

# What Makes Different Entrepreneurs Thrive?

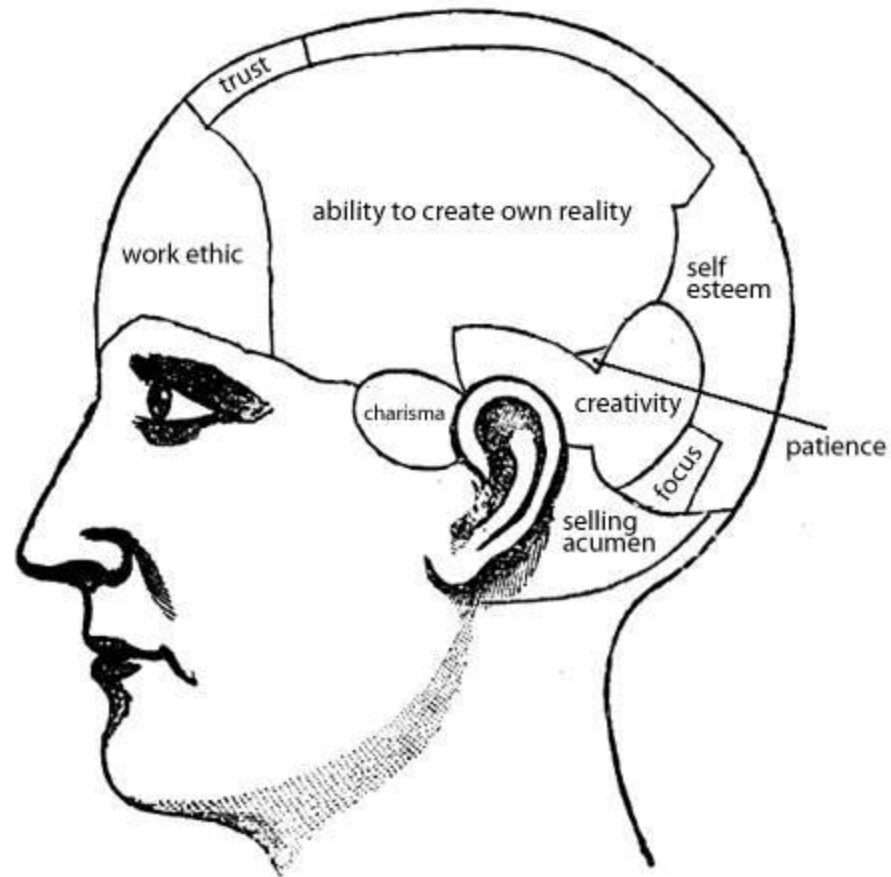
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## Phrenology of an Entrepreneur



# OUTLINE

- What is entrepreneurship?
- How National Context Matters
- Why National Context Matters
- Different contexts; different entrepreneurs
  - Commercial entrepreneurs
    - high impact entrepreneurs
  - Female entrepreneurs
  - Social entrepreneurs

# Entrepreneurship: What is it?

Entrepreneurship

Entrepreneurial

Innovation

Creativity

Leadership

Education

Attitude

Organisation

Behaviour

Learning

Entrepreneur

# The entrepreneur: What does she do?

- Perceives and creates new market **opportunities** through **innovative** activity
  - Kirzner* – exploiting **opportunities** not seen by others
  - Schumpeter* – **innovating** new products and methods
- Introduces ideas in the face of **uncertainty** and **risk**
- Creates **viable** businesses that contribute to national economic growth and their own **income and wealth**
- Engages in this activity at the **opportunity cost** of pursuing other occupations

I BELIEVE ANYTHING IS POSSIBLE  
I SEE OPPORTUNITY WHEN OTHERS SEE IMPOSSIBILITY  
I TAKE RISKS. I'M FOCUSED. I HUSTLE  
I KNOW THAT NOTHING IS UNREALISTIC  
I FEEL OVERWHELMING LOVE  
I EMBRACE MY CHILDLIKE WONDER & CURIOSITY  
I TAKE FLYING LEAPS INTO THE UNKNOWN  
I CONTRIBUTE TO SOMETHING BIGGER THAN MYSELF  
I CREATE. I LEARN. I GROW. I DO.  
I BELIEVE IT'S NEVER TOO LATE TO START LIVING A DREAM

**I AM AN ENTREPRENEUR**

# Defining the entrepreneur

Entrepreneurship defined as “**new firm entry**” (e.g. Gartner, 1989; Reynolds *et al.*, 2005)

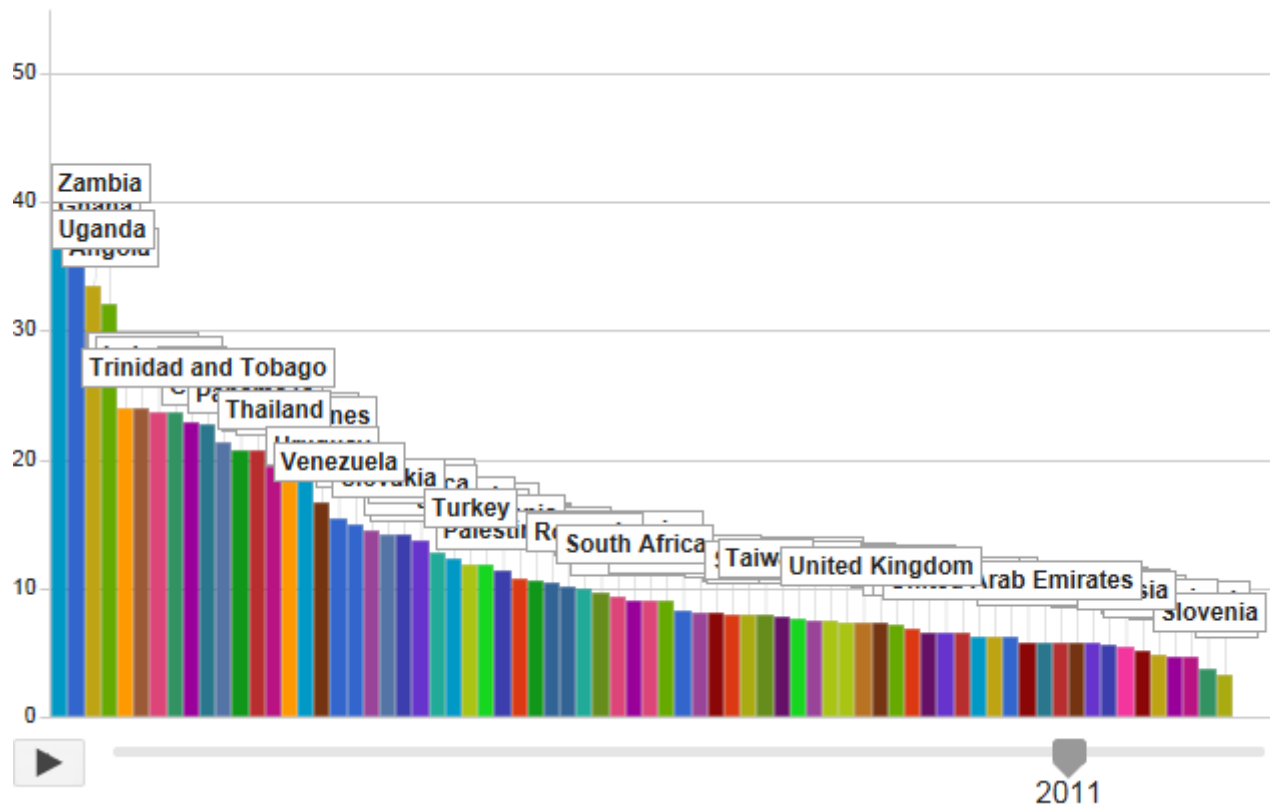
- resulting from individual occupational/ career choice
- towards the creation of viable businesses

# How Context Matters

- Amounts of entrepreneurial activity vary a lot across **countries**
- Amounts of entrepreneurial activity vary a lot across **time**
- Amounts of entrepreneurial activity vary a lot across **types of entrepreneur**  
e.g. high versus low aspiration; men versus women; social versus commercial





# Global Variation in Entrepreneurial activity 2011

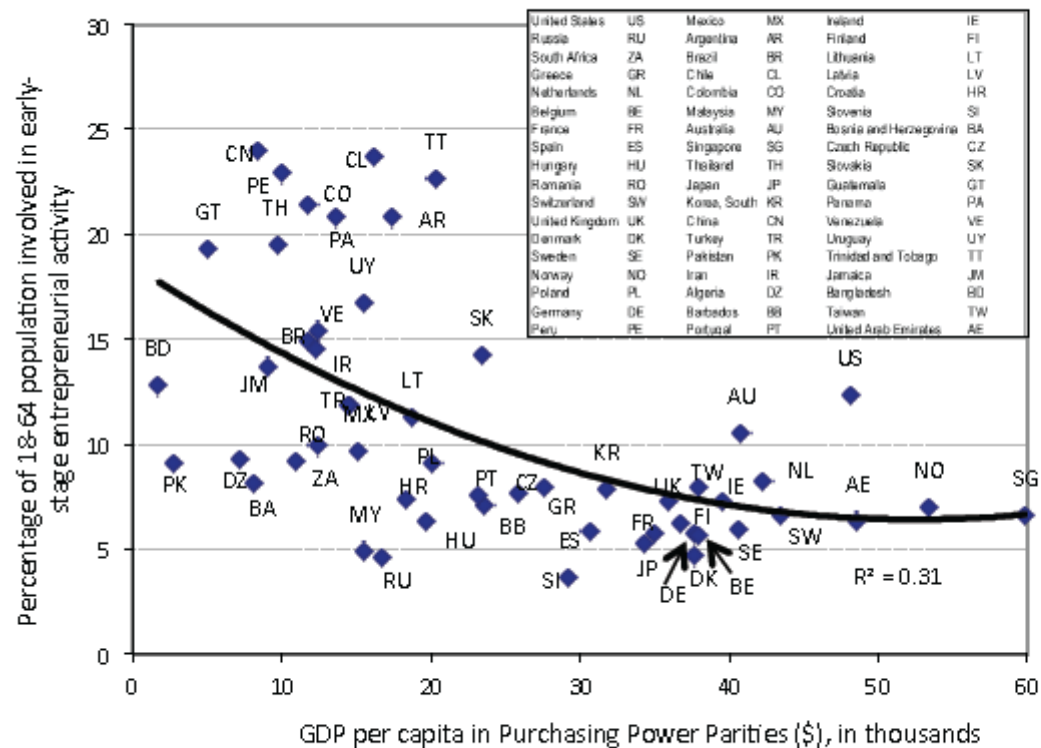


- **Total early-stage Entrepreneurial Activity (TEA)**
- Percentage of 18-64 population who are either a nascent entrepreneur or owner-manager of a new business
- Source: Global Entrepreneurship Monitor

# Why national context matters

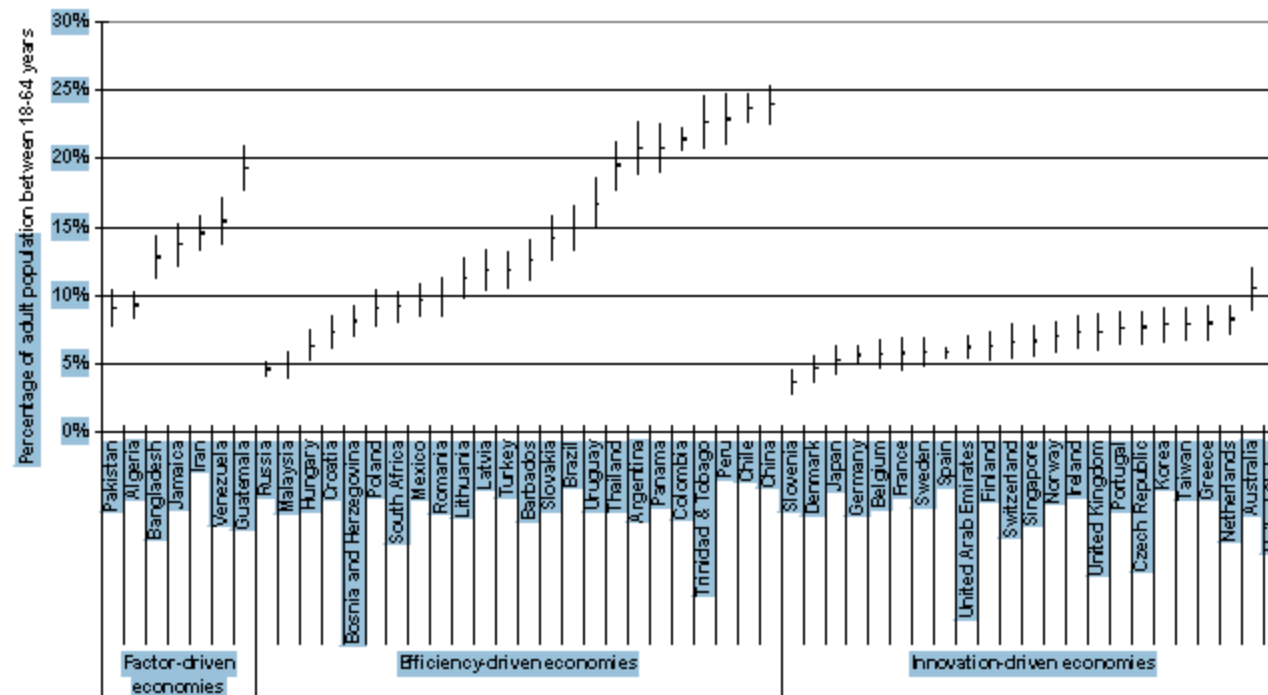
- Level of development matters 
- Individual characteristics matter
- Levels of education matter
- Institutions matter 
- Culture matters

**FIGURE 2.3 EARLY-STAGE ENTREPRENEURIAL ACTIVITY AND LEVELS OF GDP PER CAPITA**



Source: Global Entrepreneurship Monitor 2011

**FIGURE 2.2 TOTAL EARLY-STAGE ENTREPRENEURIAL ACTIVITY (TEA) 2011, BY PHASE OF ECONOMIC DEVELOPMENT, SHOWING 95 PERCENT CONFIDENCE INTERVALS**



Source: Global Entrepreneurship Monitor 2011

Note: Vertical bars represent 95% confidence intervals for the point estimates of TEA

# Which Institutions Matter?

- Entrepreneurship is about the “discovery, evaluation and exploitation of opportunities” (Shane and Venkataraman, 2000)
- Entrepreneurial opportunities greater in contexts with a higher degree of business dynamism; less developed, more innovative etc (Alvarez and Barney, 2005; Baker, Gedajlovic and Lubatkin, 2005)
- Entrepreneurial opportunities greater in contexts with “better” institutions

For the high-powered entrepreneurship that generates growth and change, formal institutions matter more:

**complex forms of economic activity  
require complex contracts, and  
those in turn are conditional on  
formal rules**

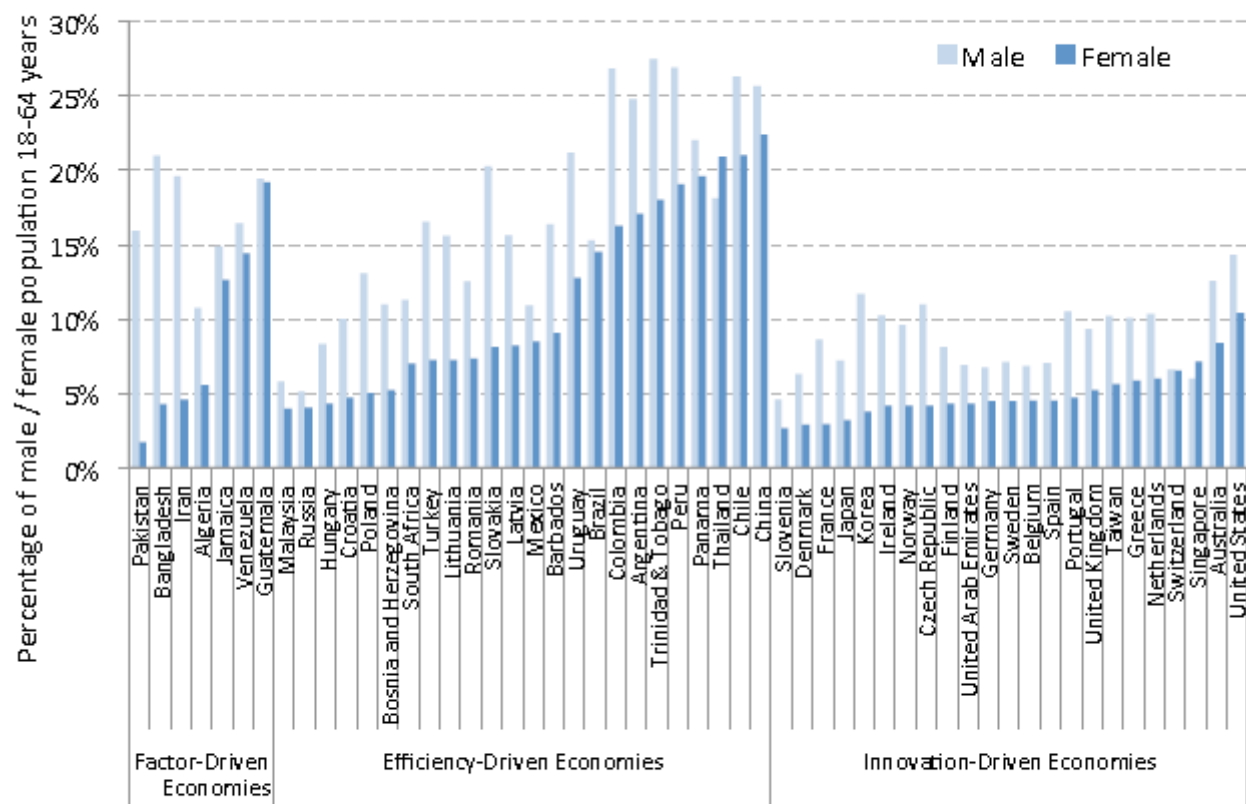


# Findings about Individual Entrepreneurs

Probability of being an entrepreneur less in all countries for women, older people, less educated, less well networked

- Gender (Male) +
- Age -
- currently employed +
- Access to finance +
- Higher education +
- Previous entrepreneurial experience +
- Engagement in entrepreneurial social networks +

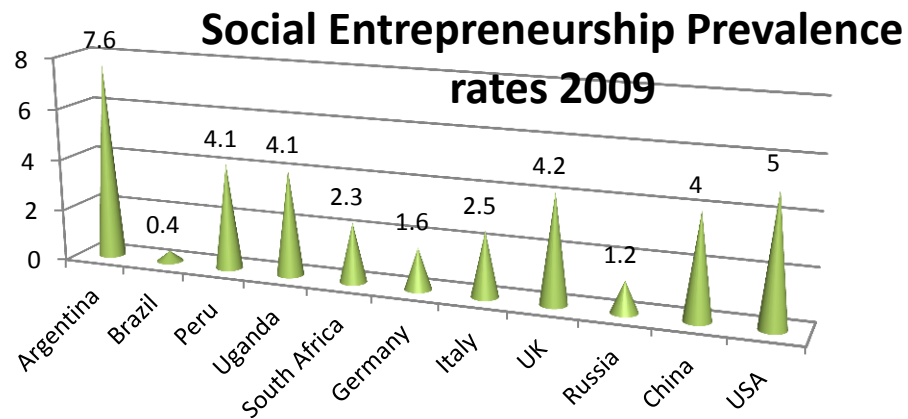
**FIGURE 2.7 MALE AND FEMALE EARLY-STAGE ENTREPRENEURIAL ACTIVITY 2011, BY COUNTRY AND PHASE OF ECONOMIC DEVELOPMENT**



Source: Global Entrepreneurship Monitor 2011



# How much social entrepreneurship?



# Social Entrepreneurship and Institutions

