LOOKING BEYOND THE CONVENTION: A NOVEL INCREMENTAL PREDICTOR OF NATIONAL ENTREPRENEURSHIP RATES (SUMMARY)

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Principle Topic

Models explaining differences in entrepreneurial activity between countries focus on economic, political, social, cultural, and institutional variations. However, recent research on cultural differences between countries has established the importance of a previously overlooked source of variation: the prevalence and effect of common pathogens (e.g., Maseland 2013). In this study we apply findings from such research to extend the understanding of differences in entrepreneurial activity rates.

Research linking pathogen prevalence to individual personality and culture is on the rise – not only in Psychology (e.g., Murray & Schaller 2010) and Medicine (e.g., Torrey & Yolken, 2003), but also in Sociology (e.g., Lafferty 2006; Fincher et al 2008) and Economics (e.g., Maseland 2013). One example is the behavioral manipulation that certain pathogens cause in their host, due to changes in neurotransmitter functions (e.g., Lafferty 2006; Webster 2001; Torrey & Yolken 2003). Toxoplasma gondii is such a parasite and very common pathogen.

While there are no direct physical symptoms at the time of infection, it causes lasting personality effects over time (Flegr et al., 2000; Torrey & Yolken, 2003; Webster 2001). Many of the effects are similar to the proposed personality traits associated with entrepreneurship. The presence of the parasite results in increased risk taking, an increased focus on ambition, ego, and self-achievement, and limits rule-conscientiousness (e.g., Flegr et al., 1996). Lafferty (2006) showed that differences in infection rates explain some of the national differences in cultural dimensions (e.g., uncertainty avoidance), while Maseland (2013) showed its effect on national institutions. If prevalence influences cultural traits, it may underline and help explain national differences of entrepreneurship rates.

Methods, Results, & Implications

We test whether differences in Toxoplasma gondii prevalence incrementally explain entrepreneurial activity. We use the data and model of the global entrepreneurship monitor (e.g., Busenitz, Gómez, Spencer, 2000) which provides an established framework for explaining national differences in entrepreneurial activity. The results indicate that Toxoplasma gondii is a significant predictor after controlling for established factors (p<0.01). In other words, Toxoplasma gondii has explanatory power beyond the extensive battery of GEM variables.

The results illuminate an additional variable connected to country-level entrepreneurial activity, grounded in underlying individual behavior. The findings support the importance of research considering unconventional factors to explain entrepreneurial action.

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