

ENTREPRENEURSHIP PERFORMANCE IN THE EUROPEAN UNION: In what extent do socioeconomic, environmental, and governmental conditions matter?

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Agradecimento à orgão de fomento:

This work was supported by Fundação para a Ciência e a Tecnologia, grant UIDB/00315/2020.

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Introdução

The entrepreneurial ecosystem is geographically shaped by complex interconnections which enhance economic growth (Hechavarría and Ingram, 2019). Therefore, policymakers seeking to increase development levels should enforce strategies that encourage entrepreneurship (Acs et al., 2016). Extant literature distinguishes two drivers of entrepreneurship: opportunity (OPP) and necessity (NEC). The first relates to individuals who voluntarily start a business to exploit market advantages, and the second is usually a reaction to scarce employment options (Amoros et al., 2019).

Problema de Pesquisa e Objetivo

To recover from 2008 financial crisis, the European Union (EU) had to invest in innovative skills to be able to compete worldwide. Furthermore, the EU highlighted the need to apply public policies to enhance its entrepreneurial capacity (Amoros et al., 2019). There are no significant recent advances in the understanding of the effect that institutions and economic policies have on entrepreneurship (Amoros et al., 2019). To address this gap, we analyze the effects of the socioeconomic, environmental, and governmental conditions on the TEA, OPP and NEC in 21 EU countries between 2003 and 2018.

Fundamentação Teórica

Hypothesis 1: Economic, social and governmental policies have a positive impact on entrepreneurial performance in the EU countries (Acs, 2006; Angulo-Guerrero et al., 2017; Chowdhury et al., 2019). Hypothesis 2: Economic, social and governmental policies have a negative impact on necessity entrepreneurship in the EU countries (Acs and Audretsch, 2010; Amoros et al., 2019; Rusu and Roman, 2018). Hypothesis 3: Economic, social and governmental policies have a positive impact on opportunity entrepreneurship in the EU countries (Angulo-Guerrero et al., 2017; Rusu and Roman, 2018).

Metodologia

This work has looked into entrepreneurial performance, opportunity entrepreneurship performance and necessity entrepreneurship performance, over the period 2003-2018 (before, during, and after the big financial crisis), in a sample of 21 European Union countries. The analysis used the socioeconomic and governmental dimensions of 21 EU countries. The group of gross factors covered 448 observations for the period of 2003 to 2018. To analyze the data, we apply descriptive statistics, correlation analysis and multiple linear regression models.

Análise dos Resultados

Four elements explain entrepreneurial performance, three of which also influence NEC: financial environment, population, and government expenditure. The fourth factor is education, and its effect is positive. The variables that influence OPP, these being GDP, macroeconomic environment and age, also impact NEC. Necessity, besides being affected by the above, is also affected by unemployment and gender. The results demonstrate that economic, social, and governmental conditions have had a negative impact on the (TEA) rate, in contrast to a positive impact on NEC and OPP.

Conclusão

In this study, we have demonstrated that socioeconomic and governmental conditions can likewise have different effects on the entrepreneurial performance of both opportunity and necessity entrepreneurship in the EU countries. Additionally, at the same time as being an enhancing mechanism for entrepreneurial motivations. economic factors had a negative impact on TEA. Social conditions are positive and negative for each entrepreneurial measure; governmental policies are detrimental to TEA and necessity.

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