings of this study reveal that the institutional approach is the most commonly used conceptual framework. Also, although there are still few academic publications using GEM data, the number of articles is increasing, as are opportunities for future research.
This article focuses on the impact of religious institutions on entrepreneurship. We find clear evidence that different religious institutions have a significantly different impact on the tendency to become an entrepreneur. Our article makes important contributions to the research of both religion and entrepreneurship. First, it proposes empirical evidence in which the country’s main religion significantly affects its level of entrepreneurship at the macro level. Second, it adds to our theoretical understanding of the mechanisms that characterize the effects of religion on entrepreneurship. We suggest that macro effects of religion as part of the country’s culture and institutions affect the country’s level of entrepreneurship beyond the direct effects of religion on the behavior of the religion’s members in the society.
The purpose of this article is to examine the influence of institutional dimensions (regulative, normative and cultural-cognitive) on the probability of becoming an entrepreneur. The main findings demonstrate, through logistic regression, that a favourable regulative dimension (fewer procedures to start a business), normative dimension (higher media attention for new business) and cultural-cognitive dimension (better entrepreneurial skills, less fear of business failure and better knowing of entrepreneurs) increase the probability of being an entrepreneur. Data were obtained from both the Global Entrepreneurship Monitor and the International Institute for Management and Development for the year 2008, considering a sample of 30 countries and 36,525 individuals. The study advances the literature by providing new information on the environmental factors that affect entrepreneurial activity in the light of institutional economics. Also, the research could be useful for designing policies to foster entrepreneurship in different environments.
The aim of this paper is double. Firstly, it contributes to identifying the specific role of national culture as a variable that helps explain the level of economic development and reinforces the effect of entrepreneurship on the income level. Secondly, a deeper understanding of these relations in the case of the European Union is sought. In this study, data from two different sources have been used. The Schwartz Value Survey measures seven cultural orientations that are then grouped into three bipolar dimensions (embeddedness vs. autonomy, hierarchy vs. egalitarianism and mastery vs. harmony). The Global Entrepreneurship Monitor provides information regarding entrepreneurial activity. Using linear regression analysis, cultural and entrepreneurial variables are able to classify countries according to their development level, explaining over 60% of the variance in Gross Domestic Product per capita. The role of culture is complex, with geographical elements being significantly relevant. In the case of Europe, some common elements conform what could be called “a European culture”: autonomy and egalitarianism clearly predominate over embeddedness and hierarchy, while harmony tends to prevail over mastery. Nevertheless, four well-defined groups of countries within the European Union emerge. Central and Northern Europe is closer to this European stereotypical culture, while English-speaking countries, Eastern Europe and the Mediterranean area exhibit their own differentiating elements each. These differences also exist with regard to entrepreneurial activity (overall Total Entrepreneurial Activity, necessity and opportunity-driven activity). Each of the four regional entrepreneurial cultures is characterized by a different entrepreneurial dynamics that may be plausibly explained by culture and income.
Along with the development of world economy, more and more women become self-employed. Women entrepreneurship is recognized as an important tool in empowering women. At the grassroot level, women entrepreneurs in micro-enterprises help to alleviate poverty, create more jobs to the poor and minority as well as enhance the social well-being. This study was designed to delineate the characteristics of women-owned micro-enterprises. It also discovered the motivations that drive women into entrepreneurship as well as challenges hindering them from becoming successful entrepreneurs. A sample of 100 women entrepreneurs who are operating microenterprises in Ho Chi Minh City of Vietnam was taken for the study using convenient sampling method followed by snowball techniques. A questionnaire was designed in both open and closed ended along with likert scale questions. Moreover, participant observation and clarifying questions were also applied in order to get more insights from the respondents. After collected, data were analyzed using simple statistical techniques and descriptive statistics such as frequency, percentage, mean and standard deviations. The results found in this study show that generating income, becoming own boss, being closer to family are important motivations for women to become self-employed. It also indicated that competition and weak economy posed a lot of challenges toward women. Comparisons among group of respondents show the difference in motivations and performances of group with different levels of education. Based on the major findings, recommendations were made toward policy makers, women-supported programs and organizations.
FEAR AND ENTREPRENEURSHIP: A REVIEW AND RESEARCH AGENDA

AUTHORS:  Cacciotti G. Hayton J.C.

YEAR: 2015

PUBLICATION:  International Journal of Management Reviews

TAGS:  Fear of Failure

A systematic review of the entrepreneurship literature on fear published up to 2014 highlights several key characteristics. First, the predominant focus in research examining the emotion of fear in entrepreneurship is on the specific concept of fear of failure. However, this literature shows a lack of precision in the conceptualization and operationalization of this construct. The impact of the experience of fear on individual cognition and behaviour can be beneficial as well as detrimental. Despite this dualistic nature, to date, fear is examined as only a barrier to entrepreneurial behaviour. This review reveals a clear dichotomy in the literature, with significantly more focus on fear as a trait that distinguishes between people than as a temporary state that is commonly experienced by many people. Defining fear of failure as a context-specific phenomenon, this paper explains the importance of focusing on the temporary cognitive and emotional experience of fear and use conceptual observations as a platform to develop an agenda for future research.

ACCESS ARTICLE
Our systematic search for empirical studies on entrepreneurial motivation published over the last five years (2008-2013) retrieved 51 relevant studies (filtered from over 1,200 search results), which form the basis of this review. Considering the type and quality of studies suggests that we can be relatively confident in our answer to the first review question below (typologies). The evidence-base for the second and third review questions (drivers and consequences of entrepreneurial motivation) is weaker and still developing. Beyond answering the three broad research questions below, we develop a framework for future research synthesising the review findings. 1) What typologies exist to describe entrepreneurial motivation? 2) What influences and shapes entrepreneurial motivation? 3) What consequences have different entrepreneurial motivations for entrepreneurial performance?
In Chile, during the past two decades several reforms have been implemented with a goal of dismantling institutional barriers constraining equity funding along with the allocation of government investment in public financing programs. The purpose of this chapter is to analyze how public policy may influence the cultural legitimacy of entrepreneurship in a region. Understanding how entrepreneurship policy and programs, and specifically the unique Start Up Chile initiative, may impact the culture towards entrepreneurship and the perception of entrepreneurship as a career choice. The main findings suggest that the introduction of Startup Chile resulted in a spike in interest in Chile as an entrepreneurial ecosystem.
This article reflects on extant scholarship on entrepreneurial leadership and gender, as published in both the Journal of Small Business Management and elsewhere. As such, it lays the foundation for the special issue, and contributes to current knowledge in the field. Our selected papers—summarized and critiqued in this article—collectively offer a contemporary view of women's entrepreneurial leadership at the global level that should usefully contribute to extending scholarly debates. In this regard, we highlight the diversity and complexity of women's entrepreneurial leadership, and demonstrate that it is both economically and contextually embedded, worthy of further scholarly attention.
GENDER BASED DETERMINANTS OF INNOVATIVE ACTIVITY IN SOUTHEAST EUROPEAN ESTABLISHED ENTREPRENEURS

AUTHORS:  Sirec K. Mocnik D.

YEAR:  2015

PUBLICATION:  Female Entrepreneurship in Transition Economies: Trends and Challenges

TAGS:  Determinants Gender Innovation Europe
This study examines influences on quality-of-life of national cultures as complex wholes and entrepreneurship activities in Brazil, Russia, India, China, Germany, and the United States (the six focal nations) plus Denmark (a small-size, economically-developed, nation). The study tests McClelland's (1961) and more recent scholars' proposition that some cultural configurations nurture entrepreneur startups while other cultures are biased toward thwarting startups. The study applies complexity theory to develop and empirically test a general theory of cultures', entrepreneurship's, and innovation's impact on quality-of-life across nations. Because culture represents a complex whole of attitudes, beliefs, values, and behavior, the study applies a set-theoretic approach to theory development and testing of alternative cultural configurations. Each of 28 economical developed and developing nations is scored for the level of the national cultures for each of six focal countries. The study selected for the study enables multi-way comparisons of culture-entrepreneurship-innovation-QOL among large- and small-size developing and developed nations. The findings graphically present the complex national cultural configuration (x-axis) with entrepreneur nurture/thwart (y-axis) of the 28 nations compared to the six focal nations. The findings also include recognizing national cultures (e.g., Switzerland, USA) nurturing entrepreneurial behavior versus other national cultures (e.g., Brazil and India) thwarting entrepreneurial behavior. The study concludes with a call to recognize the implicit shift in culturally implicit thinking and behavior necessary for advancing national platforms designed to successfully nurture entrepreneurship. Entrepreneur strategy implications include the observation that actions nurturing firm start-ups by nations low in entrepreneurship will unlikely to be successful without reducing such nations' high levels of corruption.
SOCIAL TRUST AND ANGEL INVESTORS' DECISIONS: A MULTILEVEL ANALYSIS ACROSS NATIONS

AUTHORS: Ding Z.J. Au K. Chiang F.

YEAR: 2015

PUBLICATION: Journal of Business Venturing

TAGS: SSCI Entrepreneurial Capital Angel Investment Financing Multilevel Analyses National Culture Social Trust

Angel investors' decisions are embedded in and influenced by the institutional environment. This paper advances a multilevel model on how social trust directly and indirectly impact individual’s angel investment decision. It is postulated that two dimensions of social trust, the level of trust and the radius of trust, can enhance information flow, collaboration, and sanctioning mechanisms in a society; as a result, they facilitate angel investment and moderate the relationship between individual factors and angel investment. Multilevel modeling on data from 92,235 individuals across 25 countries shows that individuals in countries with high level of trust are more likely to make angel investment. Moreover, both levels of trust and radius of trust are found to heighten the positive relationship between individual's perceived entrepreneurial skills and angel investment, but dampen that between seeing opportunity in new business and angel investment. These direct and moderating effects are robust even after wealth, cultural values, and other factors are controlled. This study contributes to the research interaction of entrepreneurship and social trust theory.

ACCESS ARTICLE
This paper analyzes national innovation efficiency in Europe considering the role of early-stage entrepreneurship. In doing so, potential technological differences, i.e. technology gaps, are computed in a metafrontier framework taking into account that developed countries may use a different technology in producing innovation from their developing/transition counterparts. Using bootstrap DEA, we find that developing/transition countries exhibit, in average terms, twice the technology gap of that corresponding to developed economies. Based on innovation efficiency and technology gap measures, a typology of the European countries is introduced revealing features related to national strategic positioning, countries' absorptive capacity and knowledge spillover effects. The group of European innovation leaders is formed by Germany, Switzerland, Netherlands, Denmark, Austria, Iceland and Italy. Second-stage results imply that entrepreneurial activity motivated by necessity hinders the adoption of superior technology in producing innovation in Europe.
WHAT MOTIVATES ENTREPRENEURIAL ENTRY UNDER ECONOMIC INEQUALITY? THE ROLE OF HUMAN AND FINANCIAL CAPITAL

AUTHORS: Pathak S. Laplume A.O. Xavier-Oliveira E.

YEAR: 2015

PUBLICATION: Human Relations

TAGS: SSCI Human Capital Financing Inequality Opportunity Motivation Necessity Motivation

Based on a multilevel analysis of nearly 120,000 observations across 31 countries between 2001 and 2008, we provide novel insights into the moderating effects that economic inequality may have on the distinct roles that human and financial capital play on different types of entrepreneurship. As inequality increases, both forms of capital become weaker deterrents of entry into necessity entrepreneurship, whereas for opportunity entrepreneurship, only financial capital becomes a stronger predictor of entry. We also show that, regardless of inequality levels, both human and financial capital exhibit decreasing marginal returns on the likelihood of entry into necessity entrepreneurship, and that in the case of opportunity entrepreneurship, financial capital exhibits increasing marginal returns. However, inequality does impact the magnitude of marginal returns. Additionally, our statistical analysis provides quantitative support to extant literature arguing that higher levels of economic inequality foster both types of entrepreneurship albeit having a stronger impact on necessity entrepreneurship, and that human and financial capital have distinct effects on entry into necessity versus opportunity entrepreneurship. All these findings have pertinent policy implications and shed light on the under-researched role of inequality on entrepreneurship.
INBOUND FOREIGN DIRECT INVESTMENT AND DOMESTIC ENTREPRENEURIAL ACTIVITY

AUTHORS: Xavier-Oliveira E. Laplume A.O. Pathak S.

YEAR: 2015

PUBLICATION: Entrepreneurship and Regional Development

TAGS: Foreign Direct Investment SSCI Knowledge Spillovers Crowding Effect Trade

There is an interesting and lively debate going on in the academic literature intersecting trade policy and entrepreneurship. Several studies have shown that inbound foreign direct investment (FDI) has a negative effect on rates of entrepreneurship, while others find the opposite – a higher rate of new firm creation associated with increased inbound FDI. We study the phenomenon using a cross-country analysis of data on entrepreneurs from 38 countries and from 2001 to 2008. Results indicate that inbound FDI has negative associations with five types of entrepreneurship (nascent, new, early-stage, established, and high-growth) measured by the Global Entrepreneurship Monitor survey. In our discussion, we argue that our study supports the contention that studies counting new limited liability company registrations do not always measure the same thing as entrepreneurial entries (self-reports), leading to different, even opposite results when subjected to empirical analysis.
In the present paper, we examine the international scale of new venture’s operations. We argue that several dimensions reflecting entrepreneurial orientation (proactiveness, risk taking and innovativeness) are important determinants of nascent entrepreneur’s entry into foreign markets. We apply logistic regression techniques to a sample of nascent entrepreneurs for the United States and the European Union obtained from the GEM dataset for the period 2001–2008. Our results show that the nascent entrepreneur’s propensity to export is positively associated with both their proactiveness and their new venture’s innovativeness. Our analysis, therefore, implies that when making decisions on export, nascent entrepreneurs’ entrepreneurial orientation affect their willingness to operate beyond national boundaries.
This study asks how key regulations influence nascent international entrepreneurship in countries with varying levels of corruption. Using regulatory capture theory and institutional theory, we hypothesize and test the effects of tax, export regulations, and corruption, on international entrepreneurship. We consider direct effects of these regulations as well as a possible moderating effect of corruption on nascent international entrepreneurship. Our findings indicate that the effect of regulations on international nascent entrepreneurship vary depending on types of regulation. Interestingly, we find that corruption plays a dual role, serving as both grease and sand for nascent international entrepreneurship. Corruption worsens the burden of regulations which have financial costs element. Another interesting finding is that corporate tax is not a significant deterrent factor for IE when corruption is low.
In the past 15 years, two international observatories have been intensively studying entrepreneurship using empirical studies with different methodologies: Global Entrepreneurship Monitor (GEM) and Panel Study of Entrepreneurial Dynamics (PSED). Both projects have generated a considerable volume of scientific production, and their intellectual structures are worth analyzing. The current work is an exploratory study of the knowledge base of the articles generated by each of these two observatories and published in prestigious journals. The main difference found is that the predominant theoretical frameworks used are the economic approach and institutional theory in GEM, and the demographic and cognitive approaches in PSED. The value added of this work lies in its novel characterization of the intellectual structure of entrepreneurship according to the academic production of these two initiatives. The results may be of interest to the managers and members of these observatories, as well as to academics, researchers, sponsors and policymakers interested in entrepreneurship.
DO ENTREPRENEURIAL ROLE MODELS INFLUENCE THE NASCENT ENTREPRENEURIAL ACTIVITY OF IMMIGRANTS?

AUTHORS: Contin-Pilart I. Larraza-Kintana M.

YEAR: 2015

PUBLICATION: Journal of Small Business Management

TAGS: Role Models Nascent Entrepreneurship Immigration Spain SSCI

This paper examines how the influence of entrepreneurial role models in the individual's decision to become a nascent entrepreneur is moderated by their sociocultural fit. By looking at the entrepreneurial activity of immigrants, the paper proposes that, because of their lower sociocultural fit, immigrants are less likely to be influenced in their entrepreneurial activity by past and present entrepreneurs in the region where they live compared with the native population. Using a large database of 28,306 individuals in 50 Spanish provinces, the results confirm our hypothesis. The moderating effect of cultural distance and time of residence is also analyzed.
Women's political leadership may contribute to women's entrepreneurship by removing existing constraints on the economic behavior of women, assuming these changes are then enforced. We examine the association of women's political power and a country's rule of law with women's entrepreneurial entry, using the Global Entrepreneurship Monitor dataset combined with other indicators. Both variables are positively associated with women's entry into entrepreneurship, and the association between political empowerment. Entry into entrepreneurship is moderated by rule of law, with higher levels of women's political power having greater effects in countries with higher levels of rule of law. Implications are discussed.
We reevaluate the female underperformance hypothesis by challenging the assumption that female-owned ventures are more likely to fail. Instead of equating exit with failure, we draw on exit literature and feminist theories to argue that female entrepreneurs are actually more likely than males to exit voluntarily. We argue for further gender differences by using an even more fine-grained conceptualization of entrepreneurial exit (failure, exit for personal reasons, and exit for other professional/financial opportunities). Post-hoc analyses also point to within-gender heterogeneity depending on family status. A sample probe of 219 Spanish entrepreneurs who had exited their business supports our overall reasoning.
We analyse the impact of export-oriented entrepreneurship on regional economic growth using data for Spanish regions over the 2003–2013 period. We draw on economic growth, knowledge spillover and international entrepreneurship theories to assert that export-oriented entrepreneurship is important for the economic development of sub-national regions. Consistent with previous findings, we found that Spanish regions with higher levels of opportunity-driven entrepreneurial activity exhibit higher rates of economic growth. Moreover, regions with a higher percentage of the adult population engaged in export-oriented entrepreneurial activity show higher GDP growth rates. This effect also seems to be stronger as the intensity of export-oriented entrepreneurial activity increases up to a threshold level.
Purpose

This paper aims to examine the relationship between aspects of a country’s institutional environment and entrepreneurial investors’ overall rate of return.

Design/methodology/approach

Specifically, monetary stability and property rights are tested against both entrepreneurs’ and angel investors’ expected financial returns and payback periods, respectively. Data from the Global Entrepreneurship Monitor survey including years 2004 through 2006 and encompassing 50 countries are aggregated and examined using random coefficient multilevel modeling.

Findings

We find that strong property rights encourage both angel investors and entrepreneurs to invest in new ventures with longer payback periods and encourage angel investors to invest in ventures with lower expected financial returns.

Practical implications

This suggests that one key to increasing entrepreneurial investment in a country is to guarantee strong property rights. Therefore, both entrepreneurs seeking funding and countries seeking entrepreneurs should incorporate property rights issues into their decision-making.
Originality/value

– This finding moves the “attracting entrepreneurs” conversation beyond the typical tax-abatement, infrastructure building, business cluster recommendations prevalent in academic and professional literature and points to one of the more fundamental reasons entrepreneurial “cultures” develop in some places, but not others.
INDIVIDUAL-LEVEL DETERMINANTS OF INTERNATIONAL ORIENTATION OF A FIRM: A STUDY BASED ON GLOBAL ENTREPRENEURSHIP MONITOR DATA

AUTHORS: Zbierowski ?, Paweta E.

YEAR: 2015

PUBLICATION: Journal of Intercultural Management

TAGS: Determinants Export Orientation Internationalization

In recent decades economic integration and globalization processes facilitate the firms' internationalization. The main determinants of that process are divided into three categories - internal factors, external factors and personal characteristics of an entrepreneur. The latter is considered to be the most important and will be the research subject in this article. The objective of this paper is to analyze the determinants of firm internationalization on the individual level and to verify whether entrepreneurial traits of the founder are indeed important for the internationalization. The research is based on the Global Entrepreneurship Monitor data, using which we employ independent sample t-test and one-way ANOVA analyses to test the hypotheses. The results show that the only variable which determines international orientation of a company is the level of education of an entrepreneur. All other characteristics of an entrepreneur do not correlate with international orientation of a firm. Results obtained make important contribution to entrepreneurship research - they show significant shift in international entrepreneurship trends - internationalization is getting more available, less risky and more natural for entrepreneurs of different ages, backgrounds and individual characteristics. Findings may be useful for further international entrepreneurship research.

ACCESS ARTICLE
This study analyzes the impact of the “size of government” in entrepreneurial activity for countries with different levels of economical development. It have been used the variables “size of government” of the economic freedom indices released by the Economic Freedom Network (2000-2009) and by The Heritage Foundation (2000-2011), and the variables of “entrepreneurship” released by the Global Entrepreneurship Monitor. Furthermore, the same analysis has been carried out grouping the countries by development level, following the classification elaborated by the World Economic Forum. Statistical analyses of correlations have shown that the “size of government” is related to entrepreneurship. The variables “Size of Government: Expenditures, Taxes and Enterprises” and “Government Size” have revealed a positive correlation with the total, opportunity and necessity entrepreneurial activity indices for the economies based on efficiency and innovation, thus less taxes on income and lower government spending, increase the entrepreneurship of the country. In “factor driven economies”, there is no relationship between the size of government and entrepreneurship.
This study analyses the role of immigration background and education in creating new business initiatives in Luxembourg, a country where 44 % of the resident population is immigrant. We investigate the features of entrepreneurs and of the Luxembourgish System of Entrepreneurship using the Global Entrepreneurship Monitoring surveys of 2013 and 2014. We study the effect of immigration through all the stages of entrepreneurial process: interest in starting a new business, effectively starting, running a new business and managing an established business. We adopt a sequential logit to model entrepreneurial process as a sequence of stages. We find that first-generation immigrants, and in particular highly educated ones, are more interested in starting a new business than non-immigrants, but they do not differ in subsequent entrepreneurial phases. We argue that policies to attract highly educated immigrants can promote entrepreneurial initiatives in Luxembourg.
HUMAN CAPITAL IN SOCIAL AND COMMERCIAL ENTREPRENEURSHIP

AUTHORS: Estrin S. Mickiewicz T. Stephan U.

YEAR: 2016

PUBLICATION: Journal of Business Venturing

TAGS: Social Entrepreneurship Education and Training Institutions Human Capital

We advance research on human capital and entrepreneurial entry and posit that, in order to generate value, social entrepreneurship requires different configurations of human capital than commercial entrepreneurship. We develop a multilevel framework to analyse the commonalities and differences between social and commercial entrepreneurship, including the impact of general and specific human capital, of national context and its moderating effect on the human capital-entrepreneurship relationship. We find that specific entrepreneurial human capital is relatively more important in commercial entrepreneurship, and general human capital in social entrepreneurship, and that the effects of human capital depend on the rule of law.
This paper offers a fresh perspective on national culture and entrepreneurship research. It explores the role of Culturally-endorsed implicit Leadership Theories (CLTs) – i.e., the cultural expectations about outstanding, ideal leadership – on individual entrepreneurship. Developing arguments based on culture-entrepreneurship fit, we predict that charismatic and self-protective CLTs positively affect entrepreneurship. They provide a context that enables entrepreneurs to be co-operative in order to initiate change but also to be self-protective and competitive so as to safeguard their venture and avoid being exploited. We further theorize that CLTs are more proximal drivers of cross-country differences in entrepreneurship as compared with distal cultural values. We find support for our propositions in a multi-level study of 42 countries. Cultural values (of uncertainty avoidance and collectivism) influence entrepreneurship mainly indirectly, via charismatic and self-protective CLTs. We do not find a similar indirect effect for cultural practices.
A profound review of the literature on entrepreneurship reveals that it does not exist a specific information tool to measure the individuals’ readiness for entrepreneurship. The purpose of this research has been building such kind of instrument to estimate the individuals’ readiness for entrepreneurship. Its design takes in consideration the inclusion of the main variables identified by the literature as those most associated with entrepreneurial profiles. These variables have been grouped into three categories: sociological, psychological and managerial-entrepreneurial. Each group provides batteries of items which are evaluated thanks to a specific scoring system. The final objective is to provide a system to calculate individual scores of readiness for entrepreneurship and, at the same time, partial scores on concrete aspects of it. The information tool is presented at this paper and will be tested and refined in the near future.
YOUTH ENTREPRENEURSHIP TRENDS AND POLICIES IN UGANDA

AUTHORS: Namatovu R. Langevang T. Dawa S. Kyejjusa S

YEAR: 2016

PUBLICATION: Young Entrepreneurs in Sub-Saharan Africa

TAGS: Africa Uganda Youth
YOUTH ENTREPRENEURSHIP IN GHANA: CURRENT TRENDS AND POLICIES

AUTHORS:  Owusu G. Yankson P.W.K. Osei R.D.

YEAR:  2016

PUBLICATION:  Young Entrepreneurs in Sub-Saharan Africa

TAGS:  Africa Ghana Youth

ACCESS ARTICLE
MEASURING AND PROMOTING YOUTH ENTREPRENEURSHIP IN ZAMBIA

AUTHORS:  Chigunta F. Mwanza V.

YEAR:  2016

PUBLICATION:  Young Entrepreneurs in Sub-Saharan Africa

TAGS:  Africa Zambia Youth
ENTREPRENEURIAL READINESS IN THE CONTEXT OF NATIONAL INSTITUTIONAL ENVIRONMENTS

AUTHORS: Schillo R.S. Persaud A. Jin M.

YEAR: 2016

PUBLICATION: Small Business Economics

TAGS: Ecosystems Multilevel Analyses Readiness for Entrepreneurship Institutional Pillars SSCI

This study contributes to the emerging stream of literature on national systems of entrepreneurship by investigating the importance of systemic contingencies between individual-level and country-level variables. Specifically, we develop the concept of entrepreneurial readiness as a factor consisting of four items relating to individuals’ skills, fear of failure, social connectedness, and opportunity perception. The results indicate that this entrepreneurial readiness construct is a more parsimonious and cogent representation of individual-level characteristics than several loosely connected individual traits. Moreover, we demonstrate that entrepreneurial readiness has substantial explanatory power with regard to individuals’ entrepreneurial intention. Individuals’ entrepreneurial intentions are also influenced by several dimensions of the national environment such that entrepreneurial readiness and these national environmental conditions are mutually reinforcing. These findings lend support to the importance of viewing entrepreneurship from a systems perspective and underscore the importance of institutional conditions in fostering entrepreneurship.

ACCESS ARTICLE
We examine entrepreneurs’ economic, social, and environmental goals for value creation for their new ventures. Drawing on ethics of care and theories of societal post-materialism, we develop a set of hypotheses predicting patterns of value creation across gender and countries. Using a sample of 15,141 entrepreneurs in 48 countries from the Global Entrepreneurship Monitor, we find that gender and cultural values of post-materialism significantly impact the kinds of value creation emphasized by entrepreneurs. Specifically, women entrepreneurs are more likely than men to emphasize social value goals over economic value creation goals. Individuals who start ventures in strong post-materialist societies are more likely to have social and environmental value creation goals and less likely to have economic value creation goals. Furthermore, as levels of post-materialism rise among societies, the relationship between value creation goals and gender changes, intensifying both the negative effect of being female on economic value goals and the positive effect on social value goals. In other words, post-materialism further widens the gender gap in value creation goals.
In this paper, the start-up process is split conceptually into four stages: considering entrepreneurship, intending to start a new business in the next 3 years, nascent entrepreneurship and owning-managing a newly established business. We investigate the determinants of all of these jointly, using a multinomial logit model; it allows for the effects of resources and capabilities to vary across these stages. We employ the Global Entrepreneurship Monitor database for the years 2006–2009, containing 8269 usable observations from respondents drawn from the Lower Layer Super Output Areas in the East Midlands (UK) so that individual observations are linked to space. Our results show that the role of education, experience, and availability of ‘entrepreneurial capital’ in the local neighbourhood varies along the different stages of the entrepreneurial process. In the early stages, the negative (opportunity cost) effect of resources endowment dominates, yet it tends to reverse in the advanced stages, where the positive effect of resources becomes stronger.
We apply prospect theory to explain how personal and corporate bankruptcy laws affect risk perceptions of entrepreneurs at time of entry and therefore their growth ambitions. Previous theories have reached ambiguous conclusions as to whether countries with more debtor-friendly bankruptcy laws (i.e. laws that are more forgiving towards debtors in bankruptcy proceedings) are likely to have more entrepreneurs, or whether, creditor friendly regimes have positive effects on new ventures via enhanced incentives for the supply of credit to entrepreneurs. Responding to this ambiguity, we apply prospect theory to propose that entrepreneurs do not attach the same significance to different elements of bankruptcy codes—and to explain which aspects of debtor-friendly bankruptcy laws matter more to entrepreneurs. Based on this, we derive and confirm hypotheses about the impact of aspects of bankruptcy codes on entrepreneurial activity using the Global Entrepreneurship Monitor combined with data on both personal and corporate bankruptcy regulations for 15 developed OECD countries. We use multilevel random coefficient logistic regressions to take account of the hierarchical nature of the data (country and individual levels). Because entrepreneurs and creditors are sensitive to different elements of the codes, there is scope for optimisation of the legal design of bankruptcy law to achieve both an adequate supply of credit and to encourage high-ambition entrepreneurship.
Studies on the influence of entrepreneurial role models (peers) on the decision to start a firm argue that entrepreneurial role models in the local environment (1) provide opportunities to learn about entrepreneurial tasks and capabilities, and (2) signal that entrepreneurship is a favorable career option thereby reducing uncertainty that potential entrepreneurs face. However, these studies remain silent about the role of institutional context for these mechanisms. Applying an extended sender–receiver model, we hypothesize that observing entrepreneurs reduces fear of failure in others in environments where approval of entrepreneurship is high, while this effect is significantly weaker in low approval environments. Taking advantage of the natural experiment from recent German history and using data from the Global Entrepreneurship Monitor Project, we find considerable support for our hypotheses.
WHERE DO SPINOUTS COME FROM? THE ROLE OF TECHNOLOGY RELATEDNESS AND INSTITUTIONAL CONTEXT

AUTHORS: C. L. Huynh Dass P. Laplume A.O. Yeganegi S.

YEAR: 2016

PUBLICATION: Research Policy

TAGS: SSCI Employee Entrepreneurial Activity Venture Capital Intellectual Property Spinouts

This paper conceptualizes and empirically examines organizational and institutional antecedents of spinouts (i.e., new businesses created by employees). We deploy multi-level logistic regression modeling methods on a sub-sample of the Global Entrepreneurship Monitor's 2011 survey covering 29 countries. The results reveal that employees who have experience with activities unrelated to the core technology of their organizations are more likely to spin out entrepreneurial ventures, whereas those with experiences related to the core technology are less likely to do so. In support of recent theory, we find that the strength of intellectual property rights and the availability of venture capital have negative and positive effects, respectively, on the likelihood that employees become entrepreneurs. These institutional factors also moderate the effect of technology relatedness such that spinouts by employees with experiences related to core technology are curbed more severely by stronger intellectual property rights protection regimes and lacking of venture capital.
This paper investigates the contextual influences of institutions on the use of latest available technologies by early stage entrepreneurs in emerging economies. Hypotheses are developed and then tested using multi-level modeling techniques on a dataset covering entrepreneurs in 20 emerging economies. We utilized 10,431 individual-level responses from the Global Entrepreneurship Monitor survey from 2002 to 2008 and complemented it with data on country-level institutions such as the size of a country’s informal economy, intellectual property rights (IPR) regimes obtained from the Index of Economic Freedom and inward foreign direct investment (FDI) from the World Bank Group. Results on the direct effects suggest that levels of FDI negatively influences the use of latest technology by entrepreneurs in emerging economies, while the moderation effects of informal economy suggest that as its size increases (1) the negative effects IPR on the use of latest technology by entrepreneurs strengthens, and (2) the negative effects of FDI on the use of latest technology strengthens. These findings support the overall proposition that the size of a country’s informal economy is an important moderator of institutional influences on technology use by entrepreneurs in emerging economies. More generally, the study proposes that institutions may not have the same effects on entrepreneurs in emerging economies that might be expected in developed countries, suggesting that future research should take the level of socio-economic development of a country into account when theorizing the role of institutions.
Social capital refers to social networks and the norms of reciprocity, cooperation and trust associated with them. It can be studied at different levels of analysis. As previous literature suggests, social capital has aspects at both the individual and collective levels. However, theory development and empirical research have focused on separate, sometimes diverging levels. In an attempt to address this, this research examines the simultaneous influence of individual and regional social capital on the discovery and exploitation of entrepreneurial opportunities using individual-level data from the Global Entrepreneurship Monitor linked with regional-level data on social capital. The results show that individuals from regions with higher social capital are more likely to discover and to exploit entrepreneurial opportunities. Moreover, individuals having networks with other entrepreneurs are also more likely to identify a business opportunity and to become an entrepreneur. Also, we found that social capital at individual level had a greater effect than social capital at regional level in the two stages of the entrepreneurial process.
EXPLAINING NATION-WIDE DIFFERENCES IN ENTREPRENEURIAL ACTIVITY: A LEGITIMACY PERSPECTIVE

AUTHORS: Diez-Martín F. Blanco-González A. Prado-Román C.

YEAR: 2016

PUBLICATION: International Entrepreneurship and Management Journal

TAGS: Institutions Legitimacy Financing SSCI

The present study applies the lens of Institutional Theory to analyze the impact of a country’s entrepreneurial legitimacy on its entrepreneurial activity as well as on entrepreneurs’ access to financing. By creating a structural equation model of entrepreneurship in innovation-driven countries, the authors show that countries with greater entrepreneurial legitimacy have more entrepreneurial activity. The model was tested over a 5-year period, from 2009 to 2013. Results suggest that innovation-driven countries with more entrepreneurial legitimacy obtain greater rates of entrepreneurial activity. Further distinguishing among legitimacy types, cognitive legitimacy is shown to exert a stronger influence than regulative or normative legitimacy. The model also confirms a positive relationship between a country’s entrepreneurial legitimacy and access to financing. This occurs principally through regulative legitimacy. This study enlarges our knowledge of the existing differences in entrepreneurial activity among countries. It contributes to the literature on the country-level determinants of entrepreneurship, such as institutional conditions or financial access.
This paper explores the impact of foreign direct investment (FDI) on the entrepreneurial activity in 16 European countries. By using Global Entrepreneurship Monitor (GEM) data, which enables the distinction necessity-driven vs. opportunity-driven entrepreneurs, we assess the influence of both inward and outward FDI on the entrepreneurial activity during the time span 2005–2012. We resort to a static, as well as to a dynamic panel data analysis. Our findings highlight the fact that the FDI has no clear influence on the total entrepreneurial activity, or on the established business ownership rate. Nevertheless, our results clearly state that both inward and outward FDI positively influences the necessity-driven entrepreneurs, while having a negative impact on the opportunity-driven entrepreneurs. The results prove to be robust regarding the use of a fixed and random effects panel model, two stages least square (2SLS) model, as well as the use of a system-Generalized Method of Moments (system-GMM) approach.
This paper explores entrepreneurial activity for men and women across 40 countries. Building on research grounded in social cognitive and institutional theories, we propose a configurational approach to explore how effects of different causal conditions are interdependent in explaining gender specific entrepreneurial activity. Using fuzzy-set qualitative comparative analysis, we find that no one causal element is sufficient for promoting entrepreneurial activity. Instead micro-level attributes of entrepreneurial self-efficacy and opportunity recognition in combination with macro-level business environment formal institutions and national culture create configurations of conditions that lead to high levels of entrepreneurial activity amongst men and women. Moreover, the causal factors configure in different ways for male and female entrepreneurs. This study demonstrates the value of using a configurational analytical technique to explore together the micro- and macro-complexities of what drives men and women around the world to engage in entrepreneurial activity.
This study refines the relationship between perceived capability and entrepreneurial intention by considering the mediating roles of perceived opportunity and fear of failure and the moderating role of gender. A moderated mediation framework is developed on the basis of perspectives of the cognitive phenomenon of categorization and the social role theory. Two samples of Taiwan and China obtained from the database released by Global Entrepreneurship Monitor were used to test the hypotheses. A logistic regression analysis followed by a bootstrap approach reveals several interesting results. First, perceived capability positively affects entrepreneurial intention through perceived opportunity; this indirect linkage is stronger in China than in Taiwan. Second, compared with the fear of failure, perceived opportunity has a stronger mediating effect in linking perceived capability and entrepreneurial intention. This difference is more remarkable in China than in Taiwan. Third, gender partially moderates the mediating effect of perceived opportunity. Specifically, perceived capability has a stronger indirect effect on entrepreneurial intention through perceived opportunity among men than among women in Taiwan; however, the difference is not significant between men and women in China. In addition, age negatively affects perceived opportunity and entrepreneurial intention.
THE IMPACT OF CULTURE ON NATIONAL PREVALENCE RATES OF SOCIAL AND COMMERCIAL ENTREPRENEURSHIP

AUTHORS: Hechavarria D.

YEAR: 2016

PUBLICATION: International Entrepreneurship and Management Journal

TAGS: Cultural Factors Social Entrepreneurship Post-Modernization Institutions SSCI

This cross-cultural study empirically investigates the cultural determinants of macro-level social and commercial entrepreneurship from a new institutional theory perspective. This study investigates if cultural shifts in cultural values, operationalized through the World Values Survey (WVS), impact the prevalence rates of social and commercial entrepreneurship at the national level. Social and commercial entrepreneurship rates are drawn from the 2009 Global Entrepreneurship Monitor (GEM) and aggregated for 53 countries in this cross-sectional analysis using multivariate regression. Findings indicate that traditional societal values positively impact commercial entrepreneurship prevalence rates, but negatively impact social entrepreneurship rates. Furthermore, self-expression societal values positively impact social entrepreneurship prevalence rates.
The aim of this article is to analyze the factors related to the early internationalization of new firms in Chile. We grouped the internationalization driver factors into three categories: individual, organizational, and firm-environmental factors. Using a sample of 374 entrepreneurs from Global Entrepreneurship Monitor data and performing a logistic regression model, we found that owner-manager’ high educational levels, opportunity-oriented motivation, new technology use, and activities related to extractive sectors (e.g., farming, forestry, fishing, and mining) contribute to a higher likelihood of early firm internationalizing. The implications for theory and practice are discussed.
This study examines how angel investor–entrepreneur task conflicts are related to portfolio company innovativeness and how this relationship is moderated by the level of agreement on priorities, diversity of entrepreneurial experience, and the level of communication. Using survey data gathered from 54 teams of angels and entrepreneurs in Belgium and the United States, we show that the negative relationship between task conflict and innovativeness is more severe when the teams have lower levels of agreement on priorities, when there is less diversity of experience in the team, and when the teams communicate more frequently.
Classical network theory states that social networks are a form of capital because they provide access to resources. In this article, we propose that network effects differ between collectivistic and individualistic contexts. In a collectivistic context, resource sharing will be “value based.” It is expected that members of a group support each other and share resources. In contrast, in an individualistic context, resource sharing will be more often based on reciprocity and trust. Hence, we hypothesized that networks will be more beneficial in individual contexts compared with collectivistic context. We found partial support for our hypotheses.
We use insights from institutional theory to study how societal collectivism and societal trust facilitate or constrain the emergence of social entrepreneurship (SE) and commercial entrepreneurship (CE). Using 58,918 individual-level responses obtained from the Global Entrepreneurship Monitor (GEM) survey of 27 countries and supplementing with country-level data obtained from the World Values Survey (WVS) and the Global Leadership and Organizational Behavior Effectiveness (GLOBE) study, our results from multilevel analyses demonstrate that while societal collectivism decreases the likelihood of CE, it increases that of SE. Further, while societal trust influences both SE and CE positively, the strength of this positive influence is felt more strongly on SE than CE.
THE ROLE OF COGNITION AND INFORMATION ACCESS IN THE RECOGNITION OF INNOVATIVE OPPORTUNITIES

AUTHORS:  Hsieh R.M. Kelley D.J.

YEAR:  2016

PUBLICATION:  Journal of Small Business Management

TAGS:  Nascent Entrepreneurship Innovation Cognitive Models Taiwan SSCI

This research examines nascent entrepreneurs' perceptions about the innovativeness of the opportunities they have recognized. Results from a survey of 324 nascent entrepreneurs in Taiwan indicate that one's level of prior industry experience, orientation toward risk, and access to information in the environment are each associated with perceived innovativeness of the opportunity. An examination of interaction effects shows that when prior industry experience is low, risk taking propensity boosts the level of perceived innovativeness, but does not have an effect in the case of high industry experience. The findings suggest that cognitive elements and information access can play a role in the identification and pursuit of innovative opportunities.
In this work, we analyse the characteristics of the entrepreneurial environment and examine whether a relation exists between these characteristics and the country’s stage of economic development. For this purpose, we use the national experts’ opinions from the Global Entrepreneurship Monitor Project. We aim to identify whether the experts’ opinions are in line with the different stages of economic development, or more specifically, whether we can see patterns in their opinions that reflect the different stages in the entrepreneurial environment of countries. If this proves to be the case, the information provided by the national experts in terms of facilitators of, and obstacles to, entrepreneurship and their recommendations for boosting entrepreneurial activity, would be useful to national governments in the design of entrepreneurial policies to help the country to move up to a higher stage of economic development. We use data from the survey of 1259 GEM project national experts from the 67 countries that participated in 2013. Our results confirm the existence of patterns that could be useful for policymakers dealing with entrepreneurship.
Companies created by women represent a substantial part of entrepreneurship. While men outnumber women in entrepreneurship rates, the gender gap decreases in the case of social enterprises. This may be explained by the fact that roles and stereotypes that influence women's behavior will lead to significantly identify with the values promulgated by social enterprises. This greater involvement in social activities leads women to become an essential player for promoting such needed initiatives given the impossibility for public institutions to address all social problems. Therefore in this paper, firstly, we study the gender gap in social and commercial entrepreneurship, distinguishing between enterprises with less than 42 months of activity and those consolidated in the market. Secondly, and aware of the variability of data between countries, a study is conducted using a sample of 48 countries grouped according to their level of development. The results confirm what is stated in the literature, the gender gap is reduced in the case of social entrepreneurship and it is also shown that female participation in social enterprises is influenced by the level of development of the country. These results lead us to highlight the importance of variables such as culture or social norms when explaining female behavior.
In this paper we use an institutional perspective to investigate the ways in which formal political institutional change over time and controlling for informal personal characteristics of individuals (self-efficacy and fear of failure), influences entrepreneurial activity in a large panel of countries. We draw our conclusions by estimating panel regressions using a combination of several datasets: Global Entrepreneurship Monitor (GEM), Heritage Foundation, Polity IV, World Bank and Freedom House. In particular we estimate several models that include 5 measures of political institutional change (democratization, political freedom, regulation/stability of property rights, freedom from corruption and political legitimacy) over time with Total Early-Stage Entrepreneurial Activity (TEA) rates. Our results suggest that political institutions are essential in explaining differing TEA rates between countries, but more importantly, positive change over time in political institutions of political stability and freedom from corruption play a more significant role in identifying differences in TEA rates between countries. By examining these political institutional measures and associated change over time we enhance the robustness and generalizability of our results. Finally, we complement our estimations of formal institutional political change by controlling for informal institutional change in personal characteristics of individuals and results suggest that positive self-efficacy as a control augments the positive impact of positive political institutional change over time on TEA rates.
SOCIAL PROGRESS ORIENTATION AND INNOVATIVE ENTREPRENEURSHIP: AN INTERNATIONAL ANALYSIS

AUTHORS: Urbano D. Aparicio S. Querol V.

YEAR: 2016

PUBLICATION: Journal of Evolutionary Economics

TAGS: Innovation Social Progress Regression High Growth Entrepreneurship Institutions Economic Development Post-Materialism SSCI

Using the institutional approach, this paper examines the influence of social progress orientation on innovative entrepreneurship from an international perspective. Using a multiple linear regression model with cross-sectional information from the Global Entrepreneurship Monitor, the Indices of Social Development, the World Values Survey, the Hofstede Centre, the United Nations Development Programme and World Development Indicators, we find that social progress orientation dimensions such as voluntary spirit, survival vs. self-expression values and power distance were related to entrepreneurial activity. More specifically, the main findings demonstrate that high voluntary spirit had a positive and statistically significant impact on innovative early-stage entrepreneurial activity (TEA). In addition, necessity-driven TEA is highly discouraged in those societies with high voluntary spirit and self-expression values, whereas larger power distance increased the entrepreneurial activity driven by necessity. Based on these results, this study advances the literature by introducing and analyzing the concept of social progress orientation, by examining the factors that influence innovative entrepreneurial activity in light of an institutional approach. Also, this research could be useful for designing policies to foster entrepreneurial activity in different national and regional environments.
This paper explores the institutional factors that encourage opportunity entrepreneurship in order to achieve higher rates of economic growth. We suggest that institutions may not have an automatic effect, as is typically assumed in growth models. Rather, a mechanism is required to serve as a conduit into the society for those institutional factors that affect productive behavior such as entrepreneurial activity. Thus, opportunity entrepreneurship is identified as one such mechanism that impacts on economic growth. Using a three-stage least-square method through unbalanced panel data with 43 countries (2004–2012), we find that informal institutions have a higher impact on opportunity entrepreneurship than formal institutions. Variables such as control of corruption, confidence in one's skills and private coverage to obtain credit promote a positive effect of opportunity entrepreneurship on economic growth in all the countries of our sample, and especially in Latin American countries as a homogeneous group. These results suggest additional elements to the theoretical discussion in terms of the importance of institutions as framework to understand determinants and effects of opportunity entrepreneurship. Regarding policy implications, the results also suggest that it could be possible to obtain economic growth encouraging the appropriate institutions in order to increase the entrepreneurship by opportunity.
This paper analyzes the effect of entrepreneurship capital types on economic growth. We use an augmented Cobb–Douglas production function, which introduces variables such as entrepreneurship capital into the analysis of growth as endogenous factor. We differentiate our work from the previous studies by using panel data analysis, with 43 countries in the period from 2002 to 2012, and different measures of entrepreneurship capital. Our estimations suggest that these measures have a positive effect on economic growth, specifically overall TEA and opportunity TEA. Distinguishing between groups of countries and periods of time, we find that overall TEA has a greater effect on economic growth in OECD countries and in the post-crisis period for all the countries in our sample. These results suggest new elements to both theoretical discussion and public policy focusing on entrepreneurship capital as an important factor to achieve economic growth.
The preference for self-employment varies much between countries. The purpose of this study is to investigate the relationship between the preference for self-employment, new business start-up intentions and actual start-up efforts. This research is an application of the theory of planned behaviour. Data was collected using telephone interviews from a representative sample of Norwegian adults aged 18-64. The results support the theory, showing that the preference for self-employment, together with measures of subjective norm and perceived behavioural control, predict business start-up intentions. These intentions, in turn, together with perceived behavioural control predict involvement in business start-up efforts. This study has important implications for policy makers and future research.
The purpose of this paper is twofold. On the one hand, the paper draws a comparison between the national entrepreneurial potential and characteristics in Romania and Greece, using the Global Entrepreneurship Monitor (GEM) statistics. On the other hand, the paper aims to investigate the students’ entrepreneurial potential and the role of education, considering the case of two technical universities, one from Greece and one from Romania. While at national level the latest GEM data indicates a higher entrepreneurial potential for Romania, the institutional comparison made, and the statistical data processing, underline the gap of entrepreneurial education in both universities. More precisely, using the questionnaire approach, we show that students hardly perceive the role of courses related to entrepreneurship. Thus, the courses taught at the analyzed universities fail in highlighting and developing entrepreneurial skills, although their structure and topics are related to entrepreneurship. These results have practical implications and they serve to find solutions for improving the entrepreneurial education in both institutions.
This study undertakes a cross-country comparison of the relationship between entrepreneurship attitudes and high and low entrepreneurial activity. The analysis employs fuzzy-set Qualitative Comparative Analysis. The data set comes from the Global Entrepreneurship Monitor 2011 survey, four country-level entrepreneurial attitudes and perceptions variables considered against Total Early-Stage Entrepreneurial Activity from a sample of 54 countries. This study provides comprehensive understanding of variations between individual countries at different levels of economic development and groups of countries in their level of opportunity and necessity-related entrepreneurial activity.
Purpose

The purpose of this paper is to examine how entrepreneurs in emerging economies use their knowledge to help create new businesses and increase their profitability in the international marketplace. Emerging economies are playing an increasingly important part in the global marketplace, particularly in terms of how they use knowledge-based resources and entrepreneurial networks.

Design/methodology/approach

The methodological approach of this paper is to analyse the entrepreneurial processes in emerging economies by using the Global Entrepreneurship Monitor (GEM) to evaluate whether the stage of economic development affects intention rates of individuals to start new businesses. Utilising a panel approach to evaluating entrepreneurial intention from 2009 to 2013, a number of hypotheses are tested to see how entrepreneurial knowledge and network knowledge affect the likelihood to engage in new business activity.

Findings

These hypotheses are analysed based on the economic development stage of a country. The findings of the hypotheses suggest that entrepreneurial and network knowledge can help determine an individual’s intention to start a business, but although network knowledge is related to economic development, entrepreneurial knowledge is not significant.
Research limitations/implications

The GEM report is helpful in seeing longitudinal changes in entrepreneurship from emerging economies. This helps increase research interest in emerging economies by encouraging more appropriate policy aimed at increasing new business creation.

Practical implications

Implications for entrepreneurs and public policymakers in emerging economies are stated, which suggest that it is important to foster entrepreneurship education. Suggestions for future research linking knowledge-based resources and entrepreneurial intentions in emerging economies are also highlighted.

Originality/value

The findings demonstrate that the propensity of individuals to engage in new business creation in emerging economies is different to those in developed countries because of funding constraints and lack of access to the appropriate skills.
This paper examines antecedents of high-quality entrepreneurship in European countries before and after the financial crisis that burst in 2008. In a context of ambitious entrepreneurship, we consider three quality aspects of early-stage entrepreneurship referring to innovativeness, export orientation, and high-growth intentions of entrepreneurs. Using microlevel data retrieved from Global Entrepreneurship Monitor (GEM) annual surveys, we investigate whether the role of gender, education, opportunity perception, and motives of early-stage entrepreneurs changes between crisis and noncrisis periods. Our results show that the perception of business opportunities has a particularly pronounced effect on high-quality entrepreneurship in adverse economic conditions. We also find that the beneficial effects of educational attainment on growth intentions strengthen in times of crisis. Finally, the gender effect on entrepreneurs' high-growth intentions and export orientation appears to be stronger in the crisis period, implying that ambitious female entrepreneurship suffers more in the midst of crisis.
This paper presents the main results of the research work done in the Caribbean countries in the 2011-2013 period oriented to measure the dynamics of the youth entrepreneurs and their enterprises. The methodology used was GEM methodology, and the analysis is done using as framework the 'entrepreneurial pipeline concept' to make easier the understanding of the results, the identification of areas of improvement and the formulation of policies for entrepreneurship development. The entrepreneurial pipeline of the young population (18-34 years old), presents better indicators than the entrepreneurial pipeline of the adult population (35-64 years old), except in the 'established business' stage.
Scholars and governments presumed that growing the rate of entrepreneurs would naturally result in economic and job growth, and entrepreneurship has widely been viewed as an important tool for developing economies. Yet recently scholars have questioned the empirical evidence regarding the actual contribution of entrepreneurship to economic development. Recent contributions to the field suggest that not all entrepreneurial activity has a positive effect on economic growth in developing regions. The Theory of Planned Behavior (TPB) provides a unique lens in assisting the predictive capability of entrepreneurial motivation. In this research, we focus on what factors influence the motivation of some entrepreneurs to seek a high-growth model as these growth-oriented entrepreneurs, usually associated with opportunity-motivated firm founding, are the most likely to actually create jobs in developing countries. We utilize motivation for founding, five entrepreneurial competencies and three firm characteristics to predict growth expectations of entrepreneurial growth expectations. Leveraging responses to the Global Entrepreneurship Monitor survey from more than 100,000 entrepreneurs in 19 Latin American countries, we discovered the existence of a triple interaction effect amongst opportunity-based entrepreneurs with higher levels of education and an export orientation and their growth expectations. In discussing the results, we reflect on the public policy implications for promoting the desired types of entrepreneurship in developing regions.
This paper analyzes the effect of the individual perceptions of social capital and culture in entrepreneurial aspirations before and after the economic crisis in Western Europe. Following the approach of the Theory of Planned Behavior (Ajzen in Organizational Behavior and Human Decision Processes, 50, 179–211, 1991), we advance the analysis of the effect of the perception of subjective norms in the entrepreneurial intentions. We studied the Total Early-Stage Entrepreneurial Activity (TEA) of twelve countries in 2006 and 2010. The results reveal that the perception of having social networks is significant for the TEA, and it increases after the economic crisis. However, the cultural factors do not have a significant impact, except the one related with the perception of social equality. The results obtained through the double perspective of this analysis (individual’s social capital vs cultural factor of individualistic perspective) offers a certain dilemma when we try to understand the entrepreneurial intntion through the individual’s perception of subjective norms, following the Ajzen’s model. The more individualist is a person, the lower the weight of its social capital. However, the more a person has access to social networks, the greater his entrepreneurial intention will be. This result opens future lines of research focused on understanding the value of the individual’s social capital for different countries and groups of entrepreneurs.
MORE THAN WORDS: DO GENDERED LINGUISTIC STRUCTURES WIDEN THE GENDER GAP IN ENTREPRENEURIAL ACTIVITY?

AUTHORS: Hechavarria D. Terjesen S. Stenholm P. Brannback M. Lang S.

YEAR: 2017

PUBLICATION: Entrepreneurship: Theory and Practice

TAGS: Gender Language SSCI

Leveraging linguistic relativity theory which suggests that language systems structure thought and action, we investigate the relationship between gendered linguistic structures and the persistent gender gap in early-stage entrepreneurial activity. We use country-level data from 105 countries in 2001-2015 with 55 different languages, and incorporate 32 controls covering a broad range of factors previously associated with entrepreneurial activity. We find that in countries where the dominant language’s structure incorporates sex-based systems and gender-differentiated pronouns, there is a greater gender gap in entrepreneurial activity. Our results suggest that gendered linguistic structures reinforce gender stereotypes and discourage women’s entry into entrepreneurship.
MOBILE BROADBAND: A KEY ENABLING TECHNOLOGY FOR ENTREPRENEURSHIP?

AUTHORS:  Alderete M.V.

YEAR:  2017

PUBLICATION:  Journal of Small Business Management

TAGS:  Enabling Technology SSCI

This article examines whether mobile broadband can be viewed as an enabling technology for entrepreneurship in developing and developed countries. Evidence shows that mobile telephony is becoming more affordable worldwide. Contrary to fixed broadband, mobile broadband ensures better reach and lower costs and has become the most dynamic platform for bringing ICT benefits to entrepreneurship. A six period panel data analysis, 2007–2012, is estimated for 58 countries. Using the Global Entrepreneurship Monitor's Total Entrepreneurial Activity as the dependent variable, a positive influence of mobile broadband on the entrepreneurial activity is observed. Linking ICT and entrepreneurship is an area in need of more research.
A review of literature in entrepreneurship and public policy suggests that the level of political freedom, corruption, and education are important antecedents to the rate of entrepreneurial activity in nations. However, empirical analysis of the effect these factors have on entrepreneurial activity across nations remains ambiguous. This study proposes that the cultural context of nations moderates the effect of these factors. Consistent with this argument, it investigates the role of individualism-collectivism in moderating the effect of political freedom, corruption, and education on entrepreneurial activity across nations. Macro-level data on 84 nations is obtained from multiple reliable sources and used to test the hypotheses. Results support the theorized arguments and suggest that individualism positively moderates the effect of political freedom, negatively moderates the effect of corruption, and positively moderates the effect of education, on the rate of entrepreneurial activity across nations.
DETERMINANTS OF THE ENTREPRENEURIAL GENDER GAP IN LATIN AMERICA

AUTHORS: Bernat L.F. Lambardi G. Palacios P.

YEAR: 2017

PUBLICATION: Small Business Economics

TAGS: Gender Decomposition Analysis Latin America SSCI

This paper identifies a set of factors associated with the decision to become an entrepreneur and the variables that account for the gender gap in entrepreneurial activity in Latin America. We estimate logit models for entrepreneurial activity under three different definitions of an entrepreneur. We also estimate the gender gap by using Fairlie’s decomposition method. Depending on the definition of entrepreneur used, the overall gender gap varies from 4 to 13 % points. Differences in observable characteristics explain between 23 and 38 % of the total gender gap. The factors that explain both entrepreneurial activity and gender gap are: education, risk tolerance; own car as primary means of transportation; work satisfaction; and parent business ownership. Variables such as age, access to loans, and need for achievement are significantly associated with entrepreneurial activity, but they play a negligible role in explaining the gender gap.
This study analyzes differences existing between new and established agri-entrepreneurs as well as differences in relation to their counterparts in non-agricultural ventures. This study uses the resource-based view and institutional economics as conceptual frameworks and focuses on the analysis of the resources and capabilities; entrepreneurial orientation (risk-taking, proactiveness and innovativeness); and legitimation affecting the entrepreneurial process. The literature points out that the specific characteristics of the sector (strong family links and institutional support) can condition the entrepreneurship process. Thus, hypotheses are developed to test these relationships. We use random effects models to test our hypotheses with the Global Entrepreneurship Monitor (GEM) for 20 European countries. Results show that agri-entrepreneurs have weaker entrepreneurial capabilities than other sectors. However, new entrants into the agricultural sector are not less entrepreneurial in relation to other sectors. On the other hand, established agri-entrepreneurs are less proactive than other sectors. Results suggest that new entrants into agriculture are more entrepreneurially oriented than established ones. Our study contributes to the entrepreneurship literature by contextualizing the entrepreneurship process and providing valuable insights for policymakers to enhance farmers’ entrepreneurial skills and entrepreneurial orientation.
In this paper, we propose a method by which the entrepreneurial ecosystem, if present, reveals itself in the data. We first follow the literature and define the entrepreneurial ecosystem as a multidimensional set of interacting factors that moderate the effect of entrepreneurial activity on economic growth. The quality of such an ecosystem, by its multidimensionality, is impossible to measure directly. But so defined, we argue that variation in entrepreneurial ecosystem quality should result in variation in the estimated marginal effect of entrepreneurial activity on economic growth. Testing for such variation is possible using a combination of a multilevel growth regression and latent class analysis. We motivate and validate our approach in simulated data before illustrating its applicability in a data set covering 107 European NUTS1-2 regions across 16 EU member states. For this dataset, we cannot reject the hypothesis of a homogeneous contribution of entrepreneurship to regional growth. That is, in this dataset, we find no evidence of statistically significant heterogeneity in the estimated slope coefficients for entrepreneurial activity across regions. There are several possible explanations for this negative result. The two we deem most likely are first that the NUTS1-2 level may not be disaggregated enough to coincide with the relevant boundaries of the entrepreneurial ecosystem. We suspect our method would reveal significant differences across smaller geographical units, but the data unfortunately do not yet allow us to empirically test this hypothesis in a multi-country regional analysis. The second possible explanation is that the growth rates from 2006 to 2014 coincided with the global financial and the European crisis, and during this time, the effect of entrepreneurship on (long-run average) growth overall has been obscured. Our simulations also suggested a third reason. If measurement error is large (in the order of 33 or 0.015% point annual GDP-growth), the effects may also have been obscured.
The article examines the determinants of the growth aspiration of Venezuelan entrepreneurs. We use the GEM database and build an econometric model based on a set of exogenous variables grouped into three large categories: contextual or environmental factors, individual factors and business variables. Given the Venezuelan specific characteristics, we place a particular focus on understanding the differences between entrepreneurs belonging or not to the BoP. The primary findings of this work are the identification of the variables that explain growth aspiration, namely, belonging to the BoP, gender, education, motivation and years of study and some additional variables where individual factors interact with the contextual factor BoP. The second finding is that there are significant differences for the entrepreneurs belonging and not belonging to the BoP, with a threshold where the entrepreneurs of the BoP become averse to continuing to aspire to growth. Practical and policy implications are elaborated with the results.
Many countries are turning to active labor market programs (ALMP) to increase individuals’ incentive to start a business and to reduce unemployment, but research on the effectiveness of such programs has produced mixed results and is still inconclusive at the macroeconomic level. This article examines the importance of ALMP targeted at entrepreneurship to explain cross-country differences in aggregate entrepreneurship rate. By using GEM data over the period 2002–2013 on OECD countries, our results show a positive impact of ALMP on the rate of necessity entrepreneurship but no significant effect on the rate of opportunity entrepreneurship. We further established that generous unemployment benefits reduce the positive outcome of ALMP on the aggregate rate of necessity entrepreneurship. Moreover, because most businesses started out of necessity do not create new jobs, we find that the economic spin-off of such programs in terms of unemployment reduction is very limited.

Emeran Nziali presented a first version of this paper at the 2014 BCERC. He died several months after, in December 2014. The three other authors have worked on the paper in memory of Emeran. He is sorely missed.
In this study, we develop and test a gendered social capital model of altruistic investment behavior that explains why some informal investors expect high returns on their investments while others expect no payback at all. Prior literature predominantly assumes that informal investors engage in investment activities with a return on investment and profit in mind; however, other non-financial objectives for informal investment—e.g., altruistic informal investment—have also been suggested although their antecedents unexplored. We suggest altruistic investment behavior depends on life circumstances determined by social capital, gender, and their combination. Our empirical evidence supports these propositions.
This cross-country study statistically investigates the determinants of environmental orientation of entrepreneurial activity. It builds on a new institutional theory framework and uses data gathered in the course of the Global Entrepreneurship Monitor to examine the institutional impacts and individual characteristics which influence the degree of environmental orientation of entrepreneurial activity, using a multilevel analysis. Our key findings are threefold: First, the results indicate that environmental orientation is frequently used as a source for securing legitimacy of entrepreneurial ventures. Second, we find lower degrees of environmental orientation among more educated entrepreneurs. Third, for many variables, such as age, gender and income, differences are observed when compared to earlier findings on the determinants of social entrepreneurship. Policy makers can learn from the analysis that policy measures should not only be designed specifically for environmental entrepreneurship, but also be adapted to the domestic economic circumstances, as, for example, environmental taxes only show significant effects on environmental orientation of entrepreneurial ventures in OECD countries. From a practitioner’s perspective, this indicates that a lack of regulation can provide opportunities for environmentally oriented entrepreneurial ideas.
Entrepreneurship is defined as the effort to generate and create jobs and innovate leading to economic growth. Despite the importance that has been given to this phenomenon, inequalities regarding the ability to trigger and manage the entrepreneurial activity remain. This research aims to describe and account for the entrepreneurship levels, particularly in order to understand what leads certain countries’ individuals to display higher levels of initiative to manage or create a high-growth business. In order to achieve this goal, a research program that includes annual assessments of entrepreneurial activity levels in several countries has been used—The Global Entrepreneurship Monitor (GEM), which is, currently, one of the main international research databases aiming to describe, analyse and compare the entrepreneurial process in a wide range of countries. The database studied in this work is the 2011 NES, containing 144 variables in which 136 are qualitative (97 ordinal qualitative and 39 nominal qualitative). The data were analysed transforming the ordinal qualitative variables in ordinal quantitative, where the answers were given in a Likert scale from 1 to 5. The sample of the database consists of 1852 national and regional entrepreneurship experts selected on the basis of reputation and experience (through a convenience sample approach). Our research used several multivariate analysis techniques, in particular the multiple linear regression analysis, the cluster analysis and the discriminant analysis. In general, our conclusions suggest that individuals who react quickly to opportunities seem to display better abilities of time management and are more willing to start a business. Our results also show that the national culture does not influence the individual ability of managing the personal life.
Senior entrepreneurship has attracted growing attention from both researchers and policy-makers as an ageing population becomes a most prevalent challenge in societies. Seniors' entrepreneurial activity is regarded as a promising option to address such an important issue. Given that seniors’ participation in entrepreneurship is considered a way to achieve active ageing (Maritz, 2015), this research raises an essential question: What encourages or discourages seniors’ participation in entrepreneurial activity? In order to address this question, drawing on active ageing literature and institutional theory, this thesis proposes that different institutional settings of countries for three dimensions of the active ageing processes of seniors — health, income security, and educational attainment — lead to cross-country differences in the level of seniors’ participation in entrepreneurial activity. This thesis uses public expenditure on the three dimensions as indicators through which a country’s institutional arrangements can be evaluated (Goodin, 1995; Keman, 1996; Weimer, 1995). In the present research, public expenditure on health, pensions, and education are proposed to provide incentives and/or constraints with regards to encouraging the entrepreneurial participation of seniors.
High-tech entrepreneurship is one of the main means by which new knowledge and technologies are converted into economic and social benefits. This report analyses the levels and determinants of high-tech entrepreneurship across European countries. To this end, it uses country-level data on high- and low-tech total early-stage entrepreneurial activity provided by the Global Entrepreneurship Monitor (GEM). Panel data estimations for the period 2007-2014 reveal that EU Member States with better access to finance, less bureaucracy, more consistent policy regimes, favourable entrepreneurship education, and qualitative intellectual property rights that lower patent thicketing strategies exhibit a higher proportion of high-tech firm creation. In addition, greater technological density is associated with a higher rate of high-tech entrepreneurship creation, suggesting beneficial influences of path-dependency and agglomeration effects.
This paper uses social comparison theory to explore the effect that the average size of established businesses at the regional (provincial) level may have on start-up size. It is argued that established entrepreneurs at the regional level become referents of new entrepreneurs, influencing not only the decision to become entrepreneurs but also the characteristics of the new venture, such as its initial size. Specifically, the greater the average size of established businesses at the provincial level, the bigger the start-up size of new ventures. This paper further considers how this effect is moderated by two key individual level variables: knowing an entrepreneur personally (i.e., close social referent), and being the owner and manager of an existing business (i.e., past entrepreneurial and managerial experience). Predictions are tested using data that combine individual- and provincial-level information in Spain over the period 2008–2014. The results show the positive relationship of the average size of established businesses on new venture start-up size, and that this effect decreases when the entrepreneurs have previous entrepreneurial experience.
WHAT MOTIVATES SOCIAL ENTREPRENEURS TO START SOCIAL VENTURES? AN EXPLORATORY STUDY IN THE CONTEXT OF A DEVELOPING ECONOMY

AUTHORS: Ghalwash S. Tolba A. Ismail A.

YEAR: 2017

PUBLICATION: Social Enterprise Journal

TAGS: Social Entrepreneurship Emerging Economies Egypt

Purpose

This study explores the characteristics and backgrounds of social entrepreneurs, particularly in relation to what motivates them to start new social ventures, through an empirical examination of the phenomenon of social entrepreneurship in the specific context of Egypt.

Design/methodology/approach

The study adopts a qualitative methodological approach based on a triangulation of data sources, including extensive interviews from five social entrepreneurs, interviews with senior executives in their organizations and industry experts, as well as secondary data.

Findings

The paper proposes a model that integrates common characteristics and motivations among individuals who start social ventures. Findings confirm the characteristics of social entrepreneurs as compassionate risk-takers with entrepreneurial mindsets who seek to address social issues in innovative ways. They also have the perseverance to face the inefficient institutional frameworks prevalent in developing economies. Social entrepreneurs are motivated by social problems and challenges, inspiration, and previous personal experiences, as well as their social networks.

Research limitations/implications
There are limitations pertaining to the limited sample size and single country focus.

Practical implications

This research offers useful and practical insights for current and future social entrepreneurs, particularly in developing economies. Moreover, the study contributes to expanding future research on social entrepreneurship in similar contexts.

Originality/value

This study makes several contributions to the literature on social entrepreneurship. First, by presenting an integrated model for the characteristics/traits and motivations of social entrepreneur. Second, it provides deeper understanding of social entrepreneurship in emerging economies. Third, it highlights the importance of personal inspiration and informal social networks as two sources of motivation for social entrepreneurs, in emerging countries.
INTERNATIONALIZATION AND INNOVATION IN NASCENT COMPANIES: DOES GENDER MATTER?

AUTHORS:  Alves M.F.R. Galina S.V.R. Macini N. Carvalho L.C. Costa T.

YEAR:  2017

PUBLICATION:  Journal of Small Business and Enterprise Development

TAGS:  Gender Innovation Internationalization Nascent Entrepreneurship

Purpose

The purpose of this paper is to explore the competitiveness of women entrepreneurs in terms of internationalization and innovation. Supported by a resource-based framework of early internationalizing firms, the authors investigated multiple conditions for the relationship between internationalization and innovation relative to gender in nascent companies.

Design/methodology/approach

For this purpose, the authors used survey data related to entrepreneurial activity in 50 countries from the Global Entrepreneurship Monitor. Based on a model of seven factors (internationalization, innovation, gender, skills, opportunity, sector, and country), the authors tested the significance of the relationships between these factors by means of a hierarchical log-linear analysis.

Findings

The results indicate the low competitiveness of women entrepreneurs in general, but outline some singularities, especially between developed and developing countries.

Originality/value
This study offers cross-country empirical evidence of how factors of different levels interact with each other. In this way, the authors shed light on the competitiveness of nascent companies, especially regarding gender differences.
Entrepreneurship has historically played a major role on the growth of economies. Its impact on countries’ economic and employment growth has been theoretically as well as empirically studied. The literature indicates a clear positive relation of entrepreneurship to those macro figures. Nevertheless, new evidence discusses that more entrepreneurs do not always signify a quick growth rate. In the developing world, where entrepreneurial motives are fuelled by the necessity to avoid unemployment or poorly-paid job positions, entrepreneurship is insignificant for growth. On the contrary, the innovation-implementing opportunity-motivated entrepreneurship of the developed world has a positive impact on growth. One can argue that those assumptions are based on the study of wildly heterogenic study objects, which can easily support such a statement. Can the same assumptions be confirmed for a more homogenic study group? To explore that issue, data for the trajectory of GDP, employment, entrepreneurship, opportunity and necessity-motivated ratios for the EU-15 group of countries during the period of 2004-2015 have been drawn from Eurostat and the Global Entrepreneurship Monitor (GEM). As we find out, entrepreneurship does indeed have a positive impact on economic and employment growth. However, when controlling for the motives and separating the study objects in more and less developed member states, we find that entrepreneurship does not affect the economic growth of developed countries. Additionally, contrary to the majority of previous research, neither necessity nor opportunity-driven entrepreneurship affect the growth of GDP and employment, regardless of the country group under focus. This study brings interesting findings on the macro-outcomes of entrepreneurship before and after the recession, carrying important messages for further research and entrepreneurial policy making.
NECESSITY OR OPPORTUNITY? THE EFFECTS OF STATE FRAGILITY AND ECONOMIC DEVELOPMENT ON ENTREPRENEURIAL EFFORTS

AUTHORS: Amorós J.E. Ciravegna L. Mandakovic V. Stenholm P.

YEAR: 2017

PUBLICATION: Entrepreneurship: Theory and Practice

TAGS: Necessity Motivation Opportunity Motivation State Fragility Economic Development Multilevel Analyses SSCI

This paper studies the effects of state fragility and economic development on necessity and opportunity-based individual entrepreneurial efforts. We contribute to the literature on the contextual determinants of entrepreneurship by examining multilevel data on 956,925 individuals from 51 countries for the period of 2005–2013. We show that state fragility has a positive effect on necessity-based entrepreneurial efforts while hindering opportunity-based efforts. Our findings illustrate that the level of economic development moderates the relationship between state fragility and necessity-driven entrepreneurial efforts reducing the likelihood of the latter. We discuss the implications for theory and for pro-entrepreneurship policy.
This book presents a state-of-the-art portrait of entrepreneurship in the transition economies of Central and Eastern Europe (CEE) and the Commonwealth of Independent States (CIS) as well as Georgia and Ukraine. Based on new empirical evidence, it highlights major trends in, characteristics and forms of entrepreneurship common to countries in transition. The contributions cover topics such as levels of opportunity-based entrepreneurship, incentives for innovation, dominance of large-scale international corporations, the role of family businesses, and opportunities for grass-roots entrepreneurship.

The first part of the book focuses on theoretical considerations regarding the establishment of sustainable entrepreneurial ecosystems and private business. In turn, the second part offers cross-border studies of entrepreneurial environments and activities, while the third and fourth present case studies on the current state and unique characteristics of entrepreneurship in various countries of the CEE and CIS as well as Georgia and Ukraine. Finally, the last parts discuss the role of institutions and policy recommendations.
This paper is an empirical study on the drivers of innovative entrepreneurship for the tourism sector, in particular the role of the development context. Using cross-country data from the Global Entrepreneurship Monitor (GEM) project and the Human Development Index (HDI) of the United Nations Development Programme, this study finds evidence that innovative entrepreneurship is negatively related to human development. Although more developed societies have more resources available and higher levels of education development, the tourism entrepreneurs have lower probability of being innovative. More developed societies are established tourism destinations, and facing such high demand, it is possible that tourism entrepreneurs have lower incentives to innovate.
MACROECONOMIC EFFECTS OF ENTREPRENEURSHIP FROM AN INTERNATIONAL PERSPECTIVE

AUTHORS: Ni?u-Antonie R.D. Feder E.S. Munteanu V.P.

YEAR: 2017

PUBLICATION: Sustainability

TAGS: Europe Innovation Efficiency Entrepreneurial Intention Aspirations Macroeconomics SSCI

At the panel level, formed of 33 European economies based on resource efficiency enhancers or innovation-driven factors, the present study followed causal relationships between the conditions of economic efficiency ensuring framework and different macroeconomic effects of entrepreneurship, mediated by the entrepreneurial behavior, with delays up to five years. Research findings highlighted that a national efficiency enhancing framework acts as stimulant for the entrepreneurial behavior of nascent entrepreneurs and new small and medium-sized business owners, while a superior level of entrepreneurial behavior generates simultaneous and/or medium-term favorable effects on the growth of gross domestic product, exports, imports and employment, therefore assuring, besides immediate growth, sustainable economic and social progress in the analyzed countries. The causal relationships identified are consistent with the results of other empirical studies in the field.
Purpose

We extend the literature on entrepreneurship and corruption by examining the link between productive and unproductive entrepreneurial activities as moderated by economic freedom. Specifically, we hypothesize that various aspects of economic freedom are contextual in their moderating effects, so that what matters in terms of economic freedom will depend on other factors such as levels of human capital.

Design/methodology/approach

We test these hypotheses by incorporating aggregated and disaggregated measures from the Economic Freedom of the World (EFW) into a model of international entrepreneurial activity.

Findings

The results indicate that not only is economic freedom a major determinant of the level of entrepreneurial activity across countries, as previously verified, but that it also moderates the relationship between human capital, corruption, and productive entrepreneurship.

Originality/value
These findings resolve many of the ambiguities previously identified in the literature on the link between corruption, entrepreneurship and growth.
Purpose

Entrepreneurship, along with its effect on economic growth, has been a major topic of research for quite some time now. However, none of these studies employs the use of Entrepreneurial Intention, a key indicator of latent entrepreneurs, as a measure of entrepreneurship. Till now, some small-scale studies have been done using survey data, with results indicating that external entrepreneurial environment affects entrepreneurial intention. A handful of studies have also looked at the linkages between economic freedom and entrepreneurial activities.

Design/methodology/approach

Using a panel data setting, this paper investigates the effects of economic freedom, especially regulation, on entrepreneurial intention. The empirical analysis uses data for 79 countries from 2001 to 2012.

Findings

The findings suggest that stricter credit market regulation reduces entrepreneurial intention whereas more stringent labor regulations restricts job availability and thereby encourage more people to take up entrepreneurship as a career choice.

Research limitations/implications
The entrepreneurial intention data available from GEM is a highly-unbalanced data and the data also does not differentiate between latent entrepreneurship in agricultural and non-agricultural sectors.

Practical implications

Future research should focus more on latent entrepreneurship which is a rough estimate of future entrepreneurs

Originality/value

This study has a two-fold contribution in the literature. Firstly, it is the foremost large scale study that deals with entrepreneurial intention using secondary data from Global Economic Monitor (GEM) report. Secondly, this study explores the linkages between Economic Freedom Index and entrepreneurial intention.
Certain analyses have studied gender differences in entrepreneurial activity, but, in general, the lack of specific controls may have led to biased results. In this paper, we analyze whether male or female individuals have a higher probability of becoming entrepreneurs in developing regions (Eastern Europe, Latin America and the Caribbean, South-East Asia, and Africa). Using GEM data from 2009 to 2014, we avoid the potential confounding problems arising from the definition of entrepreneurship. We find that the descriptive statistics show constant gender gaps in entrepreneurial activity in favor of males, for all the regions. However, when individual and environmental entrepreneurial characteristics are taken into account, these gaps diminish significantly in Eastern Europe, disappear in Asia and Africa, and are reversed in Latin America.
LOW VS. HIGH INCOME ENTREPRENEURIAL HOUSEHOLDS: 
HETEROGENEOUS RESPONSE TO COMMON INSTITUTION ENVIRONMENT IN 
DEVELOPING COUNTRIES

AUTHORS:  Matos S. Hall J. Bachor V. Silvestre B.S.

YEAR:  2017

PUBLICATION:  Geopolitics and Strategic Management in the Global Economy

TAGS: Economic Development Brazil Institutions Environmental Factors

We explore how income differences influence heterogeneous entrepreneurial responses to the institutional environment in Brazil shapes low-income entrepreneurs' propensity to exploit the informal rather than the formal economy. Drawing on the Brazilian Global Entrepreneurship Monitor (GEM) data, entrepreneurship discourse and institutional theory, we discuss the influence of inadequate preparedness and barriers to institutional support influencing entrepreneurs' abilities to engage in productive economic activities. We contribute to the entrepreneurship discourse by suggesting that concepts developed within the context of relatively prosperous settings do not adequately reflect how low-income entrepreneurs respond to institutional settings.
DO SENIOR ENTREPRENEURS DIFFER FROM YOUTH ENTREPRENEURS? EVIDENCE FROM GLOBAL ENTREPRENEURSHIP MONITOR

AUTHORS: Rehák J. Pilková A. Janšovičová Z. Holienka M.

YEAR: 2017

PUBLICATION: IMES 2017 Book Of Proceedings

TAGS: Youth Senior Entrepreneurship Europe

Purpose:

Age in entrepreneurship research is one of the key variables which is extensively studied from different perspectives. One of the newest trends in entrepreneurship related to the age of population is “intergenerational entrepreneurship”. The key to the success of this concept lies in a thorough research of the differences and similarities between the different age cohorts of entrepreneurs, and their practical application. The aim of this paper is to study key drivers of differences between senior and young entrepreneurs in Europe focusing on opportunity and necessity driven total early stage entrepreneurial activities.

Design/methodology/approach:

Based on the revision of existing literature and research findings on senior and young entrepreneurs we have formulated the research assumptions that were further tested. The authors focus on relevant differences between senior and young (youth and young adults) entrepreneurs in Europe and validate their coherence through descriptive statistics and regression analysis. The dataset used in this paper is Global Entrepreneurship Monitor data from 2010-2014 in Europe. Findings: Our results confirm areas of significant differences both among studied groups and regions. Some of these findings are in line with general statements presented in literature, but there are also differences in comparison to relevant research studies done on senior and youth entrepreneurship. Our specific focus was also put on analysis of key drivers of TEA necessity and TEA opportunity in studied groups and their differences from regional point of view.

Research/practical implications:

Intergenerational cooperation is a topical issue which deserves high attention of policy makers on
national and international levels. To use this potential and encourage it in right way asks for relevant thorough knowledge of these groups entrepreneurial characteristics. Therefore, our findings have practical implications for European entrepreneurial policies, programs and tools design to boost intergenerational entrepreneurship.

Originality/value:

Original value of our paper is in formulation of findings based on comprehensive analysis of differences among the youth, youth adult and senior entrepreneurs on European level based on robust GEM data which bring additional value to rare European studies on this subject.
SUPPORT OF INNOVATION ACTIVITY OF SME AS A FACTOR OF COMPETITIVENESS GROWTH OF SLOVAK REPUBLIC

AUTHORS: Bondareva I. Plchová J.

YEAR: 2017

PUBLICATION: IMES 2017 Book Of Proceedings

TAGS: Slovakia Policy Competitiveness Innovation

Purpose:
The main objective of the paper is to evaluate the effectiveness of selected instruments of financial support for innovative SME SR by the state in the years 2014 - 2016 and to propose measures for their streamlining.

Design / methodology / approach:
The qualitative part of the research was done by the method of controlled interview on a sample of 20 innovative SME. For secondary analysis were used the data of the Ministry of Economy SR, Slovak Business Agency, Slovak Innovation and Energy Agency, World Economic Forum, Global Entrepreneurship Monitor, European Commission and other sources. During the processing of information, we have used general methods of scientific work and standard statistical methods, which allow us to meet the objectives of research.

Findings:
The results of the investigation indicate the reasons of SME SR low innovation activity, as well as the causes of SME low interest to use the examined financial instruments of innovativeness support from the state. Research / practical implications: The low efficiency of the examined forms of financial support of SME innovation from the state is identified, which is due to low awareness especially of start-up SME, the small volume of selected funds that only partially cover the real costs of SME for the development of innovation. The problem is also the inefficient distraction of funds selected for this purpose and the absence of feedback on the effectiveness of their use.

Originality / value:
The paper evaluates the effectiveness of selected instruments of financial support of innovative small and medium-sized enterprises by the state and includes proposals of measures for their streamlining.
Purpose:
Entrepreneurship is an important phenomenon and a promising key to economic growth and job creation especially for underrepresented groups, not only on aggregate level but also in the regional context. However, a comprehensive picture on its inclusivity across Slovak regions is still missing. The main aim of our paper is to analyze regional differences of inclusive entrepreneurship in Slovakia with special focus on women, youth and seniors in relation to regional macroeconomic characteristics and attitudes towards entrepreneurship.

Design/methodology/approach:
Our analysis is built on data from Global Entrepreneurship Monitor (GEM). We have created a pooled sample from Slovak individual-level data from years 2011 to 2016, comprising of 12,010 adult population individuals. For each year, the sample is representative for gender, age and regional distribution. Eight NUTS3 level regions are considered in our study. To group regions according to patterns of their entrepreneurship inclusivity and analyze them in the context of economic and cultural attributes, we employ a cluster analysis followed by respective methods of descriptive analysis and data visualization.

Findings:
The level of inclusive entrepreneurship varies across Slovakian regions. Women are most intensely involved in Bratislava region, while inclusivity of both seniors and youth is the highest in Trencin region. Our findings confirmed that economic power goes hand in hand with increased opportunity perception, high entrepreneurial self-confidence, the lowest fear of failure, but also not positive social attitudes towards entrepreneurship. This environment particularly encourages female into
entrepreneurship, but at the same time it is not able to outweigh inhibitors of seniors´ and youth inclusivity. On contrary, youth and seniors' entrepreneurship inclusivity is higher in regions with lower economic power.

Research/practical implications:

Based on our findings, we develop recommendations for policy makers how to shape entrepreneurship support policies and actions in regions to best fit the specifics of the inclusivity, considering females, youth and seniors. We identify the most underrepresented and vulnerable groups, and, where necessary, stress the main implications for further inquiry.

Originality/value:

Our paper creates an original value by providing a unique insight on inclusivity of entrepreneurial activities thanks to breaking down the GEM-based analysis of female, youth and senior entrepreneurship to regional levels, and linking it to economic and cultural dimensions. To our knowledge, there is no previous analysis built on unique, representative and robust data from all regions of the country.
THE PROPENSITY TO BUSINESS STARTUP: EVIDENCE FROM GEM DATA IN SAUDI ARABIA

AUTHORS: Abu Bakar A.R. Ahmad S.Z. Wright N.S. Skoko H.

YEAR: 2017

PUBLICATION: Journal of Entrepreneurship in Emerging Economies

TAGS: Saudi Arabia

Purpose

The objective of this study is to assess the determining factors of entrepreneurial business startup in Saudi Arabia from an eclectic perspective.

Design/methodology/approach

Based on Global Entrepreneurship Monitor (GEM) data of 2000 Saudi Arabian respondents, the study analyzes a multitude of individual factors which are classified into four groups: (a) financial resources; (b) social legitimacy; (c) entrepreneurial personality; and (d) entrepreneurial competencies. Gender and education are moderating variables influencing the relationship while age is a control variable using binary logistic regression technique.

Findings

Out of ten hypotheses, only four hypotheses, namely income, fear of failure, perception of high status and knowledge of other entrepreneurs, have a significant relationship with the possibility of a business startup.

Originality/value

Implications of these findings and directions for future research are discussed.
Purpose:
Migrants are known for their high affinity to entrepreneurship and record for substantial entrepreneurial activities in Germany. These activities are supported by various push factors of the labour market. Migrant entrepreneurship is also known for a high risk of failure because this group has problems meeting financial standards in Germany as well as to develop a market strategy in a highly competitive environment. The main goal of this paper is to present first empirical evidence of the entrepreneurial activities by prospective migrant entrepreneurs and their specific needs to promote migrant entrepreneurship in sophisticated economies.

Design/methodology/approach:
The research is exploratory in nature in order to understand the challenges in promoting migrant entrepreneurship. By employing the GEM research model to analyse entrepreneurial activities and models of social migration/integration, the research aims to define specific variables migrants face while entering sophisticated markets. The data for the analysis has been generated in Germany by studying migration statistics provided by the German Office for Migrations, as well as 20 in-depth interviews of migrants, including an analysis of their social background by their CV.

Findings:
This paper provides the first insights into the expectations and motivation of migrants towards entrepreneurship. It particular, the research shows quite clearly the development migrants have to undergo within a short period of time in order to change from a survival-oriented economy, characterized by an unreliable economic environment, to an innovation-driven economy. The major challenges for migrants is to build up the required managerial competencies in order to develop a
market strategy and to meet the financial standards in Germany. The analysis of the interviews showed quite clearly that the potential migrant entrepreneurs are underestimating these entrepreneurial requirements.

Research/practical implications:

The results of the paper show a strong need for early entrepreneurial education. Thereby there is a need to develop entrepreneurial training and consultancy programs for better knowledge transfer, based on the migrant’s entrepreneurial environment. Moreover, the paper also gives some insights into the migration policy to reduce push factors towards a necessity driven entrepreneurial motivation. The required entrepreneurial training should take place within the welcome and arrival stages of the integration process in order to avoid future business failure. Here one perceives responsibility by policy makers and authorities involved in the integration process to provide the necessary resources.

Originality/value:

The paper allows the first insights into migration entrepreneurship. On the basis of the research model, as well as a newly created understanding of the survival orientated economy, this paper gives an understanding of the need to change the attitude of prospective entrepreneurs when entering entrepreneurship. The main added value of this paper needs to be seen as giving new insights into the entrepreneurial process of migrants as well as their entrepreneurial personality.
We explore the channels under which entrepreneurship fosters productivity by disentangling its impact on national level economic efficiency and find that more entrepreneurship in aggregate is not always good for economic growth and, most importantly, identifying the form and activity of entrepreneurship is critical for policy-makers to better manage changes in their economies. Our national level results also suggest that the new product entrepreneurship and to a lesser extent improvement-driven opportunity entrepreneurship both significantly contribute to the improvement of national level efficiency. However, both measures would benefit from further development and it seems a higher coincidence of both is more likely to advance a nation’s economic efficiency.
Despite the rapid growth of international entrepreneurship research in the last two decades, little attention has been paid to the internationalization of micro-sized ventures. Given the influence of the entrepreneur within these micro-sized ventures, an especially relevant question is how entrepreneurial perceptions impact international growth. Drawing on organizational learning and performance feedback theory, we hypothesize that entrepreneurs who perceive the venture to have either not met or to have exceeded growth expectations will subsequently internationalize more than entrepreneurs who perceive growth expectations to have simply been met. A sample of 226 international, micro-sized ventures from the Kauffman Firm Survey is used to test the hypotheses. The results confirm a U-shaped relationship between entrepreneurial perceptions and internationalization. The relationship is more pronounced among innovative micro-sized ventures than non-innovative ones. This study adds to the international entrepreneurship research stream with an emphasis on the entrepreneur and specifically highlights the role of perceptions.
Entrepreneurship courses are now a feature of the curricula of many tertiary-level business schools. While there is a growing body of research on the subject of entrepreneurship education and learning, studies of the executive master of business administration (EMBA) are relatively sparse. This article offers an example of an entrepreneurship course specifically tailored to the more mature and experienced EMBA participants. The curriculum offered in this article is the result of 25 years of teaching, testing and refining of content and learning approaches in a university setting. The argument is that the course, as currently designed, can serve as a template for courses to be conducted in business schools located in similar cultural contexts and economic environments.
This study investigates how the digital revolution, which is characterized by artificial intelligence, big data, cloud computing and mobile robotics, will affect gender equality in G20 countries, and how governments and non-governmental initiatives may exploit the new digital technologies to narrow these gender gaps in the future. The study focuses on four areas to derive its policy recommendations. First, it assesses if digital technologies will affect gender equality in the foreseeable future by replacing women’s jobs to a different extent than men’s jobs. Second, it determines the state of the art in gender equality and gender-oriented policies in labor markets, financial inclusion and entrepreneurship in the G20 countries. Third, it identifies deficits in women’s digital inclusion that may impair the effectiveness of digitally empowered gender policies. It also shows how digital technologies may empower women. And fourth, it provides three detailed case studies.
DO TOTAL EARLY-STAGE ENTREPRENEURIAL ACTIVITIES (TEAS) FOSTER INNOVATIVE PRACTICES IN OECD COUNTRIES?

AUTHORS: Peris-Ortiz M. Ferreira J.J.M. Fernandes C.I.

YEAR: 2017

PUBLICATION: Technological Forecasting and Social Change

TAGS: Entrepreneurial Capacity Environmental Factors Competitiveness Innovation SSCI

The objective of this study involves identifying the influence of Total Early-stage entrepreneurial activities (TEA) over the propensity to engage in innovative practices in OECD member states. The study correspondingly applies aggregate data at the national level based upon the statistics gathered by the Global Entrepreneurship Monitor (GEM), the Organisation for Economic Co-operation and Development (OECD) in conjunction with the Global Competitive Index (GCI) for the years between 2009 and 2013. The analysis deploys endogenous variables (capacity for innovation, quality of scientific research institutions, company spending on R&D, and university-industry R&D focused collaboration) for the capturing of innovation, and uses mediating effects to explain how and under what conditions these innovation variables are shaped by TEA. We conclude that the relationship between TEA and innovation practices differs in accordance with the state of development of each economy. Furthermore, the proportion of ongoing entrepreneurial activities in a country has an impact on the emergence of innovation based practices. We seek to contribute reflections focused on the support policies enacted for entrepreneurship and innovation. We report that such decisions cannot be the same for countries in different stages of development.
The aim of the current study was to investigate if and how context accounts for differences in the innovation, growth and export in African firms compared to firms in protestant Europe. Data extracted and recoded from a sample of firms in 20 countries (7 Protestant Europe and 13 African countries) participated in Global Entrepreneurship Monitor (GEM) surveys from 2001 to 2013 and this yielded a sample of 10981 firms. Analyses were done applying hierarchical linear modelling (HLM) due to the use of variables in different levels of analysis (firm level and regional level). Interestingly, the results showed that African firms don’t differ in terms of their innovation, growth and internationalization level with the Protestant world but, if innovate, African companies expect less growth and internationalization from their innovation. Indeed, the results indicated that innovation exerts a significant positive influence on growth expectations and internationalization of the firms. The paper contributes to the existing literature by contextualizing the interplay of firm innovation, growth and internationalization.
Purpose

The purpose of this paper is to explore potential drivers of high-growth intentions of early-stage entrepreneurs in Greece before and after the onset of the financial crisis of 2008.

Design/methodology/approach

To this end, the authors use individual-level data retrieved from Global Entrepreneurship Monitor annual surveys (2003-2015).

Findings

The results show that high-growth intentions of Greek entrepreneurs are driven by different factors in the crisis compared to the non-crisis period. Male entrepreneurs and entrepreneurs with significant work experience seem to be more likely to be engaged in growth-oriented new ventures during the crisis period. The same appears to hold for entrepreneurs who are motivated by an opportunity and also perceive future business opportunities in adverse economic conditions. On the other hand, the educational level and the social contacts of founders with other entrepreneurs are found to drive ambitious Greek entrepreneurship in the years before the crisis, while they were insignificant after the crisis outbreak.

Originality/value

Based on the concept of ambitious entrepreneurship, this study contributes to the literature by
investigating the determinants of entrepreneurial high-growth expectations in the Greek context emphasizing the crisis period in comparison to the pre-crisis years.
There have been questions how entrepreneurs think, act and why individuals become entrepreneurs. The trait-based explanation of entrepreneurial activities has been mainstream. However, the trait-based theory has been criticized because it assumes that entrepreneurial traits are inherited, stable and enduring over time. This research accepts the cognitive theory to see how entrepreneurs learn or accept others’ values, how entrepreneurial perceptions of opportunity impact entrepreneurial actions and how individuals acquire the social legitimation of the formation of entrepreneurial activities.

In order to capture the attitudes, activities and motivations of people who are involved in entrepreneurial activities, the author uses the GEM Korea 2016 data. The data from the Global Entrepreneurship Monitor (GEM) has been well known for the data to capture individuals early-stage entrepreneurial activities. This paper used the sample from the APS (Adult Population Survey) of the GEM which was completed by a representative sample of two thousand adults in Korea by the qualified survey vendor, with strict procedures and oversight by the GEM central data team. The hypotheses are tested with logit regression analysis to estimate the probability of the influence of perceptual variables such as individual perception in social learning, the opportunity recognition in the environment, and social legitimation in the entrepreneurial activities. Based on the results, individuals tend to have high entrepreneurial activities if individuals have high self-efficacy. Also, the existence of role models around the entrepreneurs encourages the individuals involve in entrepreneurial activities more however the perception of opportunity in the environment is not strongly associated with entrepreneurial activities. The media exposure of successful entrepreneurs is more important than others’ perception of entrepreneurs on the desirable career option or respect from communities.

This paper can contribute to the cognitive processes, particular perception about oneself, as well as
perception which is impacted by a community or a society.
Entrepreneurial activity has been proposed to play a significant role in societies, although recently its role has been extended to include societal and environmental issues. As a response, new forms of entrepreneurship, such as social, environmental and sustainable entrepreneurship, have emerged. Simultaneously, young adults are said to be more prone towards entrepreneurship than previous generations and that they also possess more environmentally and socially conscious values. Analysing data from 29 countries, the results show that young adults are more likely to have a sustainable entrepreneurial goal than older adults, although this differs depending on the type of value emphasised. Moreover, education has an important role in enhancing the likelihood of an individual having a sustainable entrepreneurial goal rather than commercial one. These results imply that the generation subculture theory provides an explanation for sustainable entrepreneurship.
The importance of women as a largely untapped pool of entrepreneurial talent has been widely recognized by academics and practitioners. Their continued underrepresentation in the workforce as well as the tendency to lead smaller ventures with slower growth and lower risk propensity is impairing proper economic growth due to the underutilization of women’s full economic potential. Based on Social Feminist and Liberal Feminist Theory, this thesis argues that women’s lower level of entrepreneurial self-efficacy, the confidence in one’s ability to start a business, is a key factor influencing their business decisions regarding growth and risk. Building on data provided by the Global Entrepreneurship Monitor, the effect of entrepreneurial self-efficacy on gender and resulting business decisions is analyzed. Findings indicate significant gender differences in entrepreneurial decision-making regarding growth, innovation and export propensity. Furthermore, entrepreneurial self-efficacy has a higher effect on growth intentions of women, whereas its influence is more significant for men regarding innovation and export. In addition to making valuable contributions to the existing female entrepreneurship literature, the results have important implications for public policies and management.
We compare subjective well-being measures collected with web and telephone surveys to test whether survey mode affects people’s evaluations of their well-being. We use unique, nationally representative data from Luxembourg which contain five measures of subjective wellbeing collected through web and telephone surveys. Oaxaca decomposition and multinomial logit with Coarsened Exact Matching indicate that the survey mode affects reported well-being scores. Web respondents are more likely to report low well-being and less likely to report the neutral category. However, the consequences for statistical inference are negligible. Our results support the view that web and telephone surveys are comparable tools for collecting subjective data, such as people’s well-being.
CROSS-CULTURAL DIFFERENCES IN THE ENTREPRENEURIAL ACTIVITY OF MEN AND WOMEN: A FUZZY-SET APPROACH

AUTHORS: Crespo N.F.

YEAR: 2017

PUBLICATION: Gender in Management

TAGS: Gender Economic Development Fuzzy Set Analysis Cultural Factors National Culture

Purpose

The aim of this paper is threefold: to identify the combinations of national culture dimensions that lead to high (or low) entrepreneurial activity (EA) for men and women, to understand the role of economic development as a relevant condition that combines with national culture dimensions to achieve high (or low) male or female EA and to identify the differences between the configurations that lead to those outcomes.

Design/methodology/approach

Using data from the Global Entrepreneurship Monitor (GEM) and from the Hofstede Centre for 77 countries, this study uses a fuzzy-set qualitative comparative analysis (fsQCA) to explore complex causal relations between national culture dimensions, the level of economic development (conditions) and the male and female EA (outcomes).

Findings

This research provides three major insights. First, it is not possible to talk about a single culture that promotes entrepreneurship, but instead in several entrepreneurial cultures. This is particularly interesting when distinguishing between genders, because there are configurations that are specific to one of the genders. Second, different levels of economic development (high/low) combine with national culture dimensions to produce different configurations that can lead to high EA. Third, differences found between the solutions for both genders are higher in the case of the configurations that lead to high EA than in the ones that lead to low EA.
Practical implications

These results are very important to governments and policy makers with the objective of stimulating the EA within their specific countries. When designing public policies to promote entrepreneurship, they should take into consideration the specific cultural context of the country. The cultural context of each country presents multiple dimensions; therefore, the design of public policies should not rely on single, occasional and unarticulated policies. There are countries where the cultural context only promotes EA for males or females. In those cases, the public policies should differentiate between men and women, to be equally effective.

Originality/value

By using a configurational approach, this study identifies several configurations of national culture dimensions and the level of economic development that lead to the same outcomes: high (or low) EA. Some of the configurations are specific to achieving only male or female EA (high or low).
This paper analyzes the spatial nature of entrepreneurship at NUTSIII. Lately, academic studies are including the relation between incipient entrepreneurs and geography. In some cases, this relation is considered as unidirectional insofar as the decision to become an entrepreneur can be highly influenced by geographical location. Beyond the cultural and social boundaries that affect the entrepreneur as an individual, there are spatial characteristics that provide advantages of location for some industries. While several studies highlight the role of location and geography as aspects that have an impact on entrepreneurial activity, the externalities generated by such aspects are not considered in empirical work. The aim of this paper is to check how avoiding considering location can have an effect on the results of entrepreneurship research. Our results point that both location and temporary effects have a significant impact on entrepreneurship research results. Thus, it is important to use a temporary and spatial methodological approach in entrepreneurship research to avoid bias.
SHACKLEAN UNCERTAINTY AND CULTURAL EMBEDDEDNESS AS INNOVATION CONSTRAINTS IN THE UK

AUTHORS: Tubadji A. Nijkamp P. Santarelli E.

YEAR: 2017

PUBLICATION: GLO Discussion Paper Series

TAGS: Potential Surprise Function Innovation Cultural Factors Regional Studies Epistemic Uncertainty United Kingdom

We focus on both individual and local uncertainty to explain the innovation potential of entrepreneurs in the NUTS1 UK regions in 2005 and 2009. The ‘potential surprise function’ (Shackle, 1949) clarifying why sometimes promising business choices are truncated is taken as a determinant of an entrepreneur’s innovation decision. GEM (Global Entrepreneurship Monitor) data and data on psychological types are used in the empirical analysis. The econometric estimation strategy addresses both the issue of selection bias (due to uncertainty) and that of zero-inflated data (i.e., presence of only a few highly innovative actors in comparison to the majority in our sample). Findings suggest that local uncertainty is the predominant determinant of individual entrepreneurial choice. The regional effect appears to amount to about 4% of the innovation differences across NUTS1 UK regions, while almost one third of it is determined by the local level of uncertainty bias. Thus, the novelty of the present study is that it shows how differences in local cultural tolerance to uncertainty may explain differences in the quantity of truncated innovative ideas among localities.
The literature review presented in the chapter confirms that researchers’ interest is more focused on why and how businesses are created, and much less why and how they grow. There is a shortage of empirical evidence of growth influencers, as well as evidence about the intensity and patterns of the interaction between internal factors and entrepreneurship ecosystem in the process of growing a venture. The authors identify this gap and combine different angles (theory of firm growth, entrepreneurship, inclusion, macroeconomic aspects of using resources) with a gender aspect (inclusion), in exploring why and how businesses grow. Using this angle and aggregated Global Entrepreneurship Monitor (GEM) data from the 2003–2013 period, the chapter presents several gender patterns of businesses with growth potential (innovative products, innovative technology, and competitiveness) in Croatia.
Most studies on risk attitudes of entrepreneurs do not distinguish between those who want to be self-employed and those who have to run their own business for survival, or entrepreneurs by choice vs. by necessity. We examine the relationship between individual risk preferences and likelihood of entrepreneurial entry among these two groups in a cross section of countries with transition economies. We obtain robust results that those with higher degree of risk tolerance are more likely to be self-employed by choice.
WHAT IS THE RELATIONSHIP BETWEEN ENTREPRENEURSHIP AND UNEMPLOYMENT IN VISEGRAD COUNTRIES?

AUTHORS: Dvoulety O.

YEAR: 2017

PUBLICATION: Central European Business Review

TAGS: Unemployment Determinants Visegrad Czech Republic Hungary Poland Slovakia

The presented study aims to quantify the determinants of entrepreneurship in the four countries of the Visegrad (V4) group (the Czech Republic, Hungary, Poland and Slovakia) with a particular focus on the relationship between entrepreneurship and unemployment. The purpose of the research was to analyze whether, during the periods of higher unemployment rate, individuals more likely engage into entrepreneurial activity. Data were collected from the national statistical offices of the Visegrad countries, World Bank, Eurostat and Heritage Foundation. The collected sample covered years 1998-2015. To achieve the main objective of the article, regression models with the dependent variable, the rate of registered businesses per economically active inhabitant, were quantified. Estimated regressions proved a positive relationship between entrepreneurship and unemployment. A higher unemployment rate was associated with the increase in overall entrepreneurial activity. Estimated models further confirmed the negative influence of the administrative barriers on the overall entrepreneurial activity. Several policy and research implications are discussed in the study.
THE ROLE OF ENTREPRENEURIAL HUMAN CAPITAL AS A DRIVER OF ENDOGENOUS ECONOMIC GROWTH

AUTHORS: Ehrluch I. Dunli L. Zhiqiang L.

YEAR: 2017

PUBLICATION: Journal of Human Capital

TAGS: Human Capital Economic Development SSCI

We model investment in entrepreneurial human capital (EHC)—the representative enterprise’s share of production capacity allocated to investment in innovative industrial and commercial knowledge—as a distinct channel through which firm-specific human capital drives endogenous growth. Our model suggests that institutional factors supporting free markets for goods and ideas and higher-educational attainments of entrepreneurs and workers enhance endogenous economic growth by augmenting the efficiency of investment in EHC rather than exclusively by themselves. We test these implications, using data from Global Entrepreneurship Monitor’s Adult Population Survey of 63 countries over 2002–10, and find robust support for these hypotheses.
This paper explores whether human capital factors (education and perceived capabilities) or contextual factors (economic and political settings) explain differential start-up rates between men and women entrepreneurs, connecting data from the Global Entrepreneurship Monitor (GEM) with the World Economic Forum Global Gender Gap. Results show that the effects of economic participation and entrepreneurship specific human capital (perceived capabilities) both play a role influencing the start-up rates of women entrepreneurs.
THE POTENTIAL ROLE OF SMES’ CREDIT GUARANTEE SCHEMES TO PROMOTE FINANCIAL INCLUSION IN BRAZIL

AUTHORS: Quinto Lanz L.

YEAR: 2017

PUBLICATION: n/a

TAGS: Guarantee Schemes Additionality Brazil

Difficult access to credit is one of the greatest obstacles to the survival of small and medium-sized enterprises (SMEs). One of the major reasons for this is the lack of guarantees. This situation is reflected in Brazil’s low competitiveness and high inequality. Guarantee Schemes provide this guarantee. This thesis analyzes the potential role of guarantee schemes to promote financial inclusion in Brazil. To achieve this objective the research analyzes Brazil competitiveness and inequality and their relation to credit access. The methodology used was a case study over the Fundo Garantidor para Investimentos (Investment Guarantee Fund - FGI), using a qualitative approach and descriptive statistics. Data collection relied on semi-structured interviews, secondary sources, document analysis and operational data. The analysis used inter-organization trust building and repair models, the role of national development banks in the guarantee systems and the international benchmark for governance and effectiveness of guarantee schemes. The results demonstrate that FGI achieve adequate governance and established trust with the banks. By 2017, 26 banks contracted more than 32,000 operations worth 1.9 billion dollars, with additionalities comparable to the international benchmark. However, additional studies are necessary to establish a link between the guarantee schemes additionality and social and economic development.
This chapter presents and discusses international initiatives of both the Sustainable Development Goals and the Millennium Development Goals relative to economic, business development, and education. Next, it uses the Global Entrepreneurship Monitor as a way to apply working definitions to the abstract concepts in an effort to design policies that objectively measure development initiatives that promote female entrepreneurs.
STABILITY VS. FLEXIBILITY: THE EFFECT OF REGULATORY INSTITUTIONS ON OPPORTUNITY TYPE

AUTHORS: Young S.L. Welter C. Conger M.

YEAR: 2017

PUBLICATION: Journal of International Business Studies


How entrepreneurial opportunities are formed and exploited depends upon the institutional environment in which they are embedded. The varying amounts of risk and uncertainty across and within heterogeneous institutional environments have important implications for the types of opportunity developed. While the international business and entrepreneurship literatures consider the effect of environmental risk and uncertainty on firms, risk and uncertainty are often treated as interchangeable or synonymous, and rarely are both considered to be present together. To address this, we develop a new theoretical model based on institutional economics, describing how institutional arrangements promoting stability – thus supporting an entrepreneur’s ability to assess risk – will lead to more imitative opportunities, while institutions promoting flexibility – thus supporting an entrepreneur’s ability to respond to uncertainty by iterating – will foster more innovative opportunities. We test this framework using cross-national data across 40 countries from the GEM survey, finding that institutional arrangements that promote stability do lead to more imitation, while institutions that promote flexibility foster more innovation. By treating risk and uncertainty as distinct constructs, our study makes theoretical contributions to research on institutional environments and opportunity types, with implications for future research on subsidiary initiatives, the evolution of MNEs, and born-global firms.
Promoting entrepreneurship has become an important policy strategy in Europe in the hope to stimulate the crisis-shaken economy. In this paper, we caution against undue expectations. Using data from the Global Entrepreneurship Monitor for 17 European countries, we find that a considerable proportion of the new entrepreneurs have started a business despite a negative perception of business opportunities as well as lack of confidence in their own entrepreneurial skills. This proportion has increased during the economic crisis, especially in those countries which were particularly affected by economic downturn and rising unemployment. We extend existing entrepreneurship theories to account for this phenomenon, which we call "nons-entrepreneurship". Testing the hypotheses derived from our model, we find that the primary motivation for these people to turn to entrepreneurship is the lack of other options to enter the labour market during the economic crisis. Still, this sort of "desperate" entrepreneurship does not equal necessity based entrepreneurship, warranting further research.
Research on innovation and entrepreneurship has increased in recent years. This article explores the structure of innovation research based on Global Entrepreneurship Monitor (GEM) project. A search of articles containing innovation and GEM related words was conducted, including only those published in journals within the Thomson Reuters’ Social Sciences Citation Index®. The main findings of this study show that it is feasible to use GEM’s data set to do research on innovation. Models that treat new firm creation and innovation as separate aspects of entrepreneurship, as well as, determinants of economic growth could be conceptualize and test with data provided by GEM project. Also, the number of innovations articles using GEM’s database has increased in recent years, suggesting opportunities and challenges for future research.
 DOES PAST FAILURE INHIBIT FUTURE ENTREPRENEURIAL INTENT? EVIDENCE FROM GHANA

AUTHORS: Acheampong G. Tweneboah-Koduah E.Y.

YEAR: 2017

PUBLICATION: Journal of Small Business and Enterprise Development

TAGS: Failure Entrepreneurial Intention Theory of Planned Behavior Ghana

Purpose

The purpose of this paper is to examine the relationship between past entrepreneurial failure and future entrepreneurial intentions. It also considers the moderating role of past entrepreneurial failure on the relationship between attitude, subjective norms and perceived behavioural control (PBC) and entrepreneurial intentions.

Design/methodology/approach

Data from the Ghana Global Entrepreneurship Monitor Adult Population Survey (2013) are used to test the hypotheses developed after an extensive literature review. The empirical specification was estimated with a probit of standard form and marginal derivatives estimated for the purposes of interpretation.

Findings

The mean future entrepreneurial intent is 63.2 per cent of the sample with 75 per cent having failed in the past and 60 per cent never failed before. Also, only 20.9 per cent of the interviewed entrepreneurs have failed at a past entrepreneurial activity. Past entrepreneurial failure has a positive effect on future entrepreneurial intentions. The interaction between attitude and failure yields a positive effect on future entrepreneurial intentions. The same effects can be reported for the interactions between subjective norms and failure as well as PBC and failure.
Originality/value

In this study, the authors are able to show that the mean moderational effects are important but they can be deceptive. Rather, a decomposition helps the authors to disaggregate these effects to better understand the underlying mechanisms.
RELIGIOUS DIVERSITY AND ENTREPRENEURIAL INTENTIONS: A MACRO-LEVEL ANALYSIS

AUTHORS: Dissanayakemudiyanselage R.D.

YEAR: 2017

PUBLICATION: n/a

TAGS: Entrepreneurial Intention Religion Cultural Factors

Globally increase of diverse societies lead for a growing body of research to investigate how it affect for the economic behaviour of individuals. Religious diversity is one of the category of cultural diversity which might change the belief systems of individuals and thus it affects for intentions to start a business. Increase in diversity in most of the nations in the world, it is timely to study how diversity affect for entrepreneurship. This study focused on analysing the relationship between religious diversity and entrepreneurial intentions. With a macro level analysis, the study aimed at identifying the impact of religious diversity on entrepreneurial intentions and moderating role of national culture. A quantitative research approach was used in the study and secondary data was collected from Global Entrepreneurship Monitor, Association of Religious Data Archives and Hofstede’s cultural index. Multiple regression analysis was used for data analysis and SPSS was used for analysing package. The study found support for a negative relationship between religious diversity and entrepreneurial intention, but it was unsuccessful in determining moderation of culture. Consequently, people in more religiously diverse societies seems to be less entrepreneurial than people in less diverse societies, regardless of cultural impact.
Even though scholars have amassed a large body of research on angel investors, few systematic and comprehensive reviews are available. The purpose of this monograph is to review this literature and then to offer suggestions for future investigation. To that end, we compiled a set of journal articles on angel investing. We start with Wetzel’s (1983) seminal article describing the characteristics of angel investors and end with the work published more recently. In total, we have 152 articles that we review. For parsimony, we chose to focus our review only refereed journal articles, thereby excluding conference proceedings, books and book chapters, industry reports, and dissertations. This implies that there is additional work that has been done on the topic of angel investing that is not covered by our monograph. For this, we offer our apologies. However, we did include studies using data from the Global Entrepreneurship Monitor (GEM) because these capture early stage financing globally. GEM defines angel investment a little differently than we do in the monograph, in that in GEM they include early stage family and friends money as angel investment. This is likely due to the international nature of the GEM data collection and the lack of a robust angel investment community internationally. In the final chapter, we have included a table that breaks out the GEM studies, to better represent the data.
Paper analyses the differences between early stage immigrant and native entrepreneurs regarding growth determinants and growth aspirations, across southeast (SeECs) and north and west (NwECs) European countries as well as the associations between their growth determinants and growth aspirations. The study used data from the Global Entrepreneurship Monitor Adult Population Survey. Results 1) significant differences between growth aspirations of immigrant and native early stage entrepreneurs were found only in the group from north and west European countries; 2) growth determinants stimulate early stage entrepreneurs’ growth aspirations in both regions; 3) significant differences between growth determinants of immigrant and native early stage entrepreneurs were found only in the group from north and west European countries. For this region, it was confirmed that immigrants’ early stage entrepreneurs are using new technologies and introduce new products/services as well as are internationally oriented to a significantly greater extent than native early-stage entrepreneurs.
Governmental and philanthropic efforts alone are not sufficient to eradicate poverty. The world needs new frameworks that enable sustainable development by integrating the economic, social and environmental dimensions, and social entrepreneurship is of great interest because it has the capacity for facilitating societal change by fostering innovative ways to address social inequality, unemployment, and climate change. Precisely because social entrepreneurship lays at the intersection of the business and nonprofit worlds, it is a complex phenomenon, and there are many unknowns regarding how the convergence of these dimensions can be understood and managed at cross-national levels.

To investigate this phenomenon, this study used a mixed-methods sequential explanatory design to investigate the correlates of social entrepreneurship among a sample of 55 countries for which sufficient data existed. Specifically, regression analysis was first used to identify the significant socioeconomic factors that explained variation in social entrepreneurial activities both broadly and narrowly defined; then, through in-depth individual interviews with government officials and focus groups composed of social entrepreneurs, the study explored how the quantitative findings manifested in the social entrepreneurial activities in Colombia and Mexico. Results from the regression analysis revealed the existence of different correlates for the broad and narrow definitions of social entrepreneurial activity. For example, social entrepreneurial activity broadly defined was positively associated with a well-educated labor force and the stock of immigrants, and negatively associated with long-term unemployment and the growth of carbon dioxide emissions. Narrowly defined social entrepreneurial activity, however, was positively associated with taxes on income, profit and capital gains, and the perceived standard of living in a country, while negatively associated with the growth of carbon dioxide emissions. The cases of Colombia and Mexico added detail on how these factors manifest themselves through the characteristics of the entrepreneur, business, and ecosystem. In addition to making practical and theoretical contributions to the field of
social entrepreneurship by identifying and validating the socioeconomic factors that correlate with the social entrepreneurial activity in countries, the study may help governments manage social entrepreneurship more efficiently and effectively, improving the rate of return on the resources invested in this activity.
Entrepreneurship has been recognized as a key contributor to the economic development of a country. Interestingly, while developed countries are lower in entrepreneurship characteristics than developing countries, the former have higher levels of global competitiveness than the latter (based on Global Entrepreneurship Monitor or GEM). Given this background, this study investigates the relationship between entrepreneurial spirit and global competitiveness at the national level. Entrepreneurial spirit is measured by entrepreneurial attitudes (comprising social value, personal attribute, and goal orientation) and entrepreneurial activities (total early entrepreneurial activities and established business ownerships), taken from the GEM’s 2015 data on national entrepreneurship. Global competitiveness is measured using the Global Competitiveness Index, taken from the World Economic Forum (WEF) for 2015. The study finds that all the entrepreneurial spirit factors have a negative relationship with global competitiveness, except for goal orientation (consisting of three indicators: growth, innovation, and internationalization, all of which have a positive and significant relationship with global competitiveness). All the relationships are statistically significant, except for social value. Implications for Indonesia are discussed.
Social entrepreneurship (SE) is a beautiful and growing vehicle in society to tackle social problems in innovative ways. Unfortunately, existing research has failed to address to what extent SEs are truly living up to their promises. In result, surprisingly little is known about the actual success of SEs in creating social impact. Even more elementary, it is hard to know whether SEs are measuring and monitoring their social impact. Using a worldwide sample of 3.194 SEs from the Global Entrepreneurship Monitor (GEM) data this study provides unique insights, as it represents the first global and harmonized assessment of the practice of impact measurement of SEs. Findings show that about 33% of the SEs in the sample do measure their impact. Furthermore, the results show a significant positive relation between economic mission, size and innovativeness of the SE and impact measurement. The relation between social mission and impact measurement show a significant negative result. These results can be seen as a starting point in investigating the actual practice of SEs involvement in impact measurement and opens up interesting avenues for future research.
PORTFOLIO ENTREPRENEURSHIP AS A MIXED GAMBLE: A WINNING BET FOR FAMILY ENTREPRENEURS IN SMES

AUTHORS:  Cruz C. Justo R.

YEAR:  2017

PUBLICATION:  Journal of Small Business Management

TAGS:  Portfolio Entrepreneurship Family Business SSCI

We conceptualize portfolio entrepreneurship (PE) decisions as a “mixed gamble” in which family entrepreneurs weigh potential gain and loss outcomes and analyze the unique socioemotional wealth tradeoffs implied by this strategic decision. Our theory suggests that, in small and medium enterprises contexts, family entrepreneurs will be more likely to engage in PE than non-family entrepreneurs. In addition, our framework explores the amplifying effect of age, gender and ethnic origin on the likelihood to take the PE gamble.
Entrepreneurship plays a major role in national economies, being considered one of the main engines of economic growth, and an important contributor to creating new jobs and innovations. Identifying the main determinants of entrepreneurial activity is important for helping the decision makers in adopting adequate measures to support the creation and development of new businesses. The turbulent economic environment in recent years dominated by economic and financial crises, resulting in a reduction in economic growth but also in an increase in unemployment, has led decision makers to turn their attention again to the determinant factors of entrepreneurship. Starting from those stated above, through this paper we aim to investigate the impact of some macroeconomic, individual and business environment-related factors on the dynamics of entrepreneurial activity in 18 European Union (EU) countries for a period of 14 years (2002–2015). We use three regression models and we apply panel data fixed effect model approach. The results of our study highlight that inflation rate, foreign direct investments, access to finance and total tax rate are the main macroeconomic determinants of entrepreneurship. Also, we find that all individual business-related factors considered in the analysis have a significant impact on total entrepreneurship rate.
ATTITUDE TO ENTREPRENEURSHIP IN RUSSIA: THREE-DIMENSIONAL INSTITUTIONAL APPROACH

AUTHORS: Petrovskaya I. Zaverskiy S. Kiseleva E.

YEAR: 2017

PUBLICATION: Advances in Systems Science and Applications

TAGS: Institutions Russia

This paper aims to analyze the impediments to the development of entrepreneurship in Russia from the institutional perspective. To describe the institutional environment we use a concept of a three-dimensional institutional profile which classifies the institutions into three types: regulatory, cognitive and normative. These three dimensions imply three bases of legitimacy: entrepreneurship can be legitimized if it conforms to legal requirements (regulatory dimension), if it is seen as legitimate through a common frame of reference (cognitive dimension) and if it conforms to the existent moral base (normative dimension). We argue that one of the impediments to entrepreneurship development in Russia is that it is not seen as legitimate enough by the society at large. We explore the foundations for this through the regulatory dimension (the dynamic of the legal legitimation of entrepreneurial activity from the Soviet epoch to the present times), in the cognitive dimension (the stereotype of entrepreneur and its origins), and in the normative dimension (basic assumptions which relate to the fundamental moral dimensions of entrepreneurial activity: assumptions about money, wealth, and work).
In the aftermath of the global recession, job creation is a policy priority. While it is a well-accepted fact that the majority of jobs are created by small and medium-sized enterprises, not all SMEs are rapidly growing, or even intend to expand. With limited public budgets, business models within the SME population that do show high job creation potential become very attractive.

One of the business types identified as major engines of job creation are ‘born globals’ characterised as firms which engage intensively in internationalisation activities shortly after start-up. They are high on the entrepreneurship research agenda but so far little attention has been devoted to their potential as job creators, the processes they apply when hiring and the barriers they face.

Through a combination of secondary data analysis, literature reviews and international case studies, European Born Globals sheds new light on the motivations and processes of job creation in born global firms. It will contribute to understanding the ‘why’ and ‘how’ of job creation in born globals, essential not only for policy makers, but also for academic research and management education.
This book examines the complex relationship between corruption and entrepreneurship in countries of varying levels of economic development. The authors explore the ways in which social welfare policies have changed in current economic and political environments as well as key challenges faced by the welfare policies. In addition, this book addresses three key questions with regard to the impact of corruption on institutions and social welfare:

- Is corruption an additional burden in extensive regulatory environment on different types of entrepreneurship---necessity entrepreneurship, opportunity entrepreneurship, total entrepreneurial activity, self-employment, and newly registered firms?

- Is corruption helpful for entrepreneurs who have aspiration to operate outside their home country border in highly regulated environment?

- How does corruption affect income distribution generated through entrepreneurial activity?

Entrepreneurship is an important factor for local and national economies as it generates employment and income that are crucial for economic development. Corruption can significantly influence the nature of decisions made by entrepreneurs, with profound effects on business creation, institutional development, and economic performance. For example, an entrepreneur with resources and networks might be able to influence the regulatory agencies to overlook violations, expedite permits, or bribe corrupt program administrators to violate the rules of distribution, exacerbating income inequality and obstructing economic growth and development. While corruption is not a new phenomenon, the current globalized economy has introduced trade into the corruption question as globalization puts pressure on countries to open borders to attract investments and gain a competitive advantage. However, many country level institutions do not always change as fast as the economic activity across borders, which can encourage corruption in
order to bypass inefficient regulations and to successfully engage in entrepreneurship. The authors of the book examine this phenomenon.

Featuring policy implications and case studies, this book will appeal to graduate students, academics, professionals, practitioners, and researchers in entrepreneurship, international business and public policy.
The purpose of this study was to investigate factors influencing to become opportunity driven nascent entrepreneurs. Based on Global Entrepreneurship Monitor (GEM) data in 2015, 7,465 samples of nascent entrepreneurs from 13 countries of Europe (n=3,678), and 10 countries of Asia (n=3,787) were analyzed by logistic regression technique. A range of cognitive and demographic factors were examined. The result showed that perceived business opportunity, fear of failure, and education level are the significant antecedent factors to become an opportunity driven nascent entrepreneur for both Europe and Asia. Entrepreneurial networking and self efficacy were found to influence the likelihood to become an opportunity driven nascent entrepreneur for Asia but not in Europe. Logistic regression analysis also showed that young people seemed to become an opportunity driven nascent entrepreneurs than senior people. Education level had a positive effect on a chance to become an opportunity derive entrepreneurs. Policy implications and finding results have been discussed.
The subject of this article is the entrepreneurial activity of the population residing in the post-socialist countries of Central and Eastern Europe (CEE), and its goal is to identify different types of ecosystems of entrepreneurship in these countries by means of analyzing entrepreneurial activity in various countries/groups of countries considered in the context of their societal and economic development. Empirically this article is based upon data from the Global Entrepreneurship Monitor (GEM). On the basis of an analysis of the strengths and weaknesses of existing approaches in the relevant literature to the taxonomy of business ecosystems, using a set of key country-level indicators of the GEM for 2011, this article proposes a taxonomy for entrepreneurship ecosystems based on two «axes» — the quality of entrepreneurial activity (high, average, below average) and the state of the entrepreneurial framework conditions in the respective countries (favorable, average, below average). The result is a clustering of CEE countries’ entrepreneurship ecosystems, where the worst cluster consists solely of Bosnia and Herzegovina, and the best contains the Czech Republic. Russia belongs to a cluster with mid-level indicators along both axes. The results might be used to implement a more focused policy promoting entrepreneurship and support for small businesses, which must move away from generalized schemes towards concrete policy concepts taking into account the resources and limitations of each of the selected types of entrepreneurship ecosystems.
THE CHOICE OF FUNDING SOURCES FOR START-UPS IN A TRANSITIONAL ECONOMY: THE ABILITY TO PREDICT IN A NATIONAL CONTEXT

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YEAR: 2017

PUBLICATION: Foresight and STI Governance

TAGS: Nascent Entrepreneurship Financing Determinants Transition Economies Europe Russia

Despite the government’s efforts to support entrepreneurship, the major share of start-up funding in transitional economies comes from the owners’ own funds and “love capital” rather than from institutional sources (banks, venture funds, etc.). This increases the asymmetry of information concerning the capabilities of the emerging businesses for potential investors, and thus hinders the development of entrepreneurship as a whole.

The paper considers the key determinants affecting the decisions made by entrepreneurial start-ups when choosing from a number of ways to finance their business in transitional economies. An attempt has been made to build models for an adequate prediction of the financial strategies of early entrepreneurs. A number of hypotheses have been put forward to verify external and internal factors influencing the financial choices of early entrepreneurs.

Hypotheses were tested on a survey sample of early entrepreneurs from seven transitional economies, including Russia. The predictive values of the final models proved to be effective in predicting start-ups’ financial strategies and in comparing the probability of early entrepreneurs borrowing capital. Our findings confirm that the combinations of external and internal financing differ significantly depending on the national macroeconomic and social context. Given that simple borrowing mechanisms for supporting a business can lead to an undesirable tendency to avoid formal borrowed funds altogether, such behavior can hinder the development of entrepreneurship. The obtained results show that pessimistic short-term expectations about the conditions for entrepreneurship in a region aggravate this problem in Russia. The outcomes demonstrate a need to reduce the burden on start-up businesses and to improve innovative entrepreneurial aspirations by encouraging high confidence in a start-up’s future and find the optimal proportion of borrowed sources in a business’s capital structure.
The main purpose of this paper is to assess the possible impact of new technology-based firms on the social and economic development of Central and Eastern European (CEE) and Commonwealth of Independent States (CIS) countries by analyzing the share of such firms among entrepreneurs and society and by investigating data on their expected growth, innovativeness, and internationalization. The study contributes to forecasting the future effects caused by NTBFs on the economy of CEE and CIS countries. We use pooled samples from 2013–2015 from the Global Entrepreneurship Monitor for: Russia (pooled sample size: 4,030), Hungary (6,003), Romania (6,024), Poland (6,001), Lithuania (4,000), Latvia (4,004), Estonia (6,662), Czech Republic (5,009), Slovakia (6,010), and Kazakhstan (4,205). Most analyses are based on a one-way ANOVA analysis of the differences of in the average size of country indicators for the analyzed countries.

The research results point to significant differences among the analyzed countries. The share of NTBF owners ranges from 0.7% (Russia) to almost 5% (Slovakia, Romania, and Kazakhstan). NTBFs also substantially differ across countries in terms of projected growth (highest in Hungary and lowest in Russia), internationalization (highest in Latvia, lowest in Russia) and innovativeness (highest in Poland, lowest in Kazakhstan). The main limitations of this study are as follows. The sample used was not chosen specifically for the task. Moreover, the assessment of the novelty of the technology is based on entrepreneur’s self-assessment, so we might expect a bias in that regard. The data on projected growth, internationalization and innovations are just the expectations of the entrepreneurs themselves, so again, bias is expected. The relationships presented in the paper might be strongly influenced by external factors and sample pooling might even magnify that impact. The paper has implications for the policies developed to support entrepreneurship in order to facilitate growth, internationalization, and innovativeness at NTBFs.
COOPERATIVE ENTREPRENEURSHIP IN PUERTO RICO

AUTHORS:  Aponte M. Alvarez M.

YEAR:  2017

PUBLICATION:  International Journal of Entrepreneurship and Small Business

TAGS:  Cooperative Entrepreneurship Puerto Rico

The existing entrepreneurship literature shows that research on commercial venture creation is quite broad, whereas research on cooperative startups is rather limited. This article focuses on the entrepreneurial framework conditions (EFCs) for cooperative entrepreneurship in Puerto Rico. The authors base their analysis on data obtained from the 2013 National Experts Survey (NES) conducted as part of the Global Entrepreneurship Monitor (GEM). This exploratory study reveals that experts in the cooperative sector believe that the majority of the existing EFCs need improvement, even though Puerto Rico has a comprehensive framework for the support and development of the cooperative sector. Among the four conditions evaluated by the experts as the worst, three are in areas in which there exist specific organisations and legal framework: 1) education and training in cooperative entrepreneurship in primary and secondary levels; 2) financial support; and 3) commercial and legal infrastructure (legal and professional support in the process of cooperative startups).
The main purpose of this study is to investigate the relations between national cultural dimensions, socioeconomic development, entrepreneurship, and national innovation performance. Dataset for this study was obtained from secondary sources and it included the following measures: (1) the scores of Hofstede's national culture dimensions; (2) UNDP Human Development Index, (3) Total Early-Stage Entrepreneurial Activity rates provided by The Global Entrepreneurship Monitor (GEM); and (4) Global Innovation Index (GII). These measures were gathered for 77 countries across seven regions of the world. Support was found for the positive effect of socioeconomic development on national innovation performance indicating that a long and healthy life (health), the access to knowledge (education), and a decent standard of living (income) are significant predictors of innovation performance. In terms of cultural dimensions findings of the regression analysis indicate that innovation performance is higher in countries that have lower power distance between citizens and those in power and have a lower level of uncertainty avoidance. The link between entrepreneurial activity and national innovation performance was found to be negative. This study emphasizes the important socioeconomic and cultural impacts on national innovation performance and, thus, provides implications for policy-making regarding innovation policies.
A startup requires financing, typically, and the startup is based on innovation, often. Capabilities for innovation and financing may be built simultaneously and created jointly at inception. Co-creation of capabilities for financing and innovation is accounted for in this study. Co-creation is embedded in the network around the starting entrepreneur, we expect. Co-creation benefits from networking with potential investors and with researchers and inventors, we hypothesize, and especially by networking with both investors and researchers concurrently. Co-creation is analyzed in a sample of startups at inception, by 9,161 entrepreneurs, surveyed in Global Entrepreneurship Monitor in 49 countries. Co-creation is found to be reduced by the entrepreneur’s networking in the private sphere of family and friends, but to be benefiting from networking in the public sphere, especially by networking with investors and researchers simultaneously. The findings contribute to understanding capability building as embedded in networks around the startup.
Global Entrepreneurship Monitor (GEM) country profile variables were analyzed using qualitative comparative analysis (QCA). This analysis identified which combinations of entrepreneurs’ competencies and motivations boost marketing innovation. Marketing innovation contributes to defining and reinforcing competitive advantages, goal setting, and business performance. The findings of this study can help policymakers design strategies to foster regional marketing innovation and economic growth.
Even though nowadays entrepreneurship is a universal concept, there are still some gaps between understanding entrepreneurs and entrepreneurship, specifically in developing countries like El Salvador; which is the smallest and the most densely populated country in Central America. The purpose of this paper is to fill this gap and provide solutions and suggestions for business administration students and people interested in becoming future entrepreneurs.

The factors related to the intentions of starting a new business in El Salvador are the main problem for entrepreneurship in the country. The relevance to these problems is that there are many possibilities to improve the economy of the country, but there are not so many opportunities available for people to do it; furthermore, the lack of financial help and help from the government stops them from becoming entrepreneurs.

In the literature review section, the principal factors related to the intention of starting a new business in El Salvador are presented. The literature review is based on other research reviews, general concepts and the researchers’ review of opinions of El Salvador. The factors are as follows: cultural and social norms, lifestyle, entrepreneurial aptitudes, perceived opportunities, perceived capabilities and fear of failure and finally, intention of starting a new business.

The methods used for this research includes a framework that is presented in order to give a better idea of the relation between the factors. In addition, the software SPSS for statistical analysis was used. Furthermore, a factor analysis, an ANOVA test and a correlation test were conducted in order to accept or reject the hypotheses proposed.
The results show that: lifestyle and entrepreneurial aptitudes are strong related to perceived opportunities, perceived capabilities, the intention of starting a new business and negatively related to the fear of failure. Perceived opportunities and perceived capabilities are related to the intentions of starting a new business in El Salvador.
Entrepreneurship in Western Europe explains how different local contexts can yield radically different entrepreneurial scenarios across Europe. Over 20 countries are examined in detail, with a comprehensive history of the evolution of entrepreneurship within them. The book concludes with a look at the future implications of current policy and of symbiosis in Europe on entrepreneurship. Richly illustrated, this book is perfect for undergraduate students or anyone with an interest in the business practices, economics or public policy of Europe.
Tourism has evolved worldwide, is increasingly expanding, and is considered an avenue for economic growth and a boost for entrepreneurs (Ateljevic & Page, 2009: 1). Christie and Crompton (2001: 15) state that “tourism remains one of the few viable sectors left for many African economies that must be maximized on in order to create business opportunities, accelerate economic growth and improve the quality of life of local populations.” A majority of African governments view tourism as a source of growth and economic diversification (UNWTO, 2012: 1). However, studies incorporating tourism entrepreneurship remain largely neglected in academic research (Ioannides & Petersen, 2003; Li, 2008; Thomas, 2004). Contributions to understanding issues critical to tourism entrepreneurship development and subsequent economic growth remain an untapped area for academic research, particularly in Rwanda. It is my assumption that entrepreneurship in tourism should be an area for policy support and a possible strategy for developing countries in order to increase the quantity and quality of entrepreneurs, since the related results stimulate economic growth. This justifies the thrust of the study on “Entrepreneurialism in tourism and economic growth in Rwanda: Challenges for policy formulation.”
This paper aims to determine whether countries where large firms are very dominant have less entrepreneurial activities. There is anecdotal evidence that the continued decline in the business dynamism or the number of start-ups in the United States is said to be partly attributed to large firms. One key explanation is that the regulatory environment tends to favor existing large firms – an environment that allows near monopolies and a protection of tiny entrepreneurial elite. Using the Global Entrepreneurship Monitor (GEM) data together with the World Bank – International Finance Corporation’s MSME country indicators, I empirically test whether large firm dominance influences entrepreneurial activities as well as intentions. Using fixed effects regression analysis on unbalanced panel of 40 countries over the period 2002–2007, I found that the entrepreneurship potential of a country is potentially at risk if the growth of large firms’ stake in the economy is left unchallenged. In particular, a one percentage point increase in the share of large firms to total employment is associated with 0.35 percentage point lower total early-stage entrepreneurial activity rate, holding other factors constant. Also, worth noting is the sensitivity of entrepreneurial intentions to large firm dominance. A one percentage point increase in the share of large firms to total employment dampens (i.e., by 0.56 percentage point) intentions of latent entrepreneurs to start a business within the next 3 years, other factors remaining constant. This second-order effect of large firm dominance depends heavily on the country’s institutions. Thus, it is critical for governments to foster a dynamic system that guarantees free competition and rewards creativity. Likewise, it is necessary to review and amend policies that seem to favor large firms that compromise the establishment as well as growth of smaller enterprises.
Purpose

Drawing insights from institutional theory, this article analyses the synergistic effects of a range of Entrepreneurial Factor Conditions (EFCs) on the capacity to start a business within different types of economies.

Design/methodology/approach

This is a preliminary study that uses data from the National Expert Survey (NES) - Global Entrepreneurship Monitor (NES-GEM). Specifically, the data was gathered through the application of a questionnaire to National Entrepreneurship Experts in a cross-cultural context. Two countries – Portugal and Angola - are analysed.

Findings

Among the five structural relationships involving institutional drivers analysed, four are found to be statistically significant in the Portuguese sample. Three are found to be statistically significant in the Angolan sample. Results from the multigroup analysis did not support most of the proposed relationship between the two countries.

Research limitations/implications

This study is limited by the number and type of countries selected and by the fact that each sub-sample covers several years. It also relies on the perceptions of national experts on
entrepreneurship covering several areas. Another limitation is based on the fact that this study emphasises mainly a macro perspective. Therefore, interpretation of these findings and their generalisation should be made with caution.

Originality/value

First, this study addresses an area of the GEM model that is believed to be under-researched (NES). Second, the model presented is based on latent variables analysed through a variance-based method, PLS-SEM. Third, this study compares the proposed relationships between two sub-sample data sets that represent a factor-driven economy and an innovation-driven economy. Fourth, and most importantly, this study responds to the call for the need to use a new procedure for measurement invariance assessment for composite modelling (MICOM).
HOME COUNTRY INSTITUTIONS, SOCIAL VALUE ORIENTATION, AND THE INTERNATIONALIZATION OF VENTURES

AUTHORS: Chen J. Saarenketo S. Puumalainen K.

YEAR: 2017

PUBLICATION: International Business Review

TAGS: Institutions Internationalization Social Entrepreneurship SSCI

We examined how home country formal institutions and the venture’s value orientation influenced the venture’s likelihood of internationalization based on a data set that was adapted from the Global Entrepreneurship Monitor (GEM) data in the year 2009, covering 7668 individual ventures in 25 countries. Better-developed home country formal institutions are found to have a supportive impact on the venture’s likelihood of internationalization. The supportive impact is also found to be weaker for socially oriented ventures than for profit-oriented ventures. The venture’s social value orientation negatively moderates the home country formal institutions–likelihood of internationalization relationship. The negative moderating effects can be explained as follows: Socially oriented ventures in the better-developed home country institutional environment are less likely to develop coping skills against uncertain and risky institutional environments, which are common in their host countries. Besides the theoretical contributions, this paper also highlights the implications for both business researchers and policy makers.
LIMINAL ENTREPRENEURING: THE CREATIVE PRACTICES OF NASCENT NECESSITY ENTREPRENEURS

AUTHORS: Garcia-Lorenzo L. Donnelly P. Sell-Trujillo L. Imas J.M.

YEAR: 2017

PUBLICATION: Organization Studies

TAGS: Creativity Nascent Entrepreneurship Necessity Motivation Spain United Kingdom Ireland SSCI

This paper contributes to creative entrepreneurship studies through exploring ‘liminal entrepreneuring’, i.e., the organization-creation entrepreneurial practices and narratives of individuals living in precarious conditions. Drawing on a processual approach to entrepreneurship and Turner’s liminality concept, we study the transition from un(der)employment to entrepreneurship of 50 nascent necessity entrepreneurs (NNEs) in Spain, the United Kingdom, and Ireland. The paper asks how these agents develop creative entrepreneuring practices in their efforts to overcome their condition of ‘necessity’. The analysis shows how, in their everyday liminal entrepreneuring, NNEs disassemble their identities and social positions, experiment with new relationships and alternative visions of themselves, and (re)connect with entrepreneuring ideas and practices in a new way, using imagination and organization-creation practices to reconstruct both self and context in the process. The results question and expand the notion of entrepreneuring in times of socio-economic stress.
The present study finds the main factors that influence entrepreneurship in Colombia, Chile and Ecuador, based on data from the Global Entrepreneurship Monitor -GEM, 2014- and the Entrepreneurship Activity Rate -TEA-. For this, initially, the multivariate method of Multiple Correspondence Analysis was used. Subsequently, a binomial logit model was estimated for each of the countries. It was found that both formal and informal human capital are determinant to generate entrepreneurship by opportunity. Likewise, experience, empirical knowledge, gender and age. Finally, by including in the model the technological level of the sector (medium-high), it was estimated that Chile has a greater impact on entrepreneurship, given the current situation of diminishing tensions with the US government.
The impact of web startups on economic innovation and job creation has increased as the functionalities of Internet expand. The new web businesses could be as one of the primary creators of economic growth and new jobs for the young generation. Knowledge the trend of new development, this study aims to realize the relationship between college students’ online behaviors and entrepreneurial intentions to enhance the related promoting programs. We selected six universities as our target group and invited 1,500 college students to participate in this survey. In this study, the collected fuzzy interval data have been transformed by fuzzy statistics to interpret their fuzzy means, centers, radius, and correlation with the fuzzy format. The relationships between online activities and entrepreneurial intentions have shown from low to moderate positive fuzzy correlations. Males’ online behaviors are similar to those of females according to the fuzzy centroids. The gender differences have shown in the entrepreneurial intentions. The results of fuzzy correlations demonstrate that the students’ online behaviors and entrepreneurial intentions have positive relationships. Both online behaviors and entrepreneurial intentions might reinforce each other. This study suggests that the higher education institutions can engage more workable actions to enhance students’ entrepreneurship.
A LIFESPAN PERSPECTIVE ON ENTREPRENEURSHIP: PERCEIVED OPPORTUNITIES AND SKILLS EXPLAIN THE NEGATIVE ASSOCIATION BETWEEN AGE AND ENTREPRENEURIAL ACTIVITY

AUTHORS:  Bohlmann C. Rauch A. Zacher H.

YEAR:  2017

PUBLICATION:  Frontiers in Psychology

TAGS:  Age Perceptions Entrepreneurial Capacity Opportunity Motivation Senior Entrepreneurship SSCI

Researchers and practitioners are increasingly interested in entrepreneurship as a means to fight youth unemployment and to improve financial stability at higher ages. However, only few studies so far have examined the association between age and entrepreneurial activity. Based on theories from the lifespan psychology literature and entrepreneurship, we develop and test a model in which perceived opportunities and skills explain the relationship between age and entrepreneurial activity. We analyzed data from the 2013 Global Entrepreneurship Monitor (GEM), while controlling for gender and potential variation between countries. Results showed that age related negatively to entrepreneurial activity, and that perceived opportunities and skills for entrepreneurship mediated this relationship. Overall, these findings suggest that entrepreneurship research should treat age as a substantial variable.
The urgent need to find solutions to ‘grand challenges’, and the pressing ecological and social problems faced by communities and nations around the world, have put sustainable development on the political, corporate and academic agenda (Ferrano et al., 2015; George, 2014; George et al., 2016). Global organisations, local governments and NGOs have called for the private sector to take the initiative in solving the critical challenges posed by our time (Wheeler et al., 2005). Instead of solely contributing to economic development and growth, business are increasingly expected to engage also in the production of social and environmental value (Elkington, 1998). In response to these demands, research has emerged to explore the potential slumbering in entrepreneurship, and scholars have begun to analyse particular forms of enterprising that focus on the advancement of social and/or environmental wellbeing in addition to their economic goals. A growing body of literature has studied in which ways social entrepreneurship (Nicholls, 2010a; Short et al., 2009), sustainable entrepreneurship (Dean & McMullen, 2007; Hall et al., 2010), environmental entrepreneurship (Vickers & Lyon, 2014; York et al., 2016), community-based or community-led entrepreneurship (Peredo & Chrisman, 2006; Haugh, 2007), or societal entrepreneurship (Ratten & Welpe, 2011) can compensate for the failures of governments and markets (Cohen & Winn, 2007; Munoz & Dimov, 2015) and contribute to sustainability goals and community development (Austin et al., 2006; Daskalaki et al., 2015; Shepherd & Patzelt, 2011).
Purpose

Using the 2010 Global Entrepreneurship Monitor (GEM) survey data, the paper investigates the contributing factors of entrepreneurial propensity among males and females in Ghana.

Design/methodology/approach

Using a measure of entrepreneurial propensity that takes into account individuals who are involved in starting a new business (nascent entrepreneurs) as a dependent variable and socio demographic characteristics, and perceptual variables as explanatory variables, the study adopts robust empirical estimation techniques to examine how these variables influence the probability of starting a new business among men and women in Ghana.

Findings

The probability of being a male nascent entrepreneur is significantly dependent upon a wide range of factors including demographic, economic, perceptual and contextual elements, albeit with important variations across gender. An individuals’ subjective assessment of fear of failure in starting a business and of having the requisite entrepreneurial capabilities; the age of the individual; gender of the individual; work status and contextual factors matters for entrepreneurial propensity in Ghana. However, important differences exist in the drivers of entrepreneurial propensity for males and females with females’ entrepreneurship attributed largely to conditions of necessity relative to their male counterparts.
Originality/value

The main value of this paper is to use the Global Entrepreneurship Monitor (GEM) survey (which is nationally representative) for Ghana to analyse the contributing factors of the entrepreneurial propensity among men and women in Ghana.
This chapter assesses the extent to which historical levels of inequality affect the creation and survival of businesses over time. To this end, we use the Global Entrepreneurship Monitor survey across 66 countries over 2005–2011. We complement this survey with data on income inequality dating back to early 1800s and current institutional environment, such as the number of procedures to start a new business, countries’ degree of financial inclusion, corruption and political stability. We find that, although inequality increases the number of firms created out of need, inequality reduces entrepreneurial activity as in net terms businesses are less likely to be created and survive over time. These findings are robust in using different measures of inequality across different points in time and regions, even if excluding Latin America, the most unequal region in the world. Our evidence then supports theories that argue early conditions, crucially inequality, influence development path.
We present an overview of findings on entrepreneurial attitudes, latent and actual entrepreneurship in Japan between 1992 and 2012. Drawing on micro-data from the Japanese edition of Global Entrepreneurship Monitor we further triangulate the results pertaining to the relevance of cultural factors. Importantly, age shows a negative correlation to the perceived status of entrepreneurs and to fear of failure, which corroborates the finding that Fear of Failure and Traditional Class Order are reinforced through the transmission mechanism of Filial Piety.

A direct comparison to two earlier studies on the same dependent variables evidences the superior explanatory power originating from the integrated empirical design of a rule-based inquiry. By amending our earlier theoretical propositions with evidence specific to Japan and to the observation period we achieve inductive closure.
I assess the impact of an aging labor force on business dynamism, labor market fluidity and economic growth. The analysis embeds endogenous growth through creative destruction in an equilibrium job ladder model, highlighting feedback between the extent of mismatch in the labor market and incentives to innovate. I calibrate the model to aggregate reallocation rates and show that the theory replicates life cycle firm and worker dynamics in the data. The model implies that labor force aging over the last 30 years in the US explains 40–50 percent of the decline in job and worker reallocation and has reduced annual economic growth by 0.3 percentage points. Using cross-state variation and instrumenting for the incidence of aging using lagged age shares, I find additional empirical support for the prediction of large effects of aging on dynamism and growth.
The Global Entrepreneurship Monitor is a large scale database for internationally comparative entrepreneurship. This database includes information of more than 100 countries concerning several aspects of entrepreneurship activities, perceptions, conditions, national and regional policy, among others, in two main sources of primary data: the Adult Population Survey and the National Expert Survey. In the present work the National Expert Survey datasets for 2011, 2012 and 2013 are analyzed with the purpose of studying the effects of different type of entrepreneurship expert specialization on the perceptions about the Entrepreneurial Framework Conditions (EFCs). The results of the multivariate analysis of variance for the 2013 data show significant differences of the entrepreneurship experts when compared the 2011 and 2012 surveys. For the 2013 data entrepreneur experts are less favorable then most of the other experts to the EFCs.
In this cross-country study, we evaluate the robustness of 44 possible determinants of early stage opportunity-motivated entrepreneurship (OME) and necessity-motivated entrepreneurship (NME) that are broadly classified in five groups: (1) economic variables, (2) formal institutions, (3) cultural values, (4) legal origins, and (5) geography. The results, which are based on a representative world sample of as many as 73 countries, suggest that institutional variables associated with the principles of economic freedom are most robustly correlated with OME and NME. Our findings also identify net income inequality and Scandinavian legal origins as weakly robust predictors of both types of entrepreneurial activity. Furthermore, we find that log GDP per capita is only a weakly robust predictor of NME, but not OME. After accounting for model uncertainty, however, we do not find evidence to show that cultural values, geography, and legal origins are key indicators of OME and NME. We conclude by discussing the implications of our results for cross-country entrepreneurship research and practice.
The article aims to assess the regulative dimension efficiency on international entrepreneurship from an institutional framework. Data are obtained from the Global Entrepreneurship Monitor (GEM) considering a cross-national sample of Latin American emerging economies versus developed economies. Findings show Latin American emerging economy conditions in public policy regulations have a lower influence on international entrepreneurial activity. The study provides information about the institutional regulative factors influencing this entrepreneurial activity. The research could be useful to foster international entrepreneurship policies.
AN APPLICATION OF NON WEIGHT MCDM FOR THE EVALUATION OF GEM ENTREPRENEURIAL ECOSYSTEMS

AUTHORS: Kitsios F. Sitaridis I.

YEAR: 2017

PUBLICATION: n/a

TAGS: Ecosystems Multiple Criteria Analysis

For over 15 years the Global Entrepreneurship Monitor (GEM) releases an annual report on Entrepreneurship. The data are collected by national experts and cover two basic elements, namely the entrepreneurial behavior and attitudes among the population and the entrepreneurial ecosystem. Moreover, explanatory national reports are written for each country by a panel of experts, but comparative studies are more rare. We apply multi-criteria decision methods in order to assess the entrepreneurial ecosystem of selected countries. We use data from the National Expert Survey (NES), indicating multiple facets of the economic and social environment, as input criteria and we examine each country as a different alternative. The multi attribute decision method used is based on Perron-Frobenius theorem on primitive matrix properties. The method produces a primitive comparison matrix based on pair comparisons of alternative cases on each criterion. Only the win-tie results of each comparison are taken in account and not the magnitude of the difference. Finally a ranking vector is extracted based on the spectral radius and the corresponding eigenvector. The main benefit of the method is that it does not require experts’ assigned weights for the criteria used and it has reduced math complexity.
The role of innovation and institutional quality for achieving sustainability are important issues tackled by current sustainable development debates, particularly in developing countries. Using a modified environmental Kuznets curve model, the present study improves our understanding of the critical roles of innovation, institutional quality, and entrepreneurship in structural change toward a sustainable future for Africa. Our empirical results show that formal and informal entrepreneurship are conducive to reduced environmental quality and sustainability in 17 African countries however informal entrepreneurship contributes more than formal entrepreneurship to this environmental degradation. The relationship between entrepreneurship and sustainable development turns strongly positive in the presence of high levels of innovation and institutional quality. This study contributes to this emerging research strand by clarifying the conditions that allow African countries to move toward more sustainable economies. Our results highlight the important roles played by innovation and institutions for achieving sustainability in Africa.
Based on contemporary entrepreneurship literature, we investigate the impact of South African TEA rate on entrepreneurial attitudes and behaviour, using available secondary data over the years 2003-2014. The main finding of this study indicates that TEA rate is positively related to the GDP per capita and the unemployment rate in South Africa. The evidence provided in this study is consistent with the findings of prior studies. Furthermore, this study uses a generalised linear model to affirm the statistical significance of these relationships, and also ensured that spurious correlations did not impede the econometric estimation procedure.
To identify the combinations of the economic and social aspects related to female entrepreneurship in OECD countries, we carried out a cross-national analysis of female entrepreneurship using fsQCA methodology. We analyzed 2015 data from 29 OECD countries, covering different geographical areas. Data were retrieved from three databases (Global Entrepreneurship Monitor, Country Risk Score, and Glass Ceiling Index) and the relationship between entrepreneurship by gender and the conditions in a country were studied, especially those socially related to gender under female labor working conditions. The results show that the combination of good country risk score conditions and the low presence of women in power positions is related to high female entrepreneurship and low gender labor-force gap. By contrast, low female entrepreneurship is reached through a combination of high gender labor-force and wage gaps.
Entrepreneurial intention is the first step in entrepreneurial process. It is seen as one of the strongest predictors of entrepreneurial behavior. Measurement of key factors that influence entrepreneurial intention is still a great challenge for researchers. The aim of this paper is both to analyse the significance of selected individual-level factors in their effect on entrepreneurial intention among youth in Visegrad countries (Czech Republic, Hungary, Poland and Slovakia) and contribute to solving the methodological gap in intention analysis applying non-traditional methods for this field – decision tree algorithm method alongside logistic regression models that served as robustness check of our findings. Prior to this a univariate (using Weight of Evidence and Information value analysis) and multivariate analysis (using Pearson Chi-square test of good fitness and Cramer’s V) was conducted. Based on Global Entrepreneurship Monitor (GEM) data we found out that out of four studied groups of factors only two (personality traits and personal background related factors) are significant drivers of entrepreneurial intentions among youth in Visegrad countries.
RESAMPLING AND BOOTSTRAP ALGORITHMS TO ASSESS THE RELEVANCE OF VARIABLES: APPLICATIONS TO CROSS SECTION ENTREPRENEURSHIP DATA

AUTHORS: Molina J.A. Lafuente M. Gimenez-Nadal J.I.

YEAR: 2017

PUBLICATION: Empirical Economics

TAGS: Logit Data Envelopment Analysis Bootstrap DEA Regression

In this paper, we propose an algorithmic approach based on resampling and bootstrap techniques to measure the importance of a variable, or a set of variables, in econometric models. This algorithmic approach allows us to check the real weight of a variable in a model, avoiding the biases of classical tests, and to select the more relevant variables, or models, in terms of predictability, by reducing dimensions. We apply this methodology to the Global Entrepreneurship Monitor data for the year 2014, to analyze the individual- and national-level determinants of entrepreneurial activity, and compare the results with a forward selection approach, also based on resampling predictability, and a standard forward stepwise selection process. We find that our proposed techniques offer more accurate results, which show that innovation and new technologies, peer effects, the sociocultural environment, entrepreneurial education at University, R&D transfers, and the availability of government subsidies are among the most important predictors of entrepreneurial behavior.
The rate of nascent entrepreneurship is crucial for economies of countries in order to identify economic well-being and promote dynamics for new business start-ups. Supportive governmental programs, proper entrepreneurship education and predisposition of cultural and social norms are encouraging factors that assist new businesses and develop entrepreneurial and innovative structures in economies. This research classifies countries and examines the clusters according to their governmental supportive programs, educational incentives, cultural and social norms on entrepreneurship and the rate of new entries into self-employment in the country. For the analyses, fuzzy clustering method is applied on the entrepreneurship key indicators data, obtained from the Global Entrepreneurship Monitor (GEM) study. Although our analyses do not allow the identification of causal relationships, they provide useful comparisons among the countries and suggest incentive mechanisms for policy makers according to their clusters. Given the importance of entrepreneurship and new business ventures, the findings of this study form an important base for further empirical studies, in addition to its practical value on public, educational and social point of views in entrepreneurship.
ENTREPRENEURIAL CLIMATE AND SELF-PERCEPTIONS ABOUT ENTREPRENEURSHIP: A COUNTRY COMPARISON USING FSQCA WITH DUAL OUTCOMES

AUTHORS: Beynon M.J. Jones P. Pickernell D.

YEAR: 2017

PUBLICATION: Journal of Business Research

TAGS: Fuzzy Set Analysis Perceptions Entrepreneurial Climate Entrepreneurial Capacity SSCI

This study investigated the relationship between entrepreneurial climate (EC) and self-perceptions about entrepreneurship (SPaE). The variables and data were derived from the Global Entrepreneurship Monitor (GEM) dataset and framework. Specifically, the study examined variables closely related to the GEM concepts of entrepreneurial capacity and preferences across 54 countries. Fuzzy-set qualitative comparative analysis (fsQCA) was conducted to investigate associations between EC and SPaE. Three condition variables described EC: economic stage of development, entrepreneurial framework conditions, and entrepreneurial status. Four items described SPaE: perceived start-up opportunities, perceived capabilities, fear of failure, and entrepreneurial intention. Two forms of single outcome measures were constructed from the four items that described SPaE. A standard factor analysis-based score yielded the outcome SPaEF. Fuzzy cluster analysis produced a two-cluster-based outcome SPaEC. Having two outcomes referring to the same concept (SPaE) leads to discussion on what should be done to facilitate “same concept” based analyses using fsQCA. The findings open up discussion on the efficacy of fsQCA as regards its sensitivity to slight changes in the outcome. Practical applied issues surrounding entrepreneurship (EC and SPaE) are also discussed.
The purpose of this study is to estimate country-level social network properties by reproducing plausible social network structures of each country. For this purpose, we suggest and utilize a novel simulation procedure using Agent-Based Modeling and Simulation (ABMS) method and the Global Entrepreneurship Monitor (GEM) data. Specifically, we estimate two types of country-level social network properties that can be related to entrepreneurial activities, i.e. social network density and supportive surroundings in each country. For the estimation, we use a social network-related question in the GEM questionnaire – “Do you know someone personally who started a business in the past 2 years?” As a result, this study provides estimated values of the social network properties for 69 countries. In doing so, this study suggests a simulation procedure for estimating the country-level social network properties, provides estimated values of the properties that can be utilized in future studies, and proposes potential roles of the country-level social network structure as a contextual factor that can affect individuals’ entrepreneurial activities.
In this paper, we will present the results of our survey on economic freedom and entrepreneurial activity. We have conducted our analysis on EU 11 countries (Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Netherlands, Spain, Sweden and United Kingdom) for the time period 2000-2014. To measure the entrepreneurial activity we have used data from the Global Entrepreneurship Monitor, and to measure economic freedom, we have used data from Fraiser Institute. Our results suggest strong positive and statistically significant, long term impact of economic freedom on entrepreneurial activity.
In this study the authors investigate the determinants of entrepreneurship in agriculture industry. What are the factors affecting entrepreneurial activity of agri-business entrepreneur and how it is influenced by various cognitive and social capital factors? To answer these questions various driving factors of entrepreneurial activity have been explored from the literature. To achieve the objective, the study uses APS (Adult Population Survey) 2013 data of 69 countries provided by GEM (Global Entrepreneurship Monitor). Total number of respondents 1470, those who are alone or with others, currently trying to start a new business, including any self-employment or selling any goods or services to others in Agriculture Industry, were selected from the data set. To measure the influence of cognitive and social capital factors on early stage entrepreneurial activity logistic regression was employed. The findings show that those who see entrepreneurial opportunities, are confident in their own skills and ability, having personal relationship or social networks with existing entrepreneurs, and have invested in others business as business angels are more likely to become an entrepreneur. Additionally, fear of failure or risk perception does not prevent people to become entrepreneur. Policy implications have been discussed.
Two of every five Egyptian youth aged 20-24 suffer unemployment and abject poverty. And while 40% of Egyptians have entrepreneurial intentions only 2.9% manage to establish their businesses past the 3.5-year mark of regulated operation. The main reasons for this failure have been defined to be: the poor entrepreneurial education at all stages, the poor legal & commercial infrastructure, as well as lack of supportive government programmes. The proposed solution is a three-stage process; it begins with formulating a 'matrix model', which is a detailed workplan for the transfer of an entrepreneurial idea from concept to a sustainable business, then developing a successful alpha product line that would allow business operation & sustenance, and then giving room for research and development of new similar products by incubating entrepreneurial ideas that can be turned into profitable product lines later on. The matrix model is the product-customised version of “Egyptian Ecosystem Theory of Change” by Saeed et al, 2015. The alpha product proposed is a flooring tile created from cleaned and shredded trash at the AUC Sustainable Development labs by heat-pressing plastics as a binder and redbrick as a filler, to create an environmentally friendly product line, then the tile is set to be tested against relevant ASTM standards for flooring tiles. Then, the proposed business model is to use part of the revenue to sponsor research and development, provided it is based on the ‘private incubator’ model. The idea is seen to positively impact the society by providing employment for the young entrepreneurs, the economy by boosting production and investment opportunities, as well as the environment by encouraging a recycling economy. This conforms with sustainable development goal number 8.6 which promotes substantially reducing the proportion of youth not in employment, education or training.
Entrepreneurship has significant impacts on a nation’s economic infrastructure. Discovering new ways to promote entrepreneurial growth within undervalued communities can help ensure financial growth, as well as provide a boost to the current economy. Evolving Entrepreneurial Strategies for Self-Sustainability in Vulnerable American Communities is an essential scholarly resource that identifies initiatives for entrepreneurs in underdeveloped areas to utilize. Featuring pertinent topics that include poverty reduction, informal investment, and social entrepreneurship, this reference publication is ideal for academicians, students, entrepreneurs, business owners, and researchers that are seeking innovative strategies to boost the economy and provide more jobs across the nation.
In a dynamic world as today, entrepreneurship has revealed itself as a way of standing out and gaining competitive advantages as several studies have shown in the past years. One main question that is left to understand, which we address in this work, is how competitiveness affects entrepreneurship. We used Global Competitiveness Index’s 12 pillars – institutions, infrastructures, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labor market efficiency, financial market development, technological readiness, market size, business sophistication and innovation – which, together, define a nation’s competitiveness, and used data related to the Total early-stage Entrepreneurial Activity from 2006 to 2015. Additionally, using Porter’s classification, we divided countries in factor, efficiency and innovation-driven economies to understand how competitiveness affects entrepreneurship according to a country’s stage of economic development. We individually check how each pillar affects entrepreneurship in general and for each stage. The results show some expected significant relations between competitiveness’s pillars but also proves some concepts suppress entrepreneurship.
Entrepreneurship has been identified as a key contributor to economic growth and job creation by policy makers and researchers alike. The role of entrepreneurship has become more noticeable in societies not only in developed countries but also in developing countries which are in many instances struggling with a variety socio-economic challenges. A possible link exist between entrepreneurship, economic growth and employment but few studies have determined the degree of the relationship between these variables. The purpose of this study was to determine the relationships between economic growth (GDP), employment, entrepreneurial intention (EI), total early-stage entrepreneurial activity (TEA), and established business ownership (EBO) rate using a quantitative econometric analysis method. The study design followed a quantitative empirical approach using annual secondary data from 2001 to 2015 for the BRICS countries. A pooled panel analysis was used to test the long and short run relationships between the mentioned variables. The first model tested the relationship between GDP, TEA, EI and EBO rate, while the second model tested the relationship between employment, TEA, EI and EBO rate. In both cases it was found that a long run relationship existed between the variables by using the Fisher-Johansen cointegration analysis. Further results of the analysis indicated that TEA and EI are significant predictors of economic growth (GDP), while established business ownership (EBO) is not a significant predictor. It was also found that only established business ownership is a significant predictor of employment. In conclusion, the study proved that links between the mentioned variables do exist and that entrepreneurial activity should be improved as it has an impact on GDP and employment on various degrees.
The relationship between self-employment and subjective well-being (SWB) is contingent on the heterogeneity observed among entrepreneurs. We argue that independence and job-control, two commonly suggested sources of entrepreneurs’ higher SWB, are likely to disproportionately benefit opportunity entrepreneurs who were pulled into their occupation choice. We make use of Global Entrepreneurship Monitor data from 70 countries (N=111,589) to investigate this proposition. The results show that entrepreneurs, all else equal, indeed do rate their life-satisfaction substantially higher than employees and, further, that this effect is entirely driven by opportunity entrepreneurs.
This paper considers the effects of immigration and ethnicity on entrepreneurship, distinguishing between the individual traits and the environmental characteristics. It looks beyond the resource-opportunity framework and occupational choice: culture and values matter. Yet, instead of assigning the latter to specific ethnic features, they are related here to both immigration and to the social environment defined by the share of immigrants, and by ethnic diversity. Empirical evidence provided in this paper is based on Global Entrepreneurship Monitor (GEM) UK data, 2003–13. Having more immigrants in the locality enhances entrepreneurship. With an increase in ethnic diversity the likelihood of being engaged in start-up activity decreases then increases.
In this article, based on the Global Entrepreneurship Monitor data, we carried out several econometric analyses going back ten years for 25 OECD countries. We present the results of these analyses on the effects of start-up support programmes and the moderating role of the institutional framework, in terms of quantity and quality, on entrepreneurial activity within a country, and on unemployment reduction. Our results probably appear counter-intuitive, but as well as being based on solid methodology with a longitudinal design, they do make sense and they lead to very clear practical implications that we think could be usefully taken into account in future consideration of public policy on entrepreneurship and unemployment reduction.
THE IMPACT OF THE GLOBAL CRISIS ON ENTREPRENEURIAL ACTIVITY

AUTHORS: Kaya H.D.

YEAR: 2017

PUBLICATION: Journal of Applied Economic Sciences

TAGS: Crisis Great Recession

We examine the impact of the 2008-2009 Global Crisis on entrepreneurial activity. We use the Global Entrepreneurship Monitor (i.e. GEM) dataset. We look into how the crisis affected new or established business ownership rate, improvement-driven opportunity entrepreneurial activity, informal investors rate, nascent entrepreneurship rate, and necessity-driven entrepreneurial activity. We also examine how early-stage entrepreneurial activity for male and female entrepreneurs are affected by the macro-economy. Our results show that informal investors rate (i.e. percentage of 18-64 population who have personally provided funds for a new business, started by someone else, in the past three years) went up significantly after the crisis. On the other hand, we do not find any significant change in new or established business ownership rate, improvement-driven opportunity entrepreneurial activity, nascent entrepreneurship rate, and necessity-driven entrepreneurial activity. Likewise, we do not find any significant change in early-stage entrepreneurial activity for male or female entrepreneurs after the crisis. Our results reject the “Prosperity Pull” hypothesis and only partially supports the “Recession Push” hypothesis.
Chapter 6 of the National Development Plan (NDP) accentuates on the impact of an integrated and inclusive rural economy by proposing for the creation 643,000 direct jobs and 326,000 indirect jobs in the farming and non-farming sector by 2030. Discussion within the study reveals that, the NDP was also designed to stimulate rural economic development among other important dynamic economic factors of the country. However, five years into the implementation of the NDP, remnants of inequality, unemployment and poverty are still apparent amongst the rural population. This paper indicates that the success of NDP as an entrepreneurial mechanism is being underpinned by contestations which are emanating from underfinancing, lack of entrepreneurial education and research culture, negative attitudes of the people, corruption and red tape. Through a qualitative research approach, the paper observes that, for NDP to be continuously coordinated as an economic initiative, financing of rural projects such as small businesses, cooperatives and other rural development projects should be the government’s key priority. The study concludes that entrepreneurship has to be considered as a prime mover in rural economic development in South Africa since an entrepreneurial economy significantly differs from a non-entrepreneurial one, as evidenced by the economic vigour and sustainable development of its inhabitants.
This paper aims to discuss and to give an overview of entrepreneurship in Padang in Indonesia by analyzing demographic characteristics and the propensity of the labor force to start a new venture and, further, to understand the motivation of entrepreneurs when entering into entrepreneurship. Analysis is based on an empirical research, using members of the labor force and entrepreneurs in Padang as samples. The study is a quantitative study, which uses logistic regression and descriptive analysis to analyze data and information. Logistic regression is used to analyze and to predict the influence of demographic characteristics on the propensity of the samples to enter into entrepreneurship, while descriptive analysis is used to understand the tendency of the entrepreneurial motives of nascent entrepreneurs to be either necessity-based or opportunity-based. To support the analysis, indicators of entrepreneurship as introduced by the Global Entrepreneurship Monitor (GEM) are used in the study. The study found that, to a greater or lesser degree, demographic characteristics have influenced the propensity of the labor force to enter into entrepreneurship. The study also found that most of the nascent entrepreneurs in Padang (around 66.67% of the Total Early-stage Entrepreneurial Activities (TEA)) are categorized as necessity-based entrepreneurs.
This paper focuses on the diversity of financial resources for Slovenian early-stage entrepreneurs. In the empirical study, we examined whether early-stage entrepreneurs with different characteristics regarding innovativeness also differ regarding the mode of obtaining financial resources, where the average number of used financial resource types and the average share of owned financial resources provided were analysed. Demographic characteristics (age and gender) of early-stage entrepreneurs were also taken into account. As results suggest, there are differences in the diversity of financial resources used between groups of early-stage entrepreneurs in relation to various aspects of their innovativeness. However, a statistically significant difference occurred only when analysing innovativeness in terms of technology. Results also indicate that there are statistically significant differences between groups of entrepreneurs according to their age, in both the number of financial resources used and the share of own financial resources provided. On the other hand, results don’t indicate any statistically significant gender differences, either in the number of financial resources used or in the share of own financial resources provided. This paper is based on Global Entrepreneurship Monitor (GEM) data for Slovenia; the large number of countries participating in the world-wide GEM research enables the international comparability of the topic analysed. As such, this research provides important insights into early-stage entrepreneurs’ behaviour in a country context.
THE SOCIAL STATUS OF ENTREPRENEURS: CONTRASTING GERMAN PERSPECTIVES

AUTHORS: Kalden J.N. Cunningham J. Anderson A.R.

YEAR: 2017

PUBLICATION: The International Journal of Entrepreneurship and Innovation

TAGS: Identity Social Construction Germany

The German economy is praised for its stability, creating a seemingly strong economic environment in which entrepreneurship should thrive. Our research problem is that, in spite of the strong economy, new venture creation rates are substantially lower than in other comparable economies. We employ a social constructivist approach and find that the way entrepreneurs are valued offers an explanation for this apparent inconsistency. We found strong evidence that, far from the heroic figure often attributed to entrepreneurs, German entrepreneurial identity is characterized as reckless and not sufficiently serious. Our findings have implications for understanding entrepreneurship as a career choice in Germany. More broadly, they show nuanced national differences in meaning and applications of enterprise cultures.
This chapter reflects upon factors that influence nascent entrepreneurship across countries. Correlation analysis is applied using various explanatory variables derived from different approaches. Clusters analysis is applied to verify how different countries are positioned in terms of nascent entrepreneurship. Scheffe's test of mean differences distinguish the unique characteristics of each cluster and assess the principal determinants of the nascent entrepreneurship capacity. The chapter uses the global entrepreneurship monitor (GEM) database and nascent entrepreneurship rates for 52 countries (in 2015), as well as the competitiveness database (2015-16) of the World Economic Forum and Hofstede's cultural dimensions. Analysis from the different approaches assumes that nascent entrepreneurship depends upon the competitive level of the country. In addition, it assumes that nascent entrepreneurship is a cultural phenomenon.
WOMEN AND ENTREPRENEURSHIP: AN ANALYSIS OF THE DETERMINANTS IN THE TOURISM SECTOR

AUTHORS: Lado-Sestayo R. Vivel-Bua M.

YEAR: 2018

PUBLICATION: Nascent Entrepreneurship and Successful New Venture Creation

TAGS: Gender Nascent Entrepreneurship Tourism Spain Determinants

This chapter studies the determinants of women in entrepreneurship in the hospitality industry using a sample of individuals participating in the GEM (Global Entrepreneurship Global) project. This is important because of the obvious difference between the rates of male and female entrepreneurship. Specifically, this research arises in the hospitality sector because of its importance in the Spanish economy which can generate relevant results for other economies with an important tourism sector. By means of logistic regression models for entrepreneurs – female and male – this chapter considers demographics, economic variables, social and intellectual capital and perception variables, allowing a comparative analysis of the results. This holistic approach contributes to identifying the determinants that influence the propensity to entrepreneur in men and women and their differences. The findings point the relevant factors to policymakers in order to promote female entrepreneurial intention and consequently favors equal opportunities.
In recent years, entrepreneurship has been seen as one of the keys to a country’s economic growth and development. From one perspective, this relationship exists because entrepreneurship can be explained as an economic dynamic from Schumpeter’s creative destruction paradigm. This dynamic can be explained by both macroeconomic and behavioural factors. For instance, some macroeconomic variables, like investments in human capital, have influence in entrepreneurship (and not only infrastructure investments). According to the Global Entrepreneurship Monitor (GEM), entrepreneurial behaviours and attitudes are also important in determining entrepreneurship rates. Among these, the GEM identifies self-perceptions (perceived opportunities, perceived capabilities, fear of failure and entrepreneurial intention), motivations and expectations (high job creation). In this chapter, we propose to use qualitative comparative analysis to verify which of these entrepreneurial behaviours, perceptions and attitudes (conditions) are more important for higher entrepreneurship rates. Using longitudinal information from GEM, we investigate the influence of those conditions over time. The combination of a large sample with the methodology we use are innovative features of this chapter. Our main results, using fuzzy-set qualitative comparative analysis, point that most important conditions are entrepreneurial intentions, and good perceptions about opportunities and one’s own capabilities.
Demographics of Innovation takes a deep, investigative look at the link between economic growth, innovation, vitality and entrepreneurship in an aging population, and provides smart strategy for the future. Written by a Stanford-trained economist and demographics expert, who is also a prominent internet entrepreneur, this book examines demographic trends across nations and digs into the divergence to find awakening innovation. An aging population hampers growth; while many are focused on the care-related financial burden, few have fully explored the ways in which a seismic demographic shift could transform the face of global business. This book charts the trends, connects the dots and reveals which nations will be best placed to build an innovation economy and grow in the future.
En este trabajo se realiza una revisión de la literatura sobre emprendimiento, mediante la definición y la historia del término “emprendedor”, tanto cronológicamente como desde diferentes campos de estudio, intentando mostrar la importancia de los diferentes usos del término, y dando especial importancia a las características del individuo emprendedor sénior (mayor de 50 años).

Posteriormente, usando los datos “Adult Population Survey” del Global Entrepreneurship Monitor para el año 2014, se analiza empíricamente el emprendimiento entre los individuos sénior de países de la OECD. Encontramos que España y Francia muestran los niveles más bajos de emprendimiento sénior, mientras que los más altos se dan en Chile y Méjico. Además, se encuentra que el emprendimiento por oportunidad prevalece sobre el emprendimiento por necesidad entre la población sénior, y también que los factores que impulsan la actividad emprendedora por uno u otro motivo son, en gran medida, diferentes.
Countries vary widely and systematically in the extent to which the ambitions of their entrepreneurs differ from their realisations. We label this discrepancy entrepreneurial overconfidence (EOC). Although a certain level of EOC may be beneficial for an economy, we provide empirical support for the argument that if entrepreneurial ambitions substantially and systematically exceed realisations, this may be at the cost of economic and societal prosperity. Therefore, we need to know more about country levels of EOC and their determinants, particularly with respect to the growth-oriented segment of entrepreneurship. Combining data on entrepreneurial ambitions from Global Entrepreneurship Monitor and data on realisations from Eurostat, we construct a measure of EOC at the country level and correlate its variation across 23 European Union (EU) countries over the period 2004–2015 with a set of economic and cultural factors. Among other findings, our results show that ambitions exceed realisations in almost all countries, but that this discrepancy is significantly greater for new member countries entering the EU since 2004. Policy implications of our results are discussed, particularly for promoting ambitious entrepreneurship in countries at the intermediate development stage.
CORPORATE ENTREPRENEURSHIP IN COLOMBIA: AN APPROACH FROM RESOURCES AND CAPABILITIES

AUTHORS: Henao-García E. Arias-Pérez J. Lozada-Barahona N.

YEAR: 2018

PUBLICATION: Mediterranean Journal of Social Sciences

TAGS: Employee Entrepreneurial Activity Colombia Resource-Based Theory Emerging Economies

Corporate entrepreneurship refers to entrepreneurship activities that take place within established firms. Such activities have attracted the interest of researchers in the area of management and business for several years now. The aim of this work is to examine the influence of individuals’ resources and capabilities on corporate entrepreneurship in Colombia, using data from Global Entrepreneurship Monitor 2013 and including 3,394 observations. The study draws on the Resource-Based Theory and uses logistic regressions in its methodology, considering differences between resources (entrepreneurial skills and competencies, entrepreneurial experience, personal networks and education) and capabilities (entrepreneurial intention and opportunity identification). This work offers theoretical and empirical contributions. Theoretically, it contributes to the development of the literature in the field of corporate entrepreneurship in Latin American emerging markets. Empirically, it serves as a guide for those managers wishing to foster corporate entrepreneurship in their firms.
GREY VS. YOUNG ENTREPRENEURS: ARE THEY REALLY THAT DIFFERENT IN TERMS OF ENTREPRENEURIAL INTENTIONS? EMPIRICAL EVIDENCE FROM ITALY

AUTHORS: Matricano D.

YEAR: 2018

PUBLICATION: International Journal of Business and Management

TAGS: Senior Entrepreneurship Entrepreneurial Intention Italy

In the past, entrepreneurship was considered a young person’s endeavour, since it was a working choice made after graduation. Social and demographic changes occurring over the last decades have totally modified that assumption so that entrepreneurship is now a phenomenon involving third age people (aged 55 or older) as well. Scholars have started investigating the differences between young and grey entrepreneurs. This topic of research has always been considered halfway between psychological and social studies on the one hand and entrepreneurial studies on the other. Without denying the relevance that psychological and social studies have in the field of entrepreneurship, in the present paper the phenomenon of grey entrepreneurship is only investigated according to an entrepreneurial perspective. Thus, predictors of entrepreneurial intentions are only rooted in entrepreneurial literature and refer to intellectual capital. The results, based on data retrieved from Global Entrepreneurship Monitor (GEM) website for Italy in 2013, indicate that grey and young entrepreneurs are not that different regarding intellectual capital affecting their entrepreneurial intentions. This result enriches previous literature about grey entrepreneurs.

ACCESS ARTICLE
HABITUAL ENTREPRENEURS IN THE MAKING: HOW LABOUR MARKET RIGIDITY AND EMPLOYMENT AFFECTS ENTREPRENEURIAL RE-ENTRY

AUTHORS: Fu K. Larsson A.S. Wennberg K.

YEAR: 2018

PUBLICATION: Ratio Working Paper Series

TAGS: Serial Entrepreneurship Multilevel Analyses Institutions Europe

We investigate the impact of country-level labour market regulations on the reentry decision of experienced entrepreneurs, whereby they become habitual entrepreneurs. Multilevel logit models on entry decisions among 15,709 individuals in 29 European countries show that labour market regulations have a positive influence on the decision to reenter into entrepreneurship. This positive impact is stronger among individuals holding wage jobs at the time of re-entry compared to those that do not. Our results indicate that novice and habitual entrepreneurs may respond very differently to labour market rigidity. We discuss and provide tentative explanations for these differences, and outline potential policy implications.

ACCESS ARTICLE
THE CULTURAL LEGACY OF COMMUNISM IN ENTREPRENEURSHIP:
ENTREPRENEURIAL PERCEPTIONS AND ACTIVITY IN CENTRAL AND
EASTERN EUROPE

AUTHORS: Wu A.

YEAR: 2018

PUBLICATION: Claremont McKenna College

TAGS: Perceptions Europe Communist Legacy

Using data from the Global Entrepreneurship Monitor, this paper examines differences in entrepreneurial perceptions (fear of failure, opportunity perception, self-efficacy, public opinion) between CEE and non-CEE countries, before and after the 2008 recession, as well as the effects of these perceptions on entrepreneurial motivation and overall levels of activity. The results suggest that CEE countries have systematically more pessimistic outlooks in terms of fear of failure and opportunity perception, but no difference from non-CEE countries in self-efficacy and public opinion. Additionally, most of the difference in fear of failure and opportunity perception, along with an increase in necessity-motivated entrepreneurship, comes after the recession, suggesting less durability and resilience of optimistic entrepreneurial perceptions in CEE countries. Finally, there is evidence of a higher threshold for a perceived opportunity to become a business reality in these post-socialist CEE countries.
We study how the proximate and distal sociocultural environments affect the well-established relationship between entrepreneurial self-efficacy and entrepreneurial intentions. We focus on the institutional individualism–collectivism orientation of nations and the presence of nascent entrepreneurs as moderators of this relationship to account for the multilayered nature of the context. We observe that for individuals with entrepreneurial self-efficacy the positive effect of knowing nascent entrepreneurs as a driver of entrepreneurial intentions is weaker than for individuals who do not believe to be able to successfully launch a business venture. This effect is contingent on the individualistic–collectivistic character of the national culture.
This paper examines the relationship between entrepreneurial activities and gender differences in West Africa, using autoregressive distributed lag (ARDL) panel estimation across countries. Taking a cue from the Liberal feminist theory, this paper supports that the entrepreneurial disposal of women influences their contributions regarding their entrepreneurial performance. The purpose is to bring the experience, knowledge, and interests of women and men to bear in national entrepreneurship context. We rely on the indicators of global entrepreneurship monitor (GEM) to adopt a region specific measure of entrepreneurship as our dependent variable. We use a country-specific approach to give a better understanding of how entrepreneurship in the same region but with different policy orientations operates. Our findings reveal that women contributed lesser that men to entrepreneurship. However, there were both similarities and differences of gender entrepreneurship performance across countries in the Anglophone and Francophone countries. It was therefore recommended that mainstreaming gender should be an important function of policy makers especially at government levels in order to avoid marginalization of women in entrepreneurship pursuits.
ENTREPRENEURSHIP AND HUMAN CAPITAL: THE ROLE OF FINANCIAL DEVELOPMENT

AUTHORS: Dutta N. Sobel S.R.

YEAR: 2018

PUBLICATION: International Review of Economics & Finance

TAGS: Human Capital Education and Training SSCI

The previous literature is filled with mixed findings with regard to human capital's impact on entrepreneurial outcomes. Using data from Global Entrepreneurship Monitor, we re-explore the human capital-entrepreneurship relationship and attempt to clarify the mixed findings. In particular, the prior literature has treated human capital's impact on entrepreneurship in isolation, while in reality its impact depends on access to financial capital. Our results show that a rise in tertiary enrollment benefits entrepreneurship most when the level of financial development is low. For higher levels of financial development, the impact of tertiary enrollment on entrepreneurship is still positive but much lesser in magnitude compared to countries with lower level of financial development.
This paper investigates the impact of entrepreneurs' human capital on their growth aspirations and the moderating role of regional entrepreneurial culture in this relationship. Based on human capital theory, we argue that growth aspirations will be higher for individuals with higher educational attainment and lower for those with prior entrepreneurial experience. Drawing on an institutional perspective, we also suggest that regional social acceptance of entrepreneurship and entrepreneurial role models will positively moderate these effects. Using data that combines individual and province level information in Spain over the period 2008–2014, we find support for the differential effect of formal education and entrepreneurial experience. The results also show that both social approval of entrepreneurship and role models tend to increase the growth aspirations of experienced entrepreneurs, whereas aspirations of the more educated ones are only affected by the presence of role models. Implications from the findings are discussed.
The purpose of this study is to improve our understanding of the entrepreneurial ecosystem. Unlike many previous studies, we accomplish this aim by testing the roles of entrepreneurial contexts in stimulating entrepreneurial performance, which is captured by entrepreneurial rate and entrepreneurial innovation. We further investigate their interacting with entrepreneurial attention (EA), measured by Internet search data. This is a national longitudinal study of all OECD countries between 2005 and 2014 based on multisource data. Based on the seemingly unrelated regression (SUR) results, the main findings are: (1) R&D transfer and market dynamics are important but negative predictors of both entrepreneurial activities; (2) entrepreneurial finance and taxes or regulations policies have significant positive effects on entrepreneurial innovation only when the entrepreneurship attention is high; (3) also only under the high entrepreneurship attention condition, physical infrastructure and cultural and social norms for entrepreneurship have significant positive effects on total entrepreneurial rate. The findings of this study, besides having important implications for entrepreneurial management and policy, have implications on the research of the entrepreneurial ecosystem, entrepreneurial innovation and attention.
GENDER, PERCEPTUAL FACTORS, AND ENTREPRENEURIAL INTENTION: EVIDENCE FROM EGYPT

AUTHORS: El-Hadary E.

YEAR: 2018

PUBLICATION: American University in Cairo

TAGS: Perceptions Gender Entrepreneurial Intention Egypt

In Egypt, women’s total early-stage entrepreneurial activity is 3.7% out of female adult population coupled with one of the world’s lowest women’s economic participation rate. As the government is no longer the haven for women’s jobs and the private sector is not filling the void, promoting entrepreneurship amongst women can prove effective in creating employment opportunities as well as empowering women with financial and social autonomy to allow them to become equal decision maker within the family and or household. In this research, the relationship between gender and entrepreneurial intention among non-entrepreneurs was investigated. The research shed light on the possible reasons of why women are less likely to start their own business compared to men. There is a body of literature that argues that the perceptual factors, namely self-efficacy, fear of failure, ability to recognize opportunities, and knowing an entrepreneur, might be the answer. Therefore, this thesis established a mediation analysis using a nationally representative sample data of the Global Entrepreneurship Monitor in Egypt from 2008 to 2015 to investigate if perceptual factors mediate the relationship between gender and entrepreneurial intention. This study validated the hypotheses among the non-entrepreneurs showing that the relationship between entrepreneurial intention and gender is mediated by the perceptual factors investigated in this thesis.
GENDER GAPS AND REENTRY INTO ENTREPRENEURIAL ECOSYSTEMS AFTER BUSINESS FAILURE

AUTHORS: Simmons S.A. Wiklund J. Levie J. Bradley S.W. Sunny S.A.

YEAR: 2018

PUBLICATION: Small Business Economics

TAGS: Failure Serial Entrepreneurship Gender Ecosystems Fear of Failure SSCI

Despite the significant role played by serial entrepreneurs in the entrepreneurial process, we know little about group differences in reentry decisions after business failure. Using an ecosystem framework and stigma theory, we investigate the variance in gender gaps related to the reentry decisions of 8171 entrepreneurs from 35 countries who experienced business failures. We find evidence of persisting gender gaps that vary across ecosystem framework conditions of public stigma of business failure and public fear of business failure. Our findings shed new light on ecosystem inefficiencies that arise from multiple interactions between entrepreneurs and institutions.

ACCESS ARTICLE
INTERNATIONALISATION AND ITS DETERMINANTS: A HIERARCHICAL APPROACH

AUTHORS: Li T.

YEAR: 2018

PUBLICATION: International Business Review

TAGS: Internationalization Hierarchical Approach Institutions SSCI

This study builds a hierarchical model to examine how country-level institutional dimensions impact the individual-level factors on the internationalisation by early stage entrepreneurial firms. Drawing on multiple datasets, cross-level analysis is used to explicate the influence of a country’s institution on the effects of the individual-level determinants on the internationalisation by early stage entrepreneurial firms, and this method enables the study of country-level specific effects. The results of the empirical research confirm the role of resource-based explanatory variables (i.e. innovative competence, business scale, technological commitment, and technological newness) in predicting internationalisation and also identify the positive moderating effects of institutions on this association.

ACCESS ARTICLE
CROSSING THE ENTREPRENEURIAL RUBICON: A LONGITUDINAL INVESTIGATION

AUTHORS: Delanoë-Gueguen S. Fayolle A.

YEAR: 2018

PUBLICATION: Journal of Small Business Management

TAGS: Longitudinal Analysis Entrepreneurial Intention Nascent Entrepreneurship SSCI

The dynamics leading from intention to start-up remain poorly understood. Drawing on the mindset theory of action phases, our empirical study identifies a motivational and a volitional phase in the pre-start-up stage. Only during the motivational phase does entrepreneurial intention help identify future starters. Once individuals have crossed the so-called entrepreneurial Rubicon, it no longer matters. We also show that, through this process, the support needs expressed by individuals evolve to become implementation-driven. To our knowledge, this is the first study to apply the mindset theory of action phases to nascent entrepreneurship. We discuss key implications for researchers and practitioners.
Purpose

This article examines whether international readiness, including innovation, competition, technology-orientation and opportunity perception, impacts on internationalization of small businesses differently in Asian countries compared to the complete GEM sample.

Design/methodology/approach

This study uses data from the Adult Population Survey – Global Entrepreneurship Monitor carried out in sixty nine countries yielding a cross-country total of 198,339 entrepreneurs. A binomial logit regression model is used to examine the data.

Findings

Results show that there are differences for Asian countries compared to the whole sample regarding innovation-related drivers. In Asian countries, for small businesses, internationalization is less sensitive to product innovation and to opportunities’ perception than for the rest of the countries.

Practical implications

This study has practical relevance as it provides numerous clues regarding the question of how small business (or new ventures) might enhance chances to become successful exporters.
Originality/value

This study addresses an area that is believed to be less studied. The study compares the proposed relationships between two data sub-samples that represent the Asian countries and the complete GEM sample. The article concludes with a discussion of the main contributions and limitations and suggests future research avenues.
HITTING THE TOP: IS THERE A GLASS CEILING FOR HIGH-GROWTH WOMEN ENTREPRENEURS?

AUTHORS: Aidis R.

YEAR: 2018

PUBLICATION: Women Entrepreneurs and the Myth of ‘Underperformance’

TAGS: Gender High Growth Entrepreneurship

In: Women Entrepreneurs and the Myth of ‘Underperformance’: A New Look at Women’s Entrepreneurship Research

ACCESS ARTICLE
Institutions have a decisive impact on the prevalence and nature of entrepreneurship. To date, the impact of institutions on (productive) entrepreneurship and the effects of entrepreneurship on economic growth have largely been investigated in isolation. In this paper, we bring together institutions, entrepreneurship, and economic growth using a parsimonious growth model in a 3SLS specification. In our first stage, we regress multiple measures of entrepreneurial activity on institutional proxies that are known to correlate with more productive forms of entrepreneurial activity. Using the fitted values of this first-stage regression as our proxy for productive entrepreneurship, we can then estimate a panel growth regression following Islam (1995) in a second stage. The third stage then optimizes the estimation of the two equations simultaneously. Our results show that productive entrepreneurship contributes to economic growth. In our set of proxies for institutional quality, financial stability, small government, and perceived start-up skills are the most important predictors of such productive entrepreneurship.
This study examines the organizational drivers of entrepreneurial entry through the lens of individual-level ambidexterity. We theorize that employees that both explore and exploit new activities within organizations are more likely to become entrepreneurs outside the organization. Multilevel analysis results from a large sample of Global Entrepreneurship Monitor survey data support this hypothesis. This study contributes to the entrepreneurship literature by highlighting the role of individuals' prior ambidexterity experiences in organizations as foundational building blocks of entrepreneurial entry. The study links entrepreneurship and ambidexterity theories with evidence that an individual's ambidexterity and entrepreneurial activities are related.
GENDER EQUALITIES IN ENTREPRENEURSHIP: HOW CLOSE, OR FAR, HAVE WE COME IN ITALY?

AUTHORS:  Matricano D. Sorrentino M.

YEAR:  2018

PUBLICATION:  International Journal of Business and Management

TAGS:  Gender Italy Readiness for Entrepreneurship

Female entrepreneurship is a relevant phenomenon all around the world. In reference to Italy, there has been a growing involvement of women in the creation of start-ups only over the last decades. However, from an extensive literature review, it results that there are no relevant studies aiming to test the main differences between male and female Italian entrepreneurs, especially in reference to the levers affecting their propensity to launch new start-ups. The present paper tries to reduce this gap by testing whether male and female Italian entrepreneurs differ in terms of intellectual capital affecting their propensity to launch new start-ups. The sample used for the present research derives from Global Entrepreneurship Monitor – GEM website, refers to 2013 and comprehends 1,055 female and 997 male entrepreneurs. Results show that male and female Italian entrepreneurs are more similar than expected. Some reflections about the state-of-the-art of female entrepreneurship in Italy and some hints for future research are included in the last section of the paper.
This article examines the extent to which culturally endorsed transformational leadership theories (CLTs) and the sustainability of society, both considered societal level institutional indicators, impact the emergence of social entrepreneurship. Using 107,738 individual-level responses from 27 countries for the year 2009 obtained from the Global Entrepreneurship Monitor (GEM) survey, and supplementing with country-level data obtained from Global Leadership and Organizational Behavior Effectiveness (GLOBE) and Sustainability Society Foundation (SSF), our findings from multilevel analysis show that transformational CLTs and sustainability conditions of society positively influence the likelihood of individuals becoming social entrepreneurs. Further, the effectiveness of transformational CLTs matters more for social entrepreneurship when the sustainability of society is low, which suggests the interaction between cultural leadership styles and societal sustainability. This article contributes to comparative entrepreneurship research by introducing strong cultural antecedents of social entrepreneurship in transformational CLTs and societal sustainability. We discuss various implications and limitations of our study, and we suggest directions for future research.
We examine the relationship between immigrant share and entrepreneurial activities in a country. Building on knowledge spillover theory of entrepreneurship (KSTE), we hypothesize that immigrant share positively relates to the creation, growth, and export activities of new firms through knowledge spillover between immigrant and native communities. We further suggest that favorable attitudes of natives toward immigrants positively moderate this relationship. Using data for 32 countries from the Global Entrepreneurship Monitor, we find support for the hypothesized direct relationships and for the moderating influence of a nation's attitude toward immigrants. Our study has implications for KSTE and research on entrepreneurship and immigration.
THE ROLE OF ENTREPRENEURSHIP IN STIMULATING ECONOMIC GROWTH IN DEVELOPED AND DEVELOPING COUNTRIES

AUTHORS: Doran J. McCarthy N. O'Connor M.

YEAR: 2018

PUBLICATION: Cogent Economics and Finance

TAGS: Economic Development Macroeconomics Regression

This paper analyses whether different measures of entrepreneurship can explain economic growth. It utilises 14 different indicators of entrepreneurship to analyse the contribution of entrepreneurial activity, aspirations, and attitudes to Gross Domestic Product (GDP) per capita. It also examines whether the importance of entrepreneurship varies across high-income and middle/low-income countries. An unbalanced panel of 55 countries over the time period 2004–2011 is used. Fourteen different indicators of entrepreneurship are utilised and are condensed into three components using principle components analysis. Regression analysis is then used to assess whether these three different components of entrepreneurship drive economic growth. The results indicate that entrepreneurial attitudes are found to stimulate GDP per capita in high-income countries while entrepreneurial activity is found to have a negative effect in middle/low-income economies.
Prior research investigates the role of start-up costs and taxes with regard to entrepreneurship. Yet, little distinction is made regarding the type of entrepreneurship, particularly innovative versus non-innovative entrepreneurship. We shall argue that start-up costs and taxes are associated in different ways with innovative versus non-innovative entrepreneurship. Taxes being recurring costs should mainly relate to innovative entrepreneurship, whereas start-up costs being one-off costs should mainly relate to non-innovative entrepreneurship. Analyzing a dataset of 632,116 individuals, including 43,223 entrepreneurs from 53 countries, we can partially confirm our predictions. Corporate taxes show a negative relationship with innovative entrepreneurship, whereas income taxes seem to have no relationship. High start-up costs have a positive relationship with innovative entrepreneurship, although this finding only holds true in cross-sectional investigations. Our paper contributes to the discussion on how governmental regulation and taxes relate to entrepreneurship.
We analyze conceptually and in an empirical counterpart the relationship between economic growth, factor inputs, institutions, and entrepreneurship. In particular, we investigate whether entrepreneurship and institutions, in combination in an ecosystem, can be viewed as a "missing link" in an aggregate production function analysis of cross-country differences in economic growth. To do this, we build on the concept of National Systems of Entrepreneurship (NSE) as resource allocation systems that combine institutions and human agency into an interdependent system of complementarities. We explore the empirical relevance of these ideas using data from a representative global survey and institutional sources for 46 countries over the period 2002–2011. We find support for the role of the entrepreneurial ecosystem in economic growth.
GENDER AND PROPENSITY TO RISK IN ADVANCED COUNTRIES: COMPARISON BETWEEN ENTREPRENEURS AND NON-ENTREPRENEURS

AUTHORS:  Lago M. Delgado M. Branco M.C.

YEAR:   2018

PUBLICATION:  PSU Research Review

TAGS:  Gender Fear of Failure Risk

Purpose

The purpose of this paper is to compare the way in which gender and propensity to risk are associated in two samples, one of entrepreneurs and the other of non-entrepreneurs, while controlling for other factors, namely, national cultures.

Design/methodology/approach

On the basis of data from 19 advanced countries, and by using two different samples, one of entrepreneurs and the other of non-entrepreneurs, the authors have used logistical regression analysis to analyse the relation between gender and propensity to risk has been used.

Findings

Findings suggest that gender and culture are much stronger in influencing risk propensity among non-entrepreneurs than among entrepreneurs.

Originality/value

Instead of analysing the effects of propensity to risk in entrepreneurship, as is usually done, the authors study some of its determinants, highlighting the differences between men and women.
This dissertation aims to contribute to the fast-growing field of entrepreneurship research. With entrepreneurship one usually refers to activities by individuals running a business for own risk and reward (Jensen & Meckling, 1976; Knight, 1921). This, however, neglects the discovery, evaluation and exploitation of opportunities by individuals employed at established firms (Shane & Venkataraman, 2000). Instead, we follow Sharma & Chrisman (1999) as to their view on entrepreneurship – that is, “acts … that occur within or outside an existing organization” (p. 17) – and consider both intrapreneurship and entrepreneurship as part of the overall entrepreneurial activity in society. Intrapreneurship is a form of bottom-up, employee-driven renewal or innovation, which is typically underemphasized in corporate entrepreneurship and strategic management research. The notion that employees can also act entrepreneurial by creating new combinations from existing resources has already been put forward in seminal work by Joseph Schumpeter (Schumpeter, 1911; 1934; 1942), and many others since then (e.g., Hellmann, 2007; Pinchot, 1985). Although many studies highlight the importance of entrepreneurship inside established organizations (e.g., Antonic & Hisrich, 2001; Carrier, 1994), the extant literature lacks multilevel analyses of its determinants or consequences (Shepherd, 2011), let alone in a unified framework (Bjørnskov & Foss, 2016). Thus far, research mainly focused on the (macro-level) determinants and consequences of independent types of entrepreneurship (e.g., Arin et al., 2015; Valdez & Richardson, 2013). This is mainly due to a prolonged lack of internationally comparative data on intrapreneurship, a problem that has recently been solved by the Global Entrepreneurship Monitor (GEM). Some of their latest adult population surveys contain a measure of what they coined Entrepreneurial Employee Activity (EEA), next to their commonly used measure of nascent entrepreneurship and young business ownership, i.e. Total (early-stage) Entrepreneurial Activity.
(TEA), and of a subgroup of innovative entrepreneurs (TEAinnov). By having combined these GEM data with already available data on countries' institutions and economic performance, we are able to answer the main research question of this dissertation: What are key institutional determinants and the economic consequences of two types of entrepreneurial activity in society, notably entrepreneurship and intrapreneurship? Hence, we sought to find an answer to how the institutional context channels people into different types of entrepreneurial activity, which, in turn, leads to different economic growth patterns (e.g., Baumol & Strom, 2007; Bowen & De Clercq, 2008). This is a derivative of William Baumol's notion stating that entrepreneurial individuals allocate themselves across different types of entrepreneurial activity in society. Whereas Baumol (1990) distinguishes between productive, unproductive and destructive forms of entrepreneurship, we focused on entrepreneurship and intrapreneurship as two different modes of opportunity exploitation. We argued that both types of entrepreneurial activity play an important role in commercializing new knowledge. Still, one of these types of entrepreneurial activity may prove more productive for society than the other, primarily depending on the institutional framework that these activities are subject to (Bjørnskov & Foss, 2013; 2016; Boettke & Coyne, 2009).
ENTREPRENEURSHIP IN CENTRAL AND EASTERN EUROPE: DEVELOPMENT THROUGH INTERNATIONALIZATION

AUTHORS: Mets T. Sauka A. Purg D.

YEAR: 2018

PUBLICATION: Routledge

TAGS: Europe Internationalization Economic Development

The process of the transition to a market-oriented economy for countries from Central and Eastern Europe (CEE) and the Commonwealth of Independent States (CIS) started some 25 years ago. A new technology base triggered the fast growth of new investments into intangible assets by global economic leaders at the beginning of the 1990s, providing the basis for a move towards a knowledge economy. During the past 25 years, entrepreneurs in CEE and the CIS have reshaped traditional industries and created new industries, combining innovative ideas with traditional competencies. Yet we still do not know very much about how and why companies led by entrepreneurs develop, how they expand globally and what the role of new knowledge and innovation is in the internationalization process. Understanding the pathways of entrepreneurial development, especially growth through internationalization, is important for the overall development of countries in transition and beyond.

Entrepreneurship in Central and Eastern Europe: Development through Internationalization provides an overview of entrepreneurship in a range of important emerging markets. This book aims to fill the gap in the literature by providing up-to-date data and case-based evidence.

With coverage of a range of national firms from countries including Belarus, Estonia, Hungary, Poland, Latvia, Lithuania, Serbia, Slovakia, Slovenia and Ukraine, this book will be vital supplementary reading around international entrepreneurship and essential reading for those studying the business environment in this vital emerging market.
In this paper, we empirically analyze the individual characteristics that drive older workers to become entrepreneurs, providing evidence of the differences between developed and developing countries. While OLS models provide limited conclusions, Qualitative Comparative Analysis and fuzzy set logic, at the country level, using GEM 2014 Adult Population Survey micro-data, show the importance of the various combinations of high and/or low presence of skills, opportunities, entrepreneurial perceptions, peer effects, and satisfaction with life and income. This indicates how entrepreneurship may be a potential source of income for older workers, in a range of contexts. Further, we find that all the possible combinations of higher proportions of individuals with the latter features are necessary conditions. Our results contribute by identifying certain aspects of the entrepreneurial behavior of older workers, highlighting certain causal patterns of the complex phenomenon that is entrepreneurship.
Recent years have seen organizations, governments and institutions around the world promote entrepreneurship as a means to economic growth, job creation and social development. A significant part of these efforts focus on women-owned businesses (Brush & Cooper, 2012; Sullivan & Meek, 2012). Despite the widely accepted belief that women’s ability to freely start and grow their business is beneficial for gender equality and economic empowerment (Jennings & Brush, 2013), the gender gap in entrepreneurship – in terms of both the rate of business start-up and venture performance – persists. Individual differences have attracted attention from researchers in explaining the performance gap; however, contextual factors have not. In addition, although existing studies cast light on various aspect of female entrepreneurial activity (Ahl & Marlow, 2012; Elam, 2014; Marlow & McAdam, 2013), it is mostly in the context of Western nations rooted in Judeo-Christian values and beliefs (e.g., United States and United Kingdom). The purpose of the present study is to extend our understanding of female entrepreneurship by delving into institutional and social factors that shape the entrepreneurial environment for women within the context of Muslim societies.
Business collaboration is frequently used as a method for small businesses to maximise their chances of success in competitive markets, allowing as it does for a reduction in transaction costs and access to resources held by other businesses. Home-based businesses in particular stand to benefit from collaborative arrangements, owing to the typical scarcity of resources available to them. Despite the relative prevalence of collaborative behaviours exhibited by such businesses, very little research has been performed to study the factors which impact a home-based businesses propensity for collaboration. This positional paper presents an investigation into those factor using a “precollaborative” approach, using quantitative methods applied to the Global Entrepreneurship Monitor (GEM) data to discern commonalities present within the organisational, technological and environmental conditions of home-based businesses which display a collaborative inclination, to determine the underlying factors which predispose these businesses to the formation of collaborative relationships.
The aim of the article was to empirically support a hypothesis, that no matter what measure of entrepreneurship or self-employment we choose at the country level, the determinants indicate the same direction of impact. Methodologically, four measures of entrepreneurial and self-employment activity were utilized as dependent variables in regression models. Entrepreneurial activity in the article was operationalized by Eurostat and OECD self-employment rates, and by Global Entrepreneurship Monitor rates of established business ownership rate and total early-stage entrepreneurial activity (TEA). Based on the obtained results, the determinants of entrepreneurship and self-employment influence all four presented measures in the same direction.
EXPLORING THE COLLABORATIVE ACTIVITIES OF HOME-BASED BUSINESSES IN OECD COUNTRIES

AUTHORS: Hastings D.P. Anwar M.N. Chowdhury G.

YEAR: 2018

PUBLICATION: n/a

TAGS: Home-Based Business Collaboration

Collaboration is frequently cited as a driver for sustainable success, and yet despite over half of all small businesses in OECD countries being run from the home, within the existing literature little attention is paid to how these businesses work with others. This article therefore presents a quantitative study into the collaborative behaviours exhibited by home-based businesses located within OECD countries. Based on a large, cross sectional data set collected by the Global Entrepreneurship Monitor, this exploratory study outlines the extent of collaboration among home-based businesses, the nature of their collaborative activities and the relationships which exist between the different behaviours that are exhibited.

The study finds that collaboration is a widespread occurrence among home-based businesses, with over 75% of home-based businesses collaborating in some way. Furthermore, home-based business collaboration is diverse in its nature and is present across all industries. Moreover, it is found that collaboration among home-based businesses is distinct enough from the current findings of collaboration among SMEs that it warrants further investigation.
This work uses different sources of data from the Global Entrepreneur Monitor to show a descriptive and comparative analysis of the different dimensions of the entrepreneurial activity, in the Spanish regions, and at international level. I also study the individual determinants of the entrepreneurial activity in Spain, and Europe, using bootstrapping techniques to avoid overfitted results. My results indicate that entrepreneurial levels in Spain are below the average of European countries, and also below the levels of United States, Canada, and Australia. However, the determinants of entrepreneurship appear to be similar in all the regions studied.
Scholars note the importance of the entrepreneurial ecosystem in promoting new venture activity. Yet to date, limited focus has been given to its impact on female venturing. Accordingly, our study investigates if the entrepreneurial ecosystem influences the prevalence of male and female entrepreneurship over time. We analyze the effect of entrepreneurial ecosystems in 75 countries between 2001 and 2014 on the rates of entrepreneurship for men and women using aggregate data from the Global Entrepreneurship Monitor Adult Population Survey and National Expert Survey. Findings indicate that the prevalence in entrepreneurship is highest for women when the entrepreneurial ecosystem features low barriers to entry, supportive government policy towards entrepreneurship, minimal commercial and legal infrastructure, and a normative culture that supports entrepreneurship. Conversely, we find that prevalence rates for men are highest when there is supportive government policy but weak government programs aimed towards business creation.
Entrepreneurship is considered a significant determinant for the economic development of a country but is also important for new job creation and innovation. Understanding and examining the factors which affect the decision of individuals to become entrepreneurs play a significant role for the decision makers in order to identify the adequate measures that can support and develop the entrepreneurial activity. The main purpose of this paper is to identify the key factors that determine entrepreneurial motivations of individuals, but also to analyze empirically the impact of these factors for a sample of 18 countries members of the European Union, for a period between 2002 and 2015. We performed our empirical analysis using data offered by the Global Entrepreneurship Monitor and the World Bank. We used panel data regression models. As dependent variables for our econometric models, we used, alternatively, total entrepreneurial activity rate, necessity driven entrepreneurial activity, and opportunity-driven entrepreneurial activity. As regards the independent variables considered, we took into account six macroeconomic indicators and four indicators which measure the perceptions and attitudes regarding entrepreneurship. The results of the panel data regression models show that the entrepreneurial motivations are influenced by the level of economic development of a country and total tax rate (only necessity entrepreneurs), unemployment rates, inflation rates and access to financial resources. Also, all the considered perceptual indicators (fear of failure, entrepreneurial intentions, perceived capabilities, and opportunities) have a significant effect on entrepreneurship according to its motivation, but these effects differ according to the motivation of individuals. Overall, this paper emphasizes that the economic conditions from an EU country but also the perception of entrepreneurs are important determinants of entrepreneurial motivation.
This paper aims to identify the importance of Information Technology businesses and youth’s interest in entrepreneurial initiatives in connection with IT based businesses. The data was collected using questionnaire from final year students of entrepreneurship and computer sciences enrolled in Bachelors, so as to get a profound picture of their intention, motivation and ability to enter in IT related entrepreneurial ventures. As descriptive statistics was used to analyze the findings, the study depicts great motivation among final year graduates to enter in entrepreneurial ventures. They are found to be motivated to establish ventures of their own even at small level. Therefore, SMEs can play vital role in assisting and fostering entrepreneurial activity with special focus on Information Technology businesses. In addition, the research limitation could be the fact that data has been collected from top universities/ institutes in which intellect level of students is competitively high, thus their liking to entre and understanding regarding SMEs and entrepreneurial initiatives is better than students of ordinary institutes. Also, the results could have been deviated if same research was applied in countries with varying demographics. As for practical implementations, the research may be vital for SMEs officials to foresee the entrepreneurial spirit among youth and to design policies accordingly. Also, it opens horizons for information Technology students to consider entrepreneurial careers other than simply applying for jobs in software houses/ organizations. Also, no prior research has been carried out in analyzing the mutual relation of Entrepreneurship and Information Technology businesses, neither the outcome/joint effect of both has been studied together.
Entrepreneurship has been closely linked to the economic development of countries. The level of contribution that entrepreneurial activity has on an economy is dependent on factors such as competency, gender composition, and the type and level of developed entrepreneurship. Gender equality and female entrepreneurial activity are closely associated with the economic development of a country. In past research, it has been noted there is a negative association between the level of national income and the rate of female entrepreneurial development rate. The study investigates the association between gender inequality and the rate of women entrepreneurial development for twelve African countries. It uses gender-related variables and indices drawn from internationals databases to analyze the relationship they have to women entrepreneurial activity. Data from Global Entrepreneurship Monitor (GEM) on different stages of African women entrepreneurship development was used in the research.
Previous studies offer evidence that human capital obtained through education is a crucial explanation for cross-national differences in entrepreneurial activity. Recently, scholar attention has focused on the importance of education in subjects such as science, technology, engineering, and math (STEM) for the promotion of entrepreneurial activity. To our knowledge, empirical evidence for this link is scarce, despite the emphasis made in the literature and by policy makers on the choice of study at the tertiary level. Given that differences in STEM education are particularly large between men and women, we utilize data from the Global Entrepreneurship Monitor for 19 European countries and the USA. We study the role of these differences in STEM education at the national level for three stages of the entrepreneurial process: entrepreneurial awareness, the choice of sector for entrepreneurial activity, and entrepreneurial growth aspirations. We also test whether the effects of gender differences in education is moderated by the nature of the institutional environment in which entrepreneurs operate. Our findings show that individual-level explanations including education account for the gender differences during all three stages of early-stage entrepreneurial activity. Moreover, countries with greater gender equality in science education are characterized by higher entrepreneurial activity in knowledge-intensive sectors and high-growth aspirations. Thus, next to individual-level education, closing the gender gap in science at the national level can benefit a country as a whole by stimulating innovative entrepreneurial activity.
The main aim of the paper is to investigate the drivers of entrepreneurial intentions in Romania based on the Global Entrepreneurship Monitor database. Particularly, it examines the factors which drive the necessity, opportunity and mixed motives of entrepreneurship. Using four samples of data and logistic regressions, the paper identifies the most significant drivers of entrepreneurial intentions by motivational factors – necessity, opportunity, and mixed motive - and proposes some policy actions to stimulate entrepreneurship.
Purpose

The purpose of this paper is to compare influential factors of entrepreneurial activities over time in China and to compare China with selected other countries.

The data are collected from Global Entrepreneurship Monitor (GEM). The method used is decision trees and CHAID analysis, which isolates important factors and examines entrepreneurship predictor importance.

Design/methodology/approach

The method used is decision trees and CHAID analysis which isolate important factors and examine entrepreneurship predictor importance.

The original contribution of this paper is that this is the first time where artificial decision trees are applied to data to isolate factors that influence business startups and used across countries for comparative purposes. It is also the first application of this model to Chinese GEM. CHAID trees and predictor importance show the value of motivations of people who have already started businesses and shed light on how public policy can be influential in promoting entrepreneurship.

Findings

Results indicate that solid knowledge and skills of how to start a business and knowing someone who has already started a business are the most important factors in China and in most of the
selected countries. Fear of failure is becoming less important for Chinese entrepreneurs over the years from 2003 to 2012.

Results show that countries, including China, have to enhance skill and knowledge education if they want to promote small business entrepreneurship as a policy. Our findings support human capital theory.

Research limitations/implications

The limitations of our study are due to using aggregated data from GEM surveys, which do not allow us to examine individual or household behavior. We do not know the variance and the distribution of responses to the questions asked and the locations in which the surveys were conducted. Another limitation is that GEM data does not report regional variations which can be modeled.

For future work, we suggest more detailed data availability which will lead to isolating entrepreneurial problems and highlighting relevant attitudes important to entrepreneurs.

Practical implications

Better data collection is needed at household and regional levels to understand business starts and to promote entrepreneurship.

Originality/value

The original contribution of this paper is that this is the first time where artificial decision trees are applied to data to isolate factors that influence business startups and used across countries for comparative purposes. It is also the first application of this model to Chinese GEM. CHAID trees and predictor importance show the value of motivations of people who have already started businesses and shed light on how public policy can be influential in promoting entrepreneurship. This research modeled the breakdown of reasons people would start a business by using GEM data surveys.
Examination of youth’s entrepreneurial attitudes helps to target their entrepreneurial aspirations, their potential and plan respective economic policy. Given paper analyses peculiarities of youth entrepreneurial attitudes in post-soviet Georgia with transitional economy. The results of the examination indicate that it is expedient to conduct entrepreneurial education in such a way that the educational institution facilitates the enhancement of contacts between youth and entrepreneurs. In management of educational programs at higher institutions it is recommended to promote entrepreneurial education and increase the practice and internship component in the enterprise in educational and business curriculum.
Recent studies conducted by well-known scholars suggest that small and medium enterprises (SMEs) are the key drivers of growth worldwide. However, the problem of a dearth of capital financing in this sector has inhibited the growth of many small businesses around the world. In particular, numerous SMEs in South Africa have either closed shop or are operating below capacity because of this problem. Considering this strain in obtaining funding, the Johannesburg Stock Exchange’s (JSE’s) Alternative Exchange (AltX) created the lower bourse, so that SMEs can effortlessly access capital financing for expansion. It has been observed that SME listing on the JSE’s AltX enhances the performance of small businesses in South Africa. Furthermore, the ongoing expansion of listed firms is augmenting their geographical footprint internationally. Thus, turning these small companies into large firms in a relatively short period of time. We subsequently tested empirically the predictive ability of our econometric estimation using relevant variables that can establish the anticipated level of association and regression in this study. Our results indicate that the impact of firm listing on the JSE’s AltX is positively associated with improved SME performance, which is also proportionate to higher GDP growth levels in the country.
Entrepreneurs play a key role in introducing innovations into the market. However, the extant literature has found that the degree of innovation within new ventures varies considerably and that these differences can be related to the individual factors of entrepreneurs. In this article, we go one step further and suggest that the influence of individual factors on innovation is contingent on the institutional context. We use a sample of more than 140,000 entrepreneurs from 101 countries that have participated in the Global Entrepreneurship Monitor (GEM) project between 2005 and 2015. Our results show that individual characteristics of the entrepreneur, such as risk tolerance, entrepreneurial alertness, education and previous entrepreneurial experience, influence innovation in new ventures but that their effect is reinforced by an institutional context with high economic freedom.
DOES INTELLECTUAL CAPITAL AFFECT THE VENTURE CREATION?

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YEAR: 2018

PUBLICATION: International Conference on Sustainable Management, India

TAGS: Intellectual Capital India Entrepreneurial Intention

Although the intellectual capital (IC) has already received much attention from the researchers in the field of innovation performance, there is still a paucity in the measuring the role of IC in venture creation. The present study is an attempt to examine the influence of IC on start-ups. In this study a large data set of 3360 respondents from India has been used. The data has been provided by the largest entrepreneurship research project GEM. A logistic regression technique has been applied to measure the influence of IC on the entrepreneurial intentions. It has been found that all the components of IC, Human Capital (HC), Structural Capital (SC) & Relational Capital (RC) have a positive and significant impact on the entrepreneurial intentions. To the best of our knowledge it is among the initial studies, which have examined the relationship between intellectual capital and entrepreneurial intentions. Only a few studies have already been done in developing countries like India by using a large data set.
Purpose

Using various macro-level measures of economic and political performance Shleifer and Treisman (2005) and Treisman (2014) call Russia a “normal country” implying that Russia’s economic and political development is not deviating from the other middle-income or transition countries significantly. The purpose of this paper is to challenge this proposition and investigate whether Russia is a normal country in terms of entrepreneurship by comparing Russia with other post-socialist and similarly developed countries.

Design/methodology/approach

Many studies have examined Russia’s institutional setup to explain its deficiencies in entrepreneurial activity. However, there is a lack of comprehensive research taking into account both the individual and institutional dimensions of the entrepreneurial ecosystem. The authors use the Global Entrepreneurship Index (GEI) methodology to analyze Russia’s quality-related individual as well as institutional features from a system perspective in a single model.

Findings

Russia’s performance has been poor relative to the post-socialist countries and to most of the former republics of the Soviet Union. Russia’s entrepreneurial profile is different from other transition and similarly developed non-transition countries, as well. Russia’s scores are less than the scores of other post-socialist countries in six out of the nine pillars of entrepreneurial attitudes and abilities. In sum, conditions supporting entrepreneurship in Russia lag seriously behind other post-socialist
countries. Moreover, Russia’s individual scores are even lower than the institutional ones. Hence, improving the hostile environment alone would not be sufficient for entrepreneurship development.

Originality/value

Although, there have been numerous studies analyzing Russia’s macroeconomic conditions, institutional development, and entrepreneurship, there is lack of comprehensive studies. Besides common macro-level measures, the authors use a unique, GEI data set that combines institutional factors relating to entrepreneurship or new business creation with measures of individual capabilities, motivations, and attitudes about entrepreneurship. The single-model framework reveals that individual factors are even greater obstacles to entrepreneurship development in Russia than the institutional factors that most studies focus on.
Combining the lifespan developmental perspective with the process perspective of entrepreneurship, we develop hypotheses on the role of age in the entrepreneurial process. Specifically, we expect that younger people have a more extensive future time perspective than older people, which makes it more likely for younger (vs. older) people to transition from opportunity identification to forming entrepreneurial intentions. Further, we expect that older people have greater prior entrepreneurial experience than younger people, which makes it more likely for older (vs. younger) people to transition from forming entrepreneurial intentions to engaging in entrepreneurial activity. We tested our hypotheses using longitudinal data from 343 working adults from Australia across 12 months with three measurement waves. Results supported our hypotheses. Our findings suggest that age-related constructs can facilitate and hinder transitions in the entrepreneurial process.
The basic aim of this paper is the comparative analysis, both theoretical and empirical, of selected aspects of entrepreneurship in Poland and Austria. The significance of the selected topic, most of all, results from the role and impact entrepreneurial activities have on the welfare of societies, both economically and socially. Keeping in mind the diversity and complexity of the phenomenon of entrepreneurship, one must in particular consider its integral relationship with economic activity and development, both of the individual and of the society at large. In economic terms, entrepreneurship is usually interpreted as the ability to creatively and innovatively solve business problems, combined with the ability to use opportunities arising from economic activity. Our empirical studies on the analysis and assessment of entrepreneurial attitudes were conducted on the basis of data published by the Polish Agency for Enterprise Development within the framework of the Global Entrepreneurship Monitor (GEM) study. Selected aspects of entrepreneurship in international terms were subjected to analysis. Particular emphasis was placed on assessing Poland’s situation compared to that of other countries. Special attention was drawn to institutions supporting entrepreneurship in both countries and an attempt was made to specify the directions of their future actions.
We apply institutional economics and human capital perspectives to advance research on the influence of institutional factors predicting entrepreneurial growth aspirations. Particularly, the moderation effect of institutions on the relationship between human capital and growth aspirations is analyzed. Building on a comprehensive dataset that combines individual- and country-level observations, obtained from the Global Entrepreneurship Monitor and World Development Indicators, for the period 2006–13, we develop a multilevel framework to test our hypotheses. The main findings show that some institutions represent a barrier to new ventures’ development (cost of property registration and fear of failure) while others may enhance it (access to credit and role models). We also find that those entrepreneurs with higher levels of human capital would attenuate their growth aspirations when regulation, access to credit, and fear of failure, will not be favorable. However, the influence of role models would strengthen that relationship. Theoretical and policy implications are discussed, based on our findings.
DETERMINANTS OF FEMALE ENTREPRENEURSHIP IN IRAN: AN INSTITUTIONAL APPROACH

AUTHORS:  Khyareh M.M.

YEAR:  2018

PUBLICATION:  Economic Annals

TAGS:  Gender Logit Determinants Institutions Necessity Motivation Opportunity Motivation Iran

The purpose of this paper is to analyse the factors that influence female entrepreneurship (opportunity and necessity entrepreneurship) in Iran, using institutional economics as the theoretical framework. The empirical research uses the Logit Model and the Multinomial Logit Model to analyse a dataset for Iran based on the Global Entrepreneurship Monitor (GEM) and covering the period 2011–2015. The study concludes that informal factors (fear of failing, entrepreneurial skills, and female networks) are more relevant to female entrepreneurship than formal factors (education and start-up capital). The research recommends that policymakers consider the institutional factors that affect female entrepreneurship in Iran and design support policies to foster female entrepreneurial activity.
Although entrepreneurship is widely considered an engine of growth, it is not clear whether policies, de facto, promote it, and knowing which individuals are willing to become entrepreneurs could help in the design of those policies. In this paper, we study how individuals become entrepreneurs at different ages, according to the degree of development of the country of residence. We make use of the GEM 2014 Adult Population Survey data, against a background where social norms are controlled, to find that the relationship between entrepreneurship and age follows an inverted U-shape, according to machine learning techniques, and that younger individuals are the most willing to become entrepreneurs.
CULTURAL CONFIGURATIONS AND ENTREPRENEURIAL REALISATION

AUTHORS: Torres P. Augusto M.

YEAR: 2018

PUBLICATION: International Journal of Entrepreneurial Behaviour and Research

TAGS: Cultural Factors National Culture Fuzzy Set Analysis Entrepreneurial Intention Leadership

Purpose

The purpose of this paper is to better understand the connection between culture and entrepreneurship in proposing and testing complex configurations of culturally endorsed implicit leadership theories (CLTs) and cultural practices that lead to entrepreneurial behaviour by studying entrepreneurial intentions (EI) and early-stage entrepreneurial activity (TEA) separately.

Design/methodology/approach

Using data from Globe Leadership and Organizational Behavior Effectiveness (GLOBE) and Global Entrepreneurship Monitor (GEM) studies, a sample of 44 countries, and a fuzzy-set qualitative comparative analysis, several models for EI and TEA were developed.

Findings

The main findings provide a way of distinguishing between complex antecedent conditions that are required for each stage of the entrepreneurial realisation. The results empirically show that there is no ideal context – the path to stimulate entrepreneurship that works best for one country does not necessarily works the same for other countries. There are multiple paths to achieve the desired outcome.

Research limitations/implications

The data from the GLOBE study were not completely up to date, the effect of which was minimised by considering data from GEM that respects temporal ordering. Nevertheless, data from GEM
suggest that there is a degree of stability in the data over time. Future research could replicate this study with a larger selection of countries and with new data, collected in a different way. Additionally, the inclusion of CLTs proposed in this study opens new opportunities for future research, by providing a new angle to look at the entrepreneurial realisation process.

Practical implications

This study advances research into the association of culture and entrepreneurship, and develops testable models using a configurational approach, thus confirming the suitability of asymmetric configuration analysis for entrepreneurial research. The results expand an understanding of the entrepreneurial process by showcasing the different complex antecedent conditions for EI and TEA. Depending on a country’s cultural profile, policy-makers should invest in the dimensions that enable their society to align with the model that best suits their own culture. The obtained models offer a framework for evaluating new interventions that aim to develop entrepreneurial behaviour in a specific country.

Originality/value

Different configurations showcase that there are alternative paths to achieving high levels of EI and TEA. The differences among the possible configurations for each stage of the entrepreneurial realisation are uncovered. Country profiles are identified, quantified, and then compared providing guidance for policy-makers.
ENTREPRENEURSHIP AND CREATIVE INDUSTRIES IN DEVELOPING AND DEVELOPED COUNTRIES

AUTHORS:  Domènech R.B. Lazzeretti L. Serra D.S.

YEAR:  2018

PUBLICATION:  Creative Industries and Entrepreneurship

TAGS:  Creativity

Entrepreneurship and creative industries in developing and developed countries

ACCESS ARTICLE
ENTREPRENEURSHIP AND WELL-BEING: THE ROLE OF PSYCHOLOGICAL AUTONOMY, COMPETENCE, AND RELATEDNESS

AUTHORS: Shir N. Nikolaev B.N. Wincent J.

YEAR: 2018

PUBLICATION: Journal of Business Venturing

TAGS: Subjective Wellbeing Self-Organization Psychological Needs Sweden SSCI

Drawing upon the self-determination theory, we develop a two-stage multi-path mediation model in which psychological autonomy mediates the relationship between active engagement in entrepreneurship and well-being partially through its effect on psychological competence and relatedness. We test this model on a representative sample of 1,837 working individuals (251 early-stage entrepreneurs) from Sweden. We find active engagement in entrepreneurial work tasks to be strongly associated with well-being relative to non-entrepreneurial work. Thus, we highlight the importance of individual self-organization-with autonomy at its core-which makes entrepreneurial work more beneficial in terms of basic psychological needs compared to other work alternatives.
We examine how economic institutions, measured by the Economic Freedom of the World (EFW) index, affect the relationship between capital—human, social, and financial—and opportunity-motivated entrepreneurship (OME). To do this, we develop a multi-level model that connects theories of human and social capital at the micro-level to institutional theories at the macro-level. Using data from the Global Entrepreneurship Monitor (GEM), we then test the predictions of our model and find evidence that economic institutions play a crucial role in the relationship between these three distinct types of capital and OME. Our results are somewhat counter-intuitive—as the quality of the institutional environment improves, human and financial capital become less important determinants of entrepreneurship while the relationship between social capital and entrepreneurship substantially strengthens.
The study provides a comparative analysis of entrepreneurial development in developing countries. The study makes use of secondary data of developing countries for the period of 2005 to 2015 that are extracted from World Bank development indicators, Entrepreneurship Snapshot and Global Entrepreneurship Monitoring (GEM). Descriptive statistics such as graphs, means among others are employed to analyse the data. The results show that there is willingness on the part of individuals to venture into entrepreneurial activities and an insignificant minority of entrepreneurs is motivated by necessity. Also, the prevalence of business discontinuity is attributed to non-profitability of business ventures. The ratio of female to male entrepreneurs in developing countries is above average with one woman to every three men involved in some form of entrepreneurial activity. Government policy is the most important issue facing entrepreneurship. Employment regulation, the tax structure and the lack of a supportive environment for new businesses are identified as main impediments to entrepreneurial activity. Our analysis shows that entrepreneurial education at school stage and post school stage are insufficient across developing countries. On the part of government policies to improve and ensure friendly environment to enhance entrepreneurial development in developing countries, we document various reforms put in place by the government. On overall, the most notable improvements accrued to Kenya in Africa and Belarus, Brunei Darussalam, Kazakhstan, Indonesia in other developing countries.
THE INFLUENCE OF FORMAL INSTITUTIONS ON THE RELATIONSHIP BETWEEN ENTREPRENEURIAL READINESS AND ENTREPRENEURIAL BEHAVIOUR: A CROSS-COUNTRY ANALYSIS

AUTHORS: Raza A. Muffatto M. Saeed S.

YEAR: 2018

PUBLICATION: Journal of Small Business and Enterprise Development

TAGS: Multilevel Analyses Institutions Readiness for Entrepreneurship Opportunity Motivation Entrepreneurial Entry

Purpose The purpose of this paper is to use a unique set of measures from Holmes et al. (2013) to clarify the relationship between entrepreneurial readiness and entrepreneurial behaviours across countries and determine whether formal institutions moderate this relationship.

Design/methodology/approach This paper uses data collected by the Global Entrepreneurship Monitor, the Index of Economic Freedom, Political Risk Services, and the Freedom House and Political Constraint Index to test a theoretical model. A multilevel analysis is performed based on set of 377,356 observations from 51 countries spanning eight years (2001-2008).

Findings The results suggest that entrepreneurial readiness has a strong relationship with entrepreneurial behaviour (as measured by entrepreneurial entry and opportunity-based entrepreneurship) and that this relationship strengthens with increases in political democracy (PD), government regulations (GR), financial capital availability (FCA) and market liquidity (ML).

Research limitations/implications The study is based on Holmes et al.’s (2013) institutions that are most important for society, uses satisfactory sample size and multi-level modelling. However, many more institutional conditions that remain to be considered might affect entrepreneurial activities.

Practical implications For policy-makers, the results show that PD, GR, FCA and ML correlate favourably with entrepreneurial behaviour when individuals have a high level of entrepreneurial readiness. Policy-makers should introduce policies that provide a secure environment to individuals to start their own ventures.

Originality/value The current study is among the first to examine the three dimensions of formal institutions—political, regulatory, and economic institutions—in a single study. Using the three dimensions, the study explains theoretically and examines empirically the effect of individual-level entrepreneurial readiness on entrepreneurial behaviour.
Entrepreneurship is widely acknowledged as the basis for innovation, technological advancement and economic progress—and subsequently, a driving force for improved living standards. Yet there’s little discussion, let alone action, among governments in Canada to stem the adverse effects on entrepreneurship of demographic change, specifically, the aging of our population.

Most of us are generally unaware that as our population ages, the share of the population best positioned to be successful entrepreneurs—individuals in their late-20s through to their early-40s—will shrink. People in this age group drive entrepreneurship because they are both willing to take risks to start their own business while also possessing real-world business experience, which increases the likelihood of success.

The share of Canadians between the ages of 30 and 39 has already declined 16.6 percent since the 1980s, and is expected to decline by another 11.4 percent by the 2040s. In that time, there has also been a corresponding decline in the rate of small business start-ups, a key measure of entrepreneurship. This is not a uniquely Canadian experience. Almost all industrialized countries have seen declines in small business start-ups.

While there’s little that governments can do to halt the aging of their populations, a number of policy initiatives could strengthen the incentives for entrepreneurship and improve the likelihood of successful new business start-ups. This book, which contains essays by leading scholars in Canada, the US and Europe, explores some of the possible policy reforms that will promote and improve entrepreneurship.

Key among potential policy reforms is tax relief, both in the form of reductions in marginal tax rates for individuals and businesses and reductions (or even the elimination) of capital gains taxes. These reforms were broadly determined to strengthen the incentives for people to start and grow
businesses (i.e. take risks) and expand the pool of entrepreneurial capital.

Other key potential reforms include reducing red tape to make it easier to start new businesses and grow existing ones, changes to banking and financial regulations that would make it easier for entrepreneurs to access the financial capital needed to start and grow their businesses, and policies encouraging increased immigration of individuals with skills and other attributes that make them potential entrepreneurs.

The various policy initiatives to encourage entrepreneurship put forth by scholars in the essay series will apply to different countries in varying degrees. It's clear, however, that developed countries, including Canada, face a long-term decline in entrepreneurship that is at least partially driven by demographics. Since demographic trends cannot be easily reversed, countries will have to improve the environment in which entrepreneurs and businesses operate, to encourage more and better entrepreneurs.
A lot has been written about the relationship between entrepreneurship and regional development in the past years. However, do we have conclusive empirical evidence for justification of this relationship? Policymakers expect from entrepreneurship positive impact on country´s wealth and employment. Nevertheless, several scholars have argued that the impact of entrepreneurship might be even negative, especially, when the institutions are not working well. This might be a case of developing countries. According to our research, a recent empirical study that would be investigating this relationship is missing. Therefore, we utilize the dataset of 48 countries classified according to U.N. as developing for years 2000-2015 and we empirically test the relationship between the established business ownership rate (obtained from Global Entrepreneurship Monitor) and a set of country´s economic indicators (Gross Domestic Product, Gross National Income, and Human Development Index). Obtained estimates support a hypothesis assuming a negative influence of entrepreneurship on regional development of developing countries (represented by GDP and GNI). Nevertheless, we failed to prove any impact of entrepreneurship on HDI. These findings have crucial implications for both policymakers and researchers. Based on this study, more efforts need to be put to better understand different forms of entrepreneurial activity in developing countries, its institutional context, and link towards regional economic development.
It is stated that farmers need to become more entrepreneurial to compete in modern agriculture. Much of the literature on agricultural entrepreneurship, however, has been focused on established farmers and little is known about what determines this behaviour among new entrants. New entrants may provide a robust answer to the call for entrepreneurialism in agriculture. This paper examines the drivers for entrepreneurialism among 1,877 new entrants in Europe, in particular the effect of human and social capital on new business opportunity identification once they have started their farming activity. The results suggest that new part-time farmers who treat farming as their second job are less likely to identify new business opportunities. By contrast, new farmers with high levels of confidence in their entrepreneurial competencies tend to identify more new business opportunities. Farmers’ weak social ties and a positive attitude in their context towards entrepreneurship increases opportunity identification. The findings contribute to understanding the specifics of new entrants in agriculture and highlight the importance of specific entrepreneurial knowledge and professional networks for this group. This has consequences for tailoring education and training programs as well as for policy measures for this specific group.
Female entrepreneurship has an increasingly significant role in the development of the world economy. In developed countries, there are special incentives and support for the development of entrepreneurship, which are designed for women. However, in post-transition countries, the situation is different, because the initiatives they spawn face obstacles that discourage the development of female entrepreneurship. The main purpose of this chapter is to investigate the influence of factors (technical and technological development, economic, demographic, institutional, and cultural factors) on female entrepreneurship in post-transition economies. The aim of this chapter is to identify the influences of the external environment on female entrepreneurship by using appropriate methodology, as well as to rank the post-transition economies on the basis of macro-level factors, in order to identify the countries that have the most favorable environment for female entrepreneurship. The study includes post-transition countries in the European Union, i.e., the Baltic States, as well as transition countries which belong to Central Europe. The study is conducted by applying the VIKOR method and method for determining attribute weight based on the subjective and objective integrated approach, as well as the correlation and comparative analysis.
The primary driver of this study is to find out key indicators of Entrepreneurial Capability milieu and test these components empirically in the Association with South East Asian Nations-05 economies. The purpose of this study is twofold. Firstly, it attempts to understand the determinants of Entrepreneurial Capability which identifies and endeavor commercial opportunities in the Association of South East Asian Nations 05 economies, namely Indonesia, Malaysia, the Philippines, Singapore and Thailand. Secondly, using the theory and determinants of entrepreneurial capability in general, this study empirically tests the efficiency imperative coefficients of variables that have an impact on entrepreneurial perceived capabilities. This research applies recent consistent estimation of log linear transformation stochastic frontier model to find out time-variant changes of variables in the panel sample. Data and variables have collected from Global Entrepreneurship Monitor - 2016 and World Competitiveness Yearbook - 2016 during the years 2010–2016. The results suggest that Entrepreneurship as a Good Career Choice and Perceived Opportunities are two significant variables which can improve and have a positive influence on entrepreneurial capability while Fear of failure rate has a negative impact on the efficiency of entrepreneurial capability in the Association of South East Asian Nations-05 countries. Other important variables such as Intellectual Property Rights, University Education and Knowledge Transfer rate have a positive stimulus to the entrepreneurial capability environment in these economies. The findings of this study are important contributions to the entrepreneurship literature and help policymakers to rethink entrepreneurial capability settings of the Association of South East Asian Nations-05 countries to pursue an innovation-driven region in future.
While it is widely recognised that Ethnic Minority-led Businesses (EMBs) make a variety of economic and social contributions to their communities and the wider society in Scotland, there are longstanding concerns that Ethnic Minority Entrepreneurs (EMEs) do still experience relative disadvantage in a number of areas. This report highlights ten areas of such disadvantage amongst EMEs in Scotland by examining statistics from three key entrepreneurship and small business databases (the Global Entrepreneurship Monitor (GEM), the Longitudinal Small Business Survey (LSBS), and the SME Finance Monitor (SMEFM)). The report also draws on actual experiences of ethnic minority entrepreneurs in Scotland gathered from interviews with 45 business-owners from various ethnic minority backgrounds, and five key informants from local government agencies, charities, community associations and other organisations that work with entrepreneurs from ethnic minority communities.
CURRENT STAGE OF ENTREPRENEURSHIP DEVELOPMENT IN RUSSIA FROM 2014 UP TO 2017: MAIN ISSUES AND TRENDS

AUTHORS: Smirnov S. Cheberko E.

YEAR: 2018

PUBLICATION: n/a

TAGS: Entrepreneurial Climate Digitalization Longitudinal Analysis Russia

During the past four-year period Russian economy was markedly different from previous 2000th and early 2010th. A mix of factors including imposed economic sanctions, a growth of the public sector in the Russian economy, sufficient efforts of government agencies and Central Bank of bringing SME out of the shadow had a deep impact on different elements of the entrepreneurial ecosystem. The aim of the paper is to analyze the qualitative and quantitative changes, and explore the current trends in Russian entrepreneurship field since 2014 up to 2017. In this study, we have analyzed the latest entrepreneurial statistics and review recent researches on entrepreneurial development in Russia. To gain a more complete picture we have also considered the data of Global Entrepreneurial Monitor (GEM) and Russian entrepreneurial climate index (OPORA). A special examination was given to the informal sector’s reflection in the entrepreneurial statistics. On this issue, we have collected and summarized expert opinions. Having combined information from different sources we came to the finding that despite the current negative institutional environment, despite the range of negative political factors and warning statistics of decline in the number of enterprises, the gradual development of national entrepreneurship continues. Pending the weakening of negative factors in the mid-term period we forecast that a prompt development of entrepreneurial ecosystem is highly probable in the nearest few years.
For a long time, women have been excluded from economic activities in male-dominated organizations and patriarchal society. Therefore, due to this factor, their participation in economic activities such as employment and entrepreneurial initiatives has been a subject of scholarship for some time. Drawing on institutional and feminist theories, this chapter argues that feminist entrepreneurship should consider the emerging economies as heterogeneous regions with unique contexts that affect the entrance into and performance in entrepreneurial activities. Any entrepreneurship scholarship that conflates the different regions and contexts within which female entrepreneurs are found, underplays the nuances that affect them through a compressive use of the Global Entrepreneurship Monitor and Global Entrepreneurship Development Institute databases. This chapter illustrates how the South African context enables, as well as impedes, women from total entrepreneurial activity. While current regulative institutions are in place, the number of women entering TEA and flourishing is still low.
This paper uses a Poisson regression model to determine the effects of entrepreneurial conditions of home countries on immigrant founded startup activity in the United States. The study determines that the most relevant factors are innovation, internal market dynamics, governmental support and policies, financing, and internal market openness. It then analyzes the change rates of these entrepreneurial conditions between 2007 and 2017 in China, India, and the United States to determine the implications of changing power dynamics in the global economy on flows of immigrant entrepreneurship and innovation in the global entrepreneurial ecosystem. The study finds that after being in the lead in 2007, the United States had fallen behind China and India in all entrepreneurial conditions, with the exception of innovation, by 2017. With the way trends are moving, this paper predicts that innovation in the U.S. will be the next metric to fall behind.
The objective of this study is to show aspects related to the entrepreneurship of cultures of Portuguese speaking countries, when compared to cultures of Spanish speaking countries. We investigate the literature on national culture and entrepreneurship and survey the theoretical connections between the national culture and opportunity perception, previous competencies, risk tolerance, society’s perceptions, entrepreneurial intent and job satisfaction. The database on entrepreneurship is based on the Global Entrepreneurship Monitor. Based on regression analysis, results showed differences between residents in culture of Portuguese and Spanish speaking countries for all variables measured. There is evidence of distinct perceptions between cultures of Portuguese and Spanish speaking countries, which may affect how to manage entrepreneurship in such countries. Finding differences in perceptions among distinct cultures can facilitate the development of assertive public policies for the promotion of entrepreneurship.
The aim of this paper is to study the linkage of innovation and entrepreneurship to economic growth in countries with different levels of development.

Following quantitative analysis, we carry out three empirical approaches in order to examine the effects of innovation and entrepreneurship on competitiveness. In accordance with our initial study framework, we test our conceptual model of competitiveness through applying descriptive statistics, structural equation modelling (SEM) and hierarchical cluster analysis. Descriptive statistics and SEM data sources from the Global Competitiveness Report of the World Economic Forum (WEF) were analyzed for 148 countries. The hierarchical cluster analysis furthermore analyzed Global Entrepreneurship Monitor (GEM) data on 67 different countries.

The study confirmed that innovation and sophistication factors are crucial to the competitiveness of economies. The study also revealed the definition of five clusters relative to the competitive performance of advanced economies following the introduction of new entrepreneurship variables.

This research aims to open up avenues for the development of regional competitiveness studies.
ENTREPRENEURS’ EXPORT ORIENTATION AND GROWTH ASPIRATIONS: THE MODERATING ROLE OF INDIVIDUAL HUMAN CAPITAL

AUTHORS: Capelleras J.L. Martin-Sanchez V. Rialp J. Shleha W.

YEAR: 2018

PUBLICATION: Rethinking Entrepreneurial Human Capital

TAGS: Export Orientation Growth Intentions Aspirations Human Capital Multilevel Analyses

We investigate the effect of entrepreneurs’ export orientation on growth aspirations, contingent on their level of human capital. We argue that the higher the entrepreneurs’ export orientation, the higher their growth aspirations. Importantly, we also suggest that these aspirations will vary depending on two endowments of individual human capital. To test our hypotheses, we employ a multilevel model analysis, using a combined dataset drawn from the Global Entrepreneurship Monitor (GEM) and the World Bank in 78 countries. The results show that entrepreneurs’ export orientation does not significantly affect growth aspirations. However, we find that its effect on aspirations is significantly higher for those entrepreneurs holding greater levels of both higher education and entrepreneurial experience. Implications from these findings are discussed.
The article deals with the relevant problems of using state support mechanisms for the development of small and midsize business in Russia and the further usage of its competitive advantages at the present stage of the market economy functioning. Great attention is paid on the current condition of the development of small and midsize enterprises (the usage of state support tools based on the Conception of long-term social and economic development of Russia, the program of development in regions). In the nearest future small and midsize business is considered to be the most important stabilization factor of social and economic development of the country and its regions.
ASSESSING THE RATIONALE AND FEASIBILITY FOR ESTABLISHING AN ORGANISATION THAT WILL SUPPORT THE PROSPECTS OF INNOVATIVE VENTURES IN GREECE AND ACROSS SOUTH-EAST EUROPE

AUTHORS: Grapsas C.

YEAR: 2018

PUBLICATION: n/a

TAGS: Innovation Ecosystems Greece Europe

This dissertation, written as part of the EMBA at the International Hellenic University, explores the rationale for the creation of a non-for-profit organisation that supports innovation business ecosystems in Greece and southeast Europe. It also determines whether and under what conditions such an entity could be financially and operationally sustainable. First, it is confirmed that Greece and its northern neighbours constitute a distinctly disadvantaged region. On the one hand, the social, economic, and legal infrastructure is markedly unfavourable to entrepreneurial innovation. On the other, when several performance dimensions are considered, the countries’ actual performance is indicated as modest at best. Then, reasonable objectives for an organisation that would work towards mitigating the hardships innovative ventures face are determined: potential innovators can be educated and inspired towards acquiring an entrepreneurial culture, young people can be better prepared for a workplace that features both challenges and opportunities, and policies can better reflect the needs of the innovation-driven markets of today and tomorrow. Lastly, it is demonstrated that the studied organisation can be sustainable, provided a moderate upfront funding is supplied by either its founders or a third party such as a financial institution. I would like to thank my supervisor, Dr. Korina Katsaliaki and Dr. Stavroula Laspita who was responsible for monitoring my day-to-day progress, for the patient guidance they willingly provided throughout the writing process. I am also very grateful to the renowned experts that validated or questioned my views. I thank (in alphabetical order) Thanasis Kalekos, Giorgos Lemonis, Angelos Manglis, and Argyris Spiridis.
This chapter looks at the recent development of early-stage entrepreneurship in the MENA region with an emphasis on the evolution of women’s early stage entrepreneurship, and in particular whether an increase in female participation in enterprise could be driving an increase in entrepreneurship for the region as a whole. Data from the Global Entrepreneurship Monitor Adult Population Surveys in MENA countries since 2009, conducted as part of an international collaborative research project, is used to describe the recent development of entrepreneurship in the region, and to test the association between changing relative participation by gender and the overall level of early stage entrepreneurship. Since 2012 the ratio of male to female entrepreneurship in the MENA region overall has declined while the level of overall entrepreneurship has increased, although with substantial variation by MENA country.
WOMEN ENTREPRENEURSHIP IN IRAN, PAKISTAN, AND TURKEY, BASED ON GEM DATA

AUTHORS: Sarfaraz L. Mian S.A. Karadeniz E.E. Zali M.R. Qureshi M.S.

YEAR: 2018

PUBLICATION: Entrepreneurship Ecosystem in the Middle East and North Africa (MENA)

TAGS: Gender Middle East and North Africa Iran Pakistan Turkey

Iran, Pakistan, and Turkey are the founding members of the Economic Cooperation Organization (ECO), established in 1985, to promote economic, technical, and cultural cooperation among the member states. The three countries share borders and have marked similarities in numerous cultural, religious, and traditional values. With a combined population of over 320 million and economies ranging from factor-driven to efficiency-driven, countries of Iran, Pakistan and Turkey, comprise more than half of the MENA region population. This project envisages a comparative study of women entrepreneurship in Iran, Pakistan, and Turkey using qualitative as well as quantitative approaches. Women entrepreneurship in these countries are studied from both domestic and international perspectives.

ACCESS ARTICLE
Huge amounts of capital are spent on education and development of entrepreneurship and entrepreneurial activities in several countries, yet the tangible entrepreneurial results, as a consequence of these expenses, are not recognized at national level. A country would be on the highest level of entrepreneurial efficiency if it has gained the maximum entrepreneurial output (tangible proceedings and activities such as nascent, new, early-stage and established entrepreneurial activities) in return for entrepreneurial input (monetary capital or non-monetary capital such as human capital, social capital, national norms, and perceived capabilities). Thus the question arises that: “is any country, in regard to others, entrepreneurially efficient at national level?” Several surveys have been done to answer this question. This research seeks to evaluate entrepreneurial efficiency using GEM (Global Entrepreneurship Monitor) national data (for 1 year), including 55 countries, and DEA (Data Envelopment Analysis). Evaluating entrepreneurial efficiency, we can not only determine the relative efficiency of one country among others, but also present efficient countries in entrepreneurship _benchmarking_ to improve efficiency in inefficient fields.
This study investigates the gender gap in entrepreneurial activity rates using the Conditional Mixed Process estimator (CMP) and controlling for the possible endogeneity of perceptual variables. We use the Global Entrepreneurship Monitor (GEM) adult population survey data for 12 countries. We find that the gender gap in activity rates shrinks drastically from 0.37 to 0.06 after controlling for observed traits, perceptual variables, and correcting for endogeneity using CMP. Our choice of instrument and estimation technique implies that CMP is more efficient and that unobserved factors still play a role in explaining the entrepreneurial decision. Unlike what is typically found in the literature that the gap disappears and becomes insignificant when endogeneity and control variables are added. However, in line with the argument that the gender gap in activity rates can be explained by skill perception and other covariates.
Entrepreneurship is an important process in regional economic development. However, there is no dedicated research to determinants of entrepreneurship in relation to all regions of Turkey. The main objective of the chapter is to find the extent to which the level of entrepreneurial activity varies between regions in Turkey. This chapter also contributes to the field of entrepreneurship studies by presenting, for the first time, the entrepreneurship data of women over the regions of Turkey and by analyzing the regional variations with respect to gender in the early stage of entrepreneurial activity.

Our findings support the fact that the entrepreneurial activity in the West Marmara, the Mediterranean, the West Black Sea and the West, Southeast and the Central Anatolia Regions, are no different from the base Region of Istanbul. The general entrepreneurship pursuit in Aegean, the East Marmara, the East Black Sea, the Northeast Anatolia and the Central East Anatolia Regions are found to be about 2% lower compared to the Region of Istanbul, on the average. On the other hand, the likelihood of being an entrepreneur among women is highest in the Aegean Region which is 9.4%. This likelihood is even higher than that in the Region of Istanbul which is 8.1%. Hence, the probability of being a woman entrepreneur ranges from 5.8 to 10.6% in Turkey. When the same probabilities are considered at the age of 45, they are lower and range from 5.4 to 9.7%.

Moreover, while the entrepreneurial attitudes, i.e. fear of failure in starting business, and education have a negative effect, the perceptions on start-up opportunities and believed to have knowledge, skill and experience have a positive effect on the probability of being an entrepreneur.

The data used in this study were collected by means of the national adult population Survey (APS) from the Global Entrepreneurship monitor (GEM) project conducted in Turkey covering the years of 2006–2015 (except for the year of 2009). The dataset consisting of 56,142 interviews with a
representative sample of adults (18–64 years old) covering 12 regions.
Entrepreneurship is not an easy field to act. Therefore, entrepreneurs have entrepreneurial competencies (such as entrepreneurial self-efficacy, perceived entrepreneurial opportunity, no fear of failure and role model) distinguishing them from other people. Of course, the more they get older, the less competencies they have.

The aim of this paper is to study the impact of age and entrepreneurial age-based self-image on entrepreneurial competencies of males and females based on the Global Entrepreneurship Monitor (GEM) 2016 data. The total number of respondents were 3259 (52% males) and (48% females), mainly in the age range of 25–34 and 18–24 respectively. In addition, a majority of respondents had post-secondary education.

The study results show that females’ age has more impact on their entrepreneurial competencies (0.071) than that of males (0.050). Females’ entrepreneurial age-based self-image has more effect on their entrepreneurial competencies (0.171) than those of males (0.127) as well. Moreover, the research findings indicate that entrepreneurial age-based self-image has a moderating effect on the relationship between age and entrepreneurial competencies of men and women. Furthermore, this study suggests that people who perceive they have entrepreneurial competencies, should reinforce their entrepreneurial age-based self-image.
ENTREPRENEURIAL ECOSYSTEMS IN ARABIC COUNTRIES: A RECENT OVERVIEW

AUTHORS: De la Vega I. Coduras A.

YEAR: 2018

PUBLICATION: Entrepreneurship Ecosystem in the Middle East and North Africa (MENA)

TAGS: Ecosystems Middle East and North Africa

The authors provide a broad view of the field of entrepreneurial ecosystem evaluation in a sample of Arabic countries, emphasising the importance of a country’s status to fostering good-quality entrepreneurial activity. After framing the issue and reviewing the most relevant academic literature, the authors discuss the existing relationship between the current entrepreneurial conditions in each country and the characteristics of their entrepreneurial activity. They also consider the status of the entrepreneurial ecosystem of each country and its potential impact on the creation of new business activities, identifying their strengths and weaknesses and reflecting in depth on the elements that would have to work to progress the modernisation of these ecosystems.
Iran, Pakistan, and Turkey are the founding members of the Economic Cooperation Organization (ECO), established in 1985, to promote economic, technical, and cultural cooperation among the member states. The three countries share borders and have marked similarities in numerous cultural, religious, and traditional values. With a combined population of over 320 million and economies ranging from factor-driven to efficiency-driven, countries of Iran, Pakistan and Turkey, comprise more than half of the MENA region population. This project envisages a comparative study of women entrepreneurship in Iran, Pakistan, and Turkey using qualitative as well as quantitative approaches. Women entrepreneurship in these countries are studied from both domestic and international perspectives.
Throughout this paper, we analyse Argentina’s context regarding several factors which are essential for the emergence of entrepreneurs and the creation of new successful firms, focused on the period 2000-2007. Through a framework which presents factors that affect the entrepreneurship development in a country, we were able to analyse Argentina considering each parameter, and thus detect which are those factors where Argentina had weak performance or a negative influence for entrepreneurship. Finally, the case of a successful firm in Argentina born during this period is analysed regarding the methods and strategies used to overcome the context adversity.
This chapter treats countries of Middle East and of North Africa (MENA) as two similar but culturally distinct sub-regions of MENA. Using data collected by academics and international organisations (e.g. Global Entrepreneurship Monitor, OECD, UNDP), Qatar, U.A.E., Jordan in the Middle East, and Morocco in North Africa, emerge as the countries most likely to have the potential to develop a strong cadre of successful entrepreneurs. All four countries have very high youth population percentages, but MENA also has the world’s highest unemployment rates. E.g. in Morocco 49% of youths aged 15–24 are not employed or in school (NEET); in Jordan, more than half the entire population is >25 years of age and 25% of these youths are unemployed. In Qatar and U.A.E., population demographics are similar, but there’s greater likelihood their governments and/or foreign direct investment will provide needed resources. While economic development contributes to overall success, the ineffective and outmoded public education systems that currently exist throughout MENA not only prevent the spread of entrepreneurship, but also increase overhead for existing employers. Policies and initiatives that address these deficiencies can increase the size and/or accelerate entrepreneurial impact while improving existing businesses in Jordan and Morocco.
INDIVIDUAL RESOURCES, PROPERTY RIGHTS AND ENTREPRENEURSHIP IN CHINA

AUTHORS: Sahasranamam S. Raman G. Venkat.

YEAR: 2018

PUBLICATION: University of Strathclyde Business School


Purpose – In the last decade, the Chinese government enacted two rule-based policy changes related to property rights; namely, a constitutional amendment to protect the lawful rights of the private sector in 2004 and a property rights law in 2007. Using property rights theory, this study hypothesizes the contingent effect that these property rights changes have on the investment of individual human and financial capital towards entrepreneurship. In addition, this study also explores whether property rights changes have a differential effect on the two forms of entrepreneurship, namely, opportunity and necessity entrepreneurship. Design/methodology/approach – This research uses logit regression analysis on a two period model using the Global Entrepreneurship Monitor (GEM) database to test these effects. Findings – Contrary to existing evidence from Western contexts, this study finds that property rights changes have a significant influence on the investment of both forms of capital towards necessity entrepreneurship in China. Research limitations – The use of a secondary database like GEM has certain limitations, such as the non-availability of data on a longitudinal basis, and the need to operationalize certain constructs like human and financial capital as non-continuous variables. Originality/value – There has been limited research on the phenomena of necessity entrepreneurship in economies such as that of China. The findings of this study highlight that property rights protection is equally important for necessity entrepreneurship in institutional contexts like China.
NEW TECHNOLOGY ENTREPRENEURSHIP INITIATIVES: WHICH STRATEGIC ORIENTATIONS AND ENVIRONMENTAL CONDITIONS MATTER IN THE NEW SOCIO-ECONOMIC LANDSCAPE?


YEAR: 2018

PUBLICATION: The Journal of Technology Transfer

TAGS: Strategic Orientation Technology Entrepreneurship Export Orientation Regulatory Environment Environmental Factors SSCI

The transformation of ideas into new technologies depends not only on how knowledge diffuses but also on which context/time this transformation is developed. In the assumption that internal and environmental conditions directly affects the decision of exploiting technological opportunities, this paper explores how some strategic dynamic capabilities (entrepreneurial and export market) and supportive environmental conditions (regulative and normative) influence the configuration of technology entrepreneurship initiatives. A proposed conceptual model is tested with 30,648 ventures in 23 countries participating in the Global Entrepreneurship Monitor for the years 2005 (pre-financial crisis), 2008 (financial crisis), and 2011 (recession). The main findings suggest the positive role of entrepreneurial orientation and export market orientation in the development of new technology entrepreneurship initiatives. Also, environmental conditions influence on the development of initiatives of technology entrepreneurship. Particularly, the study evidences how regulative environmental conditions (property rights and government programs) enhance while other regulative conditions (support for science and technology) and normative conditions (opportunity perception and national culture) simultaneously retard the probability that a new/established venture develops new technology entrepreneurship initiatives. These effects are moderated and intensified by the influence of the economic cycles. The paper provides important insights to the field of entrepreneurship, innovation, and strategic management.

ACCESS ARTICLE
The paper links data from the research project “Entrepreneurship Work in Organizations Requiring Leadership Development” (E-World) and information from the Global Entrepreneurship Monitor (GEM) research about intensity of early stage entrepreneurship activities. Perceptions about features of entrepreneurs that enhance their success are influenced by evolution of economies from the resource-driven to the efficiency driven and to the innovation driven development stage. E-World results from 21 countries indicate stronger focus on opportunity seeking in these efficiency driven countries, where share of early-stage entrepreneurs in population is high. Opportunity seeking attributions of entrepreneurs in innovation-driven economies appeared to be stronger in countries, where early-stage entrepreneurship intensity is relatively low. Positive behavioural patterns of entrepreneurs are linked to the high early-stage entrepreneurship intensity both in efficiency-driven and innovation-driven economies and in all regions that were studied. That reflects expectations about entrepreneurship ethics in countries, where the early-stage entrepreneurship rate is high.
Although entrepreneurship is widely considered an engine of growth, it is not clear whether policies, de facto, promote it, and knowing which individuals are willing to become entrepreneurs could help in the design of those policies. In this paper, we study how individuals become entrepreneurs at different ages, according to the degree of development of the country of residence. We make use of the GEM 2014 Adult Population Survey data, against a background where social norms are controlled, to find that the relationship between entrepreneurship and age follows an inverted U-shape, according to machine learning techniques, and that younger individuals are the most willing to become entrepreneurs.
CULTURE AS A DETERMINANT OF ENTREPRENEURIAL ACTIVITY

AUTHORS: Soloviov V.

YEAR: 2018

PUBLICATION: University of Tartu

TAGS: Determinants National Culture Cultural Factors

In this paper, the author aims to prove the connection between culture and the entrepreneurial activity. In order to do this, the author analyses relations between the chosen Hofstede’s cultural dimensions and the rates of several groups that connected to the entrepreneurial process. To estimate the sign and significance of the relation, the author uses GEM dataset for the entrepreneurial panel data, regressing between and random effects models with stepwise addition of the potential socioeconomic factors of influence. The empirical analysis results show a significant negative relation between long-term orientation and the rate of potential entrepreneurs, as well as the significant positive relation between individualism and a rate of entrepreneurial employees. The results obtained from this paper can be used in policymaking for macroeconomic forecasts, as well as in future studies on this topic. (JEL A12, L26, M13, Z13)
ENTREPRENEURS’ INDIVIDUAL-LEVEL RESOURCES AND SOCIAL VALUE CREATION GOALS: THE MODERATING ROLE OF CULTURAL CONTEXT

AUTHORS: Brieger S.A. De Clercq D.

YEAR: 2018

PUBLICATION: International Journal of Entrepreneurial Behaviour and Research


Purpose—This study seeks to provide a better understanding of how the interplay of individual-level resources and culture affects entrepreneurs' propensity to adopt social value creation goals.

Design/methodology/approach—Using a sample of 12,685 entrepreneurs in 35 countries from the Global Entrepreneurship Monitor, this study investigates the main effects of individual-level resources—measured as financial, human, and social capital—on social value creation goals, as well as the moderating effects of the cultural context in which the respective entrepreneur is embedded, on the relationship between individual-level resources and social value creation goals.

Findings—Drawing on the resource-based perspective and Hofstede’s cultural values framework, the results offer empirical evidence that individual-level resources are relevant for predicting the extent to which entrepreneurs emphasise social goals for their business. Furthermore, culture influences the way entrepreneurs allocate their resources toward social value creation.

Originality/value—The study sheds new light on how entrepreneurs’ individual resources influence their willingness to create social value. Moreover, by focusing on the role of culture in the relationship between individual-level resources and social value creation goals, it contributes to social entrepreneurship literature, which has devoted little attention to the interplay of individual characteristics and culture.
Entrepreneurship is generally defined as the creation of new firms and according to literature, it is the process by which new enterprises are founded and become viable. Although considerable research has been devoted to the study of the impact of entrepreneurship on economic growth, fewer studies have analyzed the impact of the types (opportunity vs necessity) of entrepreneurship on economic growth. Moreover, the latter set of studies overlooked the relevance of human capital as mediating factor in the relation between (types of) entrepreneurship and economic growth. The aim of the present study was to fill in the above mentioned gap, by assessing the extent to which the direct and indirect impact of (the types of) entrepreneurship, via human capital, matters for countries’ economic growth. In methodological terms, we resort to fixed effects panel data estimations, involving a large set of (OECD and non-OECD) countries, over a relatively long time span (1990-2016). The results suggest that total entrepreneurship have a positive impact on economic growth. Distinguishing between types of entrepreneurship, there is clear evidence that opportunity entrepreneurship fosters economic growth, whereas necessity entrepreneurship inhibits it. Interestingly, human capital tends to mitigate the negative impact of necessity entrepreneurship on economic growth. In the case of opportunity entrepreneurship, the direct positive impact observed is reduced in contexts characterized by high levels of human capital, which might reflect increased opportunity costs.
A proposed explanation for why business creation is often found to increase in recessions is that there are two components to entrepreneurship – “opportunity” and “necessity” – one of which is counter-cyclical. Although there is general agreement on the conceptual distinction between these two factors driving entrepreneurship, there is no consensus in the literature on empirical definitions. We propose an operational definition of opportunity versus necessity entrepreneurship based on the entrepreneur’s prior work status (i.e. based on previous unemployment) that is objective, and empirically feasible using many large, nationally representative datasets. We then validate the definitions with theory and empirical evidence. Using large, nationally representative datasets from the United States and Germany we find that 80-90 percent of entrepreneurs are opportunity entrepreneurs. Using our proposed definitions, we find that opportunity entrepreneurship is generally pro-cyclical and necessity entrepreneurship is strongly counter-cyclical both at the national levels and across local economic conditions. We also find that opportunity vs. necessity entrepreneurship is associated with the creation of more growth-oriented businesses. The operational definitions of opportunity and necessity entrepreneurship proposed here may provide a useful starting and comparison point for distinguishing between the two types of entrepreneurship in future research.
There are several environmental factors that can influence the likelihood of an individual to start a business. In this bachelor thesis, the impact of those factors is studied. This analysis is based on 69 countries from all over the world and uses cross-sectional data from the World Bank Data and Global Entrepreneurship Monitor. Some researchers (Doytch & Epperson, 2012; Shapero, 1978; Gibb & Ritchie, 1982) state that some factors such as an easy access to financing or a favourable internal market dynamics raise the desire to develop an idea meanwhile others hinder it, like the taxes that involve the whole process together (Baliamoune-Lutz & Garello, 2011). Focusing this research on the conceptual framework provided by the GEM, we analyse the dependence of the entrepreneurial intention on several factors such as financing, education, culture, market dynamics, entry regulation, government policy, R&D transfer and commercial and physical infrastructure. Empirical results are supported by graphs and regressions. Obtained results show that the inflation and education increase the creation of new firms, but taxes and procedures speed such as the registration of a property decrease it.
The research gives the first insight into the relationship between entrepreneurship and economic growth as well as the determinants of entrepreneurship in emerging countries. The variables are collected from two major sources namely Global Entrepreneurship Monitor (GEM) and World Bank (WB) for 13 emerging countries from 2002 to 2013. Due to the high correlation among World Governance’ indexes, the principle component analysis (PCA) is applied to create the only Governance Index as a proxy for institutions in general. The first lags of independent variables are added to the regression model because some policies seem not to be implemented immediately in the economy. Using fixed effects together with random effects model, the research indicates that entrepreneurship is positively related to economic growth. Moreover, public expenditure is considered as an important boost of entrepreneurship, while Governance Index has a negative impact on entrepreneurial activities due to the high ratio of informal self-employment in total businesses among these emerging countries.
COMPARATIVE ENTREPRENEURSHIP BETWEEN WESTERN EUROPE AND LATIN AMERICA

AUTHORS: Lopes J. Antunes H. Rodrigues R.G.

YEAR: 2018

PUBLICATION: Entrepreneurship Research Journal

TAGS: Latin America Europe SSCI

Considering the importance that entrepreneurship takes in the economies of most countries, the aim of this study was to compare two different geographical areas, studying the characteristics and variables of entrepreneurship that act as driving forces in the creation of new businesses. So, two locations from the Global Entrepreneurship Monitor (GEM) database were identified and categorized, namely Latin America (LA) and Western Europe (WE). Nine dimensions were selected, in order to test and clarify distinguishing patterns in these two locations in terms of entrepreneurial propensity.

We used a quantitative methodology to analyze and verify 13 variables, using statistical techniques, in particular the tests of Kolmogorov-Smirnov, Mann-Whitney Test, T-test and ANOVA.

The results indicate that during the year of 2015 the population demonstrated bolder entrepreneurial characteristics in LA than in WE, however, statistically analyzing a set of variables indicated by the model, the WE countries show a higher mean value than in LA.

As a comparative study, we propose that the findings can be used as a starting point in formulating new government policies, in particular in these geographical areas, contributing to the development of the entrepreneurship field.

ACCESS ARTICLE
This article aims to gain a better understanding of the relationship between economic recession and entrepreneurship. The process of entrepreneurship, rather than the action itself, is a complex phenomenon, and such complexity surfaces when local context conditions worsen after an economic recession. This paper addresses the issue of how the likelihood of individuals to engage in the creation of new firms is affected by a recessionary climate. Furthermore, the study focuses on how the recession-driven shake-out effect varies across local contexts (i.e., sub-national regions). The case of Spain in the critical period of 2007–2010 is examined by using multilevel logistic mediation models on individual-level and sub-national region-level panel data. The results show that entrepreneurship shrinks during economic downturns, suggesting a pro-cyclical trend. A weaker perception by individuals of business opportunities resulting from the shake-out explains, to a large extent, the lower propensity to create firms during economic recession.
This paper attempts to fill the gap on the existing entrepreneurship literature by empirically testing the influence of two groups of individual-level factors (socio-economic, demographic and perceptual characteristics) and two groups of country-level factors (both formal and informal institutional measures and macroeconomic variables) on three stages of the entrepreneurial process. We analyze the interplay between individual and context factors in nascent, young and established entrepreneurs across 49 different countries, mixing data from different sources and applying multilevel binary logistic regression models. Our results show that entrepreneurial activities are male headed, irrespectively of the entrepreneurial stage of their activities, and that highly-educated entrepreneurs are more oriented to start up new ventures. The existence of a wider network of people involved in entrepreneurship contributes to updating information on new markets and opportunities, leading to a more accurate entrepreneurial decision. The level of development of a country constitutes an important determinant of entrepreneurship but also moderates the relationship between entrepreneurship and institutional factors. In more developed countries, individual characteristics may be still determinant factors shaping the decision to become an entrepreneur, although their magnitude may depend on the stage of the entrepreneurial process. Finally, the key to entrepreneurship for both more and less developed countries seems to be their fiscal systems: a fair tax system that actively fights tax evasion and corruption seems to be essential to reducing the economic pressure associated with the creation and survival of ventures.
Various research has identified that childhood characteristics have a significant relation on the individual's desirability and intention to become an entrepreneur. However, too little is known what relation those childhood factors have on the involvement in entrepreneurial activities and how previous significant relationships change when the factors are viewed as one entity. Therefore, the purpose of this study is to find out if the weighted sum of those factors have a significant relationship with the individual's actual involvement in entrepreneurial activities and the creation of new ventures. This study assessed with the help of a univariate analysis of variance and a sample of 103 individuals, obtained via online survey, which suggested childhood factors, namely, family business background, migration background, difficult childhood, frequent relocation and financial distress as the independent variables have the strongest relationship to the dependent variable individual's involvement in entrepreneurial activities and new ventures. The analysis revealed, when viewing the childhood factors as a unit, only migration background and financial distress have a significant positive relationship to the dependent variable, while the other independent variables show no scientific significant relation. This study contributes to the existing body of literature by bringing a new perspective and insights to the understanding of the origin regarding entrepreneurship and the individual's involvement. From a managerial perspective, the awareness that especially migration background and financial distress influence and shape the individual's character to become involved in starting his own business, gives evidence that governments need to develop policies and programmes to encourage and support children and their parents if they aim to increase their economic potential which also depends on increasing the percentage of entrepreneurial activities and new ventures in their country.
ENTREPRENEURSHIP AND THE INFORMAL ECONOMY: CHARACTERIZATION OF BUSINESS IN COLOMBIA, AN ANALYSIS FROM THE GLOBAL ENTREPRENEURSHIP MONITOR


YEAR:  2018

PUBLICATION:  Contemporary Engineering Sciences

TAGS:  Informal Economy Unemployment Competitiveness Colombia

The existence of informality in the economy has been attributed in large part to unemployment, since this scenario offers income opportunities that are not found in the formal sector; in turn, it has been stated that the reasons for unemployment are rooted in the limitations associated with low levels of education. On the other hand, globalization has been included among the causes, to the extent that people are not prepared to face this opening; and finally other economic factors have been inserted such as the regulation of the labor market and the size of the public sector, the exchange rate and the economic cycle. For this reason, and with the aim of analyzing the results of a critical documentary review that will provide reflections on the most interesting components, from economic monitoring sources such as the Global Entrepreneurship Monitor, we present the results of this review. The most representative results allow us to analyze the increase in informality and the most notorious effects that it has had on economic systems today.
The prevailing wisdom in the organizational literature is that spinouts by higher earning employees are more damaging to parent firms than spinouts by lower earning employees. Unfortunately, covenants not to compete (hereafter: non-competes) do not always discriminate between spinouts that could harm the parent firm and those that could help it. The greater human and financial capital of higher-earning employees permits them to overcome barriers created by non-competes. By contrast, lower earning employees may be effectively prevented from creating spinouts in the face of non-competes. In short, our study suggests that non-competes are not serving parent firms’ intended purpose of discouraging the spinouts by higher earning employees. Instead, they have an unintended consequence of mainly blocking the wrong types of spinouts—spinouts by lower earning employees, which may not harm the parent firms. In fact, these spinouts may actually help the parent firm, and could have a net positive economic and social effect on the economy and society, thereby helping improve lives and well-being of the common people through reducing unemployment and poverty. This is the first international study of the effect of non-compete agreements as all previous studies have been single-country (i.e., U.S.-based).
Disciplines such as business and economics often rely on the assumption of rationality when explaining complex human behaviours. However, growing evidence suggests that behaviour may concurrently be influenced by infectious microorganisms. The protozoan *Toxoplasma gondii* infects an estimated 2 billion people worldwide and has been linked to behavioural alterations in humans and other vertebrates. Here we integrate primary data from college students and business professionals with national-level information on cultural attitudes towards business to test the hypothesis that *T. gondii* infection influences individual- as well as societal-scale entrepreneurship activities. Using a saliva-based assay, we found that students (n = 1495) who tested IgG positive for *T. gondii* exposure were 1.4× more likely to major in business and 1.7× more likely to have an emphasis in 'management and entrepreneurship' over other business-related emphases. Among professionals attending entrepreneurship events, *T. gondii*-positive individuals were 1.8× more likely to have started their own business compared with other attendees (n = 197). Finally, after synthesizing and combining country-level databases on *T. gondii* infection from the past 25 years with the Global Entrepreneurship Monitor of entrepreneurial activity, we found that infection prevalence was a consistent, positive predictor of entrepreneurial activity and intentions at the national scale, regardless of whether previously identified economic covariates were included. Nations with higher infection also had a lower fraction of respondents citing ‘fear of failure’ in inhibiting new business ventures. While correlational, these results highlight the linkage between parasitic infection and complex human behaviours, including those relevant to business, entrepreneurship and economic productivity.
This article explores the extent to which income inequality and income mobility—both considered indicators of economic inequality and conditions of formal regulatory institutions—facilitate or constrain the emergence of social entrepreneurship. Using 77,983 individual-level responses obtained from the Global Entrepreneurship Monitor survey of 26 countries, and supplementing with country-level data obtained from the Global Competitiveness Report of the World Economic Forum, our results from multilevel analyses demonstrate that country-level income inequality increases the likelihood of individual-level engagement in social entrepreneurship, while income mobility decreases this likelihood. Further, income mobility negatively moderates the influence of income inequality on social entrepreneurship, such that the condition of low income mobility and high income inequality is a stronger predictor of social entrepreneurship. We discuss implications and limitations of our study, and we suggest avenues for future research.
THE INFLUENCE OF THE INSTITUTIONAL ENVIRONMENT ON YOUTH ENTREPRENEURIAL ACTIVITY

AUTHORS:  Pavel Z.

YEAR:  2018

PUBLICATION:  St Petersburg University Graduate School of Management

TAGS:  Institutions Youth Russia

ACCESS ARTICLE
The goal of the study is to evaluate factors that influence female entrepreneurship on different stages of running business in developed countries. In order to achieve the stated goal the author analyses theoretical background of female entrepreneurship. The extended overview of researches leads to formulation of integrated set of factors widely discussed in academic research: institutional and personal-related ones. Based on literature review the hypotheses are stated for each of the factor. To test the hypotheses the panel dataset was created for developed countries for 2011-2017. The data was collected from national experts survey and adult population survey of GEM. The quantitative analysis for panel data was applied. The OLS, random-effects, fixed-effects models were ran for total entrepreneurial activity stage and established business stage for female entrepreneurs. Based on the empirical results the study identified that on early stage of running a business cultural support, training and education, networking and service sector share have influence on female entrepreneurial activity, whereas for established business phase training and education and lack of finance are significant. Governmental support, lack of confidence and technological sector do not play a role at any stage. Additionally, the same models were ran for male entrepreneurial activity levels on both stages, showing similarity with female results in training and education, cultural support and service sector, other factors showed different results.

Theoretical and practical value of the research as well as potential measures to promote female entrepreneurship were discussed.
The objective of this research is to know which wellbeing indicators, such as work-life balance, educational level, income or job security, are related to the rate of female entrepreneurship in 29 OECD countries. In addition, these countries have been classified according to the motivation of the entrepreneur either by necessity or by opportunity. The empiric study is focused on 29 OECD countries covering the different geographic areas (Western Europe, Central and Eastern Europe, Middle East, etc.) Due to the fact that the sample is relatively small, it is essential to use a selective approach when selecting the causal conditions. To this end, fsQCA is the most appropriate methodology for such a small data set. A total of 5 variables have been used: an independent variable (female TEA ratio), and four dependent variables (work life balance, educational level, sustainable household income and job security). Data measuring female TEA ratio have been obtained from Global Entrepreneur Monitor (GEM in Global report, 2015) data base, while data measuring wellbeing dimensions were taken from the Better Life Index (OECD in How’s life? Measuring wellbeing, 2015, http://www.oecdbetterlifeindex.org). The results of this piece of research show that countries with high sustainable household income together with high level of education achieves high female entrepreneurship ratio with both, a good work-life balance (despite of a high unemployment probability), or a high labour-personal imbalance (in this latter, with a low probability of unemployment).
INSTITUTIONS, LOSS AVERSION, AND ENTREPRENEURIAL DYNAMICS: A CROSS-COUNTRY EVIDENCE

AUTHORS: Bachmann K. Eklund J.E. Peev E.

YEAR: 2018

PUBLICATION: CGEUI Network

TAGS: Perceptions Loss Aversion Risk Institutions

We examine how individual perceptions of loss aversion interact with country institutions and shape the entrepreneurial dynamics. We extend the previous corporate governance findings on economic entrenchment and performance by presenting evidence on the risk loss aversion interactions with (1) governmental institutions and (2) labour regulation, and their effects on entrepreneurship. Using longitudinal datasets our study tests four hypotheses about the institutional and individual effects on early stage entrepreneurial activities in 30 countries over the period 2001-2013. Our results challenge the prevailing “risk attitude-free” approach in comparative corporate governance research. We show the important role of loss aversion interaction with institutional reforms. We find that better country institutions have loss aversion mitigating effect. The effect of country institutions on total entrepreneurial activity TEA increases with the loss aversion, i.e. country institutions have a stronger impact on TEA when loss aversion is high. However, we also find that the impact of labour regulation on TEA decreases with loss aversion. When people are loss averse, stronger labour regulation is associated with less TEA. Our study has important implications for evidence based policy making presenting results about the possible opposite effects of country governance and labor regulation changes on entrepreneurship.
Despite some significant enterprise initiatives, relatively little is known about the level, pattern and distribution of entrepreneurship in Lebanon. Whilst Lebanon is typically regarded as entrepreneurial, and there is no shortage of Lebanese role models, there is a shortage of hard evidence about who are the entrepreneurs, and how the level of entrepreneurship varies by gender, across age groups, by level of educational attainment and by location. This paper will address these issues head-on, providing comprehensive survey data on the pattern of entrepreneurship across Lebanon and how that pattern is changing over time. However the paper will go beyond simply describing the level of entrepreneurship – it will also offer some evidence-based conjecture as to why that pattern is changing, and how policies may be adapted to encourage further growth. The research instrument for this evidence is the annual GEM survey of 2000+ adults in Lebanon, asking about their entrepreneurial activities, as well as their perceptions and demographics. In the past decade, Lebanon has participated in GEM in three years, (2009, 2015 & 2016), allowing patterns and trends to be established. The level of total early stage entrepreneurial activity, (TEA, or those actively starting or running a new business), increased from 15% in 2009 to 30% in 2015, before falling to 21% in 2016. However these averages are very blunt measures, which the detail of GEM allows to be unpicked. There are reasons to expect the level of TEA to have increased fastest in young people, given the emphasis on enterprise education and growth in entrepreneurial finance for hi-technology start-ups. There is some evidence for this – between 2009 and 2015, TEA for 18-24 year olds increased from 10% to 27%, before falling to 19% in 2016 – still almost twice the level of 2009. However, TEA for 45-54 year olds almost trebled between 2009 and 2015, (from 11% to 31%), before falling to 15% in 2016. In 2009, 45-54 year olds had been more entrepreneurial than 18-24 year olds. By 2016 this had reversed, with the younger age group being almost a third more likely to be starting or running a new business than the older age group. This paper will explore a number of key relationships with entrepreneurship, testing changes for their statistical significance and using results to develop evidence-based recommendations for the development of early-stage
entrepreneurship in Lebanon.
The purpose of this paper is to assess the nature of relative female entrepreneurship in the contemporary Middle East, using data from the seven Middle Eastern countries that participated in the GEM Consortium in 2016 (GEM Global Report, 2016). This data will show that while some of these countries are approaching parity in terms of gender shares in new business start-up's, in others the rate of female early stage entrepreneurship is a half or even less of the rate for males. Interestingly it is the richer Middle Eastern countries that are closest to parity, even though this includes some of the traditionally more conservative and patriarchal Gulf countries. There are important lessons for the development of policy here – some countries are foregoing substantial opportunities to increase the pool of new female-owned businesses and their subsequent economic development impacts. The data analysis will include statistical tests for significant differences between countries, and will introduce a new methodology for comparing the ratios of sample proportions. The literature on entrepreneurship evidences a continuing debate on the nature of female early-stage entrepreneurial activity, and whether female owned and run businesses grow more slowly and are less profitable than male owned businesses, (see for example Minniti and Naude 2010 & 2011). While GEM data says little about the actual performance of new businesses, that performance may be closely related to the plans and expectations of the entrepreneur, an area that is specifically addressed by GEM. Hence this paper will assess differences in attitudes and expectations by gender, including job creation and international orientation, as well as differences in opportunity and necessity entrepreneurship. The paper will conclude with some lessons for policy development.
ENTREPRENEURSHIP EDUCATION AND RESEARCH IN THE MIDDLE EAST AND NORTH AFRICA (MENA): PERSPECTIVES ON TRENDS, POLICY AND EDUCATIONAL ENVIRONMENT

AUTHORS: Faghih N. Zali M.R.

YEAR: 2018

PUBLICATION: Springer International Publishing

TAGS: Education and Training Middle East and North Africa

Nowadays, entrepreneurship, as an important economic and social phenomenon and as a contemporary discipline, has been studied and researched in both developed and developing countries, among policymakers and academic researchers (Fayolle and Gailly 2008). Peter Drucker, a well-known Entrepreneurship and Management guru, has said, “Entrepreneurship is not magic, it is not mysterious, and it has nothing to do with genes. It is a discipline and like any discipline, it can be learned” (Drucker 1985; Valerio et al. 2014).

ACCESS ARTICLE
Since the time of Schumpeter, entrepreneurship has been strongly associated with positive economic development. His primary contribution stems from his core theory that `entrepreneurship is the engine of national economic growth'. But not all entrepreneurship creates a positive impact on the economy. Thus, it is important to develop a deep understanding of the business climate that leads entrepreneurial activity to foster economic growth. This article delves into the role of human capital (HC) and corruption (CPI) in developing the type of entrepreneurial climate that leads to economic growth. Using data gathered from the Global Entrepreneurship Monitor (GEM), the World Bank and various NGO data sites, this article conducts an empirical investigation of the impact of human capital (HC) and corruption (CPI) on the overall level of the total entrepreneurial activity (TEA) and follows this by further studying the impact of these antecedent factors on the disaggregated levels of total entrepreneurial activity; opportunity-motivated entrepreneurial activity (OME) and necessity-motivated entrepreneurial activity (NME).
This paper analyzes opportunity entrepreneurship through the interplay between formal and informal institutions. It seems evident that not all entrepreneurial initiatives have the same quality, thus the goal of a society should be to encourage the activities that best contribute to innovation and value generation. We theorize that informal institutions are contingent to the formal institutional environment where the new ventures operate. Our empirical results, using GEM data, confirm that, in countries with a more individualistic orientation, the relationship between formal institutions and opportunity entrepreneurship is more intense, as happens in societies with lower levels of uncertainty avoidance.
Intentions influence behaviours and, consequently, individual and organizational outcomes. The ability to understand intentions becomes a central issue. The objective of this study was to present and test an Entrepreneurial Intentions (EI) model. Drawing on a generally utilized paradigm, the theory of planned behaviour and Shapiro’s model of the entrepreneurial event, we show the impact of individual and contextual factors on intention development. Relying on the Global Entrepreneurship Monitor (GEM) data, we test an EI conceptual model. The EI conceptual model is tested using the GEM dataset from over 30 countries and 3 subgroups. All the variables of interest indicate positive and significant effects on EI. Our results indicate that EI is influenced by perceived opportunity, perceived capability and government support and policy.
Purpose
The main concern of policymakers is to avoid the problems resulting from the economic crisis. One way to avoid these problems is to stimulate economic growth, as well as the economic activity, needed to reduce unemployment and increase well-being. Recent academic literature shows entrepreneurship as a key factor to increase economic growth, so it is important to understand a set of concepts related to this topic and their relevance to the economic growth of these firms. The purpose of this paper is to analyse some concepts about public policies associated with entrepreneurship and the internationalization processes of firms.

Design/methodology/approach
The findings result from a number of multivariate techniques based on the Global Entrepreneurship Monitor 2012 survey.

Findings
The data allowed calculating a coherence index that shows that respondents tend to associate the different responses, which suggests that there is a reputation effect when experts evaluate public policies.

Research limitations/implications
This paper takes advantages of one of the GEM limitations, i.e. data refer to perceptions, rather than on real data, to explore how different countries see a more or less dispersed perception of public policies effectiveness.
Practical implications

This paper informs policymaking and sheds light into the importance of building on a reputation to make policies more effective.

Originality/value

The coherence index developed in this paper is an original contribution, based on the dispersion of experts' perceptions on the effectiveness of public policies.
Social entrepreneurs start ventures to tackle social problems, and these ventures have the potential to outperform other social service providers in welfare states. We leverage theories of legitimacy and Varieties of Capitalism to examine national experts’ (N = 361) assessments of the efficiency of social enterprises relative to state and civil society. Our multilevel analysis across 11 welfare states shows that social enterprises are perceived as a more efficient solution to social problems when a liberal or socialist logic dominates a given state’s market coordination and social welfare provision. However, when institutional logics are in conflict, the assigned legitimacy of social entrepreneurship is diminished.
ENTREPRENEURIAL UNIVERSITIES AS DETERMINANTS OF TECHNOLOGY ENTREPRENEURSHIP


YEAR: 2018

PUBLICATION: Entrepreneurial Universities

TAGS: Technology Entrepreneurship Education and Training Spinouts

Entrepreneurial universities as determinants of technology entrepreneurship

ACCESS ARTICLE
Purpose

The current literature has not made any connection between foreign aid and entrepreneurship. The purpose of this paper is to investigate if foreign aid influences entrepreneurial activities in a recipient country.

Design/methodology/approach

Using system generalized method of moments (Blundell and Bond, 1998) estimators with a panel of 38 recipient countries during 2005–2014, the author tests for 33 measures of entrepreneurial activities.

Findings

This paper finds that aggregate aid tends to only boost necessity-driven early-stage entrepreneurship and benefit low-income entrepreneurs. Aid to infrastructure promotes entrepreneurship driven by both opportunity and necessity motivations. It also incentivizes competition with homogeneous products. Additionally, evidence suggests that both aggregate aid and infrastructural aid discourage adoption of state-of-the-art technologies, raise business failure rate and are associated more with necessity-driven early-stage entrepreneurial activities for females.

Originality/value

This is the first research examining “aid and entrepreneurship” relation.
We examine how country-level institutional context moderates the relationship between three socio-cognitive traits—entrepreneurial self-efficacy, alertness to perceived business opportunities, and fear of failure—and entrepreneurial action. To do this, we blend social cognitive theory (SCT) with institutional theory to develop a multi-level model of entrepreneurial entry. We merge data from the Global Entrepreneurship Monitor (GEM) surveys and the Economic Freedom of the World (EFW) index for 45 countries from 2002 to 2012. Our results, which are based on a multilevel fixed-effects model, suggest that entrepreneurs’ self-efficacy and alertness to perceived opportunities promote entrepreneurial action while fear of failure discourage it. However, the strength of these relationships depends on the institutional context, with entrepreneurial self-efficacy and alertness substantially more likely to lead to new ventures in countries with higher levels of economic freedom. These results suggest that economic freedom not only channels individual efforts to productive entrepreneurial activities, but also affects the extent to which individuals’ socio-cognitive resources are mobilized to encourage high-growth entrepreneurship.
Most of the nations forming the Eurozone are hoping to boost entrepreneurship as one of the leading elements for job creation, innovation, and wealth to overcome the economic crisis. However, the quality of the entrepreneurial activity changes when qualified initiatives tend to impact on the economic development, while non-vocational-driven entrepreneurship has a null or little impact on the economy. This research analyzes the average quality of the Eurozone entrepreneurial activity driven by innovation before and after an economic crisis. The primary results of this chapter are (1) the quality of the entrepreneurial activity increases when there is a public-private collaboration to foster entrepreneurship, and (2) long-term unemployment generates necessity entrepreneurship and diminishes entrepreneurial quality.
Purpose

The purpose of this paper is to identify the impact of features of personality such as self-confidence and fear of failure on the entrepreneurial orientation (EO) of university students enrolled on entrepreneurial education courses.

Design/methodology/approach

Variables related to risk-taking, innovativeness, proactiveness, as well as those related to self-confidence and fear of failure, are taken into account. Using linear regression, the authors investigate how self-confidence and fear of failure affect the EO of university students.

Findings

As pointed out by results, both self-confidence and fear of failure are determinants of the EO of university students. Self-confidence has a positive and consistent effect on the three dimensions of EO, whereas fear of failure has a negative effect on EO.

Research limitations/implications

It is not possible to assure that, in the medium and long term, individuals more prone to taking risks, innovating and proactivity will in fact become entrepreneurs. Also, even though it does not affect the relevance of the findings, it must be highlighted that this study has been carried out with a specific sample of students and results may vary in different contexts.
Originality/value

This study offers a new insight relating individual’s self-perceptions and their impact on EO. Equally important, the findings of this paper offer relevant information for the design of academic programs aimed at strengthening students’ personal aspects to promote self-confidence and tolerance to fear of failure as predictors of the EO in this collective.
The purpose of this research is to explore why SME owners use web-based technologies (social media) in their daily work and how this use influences their individual performance in the SME. Drawing on the theoretical insight of cognitive psychology, the process model of absorptive capacity, literature on web-based technologies, literature on business management and strategy, the technology acceptance model (TAM) (Davis, Bagozzi & Warshaw 1989), and the unified theory of acceptance and use of technology (UTAUT) (Venkatesh, Thong & Xu 2012), the goals of this research are four-fold. First, establish past experience (PE), past related knowledge (PK), and cognition (COG) as being antecedents of individual absorptive capacity. Second, empirically test IAC at the individual level by showing influence on individual performance in the SME (IPSME). Third, introduce the term cognitive-influenced valuation (CV) from cognitive psychology to explain how it is the case that individual SME owners were willing to follow a technologically-enabled trend (WFTET). Empirical results show that CV is a significant motivator of learning in two ways: i) increased self-confidence on the part of individual SME owners when they have a good grasp of how to serve their clients well through use of social media and, ii) individual SME owners assign a high valuation to those things which motivate them to learn; motives are what drive SME owners’ willingness to follow a technologically-enabled trend. Last, introduce the term adaptive behaviors (AB) from business management and strategy to explain how individual SME owners adapted their use of social media from low or moderate to high centrality in order to use social media as a strategically viable business tool (VBT). Empirical results show that when individual SME owners want to be highly competitive as a business goal, then incorporating social media as a strategic business tool would assist them in achieving long-term enterprise success. The first innovative contribution of this thesis is the explanation of the construct absorptive capacity as being the development of the ability to absorb and exploit past experience and past related knowledge (behavior -- up to current) from the environment (Cohen & Levinthal 1990, 1989). Secondly, establish the antecedents of absorptive capacity as being past experience, past related knowledge, and cognition (learning -- up to the current moment) (Cohen & Levinthal 1990). Thirdly, this thesis
contributes to existing theory a conceptual framework based on the process perspective of Lane, Koka & Pathak (2006). This research demonstrates the conceptual connection between IAC and IPSME, which might in turn be influenced by WFTET and VBT. A mixed methods convergent exploratory strategy of inquiry is utilized to conduct quantitative and qualitative studies to engage directly with the individual SME owners to better understand why they make the choice to use social media in their everyday work lives and to explore how this use influences their individual performance in the SME. The statistical quantitative proxies were selected from the Global Entrepreneurship Monitor (GEM) Adult Population Survey of SME owners’ attitudinal and behavioral choices involving their willingness to try new/existing social media to improve their working life (UK only: n=169,280). A qualitative study was conducted of SME owners. The data for this study were collected from one-to-one semi-structured interviews using theoretical concepts from TAM (Davis et al. 1989), TAM2 (Venkatesh & Davis 2000), and UTAUT2 (Venkatesh, Thong & Xu 2012) to guide the interview process (UK only: n=50). The collected data were analysed through the lens of content analysis. Three case studies explore the reason(s) for five SME owners’ use of social media in their everyday work lives. The first limitation of this study is the small sample size and the locus of this study being County Kent, UK, where a larger sample size and/or a larger collection radius would yield additional comparative data. Future research including these factors would be beneficial. Secondly, a striking feature of this study has been the lack of correlation between the quantitative data and the qualitative data, which could be addressed by the above, as well. Future research with greater correlation between research focus and subject matter would also be beneficial and yield additional areas of theoretical development. The outcomes of this research confirm that in the context of SME owners in the UK using social media in their daily work lives, they assign a high value to the drive for continuous learning, goal setting, and successful project outcomes. In a much broader more general context, learning for any individual, regardless of the organizational size, is very important and the drive for it is likely no different from any place else. Lastly, in each instance of goal setting and project execution, individual SME owners will select the most useful tool from their social media option.
The Arab world is at a critical juncture. Ambitious economic and social reforms bring great economic promise to the region and at the same time we continue to see fragility and persisting inequalities that can potentially erode social cohesion. Within a rapidly changing geopolitical landscape, the world is moving from a unipolar system of governance toward a multipolar and multi-conceptual order grounded in competing sets of values and precarious friction points. In this context, much of the hope in the region rests on the imperative of constructing a social contract between the population and the state that is based on a more competitive and open economy, with a dynamic and entrepreneurial private sector offering employment prospects for the region’s youth.
Small, Medium and Micro Enterprises (SMMEs) have been identified as a key component to advancing inclusive growth and development in South Africa. This paper serves to present a snapshot of the current profile of SMMEs in South Africa as well as the key inhibitors of growth for SMMEs. We provide a comparative perspective of the role of SMMEs and entrepreneurship in South Africa, then profile the current landscape of SMMEs in South Africa, evaluating the characteristics of SMMEs across three dimensions: firm, owner and employee characteristics. Following this, we distinguish between formal and informal SMMEs in order to highlight the unique nature of informality in South Africa. This paper also evaluates the endogenous and exogenous impediments to growth faced by South African SMMEs. Endogenous challenges are internal to the firm while exogenous challenges are external to the firm. In summarising these findings, we present the major challenges inhibiting the growth of SMMEs in South Africa, taking into account firm heterogeneity in terms of both firm size and informality status.
The aim of this paper is to examine differences in entrepreneurship attitudes between Northern African countries and Northern Mediterranean (Southern European) countries using CHAID regression trees. While entrepreneurship is a multifaceted phenomenon with different meanings, Global Entrepreneurship Monitor (GEM) measures and reports entrepreneurship as a new business activity with survey data for ages of 18-64 for many countries in the world. This paper studies business startups and total entrepreneurial activity between North and South Mediterranean countries. Asymmetries are found in the predictor importance of skills, knowing an entrepreneur, perceived opportunities and fear of failure. We also find gender does make a difference in entrepreneurial activities, especially for females in North Africa, where not knowing someone who started a business and not having the skill set are crucial setbacks.
This paper contributes to explain the persistence of differences in levels of entrepreneurship within and across countries. We provide an explanation based on the dynamic interplay between purposeful intergenerational transmission of preferences for entrepreneurship and public administration efficiency. Individuals vote on taxes, and the collected taxes fund the civil servants’ wages. The performance of the administration generating an efficient normative and regulatory environment, affects the success of entrepreneurship. We show that an economy can reach two different long-run equilibria: a traditional equilibrium, with a low proportion of entrepreneurs, high taxes and an inefficient administration and, an entrepreneurial equilibrium with a high proportion of entrepreneurs and, lower taxes but enough to implement an efficient administration. The equilibrium achieved depends on the tax policy followed by the different generations. If decisions are made by majority voting in a myopic way, then the initial conditions of the society become crucial. This result explains persistence: an economy evolves around similar levels of entrepreneurship unless some reforms are implemented.
This thesis aims to recombine existing strands of research dealing with social networks in the field of entrepreneurship and to analyse their interrelations with social-cognitive variables. Social-cognitive variables such as self-efficacy, fear of failure, outcome expectancies and satisfaction are considered to have a huge impact on multiple decisions and actions in the field of start-up and business venturing. However, the interplay of social networks and those variables has hardly received any attention in the scientific discourse. As little is known regarding the extent to which they are affected by the personal networks of the respective entrepreneurs, this thesis undertakes a variety of steps to further explore these gaps in entrepreneurship research. In order to do so, it adopts a broad perspective on ego-centred social networks in different institutional contexts and for different groups of entrepreneurs.
ENTREPRENEURIAL CAPABILITY (EC) ENVIRONMENT IN ASEAN-05 EMERGING ECONOMIES: AN EMPIRICAL APPROACH

AUTHORS: Afzal M.N.I. Mansur K. Manni U.H.

YEAR: 2018

PUBLICATION: Asia Pacific Journal of Innovation and Entrepreneurship

TAGS: Entrepreneurial Capacity Asia-Pacific Indonesia Malaysia Philippines Singapore Thailand Determinants Panel Studies Stochastic Frontier Analysis

Purpose

The entrepreneurial capability (EC) environment refers to the general social and economic settings of a given local/regional entrepreneurship environment. The primary purpose of this study is to uncover key indicators of the EC milieu and test these components empirically within the context of the Association of South East Asian Nations (ASEAN)-5 economies to elucidate the current state of their EC environments, at the regional and national levels. To this end, the aim of this study is twofold. First, this work endeavors to explicate the determinants of EC, with aims of elucidating its association to commercial opportunities in (ASEAN)-5 economies, namely, Indonesia, Malaysia, the Philippines, Singapore and Thailand. Next, this study applies the developed theory, including the identified determinants of EC to empirically test the efficiency and imperative coefficients of variables that have an impact on perceived entrepreneurial capabilities within a given environment.

Design/methodology/approach

This research applies two frontier models, namely, the consistent estimation of fixed-effects and linear transformation stochastic frontier models, to assess the coefficients of significant EC variables for the panel sample. Data corresponding to the assessed variables were retrieved from the databases of the Global Entrepreneurship Monitor (GEM) – 2016 and the World Competitiveness Yearbook (WCY) – 2016, for the period, 2010-2016.

Findings

The attained results suggest that factors corresponding to the variables “Entrepreneurship as a good career choice” and “perceived opportunities” have played a significantly positive role on the
EC environment of ASEAN 05, although findings suggest both factors may still be improved upon. Conversely, the “fear of failure rate” factor was shown to have exerted a negative impact on the efficiency of the EC environment of ASEAN 05. Other important variables – such as intellectual property rights, university education and knowledge transfer rate – were shown to generate a positive impact on the EC environment of these economies.

Originality/value

This study makes an important contribution to the entrepreneurship literature and can stimulate policymakers to rethink the EC settings of ASEAN-05 in their pursuit of an innovation-driven region.
Studying nascent entrepreneurship is highly relevant to modern society. However, it is not helpful for the economy if such entrepreneurship dies fast in the market. For this reason, it is pertinent to analyze the factors that affect the life expectancy of entrepreneurship. This work evaluates the success of entrepreneurships in Costa Rica using data from The Global Entrepreneurship Monitor (GEM) for the following years: 2010, 2012 and 2014. A Probit model was used for the estimation, which defines the age of the company as a dependent variable, and the characteristics of the entrepreneurs as explanatory variables. It was found that successful entrepreneurs displayed the following statistically significant characteristics: men of mature age, with fear of failure, whose companies use updated technology, whose clients consider their products as non-novel, and located far from the Central region of the country. Additionally, the results showed the factors that affect nascent entrepreneurs are not decisive for its success. The above suggests that the entrepreneurship success requires two phases. First, an initial stage, in which the factors of its birth do not ensure its survival. Second, a long-term phase for the entrepreneurship consolidation, in which deeper capacities as technology, clientele, and experience are required.
Scientific mobility can stimulate entrepreneurship and intrapreneurship, acting as a catalyst for reducing imbalances between local and global science and the resulting socio-economic damage. This study evaluates both whether scientific mobility effectively promotes these concepts and the fundamental reasons to articulate effective policies for scientific mobility. Toward this end, a survey has been prepared following the methodology of *Global Entrepreneurship Monitor* (GEM) and current scientific literature. A total of 364 researchers involved in Spanish scientific mobility took part in the study: Spanish scientists abroad (135) and scientists returned to Spain (52), as mobile groups, and young researchers in Spain (177), as a group of scientists who could go abroad, but that have not yet begun to leave. The results demonstrate that scientific mobility does promote entrepreneurship and, especially intrapreneurship. Moreover, since permanent positions are scarce for these groups and their mobility decisions largely depend on job opportunities, the involved Spanish authorities and agents can improve scientific mobility by means suitable policies that make the most of this potential to the benefit of economic growth and job creation.
LEADERSHIP AS A DRIVER OF ENTREPRENEURSHIP: AN INTERNATIONAL EXPLORATORY STUDY

AUTHORS: Felix C. Aparicio S. Urbano D.

YEAR: 2018

PUBLICATION: Journal of Small Business and Enterprise Development

TAGS: Leadership Institutions Cultural Factors

Purpose – The purpose of this paper is to examine the influence of cultural leadership factors (charismatic/value-based, team oriented, participative, humane, autonomous and self-protective) on the rates of opportunity and necessity entrepreneurship. Design/methodology/approach – The study integrates insights from institutional and cultural leadership theories to provide a fresh perspective to advance comparative entrepreneurship research. To test the hypotheses, the authors conduct a multiple regression analysis with observations from 34 countries, using data (from the year 2013) from the Global Entrepreneurship Monitor for the dependent variable and from Global Leadership and Organizational Behavior Effectiveness to create leadership factors as independent variables. Findings – The results show that all the types of leadership considered in the study have a relevant effect on entrepreneurial activity. However, charismatic leadership has a greater effect on entrepreneurial activity, particularly on opportunity entrepreneurship. The research also shows that autonomous leadership has a negative impact on entrepreneurial activity, although, when it is moderated by the humane dimension, this relationship changes. Practical implications – Since the alternative dimensions facilitate or inhibit the generation of new firm creation, it is critical for researchers, teachers and leaders to learn about and to foster such leadership types. Originality/value – This research covers a gap in the cross-cultural evidence presented in the literature and suggests the integration of the concepts leadership and entrepreneurship.
The major endeavor of this research paper is to assessing the impact of Social and Demographic Factors on Female Entrepreneurial Intention in Pakistan because women constitute 50% of the population of Pakistan. Data for research paper was acquired from the database of GEM 2012 APS Global Individual Level. The female entrepreneurial intention was a dependent variable while demographic perceptions, Socio-cultural perceptions, Individual perceptions, and Perceptions of economic opportunities were independent variables. Four logistic regressions were employed to test ten hypotheses. Model 01 revels that the role model and self-efficacy have a significant and positive effect on EIIs while, surprisingly, fear of failure was also found significant predictor of female entrepreneurship in Pakistan. The results of Role model, Self-efficacy and Perception of Economic Opportunities are positive and significant predictors of EIIs among females. From Socio-Cultural Perceptions, Career Choice and News in Media have a negative and insignificant relation with EIIs while, status and Respect perception has been found strong predictors of EIIs among Pakistani females. Model 4 includes demographic variables of age, occupation and education. All perceptions (age, education and occupation) have negative impact on female EIIs. In order to promote female EIIs, the Government of Pakistan has to play an instrumental role in promoting entrepreneurial environment in country. In this connection, female-specific training programs, business support centers, promoting successful female entrepreneurs through print and electronic media are some common areas where GoP can work, and finally, making a conducive environment when females can run their business indecently.
Exploring and conceptualizing different aspects of entrepreneurship is a top priority of policymakers at present days. Importance of entrepreneurial research is increasing day by day in the present complex and changing business environment. In this regard, it has become absolutely pertinent to re-examine the mechanism of interaction between environment and personality in the entrepreneurial ecosystem to understand its impact on entrepreneurial development on MSME perspectives. Perfect interaction of personality characteristics with institutional variables can lead towards sustainable development. Significant personality characteristics or optimum business environment can’t alone make any difference. It is the magnitude of proper interaction between them which can increase the resultant vector in many folds. An attempt has been made in this paper to identify the significant interaction variables that can create impact during different entrepreneurial growth stages. The research is of a dynamic and multiregional structure and was conducted on the target sample based on the longitudinal study of GEDI (Global Entrepreneurship Development Institute report) report 2012-2016. The study confirms that interaction within the ecosystem is complex as well as different in nature for different stages of business. The present study also explores the intricate situation and developed a suitable model for each stage of business development. The most notable part of this study is considering the heteroscedasticity and autocorrelation of the data. Panel Corrected Standard Error (PCSE) model has been used in our paper. The analysis of the present study indicates the positive and negative interaction variables for each stage of business development that can be used for policy making considering the present situation of the country.
This study explores the impact of institutional factors that facilitate the likelihood of starting social enterprises. Based on the GEM 2009 dataset, we investigate the effect of economic development, government effectiveness, and economic freedom on early-stage social entrepreneurship. Using the method of logistic regression analysis, the study found a U-shaped relationship between economic development and probability of starting social enterprises. It also reveals that better-developed government policies, their successful implementation, and free economic conditions, enhance the chances of starting social enterprises in the most developed, innovation-driven economies, but have no effect in efficiency-driven economies. The results provide support for economic development theories of early-stage entrepreneurship. In addition, the interdependence and free market theories are supported in innovation-driven economies. Besides theoretical contributions, the research highlights the use of a new individual-level measure of early-stage social entrepreneurs, which enables controlling for other individual-level characteristics.
Besides the moral considerations, the rationale for the fight against corruption is built on its economic, social, and political effects. The positive or negative nature of these effects is controversial, at least among economists. Some authors argue that corruption may be beneficial, “greasing-the-wheels” when bureaucracy is inefficient or regulation is too burdensome. Other authors argue that while corruption can grease the wheels at the microeconomic level, it ends up “sanding the wheels” at the macroeconomic level through spillovers and externalities among economic activities. The economic effects of corruption concern growth, physical and human capital formation, productivity, infrastructure, international trade, and FDI. The non-economic effects of corruption concern the provision of health care and education services, safety and security, environment, electoral participation, and confidence in public institutions.
Because of its potentially decisive role on regional development, the revitalization of manufacturing sectors has become a top priority for policy makers within the European Union. Recent scholarly contributions suggest that the interaction between manufacturing and knowledge-intensive business service (KIBS) businesses have the potential to generate positive outcomes, in terms of economic, employment and other social metrics in the focal territory. This process has been referred to as territorial servitization. The role of KIBS firms in promoting regional performance has been echoed by several supranational organizations and scientific studies; however, not all types of KIBS firms are equally important in facilitating regional manufacturing performance. This work focuses on two elements related to territorial servitization processes. First, I analyze how regional manufacturing characteristics—i.e., specialization and size of new manufacturers—and the entrepreneurial ecosystem—contextual factors driving entrepreneurial actions—impact the creation of knowledge-intensive business service (KIBS) businesses at the regional level. Second, I scrutinize the potential impact of different types of KIBS businesses—distinguishing between technology-based (t-KIBS) and professional (p-KIBS) KIBS firms—on regional manufacturing productivity, measured as the gross value added of manufacturing businesses divided by employment in manufacturing businesses. In the empirical analyses, I use a dataset of 121 regions located in 24 countries of the European Union. To account for the geographic embeddedness of the analyzed European regions, I employ spatial econometric methods. These methods allow to differentiate regional (local) and external effects (linked to adjacent territories), and to accurately test the proposed hypotheses. More concretely, I apply spatial Durbin cross-section models to quantify both spillover effects stemming from neighboring regions (diversity effects), vi and relationships between the dependent variable in the specific region and its adjacent regions. The spatial analysis of the 121 regions suggests that regions with a solid manufacturing base attract new KIBS firms; however, this effect is conditioned by the prevalence of a healthy regional entrepreneurial ecosystem. Additionally, the results show a positive effect of KIBS sectors on the economic contribution of manufacturers; however, they reveal
a stronger and positive relationship with the rate of technological KIBS businesses in the same region. The study offers valuable policy implications on how to implement policies that contribute to improve regional manufacturing performance.
INVESTIGATING THE INFLUENCE OF SOCIAL NETWORK ON ENTREPRENEURIAL PERFORMANCE: DOES KNOWLEDGE ECONOMY MATTER?

AUTHORS: Alizadeh M. Barazandeh M.

YEAR: 2018

PUBLICATION: 4th International Conference on Entrepreneurship

TAGS: Social Capital Networks Middle East and North Africa Knowledge Economy

Entrepreneurial performance has gained popularity among studies during recent years. Its interplay with many economic and non-economic variables also has been assessed in literature. Social networks are among those variables with which entrepreneurial performance is considered to have a statistical relationship. In this study, we considered the role of knowledge intensity of societies as a moderating factor in the relationship between social networks and entrepreneurial performance. Participants from selected Middle East and North Africa (MENA) countries surveyed based on Global Entrepreneurship Monitor (GEM) data. Validity and Reliability indexes for Constructs assessed and results supported the tool's technical viability. Results show that Social Networks play an important role in gaining better entrepreneurial performance results. Findings of this study also supported the moderating role of Knowledge intensity of society in the relationship of Social networks and entrepreneurial performance.
THE INTERPLAY BETWEEN INDIVIDUAL VALUES, CULTURE AND INSTITUTIONS IN EXPLAINING ENTREPRENEURSHIP

AUTHORS: Morales C.

YEAR: 2018

PUBLICATION: Humboldt University of Berlin

TAGS: Individual Values National Culture Cultural Factors Institutions

In this research, I aim to contribute to the understanding of the multilevel nature of entrepreneurship by proposing and empirically testing a person-context interaction model of entrepreneurship that specifies the institutional setting and the cultural orientations under which individual values explain entrepreneurship, i.e. examining how the role of individual values on entrepreneurship is contingent upon countries’ institutions and culture.

ACCESS ARTICLE
Entrepreneurship has been pointed out as a key contributor to sustained economic growth and development as it not only creates employment, but increased spending in markets, knowledge transfers, employment and innovation. However, very few studies exist that empirically measures the relationship between the three variables; economic growth, economic development and entrepreneurship. Therefore, the purpose of this study is to determine and highlight the importance of entrepreneurship as a contributing factor to economic growth and development. Traditionally, economic growth is measured by the gross domestic product (GDP) of a country. As no formal measurement of economic development exists, an index was created taking into consideration the Human Development Index (HDI), percentage population above the poverty line and employment rate. The entrepreneurship development variable is measured by the Total Early-Stage Entrepreneurial Activity (TEA). The study followed a quantitative research design and made use of secondary time series data with the sample period ranging from 2005 to 2016. The study area comprised five selected member states of the European Union (EU) which included Germany, the Netherlands, Hungary, Belgium and Poland. Findings suggest that economic growth, development and entrepreneurship seem to be inexplicably connected. As several other factors may also contribute to the fluctuations of economic growth and development results differed from one country to another. However, the analyses from the Dutch, Hungarian and Polish economies for the period under consideration reveal correspondingly healthy economic and social environments where entrepreneurial climates are flourishing. The analysis from Germany and Belgium, however reveal subdued entrepreneurial development. Based on these findings, it is recommended that the development of SME sectors especially in transition economies be centralised as important focus areas towards improving economic and social growth outlooks. In turn, policy stakeholders should
ensure the creation of enabling environments structured around responsive micro and macro decision-making.
The original global entrepreneurship monitor model predicts that the business activity at the national level varies with the general national framework conditions, while entrepreneurial activity varies with the entrepreneurial framework conditions (Reynolds et al., 2005). The aim of the national expert survey is to provide a general diagnostic approach to the entrepreneurship institutions that can be applied to any territorial level: as nation, region, city or others. It selects a representative sample of experts and asks them to make valuations on the target territory, using questionnaires. The global entrepreneurship monitor also provides the total early-stage entrepreneurship activity for the studied countries which is the percent of working age population both about to start an entrepreneurial activity, and that have started one from a maximum of three years and half. Therefore, this paper examines data collected from the Global Entrepreneurship Monitor 2011 National Expert Survey Global Individual Level Data in order to assess the impact of the environmental variables on entrepreneurship. Results show that the variables entrepreneurial level of education at vocational, professional, college and university, research and development level of transference, physical infrastructures and services access and cultural, social norms and society support, have more impact in the total early-stage entrepreneurship activity.
The main purpose of this paper is to explore the antecedents of export-oriented entrepreneurship in Greece at times of crisis using micro-level data from the Global Entrepreneurship Monitor annual surveys (2008–2014). Such antecedents refer to the demographic characteristics, perceptions, and dynamism of entrepreneurs. The findings of this study suggest that innovativeness drives the export activity of entrepreneurs in the initial and the more recent years of the economic crisis. Fear of failure and necessity motives appear to matter at the beginning of the crisis, whereas education is found to play a crucial role for international entrepreneurship as the crisis deepens.
Purpose

The purpose of this paper is to analyze whether business owners that simultaneously demonstrate past entrepreneurial experience and process agility have greater export propensity levels.

Design/methodology/approach

The proposed hypotheses are tested using binary choice models relating past entrepreneurial experience and reported process agility on a unique sample of 246 Catalan business owners for the year 2010.

Findings

Consistent with the theoretical arguments on the relevance of generative-based cognitive agility, the results of this paper reveal that serial entrepreneurs demonstrate a greater export propensity. Additionally, the authors found that serial entrepreneurs who also demonstrate process agility show superior export propensity levels, compared to the group of business owners outside this ambidextrous group (first-time business owners without process agility).

Research limitations/implications

The findings of this study indicate that traits characterizing international marketing agility, decisional speed and accuracy are also linked with greater export propensity levels. The added export market expansion resulting from the opportunity responsiveness of serial entrepreneurs is found to be amplified by the accuracy of internal adaptation capabilities of process agility.
Practical implications

Therefore, the promotion of ambidextrous strategic agility coming from the complementarities between the benefits of entrepreneurial experience and adaptive process abilities is essential for increasing businesses’ internationalization.

Originality/value

The paper contributes to the literature by further exploring the influence of different sources of agility on the internationalization of entrepreneurial ventures and opens a link between entrepreneurs prone toward export market expansion and international marketing agility.
New venture creation is a complicated, idiosyncratic process that starts with an individual's ambition to exploit an opportunity and involves putting together resources to create value from the opportunity. During this journey, some entrepreneurs can initiate a new venture while others never exploit the discovered opportunity. Additionally, while many new ventures deploy the same resources, some entrepreneurial ventures are successful whereas others barely break even. Although extant literature acknowledges the importance of new venture creation, nonetheless, various drivers of innovative new ventures and factors facilitating the success of such ventures remain understudied. Given this gap in the literature, the first essay sheds light on drivers of innovative entrepreneurship, as the most productive type of entrepreneurship. Using a sample of 29,000 entrepreneurs in 62 countries, Essay 1 employs a multi-level model to investigate how entrepreneurs' ability, motivation, and opportunity recognition (AMO) and their interaction with national institutions result in innovative new venture formation. Findings indicate that institutional voids appear to facilitate or hinder the human capital, opportunity actualization motivation, and opportunity seeking of founders of innovative, opportunity-based ventures. Essay 2, breaks new ground by examining entrepreneurial resource management strategies using a configurational approach. Building on a fuzzy-set analysis of more than 500 new ventures in the U.S., our research identifies five distinct configurations of resource structuring, bundling, and leveraging that collectively explain the profitability of entrepreneurial firms operating within both dynamic and stable industries. Results aim to uncover different resource management pathways that lead to the establishment of successful new ventures. Further, by illustrating that there are multiple successful paths that entrepreneurs can take, the findings indicate the equifinality of resource management strategies.
Hypotheses have been developed grounded in the entrepreneurship and economic development literature to explain how remittance is related to necessity or opportunity based entrepreneurial activities. Using data covering thirty countries from 2001 to 2009, found that remittance is positively related to necessity-based entrepreneurial activities, and negatively related to opportunity-based entrepreneurship. The findings, which should be of interest to both academic and policy makers, suggest that remittance is a valuable source of funding for entrepreneurs lacking employment opportunities, but the opposite is true for those pursuing entrepreneurship as one among other employment options.
This study introduces a human empowerment framework to better understand why some businesses are more socially oriented than others in their policies and activities. Building on Welzel's theory of emancipation, we argue that human empowerment—comprised of four components: action resources, emancipative values, social movement activity, and civic entitlements—enables, motivates, and entitles individuals to pursue social goals for their businesses. Using a sample of over 15,000 entrepreneurs from 43 countries, we report strong empirical evidence for two ecological effects of the framework components on prosociality. We find that human empowerment (1) lifts entrepreneurs' willingness to choose a social orientation for their business, and (2) reinforces the gender effect on prosociality in business activity. We discuss the human empowerment framework's added value in understanding how modernization processes fully leverage the potential of social business activities for societies.
CAN ENTREPRENEURIAL ROLE MODELS ALLEVIATE THE FEAR OF ENTREPRENEURIAL FAILURE?

AUTHORS: Ferreto E. Lafuente E. Leiva J.C.

YEAR: 2018

PUBLICATION: International Journal of Business Environment

TAGS: Fear of Failure Role Models Costa Rica

This paper analyses how entrepreneurial role models alleviate the fear of entrepreneurial failure among people who are not yet involved in entrepreneurial activities. The proposed hypothesis are tested using a logistic regression model relating the presence of entrepreneurial role models and fear of failure on a unique sample drawn from the Costa Rica Global Entrepreneurship Monitor (GEM) for the year 2014. The findings of the study reveal that the presence of entrepreneurial examples reduces the fear of failure among non-entrepreneurially active individuals. This study offers insights on how entrepreneurial examples contribute to shape relevant individual perceptions related to the fear of entrepreneurial failure, which constitutes an antecedent of entrepreneurship.

ACCESS ARTICLE
Purpose

The purpose of this paper is to find out the extent to which governments of the Gulf Cooperation Council (GCC) countries play a moderating role in the relationship between entrepreneurship and economic growth.

Design/methodology/approach

The study uses a 10-year time series (2006-2015) for six GCC countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates. Secondary sources of data were collected from The World Bank database, general available statistics on the GCC, the Global Entrepreneurship Index from the Global Entrepreneurship and Development Institute (GEDI) and the Global Entrepreneurship Monitor (GEM) database.

Findings

Results indicate that governmental support has a significant moderating effect on the relationship between entrepreneurship and economic growth in the GCC. Furthermore, the strongest indicators of entrepreneurial investments in the Gulf have been found to be risk capital and high growth, which indicate a rapid growth in entrepreneurial investments. The lowest scoring indicators were found to be technology absorption and innovation process.

Research limitations/implications

Despite the necessary measures taken to assure standard results such as testing data validity, care
should be taken when generalizing the research results mainly because the time series of the study (2006-2015) could have been affected by the International and Financial Crisis, though the study has taken this into consideration.

Originality/value

This study has clarified the significant role of GCC governments in moderating the relationship between entrepreneurship and economic growth. Thus, the findings of this study are important because they help the GCC governments recognize their significant role and hence to utilize this role by supporting new and existing entrepreneurs particularly through regulatory quality, risk capital, technology absorption and process innovation. Furthermore, this study proves the extent to which entrepreneurship can help enhance the GCC economic growth, hence elaborating the importance of the sustainable resource, such as the human capital, in achieving diversification of sources to move from an oil-based to a more diversified economy.
Purpose

This paper aims to improve upon the initial quantitative assessment of Kerlin’s macro-institutional social enterprise (MISE) framework (Monroe-White et al., 2015) to test for the effect of country-level institutions on the social enterprise sector. Major improvements are the inclusion of the civil society variable and expansion of the culture component in the analysis.

Design/methodology/approach

By following Kerlin’s (2013) original work that draws on the theory of historical institutionalism, this paper employs multi-level regression analysis to test the effect of country-level institutional factors on organizational-level social enterprise across countries. This analysis uses new macro-level data specifically for civil society and culture components.

Findings

The initial assessment of the framework found that several country-level factors had a significant effect on the variance in the size of the social enterprise sector across countries. The analysis provided here additionally shows a significant positive influence of civil society on the size of the social enterprise sector and shows that formal institutions capture the effect of informal cultural institutions when included in the model together.

Practical/implications
This analysis provides policymakers, development actors and researchers with a better understanding of the influence of civil society on social enterprises and the interaction between formal and informal institutional underlying factors.

Originality/value

This paper’s significant contribution is the addition of civil society in the MISE analysis, which was not possible before owing to lack of data, and additional cultural analysis.
This paper presents an exploratory study on entrepreneurship in Africa from data collected under the Global Entrepreneurship Monitor (GEM). Starting from a theoretical basis on the relationship between entrepreneurship and economic development, seven dimensions of study in international entrepreneurship are explored: (i) attitudes, (ii) perceived opportunities, (iii) fear of failure, (iv) entrepreneurial intentions, (v) beliefs about entrepreneurship, (vi) initial entrepreneurial activity and (vii) established business rates. Conclusions about the exploration of data and clues for future research in this area are provided.
Entrepreneurship is the key to create innovations. Small and medium-sized enterprises play a crucial role in this process. The article analyses the determinants of entrepreneurship included in the Global Entrepreneurship Monitor in relation to the types of innovations implemented by the European Union enterprises and the classification of the European Innovation Scoreboard (EIS) accepted as a standard. Leading countries in the field of innovation are also distinguished by a very high monetary measure of the market value – GDP per capita. Using the variables indicated in the regression models, the k-means cluster analysis was performed three times, distinguishing groups of homogeneous countries in terms of the implementation of these variables. The obtained classifications were compared with the division prepared on the basis of the European Innovation Scoreboard (classification accepted as a standard). The conducted research did not include Luxembourg, which is an unusual observation due to a very high GDP per capita, and Malta, due to the incompleteness of the data concerning that country.
CROSS-COUNTRY DIFFERENCES IN INNOVATIVE ENTREPRENEURIAL ACTIVITY: AN ENTREPRENEURIAL COGNITIVE VIEW

AUTHORS: Raza A. Muffatto M. Saeed S.

YEAR: 2018

PUBLICATION: Management Decision

TAGS: Cognitive Psychology Cognitive Models Multilevel Analyses Innovation Institutions SSCI

The purpose of this paper is to clarify the relationship between entrepreneurial cognition and innovative entrepreneurial activity across countries using an institutional perspective. The paper tests theoretical model using data collected by the Global Entrepreneurship Monitor (GEM), the Global Leadership and Organizational Behavior Effectiveness (GLOBE) study, and the Index of Economic Freedom (IEF). A Multilevel analysis is performed based on set of 1,004,620 observations from forty-nine countries spanning thirteen years (2001-2013). The results suggest that in terms of formal regulations; the relationship between entrepreneurial cognitions and Innovative entrepreneurial activity becomes stronger when there is an increase in intellectual property right and business freedom regulations in a country. On the other hand in terms of informal institutions the relationship between entrepreneurial cognitions and Innovative entrepreneurial activity becomes stronger when the level of institutional collectivism and uncertainty decreases and performance orientation increases. The study indicates that entrepreneurship by innovation increases when the individuals possess high level of entrepreneurial cognition under suitable institutional conditions (e.g. intellectual property right, business freedom, institutional collectivism, uncertainty avoidance and performance orientation).
Using a multilevel approach, this study examines how new entrants’ resources, capabilities and context influence growth-oriented new agricultural ventures. Results indicate that growth orientation is largely self-determined. The knowledge base of the new entrants, their social ties with entrepreneurs, together with the capabilities to identify and exploit opportunities, as well as those to effectively offer new products, trigger these growth-oriented ventures. Industry contexts also influence them, as those operating in less agriculturally competitive countries have a greater probability of becoming growth-oriented, suggesting convergence forces. Lastly, results reveal that competitiveness positively moderates the relationship between product innovation capabilities and growth orientation.
While Romer (Journal of Political Economy, 98(5, Part 2), S71-S102, 1990) and Weitzman (The Quarterly Journal of Economics, 113(2), 331-360, 1998) consider the importance of the effect of supply-side factors on innovation, Schmookler (1966) emphasizing the importance of demand-side factors. On the other hand, Acemoglu and Robinson (The American Economic Review, 90(2), 126–130, 2000) stress the effect of institutional quality on the behavior of elites who could prevent innovation changes. Since these three different theories have different viewpoints about the drivers of innovation, in this study we try to test which one is more important in developing countries. For this purpose, we choose a sample consists of 24 developing countries over the period 2011–2016. Also, we consider entrepreneurship as a demand-side factor and the lagged value of innovation and FDI as supply-side factors. The results show that, while entrepreneurship is statistically insignificant but the lagged value of innovation, FDI and institutional quality have a positive and significant impact on innovation. Also, findings show that the effect of the lagged value of innovation is more than the other factors. Furthermore, based on the viewpoint of Olsson (Journal of Economic Growth, 5(3), 253–275, 2000), which regards institutional quality as a structural variable, we found that the improvement in institutional quality makes a suitable groundwork for other variables to be effective in innovation activities.
This study uses a novel approach to examine the link between regional internationalization and entrepreneurial intention in China. Robust findings suggest that higher degrees of internationalization in locations like Shenzhen and Hong Kong lead to lower levels of entrepreneurial intention, while lower degrees of internationalization in Mainland China lead to higher levels of entrepreneurial intention. This striking result underscores the significance of doing a regional-level analysis rather than countrywide studies for large diverse markets like China, where regional differences in internationalization policies, economic reforms, and institutions tend to vary significantly between locations compared to smaller or more developed economies. We conclude that the relatively higher levels of necessity-based entrepreneurship in China may help explain some of the regional differences observed in total entrepreneurial activity. Our findings also contribute to the literature by revealing significant complexity in the relationship between internationalization and entrepreneurship and support findings of previous studies regarding the importance of location for entrepreneurial intentions in emerging markets like China (as reported by Pan and Yang (Small Business Economics, 2018); Zhu, Lui, He, & Lu et al. (Small Business Economics, 2018b); and Liu et al. (Small Business Economics, 2018)).
In 2002, Morris, Schindehutte and LaForge published a seminal work on entrepreneurial marketing (EM) that prominently featured external environmental conditions as a primary influence on the firm. Since then, EM researchers have devoted scant attention to these external environmental conditions. Not surprisingly, important explanations for EM have remained underdeveloped, such as EM as a strategic response to environmental change and turbulence. This study applies two approaches in structural equation modeling (component-based PLS-SEM and covariance-based CB-SEM) to the analysis of the 2016 Global Entrepreneurship Monitor data for the purpose of better understanding the external environment for firms' entrepreneurial marketing. The model in the study based on data from 65 countries aggregated at the country level, suggested potential entrepreneurs' perceptions of entrepreneurship influence entrepreneurship activity in societies positively, but are not influenced by constructs of the entrepreneurial ecosystem representing institutions of society, such as government programs and policies.
A social business responds to social problems usually ignored by institutions, mobilizing resources and generating employment. To gain more knowledge about this type of enterprise, the key factors that may influence social entrepreneurship are studied and compared with nonsocial entrepreneurship. This enables advances in the scientific literature and the design of more effective policies that encourage the creation of social enterprises. To achieve this goal, after delimiting the area of study, a sample of 25,631 entrepreneurs in 59 countries was used; 9792 of these are social entrepreneurs collected by the Global Entrepreneurship Monitor project in 2015 when a special issue focused on this topic. The results show that the majority of the factors that determine the decision to undertake nonsocial entrepreneurship also condition the individual to undertake social entrepreneurship, although the nature of their relationship or the intensity of the influence changes.
Entrepreneurship plays an important role in the economic growth of a country. Ideally, the number of entrepreneurs in a country is 2% of the total population. Therefore, it is important to maintain and monitor the entrepreneurial conditions. In addition to the direct observation of the real conditions, the monitoring process can be done by using modeling and simulation approach. This paper proposes a mathematical model called Entrepreneurial Cellular Automata that can be used to model entrepreneurial growth using principle of cellular automata. Entrepreneurial Cellular Automata is an extension of standard Cellular Automata proposed by Ulam and von Neumann. The extension includes the neighborhood, state transition function, and neighborhood transformation function. This model was developed with reference to the entrepreneurship model proposed by Global Entrepreneurship Monitor (GEM). The Continuity Index of an entrepreneur $i$ at time $t$ ($C_{idx}i(t)$) the indicator for the possibility of an entrepreneur to continue his/her business, is modeled by the formula

$$C_{idx}i(t) = a \cdot C_{int}i(t) + b \cdot C_{neg}i(t) + c \cdot C_{pub}(t)$$

where $C_{int}i(t)$ and $C_{neg}i(t)$ are the internal and neighborhood condition of an entrepreneur $i$ at time $t$, and $C_{pub}(t)$ denote the public condition at time $t$; whereas $a$, $b$, $c$ are real constants s.t. $0 \leq a, b, c \leq 1$ and $a+b+c = 1.0$. This model has been implemented in a computer program. By using this program some simulations on a non-real data set have been conducted in order to show the effect of the composition of $a$, $b$, and $c$. 
THE MODERATING ROLE OF EDUCATION IN THE RELATIONSHIP BETWEEN FDI AND ENTREPRENEURIAL ACTIVITY

AUTHORS: Berrill J. O'Hagan-Luff M. van Stel A.

YEAR: 2018

PUBLICATION: Small Business Economics

TAGS: Foreign Direct Investment Knowledge Spillovers Education and Training SSCI

We investigate the roles of inward FDI and education in explaining country levels of entrepreneurship. It is widely recognised that inward FDI may have positive but also negative spillover effects on entrepreneurial activity. We argue that both types of spillovers (positive and negative) may be reinforced by high education levels of the labour force. Using a database across 75 countries between 2001 and 2015, we estimate a 2SLS model that tests for this moderating role of education. We find support for a negative interaction effect of FDI and macro-level education on the rate of entrepreneurial activity, suggesting that in countries with highly educated labour forces, inward FDI leads to more jobs in the wage sector rather than a higher number of entrepreneurs. Policy implications are discussed.
THE TRAITS OF NECESSITY ENTREPRENEURS THAT LEAD TO SUCCESS

AUTHORS: Adoram G.

YEAR: 2018

PUBLICATION: University of Pécs

TAGS: Necessity Motivation

This dissertation presents research in the field of entrepreneurship and focuses on the variables that influence the success or failure of the "Necessity Entrepreneurs". There are necessity entrepreneurs such as new immigrants, fired or disabled people, who turn to this path of risk and innovation as a result of coercion or necessity. In contrast, there are the opportunity entrepreneurs that have clear vision, energy, abilities, and funds from an early stage of their business life cycle. The aim of this research is to add knowledge in the field of entrepreneurship, arguing that additional variables that influence the success of the necessity entrepreneur will be found. Applications of the research will aid to clarify issues about the forces that drive necessity entrepreneurs to re-vitalization and prosperity.

ACCESS ARTICLE
To explain what drives entrepreneurial action, a fundamental question of the entrepreneurship research field, the study of individual’s cognition has emerged as a promising perspective, as it describes the mental processes through which individuals identify and take decisions about entrepreneurial opportunities. Most of this research has emphasized the consequences of cognition on entrepreneurial action, highlighting that individuals need the proper knowledge and motivation to identify and act upon entrepreneurial opportunities. However, less is known about the mechanisms through which these cognitive dimensions can be developed through individuals’ exposure to their social context. This is surprising as entrepreneurship is a socially embedded phenomenon and entrepreneurs are social embedded: literature has acknowledged that elements of the social context in which individuals grow up (e.g., family and early life experiences) and to which individuals are attracted later in life (e.g., workplace, friends, education) play a central role in cultivating and developing their predispositions towards entrepreneurship.

The aim of the present thesis is to address this gap by concentrating on university as social context and its role in nurturing entrepreneurial cognition. University is chosen because it represents a context, which provides opportunities of learning and socialization, as well normative frames that shapes the cognition, aptitudes and beliefs of its members, students and scientists. Specifically, the three missions of university – education, research and commercialization – together concur to the development of its members’ entrepreneurial thinking and acting.
This study focus on the twelve indicators of the entrepreneurial ecosystem, defined by the Global Entrepreneurship Monitor (GEM) project – the Entrepreneurial Framework Conditions (EFCs). EFCs are relate more specifically to the quality of the entrepreneurial ecosystem. The present study analyses how experts’ perceptions have changed in Portugal between 2010 and 2016 by establishing a comparative analysis between the Portuguese reality and the reality in other European countries. Based on the economic performance’s similarities across countries before 2010, this study is mainly concerned with the evolution of experts’ perceptions on the EFCs in Portugal and how do they differ in comparison with Italy, Greece and Spain. To achieve this goal the present study uses multivariate cluster analysis to group the European economies according to the experts’ perceptions on the EFCs of their home country.
Despite its recent appearance on the research landscape, the business model concept has attracted substantial interest from scholars in several disciplines. It is widely used by practitioners, given its association with economic performance. One area of high theoretical and practical interest is to understand what forces facilitate or impede constructive adaptation to elements of the firm’s business model. Thus far, studies on antecedents of business model adaptation have been cross-sectional. This thesis uses an existing panel study of owners and founders of new ventures to generate inferences of causation. With that foundation, it contributes to three major gaps in the literature.

First, it focusses entirely on new ventures. Extant literature has long established the general distinctiveness of new ventures from large, established firms; yet, there is limited evidence of distinctiveness in their business model behaviour. However, theory-based research on antecedents of adaptation to elements of the business model has not targeted new ventures and has generally not controlled for firms’ age.

Second, it deploys the theory of social capital and human capital. Theory accretive business model research is rare, and is rarer still on business model dynamics. Social capital and human capital are known to be very important for new ventures. Extant case-based research has identified elements of social and human capital as antecedents of adaptation to elements of the business model. Very recent quantitative studies have included aspects of social capital and human capital. As a result, these theories hold strong potential to develop knowledge on the topic. This thesis tests the relationships formally to support such knowledge creation.

Third, it tests for boundary conditions of extant theory. Social capital and human capital are closely interconnected. As a result, an important internal contingency is how human capital moderates the antecedent effect of social capital on business model adaptation. Extant research has shown that technology context and internationalisation interact with social capital and human capital. Both
appear in business model studies; however, their distinctiveness from the mainstream has not been tested. This thesis tests the antecedent moderating effect of human capital on the relationship between social capital and business model adaptation, and then tests moderated moderation in the technology and international contexts.

The research contributions are presented via three studies. First, is an exploratory study describing the phenomenon of adaptation to elements of new venture business models. This is important given the very early stage of research in this field. Theory guided this exploration. Incidence and degree of adaptation fell over time; however, there was a positive correlation across years. Pro-active engagement with the marketplace was evident among adaptors. Areas of distinctiveness appeared in two subsamples: nascent vs young firms, and the respondents that survived throughout the study vs the others. Second, is a confirmatory study on the role of social and human capital. It found positive antecedent associations of bridging social capital and human capital with adaptation to elements of the business model; however, only weak evidence of a negative association for bonding social capital was found. This study extends the theory of social capital and of human capital to the business model concept. It supports extant research showing that bonding and bridging social capital have an effect at different stages of the new venture’s lifecycle. Third, is a study testing contingency relationships as antecedents to business model adaptation. Moderation did occur, but not as hypothesised. Components of human capital interacted differently with social capital. The two forms of external context also moderated the social*human capital interaction differently. The technology context produced a substitution effect between social and human capital. The international context elicited a type of specialisation. At low levels of internationalisation, high bridging social capital was associated with more business model adaptation, regardless of human capital. In contrast, at high levels of internationalisation, high human capital was associated with more business model adaptation, regardless of bridging social capital. For both, the combination of low social and human capital generally led to the lowest amount of business model adaptation.

This thesis generates practical guidelines to facilitate business model adaptation in new ventures. Entrepreneurs and other stakeholders should avoid combined low bridging social capital and human capital. They should seek out higher bridging social capital, with nuances. For example, in a low technology context, it is advisable to also seek high human capital. In a high technology context, human capital can substitute for bridging social capital. For highly international firms, the prescription is different: seek high human capital and disregard social capital.
The Weberian questions of how beliefs and values influence on business development (Weber, 1930) is still on the research agenda (Stephan and Uhlaner, 2010; Coviello et al., 2011; Calvelli et al., 2014; Liñán and Fayolle, 2015; Cannavale and Wallis, 2015). Cross-cultural studies on entrepreneurship analyze the influence that national culture exerts on new firm creation from different perspectives. Most of the literature focuses indeed on the effects of cultural values on new firms’ creation, entrepreneurial orientation and innovation. According to Hofstede (1980) and Schwartz (1994), culture is meant as a set of values, peculiar to a specific group or society, which shapes the development of certain personality traits, and motives. It impacts on work ethic, on individual need of achievement, and on the way people feel legitimated. Culture shapes the orientation of individuals to take initiatives, and it shapes the orientation of social group to positively evaluate personal initiatives (Baughn and Neupert, 2003). Values and beliefs are related to personal characteristics that prompt entrepreneurial orientation of individuals to become an entrepreneur (Busenitz and Lau, 1996; Kreiser et al., 2010; Lee and Peterson, 2000; McGrath et al., 1992a; McGrath et al., 1992b; Mitchell et al., 2000; Mueller and Thomas, 2001).

In a considerable contribution to the ‘psychology of the entrepreneur’, already in 1988, Bird provided a behavioral model of entrepreneurial intentions (Bird, 1988), and in 1991 Shaver and Scott emphasized the role of personal attributes, cognitive processes, and behavioral choices in entrepreneurship research (Shaver and Scott, 1991). Still in 2002, the editors of the Entrepreneurship Theory and Practice journal drew attentions to the people side of entrepreneurship research in a special issue on information processing and entrepreneurial cognitions (Mitchell et al., 2002). And five years later, mostly the same editors in another special issue of Entrepreneurship Theory and Practice noted that entrepreneurial cognition research was still in the early stages of development (Mitchell et al., 2007).
The social psychology theories of intentions formed the focal reference for much research on cognitive processes of entrepreneurship since then (Kolvereid and Isaksen, 2006; Van Gelderen et al., 2008; Engle et al., 2010; Kautonen et al., 2013; Hattab, 2014; Entrialgo and Iglesias, 2017). While, some other research has focused on exploration of other cognitive variables not included in Theory of Reasoned Action (TRA) and Theory of Planned Behavior (TPB) (Cardon et al., 2012; Liguori et al., 2018).

Liñán and Fayolle (2015), who performed a systematic literature review on entrepreneurial intentions, believe that TPB became the ‘reference theory’ in entrepreneurial intentions research after the work of Krueger and Brazeal (1994). Since then, much theoretical and empirical research has been devoted to application of TPB in entrepreneurship.

An important portion of research on entrepreneurial cognition is devoted to cross-country and cross-cultural analyses (Bouncken et al., 2009; Liñán and Chen, 2009; Liñán et al., 2011; Engle et al., 2011; Dodd et al., 2013; Schlaegel et al., 2013; Dheer and Lenartowicz, 2016). This portion of entrepreneurial cognitive research across cultures is in line with the broad research line that is called international entrepreneurship (Coviello et al., 2011; Calvelli et al., 2014; Cannavale and Wallis, 2015).

While very interesting, these studies do not reach homogeneous results, and some scholars argue that contributions in this field are still at an embryonic level; more efforts are needed to find the right methodology and develop a consistent theory (Engelen et al., 2009). Our study aims at contributing to this research by employing a different perspective. We apply on the Behavioral Reasoning Theory (BRT) (Westaby, (2005)) to fill the theoretical gap in our understanding of the effects of cultural beliefs and values on entrepreneurial activities at a country level.

BRT proposes important linkages between reasons and beliefs, motives, intentions, and behavior (Westaby, (2005); Westaby et al., 2010). Westaby ((2005)) defines reasons as ‘the specific subjective factors people use to explain their anticipated behavior’ (p. 100). According to BRT, three types of reasons are theorized by Westaby ((2005)) as ‘anticipated reasons’, ‘concurrent reasons’, and ‘post hoc reasons’ based on the chronological order of action and corresponding reasoning process. BRT also explains the distinctions between beliefs and reasons. While beliefs “refer to a person’s subjective probability judgements concerning some discriminable aspect of his world” (Fishbein and Ajzen, 1975, p. 131), reasons are related to the explanations people provide for their actual behavior (Westaby, (2005)). In the behavioral reasoning theory, two distinct reasons are conceptualized: reasons for and reasons against performing a behavior.

We employ BRT as the theoretical basis for a quantitative analysis aimed at investigating the effects of cultural values on the intention to become an entrepreneur, intention which results from the value individuals give to the reasons for and reasons against their behavior. The Global Entrepreneurship Monitor (GEM) longitudinal data of entrepreneurial behaviors were employed to extract the variables under investigation over the period of 2007 up to 2017. In addition, cultural beliefs were estimated at
a country level using Global Leadership and Organizational Behavior Effectiveness (GLOBE) project data (House et al., 2004). Partial Least Square approach to Structural Equation Modeling will be employed for analyses of the data over time.
HOW DO MOTIVATIONAL FACTORS INFLUENCE ENTREPRENEURS’ PERCEPTION OF BUSINESS OPPORTUNITIES IN DIFFERENT STAGES OF ENTREPRENEURSHIP?

AUTHORS: Fernandez De Arroyabe Fernandez J.C. Sena V. Poblete C.

YEAR: 2018

PUBLICATION: European Journal of Work and Organizational Psychology

TAGS: Optimism Perceptions Opportunity Recognition Social Capital SSCI

The purpose of this paper is twofold: first, it analyses the relationship between optimism about the emergence of future entrepreneurial opportunities and the length of the entrepreneurial experience; second, it aims to identify the external factors that can moderate this relationship. Our empirical analysis is conducted on a cross-national sample of 450,000 individuals drawn from the Adult Population Survey (APS), which is collected by the Global Entrepreneurship Monitor (GEM) consortium and covers the period from 2009 to 2011. Our results find an inverted U-shaped relationship between the length of the entrepreneurial experience and our indicator of optimism. Additionally, the relationship between optimism and length of entrepreneurial experience is conditioned by a set of external-factor moderators, such as social capital and the individuals’ perception of how valued entrepreneurship is as a career choice in their country.
By addressing social issues, rather than maximizing profits, social enterprises are said to contribute to the well-being of societies. In this paper, we test whether social enterprises fulfil this expectation. The paper applies regression analysis to a unique dataset obtained by merging survey data from the Global Entrepreneurship Monitor with official statistics on social enterprises in Luxembourg. Results suggest that social enterprises contribute to subjective well-being, which is an encompassing measure of people's satisfaction with their own life. We find that when the share of social enterprises in a city increases, the ill-being of poor and unemployed people declines. Therefore, policy makers who seek to increase the well-being of economically disadvantaged people could adopt policies to promote the creation of social enterprises.
The literature traditionally has focused its attention on the relationship between innovation and entrepreneurial activity. From this perspective, new innovations are accompanied by digital transformations that enhance value creation. However, it is also important to consider the effect of digital dividends on society overall as well as on entrepreneurship activity. Studies generally do not address this latter possibility. This paper analyses the theoretical and quantitative effects of digital transformation and digital dividends on entrepreneurial activity, that is, the broader developmental benefits that using these technologies brings, in the shape of digital transformation. Partial least square (PLS) estimation is used to develop an empirical estimation for the case of 29 European countries.
The UK's decision to leave the European Union based on the 2016 referendum has created considerable uncertainty in the UK economy. For UK small and medium sized enterprises (SMEs) looking to survive, export markets may become more important. This chapter examines the impact from the presence of foreign direct investment (FDI). The influence of gender on this relationship has not been previously investigated. Using data from the Global Entrepreneurship Monitor (GEM) regression approaches are applied. A negative relationship is found between foreign influence and export propensity and intensity. No evidence is found for female entrepreneurs as a whole being affected to a greater extent. However, female entrepreneurs with less human capital are affected to a greater extent. These findings suggest that when seeking to attract FDI policymakers must be aware of the potential negative consequences. Training offered to the most vulnerable female entrepreneurs in collaboration with foreign affiliates might counter any negative effects to achieve greater positive knowledge spillovers.
The main objective of this paper is to analyse the relationship between entrepreneurial activity and the overall economic competitiveness for a set of four Central and Eastern European countries (Hungary, Latvia, Romania and Slovenia) members of the European Union. Also, this paper aims to identify if entrepreneurial motivations can influence the overall economic competitiveness. Our sample was created by selecting the information provided by Global Entrepreneurship Monitor and World Economic Forum. The analysed period was 2007-2016. To test our hypotheses, we used panel data estimation techniques. As dependent variable we considered the Global Competitiveness Index as proxy for the overall economic competitiveness of countries. And, as independent variables we used indicators measuring entrepreneurial activity and motivations. We also selected a set of control variables, represented by economic indicators considered enhancers of efficiency. Our results emphasize that the level and dynamics of entrepreneurial activity but also the motivations of individuals for becoming entrepreneurs are influencing the level of global competitiveness for the analysed CEE countries. Therefore, we show that countries with higher levels of opportunity entrepreneurs have higher levels of competitiveness and, on the other hand, the countries with more entrepreneurs motivated by necessity have lower levels of economic competitiveness.
Purpose
This paper aims to review female entrepreneurship in a (post) transition context, analysing its almost three-decade development in Latvia, Lithuania and Estonia. Little research has focussed to date on female entrepreneurship in the Baltic countries. Using an institutional perspective, this paper aims to explain the unique interplay of formal and informal contexts that have shaped the development of female entrepreneurship in (post-) transition contexts.

Design/methodology/approach
This paper is based on an institutional reading and analysis of secondary data: statistical data, international reports and previous studies on female entrepreneurs.

Findings
There are more than 130,000 female entrepreneurs in the Baltic countries who share many common features and challenges. While the formal entrepreneurship environment is considered to be very developed in the Baltic countries, women are under-represented among the population of entrepreneurs, and there is gender-based sectoral segregation of female entrepreneurs in Estonia, Latvia and Lithuania. This indicates a need to recognise the diversity of patterns in entrepreneurial development, reflecting different inheritances from the Soviet past and the inertial character of some informal institutions, not to mention the differences in the pace of change during the transition period following the Soviet era.

Practical implications
This research can be used for academics, professionals, researchers and policymakers working in
the fields of small business and entrepreneurship. Its data can furthermore be used to develop evidence-based policy and actions that would foster the participation of women in entrepreneurship in Baltic countries.

Originality/value

So far, little research has focussed on female entrepreneurship in the Baltic countries. The paper attempts to investigate that Baltic countries with their history of emphasis on gender equality on one hand and the award-winning business and entrepreneurship system on the other hand demonstrate relatively low levels of women’s entrepreneurship. This paper aims to contribute to the field of entrepreneurship, illustrating how entrepreneurship is linked to its social context.
Entrepreneurship as a factor and bearer of economic growth and development in many countries is particularly important for research and study. The most well-known exploration of entrepreneurial activities around the world is carried out within the framework of the Global Entrepreneurship Monitor (GEM) research, and the Republic of Croatia is also a part of it. Within this research, to identify the entrepreneurial activity, we used indicators of potential entrepreneurs, new entrepreneurs, "adult" entrepreneurs and entrepreneurial activities of employees. The aim of this paper is to explore entrepreneurship in the Republic of Croatia, as well as the GEM research results for the Republic of Croatia, selected indicators from the OECD statistical base, namely: the number of newly opened enterprises, the number of closed enterprises, and the number of bankruptcy firms compared to the selected countries of the world. The main hypothesis of the paper is that the Republic of Croatia is significantly behind the entrepreneurship for the selected countries of the world. The article provides a detailed insight into the entrepreneurship activity in the Republic of Croatia, which is the basis for further research and the identification of corrective measures to improve entrepreneurship in the Republic of Croatia significantly.
The requirement to contextualize research in the field of entrepreneurship has converted into the main theme from the last two decades. Therefore, this study bridges the gap by analyzing the relationship between the entrepreneurial activity in northern Europe and the Asian region countries in perspective of an individuals’ perception skills, attitudes, and the subjective norms. Based on our research, we propose a new conceptual framework to analyze EI in the context of entrepreneurship by using the theory of planned behavior (TBP) and the Global Entrepreneurship Monitor (GEM). We empirically examine the influence of key developmental differences on the entrepreneurial intentions (EI) model with structural equation modeling (SEM). In the studied GEM countries, our findings affirm the applicability of the EI model across countries confirming that entrepreneurial activities are the key drivers of economic growth. The findings also recommend that the progression from perception to intent is modified across the 23 European and Asian countries, though there exist several cultural differences to the extent of casual effects also including the differences of influential factors. This study contributes to the debate on entrepreneurship by analyzing key factors influencing the EI model and extends our understanding of entrepreneurship.
THE EFFECT OF INSTITUTIONAL DIMENSIONS AND CULTURAL DIMENSIONS ON THE LEVEL OF ENTREPRENEURIAL ACTIVITY ACROSS COUNTRIES

AUTHORS: Kim J.H.

YEAR: 2018

PUBLICATION: Florida International University

TAGS: Institutions National Culture Informal Economy

Entrepreneurship research is becoming more critical to policymakers and scholars around the world. However, few scholars have explored the effect of national culture or institutions on the entrepreneurial activity using cross-national data. Furthermore, most previous scholars have been limited to formal institutions as a theoretical structure to explore the entrepreneurial activity across countries. It is crucial to include formal, informal institutions and culture to better understand about how much or why entrepreneurial activity differs across countries. To fill this gap, this study investigates how national culture and institutions impact the level of entrepreneurial activity across 30 countries using cross-national dataset from the World Bank Dataset, the GEM report, and Hofstede's cultural dimensions during the 5-year period from 2009 to 2013. Moreover, this study used two distinct measures of the level of entrepreneurial activity as dependent variables (i.e., the rate of new start-up companies and Total Entrepreneurial Activity). The results showed that individualism, uncertainty avoidance, power distance, and long-term orientation are essential for explaining the level of entrepreneurial activity across countries. However, the results indicated that only one of the regulative dimensions (i.e., the number of start-up procedures) was significantly related to the level of entrepreneurial activity. Therefore, the finding of this study concludes that national culture may play more important roles than institutions regarding the level of entrepreneurial activity across countries.

ACCESS ARTICLE
AN EMPIRICAL INVESTIGATION OF FACTORS AFFECTING ENTREPRENEURIAL CAPABILITY (EC) ENVIRONMENT IN ASEAN-5 ECONOMIES

AUTHORS: Afzal M.N.I. Siddiqui S. Mansur K. Sulong R.S.

YEAR: 2018

PUBLICATION: Asian Academy of Management Journal

TAGS: Asia-Pacific Indonesia Malaysia Singapore Thailand Philippines Entrepreneurial Capacity Panel Bootstrap Analysis Random Effect Model

The entrepreneurial capability (EC) environment of a given local or regional system refers to a set of social and economic factors that exert influence on entrepreneurial processes occurring within said system. To this end, the goal of the currently presented work is to determine and empirically validate the said EC factors in relation to the entrepreneurial environments of the Association of South East Asian Nations (ASEAN)-5, namely Indonesia, Thailand, Singapore, Malaysia, and the Philippines, both at the regional and national levels. For this purpose, the presented research adapted the entrepreneurial perceived capabilities framework to first investigate the key determinants of EC that affect key entrepreneurial processes, such as the seeking of new opportunities and the decision to venture into new commercial opportunities, within the context of ASEAN-5 economies. Next, the identified variables were empirically tested via an examination of their coefficients in relation to their impact on entrepreneurial perceived capabilities. Succinctly, the current work applied recent consistent estimation of panel bootstrap random-effects model to determine time variant changes with respect to the studied variables in the panel sample. The data used in the current work was obtained from the Global Entrepreneurship Monitor (GEM) and World Competitiveness Yearbook (WCY) databases for the years 2010–2016. The results of the current work suggest that factors such as beliefs regarding entrepreneurship as a good career choice (EnGC) and perceived opportunities (PO) yield significant positive impact on the efficiency of EC in ASEAN-5, and can be nurtured to further improve EC environments both at the regional and national levels. Conversely, the fear of failure (FefRa) variable was shown to exert considerable negative impact on the efficiency of ASEAN-5 EC environments. Variables such as intellectual property rights (IPR), university education (UE), and knowledge transfer rate (KT) were also shown to have a positive impact on both national and regional ASEAN-5 EC environments. The current work thus makes a
valuable contribution to the associated literature by presenting a robust empirical analysis of EC factors of ASEAN-5 economies, the results of which can be used to inform policies aimed at strengthening the EC settings of ASEAN-5 with respect to their pursuit of an innovation-driven region.
The successful entrepreneurship is a component of sustainable development and it is a multidimensional phenomenon with positive impact on job creation but also an innovative process. The entrepreneurial activity generates significant changes in product offers, new logistic processes and business models. In this paper, we analyse the contribution of entrepreneurship to economic and social development by making reference to a set of indicators reflecting job creation, and also innovation in entrepreneurial activity.
This research article is a multi-level, cross-cultural study of women in leadership conducted with both macrosociety data and individual-level data aggregated to the country level. The research questions are, "what macro and micro forces are hindering or advancing women into corporate leadership?" "How do these forces impact the level of women's involvement in corporate leadership in a particular country?" Data were collected from 10 secondary sources, available for 213 countries. The importance of cross-cultural studies on women in leadership stems from the potential to better understand why some countries have more women in positions in corporate leadership and the factors that affect women's involvement in such positions in different countries. A “Levels of women's participation in corporate leadership country model” is tested using cluster and discriminant analyses. Results indicate that the factors that affect women's participation in corporate leadership in countries with fewer women leaders are different from the factors that affect women's participation in countries with high levels of participation. This article proposes that initiatives to increase participation of women in corporate leadership need to consider the relevant factors that significantly affect countries at certain levels of women's participation in corporate leadership.
ENTREPRENEURSHIP DRIVEN BY OPPORTUNITY AND NECESSITY: EFFECTS OF EDUCATIONS, GENDER AND OCCUPATION IN MENA

AUTHORS: Nasiri N. Hamelin N.

YEAR: 2018

PUBLICATION: Asian Journal of Business Research

TAGS: Opportunity Motivation Necessity Motivation Education and Training Gender Middle East and North Africa

Issues of unemployment and gender inequality loom large in the Middle East and North Africa, and such social problems of inclusiveness are often thought to be solvable, or at least reducible, by expanding entrepreneurship. People become entrepreneurs for several reasons. Some are pulled by seeing an opportunity for business. Others are pushed by the necessity to make a living, especially when they cannot get a better job. Their motives are likely to depend on their background and circumstances. The purpose here is to account for how, in the Middle East and North Africa, gender, education, and occupation (employment) influence whether people become entrepreneurs because they are pulled by opportunity or pushed by necessity. A sample of 12,515 nascent entrepreneurs from 17 countries was surveyed by the Global Entrepreneurship Monitor during 2009-2014. Representativeness of sampling enables generalization to the Middle East and North Africa. We found that whether entrepreneurs are pulled by opportunity or pushed by necessity depends on their level of education. Higher education increases the probability of being pulled by opportunity rather than being pushed by necessity, as was expected. Motive also depends on occupation. The pull of opportunity is especially frequent among entrepreneurs coming from full-time employment and from studies. The push of necessity is especially frequent among entrepreneurs coming from unemployment, as hypothesized. Surprisingly, gender has no discernible effect on the motives for becoming entrepreneur. The study contributes to understanding how people's educational background and occupational circumstances variously pull and push them to become entrepreneurs. The study suggests that education is a policy option for increasing the pull of opportunity and thereby for increasing gender equality and sustainable employment in the Middle East and North Africa.
IMPACT OF 'FUND OF FUNDS' AND OTHER INITIATIVES IN BUILDING ENTREPRENEURIAL ECONOMY OF EMERGING INDIA: A COMPARISON WITH CHINA

AUTHORS: Habeeb S. Ahmad N.

YEAR: 2018

PUBLICATION: International Journal of Financial Innovation in Banking

TAGS: Financing India China

Entrepreneurship is increasingly recognised as double edged sword that provides self-employment and creation of employment for others. Moreover, entrepreneurial Startups are considered as the next great economic force that Indian needs today. Though, the country is seen as the youngest 'Startup Nation' in the world, the survival rate of startup is miserably low. Access to finance is one of the serious problems in the way of creation and sustaining business enterprises. Government of India has recognised this need and released corpus 'fund of funds' (FoF) 10,000 crore in June 2016, which is in line with Start Up India Action Plan. This huge corpus is expected to generate employment for 18,00,000 persons on full deployment. This paper is an attempt to gauge impact of such initiatives by government of India taken since 2014 specifically, to build entrepreneurial economy. Also a comparison of two emerging economies - India and China is done in the same context. Data from global entrepreneurship monitor - adult population survey (APS) and national expert survey (NES) is taken and analysed.

ACCESS ARTICLE
THE ENTREPRENEURSHIP PARADOX: MORE ENTREPRENEURS ARE NOT ALWAYS GOOD FOR THE ECONOMY– THE ROLE OF THE ENTREPRENEURIAL ECOSYSTEM ON ECONOMIC PERFORMANCE IN AFRICA

AUTHORS: Lafuente E. Szerb L. Acs Z.

YEAR: 2018

PUBLICATION: Social Science Research Network Working Paper Series

TAGS: Entrepreneurship Paradox Policy Ecosystems Africa Economic Development SSCI

Purpose:

Increased globalization, economic complexity and dynamism exacerbate contradictions between theoretical and empirical-driven arguments. This study analyzes the entrepreneurship paradox—i.e., entrepreneurship is good for the economy but entrepreneurial activity is consistently higher in less developed and developing countries over time—through the lenses of two relevant tensions that underlie this paradox: the development tension (i.e., the inconsistent relationship between entrepreneurship and economic performance) and the policy tension (i.e., the unclear role of entrepreneurship policy on entrepreneurship outcomes).

Design/methodology/approach:

Building on a sample of 81 countries from Africa, America, Asia and Europe for 2013-2014, we employ regression models and cluster analysis to scrutinize the effect of both the rate of entrepreneurial activity (quantity-based entrepreneurship) and the entrepreneurial ecosystem (quality-based entrepreneurship) on economic performance (GDP per capita).

Findings:

The analysis focuses on how the development tension and the policy tension shape the entrepreneurship paradox. In exploring these two elements of the entrepreneurship paradox, our analysis defines and distinguishes quantitative entrepreneurship from the systemic, quality-based entrepreneurial ecosystem, and sets forth alternative policies to reconcile the tensions between entrepreneurship and development that fuel the entrepreneurship paradox.
Originality/value:

The analysis proposed in this study contributes to a better understanding of the entrepreneurship paradox. The findings support the notion that African countries—and economies in general—do not need more entrepreneurs but rather a healthy entrepreneurship ecosystem that contributes to optimally channel the outcomes of entrepreneurial actions to the economy.
This research manuscript is aimed at examining entrepreneurial intentions through the cognitive approach of Chinese and Pakistani adults. Data for this research was acquired from the database of GEM 2012 APS Global Individual Level. The entrepreneurial intention was a dependent variable while independent variables were individual perceptions, socio-cultural perceptions and perceptions of economic opportunities. Their effect on intentions is tested along with some control variables.

Four logistic regressions were employed to test three hypotheses. Fear of failure was not found as a significant predictor of entrepreneurial intentions in both countries. Gender is also not a significant predictor of entrepreneurial intentions in China. But it is significant in Pakistan; therefore, we can say that males are more likely to hold entrepreneurial intentions in Pakistan. The results of role model, self-efficacy and perception of economic opportunities are positive and significant predictors of entrepreneurial intentions in both countries. From socio-cultural perceptions, status and respect and news in media have been found strong predictors of entrepreneurial intentions among Chinese adults while career choice and news in media have been found strong predictors of entrepreneurial intentions among Pakistani adults. Pakistani government should encourage Small and Medium Enterprise Development Authority to provide basic entrepreneurial training (Entrepreneurial Idea Generation) to adults and commercial and micro-finance banks/institutes to lend small and big loans to adults who prefer to open their firms/businesses.
INVESTIGATING THE ROLE OF ENTREPRENEURSHIP ECOSYSTEM IN IRAN'S ECONOMIC GROWTH

AUTHORS: Khyareh M.M. Torabi H.

YEAR: 2018

PUBLICATION: IUP Journal of Entrepreneurship Development

TAGS: Economic Development Economic Growth Ecosystems Iran

Entrepreneurship development requires a network of different elements, and this network is known as the entrepreneurial ecosystem. Entrepreneurship ecosystem refers to the elements—individuals, organizations or institutions—outside of the entrepreneur that motivate or impede a person’s decision to become an entrepreneur. Entrepreneurship ecosystems include the financial environment, government tax and support policies, government programs, infrastructure, dynamics and market capacities, basic and excellent education, Research and Development (R&D), and cultural and social norms. Improving the entrepreneurship ecosystem can boost economic growth through increased incentives for entrepreneurship and the development of small and medium-sized businesses. In this paper, the effect of elements of Iran's entrepreneurship ecosystem has been studied. The study is based on the data obtained from Global Entrepreneurship Monitor (GEM) reports, academic publications, reports, and publications of government agencies and other stakeholders in the field of entrepreneurship in Iran and outside. To this end, according to the 2007-2017 Global Entrepreneurship Survey on Entrepreneurship and the World Bank’s Report on GDP, the problems of the Iranian entrepreneurship ecosystem, which hampered the economic growth, were examined. Based on the problems identified, it is suggested that existence of an organization with well-defined and transparent rules for financing entrepreneurs can save from the turbulent financial environment. Further, creating dynamic communication centers for linking industries and universities can improve the R&D transfer.
GROWTH INTENTIONS OF EARLY-STAGE ENTREPRENEURS IN SOUTH EAST EUROPE REGION

AUTHORS: Leković B. Petrović M.

YEAR: 2018

PUBLICATION: Contemporary Issues in Economics, Business and Management 2018

TAGS: Growth Intentions Slovenia Croatia Hungary Romania Bosnia and Herzegovina Macedonia Europe

Through their role, entrepreneurs differently contribute to economic activity and economic development of national economies. Some of them are driven by the development of new products/services and new markets, others see their opportunity in foreign markets, while some of them try to increase their business and number of employees in line with their company’s needs. The key issue, as well as the overall orientation of this research, is related to the analysis of the relationship between entrepreneurial knowledge, skills and abilities (KSA’s), entrepreneurial motives and internationalization with early-stage entrepreneurial growth intentions. Growth aspiration is a major contribution to the economic development of the countries, because a large number of newly established companies have an enviable potential for enterprise growth and creation of new jobs. Besides the influence of psychological characteristics there is an evident influence of demographic characteristics and the business environment within which it exists. The paper is exploring a particular gap and it can advance the understanding of the importance of determinants of entrepreneurial growth intentions. Although the theory recognizes relationships of variables used in this research, yet there is a significant unexplored area, especially in terms of SEE region. The main objective of this paper is to determine the factors of influence on growth aspired entrepreneurial ventures in order to determine characteristics of these entrepreneurs in SEE region. For the purpose of this research, data from the Global Entrepreneurship Monitor was used. For the purpose of this research, the authors included six countries in research sample of South East Europe: Slovenia, Croatia, Hungary, Romania, Bosnia and Herzegovina, and FYR of Macedonia. An exploratory sample of the mentioned countries was 12027 respondents and 632 entrepreneurs with growth intentions. Based on the nature of observed variables the authors used Spearman's correlation and ordinal logistic regression (ORL). Our findings demonstrate that entrepreneurial motives and internationalization have positive relationship with high-growth entrepreneurial aspirations. Also, we have partially confirmed hypothesis related to positive relationship between entrepreneurial KSA’s
and entrepreneurial growth intentions. Main research limitation can be recognized in low Nagelkerk coefficient, which is characteristic for social phenomena, because they are complex and multidimensional, so it is very difficult to explain a very big amount of variation.
Entrepreneurship has a significant effect on the overall welfare of an economy because it decreases the level of unemployment and helps in fighting poverty, which dominates in the most countries all over the world at this time. Therefore, the contribution of small, and medium enterprises have been recognised by academics and policymakers. However, there are many factors could influence individuals in starting up a new business and one of these significant factors is perceptions. Thus, this study aims to present an understanding of how perceptions could influence Entrepreneurs’ Intention (EI) in Egypt by studying the economic and political turmoil in the period between 2008 and 2012. The data which has been used in this study has been obtained from the Global Entrepreneurship Monitor (GEM). To investigate the relationship between the individuals’ perception and the entrepreneurship intentions the analysis model follows the logistic regression techniques. The primary results of the empirical analysis are that all types of perceptions under investigation—such as factors of characteristics of individuals’ perception, sociocultural perceptions, and economic opportunities—intended to have significant leverage on intentions to start an entrepreneurial venture in this sample. Also, the results support the presumption of the economic and political events in Egypt affect the entrepreneur intentions across the years between 2008 and 2012.
There is a groundswell of efforts aimed at increasing the inclusive and diverse character of innovation. This comes as technology and automation advance, and the returns to technologically enabled activities grow at an exceptional rate relative to traditional sectors. Non-profits, thought-leading businesses and governments are working to bring more of society into these activities in an effort to promote inclusive, equitable growth. What’s more, research is emerging that demonstrates an economic case for diversity in the workplace, including the highly-cited McKinsey 2015 study, Why Diversity Matters, which revealed that diverse firms are also financial outperformers. There is increasing convergence on the aim – greater diversity and inclusion (D&I) in innovation – but there remains incomplete evidence of knowledge of best practices in government efforts to promote D&I.

Filling this gap is the precise aim of this report. Commissioned by Innovate UK, this LSE Consulting report provides a novel review of policy initiatives aimed at driving D&I in business innovation. The review develops a broad but precise understanding of what practices and strategies have worked, and which have not across the eight mandatory national case studies identified by Innovate UK (Finland, France, the Netherlands, Norway, Poland, Sweden, the UK and the USA) and the two additional case studies of Israel and Estonia. We highlight what inclusive innovation means across these ten countries, identify flagship programmes, present a new analysis of evidence of D&I in these countries, map synergies, differences and gaps in inclusive innovation policy, distil best practices in policy design, implementation and evaluation, and finally, offer recommendations for future collaboration across countries and stakeholders. In this executive summary, we present our key findings.
ENTREPRENEURIAL MOTIVATIONS AND INTENTIONS - AN APPROACH TO INTERNATIONAL ENTREPRENEURSHIP

AUTHORS: Mota A.

YEAR: 2018

PUBLICATION: Escola Superior de Tecnologia e Gestão do Instituto Politécnico do Porto

TAGS: Necessity Motivation Opportunity Motivation Entrepreneurial Intention
The relevance of entrepreneurship is unquestionable in all economies for driving economic growth and job creation. Entrepreneurs are motivated to start a business either by opportunities or necessity and entrepreneurial intention is defined as the will an individual has to start a business. This research analyzes the behavior, attitudes and perceptions of individuals, that are reflected in their motivations and entrepreneurial intentions. In order to investigate the impact of entrepreneurial motivations and intentions, the study was divided into two chapters. The results of the first chapter show that opportunity seeking is the main motivation of entrepreneurs, regardless of the economic development level of their countries. This analysis suggests that countries aiming to promote entrepreneurship should develop policies that foster entrepreneurial opportunities. For this analysis, the Global Entrepreneurship Monitor (GEM) database was used, in particular the Adult Population Survey (APS), for the period between 2010 and 2016 supported by multivariate statistical techniques, such as crosstab, linear regression, cluster and discriminant analysis. In the second chapter, on entrepreneurial intentions, statistical analysis show that the perception of perceived opportunities and capacities, the need for personal fulfillment, risk attitude and culture are characteristics that influence entrepreneurial intentions. In turn, innovation, from 2002 to 2016, had no effect on entrepreneurial intentions. In the literature, culture is referred as being a determinant in the individuals' behavior. Our results show that Hofstede’s cultural dimensions influence motivations of opportunitymotivated entrepreneurs negatively, namely: power distance index, uncertainty avoidance index, indulgence versus restraint, fear of failure rate. However, indulgence versus restraint has a positive impact in opportunity entrepreneurship. For this study, the Global Entrepreneurship Monitor (GEM) database was also used, in particular the Adult Population Survey (APS) between 2002 and 2016 and the Hofstede database for the year 2015 and these data was subject to linear regression, cluster and discriminant analysis. This study contributes a better understanding of the factors that influence the motivations and intentions of the entrepreneurs, which are important for policymakers and researchers to design adequate measures.
FAILING ROLE MODELS AND THE FORMATION OF FEAR OF ENTREPRENEURIAL FAILURE: A STUDY OF REGIONAL PEER EFFECTS IN GERMAN REGIONS

AUTHORS: Stützer M. Sternberg R. Wyrwich M.

YEAR: 2019

PUBLICATION: Journal of Economic Geography

TAGS: SSCI Germany Fear of Failure Failure Regional Studies Role Models

Entrepreneurial role models influence decisions to start firms. This effect is even stronger if peers and observers live in the same region. However, most studies remain silent about the role of entrepreneurial failure for the direction of role modeling. Failed role models can trigger a deterrence of entrepreneurship in others of the same region. We hypothesize that observing successful entrepreneurs reduces fear of failure, while observing business failure increases fear of failure. By using data on regional entries and exits, we find considerable support for our hypothesis and contribute to literature on regional entrepreneurship.
Since the 1990s there has been extensive literature about the main factors impacting on entrepreneurship activity, and therefore on the genesis and development of entrepreneurship ecosystems. Among these factors, cultural ones are of the most interest because they are specific to every community and may become essential to boost or break the entrepreneurship activity. A lot has been written about these cultural factors, especially at reaching conclusions from specific cases. However, any kind of cross-country analysis of these cultural factors has been much less widely published, with some rare exceptions. Indeed, this chapter aims to fill this gap, enhancing knowledge about entrepreneurship with a cross-country analysis on the impact of cultural factors, using models and data from Global Entrepreneurship Monitor (GEM). Moreover, particular focus has been done on Japan because of its nature as an hapax legomenon country that lets us better appreciate the impact of these factors.
ENTREPRENEURSHIP AND ECONOMIC GROWTH: AN EMIRATI PERSPECTIVE

AUTHORS: Hamdan A.M.M.

YEAR: 2019

PUBLICATION: The Journal of Developing Areas

TAGS: Economic Growth United Arab Emirates

Entrepreneurship has assumed massive importance in the face of global economic challenges. Together with innovation, entrepreneurship offers a means to overcome present challenges through sustainable development. This study uncovers entrepreneurship motivations in the United Arab Emirates and highlights criteria ideal for establishing a fertile environment for entrepreneurs to flourish. Through entrepreneurship, achievement of economic growth and diversification can be accelerated. This empirical study posits hypotheses to test the relationship between entrepreneurship and economic growth using secondary data, in a 20-year time-series (1996–2015), obtained from three principal sources: The International Bank database, the general statistics of United Arab Emirates, and data of the Global Entrepreneurship Monitor (GEM). Validity of data was rigorously confirmed through a battery of statistical tests including: normal distribution tests, time-series stationarity tests, autocorrelation and multicollinearity. In the regression analysis, essentially, entrepreneurial activity among Emiratis serves as the independent variable and economic growth in the UAE serves as the dependent variable. Empirical results, to a statistically significant extent, conclusively demonstrate that entrepreneurship positively impacts economic growth in the United Arab Emirates. These empirical results underscore the need for the United Arab Emirates to devise a national strategy promoting entrepreneurial activities through fostering a culture of entrepreneurship institutionally, providing would-be entrepreneurs with access to seed capital including grants and subsidies as well as low-interest loans, and embedding entrepreneurship in educational training at all levels putting an accent on specialized vocational training in curricula delivered by teachers endowed with entrepreneurial skills. Encouraging formation and proliferation of entrepreneurial networks, which serve not only to match would-be entrepreneurial innovators with sources of venture capital and angel investment but also channel and disseminate entrepreneurial know-how though mentoring the same, also needs to receive official sanction as a key element of national strategy. Infusing entrepreneurship in education, formally and informally, would serve to build an innovation knowledge-base and a culture that respects and encourages innovation discounting the risk of failure inherent in innovation as a deterrent stymying progress. Securing
sustainability of entrepreneurship provides a viable path to achieving economic diversification for coming generations. Institutional and organizational development underpins such sustainability.
ENTREPRENEURIAL ECOSYSTEMS IN THE BALKAN PENINSULA

AUTHORS:  Andonova V. Nikolova M.S. Dimitrov D.

YEAR:  2019

PUBLICATION:  Entrepreneurial Ecosystems in Unexpected Places

TAGS:  Ecosystems Balkans

This chapter is the first attempt to characterize Balkan entrepreneurial ecosystems that draws on well-recognized secondary sources as well as on primary data from startup applications and interviews with key stakeholders. It also highlights the entrepreneurial success stories that not only inspire but also create templates and offer insights for those interested in building and consolidating entrepreneurial ecosystems in the region and beyond. The strengths of and challenges facing Balkan entrepreneurs have previously been presented via traditional proxies and measures that overwhelmingly fail to reflect the energy, dynamics and prevailing optimism shared by participants in the entrepreneurial ecosystems. The chapter advances that Balkan entrepreneurial ecosystems are genuine and well-grounded and that they are well set to change the political and economic landscape of the region.
Entrepreneurship research in Africa has not received much attention from scholars in the past. Therefore, we contribute to this body of knowledge from the perspective of African developing countries. We demonstrate that most of the African developing countries have not yet conducted Global Entrepreneurship Monitor to study entrepreneurship in their country and we show that the existing datasets are very limited. Utilising the available data, we study entrepreneurial activity and its determinants on a sample of 12 African countries over the years 2001-2016. Using the data from Global Entrepreneurship Monitor, we show that the overall rate of entrepreneurship is higher compared to Europe (on average 31%). Utilising other data from World Bank, Transparency International and Heritage Foundation, we estimate multivariate regression models to study determinants of early-stage entrepreneurial activity. Although the number of available observations limits our results, we find some empirical evidence showing the importance of GDP per capita, unemployment rate, Economic Freedom Index, corruption perceptions and perceived opportunities as factors influencing the early-stage level of entrepreneurial activity. Our study also offers several directions for future research, regarding both research methods and other potential variables of interest.
Entrepreneurship is one of the areas that most interfere in economic policies, affecting regions, cities, states or countries. The objective of this study was to analyze the national panorama of entrepreneurship activity in Brazil in 2016, through the analysis of the total entrepreneurship (TTE), initial (TEA), and established (TEE) rates of GEM 2016. It was verified that the recovery of the Brazilian economy necessarily passes through entrepreneurship, which in the year 2016 presented a slight increase in relation to previous years. In addition, entrepreneurship by opportunity grew again in the year in question, albeit timidly.
In this paper, we propose an algorithmic approach based on resampling and bootstrap techniques to measure the importance of a variable, or a set of variables, in econometric models. This algorithmic approach allows us to check the real weight of a variable in a model, avoiding the biases of classical tests, and to select the more relevant variables, or models, in terms of predictability, by reducing dimensions. We apply this methodology to the Global Entrepreneurship Monitor data for the year 2014, to analyze the individual- and national-level determinants of entrepreneurial activity, and compare the results with a forward selection approach, also based on resampling predictability, and a standard forward stepwise selection process. We find that our proposed techniques offer more accurate results, which show that innovation and new technologies, peer effects, the sociocultural environment, entrepreneurial education at University, R&D transfers, and the availability of government subsidies are among the most important predictors of entrepreneurial behavior.
THE CONTROVERSIAL LINK BETWEEN ENTREPRENEURIAL ACTIVITY AND INEQUALITY

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YEAR: 2019

PUBLICATION: International Entrepreneurship and Management Journal

TAGS: Economic Growth Inequality Fuzzy Set Analysis Institutions

This study illustrates how entrepreneurship may contribute to enhancing economic growth and prosperity by reducing inequality and exclusion. Assessing relationships between new ventures and reduction of inequalities enables us to disentangle the mechanisms through which entrepreneurial processes may contribute to societal transformations. The proposed theoretical model is estimated by using fsQCA. The findings suggest that one crucial root of sustainable development through entrepreneurial attitude is strongly linked to the existence of inclusive institutions, and avoidance of extractive ones. The findings contribute to showing the importance of institutions to favour prosperity through entrepreneurship. This research can provide crucial implications and applications for both academics and practitioners such as policymakers. In sum, this paper provides a framework for understanding the connection between entrepreneurship and societal development.
Public investment in Research and Development (R&D) can give a strong contribution to economic development, provided that knowledge is successfully transferred to industry. Although larger and established firms have been taking on priority in this process, new and growing firms may also be important vehicles of knowledge exploitation. However, this route has received limited attention, particularly regarding the contextual conditions that may favour R&D transfer to those firms. To shed light on this topic, this article analyzes an empirical model that considers simultaneously a number of framework conditions. Using data from the National Expert Survey – Global Entrepreneurship Monitor (GEM), the study compares the proposed relationships between Portugal and fifteen other innovation-driven economies from the European Union (EU).

The results validate most relationships of the proposed model, offering evidence that fostering entrepreneurship, particularly through government support programs, education and training and favourable entry regulations allow countries to derive benefits from the investment made in R&D, which may be effectively exploited by new and growing firms. The effect of entrepreneurial finance was not confirmed in the Portuguese case, suggesting that there may be country specificities affecting the relationship between entrepreneurial finance and R&D transfer.
In the paper “Analysis of entrepreneurial activity and digital technologies in business” we consider the typologies of economies proposed by the Global Entrepreneurship Monitor (GEM) research project. According to this typology, countries are subdivided into groups with a factor-driven economy, an efficiency-driven economy and an innovation-driven economy. We also consider indicators of entrepreneurial activity in various countries: the level of activity of emerging entrepreneurs; activity level of new business owners; total early-stage entrepreneurial activity (TEA); the level of activity of established entrepreneurs; the level of exit from the business. We also consider the reasons for going out of business, the key ones being: business unprofitability, and this indicator is the main one both in the Russian Federation and in countries with an innovation-driven economy and a factor-driven economy. Along with these reasons, we can also add the following: the possibility of another employment as an employee, various personal reasons, pre-planned exit from business, lack of access to financing business, some element of chance, the possibility of selling the business, and the presence of bureaucracy and tax burden. The article analyzes the state of entrepreneurship in general by a number of indicators, including the ratio of early entrepreneurs (emerging entrepreneurs and owners of new businesses) and established entrepreneurs. The authors consider the impact of digital technologies on business, the role and importance of digital technologies in the process of supporting small and medium-sized businesses.
This study investigates whether entrepreneurship (operationalized as self-employment status) is related to higher levels of meaningfulness at work and individual’s well-being, specifically subjective vitality, when compared to regular employment. We propose that the impact of self-employment on meaningfulness at work would depend on countries’ normative context, namely on the national entrepreneurship prescriptive norm. We analysed 2010’s data from the Global Entrepreneurship Monitor and the European Social Survey on 16 European countries and tested a cross-level moderated mediation model. Results showed that entrepreneurship is positively related to individual’s well-being through the mediating effect of meaningfulness at work. However, the effect of entrepreneurship on individuals’ meaningfulness at work and, ultimately, on their subjective vitality, is stronger for people living in countries with less favorable national entrepreneurship norm. These findings provide evidence for framing meaningfulness at work as being contingent on the interaction between self-employment and national normative context and contribute to the literatures on entrepreneurship, meaningfulness, and well-being at work.
Entrepreneurship is considered to be a strong pillar of business and economic life and its first stage constitutes an intention. Yet we have little knowledge about how such intention is socially determined through interactions and shared understandings. Keeping in view of that, my study aims to understand how entrepreneurial intention emerges as a combined effect of individual social capital and societal norms. Using the theory of planned behavior, it investigates how an individual’s social capital affects entrepreneurial intention and whether social norms as perceived by the person moderates this relationship. Representing different economic and societal contexts, three countries - Turkey, Pakistan and Germany- were chosen as the empirical research setting. Using data collected through the Global Entrepreneurship Monitor (GEM) and performing logistic regression analysis, I found that social capital dimensions of personally knowing an entrepreneur and social network opportunity perceptions facilitate the intention for entrepreneurship. The results also show that while perceived desirability and prestige of entrepreneurship in the society do not interact with social capital, media coverage does. Finally, the data reveals that necessity-based entrepreneurship is stronger than opportunity-based one as the entrepreneurial intention is encouraged more in Pakistan and Turkey than in Germany.
ENTREPRENEURSHIP, FIRMS CREATION AND REGIONAL PERFORMANCE

AUTHORS: Rico P. Cabrer-Borrás B.

YEAR: 2019

PUBLICATION: European Journal of Management and Business Economics

TAGS: Innovation Human Capital Regional Studies Efficiency Spain

Purpose

The purpose of this paper is to analyse if the divergences in the economic growth of the Spanish regions are a result of sectoral differences, company size or technological level of the new firms that emerge in the market.

Design/methodology/approach

For this purpose, a model is specified and estimated in which the total factor productivity of Spanish regions is explained by business dynamics, innovation, human capital and the level of entrepreneurship in each region.

Findings

The results obtained lead the authors to conclude that entrepreneurship understood as both the creation of new firms and entrepreneurial activity, have a positive effect on productive efficiency and can explain the differences in the economic growth of the regions. In addition, the stock of human capital and the promotion of innovation act as catalysts for the productive efficiency of the regions. However, the results show that it is not enough to generate new firms to boost economic growth; these businesses must also be oriented towards sectors that promote technological innovation and with the objective to reach an adequate size.

Originality/value

Empirical studies use either the creation of new firms or the index of entrepreneurial activity as alternative measures of entrepreneurship. In this research, however, both variables are considered together. Specifically, the creation of new companies is used as a measure of regional business dynamics, and the entrepreneurial activity index, provided by the Global Entrepreneurship Monitor,
as a measure of regional entrepreneurship. The main novelty of this paper’s approach is that it considers different types of entrepreneurial capital in considering productive sector, size and technological level of the new companies.
ROLE OF INTELLECTUAL CAPITAL IN AUGMENTING THE START-UP INTENTIONS OF INDIANS—AN ANALYSIS USING GEM DATA

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YEAR: 2019

PUBLICATION: Journal of Global Entrepreneurship Research

TAGS: Regression Entrepreneurial Intention India Intellectual Capital

Purpose

Although the intellectual capital (IC) has already received much attention from the researchers in the field of innovation performance, there is still a paucity in the measuring of the role of IC in venture creation. The present study is an attempt to examine the influence of IC on start-ups.

Methodology

In this study, a large data set of 3360 respondents from India provided by the largest entrepreneurship research project GEM has been used. A logistic regression technique has been applied to measure the influence of IC on the entrepreneurial intentions.

Findings

It has been found that the components of intellectual capital, i.e., knowledge and skills, entrepreneurial opportunities, and the network, has a positive and significant impact on the entrepreneurial intentions.

Contribution

To the best of our knowledge, it is among the initial studies, which have examined the relationship between intellectual capital and entrepreneurial intentions. Only a few studies have already been done in developing countries like India by using a large data set.
The purpose of this conceptual article is to understand how the interplay of national-level institutions of culturally endorsed leadership styles, government effectiveness, and societal trust affects individual likelihood to become social entrepreneurs. We present an institutional framework comprising cultural leadership styles (normative institutions), government effectiveness (regulatory institutions), and societal trust (cognitive institutions) to predict individual likelihood of social entrepreneurship. Using the insight of culture–entrepreneurship fit and drawing on institutional configuration perspective we posit that culturally endorsed implicit leadership theories (CLTs) of charismatic and participatory leadership positively impact the likelihood of individuals becoming social entrepreneurs. Further, we posit that this impact is particularly pronounced when a country’s regulatory quality manifested by government effectiveness is supportive of social entrepreneurship and when there exist high levels of societal trust. Research on CLTs and their impact on entrepreneurial behavior is limited. We contribute to comparative entrepreneurship research by introducing a cultural antecedent of social entrepreneurship in CLTs and through a deeper understanding of their interplay with national-level institutions to draw the boundary conditions of our framework.
Barriers faced by women entrepreneurs have always been a hot topic in women’s entrepreneurship research. However, existing studies have often adopted either explanatory/descriptive approaches or conventional quantitative methods, thereby limiting our understanding of gender specificity and complexity in terms of women’s entrepreneurial barriers. The present work begins with the adoption of a post-structural feminist perspective to examine women’s entrepreneurial barriers, and it identifies four gender inequality barriers, namely motherhood, entrepreneurial cognitions, norms, and finance. Using fuzzy-set qualitative comparative analysis (fsQCA), this study first investigates how the four barriers combine to explain the low level of female entrepreneurship across 28 countries and thus confirm, rather than exaggerating, the real barriers faced by women entrepreneurs. We further take advantage of the asymmetric thinking of fsQCA to explore the causal recipes for achieving a high female entrepreneurial rate. On the one hand, the findings indicate that poor female entrepreneurial cognitions together with a high initial funding requirement constitute women’s entrepreneurial barriers, leading to the low level of female entrepreneurship. On the other hand, the findings provide four causal paths, including not only favorable but also unfavorable conditions, to achieving a high level of female entrepreneurship. Furthermore, the findings also emphasize a low initial funding requirement as a critical incentive for an increase in female entrepreneurship. These findings provide a series of implications at the academic level, as well as the policy level.
In this paper we determine the industry 4.0 (I4.0) readiness of eight Central and Eastern European countries (CEECs): Bulgaria, the Czech Republic, Lithuania, Hungary, Poland, Romania, the Slovak Republic and Slovenia. We outline the nature of manufacturing in the region, describe three distinct time periods of industrialization since 1990, and explain the nature of I4.0. Using measures reflecting three key dimensions of I4.0- readiness, namely technological, entrepreneurial and governance competencies, we find that the Czech Republic, Lithuania, Hungary and Slovenia are most I4.0-ready, and that Bulgaria, Slovakia, Romania and Poland are the least ready of the CEECs. We make a number of recommendations. All the countries in the region could do more to promote entrepreneurship; to diversify and grow manufacturing export markets through focused trade facilitation and competitive exchange rates; and to cooperate regionally on industrial policy - through for instance establishing a regional CEEC I4.0 Platform.
Although research on entrepreneurship across countries has been popular over the last decade, the factors influencing entrepreneurs are varied and the approaches to analysis remain limited. Previous studies have helped to define numerous factors affecting nascent entrepreneurs; however, there are still potential limitations of the empirically based knowledge collected about nascent entrepreneurship. Additionally, the application of traditional statistical methods such as correlation analyses to entrepreneurship research seems insufficient for analysis of preceding data covering longer. Prior research also indicated some limitations of entrepreneurial research, including the lack of use of macroeconomic factors and the lack of a large number of countries or longitudinal data on individuals. In this study, we use data from the Global Entrepreneurship Monitor (GEM) to examine 14 factors in 10 countries by employing Kohonen self-organizing maps (SOM) as a means to identify the patterns that exist between selected countries and years (from 2011 to 2016). Our results identified 4 clusters (courageous, experienced, conservative and compensative) and the features associated with each of these clusters. These results illustrate some specific patterns of entrepreneurs and show how countries shift over time.
Entrepreneurship is key for regional economic development. Regions can offer conditions that promote or limit business innovation activity. As the World Economic Forum points out, promotion and entrepreneurship support have been key factors for European countries to recover lost competitiveness. This study analyzes countries' competitiveness level during the economic recovery phase using data from the Global Entrepreneurship Monitor (GEM) and the Word Economic Forum Report for the 2012–2016 period. The sample comprises 19 countries of the European Union. The independent variable is Total Entrepreneurship Activity rate (TEA) and the dependent variables are the 12 pillars that measure competitiveness in the GEC Index. The results show that, over time, the macroeconomic environment conditions necessity entrepreneurship but, when the economy recovers, innovation determines the appearance of opportunity entrepreneurship. Differences between countries are less significant regarding entrepreneurial activity and competitiveness; however, patterns for northern and southern Europe still differ.
We evaluate how country-level entrepreneurship—measured via the national system of entrepreneurship—triggers total factor productivity (TFP) by increasing the effects of Kirznerian and Schumpeterian entrepreneurship. Using a database for 45 developed and developing countries during 2002–2013, we employ non-parametric techniques to build a world technology frontier and compute TFP estimates. The results of the common factor models reveal that the national system of entrepreneurship is a relevant conduit of TFP, and that this effect is heterogeneous across countries. Policies supporting Kirznerian entrepreneurship—e.g., increased business formation rates—may promote the creation of low value-adding businesses which is not associated with higher TFP rates. Policy interventions targeting Schumpeterian entrepreneurship objectives—e.g., innovative entrepreneurship and the development of new technologies—are conducive to technical change by promoting upward shifts in the countries' production function and, consequently, productivity growth.
Entrepreneurship is often touted for its ability to generate economic growth. Through the creative-destructive process, entrepreneurs are often able to innovate and outperform incumbent organizations, all of which is supposed to lead to higher employment and economic growth. Although some empirical evidence supports this logic, it has also been the subject of recent criticisms. Specifically, entrepreneurship does not lead to growth in developing countries—only in more developed countries with higher income levels. Using Global Entrepreneurship Monitor (GEM) data for a panel of 83 countries from 2002 to 2014, we examine entrepreneurship’s contribution towards economic growth. Our evidence validates earlier studies’ findings but also exposes previously undiscovered findings. That is, we find that entrepreneurship encourages economic growth but not in developing countries. In addition, our evidence finds that a country’s institutional environment—measured by GEM’s Entrepreneurial Framework Conditions (EFCs), only contributes to economic growth in more developed countries but not in developing countries. These findings have important policy implications. Namely, our evidence contradicts policy proposals that suggest entrepreneurship and the adoption of pro-market institutions that support it to encourage economic growth in developing countries. Our evidence suggests these policy proposals will be unlikely to generate the economic growth desired.
ENTREPRENEURIAL ACTIVITY IN SLOVAKIA: SELECTED REGIONAL ASPECTS AND THE ROLE OF GOVERNMENT ENVIRONMENT

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YEAR: 2019

PUBLICATION: IMES 2019 Book of Proceedings

TAGS: Regional Studies Government Slovakia

Purpose: The main aim of our study was to contribute to this increasing body of the regional entrepreneurship literature by a better understanding of the regional entrepreneurial activity in Slovakia as an example of postcommunist economy.

Design/methodology/approach: We exploit the existing measures of entrepreneurship from Global Entrepreneurship Monitor and Statistical Office of the Slovak Republic, and we explore the inter-regional differences in the levels of entrepreneurial activity among eight Slovak NUTS 3 regions during years 2011-2015. We also employ the multivariate regression models and empirically investigate the relationship between the business environment and entrepreneurial activity in Slovakia.

Findings: The average engagement in entrepreneurship in Slovakia was during the analysed period 16-18% of the economically active population depending on the measure used. The results of multivariate regression models have shown that the overall improvement of the general business environment positively influences the levels of entrepreneurship in Slovakia.

Research/practical implications: We believe that such an observation may serve as an encouragement for the further efforts invested in improving business conditions for the established and new Slovak entrepreneurs. We also encourage future researchers to study further other location factors of entrepreneurial activity such as cultural, logistic and socioeconomic variables. Future research might also address the role of entrepreneurial infrastructure and public entrepreneurship and SME policies.
**Originality/value:** The presented study empirically contributes to the body of knowledge on the regional entrepreneurship and the conducted approach towards quantification of the entrepreneurial activity might serve as an inspiration for other scholars.
Small and medium enterprises (SMEs) are very important for the European economy. However, SMEs often encounter various barriers, whereby tax-related barriers are perceived as the most burdensome that affects their business operations and entrepreneurial activity in general. The aim of this paper is twofold. First, it attempts to identify SMEs perception on current state and measures to be carried out in order to reduce respective red tape. Second, it tries to establish the relationship between burdens imposed by tax policy and entrepreneurial activity. Using hierarchical cluster analysis and descriptive statistics two different datasets are analyzed for the European Union (EU) and Slovenia separately. The results provide evidence that tax burden is less influential than tax administrative burden among EU countries by considering their impact on new business density and total early-stage entrepreneurial activity. Additionally, the results for Slovenia reveal that the need for a stable tax system, with IT and procedurally related measures are highlighted.
In the present decade of Innovations (2010-2020) one is likely to presume a spurt in entrepreneurial activities in India, particularly in view of the fact that our Prime Minister in 2014 took a number of policy decisions to take India to new heights in entrepreneurship. The paper aims to find out the empirical reality on the basis of GEM- Global Entrepreneurship Monitor, India Reports published every year. The main objectives of the paper are to examine Total Entrepreneurial Activity (TEA) over the years and its distribution across nations, regions, and as per individual attributes - age and gender. Further it explores the Motivation and Perceptions of the adult population with respect to social values and prevailing scenario of entrepreneurship in India. The data across the years do not show much encouraging signs. Rather India is stagnating or relatively has been left behind other factor driven economies over the three quarters of the decade. Number of days taken to start business and the procedures involved are still in highest numbers and the business ranking is lowest. The entrepreneurial spirit index shows negative value as per the latest report. Ironically GDP per capita has come down. The paper is also an attempt to seek answers to why India has failed to achieve inclusive growth which was presumed to be gained through innovations.
There is a need to evaluate entrepreneurial education programs (EEPs) to see the impact they have on a country's development. Previous work has focused mostly on entrepreneurial intentions, mainly in a university context. Additionally, literature reviews on the impact of entrepreneurial education have not yet been conclusive, mainly due to the use of subjective indicators and a low consideration of objective indicators. The purpose of this article is to respond to some of these challenges. Specifically, this study used an objective indicator, Total Early-Stage Entrepreneurial Activity (TEA), in a non-university context. A database was created that included programs categorized by autonomous communities. The analysis showed that EEPs significantly influenced the entrepreneurial activity of autonomous communities. This implies that entrepreneurial education should be a prioritized objective in the educational policy of these communities. The recommendations derived from these results are, among others, to promote role models, continue supporting the financing of entrepreneurial initiatives through education and training, continue implementing government policies to support entrepreneurship, and carry out evaluations on the impact that these programs have on skills acquired in the short and medium terms, as well as their maintenance over time.
SENIOR, YOUTH AND WOMEN ENTREPRENEURSHIP IN THE EUROPEAN REGIONS

AUTHORS: Pilková A. Mikuš J. Ká?er J.

YEAR: 2019

PUBLICATION: IMES 2019 Book of Proceedings

TAGS: Inclusivity Senior Entrepreneurship Youth Gender Europe Regional Studies

Purpose: The study aims to empirically investigate characteristics of regional distribution of inclusive entrepreneurship in Europe through the selected less represented segments (seniors, women, youth) and to identify how entrepreneurial environment factors, macroeconomic indicators and individual entrepreneurial characteristics influence the extent to which the underrepresented groups are engaged in entrepreneurship.

Design/methodology/approach: The study is based on Global entrepreneurship monitor (GEM) data (both APS – adult population survey and NES - national expert survey data) and the GDP per capita in PPS. A pooled sample of individual-level APS GEM data of 30 European countries for the period of 2011 to 2016 was used. The sample is weighted to be representative for gender, age and regional distribution. K-Means clustering using Hartigan and Wong algorithm was applied to divide countries into clusters based on constructed inclusivity indices of seniors, women and youth. We further analysed each of them according to selected economic and entrepreneurial environment factors and individual entrepreneurial characteristics.
Findings: We have identified four clusters among the studied European countries. Based on their analysis in the context of economic and entrepreneurial environment, and individual entrepreneurial characteristics, we found that opportunity perception increases with a higher level of the studied environment. A better environment in combination with individual entrepreneurial characteristics, encourage especially seniors to start their businesses, while youth under these circumstances, prefer to use employment opportunities. However, youth are more involved in entrepreneurship under weak economic and entrepreneurial conditions. Women do not seem to be significantly influenced neither by economic and entrepreneurial environment nor individual entrepreneurial characteristics. As far as regional aspects, two out of four clusters are either created by western countries or former socialist countries and two of them are mixed by both types.

Research/practical implications: Our findings have shown relevant information for policy makers in the area of inclusive entrepreneurship. Particularly, our observations have added value as far as policies formulation, to improve the environment, and formulate strategies on inclusive entrepreneurship and employment policy, which depend on the regional development stage and the level of entrepreneurial involvement of the selected underrepresented groups of population. Our observations also create a basis for further research in the field of inclusive entrepreneurship from regional and environmental points of view. We encourage scholars to study inclusive entrepreneurship further in the context of socioeconomic and cultural variables.

Originality/value: We believe that our paper offers an original value by providing a unique insight on inclusivity of entrepreneurial activities in Europe, by breaking down the GEM-based analysis of female, youth and senior entrepreneurship to regional levels. To our knowledge, there is no previous analysis built on unique, representative and robust data from these European countries.
The purpose of this research work is to explain the drivers of early stage entrepreneurship in factor driven economies and how are these affected by several cognitive and social capital factors. This study covers literature on several driving factors of entrepreneurial activity, trying to formulate a framework of determinants of early stage agricultural entrepreneurial activity. For this purpose, the adult population survey (APS), 2013 data of factor driven economies published by GEM (Global Entrepreneurship Monitor) has been used. The selected respondents (848) include those individuals who, alone or with other individuals, presently involved in venture creation, including any self-employment or selling any goods or services to others in agricultural sector. The impact of cognitive and social capital factors on early stage entrepreneurial activity is measured using logistic regression. The findings suggest that its opportunity perception and selfefficacy who are the major motivators of early stage entrepreneurship in developing nations. Also, there is gender biasness and ageing negativity with respect to new agri-business creation in developing countries. The policymakers are advised to promote motivational talks by successful entrepreneurs, motivating the budding entrepreneurs and making others understand the positives of new venture creation. This study is one of its kind conducted on agricultural entrepreneurship contributing the existing literature by explaining the impact of cognitive and social capital factors on early stage agri-preneurship in factor driven economies.
FACTORS INFLUENCING WOMEN ENTREPRENEURSHIP IN INDIA

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YEAR: 2019

PUBLICATION: EDI India Thirteenth Biennial Conference on Entrepreneurship

TAGS: India Regression Gender

Though the importance of women entrepreneurship has already been acknowledged all over the world yet in India the level of venture creation is significantly lower than that of males. It is true that researches conducted in western developed countries cannot be applied to developing countries, particularly, in the area of female entrepreneurship. In this study, researchers investigate the role of various factors affecting women entrepreneurship in India. For this reason, they have integrated the intellectual capital and cognitive framework to explain venture creation phenomenon. In this research, data set relies upon the interviews of 1765 respondents from India. The data has been provided by the largest entrepreneurship research project GEM. A logistic regression technique has been applied to measure the influence of intellectual capital and entrepreneurial cognition on the entrepreneurial intentions of Indian women. It has been found that the among all the proxy measures of intellectual capital only owning & managing a firm has a positive and significant impact while perception of opportunities and perception of social legitimacy both have a positive and significant impact on the entrepreneurial intentions. The contribution of this research to the existing literature is two dimensional. Firstly, it has highlighted the significance of entrepreneurial cognition and intellectual capital in developing the entrepreneurial propensity among Indian women. Secondly it suggested some remedial measures to the Indian government for developing certain factors which are highly significant for entrepreneurial intentions.
The rapidly growing and diversifying incubator population has led to increasing efforts to understand why entrepreneurs prefer one incubator over another. Scientific studies suggest that entrepreneurs should prefer incubators that provide startups with intangible resources, such as business knowledge or networks to enhance performance. Yet, studies show many entrepreneurs prefer incubators that provide tangible resources, such as funding and office space. The heterogeneity in preferences for resources from incubators is poorly understood. We do not know whether there are patterns in this heterogeneity nor what factors explain this heterogeneity. Thereby, we do not know the extent to which a one-size-fits-all model of incubation is sufficient to attract and support startups or whether incubators need to tailor themselves to the perceived resource needs of different groups of startups. Hence, this paper aims to identify and explain the heterogeneity in preferences for resources offered by an incubator to startups. We conducted a discrete choice experiment to determine how the attributes of an incubator influence incubator choice by different latent classes of entrepreneurs. The data comes from 935 entrepreneurs in North America and Western Europe. Our results reveal three latent classes of entrepreneurs: “ambitious, balanced spinoffs,” who consider all the incubator’s attributes when making a decision; “innovation-driven funding seekers,” who base their choice on funding availability; and “self-made individualists,” who disfavor networking, training, and coaching. The ambitious, balanced spinoffs class based their choice on the attributes highlighted in the literature, while the innovation-driven funding seekers and self-made individualists fit more with empirically observed preferences for tangible resources. The classes show that systematic heterogeneity exists in the preferences for resources provided by an incubator. We advise incubator managers how to better tailor their support to the preferences and needs of classes of startups.
REGULATIONS AND ENTREPRENEURSHIP: EVIDENCE FROM DEVELOPED AND DEVELOPING COUNTRIES

AUTHORS:  Alvarez C. Amorós J.E. Urbano D.

YEAR: 2019

PUBLICATION:  Revista Innovar

TAGS:  Regulatory Environment Institutional Economics Economic Development Policy

This paper uses an institutional approach to examine the effect of regulations on entrepreneurial activity, comparing developed and developing countries. Through an unbalanced panel data set of 49 countries over the period 2001-2010 and using a combination of international databases we find a positive influence of government spending and entrepreneurship legislation on entrepreneurial activity. It was also found that regulations may have different impacts on entrepreneurship according to the country's economic development. Thus, in developed economies unemployment legislation is positively related to entrepreneurship, while this relationship is negative in other cases. This paper offers new insights both from a conceptual perspective (advancing theory concerning the factors that influence entrepreneurial activity) and a practical viewpoint (for the design of government policies to foster entrepreneurship).
This research seeks to explain how particular conditions in the external environment are associated with market-driven entrepreneurship—more specifically, startup or early-stage business activity that addresses opportunities in the market (opportunity-driven entrepreneurship), and that which offers unique and novel products or services to customers (innovative entrepreneurship). We further acknowledge that environmental conditions can also affect existing organizations, and thereby identify a third form of entrepreneurial activity: corporate entrepreneurship. Analyses of 44 economies show that economies with basic institutional conditions (structures and rules that govern business activity), and efficiently functioning markets, have high rates of both innovative entrepreneurship and corporate entrepreneurship. However, external contexts that foster innovation are negatively linked to both opportunity-driven and innovative entrepreneurship, while exhibiting a positive association with corporate entrepreneurship.
Nascent entrepreneurs have their own business for several reasons, but one can easily distinguish their motivations in two types: the willingness to be an entrepreneur and the need to be one. Finding a good opportunity in the market is not the only way to start a business; entrepreneurs also start a business because there is no better or no other choice to avoid unemployment (e.g., Evans and Leighton, Small Business Economics 2:319–330, 1990; Masuda, Small Business Economics 26:227–240, 2006). The Global Entrepreneurship Monitor divides entrepreneurs’ motivations in two ways: opportunity and necessity. This research analyzes the motivations of nascent entrepreneurs; more specifically, it identifies the main motivations of entrepreneurs across different countries, presenting the characteristics that most influence the motivations of the individuals either by necessity or opportunity; and finally, it clusters countries in terms of entrepreneurship types and characterizes them. The literature suggests that entrepreneurs by opportunity are strongly associated with developed countries. Therefore presenting a set of characteristics that influences these motivations allows a greater understanding of the entrepreneurship process, where the motivation and the process that influence the business decision-making of individuals are critical. Our results show that motivations for entrepreneurship are strongly correlated with the sociodemographic characteristics of the entrepreneur, e.g., age, education, and family income. Our study also shows that entrepreneurship by opportunity does not necessarily happen in developed countries. In contrast, it should be noted that entrepreneurs by necessity do not seek to start an innovative business, nor do they perceive good opportunities in their context; nevertheless they decide to become entrepreneurs as a way to overcome the lack of employment opportunities, suggesting that they seek to avoid possible risks.
This paper explores the role of gender in new technology-based firms creation and whether this role differs across developed and emerging countries. By using a sample of 244,471 individuals in 70 countries, the results firstly show a negative relationship between being a woman and setting up a technology entrepreneurial initiative, regardless the stage of the country’s economic development. Secondly, in less-developed countries, there is a positive effect of being a woman on starting non-technology entrepreneurship. Thirdly, in emerging countries, being a woman has an even greater negative effect on technology entrepreneurship than it has in developed countries.
Labour market institutions enable and constrain individual behaviour on the labour market and beyond. We investigate two main elements of national employment protection legislation and their effects upon entrepreneurial activity. We use multilevel analyses to estimate the separate impact of redundancy payments and the notice period for employers on independent entrepreneurship (self-employment) and entrepreneurial employee activity. Redundancy payments and notice period reflect labour market friction, opportunity cost, search time and liquidity constraint mechanisms contained in employment protection legislation. Country-level legislation on the notice period for employers is found to be positively related to an individual's involvement in entrepreneurial employee activity, yet negatively related to self-employment. We do not find consistent effects of redundancy pay legislation on entrepreneurial activity.
This study explores the link between the probabilities of becoming an entrepreneur and an angel investor. Using data from the Global Entrepreneurship Monitor, we examine what types of individuals invest in new businesses. We present the estimation results for the odds ratio of entrepreneurial activities and angel investment, which may reflect the extent of entrepreneurial ecosystems at the country level. The results reveal the existence of a positive and significant link between entrepreneurial activities and angel investment, indicating that individuals who have experience in entrepreneurial activities are more likely to invest in new businesses. Moreover, we find that the link between entrepreneurial activities and angel investment differs across countries. Specifically, while the proportion of individuals who engage in angel investment in Japan is much lower than in some countries, the link between entrepreneurial activities and angel investment in Japan is greater than in other countries.
Purpose

The purpose of this paper is to examine the profile of entrepreneurs who failed in previous businesses, but despite their initial failure, decide to start or maintain another business. Based on the literature, re-entrepreneurs present some unique characteristics that allow them to overcome and learn from their previous ventures. Moreover, following the institutional dimensions literature, the paper shows that these dimensions should also affect the prevalence and type of re-entrepreneurial profiles.

Design/methodology/approach

Traditional ANOVA and logistic regression analysis were used as a way to test several hypotheses. Moreover, decision trees were implemented to provide further insights with respect to the characteristics of the relationships under study. Data from the Global Entrepreneurship Monitor Survey (Adult Population Survey 2016 for Chile) is the main source of information.

Findings

The results of this paper show that for Chilean entrepreneurs, there is a different profile between those who fail and abandon and those who decide to start a new business after failing. These differences show that post-failure entrepreneurs behave like angel investors, have better business skills and are more experienced. Additionally, they are more likely to share ownership of their new business.

Originality/value

The paper contributes to the literature with empirical results that validate that failure determines special characteristics in entrepreneurs through a methodology that is relatively new in the
community. Also, the paper discusses how institutions (institutional theory) could play a role in this phenomenon. This can help decision makers and the academic community better understand the nature of this type of entrepreneur and thus provide insights for more focussed public policies and better-informed business decisions.
In this article, we explore the effectiveness of government intervention, R&D, and pro-innovation mechanisms in the likelihood of being an innovative entrepreneur with high ambitions of growing, in the particular context of Latin America and the Caribbean. We use a longitudinal approach, with a multilevel mixed-effects logistic regression procedure. The data comes mainly from the Global Entrepreneurship Monitor and the Global Competitiveness Index. The sample covers 14 countries from Latin America and the Caribbean between 2006 and 2015. The results provide empirical insights about firm and individual characteristics that explain the likelihood of being an innovative and ambitious entrepreneur. We also find that effective and narrowed policies in addition to an innovation-driven environment, also increases innovative-ambitious entrepreneurs. The paper includes implications for policy makers that want to enhance local entrepreneurial framework conditions.
Many studies have addressed opportunity discovery and opportunity exploitation; however, very little research has focused on opportunity recognition. In this study, 17 countries that participated in both GEM and WVS. Our research found that each of the factors studied in this analysis were influential in entrepreneurial opportunity recognition. Furthermore, the factors result in six specific patterns of entrepreneurs. We also examined the stability on the SOM plane of the six patterns of entrepreneurial opportunity recognition. The study reveals interesting patterns of entrepreneurial opportunity recognition in the context of global entrepreneurial activities.
CULTURE AND CREATIVITY: THE REGIONAL SPECIFICITY IN THE STRATEGY OF DEVELOPMENT

AUTHORS: Karnaukhova O.S.

YEAR: 2019

PUBLICATION: Liberal Arts in Russia

TAGS: Cultural Factors Creativity Europe Russia

In a knowledge-based society, economic growth depends on the realization of new ideas. Creative people, creative industries and the creative economy are considered to be the most important factors of economic prosperity and change management. The author of the article analyzes the cultural specificity in the support of creativity in the implementation of the socio-economic development strategy. A comparative analysis of the World Values Survey by R. Inglehardt, data from the Global Entrepreneurship Monitor and Entrepreneurship Eurobarometer G20 enables determining the regional differences between Europe and Russia in cultural practices within the decision-making process. This can serve as a basis for further cross-cultural study of the clashes between global economic systems, creativity and innovation requirements, internal institutional and social resources to support/reject innovation and culturally supported behavioral patterns of those identified as drivers of the new economy.
Are quantitative measures driven by small business activity also valid proxies for high-impact Schumpeterian entrepreneurship? We compile four hand-collected measures of high-impact Schumpeterian entrepreneurship (VC-funded IPOs, self-made billionaire entrepreneurs, unicorn start-ups, and young top global firms founded by individual entrepreneurs) and six measures dominated by small business activity as well as institutional and economic variables for 64 countries. Factor analysis reveals that much of the variation is accounted for by two distinct factors: one relating to high-impact Schumpeterian entrepreneurship and the other relating to small business activity. Except for the World Bank measure of firm registration of limited liability companies quantity-based measures tend to be inappropriate proxies for high-impact Schumpeterian entrepreneurship.
DOES USING LATEST TECHNOLOGY IMPACT NEW VENTURE INNOVATION? A CONTINGENCY BASED VIEW OF INSTITUTIONAL ENVIRONMENTS.

AUTHORS: Mohsen K. Saeed S. Raza A. Omar S. Muffatto M.

YEAR: 2019

PUBLICATION: Journal of Small Business Management

TAGS: Technology Institutions Resource-Based Theory Multilevel Analyses

Drawing on resourced based theory and institutional theory, we develop a multi-level model on the outcomes of early-stage entrepreneurs employing latest technologies in their ventures. Essentially, we argue that the effects of using latest technologies on new venture innovation are moderated by the nature of a country's regulative, conducive, normative and cognitive environments. Results indicate that the entrepreneur who employs higher levels of latest technology usage in a country exhibit higher innovation as compared to others as regulatory and conducive environments of the country strengthen. These results contribute to the literature examining international comparative entrepreneurship determinants of productive entrepreneurship.
We develop and empirically test why, when, and how entrepreneurs choose to rapidly re-engage in firm creation after business closure. We draw on the notions of human capital, knowledge spillovers, and business cycles to build a comprehensive framework aimed at better understanding the choice of accelerated repeat entrepreneurship. The tests performed using data from multiple countries and several periods consistently reveal that after business termination, the likelihood of rapidly re-engaging in entrepreneurship is positively influenced by the experiential capital of entrepreneurs (i.e., skills developed from launching new businesses and innovative products in previous organizations). Furthermore, this positive relationship is clearly heightened by favorable business cycle and spatial context conditions. Results are expected to shed some light on the circumstances under which repeat entrepreneurship rapidly occurs before second opportunities vanish. A timely action by policy makers is recommended to promote repeat entrepreneurship.
INTERNATIONAL CORRUPTION AND ITS IMPACTS ACROSS ENTREPRENEURSHIP TYPES

AUTHORS: Goel R.K. Saunoris J.W.

YEAR: 2019

PUBLICATION: Managerial and Decision Economics

TAGS: Corruption

Using a large cross-country sample, this paper examines the impact of corruption on entrepreneurial activities by uniquely addressing two questions: (a) Does the impact of corruption on entrepreneurship vary across entrepreneurship type? (b) How does the effect of corruption differ across nations with varying prevalence of entrepreneurship? Considering three dimensions of entrepreneurship, nascent entrepreneurship, new business owners, and established new business owners, results, accounting for possible two-way causality, show that entrepreneurship is negatively affected by corruption across entrepreneurship types, with differences in the relative magnitudes of effects. This sanding effect of corruption, however, varies across the prevalence of corruption and switches to greasing for nascent entrepreneurs.
A PROPOSED FRAMEWORK ON THE ROLE OF ENTREPRENEURIAL EDUCATION AND CONTEXTUAL FACTORS

AUTHORS: Ahmed T. Rehman I.U. Sergi B.S.

YEAR: 2019

PUBLICATION: Entrepreneurship and Development in the 21st Century

TAGS: Education and Training Entrepreneurial Intention Context Effects

Understanding and predicting the emergence of venture initiation entails research to explore the antecedents of entrepreneurial intention (EI) and behavior. This book chapter aims to provide an overview on the role of exogenous factors (entrepreneurship education), contextual and environmental factors (perceived entrepreneurial motivators and barriers) in developing EIs and behavior among the university graduates. It also highlights the different strands of opinion and research on the role that formal entrepreneurship programs may (or may not) play in developing EI and action. This book chapter further provides some developments on the factors mentioned above among the different Asian countries while using Global Entrepreneurship Monitor (GEM). Since 1999 GEM reports have been a key source of comparable data across a large variety of countries on attitudes toward entrepreneurship, start-up, established business activities, and aspirations of entrepreneurs for their businesses.
INSTITUTIONS, ENTREPRENEURSHIP, AND ECONOMIC PERFORMANCE

AUTHORS: Urbano D. Aparicio S. Audretsch D.B.

YEAR: 2019

PUBLICATION: International Studies in Entrepreneurship Book Series

TAGS: Institutions Economic Development

1. Front Matter
   Pages i-xi

2. General Introduction
   David Urbano, Sebastian Aparicio, David B. Audretsch
   Pages 1-14

3. Institutional Antecedents of Entrepreneurship and Its Consequences on Economic Growth: A Systematic Literature Analysis
   David Urbano, Sebastian Aparicio, David B. Audretsch
   Pages 15-56

4. Social Progress Orientation and Entrepreneurship
   David Urbano, Sebastian Aparicio, David B. Audretsch
   Pages 57-83

5. The Effect of Entrepreneurial Activity on Economic Growth
6. Social Progress Orientation, Entrepreneurship and Economic Development

David Urbano, Sebastian Aparicio, David B. Audretsch

Pages 107-129

7. Institutional Context, Entrepreneurial Activity, and Social Progress

David Urbano, Sebastian Aparicio, David B. Audretsch

Pages 131-149

8. General Conclusions

David Urbano, Sebastian Aparicio, David B. Audretsch

Pages 151-162

9. Back Matter

Pages 163-240
The term ‘entrepreneurial eco-system’ (EES) currently belongs to the most popular ones in economic geography – and in the practice of start-up support policies in many countries, too. Due to its exclusively positive connotations the usage of this term creates unrealistic hopes among entrepreneurship support practitioners. Scholars may be reminded to previous supposed panaceas of regional economic policies like clusters, ‘creative class’ members or high-tech industries. As for these predecessors as well, the concept is “fuzzy” (Markusen 1999), the available empirics are “scanty” (ibid.) and its perception among policymakers is oversimplified, exclusively positive and partially naïve. To a degree, this is a consequence of an extremely unclear definition of what is meant by an EES. The undertheorization of the EES discourse, as observed by some scholars, is not due to a lack of conceptual approaches per se, but due to a lack of convincing, theoretically strong approaches. In fact, the majority of the EES publications is conceptual or even theoretical, usually without any serious empirical underpinning. From our perspective the latter has one important consequence: EES theory is weak because there is a lack of representative, comprehensive and sophisticated empirical studies, indicators and methods to measure EES. This paper provides a unique attempt to measure EES at the sub-national level of regions, that is, from our perspective, the most appropriate spatial level to identify and measure (and theorize) EES as the regional entrepreneurship literature provides striking evidence in favor of entrepreneurship as being primarily a regional (or local) event. Our paper contributes to the current EES debate by arguing that a robust empirical measurement of various EES at the sub-national level may help to improve the quality of EES theory. We propose to start with Erik Stam’s interpretation of an EES based upon ten “conditions” for whom we develop specific variables for application in concrete data collection exercises in different regions. We develop an overall EES index as well as subnational indices for each of the ten conditions. We also propose a method to care for the various weighting problems to be solved. Our attempt has been successfully pretested in Germany and Spain and has meanwhile entered a more ambitious pilot phase in 2018. One of this paper’s aims is to get
feedback from scholars studying EES regarding our proposed method.
While innovation remains a focus of policymakers, very little is known about how older entrepreneurs adopt new technology or introduce new products. Similarly, demographic studies of entrepreneurship are mostly interested in non-age-related demographic influences on entrepreneurial behavior. In this study we examine how age influences the choice of innovative entrepreneurship by considering both technology adoption and product innovation by those who enter entrepreneurship late in their career (over 50 years old). Our results suggest that as in other spheres of life, third-age entrepreneurs tend to lag behind their younger counterparts in technology adoption and innovation. This is extremely significant as, due to the aging population in many countries, it could have serious consequences for the overall development and growth of high impact entrepreneurship. We suggest some measures to address this issue.
This paper seeks to better understand the differences in entrepreneurship rates across administrative regions and countries. Using several measures of entrepreneurship, as well as regional and panel data of countries, it finds that lactase persistence has a significant impact on entrepreneurship. Moreover, it shows that cross-country level variation in the frequency of lactase persistence found in the human body more than 500 years ago explains these observed differences across countries and regions today. Specifically, it finds that a one standard deviation increase in lactase persistence decreases regional self-employment by 7%. In addition, the estimates show that a one standard deviation increase in lactase persistence decreases total early-stage entrepreneurial activity (TEA) and established business ownership (EBO) by 4% and 1.58%, respectively. These findings remain robust to the introduction of the econometric method to deal with the mismeasurement of our historical variable, lactase persistence, as well as the introduction of several types of control variables such as per-capita GDP growth, education, culture, population density, urbanization, genetic diversity, institutions, geography, disease and banking structure.
This paper attempts a conceptual framework for innovative entrepreneurship (‘innovapreneurship’). Nowadays, the term entrepreneurship is used very broadly, so much so that its essence may become lost. Even people who get business from the state have jokingly been referred to as ‘tenderpreneurs’. However the original construct of an entrepreneur from the Schumpeterian perspective was that of a very serious player in the development of any economy. The entrepreneur was the ‘undertaker’ who ‘under-took’ new ventures or sought new and better ways of doing things. Driven by the ‘undertaker’s spirit’ or the unternehmergeist, s/he embarked on a path of ‘creative destruction’ which not only added value to the economic output but would ultimately lead to radically new ways of doing business. At the national and supra-national levels, such creative destruction would even lead to new forms of social and economic relations. There has been a lot of focus on the small & medium enterprise space in South Africa and globally. It is the space where it is relatively easy for a person or a partnership to enter into business and/or into economic value-creation. Yet the statistics consistently point to huge failure rates in new business start-ups and to mediocre performance by the already established SMEs. Key to this, it is submitted, is the dearth in real entrepreneurship. Statistics show that there is an increasing number of people who are ‘self-employed’, largely due to the country’s very high and rising unemployment rate. Most of these are ‘survivalist’ owner-managers, who would take up any other better opportunity if it came up. It is for this reason that efforts should be made to rediscover true entrepreneurship. Interventions by funding agencies and “SME development” agencies, including training institutions, should be reviewed to incorporate aspects of true entrepreneurship. The training and mentorship programmes of SME owner-managers should now focus on stimulating their innovativeness. Innovative entrepreneurship models and case studies should be showcased more and more. Even the individuals involved in undertaking such ventures ought to be infused with the unternehmergeist. This paper reviews the current state of entrepreneurship in South Africa, focussing on the SME sector. It argues for an innovative approach to SME development. This new approach, it is submitted, should be
undergirded by the broad-based National Systems of Innovation Framework (Broad-based NSI). The rationale for the SME focus is discussed first, to justify the need to prioritize innovative entrepreneurship at that level (as opposed to the large industry and large organisational level). That rationale is then followed by an overview of the definitions of “Small businesses” in South Africa. The broad and not-so-useful definition of Small and Medium Sized enterprises is problematized as not being very helpful in the development of true entrepreneurship, an entrepreneurship that is predominantly innovative. The prevailing conceptual frameworks for SMEs are then reviewed. The National Systems of Innovation (NSI) approach is then discussed, focusing on the political economy-wide perspective of NSI. It is argued that there should be a radical shift in the approach to SME development. The approach should focus on two primary elements, one is the entrepreneur, who ought to be “innovationized” and the second is the overall system or paradigm of Innovation Systems, which ought to inform all SME development policies and programmes in the country. With this new approach and paradigm, the quantity of SMEs will drop drastically, but the quality of new ones and the remaining will improve exponentially, as will output and aggregate welfare.
This paper aims to analyse the changes on the profile of the European agricultural entrepreneurs after the recent financial crisis, that began in 2008, given the impact of the crisis on European economic activity and the lack of studies on agricultural entrepreneurship. Using individual-level data from the total early-stage entrepreneurial activity for the European agricultural sector in 2007 (before the crisis) and 2012 (after the crisis), taken from the global entrepreneurship monitor, we investigate if after the crisis changes the role of motive, demographic and economic factors (gender, age, education, household income), perceived characteristics (opportunity perception, self-confidence, fear of failure, meeting other entrepreneurs) and innovativeness (clients, technology, competition). This study includes 22 European countries and the results allow us to conclude that the role of these variables is changed by the crisis, except for the role of gender, to meet other entrepreneurs, customers and competition, which may reflect specific characteristics of the agricultural sector.
Over the last couple of years immigration has been the subject of much scrutiny and public discourse in the UK. However, this debate has largely focused on UK-wide immigration issues, neglecting other dimensions such as the economic, social and cultural contributions of migrant entrepreneurship. This report, commissioned by the Federation of Small Businesses in Scotland, draws on the analysis of statistical data from the Global Entrepreneurship Monitor (GEM), the Small Business Survey (SBS) and the Wealth and Assets Survey (WAS), published research, and over 40 interviews with migrant entrepreneurs and key informants to articulate the substantive contributions migrant entrepreneurship makes to Scotland. The report also advances recommendations as to how such contributions could be enhanced further. This report finds that entrepreneurs who have moved to Scotland from elsewhere in the UK, Europe or the rest of the world have a positive and tangible impact on economies and communities across the country. The economic contribution they make to the Scottish economy is vast. Immigrant-led SMEs, to highlight one group, generate £13 billion in revenues and 107,000 jobs for the Scottish economy. By being significantly more likely to have post-graduate qualifications and family business experience, they are more likely to identity business opportunities and start new promising ventures in Scotland. This is true of all migrant entrepreneurs whether they have migrated from England, Estonia or Ethiopia; or located in Scotland’s largest cities or remotest settlements. The overall picture that emerges from this research is that migration – including overseas immigrants, RUK in-migrants and Scottish returnee emigrants – is associated with skilled, ambitious individuals who are more entrepreneurial than native Scots. Nevertheless, despite having higher growth expectations and export ambitions, immigrant-led ventures struggle in particular to turn their ambitious intentions into successful and established businesses. They experience erratic growth, low export activity and no performance advantage. Given the size of the prize on offer, supporting these entrepreneurs to overcome these barriers to growth should be a key priority for the Scottish Government, its enterprise agencies and local government. The impact of migrant entrepreneurs extends far beyond economics, however. By offering different products and services to consumers in Scotland, they act as a bridge between their home and host cultures. By
enabling interactions between people from different cultures and different countries, they enhance integration efforts and cultural understanding and make Scotland a more attractive place to visit, start a business, study and work. This is true of the African couple running a care home, a Romanian food entrepreneur, an English-French duo running an award-winning hotel, a Chinese tech entrepreneur and many, many more.
NEW AND GROWING FIRMS' ENTREPRENEURS' PERCEPTIONS AND THEIR DISCRIMINANT POWER IN EDL COUNTRIES

AUTHORS:  Pilar M.D.F. Marques M. Correia A.

YEAR:  2019

PUBLICATION:  Global Business and Economics Review

TAGS:  Economic Development Perceptions

This work aims to analyse entrepreneur's perceptions about conditions to create new and growing firms and their significance in the economic development level (EDL) of countries. For this paper was used Global Entrepreneurship Monitor (GEM) project, in particular, the dataset NES 2013. To group the variables related to entrepreneur's perceptions about conditions to create new and growing firms a factor analysis was done and the variables more relevant are identified. Eight factors were obtained and renamed considering the entrepreneurial framework conditions (EFCs) defined by GEM. Next, in order to find out which variables contributed to economic development level of the countries, considering the entrepreneurs' perceptions, a discriminant analysis was carried out. With this study, we conclude that the levels of economic development are distinguished by the perceptions of entrepreneurs about new and growing firms.
This article asks whether a legal system that provides protection for commitments made prior to contract formation is more or less conducive to risk-taking by foreign investors than a legal system that does not. I surmise that increased levels of protection for precontractual commitments establish an environment more hospitable to new business development, giving potential entrepreneurs added security in their ventures. And I further surmise that different legal traditions provide different levels of protection for these pre-contractual commitments. To better understand the risks faced by cross-border business investors, this article describes the key distinctions between legal systems that create potential liability for an unwitting investor and how they affect pre-contractual liability. It then links these risks with levels of investment by performing a quantitative assessment of the relationship between legal tradition and entrepreneurial activity, followed by a contextual analysis of conversations with cross-jurisdictional legal practitioners. It concludes by showing the distinctions in pre-contractual liability rules between civil and common law legal systems have a significant impact on potential investment.
This article is devoted to the problem of reasoning of the individual entrepreneurial capacity. For the Russian socioeconomic environment, when the problem of transition to an innovation-oriented economy is becoming an issue of the highest priority, this problem is quite relevant, since the level of development of entrepreneurial activity becomes the main strategic resource and an internal source of economic growth. The assessment of the individual entrepreneurship in the economy allows to determine the potential of the entrepreneurial community, as well as to identify the stimulating and inhibiting factors of its development. The complexity of the scientific research of this problem is related to the controversy and insufficient development of methodologic foundations of entrepreneurship. In the article the essence of the individual entrepreneurial aspirations and the conditions of their implementation in various models of the economy is gradually revealed. The need-motivational mechanism involving an individual in the entrepreneurial process is considered and two types of entrepreneurs such as "by necessity" and "by opportunity" are distinguished on its basis. The authors examine the significant factors contributing to the implementation of entrepreneurial intentions of the individual in each model of resource-oriented, effectively-oriented and innovation-oriented economy. The authors pay attention to the fact that the objective environmental conditions determine the quality and dynamics of entrepreneurial activity. It is established that the institutional environment of innovative economy creates favorable conditions for realization of the individual entrepreneurial potential.
DOES INTELLECTUAL CAPITAL AFFECT THE VENTURE CREATION DECISION IN INDIA?

AUTHORS: Khan A.M. Arafat M.Y. Raushan M.A. Saleem I. Khan N.A. Khan M.M.

YEAR: 2019

PUBLICATION: Journal of Innovation and Entrepreneurship

TAGS: Intellectual Capital Entrepreneurial Intention Opportunity Motivation Education and Training Regression India

Purpose

Although the intellectual capital (IC) has already received much attention from the researchers in the field of innovation performance, there is still a paucity in measuring the role of IC in venture creation. The present study is an attempt to examine the influence of IC on start-ups.

Methodology

In this study, a large data set of 3413 respondents from India has been used. The data has been provided by the largest entrepreneurship research project GEM. A logistic regression technique has been applied to measure the influence of IC on entrepreneurial intentions.

Findings

It has been found that the components of intellectual capital, i.e., knowledge and skills, entrepreneurial opportunities, knowing other entrepreneurs, business angel, and educational level have a positive and significant impact on the entrepreneurial intentions.

Contribution

To the best of our knowledge, it is among the initial studies, which have examined the relationship between intellectual capital and entrepreneurial intentions. Only a few studies have already been done in developing countries like India by using a large data set.
DETERMINANTS OF EARLY STAGE HIGH-GROWTH ENTREPRENEURSHIP: EVIDENCE FROM SOUTH EAST EUROPE REGION

AUTHORS: Leković B, Berber N

YEAR: 2019

PUBLICATION: Journal of East European Management Studies

TAGS: Europe Slovenia Croatia Hungary Romania Bosnia and Herzegovina Macedonia High Growth Entrepreneurship

The main objective of this paper is to determine the factors of influence on growth aspired entrepreneurial ventures in order to determine characteristics of these entrepreneurs in the SEE region. We draw upon data from the Global Entrepreneurship Monitor international survey in order to provide deeper insight into the high-growth entrepreneurship in selected SEE countries. For the purposes of this research, the authors included six countries in the research sample of South East Europe: Slovenia, Croatia, Hungary, Romania, Bosnia and Herzegovina, and FYR of Macedonia. An exploratory sample of the mentioned countries was 12027 respondents and 457 high-growth entrepreneurs. Based on the nature of the observed variables, we used Spearman's correlation and ordinal logistic regression (ORL) in order to explore the relations between variables. We used OLR to explore the relation between the national culture, entrepreneurial motives, and aspiration to the level of entrepreneurial growth intentions. The findings demonstrate that entrepreneurial motives, innovation, and internationalization of new business venture have statistically significant relations with the high-growth aspirations among entrepreneurs in South East Europe region.
EXPERIENCE OF FUNCTIONING OF FOREIGN BUSINESS STRUCTURES IN A GLOBALIZED SPACE

AUTHORS: Melnyk A. Shatska Z.

YEAR: 2019

PUBLICATION: Sustainable development under the conditions of European integration- Part II

TAGS: Business Structure Globalisation

The essence of the concept «business structure» is defined in the article and their classification is given. Summarized scientific approaches to the interpretation of this concept. The common and difference features between business structure, as new integration entities of the globalized space and traditional enterprise are shown. The place of business structure is investigated and the role and functions are generalized in shaping the national economy. The experience of functioning of 24 foreign business structures is analyzed on the example of the countries of Europe and North America according to world-known ratings, namely: National Entrepreneurship Context Index (NECI) and Entrepreneurship Framework Conditions Rankings of Economics; The annual worldwide ranking top 500 global companies «Fortune Global 500». It has been proved that modern business structure, as powerful integrated systems of self-governing economic entities of various organizational and legal forms, operating in a market environment or in the global Internet (network business structures), have a decisive influence on the development of the national economy and the acceleration of the formation of the global market.

ACCESS ARTICLE
This thesis aims to contribute to the understanding of the relationship between institutional change and entrepreneurship development while maintaining across countries perspective. The focus of each chapter is to examine institutional change from a distinct perspective across the following three dimensions: (1) change that occurs incrementally over time, (2) discontinuous change that occurs due to conflict (revolutions, wars etc.), and finally, (3) social change as captured by migration. Following the introductory chapter, in the second one, an institutional perspective is used to investigate the ways in which change in formal political institutions influences change in Total Early-Stage Entrepreneurial Activity (TEA) rates, utilising a large panel of 77 countries. This chapter stresses that changes in political institutions play an essential role as factors in the development of entrepreneurship (TEA). Additionally, this chapter also extends research in comparative entrepreneurship that hitherto has largely overlooked the issue of stability of political institutions even though this can be a key source of (or a constraint on) entrepreneurial behaviour. Chapter 3 examines how host country institutional environments influence intentions and motivations of immigrants about self-employment and their growth intentions with respect to their new ventures. Consistent with this, in this chapter, the focus is on macro level institutional factors that influence immigrant entrepreneurship activity compared to nonimmigrants in recipient countries. In its policy conclusions, the chapter also contributes to the economic growth debate through recommending targeted policies that aim to attract immigrant entrepreneurial efforts and enhance the economic dynamism. Finally, in chapter 4, seeks to understand how radical institutional change affects entrepreneurship. The empirical counterpart is related to the Arab Spring revolutions, and how those influenced decisions to start a business in three distinct Middle East and North Africa (MENA) region countries. This chapter contributes to the existing literature by exploring how radical institutional change after conflict (revolutions, war, and uprisings) both directly and in conjunction with the
personal characteristics of individuals influence entrepreneurial activity.
The purpose of this paper is to present a descriptive analysis of start-ups in Egypt and the related ecosystem, relying on a unique survey. This is the first survey that aims to provide useful and insightful data specifically about Egyptian start-ups. The study aims to explore success factors, opportunities and challenges that they face. This, in turn, has led us to suggesting recommendations for policy makers that may encourage this significant socio-economic segment to become a steering wheel in economic growth.
The purpose of this dissertation is to examine the role of context in entrepreneurship. I intend to shed light on the role of context in facilitating country level entrepreneurial activity through a multi-method approach in this three-paper format dissertation. In paper one, I systematically review two country level measures of entrepreneurship, namely Total Entrepreneurial Activity from The Global Entrepreneurship Monitor (GEM) and New Business Density from The World Bank Group Entrepreneurship Survey (WBGES), to understand how used in extant literature and investigate the research question: What are the primary antecedents and outcomes associated with country level entrepreneurship? In paper two of this dissertation, I aim to address some of the specific gaps in the literature review by diving deeper to focus on the South American region, and more specifically Chile, Brazil, and Argentina, to examine the direct impact of government policy on the rate of country level entrepreneurial activity and standards of living in this region. I provide an exhaustive fifteen-year empirical analysis of a government program initiative, known as Start-Up Chile, which was incepted in 2010 to boost startup activity and stimulate the Chilean economy. I use institutional theory as a conceptual framework and investigate the research question: What is the effect of government entrepreneurship accelerator programs on the rate of total entrepreneurial activity and standards of living PREVIEW ix within the country in which they are started, in comparison to other countries which have not adopted the government entrepreneurship accelerator program? In paper three, I use both measures Total Entrepreneurial Activity from The Global Entrepreneurship Monitor (GEM) and New Business Density from The World Bank Group Entrepreneurship Survey (WBGES) that were reviewed in paper one, to tests the impact of the institutional, social, business, and spatial context on country level entrepreneurship activity across 78 countries over an eight-year period (2008-2015). I use Welter’s four “where” dimensions of the context for entrepreneurship (2011) as a framework to investigate the research question: What is the effect of the institutional, social, business, and spatial context on overall entrepreneurship, opportunity entrepreneurship, necessity entrepreneurship, and formal entrepreneurship?
VPLIV IZBRANIH INSTITUCIONALNIH IN INDIVIDUALNIH DEJAVNIKOV NA PODJETNIŠKO AKTIVNOST TER NJIHOVA POVEZAVA Z GOSPODARSKIM IN DRUŽBENIM NAPREDKOM« (THE EFFECT OF SPECIFIC INSTITUTIONAL AND INDIVIDUAL FA

AUTHORS: Crnogaj K.

YEAR: The

TAGS: Institutions Environmental Factors