

Erasmus University Rotterdam
Erasmus School of Economics
MSc Economics & Business
Master Entrepreneurship & Strategy Economics

**The relationship between entrepreneurs and status:
social- versus commercial entrepreneurs**

Name: Danny van Calsteren
Student number: 311417
Supervisor: Brigitte Hoogendoorn
Finish date: 19 July 2012

Abstract

The role of status as a determinant of entrepreneurship is a rather unexplored area of literature. Recently, there are more theoretical and empirical contributions to this area of literature (Malach-Pines et al., 2005; Parker and Van Praag, 2009; Van Praag, 2009; Liñán et al, 2011). These researchers suggest that status influences the intentions to become an entrepreneur and that the perceived status of high-tech entrepreneurs in a country is correlated with entrepreneurial activity in that particular country.

This thesis will investigate the relationship between perceived entrepreneurial status and the preference for entrepreneurship. It will also test the relationship between perceived entrepreneurial status and having experience as an entrepreneur. This thesis makes also a distinguish between entrepreneurs and tests if individuals who perceive entrepreneurs as having a high status are less likely to be a social entrepreneur than a commercial entrepreneur. This is done by using the dataset of the Flash Eurobarometer survey on Entrepreneurship (No. 283) which contains information of more than 26,000 individuals of 36 countries.

The results of the binary logistic regression models provide evidence that individuals are more likely to have a preference for entrepreneurship if they perceive entrepreneurs as having a high status. Furthermore, this thesis finds evidence that individuals are more likely to have experience as an entrepreneur if they perceived entrepreneurial as having a high status.

Table of content

- 1. Introduction5**
- 2. Entrepreneurs.....8**
 - 2.1. What is an entrepreneur?.....8
 - 2.2. What is a social entrepreneur?.....9
- 3. Status.....13**
 - 3.1. The history and a definition of status.....13
 - 3.2. The determinants of status.....14
 - 3.3. The measurements of status.....16
- 4. The role of status as a determinant of entrepreneurship.....18**
- 5. Formulation of hypotheses.....22**
- 6. Empirical Research.....24**
 - 6.1. Data.....24**
 - 6.2. Dependent variables.....25**
 - 6.2.1. Preference for entrepreneurship.....25
 - 6.2.2. Entrepreneurial experience.....26
 - 6.2.3. Social- and commercial entrepreneurs.....27
 - 6.3. Independent variables.....29**
 - 6.3.1. Status of entrepreneurs.....29
 - 6.3.2. Image of entrepreneurs.....30
 - 6.4. Control variables.....32**
 - 6.5. Methodology.....35**
 - 6.6. Results.....37**

6.6.1. Preference for entrepreneurship and status.....	38
6.6.2. Entrepreneurial experience and status.....	41
6.6.3. Social- and commercial entrepreneurs and status.....	44
7. Discussion and limitations.....	48
7.1. Discussion.....	48
7.2. Limitations and further research.....	51
8. Conclusion.....	54
Literature.....	55
Appendix.....	62

1. Introduction

A characteristic of human nature is to compare ourselves to neighbours, friends, family or other members of society in terms of status, income or wealth (Parker, 2009). Status is one of the most central topics in sociology, but it has not been used much in mainstream economics (Kwon and Milgrom, 2006). Only recently economists have become more interested in the concept of status, because economic theories fail to explain some socio-economic phenomena by ignoring possible interdependencies and different preferences across people (Bisin and Verdier, 1998). Frank (1984) was one of the first economists who recognized the importance of status. He argued that status amongst colleagues was at least as important as his income level in determining his self being. Recently, status is more incorporated in economic models as a determinant of individual utility (Fershtman and Weiss, 1993; Weiss and Fershtman, 1998; Kwon and Milgrom, 2007; Parker and Van Praag, 2009).

The role of status as a determinant of entrepreneurship is a rather unexplored area of literature. Recently, more scholars investigated this relationship. Parker and Van Praag (2009) provide a theoretical model which explains the influence of status on the occupational choice to become an entrepreneur, where status of entrepreneurs affects people's preferences to become an entrepreneur but it is also affected by other people's preferences or behavior. Recent empirical findings also suggest that individuals are influenced positively by status in their choice to become an entrepreneur (Van Praag, 2009; Liñán et al, 2011). For example, the article by Van Praag (2009) concludes that the willingness and the likelihood to become an entrepreneur are positively associated with perceived entrepreneurial status. Most researchers used a small sample size of students to test the relationships between status and entrepreneurship (Malach-Pines et al., 2005; Van Praag, 2009).

Researchers find that the perceived status of entrepreneurs has indeed a positive association with entrepreneurial intentions. Although many questions still remain; does the perceived status of entrepreneurs influence the preference for entrepreneurship? And does perceived entrepreneurial status also influence actually having experience as an entrepreneur? And are those individuals who perceive entrepreneurs as having a high status are less likely to be a social entrepreneur than a commercial entrepreneur?

Several determinants of entrepreneurship have been found (Parker, 2009), less is known about the characteristics of the social entrepreneur (Hoogendoorn et al., 2010). From a policy perspective, it is important to understand what motivates people to become an (social) entrepreneur. Testing the relationship between status and (social- and commercial) entrepreneurship gives more insight into the characteristics of (social-and commercial) entrepreneurs. The three main questions of this thesis are; is perceived entrepreneurial status positively associated with the preferences for entrepreneurship? Is the perceived entrepreneurial status also positively associated with having experience as an entrepreneurs? And are those individuals who perceive entrepreneurs as having a high status are less likely to be a social entrepreneur than a commercial entrepreneur? This thesis uses the dataset of the Flash Eurobarometer survey on Entrepreneurship (No. 283), which includes more than 26,000 individuals of 36 countries. This is a different, broader (not only students and more countries) and bigger dataset than datasets used by other researches.

First, this thesis will investigate if perceived entrepreneurial status is positively associated with the preference for entrepreneurship. Recently, the relationship between status and the intentions and willingness to become an entrepreneur have been tested (Van Praag, 2009; Liñán et al., 2011). The study by Van Praag (2009) concludes that the willingness to become an entrepreneur is positively associated with status. The article by Liñán et al. (2011) finds that status and respect influence the intentions to start a business but this effect is small. This thesis will further explore a similar relationship between perceived entrepreneurial status and the preference for entrepreneurship.

Secondly, this thesis will not only investigate the relationship between status and the preference for entrepreneurship but it will also tests if perceived entrepreneurial status is positively associated with having experience as an entrepreneur. This subject is rather unexplored. The article by Malach-Pines et al. (2005) finds a positive correlation between status of high-tech entrepreneurs in a country and entrepreneurial activity in that particular country. This thesis will add to the existing literature by further exploring the relationship between status and entrepreneurs.

This thesis will not only investigate the association between perceived entrepreneurial status and having experience as entrepreneur but it will also make a distinguish of this relationship for social and commercial entrepreneurs. This research will examine if individuals who

perceive entrepreneurs as having a high status are less likely to be a social entrepreneur than a commercial entrepreneur. This relationship has not been tested so far. Social entrepreneurs are more altruistic and less selfish than other types of entrepreneurs (Hemingway, 2005), so it could be expected that social entrepreneurs want to contribute to society and they could care less of the status they receive as being an entrepreneur. The majority of literature has focused on defining the concept of the social entrepreneur, while there are a few empirical researches on the characteristics of the social entrepreneur (Hoogendoorn et al., 2010). This thesis will add to this area of literature.

This research starts by explaining the concepts of status and (social- and commercial) entrepreneurs, before making a connection between the concepts. It is necessary to have a better understanding of the relationship between status and entrepreneurs before relating the concepts. After that, the hypotheses are formed based on the current knowledge of existing literature on the relationship of status and (social- and commercial) entrepreneurs. The data and methodology are described before testing this relationship with binary logistic regression models. Testing the various hypotheses will provide more insights into the relationship between perceived entrepreneurial status and the preference for entrepreneurship. It also investigates the relationship between perceived entrepreneurial status and (social-and commercial) entrepreneurs. After the results are analyzed, the limitations of this research are discussed and it will provide avenues for further research. The last section of this thesis will conclude.

2. Entrepreneurs

This section will discuss the concepts and the definitions of the entrepreneur and the social- and commercial entrepreneur. Before this thesis can make a connection between status and entrepreneurs, which is the aim of this research, it is necessary to understand what a (social- and commercial) entrepreneur is. It is also important to know which definitions are used for the empirical analysis.

2.1. What is an entrepreneur?

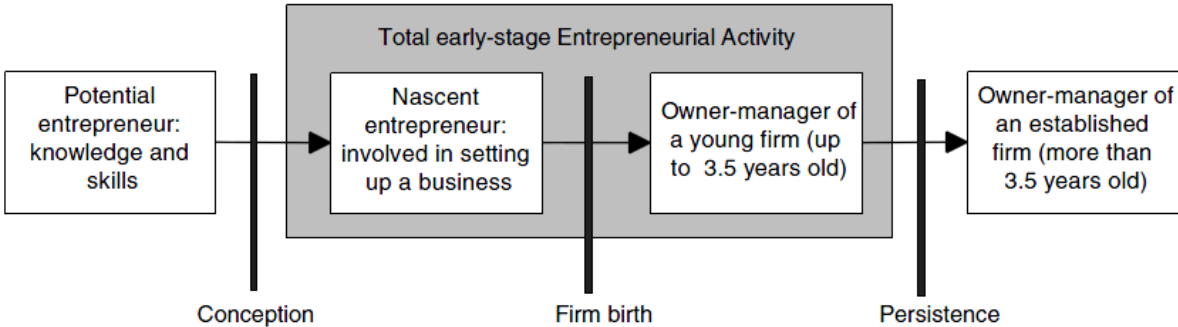
Entrepreneurs have a very specific role in society. Cantillon (1732) sees entrepreneurs as individuals with the willingness to carry out forms of arbitrage involving the financial risk of starting a venture. Schumpeter (1934) sees entrepreneurs as individuals who innovate and make new combinations in production. Entrepreneurs create new opportunities for growth, they replace old technology with new ones. This process is also known as "creative destruction". Entrepreneurs are also very important for society. According to Van Praag and Versloot (2007) entrepreneurs do create relatively much employment, contribute to productivity growth, produce and commercialize innovations, and by doing so create positive regional spillovers (van Praag and Versloot, 2007). Entrepreneurs seem to have a very specific role and are very important for society, but what is actually an entrepreneur?

When defining entrepreneurship, there is no single, widely excepted definition (Thurik and Wennekers, 2004). Some researchers use a broad definition of entrepreneurship such as "the process of new business creation" (Gartner, 1990). Others see entrepreneurship as a very specific occupation, related with Schumpeter's "creative destruction". Most researchers do agree that entrepreneurship is about creating something new (Reynolds et al., 2005). But other than the occupational notion of the entrepreneur there is also the behavioral notion, in the sense of seizing an economic opportunity (Sternberg and Wennekers, 2005). In this case managers of a firm could be "entrepreneurial".

This thesis will use the occupational definition of entrepreneurs made by Reynolds et al. (2005). The researchers make a distinction between potential entrepreneurs, nascent

entrepreneurs, young business owners and owners of an established firm. A potential entrepreneur is an individual who poses the necessary skills and knowledge to become an entrepreneur. The nascent entrepreneur is an individual who is currently setting up his business in the last 12 months and have not paid any salaries for more than 3 months. A young business owner is an individual who is currently managing his own or partly owned new firm and the firm is not older than 3.5 years. The nascent entrepreneurs and the young business owners account for the total early-stage entrepreneurial activity. The owner of an established firm is defined as an individual who is currently managing his own or partly owned firm and the firm is older than 3.5 years. The entrepreneurial definitions and process are illustrated in figure 1.

Figure 1: The entrepreneurial process and definitions of the entrepreneur.



Source: Reynolds et al. (2009), p. 209.

This thesis follows the entrepreneurial process and definitions of the entrepreneur made by Reynolds et al. (2005), and it will discuss entrepreneurs as individuals who have or ever have created an own business or are taking steps to start one.

2.2. What is a social entrepreneur?

Social entrepreneurship is popular in practice for a long time but scholars recognized mainly over the last decade the importance of this topic. However, there is still no clear definition of the social entrepreneur (Hemingway, 2005). Many researchers have tried to define the concept of social entrepreneurship, often they use different definitions. Social

entrepreneurship combines two ambiguous words and it means different things to people (Mair and Marti, 2004). Entrepreneurship in general is a much researched area of literature but many scholars use different definitions. Adding the word social in this context makes it also harder to come up with a clear definition of this field. Some researchers even argue that entrepreneurship in general has a social aspect. For example, Venkataraman (1997, p. 133) describes it as follows:

“As Schumpeter (1934) pointed out several decades ago (and Adam Smith much earlier), the personal profit motive is a central engine that powers private enterprises and social wealth. Entrepreneurship is particularly productive from a social welfare perspective when, in the process of pursuing selfish ends, entrepreneurs also enhance social wealth by creating new markets, new industries, new technology, new institutional forms, new jobs, and net increases in real productivity”.

Venkataraman (1997) argues that there is always a social component in any form of entrepreneurship. Although (commercial) entrepreneurs act in their own interest, they still create social value in the process such as the creation of new jobs. However, the commercial entrepreneur differentiates on several levels compared to the social entrepreneur. For commercial entrepreneurs profit is the most important component (Knight, 1921; Kirzner, 1973) and their success is often measured by financial returns (Austin et al., 2006). Whereas, social entrepreneurs are not primarily driven by profits (Dorado, 2006), they use social and economic goals in pursuing an opportunity (Thompson and Doherty, 2006). Social entrepreneurs are more altruistic and less selfish than other types of entrepreneurs (Hemingway, 2005).

According to Dees (1998) many people do associate social entrepreneurship “exclusively with not-for-profit organizations starting for-profit or earned-income ventures. Others use it to describe anyone who starts a not-for-profit organization. Still others use it to refer to business owners who integrate social responsibility into their operations”. Most researchers define social entrepreneurship as the ability to leverage resources to address social problems, but there is no consensus how this definition has to be filled in further (Zahra et al., 2009). For example, some researchers fill in this definition as the creation of social wealth (Dees, 1998), the solution to social problems (Alvord et al., 2004), social innovation (Bornstein, 2004) or conventional entrepreneurs who practice activities of corporate social responsibility (Baron,

2005). Other researchers came up with a more comprehensive definition. For example, Austin et al. (2006, p. 2) define social entrepreneurship as an “innovative, social value creating activity that can occur within or across the nonprofit, business, or government sectors”. Mair and Marti (2006, p. 37) define social entrepreneurship as “a process involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs”.

Mair and Marti (2006) and Zahra et al. (2009) suggest that any measurement or evaluation of social entrepreneurship should include not only social- but also economic considerations. Taking economic and social considerations into account is also known as the double bottom line. Zahra et al. (2009) propose the concept of “total wealth” as a standard to evaluate opportunities and organizational processes related to social entrepreneurship. According to the researchers “total wealth” should include both tangible (e.g. products, funds generated, or clients served) and intangible assets (e.g. wealth, happiness, or general self-being).

Thus, Total Wealth (TW) = Economic Wealth (EW) + Social Wealth (SW).

Where,

Economic Wealth = Economic Value (EV) – Economic Costs (EC) – Opportunity Costs (OC)

Social Wealth = Social Value (SV) – Social Costs (SC).

As a result,

$$\mathbf{TW = EV + SV - (EC + OC + SC).$$

There is an economic- and social component in the definition of “total wealth”. This also indicates that there are various dimensions of the social entrepreneur, in the sense of different trade-offs between the social- and economic value creation process.

Many scholars have defined social entrepreneurship in different ways. More recently, researchers tried to make a clearer definition based on the numerous definitions in the past. Dacin et al. (2010) argue that the definition of social entrepreneurship has the most potential for building a unique understanding if it “focuses on the social value creation mission and

outcomes, both positive and negative, of undertakings aimed at creating social value". Zahra et al. (2009) describe, based on twenty different definitions, that "social entrepreneurship encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner".

For this thesis the definition by Zahra et al. (2009) of the social entrepreneur will be used. This definition reflects some basic assumptions on which this research is based. First of all, it shows that the most important element for the social entrepreneurs is the social value creation component. Secondly, exploiting opportunities is primarily based on addressing social needs. This is achieved by creating social value, in this process there could also be the creation of economic value but this is not the primary aim of this type of entrepreneur. Thirdly, this process involves the creation of new ventures. This definition covers a broad range of social entrepreneurs and includes a broad range of not-for-profit, and for-profit organizations with a social value creation perspective.

This section has discussed the various concepts and definitions of the (social-and commercial) entrepreneur. The following section will explore the concept of status before making a connection between status and entrepreneurs

3. Status

This section will discuss the concept of status, its determinants and how status is measured. It is important to explain this concept before relating status to entrepreneurs.

3.1. The history and a definition of status

Max Weber (1864-1920) was the first who introduced the concept “status”. The term social status was part of his three component theory of stratification, also including social class and religion. He defined status as “an effective claim to social esteem in terms of negative or positive privileges” (Weber, 1978 [1922], p. 305). According to Weber such claims are based on lifestyle, hereditary, formal education and occupational prestige. He considered 'status situation' (claim for honor) and 'market situation' (claim for money) as a system that rewards individuals, where money brings status and status brings power. The concept of status introduced by Max Weber exists for a long time, however the concept has been altered instead of changed. Lin (1999) defines status as: "Status attainment can be understood as a process by which individuals mobilize and invest resources for returns in socio-economic standings. Resources in this context are defined as valued goods in society, however consensually determined, and values are normative judgments rendered on these goods which in most societies correspond with wealth, status, and power. Socio-economic standings refer to valued resources attached to occupied positions". He argues that these resources can be classified in two categories: personal- and social resources. Personal resources are owned by an individual and can be used and disposed freely. Social resources however are not a possession but available through direct or indirect ties. Access or the use of these resources are temporarily and borrowed. These resources can be used to boast someone's ego. Weiss and Fershtman (1998) introduced status as ‘a ranking of individuals (or groups of individuals) in a given society, based on their traits, assets and actions`. Where different members of society each have a different ranking of an individual, but there is a substantial agreement about the relative position of an individual in society. This agreement of rankings gives status amongst individuals. Individuals with higher status are expected to be treated better in social and economic interactions than individuals with lower status. According to the researchers this could take many forms such as ‘transfer of market goods, transfer of non-market goods

(through marriage, for instance), transfer of authority (letting the high status person be the leader), modified behavior (such as deference or cooperation) and symbolic acts (such as showing respect)'. Because of these social rewards, individuals try to increase their social status by group affiliation.

Weber saw professions as “status groups”, which he defined as 'a plurality of persons who, within a larger group, successfully claim a special social esteem' (Weber, 1978 [1922], p. 307). Reference group theory and social identity theory are two groups of literature of social psychology that can explain the concept of status groups further. Reference group theory argues that people seek to identify with esteemed groups to enhance their sense of self-worth (Pingle and Mitchell, 2002). On the other hand social identity theory does argue that people gain self-worth from membership of a group. Where they gain higher self-worth if the group where they belong to have a higher status than other groups (Tajfel and Turner, 1986). Social identity theory demands a more active role of an individual than reference group theory, but both theories agree that the status of a group influence the decision to belong or identify to a group. Kwon and Milgrom (2006) find empirical evidence that the status of a group influence an individual's occupational choice. They find that people are less likely to quit their job, if their expected status within a group of co-workers in the same occupation increases. They further argue that social rather than pecuniary benefits affect this choice more heavily.

3.2. The determinants of status

Sociologists do have an accepted theory of the concept status but they do not have an accepted theory of its determinants (Weiss and Fershtman, 1998). The functional theory of social rewards proposed by Davis and Moore (1945) argue that inequalities are necessary to motivate the most qualified individuals to perform important tasks. These tasks required effort or investment in skills, so individuals must be compensated by money, status and leisure. So individuals with the most reward are valued higher in society. But this theory has been criticized for lacking a clear definition for important tasks and that the theory does not say which types of reward are the most effective (Tumin, 1953). A different view of status emphasizes its role to promote trust and cooperation within an organization (Stinchcombe, 1986). According to this view members of a status group could have high status because their economic success is based on internal arrangements. It is less hard to detect deviations in

status groups, because of the similar lifestyle and members are threatened by expulsion if they do not hold to the ethical standard. Another view is that status can be seen as a substitute for money, for exchange and store of value (Coleman, 1990). For example, someone who received services in transaction could promise to deliver privileges or other services in the future. The receiver of this promise gets a certain status and can use this asset in the future.

Max Weber who introduced the concept status had also an idea about its determinants. He argued that occupational status depends, above all, on the required education and the opportunities for earnings within an occupation (Weber, 1978 [1922], p.144). There is no consensus whether individual characteristics play a role in the determination of status to occupations. According to Balkwell (1982) individual characteristics play no role in the determination of occupational status. But other studies have shown different results, and argue that individual characteristics influence the perceived status of occupations next to occupational characteristics (Hendrickx et al., 1998; Katz, 1992, Van Praag, 2009).

Brown (1955) identifies, based on the occupational prestige study by North and Hatt (1947), eleven possible determinants of occupational status: 1) the job is greatly necessary for the public welfare, 2) more than usual respect, 3) the jobs are clean, 4) extensive education or training needed, 5) talent or skills needed, 6) good salary, 7) leisure for recreation/vacation, 8) accepted as authority in the community, 9) rich history, 10) no great muscular effort, and 11) the social or altruistic level of the job. Villemez (1974) later added 'power' as a twelfth determinant of occupational status. Van Praag (2009) tested most of the determinants of occupational status identified by Brown (1955) and Villemez (1974) empirically. She asked Dutch students whether they agreed that these determinants do indeed determine occupational status. Education turned out to be strongest determinant of status of professions (76%) followed by respect (63%), Income level (49%) and public importance (47%). These results are quite similar with the view of Max Weber who saw the required education and the opportunities for earnings within an occupation as the most important determinants of occupational status. But according to the results of Van Praag (2009) is respect more important as a determinant of status than the income level.

3.3. The measurements of status

The National Opinion Research Centre (NORC) in America measures status since 1947. In 1989 the NORC included an evaluation of the status of occupations to rank 90 selected professions. This survey is based on the occupational prestige study by North and Hatt (1947). The study measures occupational status by asking respondents to judge a profession as having excellent, good, average, somewhat below average or poor standing to the question 'For each job mentioned, please pick out the statement that best gives your own personal opinion of the general standing that such a job has'. At the top of the list with high occupational status there are professions such as judges, scientist and physicians, in the middle of the list there are professions such as entrepreneurs, policemen and journalist and at the bottom of the list are occupations such as plumbers, garbage collectors and janitors. This kind of measurement of occupational status is quite subjective.

Duncan (1961) extended the original NORC study, he developed an objective rather than a subjective evaluation of occupational status and is called the socioeconomic index (SEI). He linked the occupational prestige score of the NORC study to the income and education information in the census. He made a formula where he had an objective measurement of the occupational prestige. He could made predictions of someone's occupational status simply by knowing his education and income, this formula lead to the total based SEI of 1989 (Nakao and Treas, 1994). The ranking of occupations based on prestige of the NORC study and the total based SEI are quite similar, despite the subjective nature of the NORC study. The occupations can be found by both at a somewhat similar rank, but with a different order of occupations.

According to Treiman (1977) people who do rank status to occupations do this irrespective of their own individual attributes such as age, education, country of residence and income. He finds that the rankings of occupation are very correlated across countries and are persist over time. 'People in all walks of life, rich and poor, educated and ignorant, urban and rural, male and female view the prestige hierarchy in the same way' (Treiman, 1977, p. 59). It seems that the variance in the subjective evaluation of occupational prestige of different occupations can be best explained by characteristics of the profession itself. Although Van Praag (2009) found that perceived entrepreneurial status is influenced by individual characteristics such as gender

and age. According to Fershtman and Weiss (1993) people do rank occupations primarily on the average income and education level in each occupation.

Status, its determinants and measurement were investigated in this section. The two main concepts were now investigated in this thesis namely; status and entrepreneurs. The following section will investigate the relationship between both concepts.

4. The role of status as a determinant of entrepreneurship

The role of status as a determinant of entrepreneurship is a rather unexplored area of literature. Gnyawalli and Fogel (1994) argue that entrepreneurship cannot prosper when most members of society view it with suspicion. They recognize that a favorable attitude of society toward entrepreneurship and public support entrepreneurship are needed to motivate individuals to become an entrepreneur. Several researchers have used social cognitive process models, which analyze perceptions and attitudes in order to explain entrepreneurial intentions and behaviors ((Krueger and Brazeal, 1994; Davidson, 1995; Liñán, 2008). Recently there are more theoretical and empirical contributions to this area of literature that links status as a determinant of entrepreneurship (Malach-Pines et al., 2005; Parker and Van Praag, 2009; Van Praag, 2009; Liñán et al., 2011).

Ajzen's theory of planned behavior and Shapero's model are the most widely used entrepreneurial intention models. According to Ajzen's theory (1991) the intention to become an entrepreneur depends on an individual's personal attitude towards the behavior, the perceived control over the behavior and the perceived social pressure to become an entrepreneur. Shapero's model (1982) of the entrepreneurial event indicates that perceptions of desirability and feasibility affect an individual's behavior. These perceptions are the key elements of social and cultural environments which determine the choice to become an entrepreneur (Liñán, 2008). Davidson (1995) tests empirically an economic-psychological model of the determinants of entrepreneurial intentions. According to the researcher could intentions be influenced by personal background, general and domain attitudes. Domain attitudes include, among others, a factor called societal contribution concerning the extent to which respondents perceive entrepreneurs' actions as being valuable to society. He found that this factor has a strong impact on entrepreneurial intentions. It seems that these models, which look at attitudes and perceptions of individuals towards entrepreneurship, indicate a positive association between perceived social status and entrepreneurial intentions.

A recent theoretical model that makes a link between the role of status as a determinant of entrepreneurship is the model of Parker and Van Praag (2009). Their model shows that group status of entrepreneurs plays a role in shaping the occupational choice of individuals to become an entrepreneur. The group status of entrepreneurs will enter the utility function of individuals, when entrepreneurs have a high status individuals are more likely to choose to become an entrepreneur. In their model the group status of entrepreneurs depend on the average income earned, hereby individuals can create externalities through their occupational choice. The group status of entrepreneurs will not only influence an individuals` utility who chooses to be an entrepreneur but this individual also affects the group status of entrepreneurs, by effecting the average income with a different income than the average income.

Recent empirical evidence also suggests that individuals are positively influenced by status in their choice to become an entrepreneur (Malach-Pines et al., 2005; Van Praag, 2009; Liñán et al, 2011). The article by Malach-Pines et al. (2005) examines whether high-tech entrepreneurs are seen as cultural heroes, i.e. having a high social status, using a sample of 334 MBA students in Israel, Hungary and the USA. They conclude that Israelis perceive high-tech entrepreneurs as having higher social status than individuals from the USA and Hungary. Also they find that perceived status of entrepreneurs in a particular country is correlated with entrepreneurial activities in that country. Furthermore, they find that in countries where entrepreneurs perceive high status, persons identify more with entrepreneurs. Also they find that in countries were entrepreneurs have a high perceived status individuals rates themselves higher on three traits; 1) initiative, 2) love of challenge and 3) independence. These three traits are rated the highest by actual entrepreneurs.

The paper by Van Praag (2009) uses a sample of 818 Dutch students to investigate the relationship between perceived status and the willingness and likelihood to become an entrepreneur. The core question of her survey was that the students had to rank 20 occupations, they had to give a grade from 1 to 10, where 1 is a low status and 10 is a very high status. In this question entrepreneurs were graded a 7.0 on average and there average rank was 8, just above accounts (6.9) and below architects (7.4). She further finds that individuals who perceive status to be determined by high income or hard work, the higher they value the status of entrepreneurs. But when individuals see education or power as determinant of status, the lower they value the status of entrepreneurs. Furthermore she finds that the perceived status of entrepreneurs is positively associated with the willingness and

likelihood to become an entrepreneur within 10 years time, based on OLS and probit regressions.

Liñán et al. (2011) examine the relationship between the perception and entrepreneurial intentions with logit regressions, using GEM data with a sample of 33,731 individuals from 13 countries. The researchers make a distinction between individual perceptions; perceptions on economic (entrepreneurial) opportunities and socio cultural perceptions. Where socio-cultural perceptions include measurements for status of entrepreneurs; entrepreneurship is a desirable career choice, entrepreneurs have status and respect and if there is media attention of successful new businesses. They find that all the three measurement have a positive significant effect on entrepreneurial intentions. They find that the odds ratio's for a desirable career choice, status and respect, and media attention of successful new businesses are 1.159, 1.093 and 1.516 respectively. Individuals are positively influenced by these variables but these effects are small, especially by the variable status and respect. Individuals had to answer whether they agree with the statement in their country, those successful at starting a new business have a high level of status and respect.

There is consensus on the relationship between status and the intentions to become an entrepreneur. First researchers had tried to explain the role of status on entrepreneurial intentions with social cognitive process models (Krueger and Brazeal, 1994, Davidson, 1995; Liñán, 2008). They find that perception of entrepreneurs affect the choice to become an entrepreneur. Also more recent researches indicate that the willingness and the intentions of becoming an entrepreneur are positively associated with status of entrepreneurs (Van Praag, 2009; Liñán et al., 2011). Although there is no consensus on the magnitude of the effect of status, Liñán et al. (2011) find a limited effect of status. The theoretical model of Parker and van Praag (2009) suggests also a positive relationship, they suggest that individuals are more likely to choose to be an entrepreneur when the status of entrepreneurs is high. Not only seems perceived entrepreneurial status positively associated with entrepreneurial intentions but also with entrepreneurial activity. Malach-Pines et al. (2005) find a positive relationship between status of high-tech entrepreneurs in a country and entrepreneurial activity in that particular country.

The relationship between status and entrepreneurs were investigated in this section. It seems that there is a positive relationship between both variables. The following section will propose the hypotheses of this thesis.

5. Formulation of hypotheses

Based on the presented theories and assumptions several hypotheses are formulated. These hypotheses are tested in subsequent sections.

Preference for entrepreneurship and status

Individuals compare themselves to different members of society. Individuals with higher status are expected to be treated better in social and economic interactions than individuals with lower status (Weis and Fershtman, 1998). According to social identity theory people do gain self-worth from membership of a group. Where they gain self-worth if the group where they belong to has a higher status than other groups (Tajfel and Turner, 1986). So, it could be expected that individuals are more likely to have a preference to be an entrepreneur rather than preferring to be an employee if they perceive entrepreneurs as having high status. To examine this relationship, the following hypothesis is tested:

Hypothesis 1: *The perceived status of entrepreneurs is positively associated with the preference for entrepreneurship.*

Having entrepreneurial experience and status

When individuals perceive entrepreneurs as having high status they are more likely, according to the social identity theory, to choose to be an entrepreneur. So, individuals with a high perceived status of entrepreneurs are more likely to be an entrepreneur or have been an entrepreneur or are taking steps to start a business. To examine this relationship, the following hypothesis is tested:

Hypothesis 2: *The perceived status of entrepreneurs is positively associated with entrepreneurial experience.*

Social- and commercial entrepreneurs and status

Social- and commercial entrepreneurs differentiate from each other. The economic value creation perspective is the most important aspect for the commercial entrepreneur (Knight, 1921; Kirzner, 1973). Whereas, the social entrepreneur finds the creation of social value to

address social problems in society most important, where they need the creation of economic value in order to survive and it is not the main objective (Zahra et al., 2009). Also, are social entrepreneurs more altruistic and less selfish than other types of entrepreneurs (Hemingway, 2005). In that way, it can be expected that social entrepreneurs are less affected by the perceived status of entrepreneurs than commercial entrepreneurs, they could care less about their own place in society but want to contribute to society. To test this relationship, the following hypothesis is tested:

Hypotheses 3: *Individuals who perceive entrepreneurs as having a high status are less likely to be a social entrepreneur than a commercial entrepreneur.*

These are the three hypotheses of this thesis, the following section will test them empirically.

6. Empirical research

6.1. Data

The empirical research of this thesis uses the dataset of the Flash Eurobarometer survey on Entrepreneurship (No. 283). The Flash Eurobarometer Survey aims at understanding entrepreneurial attitudes, perceptions, and motivations. The results from the survey help EU policy makers to understand problems and develop future policy responses.

The survey is conducted in December 2009 and January 2010 by telephone and door to door interviews with 26,168 individuals in 36 countries, executed on behalf of the European Commission. It contains information of individuals of the following countries; the 27 EU member states, 5 other European countries (Turkey, Norway, Croatia, Switzerland and Norway), the US and 3 Asian countries (Japan, South Korea and China). The respondents were randomly selected, aged 15 and over and the sample is representative of the total population of at least 15 year old individuals. Each country has approximately 500 or 1000 respondents. However, the Chinese respondents were not completely randomly selected, the interviews were only held in cities and not in rural areas.

The main advantage of this dataset is that it has extensive information on the individual level and answers of the respondents to a broad range of questions about entrepreneurs, their own employment status and personal motives. It allows this research to investigate the relationship between (social- and commercial) entrepreneurs and perceived entrepreneurial status.

The exact questions of the Flash Eurobarometer survey on Entrepreneurship (No. 283) that are used for this thesis can be found in the appendix.

Binary logistic regression models are used to test the three hypotheses. The dependent, the independent and the control variables will be explained in detail in the following sections, followed by the exact methodology and the results of this thesis.

6.2. Dependent variables

6.2.1. Preference for entrepreneurship

The first dependent variable, “preference for entrepreneurship”, reflects the preference to be self-employed rather than preferring to be an employee. The respondents were asked: “Suppose you could choose between different kinds of jobs, which one would you prefer: being an employee or being self-employed”. This question was asked to all respondents who have been interviewed regardless of their actual occupational status. Table 1 gives an overview of the answers that have been given to this question.

Table 1: Distribution of the answers to question Q1: "Suppose you could choose between different kinds of jobs, which one would you prefer: being an employee or being self-employed?"

Answer	Frequency	Percent
Being an employee	12,667	48.41
Being self-employed	11,703	44.72
None of these	1,119	4.28
DK/NA	679	2.59
Total	26,168	100

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010

One of the main foci of this thesis is to investigate the relationship between the perceived entrepreneurial status and the preference for entrepreneurship. The variable “preference for entrepreneurship” has been chosen as the dependent variable to test this relationship.

The variable “preference for entrepreneurship” is recoded and it assigns the value “1” in case of the respondents chose the option “being self-employed” and it assign the value “0” in case of the respondents chose the option “being an employee”. The 1,119 respondents who chose “none of these” and the 679 respondents who chose “DK/NA” were not used to construct the variable “preference for entrepreneurship”. Table 2 gives an overview of the new, recoded variable that will be used in the logit regression to test the first hypothesis.

Table 2: Distribution of the dependent variable “preference for entrepreneurship”

Preference for entrepreneurship	Number of observations	Percent
0	12,667	51.98
1	11,703	48.02
Total	24,370	100

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010

6.2.2. Entrepreneurial experience

The second dependent variable, “entrepreneurial experience”, reflects whether an individual have ever started a business or are taking steps to start one. The respondents were asked: “Have you ever started a business or are you taking steps to start one?” This question was asked to all respondents who have been interviewed regardless of their occupational status. Table 3 gives an overview of the answers that have been given to this question.

Table 3: Distribution of the answers to question Q8: "Have you ever started a business or are you taking steps to start one?"

Answer	Frequency	Percent
Yes	6,613	25.27
No	19,353	73.96
DK/NA	202	0.77
Total	26,168	100

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010

The variable “entrepreneurial experience” is based on the definition of the entrepreneur made by Reynolds et al. (2005). In their definition they include individuals who are setting up a business and individuals who already own a business. Individuals who were entrepreneurs but are no longer active as entrepreneur because they failed or have sold their business are also included in the analysis because they could still poses the characteristics of an entrepreneur and have experience as an entrepreneur. One of the foci of this paper is to investigate the relationship between perceived entrepreneurial status and having experience as an

entrepreneur. The variable “entrepreneurial experience” will be used as a dependent variable to test this relationship.

The variable “entrepreneurial experience” is recoded and it assigns the value “1” if the respondents answered “Yes” and it assigns the value “0” when they answered “No” to the question: “Have you ever started a business or are you taking steps to start one?”. The 202 respondents who answered “DK/NA” were not used to construct this variable. Table 4 gives an overview of the new, recoded variable that will be used in the logit regression to test the second hypothesis.

Table 4: Distribution of the dependent variable “entrepreneurial experience”

Entrepreneurial experience	Number of observations	Percent
0	19,353	74.53
1	6,613	25.47
Total	25,966	100

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010

6.2.3. Social- and commercial entrepreneurs

The third and last dependent variable, “social entrepreneur”, reflects whether an individual is considered a social entrepreneur or a commercial entrepreneur. The respondents were asked whether they found the element “Addressing an unmet social or ecological need” “Very important”, “Rather important”, “Rather not Important” or “Not Important at all” for making them take steps to start a new business or take over one. This question was asked to individuals who are currently taking steps to start a business, are running a business, had a business in the past and individuals who had given up setting up a business. Table 5 gives an overview of the answers that have been given to this question.

Table 5: Distribution of the answers to question Q11f: “Addressing an unmet social- or ecological need”

Answer	Frequency	Percent
Very important	2,226	22.20
Rather important	3,336	33.27
Rather not important	2,345	23.39
Not important at all	1,396	13.92
DK/NA	724	7.22
Total	10,027	100

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010

The variable "social entrepreneur" is based on the definition of the social entrepreneur made by Zahra et al. (2009). This thesis investigates if individuals who perceive entrepreneurs as having a high status are less likely to be a social entrepreneur than a commercial entrepreneur. The variable “social entrepreneur” will be used as a dependent variable to test this relationship.

Individuals are considered social entrepreneurs according to this thesis when they find it “Very important” or “Rather important” to address an unmet social- or ecological need. For those individuals it assigns the value “1” for the variable “social entrepreneur”. Whereas, individuals who find it “Rather not important” or “Not important at all” are considered commercial entrepreneurs and are assigned the value “0”. The 724 individuals who answered “DK/NA” are not used to construct this variable. Table 6 gives an overview of the new, recoded variable that will be used to test the third hypothesis.

Table 6: Distribution of the dependent variable “social entrepreneur”

Social entrepreneur	Number of observations	Percent
0	3,093	34.26
1	5,935	65.74

Total	9,028	100
--------------	-------	-----

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010

6.3. Independent variables

6.3.1. Status of entrepreneurs

One of the two independent variables is “status of entrepreneurs”, this variable reflects how individuals perceive the status of entrepreneurs. The respondents were asked whether they have a “Rather favourable”, “Neutral” or “Rather Unfavourable” opinion about “Entrepreneurs (Self-employed, business owners)”. This question was asked to all respondents who have been interviewed. Table 7 gives an overview of the answers that have been given to this question.

Table 7: Distribution of the answers to question Q15a

Answer	Frequency	Percent
Rather favourable	12,840	49.07
Neutral	9,817	37.52
Rather unfavourable	2,630	10.05
DK/NA	881	3.37
Total	26,168	100

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010

The measurement of "status of entrepreneurs" used in this thesis, is quite similar to the measurement of status done by the NORC study. The NORC study measures occupational status by asking respondents to judge a profession as having excellent, good, average, somewhat below average or poor standing. The question asked in the Flash Eurobarometer survey on Entrepreneurship has fewer response categories and uses different response categories (see Table 7). The measurements in the NORC study and "status of entrepreneurs" are both perceived status measurements. The variable “status of entrepreneurs” will be used as an independent variable to test the three hypotheses of this thesis.

The variable "status of entrepreneurs" is a categorical variable and it will use three categories; "high status", "neutral status" and "low status". A rather favourable opinion of entrepreneurs will be classified as "high status", a neutral opinion will be classified as "neutral status" and a rather unfavourable opinion will be classified as "low status". These three categories describe the perceived status of entrepreneurs. The 881 respondents who answered "DK/NA" are not used to construct this variable. Table 8 gives an overview of the new recoded variable "status of entrepreneurs".

Table 8: Distribution of "status of entrepreneurs"

Status of entrepreneurs	Frequency	Percent
High status	12,840	50.78
Neutral status	9,817	38.82
Low status	2,630	10.40
Total	25,287	100

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010

6.3.2. Image of entrepreneurs

A second measurement of status is included in this thesis because of the somewhat limited measurement of status. The second measurement reflects the image of entrepreneurs and is a combination of four different perception statements of entrepreneurs, it is not a precise measurement of status. The two independent measurements look similar, they both reflect an opinion of entrepreneurs but they are not highly correlated (see appendix, Table 16). This means that they are somewhat different from each other and are not exactly measuring the same underlying thing (status).

The second main independent variable is "image of entrepreneurs", it will be used as a second measurement of status. The respondents were asked whether they "Strongly agree" (1), "Agree" (2), "Disagree" (3) or "Strongly disagree" (4) with the following statements:

- 1) "Entrepreneurs create new products and services and benefit us all" (+)

- 2) “Entrepreneurs think only about their own wallet” (-)
- 3) “Entrepreneurs are job creators” (+)
- 4) “Entrepreneurs exploit other people’s work” (-)

These statements were presented to all respondents who have been interviewed regardless of their actual occupational status. The plus after the statements indicates that the statements are positively phrased and a minus indicates that the statements are negatively phrased. Table 9 gives an overview of the answers that have been given to these statements.

Table 9: Distribution of answers to statement of Q7

Statement	1) Benefit society (N)	2) Wallet (N)	3) Job creators (N)	4) Exploitation (N)
Answer				
Strongly agree	6,071	4,460	7,950	3,646
Agree	14,538	9,041	14,782	9,619
Disagree	3,763	9,023	2,325	8,761
Strongly disagree	1,132	2,491	384	2,569
DK/NA	1,132	1,153	727	1,573
Total	26,168	26,168	26,168	26,168

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010

The four statements above are converted into one average variable, “image of entrepreneurs”. Before this conversion, the values of the four statements are recoded because statement 1 and 3 are formulated positively and the statement 2 and 4 are formulated negatively. The value “1” is assigned to all statement were respondents gave a very negative image of entrepreneurs, value “2” were respondents gave a negative image, value “3” were respondents gave a positive image and value “4” were respondents gave a very positive image to each separate statement. When respondents answered “DK/NA” for one of the statements then the average is taken from the other statements. As stated above the average value is taken from the four statements and is converted into the continuous variable “image of entrepreneurs” that ranges from value 1.0 (very negative image) to value 4.0 (very positive image). The variable “image

of entrepreneurs” is included as second independent variable to test the three hypotheses. Table 10 gives some information of the distribution of the variable "image of entrepreneurs".

Table 10: Distribution of the variable "image of entrepreneurs"

	Mean	Std. Div.	Min	Max	Observations
Image of entrepreneurs	2.76	.5455	1.0	4.0	25,978

6.4. Control Variables

All the control variables are used for all the econometric models, except were mentioned otherwise.

Age

The likelihood of becoming an (social- and commercial) entrepreneur varies with age. An inverse U-shape have been found for the relationship between age and entrepreneurship. For example the article by Lévesque and Minniti (2006) concludes that people are more likely to become an entrepreneur while they are getting older, up to a certain point, after which the likelihood to become an entrepreneur declines with age. For social entrepreneurs a different result has been found, results suggest that age follows a u-shape for social entrepreneurs, they are more likely to be younger or older individuals (Hoogendoorn et al., 2011). To control for age as a determinant of (social) entrepreneurship a linear and a quadratic term will be used. The variable “age” is a continuous variable which can take any value of 15 or higher.

Gender

Gender has been found in different studies as a determinant of entrepreneurship (Reynolds et al., 2002; Grilo and Irigoyen, 2006). Males are more likely to become an entrepreneur than females. But males are less likely to be social entrepreneurs than females (Hoogendoorn et al., 2011). To control for this effect a gender dummy is created, the variable “male” assigns the value “1” for males and it assigns the value “0” for females.

Education

The influence of education on entrepreneurial activity has shown mixed results. There is no consensus whether higher educated people are more or less likely to become entrepreneurs (Grilo and Thurik, 2008). For social entrepreneurs, results indicate that higher educated individuals are more likely to be social entrepreneurs (Hoogendoorn et al., 2011). A variable of education is included in this thesis to control for possible effects of education. "Age when finished full-time education" is used to construct the categorical variable of education, it ranges from low educated, moderately educated to high educated. Individuals are classified as low educated when they finished full-time education before the age of 15 or are never been in full-time education. Individuals who finished full-time education between 15 and 21 years are classified as moderately educated and individuals who finished full-time education after the age of 21 are classified as high educated. The reference category used is moderately educated individuals. Individuals who are still in full time education are not used to construct this variable.

Self-employed parents

This thesis uses also as a control variable if an individual have at least one self-employed parent. According to Dunn and Holtz-Eakin (2000) do some one`s probability of becoming an entrepreneur doubles if he or she has a self-employed parent. The variable "self-employed parents" is included in the analyses to control for this effect. The variable assigns the value "1" if at least one of the parents is self-employed and it is assigns the value "0" if the individual have no self-employed parent.

Risk taking

Knight (1971) already mentioned the risk bearer function of entrepreneurs. A study by Stewart and Roth (2001) indicates that entrepreneurs are less risk-averse than managers. Puri and Robinson (2005) see entrepreneurs as "calculated risk takers" because they are twice as more likely to take above average risks compared to employees. There are also differences between social- and commercial entrepreneurs. The research by Hoogendoorn et al. (2011) found that risk-tolerant people are more likely to be social entrepreneurs than commercial entrepreneurs. A general measure of risk-taking behavior is included in the analyses. Respondents of the Flash Eurobarometer survey on Entrepreneurship had to answer whether they (strongly) agreed or (strongly) disagreed with the statement "In general, I am willing to take risks". The answers to this statement are converted into the dummy variable "risk", it

assigns the value “1” if respondents (strongly) agreed with the statement and it assigns the value “0” when they (strongly) disagreed with the statement.

Internal locus of control

Some studies which investigate the determinants of entrepreneurship include a measurement of a person’s belief that their performance depends largely on their own action. For example, Van Praag (2009) found that the likelihood of becoming an entrepreneur increases when they perceive that their performance depends largely on their own action. This thesis also controls for this effect. It includes the dummy variable “internal locus of control” which takes the value “1” when respondents (strongly) agreed with the statement “My life is determined by my own actions, not by others or by chance” and it assigns the value “0” when they (strongly) disagreed with the statement.

Entrepreneurial experience

The article by Van Praag (2009) which investigates the association between perceived entrepreneurial status and the willingness to become an entrepreneur, found also that individuals with entrepreneurial experience are more willing to become an entrepreneur. A dummy variable of entrepreneurial experience is included in the first model, which investigates the relationship between perceived entrepreneurial status and the preference for entrepreneurship. It is recoded the same way as the dependent variable.

Occupational status

Occupational status is included in the second model, where the relationship between perceived entrepreneurial status and having experience as an entrepreneur is tested. The occupational status of an individual can possibly influence the status perception of entrepreneurs. For example, individuals who were entrepreneurs but their business had failed and are currently unemployed could have a different status perception of entrepreneurs than a successful entrepreneur. To control for these effects a variable of occupational status is included and it assigns the value "1" for those individuals who are currently active, i.e. self-employed or are paid employed, and it assigns the value "0" for those individuals who are inactive, which means that they are without a professional activity.

Entrepreneurial engagement

A control variable for the level of entrepreneurial engagement is included in the analyses for the last model, where the relationship between social entrepreneurs and status is tested. Social entrepreneurs are more likely to be in an early stage of entrepreneurial activity, such as taking steps to start a business, than in later stages (Hoogendoorn et al., 2011). It is also possible that the engagement level of entrepreneurial activity has an influence on the perceived status of entrepreneurs. To control for this effect, different variables are included for different stages of the entrepreneurial process. The respondents were asked “How would you describe your situation” where people who are entrepreneurs or gave up starting a business could choose between; “gave up”, “taking steps”, “young business owner”, “established business owner”, “failed” or “sold”. These different levels of entrepreneurial engagement are included as dummies with “young business owners” as reference category.

Country

The level of (social- and commercial) entrepreneurship varies across countries (Grilo and Thurik, 2008; Hoogendoorn et al., 2011). Separate country dummies are included in the analyses to control for country-specific effects, with the Netherlands as reference category. Therefore, the coefficients associated with these variables are to be interpreted as the impact of being in the corresponding country rather than being in the Netherlands.

6.5 Methodology

This thesis first investigates if perceived entrepreneurial status is positively associated with having a preference for entrepreneurship. Secondly, it will also investigate if perceived entrepreneurial status is positively associated with having experience as an entrepreneur. Thirdly, it will investigate if individuals who perceive entrepreneurs as having high status are less likely of being a social entrepreneur than a commercial entrepreneur. This can be investigated with a model explaining the relationship between a dependent variable and one or more independent variables. A proper model which satisfies this condition is a binary logistic regression model. The binary logistic regression model is able to predict the probability of occurrence.

The critical points and assumptions of the binary logistic regression model are all met. These points and assumptions are:

- No multicollinearity.
- Sample size.
- Independence of errors.

Multicollinearity can cause estimators to be biased. There is no multicollinearity among the variables used in this thesis, this means that there are no variables highly correlated with each other. It looks like the two measurements of status, "image of entrepreneurs" and "status of entrepreneurs", are quite similar. Although, the correlation between the two variables is not very high (see appendix, Table 16). So, this causes no problems for the binary logistic regressions.

A large sample is required for the binary logistic regression model to provide sufficient numbers in both categories of the dependent variable. The data set used contains observations of 26,168 respondents and the last binary logistic regression model with the lowest observations has still observations of 5,935 social entrepreneurs and 3,093 commercial entrepreneurs. This exceeds the minimum sample size of 400 recommended by Hosmer and Lemeshow (2000).

Problems with the independence of the error terms are most likely to occur when the data is obtained in some sort of time sequence. The data is not related, the respondents of the Flash Eurobarometer Survey on Entrepreneurship (No. 283) were randomly selected and interviewed once.

The three binary logistic regression models of his thesis show the average marginal effects of the independent variables with their corresponding heteroskedastic-robust standard errors. The average marginal effects make it easier to interpret the results. The average marginal effects measure the average increase or decrease in the predicted probability of being in the value "1" category of the dependent variable if one of the independent variables has an increase of one unit.

The average marginal effects suggest a causal relationship between variables but the analysis is mainly targeted at finding a relationship between variables. Interpretation of causality could be a problem because of possible endogeneity problems such as reverse causality. A problem in this cause could be that people who have entrepreneurial experience get a more positive perception of entrepreneurs and it is not necessarily the case that perceiving entrepreneurs as having a high status lead to having experience as an entrepreneur. The results of this thesis have to be interpreted carefully and they do not imply causality between variables.

Robustness check

There are social entrepreneurs in varying dimensions. Some individuals engagement in social entrepreneurship only for the creation of social value while others engage in social entrepreneurship for the creation of social value and economic value. An ordered logit regression model is included in the analyses of this thesis to give a more comprehensive- and robust results of the relationship between perceived entrepreneurial status and social- and commercial entrepreneurs. It is ordered on how important it was to address an unmet social or ecological need when starting a business, it has four different categories; "not important at all" (1), "rather not important" (2), "rather important" (3) and "very important" (4).

The binary logistic regression models will test the three hypothesis of this thesis. The ordered logistic regression will be used to give a more comprehensive- and robust results of the relationship between perceived entrepreneurial status and social- and commercial entrepreneurs in addition to the binary logistic regression model.

6.6. Results

This section shows the three binary logistic regression models which test the three hypotheses. The results are displayed in average marginal effects for ease of interpretation. The three models control for several determinants of entrepreneurship; age (linear and a squared term), gender, education, self-employed parents, risk, internal locus of control and country. The first model, which investigates the relationship between perceived entrepreneurial status and the preference for entrepreneurship, also controls for having entrepreneurial experience. The second model, which examines the relationship between

perceived entrepreneurial status and having entrepreneurial experience, controls for occupational status. The last model, which investigates the relationship between perceived entrepreneurial status and social- and commercial entrepreneurs, controls for the level of entrepreneurial engagement.

6.6.1. Preference for entrepreneurship and status

Table 11 shows the results of the first model, the binary logistic regression model of the relationship between perceived entrepreneurial status and the preference for entrepreneurship, displayed with the average marginal effects of the independent variables with their corresponding heteroskedastic-robust standard errors. In model 1, the predicted probability of having a preference for entrepreneurship is 0.57. The average marginal effects of status of entrepreneurs indicate that individuals who perceive entrepreneurs as having a high status are more likely to have a preference for entrepreneurship than individuals who perceive entrepreneurs as having a low status. The predicted probability of having a preference for entrepreneurship is 2.1 percentage points higher for individuals who perceive entrepreneurs as having a high status than for individuals who perceive entrepreneurs as having a low status. Having a neutral perceived status of entrepreneurs decreases the predicted probability for having a preference for entrepreneurship with 2.1 percent points, this is relative to individuals who perceive entrepreneurs as having a low status. The average marginal effects of a neutral- and a high perceived status are significantly different from the average marginal effects of a low perceived status (significant at the 10% level). Also the second measurement of status reveals that a more positive "image of entrepreneurs" increases the predicted probability of having a preference for entrepreneurship. An increase in one response category for the variable "image of entrepreneurs" increases the predicted probability of having a preference for entrepreneurship with 4.4 percentage points. The "image of entrepreneurs" is significant at the 1% significance level.

The models in the appendix (Table 17 and 18) which have only one measurement of status included in the regression show quite similar results of the affect of status. However the marginal average effect of "high status" doubles and is now significant at the 1% significance level. Having a neutral perceived status of entrepreneurs has lost its significance in this model. Also the model with only "image of entrepreneurs" as independent variable, show an additional increase of 0.7 percentage points of "image of entrepreneurs".

The variable "status of entrepreneurs" indicates that individuals who have a neutral perceived status of entrepreneurs have a lower predicted probability of having a preference for entrepreneurship than individuals who have a low status perception of entrepreneurs. Although, when the other measurement of status is excluded from the model it loses its significance. This indicates that "status of entrepreneurs" is not positively associated with the preference for entrepreneurship. However, the second measurement of status, "image of entrepreneurs", is indeed positively associated with the preference for entrepreneurship. Therefore hypothesis 1: *The perceived status of entrepreneurs is positively associated with the preference for entrepreneurship*, is partially supported.

Other determinants of entrepreneurship are taken into account for controlling purposes. A linear and a squared term of age are included in the model. The negative average marginal effect of the linear term of age and the positive average marginal effect of the quadratic term of age show a u-shape distribution of age, which means that younger and older individuals are more likely to have a preference for entrepreneurship than individuals of middle age. An increase of one additional year decreases the predicted probability of having a preference for entrepreneurship with 0.7 percentage points. The average marginal effects of both terms of age indicate that after a point in life, the predicted probability of having a preference for entrepreneurship increases. However, the increase of the average marginal effect of the quadratic term is very small (0.0 percentage points). Both terms are significant at the 1% significance level.

Males are more likely to have a preference for entrepreneurship, being male increases the predicted probability of having a preference for entrepreneurship with 6.0 percentage points (significant at the 1% level). Higher educated individuals have a 1.7 percentage points higher predicted probability of having a preference for entrepreneurship than individuals who are moderately educated (significant at the 10%). The average marginal effect of low educated people is not significantly different than the average marginal effect of moderately educated people. Individuals who have at least one self employed parent are more likely to have a preference for entrepreneurship. Individuals with at least one self-employed parent have a 5.2 percentage points higher predicted probability to have a preference for entrepreneurship than individuals who have no self-employed parents.

Individuals who are willing to take risk have also a higher predicted probability of having a preference for entrepreneurship, the average marginal effect reveals that individuals who are willing to take risk have a higher predicted probability of having a preference for entrepreneurship with 9.0 percentage points (significant at the 1% level). Having experience as an entrepreneur has a very big effect on the predicted probability of having a preference for entrepreneurship. Individuals with entrepreneurial experience have a 26.7 percentage points higher predicted probability of having a preference for entrepreneurship (significant at the 1% level) than individuals without experience as an entrepreneur. Having an internal locus of control has no significant effect on the predicted probability of having a preference for self-employment. The average marginal effects of the control variables in model 1 with the two measurements of status included are similar to the models with one measurement of status (see appendix, Table 17 and 18).

Also is controlled for specific country effects, the predicted probability of having a preference for entrepreneurship for most countries differ significantly from the Netherlands. The results can be found in the appendix (Table 19), they are not interpreted because they are not of main interest of this thesis.

Most of the variables in model 1 are highly significant, but this does not result in a high R^2 . Model 1 have a R^2 of 0.1153, this is quite low. This means that 88.47% of the variance of the binary logistic regression model remains unexplained.

Table 11: Binary logistic regression model (1) of the preference for entrepreneurship (1=preferece for self-employment; 0=preferece for being employed). Average marginal effects are displayed with their robust standard errors.

Predicted probability	<i>0.5666</i>	
	<i>Average marginal effect</i>	<i>Robust standard error</i>
<i>Independent variables</i>		
High status	.0206 *	.0120
Neutral status	-.0209 *	.0117
Low status (reference)		
Image of entrepreneurs	.0443 ***	.0068
<i>Control variables</i>		

Age	-.0065 ***	.0012
Age-squared	.0000 ***	.0000
Male	.0600 ***	.0066
High educated	-.0168 *	.0072
Moderately educated (reference)		
Low educated	-.0124	.0117
Self-employed parents	.0518 ***	.0073
Risk	.0903 ***	.0068
Internal locus of control	.0106	.0095
Entrepreneurial experience	.2673 ***	.0070
Country	yes	
Number of observations	20,653	
Log L (full model)	-12,643	
Log L_0 (null model)	-14,290	
McFadden's R^2 (1-(log L /Log L_0))	0.1153	

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010.

Dependent variable: The answer to the question "Suppose you could choose between different kinds of jobs, which one would you prefer: being an employee or being self-employed". The dependent takes the value of 1 if an individual answered being self-employed; it takes the value 0 if being an employee is answered.

Notes: The measurement for image of entrepreneurs ranges from strongly disagrees to strongly agree with the value from 1 to 4. This model controls for country-specific effects, these coefficients can be found in the appendix.

*** denotes significance at 1%; ** denotes significance at 5%; * denotes significance at 10%.

6.6.2. Entrepreneurial experience and status

Table 12 shows the results of the second binary logistic regression model, it investigates the relationship between perceived entrepreneurial status and having experience as an entrepreneur, displayed with the average marginal effects of the independent variables with their corresponding heteroskedastic-robust standard errors. In model 2, the predicted probability of having experience as an entrepreneur is 0.30 . The average marginal effects of status of entrepreneurs indicate that individuals who perceive entrepreneurs as having a high status are more likely to have experience as an entrepreneur than individuals. The predicted probability of having experience as an entrepreneur is for individuals who perceive

entrepreneurs as having a high status 3.4 percentage points higher than for individuals who have a low perceived status of entrepreneurs. Having a neutral perceived status of entrepreneurs decreases the predicted probability of having experience as an entrepreneur with 2.9 percentage points, this relative to individuals who perceive entrepreneurs as having a low status. The average marginal effects of a neutral- and a high perceived status are significantly different from the average marginal effects of a low perceived status (significant at the 1% level). Also the second measurement of status reveals that a more positive "image of entrepreneurs" increases the predicted probability of having experience as an entrepreneur. An increase in one response category for the variable "image of entrepreneurs" increases the predicted probability of having experience as an entrepreneur with 11.1 percentage points. The "image of entrepreneurs" is significant at the 1% significance level.

Omitting one of the status measurements out of the regression changes the marginal effects of the status measures (see appendix, Table 20 and 21). Leaving the variable "image of entrepreneurs" out of the regression results in an increase of the average marginal effect of "high status" with 5.7 percentage points. Neutral status loses its significance in this model. Leaving the variable "status of entrepreneurs" out of the regression results in an increase of the average marginal effect of "image of entrepreneur" with 1.5 percentage points.

Model 2 indicates that individuals with a neutral perceived status of entrepreneurs are less likely to have entrepreneurial experience, this is relative to individuals who have a low status perception of entrepreneurs. This indicates that perceived entrepreneurial status is not positively associated with having experience as an entrepreneur. The second measurement of status "image of entrepreneurs" is positively associated with having experience as an entrepreneur. Therefore the second hypothesis: *the perceived status of entrepreneurs is positively associated with entrepreneurial experience*, is partially supported.

All the determinants of entrepreneurship controlled for in the second model are significant, except for the variable of education. Older individuals have a higher predicted probability to have experience as an entrepreneur but it declines at a certain point in life. The significant positive marginal effect of the linear term of age indicates that the predicted probability of having a preference for entrepreneurship decreases with 1.2 percentage points as age increases with one year. The negative average marginal effect of the quadratic term of age is very small (0.0 percentage point). Being male increases the predicted probability of having experience as

an entrepreneur with 10.9 percentage point. Having at least one self employed parent increases the predicted probability of having experience as an entrepreneur with 6.3 percentage points. Individuals who are willing to take risk or have an internal locus of control have an increase on the probability to have experience as an entrepreneur with 9.8 and 1.7 percentage points, respectively. Individuals who are active, i.e. self-employed or are paid labor, have a higher predicted probability of having experience as an entrepreneur with 8.2 percentage points than individuals who are inactive in the labor market. Education has a significant influence on having experience as an entrepreneur. All variables are significant at the 1% level except for education and internal locus of control, the latter is significant at the 5% level.

This model also controls for country specific-effects. Living in a different country than the Netherlands has an effect for most countries on the predicted probability of having experience as an entrepreneur (see appendix, Table 22).

Almost all the variables in model 2 are highly significant, but this does not result in a high R^2 . Model 2 have a R^2 of 0.1139, this is quite low. This means that 88.61% of the variance of the binary logistic regression model remains unexplained.

Table 12: Binary logit regression model (2) of entrepreneurs (1=entrepreneurial experience; 0=no entrepreneurial experience). Average marginal effects are displayed with their robust standard errors.

Predicted probability	0.3014	
	<i>Average marginal effect</i>	<i>Robust standard error</i>
<i>Independent variables</i>		
High Status	.0336 ***	.0106
Neutral status	-.0285 ***	.0106
Low status (reference)		
Image of entrepreneurs	.1107 ***	.0059
<i>Control variables</i>		
Age	.0115 ***	.0012
Age-squared	-.0001 ***	.0000
Male	.1089 ***	.0055

High educated	.0045	.0062
Moderately educated (reference)		
Low educated	-.0099	.0102
Self-employed parents	.0629 ***	.0061
Risk	.0977 ***	.0060
Internal locus of control	.0170 **	.0084
Occupational status	.0816 ***	.0071
Country	yes	
Number of observations	21,939	
Log L (full model)	-11,316	
Log L_0 (null model)	-12,771	
McFadden's R^2 ($1-(\log L/\log L_0)$)	0.1139	

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010.

Dependent variable: The answer to the question "Have you ever started a business or are you taking steps to start one? Yes, or no". The dependent takes the value of 1 if yes is answered; it takes the value 0 if no is answered.

Notes: The measurement for image of entrepreneurs ranges from strongly disagrees to strongly agree with the value from 1 to 4. This model controls for country-specific effects, these coefficients can be found in the appendix.

*** denotes significance at 1%; ** denotes significance at 5%; * denotes significance at 10%.

6.6.3. Social- and commercial entrepreneurs and status

Table 13 shows the results of the third model, the binary logistic regression of the relationship between entrepreneurial status and social- and commercial entrepreneurship, displayed with the average marginal effects of the independent variables with their corresponding heteroskedastic-robust standard errors. In model 3, the predicted probability of being a social entrepreneur is 0.76. Individuals with a neutral status perception of entrepreneurs have a 3.6 percentage points lower predicted probability of being a social entrepreneur than individuals who have a low status perception of entrepreneurs (significant at the 10% level). This indicates that individuals who perceive entrepreneurs as having a neutral status are less likely to be a social entrepreneur than individuals who perceive entrepreneurs as having a low status. The average marginal effect of individuals with a high perceived status of entrepreneurs is not significantly different than the average marginal effect of individuals who have a low status

perception of entrepreneurs. The negative average marginal effect of the variable "image of entrepreneurs" is not significantly different from zero.

Also an ordered logit regression model is used to give more comprehensive- and robust results of the relationship between perceived entrepreneurial status and social-and commercial entrepreneurs in addition to the binary logistic regression model (see appendix, Table 24). The ordered logit regression model makes it possible to include more stages of social- and commercial entrepreneurs. In this model it is not merely if the individuals are a social entrepreneur, yes or no, such as in the binary logistic regression model. It is ordered on how important it was to address an unmet social or ecological need when starting a business, it has four different categories; "not important at all" (1), "rather not important" (2) , "rather important" (3) and "very important" (4). The results of the average marginal effects of the ordered logit regression model give mostly similar results as the binary logistic regression model. The two measurements of status have the same significance. The only small difference is that the sign of the average marginal effect of the independent variable "image of entrepreneurs" is changed from negative to positive for social entrepreneurs, but the average marginal effect remains insignificant.

The ordered- and binary logistic model find no evidence that individuals who perceive entrepreneur as having a high status are less likely to be a social entrepreneur. Therefore hypothesis 3, *Individuals who perceive entrepreneurs as having a high status are less likely to be a social entrepreneur than a commercial entrepreneur*, is not supported.

Looking at the control variables of Table 13, there is evidence that younger and older individuals are more likely to be social entrepreneurs. The significant negative average marginal effect of "age" indicate that a year increase result in a 0.5 percentage points decrease in the predicted probability of being a social entrepreneur. The significant positive average marginal effect of the squared term of age indicates that after a point in life, the predicted probability of being a social entrepreneur increases, however this increase is very small (0.0 percentage points). Being a male decreases the predicted probability of being a social entrepreneur with 5.2 percentage points (significant at the 1% level). Individuals that are willing to take risk or have a internal locus of control have a increase in the predicted probability of being a social entrepreneur with 3.7 (significant at the 1% level) and 3.6 (significant at the 5% level) percentage points, respectively.

Individuals who are currently taking steps to set up a business or gave up starting a business have a higher predicted probability of being a social entrepreneur than individuals who have a young business with 4.0 (significant at the 1% level) and 5.3 (significant at the 5% level) percentage points, respectively. Individuals who have an established business have a 4.9 percentage points lower predicted probability of being a social entrepreneur than individuals who are young business owners (significant at the 5% level). The average marginal effect for having an established business loses its significance in the ordered logit model (see appendix, Table 24). The average marginal effects of having a sold or failed business are not significantly different from young business owners.

The average marginal effects of low- and high educated individuals are not significantly different from the average marginal effect of being moderately educated. The average marginal effect of having at least one self-employed parent is not significant. This model also controls for specific country effects. The probability of living in a different country than the Netherlands has an effect on the predicted probability of being a social entrepreneur for most countries (see appendix, Table 23).

Multiple variables of model 3 are significant, but this does not result in a high R^2 . The R^2 is 0.0644, which means that 93.56% of the variance of the binary logistic regression model remains unexplained.

Table 13: Binary logistic regression model (3) of social entrepreneurship (1=social entrepreneur; 0=commercial entrepreneur). Average marginal effects are displayed with their robust standard errors.

Predicted probability	0.7616	
	<i>Average marginal effect</i>	<i>Robust standard error</i>
<i>Independent variables</i>		
High Status	-.0280	.0210
Neutral status	-.0364 *	.0213
Low status (reference)		
Image of entrepreneurs	-.0146	.0109

Control variables

Age	-.0045 **	.0023
Age-squared	.0000 *	.0000
Male	-.0516 ***	.0105
High educated	.0120	.0113
Moderately educated (reference)		
Low educated	-.0013	.0207
Self-employed parents	.0096	.0114
Risk	.0374 ***	.0117
Internal locus of control	.0362 **	.0157
Taking steps	.0404 **	.0207
Gave up	.0528 **	.0247
Young business (reference)		
Established business	-.0493 **	.0217
Failed	-.0200	.0256
Sold	-.0063	.0224
Country	yes	
Number of observations	7,793	
Log L (full model)	-4,724	
Log L_0 (null model)	-5,049	
McFadden's R^2 (1-(log L /Log L_0))	0.0644	

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010.

Dependent variable: “addressing an unmet social or ecological need” played a role when deciding to engage in entrepreneurship. The dependent takes the value 1 if very/rather important is answered; it takes the value 0 if very/rather not important is answered.

Notes: The measurement for image of entrepreneurs ranges from strongly disagrees to strongly agree with the value from 1 to 4. This model controls for country-specific effects, these coefficients can be found in the appendix.

*** denotes significance at 1%; ** denotes significance at 5%; * denotes significance at 10%.

The data and methodology are explained in this section, followed by the results of the three binary logistic models. The next section provides a discussion, the limitations of this research and proposes avenues for further research. The last section will conclude.

7. Discussion and limitations

7.1 Discussion

Not all determinants of entrepreneurship are known, this is even less for social entrepreneurship (Hoogendoorn et al., 2010). For a policy perspective, it is important to understand what motivates people to be an (social- or commercial) entrepreneur. This thesis investigates the influence of status on (social- and commercial) entrepreneurs. The first model investigates the association between perceived entrepreneurial status and having a preference for entrepreneurship. The second model goes a step further, it investigates if this association also exists between perceived entrepreneurial status and having experience as an entrepreneur. The third model investigates if people who have a high status perception of entrepreneurs are more likely to be a social entrepreneur than a commercial entrepreneur. The models are quite similar, they use mostly the same control variables but differ by the dependent variable. The results of the empirical research are summarized in table 14.

Table 14: Summary of the empirical results

<i>Dependent Variable:</i>	<i>Empirical Result</i>	<i>Hypotheses (not) supported</i>
<p>-Preference for entrepreneurship <i>The perceived status of entrepreneurs is positively associated with the preference for entrepreneurship.</i></p>	+/0	H1 partially supported
<p>- Entrepreneurial experience <i>The perceived status of entrepreneurs is positively associated with entrepreneurial experience.</i></p>	+/0	H2 partially supported
<p>- Social entrepreneurs <i>Individuals who perceive entrepreneurs as having a high status are less likely to be a social entrepreneur than a commercial entrepreneur.</i></p>	0	H3 not supported

First, the empirical results indicate that "status of entrepreneurs" is not positively associated with the preference for entrepreneurship. Although the second measurement of status, "image of entrepreneurs", is positively associated with the preference for entrepreneurship. According to these results, hypothesis 1 is partially supported. Van Praag (2009) found that the willingness to become an entrepreneur is positively associated with perceived entrepreneurial status. This thesis makes a contribution to this area of literature by using a different, broader (not only students and individuals of multiple countries) and bigger dataset. According to the reference group theory it could be expected that individuals have a preference for entrepreneurship if they perceive entrepreneurs as having a high status, people seek to identify with esteemed groups to enhance their sense of self-worth.

Secondly, the empirical results indicate that "status of entrepreneurs" is not positively associated with having experience as an entrepreneur. The second measurement of status, "image of entrepreneurs", is positively associated with having experience as an entrepreneur. So, the second hypothesis, *Status is positively associated with entrepreneurial experience*, is also partially supported. It could be expected that a positive association between perceived entrepreneurial status and having experience as an entrepreneur exists. According to the social identity theory individuals gain self-worth when they belong to a group. When individuals perceive entrepreneurs as having a high status then they are more likely that they want to belong to that group. A few empirical researches are done on this relationship. Malach-Pines et al. (2005) find a similar relationship between status and entrepreneurs. They find that the perceived status of entrepreneurs in a particular country is correlated with entrepreneurial activities in that country.

Lastly, this thesis investigates if individuals who perceive entrepreneurs as having a high status are less likely to be a social entrepreneur than a commercial entrepreneur. The relationship between status and entrepreneurs is a rather unexplored area of literature, however the literature between status and social-and commercial entrepreneurs is nonexistent. A different relationship between status and social- and commercial entrepreneurs could be expected. Social entrepreneurs are more altruistic and less selfish than their counterparts. Social entrepreneurs want to contribute to society and they could care less of the status they receive as an entrepreneur. The empirical results indicate that having a high perceived status of entrepreneurs has no significant effect on being a social entrepreneur. So, the third

hypothesis, *individuals who perceive entrepreneurs as having high status are less likely to be a social entrepreneur than a commercial entrepreneur*, is not supported.

The measurement of "status of entrepreneurs" used in this thesis is almost similar as the measurement of status used in the NORC study of North and Hatt (1947). Both measure perceived status and are based on the opinion of the respondents about an occupation. Although the measurement used in the NORC is more comprehensive, it includes five response categories for the opinion of entrepreneurs while the measurement used in this thesis has only three response categories. A second measurement of status is included namely "image of entrepreneurs" because the variable "status of entrepreneurs" is somewhat limited. The "image of entrepreneurs" is not an exact measurement of status, it takes the average of four statements about the image of entrepreneurs.

As mentioned before it looks like the two measurements of status, "status of entrepreneurs" and "image of entrepreneurs", are similar. But they are not highly correlated with each other. The two measurements have different average marginal effects, the "image of entrepreneurs" has a much bigger effect on the probability of having a preference for entrepreneurship and entrepreneurial experience and being a social entrepreneur than the variable "status of entrepreneurs". Especially in model 2 has the average marginal effect of "image of entrepreneur" a much bigger effect than the variable "status of entrepreneurs" on the predicted probability of having experience as an entrepreneur. Omitting one of the two measurements out of the regression does not change the coefficients of the average marginal effect much. Although omitting one measurement of status out of the regression increases the average marginal effect of the other measurement. Remarkable is that the average marginal effect of "high status" almost triples in model 2. This indicates that they are related with each other. This is also indicated by the positive correlation between the two variables (see appendix, Table 16).

The results of the control variables give some interesting findings, although they are not of main interest of this thesis. They confirm the expected inverse u-shape distribution of age for entrepreneurs and the u-shape for social entrepreneurs. Furthermore, this thesis finds evidence for a u-shape distribution of age for the preference for entrepreneurship. The significant average marginal effect of the quadratic term is very small in all the models (0,0 percentage points) that a non linear relationship hardly exist. It is also logical when individuals are

getting older they cannot lose their "entrepreneurial experience", it can only increase. It is possible that the significant squared term of age is found because there could be an older generation that has less individuals with entrepreneurial experience.

Entrepreneurship is seen as a male dominated profession, which is also strengthened by the results of the first two models, however females are more likely to be a social entrepreneur. The expected results for risk are found, risk is positively associated with the preference for entrepreneurship and entrepreneurial experience. People who are willing to take risk are more likely to be a social entrepreneur. Having at least one self-employed parent is positively associated with the preference for entrepreneurship and having experience as an entrepreneur. It is found that social entrepreneurs are in lower levels of entrepreneurial engagement (taking steps and gave up) than commercial entrepreneurs, the same results are found in this research. Mixed results have been found in other studies on the relationship between education and entrepreneurs. This research finds evidence that lower educated individuals are less likely to have a preference for entrepreneurship. A relationship between education and (social) entrepreneurship has not been found. A more surprising finding is that individuals with an internal locus of control are more likely to be social entrepreneurs.

But most surprisingly is the increase of 26.7 percentage points in the predicted probability of having a preference for entrepreneurship if individuals have entrepreneurial experience, this is in addition to the already 0.57 predicted probability of having a preference for entrepreneurship. This indicates that most people who have entrepreneurial experience have also a preference for entrepreneurship. This could have several reasons. For example, if individuals did not chose to be an entrepreneur out of necessity it is logical that individuals who have entrepreneurial experience also have a preference for entrepreneurship. Although, it is possible that some individuals with a preference for entrepreneurship and who were entrepreneurs and quitted do not have a preference for entrepreneurship anymore.

7.2 Limitations and further research

The empirical models that have been used in this thesis show some very significant results. However, like almost every research this study has some limitations that have to be taken into account when interpreting the results.

There are numerous definitions of the entrepreneur and even more of the social entrepreneur. The definitions which are used for the entrepreneur and social entrepreneur that fit this thesis, are mainly dictated by the workability of the definitions. The use of different definitions could lead to different results. This thesis has tried to use different measurements of social entrepreneurs to give robust results.

The Flash Eurobarometer Survey on Entrepreneurship (No. 283) contains information of a broad range of questions about entrepreneurship. The questionnaire does not contain a question that exactly measures the status of entrepreneurs. It contains a question where individuals had to give an opinion of entrepreneurs which is somewhat similar as in the NORC study, but the response categories are limited. Because of the somewhat limited measurement of status a second measurement was included, but this is even a less precise measurement of status.

Not only are the independent variables not a precise measurement also some of the control variables have the same problem. For example, education is measured as "age when finished full-time education", this does not necessary measure the education level of individuals. Also are the measurements of risk and internal locus of control a rough measurement and the answers to these particular questions of the questionnaire could not be objective. Individuals could perceive themselves as risk-taking or having an internal locus of control, but relatively to others this could not be the case.

Another limitation of this research is the low explanatory power of the econometric models. The R^2 of all the logistic regression models are quite low. The highest R^2 is only 0.1153, this means that 88.47% of the variance of that model remains unexplained. This could indicate that the models have missing variables, which could explain more of the unexplained variance of the models.

A big problem is that this research could be affected by possible endogeneity problems. This research doesn't give a clear causal relationship between variables, it is only able to give associations between variables. For example, it is possible that the perceived status of entrepreneurs influence having entrepreneurial experience. But it is also possible that this effect is the other way around, having entrepreneurial experience could also influence the perceived entrepreneurial status.

This research has some limitations but it was able to test successfully the hypotheses of this thesis. The limitations of this research have to be addressed for future research. It is important for future research to lose any endogeneity problems. This research can make no hard conclusion on the causal relationship between perceived entrepreneurial status and the preference for entrepreneurship and the causal relationship between perceived entrepreneurial status and (social- and commercial) entrepreneurs. The relationship between status and social and commercial entrepreneurs have to be further explored. This research did not find evidence for this relationship. A more precise measurement of status, such as in the NORC study, could lead to different results. Other researchers have taken into account a more divers measurement of social entrepreneurs. Further research could also focus on the determinants of entrepreneurial status and how to influence it. Knowing how to influence the status of entrepreneurs can possible regulate the level of entrepreneurs.

8. Conclusion

This section will conclude and answer the three main questions of this thesis. To answer the first question of this thesis: Is the perceived entrepreneurial status positively associated with the preferences for entrepreneurship? This thesis finds only partially evidence that perceived entrepreneurial status is positively associated with having a preference for entrepreneurship. It finds that perceived entrepreneurial status of one of the two perceived status measurements is positively associated with having a preference for entrepreneurship. Although, it finds evidence that individuals who perceive entrepreneurs as having a high status are more likely to have a preference for entrepreneurship than individuals who perceive entrepreneurs as having a low perceived status.

Is the perceived entrepreneurial status positively associated with having experience as an entrepreneurs? Also for this question finds this thesis only partially evidence, it finds that perceived entrepreneurial status of one of the two perceived status measurements is positively associated with having experience as an entrepreneur. Individuals who have a high perceived status of entrepreneurs are also more likely to have experience as an entrepreneur than individuals who perceive entrepreneurs as having a low perceived status.

The third question of this thesis is: are those individuals who perceive entrepreneurs as having a high status are less likely to be a social entrepreneur than a commercial entrepreneur? A different relationship for social- and commercial entrepreneurs could be expected. The characteristics of the social entrepreneur are rather unexplored (Hoogendoorn et al., 2010). It is known that social entrepreneurs are less selfish and more altruistic than other types of entrepreneurs (Hemingway, 2005). It is possible that they are less influenced by status in their choice to become an entrepreneur because they could not care of the status they receive as being an entrepreneur, but they want to contribute to society. This thesis cannot find that individuals who perceive entrepreneurs as having a high status are less likely to be a social entrepreneur than a commercial entrepreneur.

References

Ajzen, I. (1991). The theory of planned behavior. *Organizational Behaviour and Human Decision Processes*, 50, 179–211.

Alvord, S.H., Brown, L.D. and Letts, C.W., (2004). Social entrepreneurship: leadership that facilitates societal transformation. Working Paper, Center for Public Leadership. In John F. Kennedy School of Government.

Austin, J., Stevenson, H. and Wei-Skillern, J., (2006). Social and commercial entrepreneurship: same, different or both? *Entrepreneurship: Theory and Practice*, 30(1), 1–22.

Balkwell, J.W., Bates, F.L. and Garbin, A.P. (1982). Does the degree of consensus on occupational status evaluations Differ by Socioeconomic Stratum? Response by Guppy, *Social Forces* 60(4) 1183-1189.

Baron, D. P. (2005). Corporate social responsibility and social entrepreneurship. *Journal of Economics & Management Strategy*, 16(3), 683–717.

Bisin, A. and Verdier, T. (1998). On the cultural transmission of preferences for social status, *Journal of Public Economics*, 70, 75-97.

Bornstein, D. (2004). *How to change the world: Social entrepreneurship and the power of ideas*. Oxford University Press.

Brown, M.C. (1955). The status of jobs and occupations as evaluated by an urban negro sample, *American Sociological Review*, 20(5), 561-566.

Cantillon, R. (1732). *Essai sur la nature du commerce en general*. Edited and translated by H. Higgs, London: Macmillan.

Coleman, J. (1990). *Foundations of Social Theory*. Harvard University Press, Cambridge, MA.

Dacin, P. A., Dacin, M. T., and Matear, M. (2010). Social entrepreneurship: Why we don't need a new theory and how we move forward from here. *Academy of Management Perspectives*, 24(2), 36-56.

Davidsson, P. (1995). Determinants of entrepreneurial intentions. RENT IX Workshop in Entrepreneurship Research, Piacenza, Italy, 23–24November.

Davis, K. and Moore, W. (1945). Some principles of stratification. *American Sociological Review*, 10, 242-249.

Dees, J. G. (1998). The meaning of social entrepreneurship. Stanford University: Draft Report for the Kauffman Center for Entrepreneurial Leadership.

Dorado, S. (2006). Social entrepreneurial ventures: different values so different process of creations, no? *Journal of Developmental Entrepreneurship*, 11(4), 319–343.

Duncan, O.D. (1961) A socioeconomic index for all occupations. *Occupations and Social Status*, New York: Free Press of Glencoe.

Fershtman, C. and Weiss, Y. (1993). Social Status, Culture and Economic Performance. *Economic Journal*, 103, 946-959.

Frank, R.H. (1985). *Choosing the Right Pond: Human Behavior and the Quest for Status*. Oxford, U.K.: Oxford University Press.

Gartner, W. B. (1990). What are we talking about when we talk about entrepreneurship? *Journal of Business Venturing*, 5(1), 15–28.

Gnyawali, D.R. and Fogel, D.S. (1994). Environments for Entrepreneurship Development: Key Dimensions and Research Implications. *Entrepreneurship Theory and Practice*, 18(4), 43–62.

Grilo, I. and Irigoyen J.M. (2006). Entrepreneurship in the EU: to wish and not to be. *Small Business Economics*, 26 (4), 305-318.

Grilo, I. and Thurik, R. (2008). Determinants of entrepreneurial engagement levels in Europe and the US. *Industrial and Corporate Change*, 17, 1113–1145.

Hemingway, C.A. (2005). Personal values as a catalyst for corporate social entrepreneurship. *Journal of Business Ethics*, 60(3), 233–249.

Hendrickx, J. and Ganzeboom H.B.G. (1998). Occupational status attainment in the Netherlands 1920-1990: A multinomial logistic analysis. *European Sociological Review*, 14(4) 387-403.

Holtz-Eakin, D. and Dunn, T. (2000). Financial Capital, Human Capital, and the Transition to self-employment: Evidence from Intergenerational Links. *Journal of Labor Economics*, 18(2), 282-305.

Hoogendoorn, B., Pennings, E. and Thurik, R. (2010). What do we know about Social Entrepreneurship? An Analysis of Empirical Research. *International Review of Entrepreneurship*, 8(2), 71-112.

Hoogendoorn, B., Van der Zwan, P. and Thurik, A.R. (2011). Social entrepreneurship and performance: The role of perceived barriers and risk. Erasmus Research Institute of Management (ERIM) Reports Series 2011. Rotterdam, The Netherlands: Erasmus University Rotterdam.

Hosmer, D.W. and Lemeshow, S. (2000). *Applied Logistic Regression*. 2. New York, USA: John Wiley and Sons.

Katz, J.A. (1992). A psychological cognitive model of employment status choice. *Entrepreneurship: Theory and Practice*, 3, 29-37

Kirzner, I. (1973). *Competition and entrepreneurship*. The University of Chicago Press, Chicago.

Knight, F.H. (1921). *Risk, uncertainty, and profit*. Houghton Mifflin Company, Boston, MA.

Kwon, I. and Milgrom, E.M. (2007). *Status, Pay and Wage Growth: Evidence from M&A*. Working paper, Stanford Institute of Economic Policy Research.

Levesque, M. and Minniti, M. (2006). The effect of aging on entrepreneurial behavior. *Journal of Business Venturing*, 21(2), 177–194.

Lin, N. (1999). Social Networks and Status Attainment. *Annual Review of Sociology*, 25, 467–487.

Liñán, F. (2008). Skill and value perceptions: how do they affect entrepreneurial intentions? *International Entrepreneurship and Management Journal*, 4, 257–272.

Liñán, F., Santos, F.J. and Fernández, J. (2011). The influence of perceptions on potential entrepreneurs. *International Entrepreneurship and Management Journal*, 7, 373–390.

Mair, J. and Marti, I. (2004). *Social entrepreneurship: what are we talking about? A framework for future research*. Barcelona: IESE Business School Working Paper No. 546.

Mair, J. and Martí, I., (2006a). Social entrepreneurship research: a source of explanation, prediction, and delight. *Journal of World Business*, 41(1), 36–44.

Malach- Pines, A.M., Levy, H., Utasi, A. and Hill, T.L. (2005). Entrepreneurs as cultural heroes: a cross-cultural, interdisciplinary perspective. *Journal of Managerial Psychology*, 20, 541-55.

Nakao, K. and J. Treas, (1994). Updating Occupational Prestige and Socioeconomic Scores: How the New Measures Measure Up. *Sociological Methodology*, 24, 1–72.

North, C.C. and Hatt P.K. (1947). Jobs and occupations: A popular evaluation. *Opinion News*, 9, 3-13.

Parker, S. (2009). Evidence about the determinants of entrepreneurship. *Economics of Entrepreneurship*, Cambridge University Press, Cambridge, UK.

Parker, S.C. and Van Praag, C.M. (2010). Group status and entrepreneurship. *Journal of economics and management strategy*, 19(4), 919-945.

Pingle, M. and Mitchell, M. (2002). What Motivates Positional Concerns for Income? *Journal of Economic Psychology*, 23, 127–148.

Puri, M. and Robinson D.T. (2005). Optimism, entrepreneurship and economic choice. Duke University Working Paper.

Reynolds, P.D., Bygrave, W.D., Autio, E., Cox, L.W. and Hay, M. (2002). *Global Entrepreneurship Monitor, 2002 Executive Report*, Wellesley, MA: Babson College.

Reynolds, P., Bosma, N., Autio, E., Hunt, S., De Bono, N., Servais, I., Lopez-Garcia, P. and Chin, N. (2005). *Global Entrepreneurship Monitor: Data Collection Design and Implementation 1998-2003*, in *Small Business Economics*, 24(3), 205-231.

Schumpeter, J.A. (1934). *The theory of economic development*. Oxford University Press, London.

Shapero, A. (1982). Social dimensions of entrepreneurship. In C. Kent (eds) *The Encyclopedia of Entrepreneurship*, Englewood Cliffs, Prentice-Hall, 72–90.

Sternberg, R. and Wennekers, S. (2005). Determinants and Effects of New Business Creation Using Global Entrepreneurship Monitor Data. *Small Business Economics* 24(3), 193-203.

Stinchcombe, A. (1986). *Stratification and Organization*. Cambridge University Press, Cambridge.

Stewart, W.H. and Roth P.L. (2001). Risk Propensity Differences Between Entrepreneurs and Managers: A Meta Analytic Review. *Journal of Applied Psychology*, 86, 145–153.

Tajfel, H. and Turner, J.C. (1986). The Social Identity Theory of Inter-Group Behavior. S. Worchel and W.G. Austin, Eds. *Psychology of Intergroup Relations*, Chicago: Nelson-Hall, 21–61.

Thompson, J. and Doherty, B. (2006). The diverse world of social enterprise: a collection of social enterprise stories. *International Journal of Social Economics*, 33(6), 399–410.

Thurik, A.R. and Wennekers, A.R.M. (2004). Entrepreneurship, small business and economic growth. *Journal of Small Business and Enterprise Development*, 11, 140–149.

Treiman, D. (1977). *Occupational Prestige in Comparative Perspective*. Academic Press. New York.

Tumin. M. (1953). Some principles of stratification: A critical analysis. *American Sociological Review*, 18, 378-394.

Van Praag, C.M. (2009). Who values the status of the entrepreneur? Tinbergen Institute Discussion Paper, TI 2009-056/3.

Van Praag, C.M. and Versloot P. (2007). What is the Value of Entrepreneurship? A Review of Recent Research. *Small Business Economics*, 29(4), 351–82.

Venkataraman, S. (1997). The distinctive domain of entrepreneurship research. In: Katz, J., Brockhaus, R. (Eds.), *Advances in Entrepreneurship, Firm Emergence, and Growth*. JAI Press, Greenwich, CT.

Villemez, W.J. (1974). Ability versus effort: Ideological correlates of occupational grading. *Social Forces*, 53(1), 45-52.

Weber, M. (1922). *Economy and Society*. Translated and reprinted, University of California Press, Berkeley, 1978.

Weiss, Y. and Fershtman, C. (1998). Social Status and Economic Performance: A Survey. *European Economic Review*, 42, 801–820.

Zahra, S. E., Gedajlovic, E., Neubaum, D. O. and Shulman, J. M. (2009). A typology of social entrepreneurs: Motives, search processes and ethical challenges. *Journal of Business Venturing*, 24(5), 519–532.

Appendix

Question used of the Flash Eurobarometer Survey on Entrepreneurship (No. 283) for this thesis:

D1. Gender

[DO NOT ASK MARK APPROPRIATE]

- Male 1
- Female 2

D2. How old are you?

- [][]..... REFUSAL/NO ANSWER
- [years old] 99

D3. How old were you when you stopped full-time education?

[WRITE IN THE AGE WHEN EDUCATION WAS TERMINATED]

- [][]..... years old
- [REFUSAL/NO ANSWER] 99
- [NEVER BEEN IN FULL TIME EDUCATION] 01
- [STILL IN FULL TIME EDUCATION] 00

D4. As far as your current occupation is concerned, would you say you are self-employed, in paid employment or would you say that you are without a professional activity?

[READ OUT LEFT ITEMS THEN ASK TO SPECIFY (“THAT IS TO SAY”) ONLY ONE ANSWER]

- Self-employed

- i.e. :
- farmer, forester, fisherman 11
 - owner of a shop, craftsman 12
 - professional (lawyer, medical practitioner, accountant, architect,...) 13
 - Owner-manager of a company 14
 - other..... 15

-In paid employment

- i.e. :
- White-collar**
- professional (employed doctor, lawyer, accountant, architect) 21
 - general management, director or top management 22
 - middle management 23

- middle management	24
- Civil servant	25
- office clerk	26
- other	27

Blue-collar

- supervisor / foreman (team manager, etc...)	31
- Skilled manual worker	32
- unskilled manual worker	33
- other.....	34

- Without a professional activity

i.e. :

- looking after the home	41
- student (full time)	42
- retired	43
- seeking a job	44
- other.....	45
- Refusal/no answer	99

D7. Could you tell me the occupation of your father? Is he or was he self-employed, white-collar employee in private sector, blue-collar employee in private sector, civil servant or without a professional activity?

[READ OUT – ONLY ONE ANSWER]

- self-employed	1
- white-collar employee in private sector	2
- blue-collar employee in private sector	3
- civil servant	4
- without a professional activity	5
- Other	6
- [DK/NA]	9

D8. Could you tell me the occupation of your mother? Is she or was she self-employed, white-collar employee in private sector, blue-collar employee in private sector, civil servant or without a professional activity?

[READ OUT – ONLY ONE ANSWER]

- self-employed	1
- white-collar employee in private sector	2
- blue-collar employee in private sector	3
- civil servant	4
- without a professional activity	5
- Other	6
- [DK/NA]	9

D10. Do you strongly agree, agree, disagree or strongly disagree with the following statements?

[READ OUT – ROTATE – ONE ANSWER ONLY FOR EACH ITEM]

- Strongly agree 1
 - Agree 2
 - Disagree 3
 - Strongly disagree 4
 - [DK/NA] 9
- a) In general, I am willing to take risks 1 2 3 4 9
- c) My life is determined by my own actions, not by others or by chance 1 2 3 4 9

Q1. Suppose you could choose between different kinds of jobs, which one would you prefer:...

[READ OUT – ONLY ONE ANSWER]

- Being an employee..... 1
- or being self-employed 2
- [none of these] 3
- [DK/NA] 9

Q7. I am going to read you another list of statements. Please tell me, do you agree or disagree with them?

[READ OUT – ROTATE – ONE ANSWER ONLY FOR EACH ITEM]

- Strongly agree 1
 - agree 2
 - disagree 3
 - Strongly disagree 4
 - [DK/NA] 9
- a) Entrepreneurs create new products and services and benefit us all 1 2 3 4 9
- b) Entrepreneurs think only about their own wallet..... 1 2 3 4 9
- c) Entrepreneurs are job creators..... 1 2 3 4 9
- d) Entrepreneurs exploit other people's work 1 2 3 4 9

Q8. Have you ever started a business or are you taking steps to start one?

[READ OUT – ONLY ONE ANSWER]

- Yes 1
- No 2
- [DK/NA] 9

IF Q8 = 2, I.E. FOR PEOPLE WHO NEVER STARTED A BUSINESS

Q9. How would you describe your situation:

- It never came to your mind to start up a business 1
- You are thinking about starting up a business 2
- You thought of it or you had already taken steps to start a business but gave up 3
- [DK/NA] 9

IF Q8 = 1, I.E. PEOPLE WHO HAVE STARTED A BUSINESS OR DOING IT NOW
Q10. How would you describe your situation:

- You are currently taking steps to start a new business 1
- You have started or taken over a business in the last three years which is still active today 2
- You started or took over a business more than three years ago and it's still active 3
- Once started a business, but currently you are no longer an entrepreneur since business has failed.....4
- Once started a business, but currently you are no longer an entrepreneur since business was sold, transferred or closed 5
- [DK/NA] 9

TO THOSE WHO ANSWERED Q8 = 1 OR Q9 =3, I.E. PEOPLE WHO ARE TAKING STEPS TO START, ARE RUNNING A BUSINESS, HAD ONE IN THE PAST OR HAD TAKEN STEPS TO START BUT GAVE UP

Q11. For each of the following elements, please tell me if it was very important, rather important, rather not important or not important at all for making you take steps to start a new business or take over one.

[READ OUT – ROTATE – ONE ANSWER PER LINE]

- Very important 1
- Rather important 2
- Rather not important 3
- Not important at all 4
- [DK/NA] 9

f) Addressing an unmet social or ecological need 1 2 3 4 9

Q15. What is your opinion about the following groups of persons? Is it ...

[READ OUT – ONE ANSWER ONLY]

- Rather favourable 1
- Neutral 2
- Rather unfavourable 3
- [DK/NA] 9

a) Entrepreneurs (Self-employed, business owners) 1 2 3 9

Table 15: Correlation coefficients between statements of the image of entrepreneurs (Spearman's rho) (n=26,168)

	1.	2.	3.	4.
1. Entrepreneurs create new products and services and benefit us all				
2. Entrepreneurs think only about their own wallet	.2323***			
3. Entrepreneurs are job creators	.4712***	.1876***		
4. Entrepreneurs exploit other people's work	.1750***	.5353***	.1410***	

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010.

*** denotes significance at 1%; ** denotes significance at 5%; * denotes significance at 10%.

Table 16: Multicollinearity matrix for the independent variables (Pearson) (n=26,168)

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
1. Status of entrepreneurs											
2. Image of entrepreneurs	.3800***										
3. Age	-.0254***	-.0308***									
4. Age squared	-.0301***	-.0317***	.9813***								
5. Male	.0470***	.0365***	-.0395***	-.0320***							
6. Education	.1000***	.1630***	-.1704***	-.1801***	.0815***						
7. Self-employed parents	.0445***	.0570***	.0171***	.0278***	.0149**	-.0174***					
8. Risk	.0897***	.0798***	-.1722***	-.1673***	.0988***	.1031***	.0260***				
9. Internal locus of control	.0598***	.0765***	.0254***	.0277***	.0065	.0090	.0000	.0892***			
10. Entrepreneurial experience	.1086***	.1740***	.0026	-.0210***	.1579***	.0854***	.0867***	.1358***	.0369***		
11. Occupational status	.0797***	.0968***	-.2877***	-.3665***	.1207***	.2528***	-.0153**	.0994***	.0170***	.1658***	

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010.

*** denotes significance at 1%; ** denotes significance at 5%; * denotes significance at 10%.

Table 17: Binary logistic regression model (1b) of the preference for entrepreneurship (1= preference to be self-employed; 0=preference to be an employee). Average marginal effects are displayed with their robust standard errors.

Predicted probability		<i>0.5653</i>	
	<i>Average marginal effect</i>	<i>Robust standard error</i>	
<i>Independent variables</i>			
High status	.0435 ***	.0115	
Neutral status	-.0090	.0115	
Low status (reference)			
<i>Control variables</i>			
Age	-.0067 ***	.0012	
Age-squared	.0000 ***	.0000	
Male	.0592 ***	.0066	
High educated	-.0122 *	.0071	
Moderately educated (reference)			
Low educated	-.0145	.0116	
Self-employed parents	.0529 ***	.0071	
Risk	.0908 ***	.0068	
Internal locus of control	.0141	.0095	
Entrepreneurial experience	.2740 ***	.0069	
Country	yes		
Number of observations	20,700		
Log <i>L</i> (full model)	-12,690		
Log <i>L</i> ₀ (null model)	-14,321		
McFadden's R ² (1-(log <i>L</i> /Log <i>L</i> ₀))	0.1139		

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010.

Dependent variable: The answer to the question "Suppose you could choose between different kinds of jobs, which one would you prefer: being an employee or being self-employed". The dependent takes the value of 1 if an individual answered being self-employed; it takes the value 0 if being an employee is answered.

Notes: The measurement for image of entrepreneurs ranges from strongly disagrees to strongly agree with the value from 1 to 4. This model controls for country-specific effects, these coefficients can be found in the appendix.

*** denotes significance at 1%; ** denotes significance at 5%; * denotes significance at 10%.

Table 18: Binary logistic regression model (1c) of the preference for entrepreneurship (1= preference to be self-employed; 0=preference to be an employee). Average marginal effects are displayed with their robust standard errors.

Predicted probability	0.5524		
		<i>Average marginal effect</i>	<i>Robust standard error</i>
<i>Independent variable</i>			
Image of entrepreneurs	.0512 ***		.0068
<i>Control variables</i>			
Age	-.0065 ***		.0012
Age-squared	.0000 ***		.0000
Male	.0620 ***		.0065
High educated	-.0084 **		.0071
Moderately educated			
Low educated	-.0084		.0114
Self-employed parents	.0532 ***		.0072
Risk	.0918 ***		.0067
Internal locus of control	.0120		.0094
Entrepreneurial experience	.2703 ***		.0069
Country	yes		
Number of observations	21,186		
Log L (full model)	-12,998		
Log L0 (null model)	-14,656		
McFadden's R2	0.1131		
(1-(log L/Log L0))			

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010.

Dependent variable: The answer to the question "Suppose you could choose between different kinds of jobs, which one would you prefer: being an employee or being self-employed". The dependent takes the value of 1 if an individual answered being self-employed; it takes the value 0 if being an employee is answered.

Notes: The measurement for image of entrepreneurs ranges from strongly disagrees to strongly agree with the value from 1 to 4. This model controls for country-specific effects, these coefficients can be found in the appendix.

*** denotes significance at 1%; ** denotes significance at 5%; * denotes significance at 10%.

Table 19: Marginal effects of country dummy variables in model 1(relative to the NL).

Austria	-.0022	Greece	.1742***	Portugal	.1304***
Belgium	-.0901***	Hungary	.0352	Romania	.1409***
Bulgaria	.1980***	Iceland	.1028***	Slovakia	-.0283
China	.2571***	Italy	.1077***	Slovenia	.1066***
Croatia	.1246***	Ireland	.0537*	South Korea	.1442***
Cyprus	.2478***	Japan	.0588***	Spain	.0305
Czech Republic	-.0213	Latvia	.1605***	Sweden	-.0893***
Denmark	-.0890***	Lithuania	.1828***	Switzerland	.0659**
Estonia	.0145	Luxembourg	.0662**	Turkey	.0802***
Finland	-.0205	Malta	.0543*	United Kingdom	.0804***
France	.1101***	Norway	-.0458*	United States	.1571***
Germany	.0293	Poland	.1491***		

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010.

*** denotes significance at 1%; ** denotes significance at 5%; * denotes significance at 10%.

Table 20: Binary logit regression model (2b) of entrepreneurs (1=entrepreneurial experience; 0=no entrepreneurial experience). Average marginal effects are displayed with their robust standard errors.

Predicted probability	0.3005	
	<i>Average marginal effect</i>	<i>Robust standard error</i>
<i>Independent variables</i>		
High status	.0901 ***	.0102
Neutral status	-.0027	.0105
Low status		
<i>Control variables</i>		
Age	.0116 ***	.0012
Age-squared	-.0001 ***	.0000
Male	.1083 ***	.0055
High educated	.0136 **	.0063
Moderately educated (reference)		
Low educated	-.0169	.0103
Self-employed parents	.0689 ***	.0062
Risk	.1024 ***	.0061
Internal locus of control	.0251 ***	.0085
Occupational status	.0877 ***	.0072
Country	yes	
Number of observations	22,009	
Log L (full model)	-11,516	
Log L_0 (null model)	-12,799	
McFadden's R^2 (1-(log L /Log L_0))	0.1002	

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010.

Dependent variable: The answer to the question "Have you ever started a business or are you taking steps to start one? yes, or no". The dependent takes the value of 1 if yes is answered; it takes the value 0 if no is answered.

Notes: The measurement for image of entrepreneurs ranges from strongly disagrees to strongly agree with the value from 1 to 4. This model controls for country-specific effects, these coefficients can be found in the appendix.

*** denotes significance at 1%; ** denotes significance at 5%; * denotes significance at 10%.

Table 21: Binary logit regression model (2c) of entrepreneurs (1=entrepreneurial experience; 0=no entrepreneurial experience). Average marginal effects are displayed with their robust standard errors.

Predicted probability		0.2931
	<i>Average marginal effect</i>	<i>Robust standard error</i>
<i>Independent variable</i>		
Image of entrepreneurs	.1245 ***	.0055
<i>Control variables</i>		
Age	.0146 ***	.0011
Age-squared	-.0001 ***	.0000
Male	.1111 ***	.0054
High educated	.0056	.0061
Moderately educated (reference)		
Low educated	-.0124	.0100
Self-employed parents	.0639 ***	.0060
Risk	.0992 ***	.0060
Internal locus of control	.0192 **	.0083
Occupational status	.0823 ***	.0071
Country	yes	
Number of observations	22,561	
Log L (full model)	-11,650	
Log L_0 (null model)	-13,090	
McFadden's R^2 (1-(log L /Log L_0))	0.1100	

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010.

Dependent variable: The answer to the question "Have you ever started a business or are you taking steps to start one? yes, or no". The dependent takes the value of 1 if yes is answered; it takes the value 0 if no is answered.

Notes: The measurement for image of entrepreneurs ranges from strongly disagrees to strongly agree with the value from 1 to 4. This model controls for country-specific effects, these coefficients can be found in the appendix.

*** denotes significance at 1%; ** denotes significance at 5%; * denotes significance at 10%.

Table 22: Marginal effects of country dummy variables in model 2 (relative to the NL).

Austria	-.0887***	Greece	.1436***	Portugal	.0353*
Belgium	-.0771***	Hungary	.0969***	Romania	.0775***
Bulgaria	.0921***	Iceland	.0915***	Slovakia	-.0447
China	.1608***	Italy	.0302	Slovenia	-.0399
Croatia	.0292	Ireland	-.0342	South Korea	.1906***
Cyprus	.1327***	Japan	.0136	Spain	.0037
Czech Republic	.0277	Latvia	.0100	Sweden	.0322
Denmark	-.0769***	Lithuania	.0961***	Switzerland	-.0404
Estonia	.0612**	Luxembourg	-.1196***	Turkey	.0443*
Finland	.0976***	Malta	-.2342	United Kingdom	.0004
France	-.0735***	Norway	.0655***	United States	.0560***
Germany	-.0107	Poland	.0738***		

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010.

*** denotes significance at 1%; ** denotes significance at 5%; * denotes significance at 10%.

Table 23: Marginal effects of country dummy variables in model 3 (relative to the NL).

Austria	.0848**	Greece	.2888***	Portugal	.1750***
Belgium	.2253***	Hungary	.0468	Romania	.1249***
Bulgaria	.1320***	Iceland	.1498***	Slovakia	.1580***
China	.2407***	Italy	.2254***	Slovenia	.1006**
Croatia	.3718***	Ireland	.2372***	South Korea	.2920***
Cyprus	.1997***	Japan	.4608***	Spain	.1455***
Czech Republic	-.0583	Latvia	.1690***	Sweden	.0231
Denmark	-.0378	Lithuania	.1449***	Switzerland	.0883**
Estonia	.1089**	Luxembourg	.1816***	Turkey	.3672***
Finland	-.0670	Malta	.2747***	United Kingdom	.1077***
France	.1567***	Norway	.0451	United States	.0928***
Germany	-.0333	Poland	.1576***		

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010.

*** denotes significance at 1%; ** denotes significance at 5%; * denotes significance at 10%.

Table 24: Marginal effects and robust standard errors for each independent variable corresponding to an ordered logit for different importance to address an unmet social or ecological need

	Not important at all	Rather not important	Rather Important	Very important
High status	.0106	.0086	.0103	.0084
Neutral Status	.0164*	.0087	.0161*	.0085
Low status (ref.)				
Image of entrepreneurs	-.0016	.0050	-.0016	.0050
<i>Control variables</i>				
Age	.0024***	.0010	.0023***	.0010
Age-squared	-.0000***	.0000	-.0000***	.0000
Male	.0262***	.0046	.0256***	.0045
High educated	-.0076	.0049	-.0075	.0048
Medium educated (ref)				
Low educated	-.0003	.0089	-.0003	.0086
Self-employed parents	-.0030	.0049	-.0048	.0048
Risk	-.0136***	.0051	-.0049***	.0049
Internal locus of control	-.0138**	.0066	-.0138**	.0065

Taking steps	-.0224**	.0091	-.0215**	.0088	.0060**	.0026	.0374**	.0155
Gave up	-.0362***	.0108	-.0353***	.0104	.0099***	.0031	.0616***	.0182
Young business (reference)								
Established business	.0117	.0099	.0114	.0096	-.0032	.0027	-.0199	.0167
Failed	.0051	.0113	.0050	.0111	-.0014	.0031	-.0086	.0193
Sold	-.0051	.0102	-.0050	.0099	.0014	.0028	.0086	.0173
Country	yes							
Number of observations	7,793							
Log L (full model)	-9,900							
Log L_0 (null model)	-10,269							
McFadden's R^2 ($1-(\log L/\log L_0)$)	0.0362							

Source: Flash Eurobarometer Survey on Entrepreneurship (No. 283), December 2009 and January 2010.

Dependent variable: “addressing an unmet social or ecological need” played a role when deciding to engage in entrepreneurship. The dependent takes the value 1 if not important at all is answered; it takes the value 2 if rather not important is answered; it takes value 3 if rather important is answered; it takes value 4 if very important is answered.

Notes: The measurement for image of entrepreneurs ranges from strongly disagrees to strongly agree with the value from 1 to 4. This model controls for country-specific effects, these coefficients can be found in the appendix.

*** denotes significance at 1%; ** denotes significance at 5%; * denotes significance at 10%.