

## Preface

Entrepreneurship is far from being a novel concept. To find its roots we have to go back to the 18th century and to the original authors of the concept, namely Richard Cantillon and Jean-Baptiste Say.

Nevertheless, despite the multiple authors who have successively addressed this issue over the many decades, entrepreneurship only earned “citizenship rights” in the economy from the 1970s/80s onwards, given the evidence that SMEs were critical regarding wealth and jobs creation, the reduction of regional asymmetries, and being more effective than larger firms in terms of innovation (particularly in the early stages of the innovation process).

Three more recent events have contributed to increasing the critical role of entrepreneurship in most economies: the 2008-2009 crisis, the United Nations’ 2030 Agenda for Sustainable Development and the COVID-19 pandemic.

The 2008-2009 crisis had its genesis in the subprime crisis of the U.S. mortgage market and the declaration of bankruptcy by Lehman Brothers on September 15<sup>th</sup>, 2008 was a painful milestone. As a result, the world was devastated by the biggest financial crisis since the 1930s crash. The effects had been catastrophic for the worldwide economy and in many countries its consequences have not yet been fully overcome.

As the saying goes, it never rains but it pours, and this applies to the emergence of the coronavirus pandemic while many economies are still in a weakened condition. By now the number of infected people is approaching 14 million and about 600,000 deaths throughout the world. It is too early to figure out the consequences, but its impact in terms of destruction of wealth and jobs (and of course human lives) is already overwhelming. Whether from the perspective of renewal/enhancement (intrapreneurship) of surviving businesses, or by launching new ventures, the role of entrepreneurship will be decisive for the revitalization of economies.

Although from a somewhat distinct but much broader perspective in terms of geography and objectives, the role of the United Nations’ 2030 Agenda for Sustainable Development, and the recognition by that organization of the role of entrepreneurship not only as driver of economic growth but also as the path to address social and environmental challenges in order to achieve the Sustainable Development Goals in all countries will be a further incentive to foster the entrepreneurial activity.

We might also admit that the emerging protectionist policies (Brexit and many decisions of the Trump Administration are just two examples) are further encouraging the emergence of new entrepreneurial projects, particularly to replace goods and services traditionally provided by third countries.

It is against this background of turbulence, of extreme uncertainty, that *Handbook of Research on Nascent Entrepreneurship and Creating New Ventures* finds its *raison d’être*. This book is the result of both these challenging times, in which the authors of the chapters found themselves ‘drowned’ in the C-19 pandemic, and the response of intrepid academics making their way through the challenging world of Nascent Entrepreneurship.

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This book is composed of 18 chapters that deal with diverse topics.

In Chapter 1, José Dantas, Fernando Valente, and Isabel Dias address the predisposition to undertake, that is, the roots of the entrepreneurial attitude. Aware of the importance of entrepreneurship for economic development, the authors make an extensive literature review regarding the factors that influence entrepreneurial behavior which allows them to conclude that the greater or lesser predisposition to undertake is influenced both by contextual factors and by genetic factors.

Based on that conclusion and analyzing the Portuguese education system, the authors conclude that entrepreneurship education has to start in the early stages of the educational system and, therefore, advise the strengthening of primary and secondary education (and consequent training of teachers) in this area, particularly aiming at the development of non-cognitive skills.

José Sánchez-García and Brizeida Hernández-Sánchez, in Chapter 2, intend to uncover the causes why some individuals are more prone to entrepreneurship than others, that is, to focus on the concept of entrepreneurial intention.

Aware of the importance of the cultural dimension in entrepreneurial intention and supported by Schwartz's Theory of Cultural Values, the authors applied the Entrepreneurship Orientation Questionnaire to a sample of 600 nascent entrepreneurs (450 men and 150 women) from the different Spanish Autonomous Communities.

The researchers conclude that gender, parents' occupations, and Autonomous Community of origin play a significant role in differentiating personal and contextual entrepreneurial intentions. They also point out that women are more conditioned by social factors whereas men are more motivated by work-related factors.

Chapter 3, "Much More Than Meets the Eye: Unveiling the Challenges Behind Nascent Entrepreneurship," authored by Alexandra França, Silja Frankenbach, Vanda Vereb, Alexandra Vilares and António C. Moreira, addresses nascent entrepreneurship from the psychological and sociological perspective as nascent entrepreneurs have distinctive traits and competencies. The chapter also addresses the environment in which nascent entrepreneurs operate and the way both the identification and exploitation of entrepreneurial opportunities have emerged. The chapter seeks to answer to the following three questions: (1) What are the main individual characteristics that entrepreneurs have in common?; (2) What are the environmental factors contributing to new venture creation?; and (3) What are the steps in the creation process? The chapter is centered on opportunity recognition, evaluation and exploitation, and is complemented by the way how contextual factors and personal characteristics and competencies influence the new venture creation process.

Chapter 4, by Maria Manuel Natário, makes use of international comparative data (GEM database, WEF competitiveness database, Global Competitiveness Index 4.0, and Hofstede's cultural dimensions) to perform an evolutionary (2015 and 2018) analysis of the factors which affect nascent entrepreneurship across countries.

She concludes that nascent entrepreneurship rates are influenced by national culture (collectivism, short-term normative orientation, and indulgence dimensions have a positive impact), and less developed economies display higher values of nascent entrepreneurship. In addition, countries with higher nascent entrepreneurship rates often use less national research and development, which leads to new commercial opportunities available to SMEs, and have a lower level of change in markets each year converting in weak internal market dynamics.

Dolores Gallardo-Vázquez and Juan de la Cruz Sánchez-Domínguez, in Chapter 5, based on descriptive statistics of the evolution of entrepreneurship in Spain during the 2005–2017 period, conclude that although the 2008 global crisis affected entrepreneurship, the entrepreneurial activity index has recovered after the crisis for all ages, except for those in the 55 to 64. The authors conclude that those in that range of age are the most affected ones as they are less likely to create new ventures. They also conclude that the perception of the opportunities to start a new business is linked to economic cycles: during periods of economic crises the creation of new ventures diminishes as a result of fewer opportunities to start new ventures. Previous experience to start a new business is also an important driver of new venture creation as those who have previously started a business are more likely to reopen new ventures as a result of their previous experience (during crises there are less opportunities to start new businesses) and to previous knowledge and experience in business activities.

Risk tolerance is lower among women than among men. As women have more fear of failure, they start fewer new ventures than men because they are less prone to risk their personal finances. Moreover, among women two characteristics stand out: starting a new business is the solution for problems like precarious conditions or labor disputes; and new business opportunities are born as a result of frustration with their bosses and the belief that they can do better. Economic results and innovation are more important for men than for women, who value independency more. In Spain, although entrepreneurship culture is highly supported and there is a positive opinion of entrepreneurship as a professional option, there is a generally negative opinion about whether entrepreneurship gives social and economic status.

Matthew Knox, Josh Rowlands, Anna Cui and Tessa Campbell address in Chapter 6 the challenge of entrepreneurial emergence through authentic leadership behavior, which is especially noticed in times of distress and anxiety, such as those we are going through with the COVID-19 pandemic. Based on the concept of authentic leader behavior, they seek to respond to the following research question: How can authentic leadership behaviors provide a clearer understanding to the phenomena of nascent entrepreneurial emergence, and aid in their ethical development? For that, using examples of small hospitality businesses in Tasmania, the authors highlight that just as occurred in the aftermath of 9/11 and the Financial Crisis in 2008, it is mandatory entrepreneurs develop a positive behavioral development to instigate change and overcome difficult times. For that, authors explore the theories of authentic leadership and authentic followership, highlighting their significance in improving the development of positive organizational ethics and in facing unprecedented obstacles. It is clear the need to deepen the understanding of the enablers of ethical behavior in nascent entrepreneurs and entrepreneurial emergence.

In Chapter 7 Mohammad Bagheri and Alexandra França address the significant potential of knowledge spillovers on the economic growth of its surrounding regions. The aim of “Knowledge Spillovers and Strategic Entrepreneurship Revisited” is to uncover the theoretical and empirical research on knowledge spillovers and strategic entrepreneurship in the management context. The chapter follows a review approach to discover and extract the most relevant concepts in knowledge spillovers and strategic entrepreneurship. Knowledge spillovers are important as they accelerate the entrepreneurial potential worldwide. This chapter promotes a discussion that goes beyond the theory of knowledge spillover of entrepreneurship, linking knowledge spillovers to entrepreneurial opportunities and strategic entrepreneurship. While the previous studies were mainly concentrated on the role of knowledge spillovers and entrepreneurship in general terms, this work highlighted the knowledge spillovers’ intended strategic behavior.

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Chapter 8 is review of the literature, in which Albérico Rosário, Filipa Fernandes, Ricardo Raimundo and Rui Cruz explore the main “Determinants of Nascent Entrepreneurship Development” and seek to shed light upon how NE interplays with topics such as the Entrepreneurial Capability, Learning Triggers, Learning Processes and the Contextual environment. Based on a literature review of 64 articles, this chapter shows that different contexts demand distinct entrepreneurial learning, capabilities and entrepreneurial approaches. The contribution of this article lies in describing the interaction across the 64 reviewed papers. Moreover, as a result of the scarce resources of nascent entrepreneurs, their knowledge is the most intangible asset on which their companies can rely.

Perhaps because of its lower impact on economic development, necessity-driven entrepreneurship has not been given much attention from researchers. Nevertheless, it plays a critical role in socio-economic less-favored countries in spite of the many challenges entrepreneurs have to overcome. This important issue is approached by Mufaro Dzingirai in Chapter 9, “Challenges to Necessity-Driven Nascent Entrepreneurship,” who focuses on Zimbabwe. He establishes six challenges that necessity-driven entrepreneurs need to overcome, namely: personal or family problems, lack of entrepreneurial self-confidence, lack of information, lack of entrepreneurial mentorship, legal and regulatory issues, and lack of adequate personal funds. This Chapter also provides a set of recommendations that might help to surmount the current constraints.

Chapter 10 deals with female entrepreneurship in Pakistan. Waseem Hameed, Muhammad Farhan, Jawad Iqbal, Qasim Nisar, Muhammad Meo and Shazma Razzaq, start by highlighting the low level of income among the Pakistani people, most evident among women, as a reason for the low level of entrepreneurial activity in the country and the key role entrepreneurship could play in ensuring the social and economic empowerment of women.

Through a quantitative research, the authors demonstrate the relationship between microfinance institutions (besides credit they provide insurance, training and saving programs), new venture creation, and women empowerment. The authors conclude that microfinance institutions are the solution to foster female entrepreneurship and thus to take women out of poverty.

The purpose of chapter 11 is to identify the critical factors of a successful reward-based crowdfunding campaign. For that Susana Bernardino, Freitas Santos and Sílvie Oliveira analyze the influence of project-related and entrepreneur-related characteristics on projects’ crowdfunding success. The chapter entitled “Financing Nascent Entrepreneurs by Reward-Based Crowdfunding: Lessons From Indiegogo Campaigns” uses multiple regression analysis (OLS) to identify the crowdfunding campaign’s critical factors of success from data collected from projects posted in the Indiegogo platform. The results point to two major factors that explain the success attained on reward based crowdfunding campaigns: the characteristics of the project – namely, depth of the description, updates and type – and the profile of the entrepreneur – own presentation, number of backers, team involved and previous experience. As empirical studies are still limited in this field of research, this chapter can open new windows of opportunities for supporting nascent entrepreneurs to design better reward-based CF campaigns outside the banking system.

The chapter entitled “Awareness of Government Entrepreneurial Support Programs: A Survey of Women Entrepreneurs in South Africa” explores the nexus between women entrepreneurship and awareness of government entrepreneurial support programs that sought to stimulate the growth and sustainability of women-owned businesses. Based on a mixed-method research approach, whose empirical data was gathered from fifty women entrepreneurs and six experts from Pietermaritzburg, South Africa, Evelyn Derera reveals that the majority of women entrepreneurs were not aware of the existing government

support programs that are targeting them. As a result, the majority of these women entrepreneurs were not benefiting from the programs. One of the main implications of this research is the review of the mechanisms that are used to disseminate information on current government entrepreneurial support initiatives. Chapter 12 also contributes to a much-needed scarcity of literature on indigenous women's economic activities in Africa. It also sets a foundation for future debates on how women could benefit from the available government entrepreneurship support programs in South Africa.

In “Social Entrepreneurship and Related Concepts: The Path of Opportunity to Foster New Ventures” (Chapter 13), Cristina López-Cózar-Navarro and Tiziana Priede-Bergamini, exploit social entrepreneurship as a path to ensure social inclusion, cohesion, and well-being.

Although very centered on the concept of social entrepreneurship, the authors establish the boundaries with some close concepts (e.g., social economy, solidarity economy, economy for the common good, and new paradigms such as collaborative economy and circular economy) and, then, focus on the issue of funding social entrepreneurship.

Admitting that social entrepreneurs do have not many collaterals to offer to financing institutions, and profit is not their *leitmotiv*, they do not typically have much to share with their backers. Thus, besides the entrepreneur own resources, the researchers approach the traditional 3 Fs (family, friends and fools) as the more adequate source, the venture capital (where is included business angels) who mostly look for profit (unless being social venture capital institutions) and crowdfunding, particularly when donation-based or reward-based, which just implies a symbolic compensation. Thus, overcoming the funding need is one of the major impediments preventing social entrepreneurship.

“Advancing a Framework for Entrepreneurship Development in a Bioeconomy” is the title of Chapter 14. Authored by Oluwaseun Oguntuase, this chapter defends bioeconomy as a pathway to sustainable development, and entrepreneurship as the bedrock of bioeconomy. The chapter is composed of three main objectives, which are dealt with in three sections. Firstly, the chapter addresses the importance of innovation and entrepreneurship in a bioeconomy. In the following section, the chapter identifies the main production determinants and transformative game changers so that innovative entrepreneurial activities can be addressed in the bioeconomy. Thirdly, the chapter presents a conceptual framework for entrepreneurship development in a bioeconomy. As a result, the chapter asserts that there are several entrepreneurial opportunities spanning the production determinants, the development of transformative game changers in distinct innovations like substitute products, new bio-based products and new bio-based processes.

In “Academic Entrepreneurship in Portugal: Case Study of Academic Spin-Off Companies,” Oscarina Conceição and Vanessa Rodrigues address the dynamics of academic entrepreneurship in both the crisis and post-crisis periods in Portugal, and the likelihood that there is some connection with the performance of regular entrepreneurship in Portugal. Thus, they collected information from five of the largest Portuguese universities through their technology transfer offices in order to know how many academic spin-offs were created there between 2005 and 2015, their establishment year, sector of activity, and location. Additionally, the authors inquired the spinoffs' promoters to find out the main factors that influence the success of the spin-off entrepreneurial process.

According to the results, over the period of analysis 165 spinoffs were formed within the five universities, in particular in the software and biotechnology sectors, mostly aimed at the development and commercialization of a product or service, and were located in the university's district. These ventures had benefited from parent university's technology transfer and access to infrastructure and the promoters keep a tight link with the university of origin. The rhythm of spinoffs creation is in line with the Portuguese Total Early-Stage Entrepreneurial Activity rate although their mortality rates were lower than other star-up companies.

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A case study is explored in chapter 16 by Marisa Ferreira, Beatriz Nunes, Juciely Pimentel, Joana Malheiro and João Proença. The Chapter, entitled “Life in a Bag: Sustainability, Green Economy, and Business Strategy,” discusses the strategic dimension of family-based company and its relationship with the market. The company started with a couple growing a vegetable garden at home in 2013, which transformed their lives. Through a strong entrepreneurial spirit, this couple decided to embrace more sustainable lifestyles and created biological products to serve the green economy seeking to satisfy the growing demand for healthier products with more sustainable options that promote a healthier lifestyle. Moreover, they managed to encourage others to grow their own food, even in confined spaces. The authors apply Porter’s five forces model, Bowman’s strategy clock and diversification analyses to depict the innovative and distinctive characteristics of this case study. Based on a qualitative method, this chapter answers the following four main questions: (1) how *Life in a Bag*’s industry sector is characterized; (2) how the opportunity to enter the market arose; (3) how the implementation and development strategy of the company is defined in a green market context and as a startup; and finally, (4) how the business model helped *Life in a Bag* to define its strategic position in an increasingly competitive market, as well as its brand’s growth strategy.

Chapter 17 analyzes “The Mutual Influence Between Legitimacy and Nascent Second-Generation Ethnic Entrepreneurship” where Cat-My Dang investigates the interaction between legitimacy and nascent ethnic entrepreneurship among nascent second-generation Vietnamese ethnic entrepreneurs in Germany. The study relies on institutional theory to demonstrate that host institutions and ethnic institutions play different roles in the early stages of second-generation ethnic entrepreneurship. Based on the differences between the first-generation and second generation Vietnamese immigrants, in which the former were necessity-driven entrepreneurs and the latter predominantly opportunity-driven entrepreneurs with academic backgrounds, the chapter relies on qualitative data from Snowball sampling method to demonstrate that second-generation ethnic entrepreneurs are firmly embedded in the mainstream community and, therefore, earn proper legitimacy in various industries in the mainstream market. Two main conclusions can be drawn from this study. Firstly, the prevailing connections between entrepreneurs and their ethnic communities provide second-generation ethnic entrepreneurs with legitimacy to contribute to society. Secondly, ethnic society legitimates the entrepreneurial activities of second-generation ethnic entrepreneurs because of their contributions. Moreover, the results of this study illustrate that second-generation ethnic entrepreneurs influence the legitimacy of new ventures, which end up supporting the ethnic legitimization of the nascent entrepreneurs.

Finally, Chapter 18, “Entrepreneurship and Happiness: Which Is the Link?” authored by Helena Saraiva, Vítor Gabriel, Jose Sánchez-García, Brizeida Hernández-Sánchez and Giuseppina Cardella, analyzes the existence of links between entrepreneurship and happiness. Using available data on entrepreneurship and happiness indexes, this chapter concludes that the values assumed by the indexes of happiness and entrepreneurship present a strong correlation and it seems that the level of entrepreneurship of a country contributes to its level of happiness in a direct way. This result presents the potential contribution of entrepreneurship to happiness. As such, one can expect that entrepreneurship could play an important role, in the coming years, in the quest for improving the level of happiness, or at least its non-decrease, by all worldwide governments.

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Based on the topics covered by this book, it is targeted to a broad audience including graduate and post-graduate students, lecturers and all those who seek to address the challenging world of nascent entrepreneurship. It is hoped that this book is of added value to them all.

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