

## Chapter 2

# Characteristics of Agro–Entrepreneurs in Southeast Europe

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### **ABSTRACT**

*The research area of this chapter includes determinants that influence early-stage entrepreneurial activity in the agro sector in the countries of the Southeast Europe region (SEE). The research implies determinants such as national culture, individual entrepreneurial characteristics, as well as entrepreneurial aspirations (growth, innovation, and internationalization). Data for the research was provided by the Global Entrepreneurship Monitor database. To form a research sample, data were collected from agrobusiness entrepreneurs in Hungary, Slovenia, Romania, Croatia, Bosnia, Herzegovina, and North Macedonia. In line with the theory, past research and the result of empirical research, authors propose a model consisted of determinants that influence early-stage entrepreneurial activity in the agro sector in the countries of SEE.*

### **INTRODUCTION**

This chapter is dedicated to the understanding of agro-entrepreneurial activity in the South East Europe region (SEE). The objective of the chapter is to determine characteristics of agro-entrepreneurs in South East Europe region. The methodology used in the research in this chapter is based on a theoretical investigation of available literature and Global Entrepreneurship Monitor database, the most relevant study in the field of entrepreneurship. The authors will present the data in order to investigate main characteristics of agro-entrepreneurs in SEE region. The key problem, as well as the overall problem orientation of this research, is related to the analysis of agro entrepreneurial ventures in the SEE region. The aim of this

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study is to determine the factors that influence early-stage entrepreneurial activity in the agro sector of the SEE region. In order to address the above mentioned, we follow the existing debate and in line with the theory and related research, we propose a set of determinants such as national culture, individual entrepreneurial characteristics, and entrepreneurial aspirations (growth, innovation, internationalization) that can influence entrepreneurial activity of entrepreneurial activity in agro sectors (agro-entrepreneurs). The sample is comprised of data collected by interviewing early entrepreneurs who are involved in business in SEE. Total early-stage entrepreneurial activity (TEA), represents a combination of the early entrepreneurs in the phase that combines the stages before the start of a new firm, nascent entrepreneurship, setting up a business and paying wages at least 3 months, and the stage directly after the start of a new firm, owning/managing a new firm and having paid wages in continuity of 42 months (Stephan et al., 2015). In order to form a research sample, data was collected from entrepreneurs who are involved in agro business in Hungary, Slovenia, Romania, Croatia, Bosnia and Herzegovina and North Macedonia. In line with the theory, past research and the result of empirical research, we propose a model consisted of determinants that have an influence on early-stage entrepreneurial activity in agro sector in the countries of SEE. In addition to improving theoretical material from the field of entrepreneurship, the model also contributes to this work. This paper is organized as follows. First, theoretical background establishes a variety of national culture and individual entrepreneurial characteristics and its features. Then, we analyse the influence of entrepreneurial aspirations (growth, innovation and internationalization) as determinants that can affect the early-stage entrepreneurial activity in agro sector. Second, the paper provides a presentation of methodology and statistical research result by using Logit regression and concept of marginal effects. The paper ends with a discussion of the results and conclusion about some implications and limitations of this paper, as well as recommendations for future research.

## **THEORETICAL BACKGROUND**

### **National Culture**

The difference in the reported level of entrepreneurial activity between countries indicates a variety of factors that influence the entrepreneurial initiative. Some entrepreneurs are driven by profit motives, others are self-affirmed, some are driven by risk-taking. Observing entrepreneurial ventures raises the need to consider the influences that entrepreneurs have been fostered. Why entrepreneurs start entrepreneurial ventures and what motivates them is an open field of research. National culture is certainly one of the key elements that determine the level of entrepreneurial activity.

The expressed level of uncertainty among individuals about the unpredictability of future events has an impact on the development of innovation and entrepreneurial activity within a country (Shane, 1995). In a society with high perceptions of uncertainty, the potential for fear of failure to start an entrepreneurial venture arises. Unlike them, societies that express a lower level of concern for uncertainty in the future view competition as a positive element in influencing the development of their own entrepreneurial venture. One element of Hofstede's (1984) model is the relationship between masculinity and femininity. This model does not seek to measure the influence of behavior characteristics of one or the other sex, but seeks to attribute the behavior of individuals to one of two gender-related stereotypes. Male behavior within society is equated with aggression while feminine behavior is identified with foster care.

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