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DO ENTREPRENEURIAL ECOSYSTEMS INFLUENCE DECISIONS TO START PRO- SOCIAL BUSINESS VENTURES? (SUMMARY)

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≈ SUMMARY ≈

DO ENTREPRENEURIAL ECOSYSTEMS INFLUENCE DECISIONS TO START PRO-SOCIAL BUSINESS VENTURES?

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Principal Topics

Societal attitudes are framework conditions of entrepreneurial ecosystems that help shape the incidence and character of entrepreneurial actions (Stam 2015). Because entrepreneurs with prosocial motivations aim to redress social problems using market mechanisms (Miller, Grimes, McMullen, & Vogus, 2012), societal attitudes about corporate social responsibility (CSR) are likely to shape entry decisions. In our study, we focus on two societal attitudes towards CSR. The first is how informed citizens feel about what companies do to behave responsibly towards society. The second is whether citizens believe that the overall influence of companies on society has been positive. We hypothesize that individuals in CSR informed countries are more likely to display a propensity for social entrepreneurial activity. We also hypothesize a bystander effect, whereby citizens believe so strongly that companies are already addressing societal problems that they do not start social ventures of their own.

Method

To test our hypotheses, we constructed a unique dataset built from the Global Entrepreneurship Monitor, World Bank, and the European Union Flash Barometer. Our final sample has 85,958 GEM respondents engaged in early stage social entrepreneurial activities across 26 countries.

Results and Implications

We used mixed logistic regression models to test and find support for our hypotheses. Studies of national entrepreneurial ecosystems at the national-level have focused on a limited set of demographic and economic indicators (Stangler and Bell-Masterson 2015) that exclude consideration of important social framework conditions. Although social attitudes are difficult and slow to change, our findings make the case for National policies that increase visibility of CSR activities and inform citizens about opportunities to address social problems using market-based mechanisms.

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