

**Nascent Entrepreneurs in Germany: Regional distribution, micro and macro  
determinants and policy implications**

**Ingo Lückgen, Dirk Oberschachtsiek, Rolf Sternberg and Joachim Wagner**

To be presented at the the Interdisciplinary European Conference  
on Entrepreneurship Research (IECER)  
at the University of Amsterdam, 2 – 4 February 2005

Abstract:

To a relevant degree entrepreneurship is a “regional event” (Feldman 2001). Little is known so far about the regional determinants and consequences of nascent entrepreneurs. Nascent entrepreneurs are people who are actively engaged in creating a new venture and who expect to be the owner or part owner of this start-up. Given that newly founded firms are important for the economic development of nations and regions, and that nascent entrepreneurs are by definition important for the foundation of new firms, information about nascent entrepreneurs is important for understanding crucial aspects of the economy. This information, however, can not be found in publications from official statistics. Based upon data derived from the Regional Entrepreneurship Monitor (REM) Germany this paper first reports the shares of nascent entrepreneurs in the adult population in ten German regions in 2001 and 2003, and presents some descriptive explanations on the reasons for regional variation based upon entrepreneurial framework conditions. In section 3 we deal with the question whether nascent entrepreneurs are different from the rest of the adult population, and whether there is a typical nascent entrepreneur with a typical set of characteristics. Here we describe the relationship between the prevalence rate of nascent entrepreneurs and selected personal characteristics. The following two sections summarize findings from our econometric investigations using the REM data: In section 4 we look at studies which focus on the ceteris paribus effect of individual characteristics on the one hand and regional characteristics on the other hand on the propensity to become a nascent entrepreneur. Section 5 reviews findings from econometric studies which deal with selected special topics in nascent entrepreneurship: The role of gender and gender-specific differences in risk aversion; the professional background and Lazear’s

Jack-of-all-trades – theory; the employment status of nascent entrepreneurs and differences among the unemployed, the employed and those out of the labor force; the role of failure as a self-employed in the past and the taking of a second chance; and characteristics of the (former) workplace and the role of small, young firms as ‘hothouses’ for nascent entrepreneurs. Section 6 puts our findings into perspective by looking at the international literature on nascent entrepreneurship and identifying open questions for future research.

Acknowledgement: Research for this paper was done as part of the project *Regional Entrepreneurship Monitor (REM) Germany* financially supported by the Deutsche Forschungsgemeinschaft (DFG) under grants STE 628/7-1/2 (Rolf Sternberg) and WA 610/2-1/2 (Joachim Wagner).

Corresponding author:

Prof. Dr. Rolf Sternberg  
University of Cologne  
Institute of Economic and Social Geography  
Schneiderberg 50  
D-50923 Cologne, Germany  
E-mail: [sternberg@wiso.uni-koeln.de](mailto:sternberg@wiso.uni-koeln.de).