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SUMMARY

AMBITION NASCENT ENTREPRENEURS AND NATIONAL INNOVATIVENESS

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Principal Topic

In literature, it is increasingly recognized that entrepreneurial small firms make an important contribution to the realization of innovations and to technological change and a country’s innovativeness (e.g. Audretsch and Thurik, 2000; Acs and Varga, 2005; Dolfsma and Van der Panne, 2006). Innovative entrepreneurship starts with nascents that intend to introduce or realize a new business idea. Research on nascent entrepreneurship tends to focus either on explaining why some people are involved in nascent entrepreneurship and others are not, or on why some nascent entrepreneurs make the transition into business and why others do not (Johnson et al., 2006). However, there are hardly any studies that link nascent entrepreneurship to macro-economic outcomes (an exception is a study by Wennekers et al. (2005) that investigates the relationship between nascent entrepreneurship and the level of economic development). In the present study we intend to contribute to the empirical literature on entrepreneurship and macro-economic outcomes by investigating whether ambitions regarding innovativeness amongst nascent entrepreneurs make a significant contribution to national levels of innovation.

Method

In order to investigate whether nascent ambitious entrepreneurs have an impact on macro-economic output in terms of the national level of innovation, we perform regression analysis. We use a sample of 36 countries that participated in the Global Entrepreneurship Monitor (GEM) in 2002. The unit of analysis of the study is the country-level. Our dependent variable is the technology index 2005, taken from the Global Competitiveness Report 2005-2006 (GCR) of the World Economic Forum, which we use as a measure for national innovative capacity. As main independent variables we use a number of specific measures of ambitious nascent entrepreneurship from the Global Entrepreneurship Monitor, such as the nascent new technology rate, the nascent new product rate and the nascent competitors rate.

Results and Implications

The study provides insight into the question whether entrepreneurial ambitions are important for developing innovative competitive economies. The results of this study also indicate the relative importance of various types of ambitions of nascent entrepreneurs for a country’s level of innovativeness. This helps to identify the type of ambitions that will eventually contribute to higher levels of competition and knowledge spillovers, and consequently to the emergence of highly innovative economies.

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