Index

accounting information chart 91–2, 95
accounting information variables 84
adhocratic culture 171
  significance in young SMEs 175
adverse selection 106
advertising efforts 190
age composition of entrepreneurship 22
  economic growth 30
age criterion 3, 22
age diversity 20
ageing society 18
age variable 25
aggressive behavior, impact on survival 186, 193
aggressiveness of firm in market
  increase in production 190
  new client attracting (personal connections) 190
  non-price competition 190
  price decrease 190
agricultural decline, in Germany 65
agro-food sector 212–13
Asian emergent economies 2
assumptions
  business cycle 58
  innovation 58
  labour markets 58
  technology standards 59
audited firms
  banks versus savings banks, Spain 95
authorized capital
  average amounts from different sources 238
autonomous regions of Spain 131, 133–4
  differences in TEA index 135
Baby-Business (BB) 131
bank-centred economies 157
  France, Germany, Italy, Spain 144–5
bank economies 7
banking relationships 112
bank loans, application and approval 195, 199
bank over-lending 105
bankruptcy costs 106
banks and savings banks, Spain
  importance ranking of items for entrepreneurs 96–8
  scale reliability for variables 93–9
Basel Committee on Banking Supervision 82
basic hazard function 189
big business and innovation 40
  ‘bounded rationality’ 59
brain drain from developing countries 31
breadth effect
  broad range of products 18
breakthrough innovations 47
business angels (private investors) 7, 77
  entrepreneurial environment support 127
business creation 121, 123
business initiatives 120
business opportunities 72, 123–4
butter and cheeses, Italy 214–16
capacity constraints 190
capital acquisition, difficulty of constraints 80, 99
  Spain 6
capital from private investors 77
career path and entrepreneurship 43–7
catering 200, 202
chief executive officers (CEOs) 231–5
cheeses, local traditional, Italy 214–16
clan culture 171
commercial and professional infrastructure, Spain 129, 132
common law, Anglo-Saxon tradition
protection of shareholders and creditors 146
Company Alpha, Italy
butter and cheese 214–16
Company Beta, Italy
family olive oil company 216
Company Delta, Hungary
exchange of local intellectual resources 217
knowledge exchanges 218
wine-making business, ancient family tree 217
Company Gamma, Hungary
food from edible snails 216–17
company marketing and regional marketing 221
company strategies 58
competencies of SME owners 211
competition
effect in developed economies 30
increased 20
lack of 44
competitive advantage of intellectual capital (IC) 208
competitive aggressiveness 8
competitive behavior of firm 185–6
complementarity effect
completion of supply of goods and services 18
complexities, reduction of, in models 61
computer engineering
French shortage of innovative companies 42
computers, IT and internet services
deals 151–2
constrained production
age of entrepreneur, effect 199
control variables 202–3
construction industry 200, 202
consumer tastes, satisfaction of 193
consumption modes, change of 247
continuing training organizations 235
Haute-Normandie, France 230
control variables
age of entrepreneurs 198
bank loans, application and approval 198
branch of industry 198
explanation 198
gender diversity 198
human capital of entrepreneur 198
initial size of enterprise 198
investment amount 198
legal status 198
main motivation of entrepreneur 199
occupation before setting up 199
origin of firm 198
public aid for firms 198
unconstrained production 200–201
corporate venturing 40
cost accounting system 166, 169
cost generating 193
Cox model (proportional hazard model) 189
creative destruction of capitalist development 60–61
creativity and academic education 48
credibility of business idea 124
credit rationing 5, 6, 77, 81, 104–7
table 111
weak or strong 105–14
creditworthiness 110
assessment 105, 108
of firms in Spain 93
quality and quantity of 6, 80
culture 63
influence on firm performance, young SMEs 176
culture, importance of, Germany 73
culture variety 19
customer strategies 195
data collection by interviews
food industry in North Hungary 211–12
Italian food industry 211–12
deal financing 151–3
Europe 156
hierarchical tree of countries 155
variables 152
debt capital 79
debt financing of technology-based firms, Spain 79–100
depreciation effect (sunk cost) 44
developed and developing countries, entrepreneurs 15–16
developed countries
benefit of experience 30
<table>
<thead>
<tr>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>negative impact 29</td>
</tr>
<tr>
<td>younger entrepreneurs 3</td>
</tr>
<tr>
<td>developing countries</td>
</tr>
<tr>
<td>benefit of dynamism and new ideas 30</td>
</tr>
<tr>
<td>necessity entrepreneurs 28</td>
</tr>
<tr>
<td>need for high educated individuals 31</td>
</tr>
<tr>
<td>need for older individuals (45-64) 31</td>
</tr>
<tr>
<td>older and highly educated entrepreneurs 3</td>
</tr>
<tr>
<td>self-employment in 15</td>
</tr>
<tr>
<td>‘discouraged borrowers’ 107</td>
</tr>
<tr>
<td>disequilibrium credit theory 106</td>
</tr>
<tr>
<td>diversity</td>
</tr>
<tr>
<td>of demand 17</td>
</tr>
<tr>
<td>effects of 20</td>
</tr>
<tr>
<td>in entrepreneurship 17–18</td>
</tr>
<tr>
<td>job-related types 19</td>
</tr>
<tr>
<td>measurement 31</td>
</tr>
<tr>
<td>in performance 19–20</td>
</tr>
<tr>
<td>diversity types</td>
</tr>
<tr>
<td>gender, age and education 18</td>
</tr>
<tr>
<td>higher-educated individuals 18</td>
</tr>
<tr>
<td>older women 18</td>
</tr>
<tr>
<td>domestic market, Spain 135</td>
</tr>
<tr>
<td>durability of new firms 193</td>
</tr>
<tr>
<td>duration analysis 185</td>
</tr>
<tr>
<td>duration of new firm</td>
</tr>
<tr>
<td>constrained production 197</td>
</tr>
<tr>
<td>unconstrained production 196</td>
</tr>
<tr>
<td>earning a living through business 30</td>
</tr>
<tr>
<td>economic crisis result</td>
</tr>
<tr>
<td>lower consumer demand 244</td>
</tr>
<tr>
<td>lower employment 244</td>
</tr>
<tr>
<td>economic development level 30</td>
</tr>
<tr>
<td>economic globalization 167</td>
</tr>
<tr>
<td>economic growth 17</td>
</tr>
<tr>
<td>influence of entrepreneurship 23</td>
</tr>
<tr>
<td>stimulation 57</td>
</tr>
<tr>
<td>economic perspective</td>
</tr>
<tr>
<td>entrepreneurship 120</td>
</tr>
<tr>
<td>economic support to engineers and scientists, Spain 137</td>
</tr>
<tr>
<td>economy of innovation 41</td>
</tr>
<tr>
<td>education and entrepreneurship 3, 7, 22, 41–3</td>
</tr>
<tr>
<td>education and training</td>
</tr>
<tr>
<td>entrepreneurial environment support 126–8</td>
</tr>
<tr>
<td>Spain 132, 135</td>
</tr>
<tr>
<td>education diversity 20</td>
</tr>
<tr>
<td>education level, developing countries 31</td>
</tr>
<tr>
<td>education, positive net effect on job creation 21</td>
</tr>
<tr>
<td>education variable 25</td>
</tr>
<tr>
<td>effects, positive, for entrepreneurs 3</td>
</tr>
<tr>
<td>electronic games</td>
</tr>
<tr>
<td>French shortage of innovative companies 42</td>
</tr>
<tr>
<td>elites in entrepreneurship</td>
</tr>
<tr>
<td>insufficient involvement in Europe 37</td>
</tr>
<tr>
<td>insufficient involvement in France 42</td>
</tr>
<tr>
<td>employee numbers 231</td>
</tr>
<tr>
<td>employment and economic growth 120</td>
</tr>
<tr>
<td>employment growth 1</td>
</tr>
<tr>
<td>entrepreneur, previous occupation of and new firms 186</td>
</tr>
<tr>
<td>entrepreneurial behavior 193</td>
</tr>
<tr>
<td>activity increase 191</td>
</tr>
<tr>
<td>advertising efforts 191</td>
</tr>
<tr>
<td>descriptive statistics 190–92</td>
</tr>
<tr>
<td>new client attracting (personal connections) 191</td>
</tr>
<tr>
<td>price decrease 191</td>
</tr>
<tr>
<td>subcontracting 191</td>
</tr>
<tr>
<td>entrepreneurial capital, lack of 37–8</td>
</tr>
<tr>
<td>entrepreneurial characteristics</td>
</tr>
<tr>
<td>of business owners</td>
</tr>
<tr>
<td>Italian and Hungarian examples 218</td>
</tr>
<tr>
<td>mediating roles 208–23</td>
</tr>
<tr>
<td>entrepreneurial choice</td>
</tr>
<tr>
<td>individual human capital 244</td>
</tr>
<tr>
<td>entrepreneurial comparisons</td>
</tr>
<tr>
<td>France, UK, and USA 3</td>
</tr>
<tr>
<td>entrepreneurial diversity 17</td>
</tr>
<tr>
<td>gender, age or education 19</td>
</tr>
<tr>
<td>entrepreneurial failure, negative perception in France 43</td>
</tr>
<tr>
<td>entrepreneurial human capital 9</td>
</tr>
<tr>
<td>entrepreneurial intensity differences</td>
</tr>
<tr>
<td>macroeconomic causes 2</td>
</tr>
<tr>
<td>entrepreneurial orientation (EO)</td>
</tr>
<tr>
<td>definitions of 8</td>
</tr>
</tbody>
</table>
entrepreneurial population, diversity aspects
age, education, gender 22
entrepreneurs
high-educated
importance for developing countries 30
reliance on personal savings, loans or donations 229
entrepreneurship
academic studies 120
coverage of the term 55–6
positive influence on economic environment 247
self-employment 71
in Spain, factors favoring 124
in US economy 1
entrepreneurship variables, descriptive statistics 25
environmental factors for business 123–5
environment and entrepreneur 123
equity financing 7, 79
ethnic entrepreneurship 7, 8, 31
ethnic groups 19
European economies
lack of business angels 5
less entrepreneurial than US 1
underdevelopment of seed financing 5
European need for entrepreneurs 37
experience levels of older entrepreneurs
important contributions 21
experience of entrepreneur 85–6
experience variables 84

factor analysis 93
factorial correspondence analysis representation 154
failure level of SMEs 165–6
family shareholdings 148
Federal Statistics Office, Germany
entrepreneurial society map 70
female entrepreneurs 29
emphasize on quality before quantity 21
finance access for entrepreneurs 77–8
finance, importance of access 5
financial and legal systems, Europe 141–59
financial constraints 110, 113–14
for firms 108–9
new firms 6, 104
in France in 1990s 77, 114
financial crisis
over-development of financial sector 244
financial diagnosis 166
financial information 89
financial institutions in Spain
banks and savings banks 93
financial planning 166
financial relationships
dummy variables 109–10
firms in 1997 112
financial support
entrepreneurial environment support 126–7
Spain 132
financing systems, Europe 143
firm growth
competitive behavior of firm 187
firms
constrained production 193–5
duration and post-entry strategy 193
innovative 110
performance 187
in private sector 188
setting up 40
small
contribution to private sector output 1
employment 1
new jobs creation 1
status 189
survival 204
unconstrained production 193–5
young and innovative 1
food industry 200, 202
competitive environment 209
low-technology manufacturing category 209
North Hungary 209
Northwest Italy 209, 212
synthetic knowledge base 210
food industry, territorial link 220
food sector in North Hungary
46 per cent derived from SMEs 213–14
France
  and graduates from ‘Grandes Ecoles’16, 37–8, 52
critical for economic growth 3
Haute-Normandie survey 230
labour market
  inside/outsider tradeoff 48
  unfavourable to risk taking 48
  reasons for lack of entrepreneurial spirit 53
types of new entrepreneurs 38–41
freelance activities 4
French civil law, Roman law
  low degree of protection 146
French entrepreneurs, new 188
French National Institute of Statistical and Economic Studies 188
Friedman’s non-parametric tests 83–4
  soft and hard information 93
funding access
  non-profit organizations 228–30
GEM see Adult Population Survey
gender
  composition of entrepreneurship 22
  criterion 3, 22
  differences 20, 55
  identities 19
  mainstreaming 18
  relevance 54–73
variable 25
German civil law
  concentration of ownership 149
German microcensus data, 1989-2005 54
German reunification
  social and economic process 72
Germany, solo self-employment 4
Germany, West and East, differences 55
Gibrat’s law of proportionate effect 187
Give&Take 221–2
global approach 193
Global Entrepreneurship Monitor (GEM) 15, 19, 22, 120, 122, 126, 130–31
global warming challenges 247
government policies
  entrepreneurial environment support 126–7
  Spain 132–3
government programmes
  entrepreneurial environment support 126–8
  Spain 132
government tax revenue 244
  ‘Grandes Ecoles’, reputation of 44
green technologies, new
  cooperation in dealing with negative externalities 247
  energy saving technology 247
gross domestic product (GDP) growth 22, 29
growth competitiveness index (GCI) 22, 29
growth rate of firm, and survival 187
hierarchical culture 171, 175
hierarchical regression analysis 175
  ‘high intensive relationships’ 109–10
  with banks with credit rationing 113
high risk 79
house services 200, 202
human capital as entrepreneurs 3, 39
  importance of role in share transfers in bank-centred economies 199
human capital of entrepreneurs 244–5
Hungary, North, food sector
  46 per cent derived from SMEs 213–14
IC see intellectual capital
income-cost-benefit analysis planning-control cycle 169
indebtedness ratios, variable 95–6
  loans to high tech firms 89
individual interactions 130
industrial and electronic machinery deals 152
industrial bakeries in Hungary 213
industrial companies, high tech lending decisions questionnaire 82–3
industrial law change
  Germany 66
industry and building, trade and services 188
information assessment, comprehensive 99
information, hard or soft
  in bank relationships 82
initial public offerings (IPOs) 142
innovation 4, 40, 121–2, 128–9
breakthrough 40
and self-employment 55–8
as term
wide understanding 56
technological 246
innovation economy 37
entrepreneurship and growth, link
57
in USA, Silicon valley
attraction for young French talent
48
research 56–7
innovative and non-innovative firms
192
innovative culture 167–8, 171–3
innovation influence on young SMEs 166
innovative entrepreneurial activity
low involvement of French elites
40–41
innovative projects and sunk costs 46–7
innovative sectors by DiGITIP-INSEE, definition 118–19
institutions, role of 62
intellectual capital (IC) 9
ability to use knowledge resources
208
human, structural and relational
capital 208
Hungary, mobilization, give and take
219
Italy, mobilization, give and take 219
intellectual property rights 79
interest rate changes 106
investment level, large
guarantee of durability, in
constrained production 195
Italian food industry 212
job-creating firms 1
job outsourcing 4
job safety in France 53
job stability 4
knowledge as factor of production 63
knowledge-based companies in US 1, 18
knowledge economies 209
USA 37
knowledge-intensive sectors
non-knowledge-intensive sectors 9
labor market regulations change 4
Germany 66
labor markets 3, 47
leadership from entrepreneurial firms
in economic crisis 244
legal restrictions to early stage finance
2
legal status
authorized capital structure 237
legal systems 145–50
influence on private equity firms
146–7
leisure and business services
deals 152
lending decisions questionnaire
analysis 83
leverage buy-outs (LBOs) 142, 150
lifestyles, new 54
limited liability status of firms 195,
200, 202
liquidity ratios
banks versus savings banks, Spain 95
long-term care law, Germany 68
low and high income countries 15
management and engineering ‘Grandes Ecoles’ 43
Management Control Systems (MCS)
8, 168–70
decision-making process 166
influence on young SMEs 166, 177–9
measurement 173
management perspective
entrepreneurship 120
managerial leadership 168
managerial style for team work 175
market-based countries
United Kingdom 7, 144–5, 157
market culture
external orientation of business 171
significance in young SMEs 175
market economy, longstanding, of
West Germany 65
market niches 38, 187
market openness 129
market orientation 221
market satisfaction 124
Index

markets unproven 79
mergers 142
mergers and acquisitions (M&A) markets 157
microeconomic decisions for entrepreneurship 2
micro-firms 4
minority stakes, transfers of 142
‘moral hazards’ 59, 106
motivation of entrepreneur 123, 124
motivation of owners 79
motivations of SME owners 211

national economic growth
effect of entrepreneurial activity 29
entrepreneurial influence on 21
necessity entrepreneurs 15
network effect and privileged position 44
networks 63
new firm, duration according to entrepreneurial behavior 194
new firms, longevity of 186–8
non-profit entrepreneurship 226–40
non-profit organization 9
access to financial funds, problem 230, 235–9
commercial private funding for social missions 227–8
criteria for selection of trainees 231–5
‘disguised’ profit organizations 227–8
motivations of 230
social motivation 227–8
social sympathies 227–8

occupational choice 2, 43
occupational independence subgroups 69
older entrepreneurs negative factors 21
olive oil, Italy 215
Olive Tree Museum, Italy 216, 219
openness of domestic market entrepreneurial environment support 126
opinions 19
opportunity entrepreneurs 15

organizational culture measurement 167
company definition 172
company managerial style 172
key issues for the business success 172
shared values by personnel 172
organizational culture, SMEs, Spain market, hierarchy, clan, adhocracy 170–71
organizational intellectual capital regional intellectual capital 208–23
Organisation of Economic Co-operation and Development (OECD)
high income countries 5
ownership concentration 148
Italy 149
Spain 149
ownership rights, transfer of 142
ownership structure
France 148
role of private equity firms 149–50
partial likelihood expression 190
partnership firms 189
passion and SME growth 222
consequences of 218, 220
PDO see Protected Designation of Origin
per capita income 22
performance analysis 176
performance models young SMEs 177–9
performance variables human relations model, human resources development 174
model of internal processes, internal control 173–5
open system model, external flexibility 174
rational model, external control 174
personal contribution of partners limits in non-profit organizations 229
personal initiative 130
personality of entrepreneur 84–6
personality traits of SME owners 211
PGI certifications 222–3
physical infrastructure, access to, Spain 137
population and sample selection 151
population surveyed, for-profit and non-profit comparative structure chart 232
positive discrimination for women 29 no evidence for need 31
post-entry behavior 204
post-entry product market strategies 185–8 and firms’ duration 193
pricing strategies 195
private equity activity 7 Germany, Italy, Spain, France, UK 142
private equity firms 152 Europe 141–59 France 154, 157
importance of role in share transfers in bank-centred economies 157 in civil-law countries 157
legal systems 145–50 ownership structure 149–50
private equity investment 145 private financing, Spain 137
private initiative, encouragement of 2 private investors 7
proactive behavior, advertising expenses 193 entrepreneurs 204 price cutting 193 prospective potential customers 193
production, constrained and unconstrained 191
firm distribution chart 192
productivity gap, Europe and USA 2
product/service characteristics, variables 84–89
professional infrastructures 129
profit distribution requirement for non-profit organizations 228
property rights, weakening in non-profit organizations 229 proportional hazard rate expression 189
Protected Designation of Origin (PDO) 222–3 food industry, Italy 213

Protected Geographical Indication (PGI) food industry, Italy 213
psychological perspective entrepreneurship 120 psycho-sociological approach 124
public aid for firms 195
pull effect positive motivations 38 push effect 204
negative motivations 38 predominant in France 40
qualified employees important factor for lending to high tech firms 89
qualitative (soft data) creditworthiness, assessment 99
quantitative (hard data) creditworthiness, assessment 99
R&D transfer entrepreneurial environment support 126–9 Spain 132, 134–5
regional development of entrepreneurship 54–73
regional diversification and self-employment Germany 68–71
regional intellectual capital organizational intellectual capital 208–23
regional levels of self-employed, variation in 72
regional policies 62
regions and entrepreneurial activity index 131
regions, importance of, Germany 73
regulation, lack of 244
religions 19
research projects of wine company, Debrecen University, Egar Wine Research Institute 217
rewards, financial 2
reward structures 47
rigidity of prices 106
risk aversion 41
risks, static or dynamic 59

salaried employee
discounted income 45
salaried positions versus risky
innovative projects 44
Salone del Gusto (Taste Show), Turin 212
Schumpeter, Joseph A. on innovation
processes 56–7
science and technology 134
Spain 137
science-technology-firm system,
formation of
support for research and
technological development 4
securities holdings 229
securities markets 143, 145
selected companies in Italy and
Hungary
chart of features 215
self-employment 15, 21
choice 2, 4, 40
socio-demographic choices 18
entrepreneurship only part of 56
Germany
comparison of East and West 65
rate by regions, Germany 67
holistic picture 55
labour market category 56
ratios 54–73
trends, German case, decrease
63–71
self-employment, solo 54
West Germany 66–8
self-financing 143
self-reliance 4
self-sufficiency 130
service variable 84
share sales 150–51
share transfer in Europe 141–59
share transfers
France, Germany, Spain, Italy and
UK 7
Silicon valley story 246
SINE database 107–8
testing durability of new firms 185, 188
SIRENE repertory (French survey) 188
industry and building, trade and
services 108
slaughterhouses in Hungary
no compliance with European
norms 213–14
small and medium-sized enterprises
(SMEs) 1
exploiting IC (intellectual capital) 208
innovative culture in 165–81
management control systems (MNS)
165–81
objectives of 165
Spain, organizational culture 170
success or failure factor 89
young, type of culture 175
small projects in unconstrained
production 195
snails, edible, Hungary 215–17
social and cultural standards 126,
129–30
social capital 63
social networks 246
‘extra-market externality’ 63
social status 2
socio-economic backgrounds 19
sole proprietorship firms 189
Spain, specific environment of
entrepreneurs 7, 120–37
Spanish regions, research into 131
start-up debt-gaps 5
Start-Up (SU) businesses 131
Statistical Office, Germany 54
stigma effect of potential failure 43
strategy and organization of firm,
variables 89–90
student entrepreneurship, France 42
subcontracted work delegation to
other firms
positive effect 193
subcontracting works 190, 193
sub-population of firms 192
success probability 105
sunk cost and entrepreneurial choice
46, 193
support systems for entrepreneurs 5,
77–8
takeovers, survival rate 200
talents, diversion of, to financial sector 244
tax exemption 229
TEA see Total early-stage Entrepreneurial Activity
technical ability of entrepreneur 123, 124
technological innovation 4
technological performance in industries
  breadth effect 17–18
  complementarity effect 17–18
  selection effect 17–18
technology-based firms
  dependence on external financing 99
  financial obstacles 79–80
  high R&D 99
  product development lead-times 99
Spain 77
technology innovation 80–81
tertiarization process 57, 69
  increase of service sector 63–4
Tokaj wines, Hungary 218
successful entrepreneur 217
Total early-stage Entrepreneurial Activity (TEA)
age composition of entrepreneurship 26
education composition of entrepreneurship 27
gender composition of entrepreneurship 28
  index 22–4, 131, 135
trade 200, 202
trade credit, France 7
tradition, discouragement for entrepreneurship 2
trainee selection criteria chart 233
training activities, profitability 234
training activity of CEOs of non-profit organizations 232
training and education, Spain
  penalization of entrepreneurial spirit 134, 136
training sector
  representation of non-profit organizations 230
transaction costs 60
transport 200, 202
uncertainty 58
uncertainty-avoidance 7
unconstrained production
  control variables 200–201
  diploma and experience, good effect of 199
unemployed people’s firms
  prone to exit 204
unemployment 39
unemployment benefit, tougher stance 40
University Technology Transfer Office (UTTO) 4
venture capital 77, 143
  financing, Spain 137
  firms 146
  France 7, 141
vertical integration 60
wage employment 43
wage society 2
wealth creation 1
wealth, positive influence in
  entrepreneurial commitment 5
welfare state regulations 4
  change, Germany 66
welfare system 18
Wilcoxon non-parametric range tests 84, 89
wine growing in Hungary 213, 215, 217
workforce diversity, stimulation of reasons for importance 19
working capital
  banks versus savings banks, Spain 95
working demands, new 54
young firms, evolution of 8, 9