ECONOMIC AND SOCIO-CULTURAL DRIVERS OF NECESSITY AND OPPORTUNITY ENTREPRENEURSHIP DEPENDING ON THE BUSINESS CYCLE PHASE

Isabel MARTÍNEZ-RODRIGUEZ1*, Fernando E. CALLEJAS-ALBIÑANA2, Ana Isabel CALLEJAS-ALBIÑANA3

1, 2Department of Spanish and International Economic, Econometrics and Economic History, Faculty of Law and Social Sciences, University of Castilla-La Mancha, Ciudad Real, Spain
3Department of Psychology, Faculty of Education, University of Castilla-La Mancha, Ciudad Real, Spain

Received 30 November 2018; accepted 14 November 2019

Abstract. This paper offers an in-depth examination of the behavior of necessity- and opportunity-driven entrepreneurship. First, it considers their relevance to total entrepreneurial activity. It then seeks to determine which socio-cultural and economic factors affect the two types of entrepreneurship, as well as their relative importance for a sample of 32 previously selected countries during a period of expansion (2001–2008) and of crisis and recovery (2009–2016). The analyzed factors include monetary and fiscal policy instruments (economic factors) and representative variables of governance and human capital (socio-cultural ones). The findings show that both necessity- and opportunity-driven entrepreneurship largely explain the behavior of total entrepreneurial activity. They moreover show that the explanatory factors of both kinds of entrepreneurship differ depending on the business cycle phase considered. These findings will be key to proposing efficient economic policy measures to promote entrepreneurial activity and, thus, economic growth in different economies around the world.

Keywords: entrepreneurship, opportunity, necessity, socio-cultural factors, economic factors, economic growth, business cycle, GEM.

JEL Classification: C23, E32, J23.

Introduction

Entrepreneurship is recognized as a source of economic growth and employment creation. As a result, many policy makers throughout the world explicitly pursue policies that are aimed at increasing the amount of entrepreneurship (Acs et al., 2017; Fotopoulos & Storey, 2019).

*Corresponding author. E-mail: isabel.mrodriguez@uclm.es

Copyright © 2020 The Author(s). Published by VGTU Press

This is an Open Access article distributed under the terms of the Creative Commons Attribution License (http://creativecommons.org/licenses/by/4.0/), which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.


