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SUMMARY

**THE ROLE OF PERSONAL AND FAMILY BACKGROUND IN MAKING
ENTREPRENEURS IN A POST-SOCIALIST ENVIRONMENT**

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Principal Topic

Entrepreneurial experiences within the (wider) family were generally found to offer positive role models. Naturally, the decision to enter entrepreneurship also is influenced by the individual resource endowments of potential entrepreneurs such as access to financial capital and the level of human capital, with the latter generally being high in most transition countries. In this context, the paper sets out to investigate entrepreneurs, their characteristics and their origins and background in Latvia, which is one of the most advanced transition countries, having joined the European Union in 2004.

Method

Empirically, the paper draws on results from a representative survey of the Latvian population, based on the method of the Global Entrepreneurship Monitor, and complemented with additional questions related to the background and experiences of Latvian entrepreneurs. Most of the additional questions asked were identical to those used by Djankov et al (2005) in their study of entrepreneurship in Russia, China, Brazil, India, and Nigeria. Face-to-face interviews were conducted by a professional survey firm with a total of 1,964 individuals in May-June 2005.

Results and Implications

Results suggest that there are significant differences between personal characteristics and family background of entrepreneurs and non-entrepreneurs in Latvia. Entrepreneurs are more likely to come from families that are more affluent, more educated, that are or were involved in entrepreneurship. For example, in Soviet times the parents of entrepreneurs were almost three times more likely to be involved in (illegal) entrepreneurship, compared to non-entrepreneurs, thus indicating socialism as a possible seed-bed for entrepreneurship. Entrepreneurs themselves are more educated, know more foreign languages, and have higher levels of educational achievement in schools.

The paper contributes to the ongoing discussion on what constitutes entrepreneurship in different environment in two important aspects. It discusses what constitutes entrepreneurship and where does it come from in the setting of one of those advanced transition countries. Moreover, in a transition context, the paper adds to existing research by comparing both entrepreneurs and non-entrepreneurs drawing on a large-scale representative sample.

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