

“More knowledge, more fear”
Total early-stage entrepreneurship activity
in Japan

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Research Questions

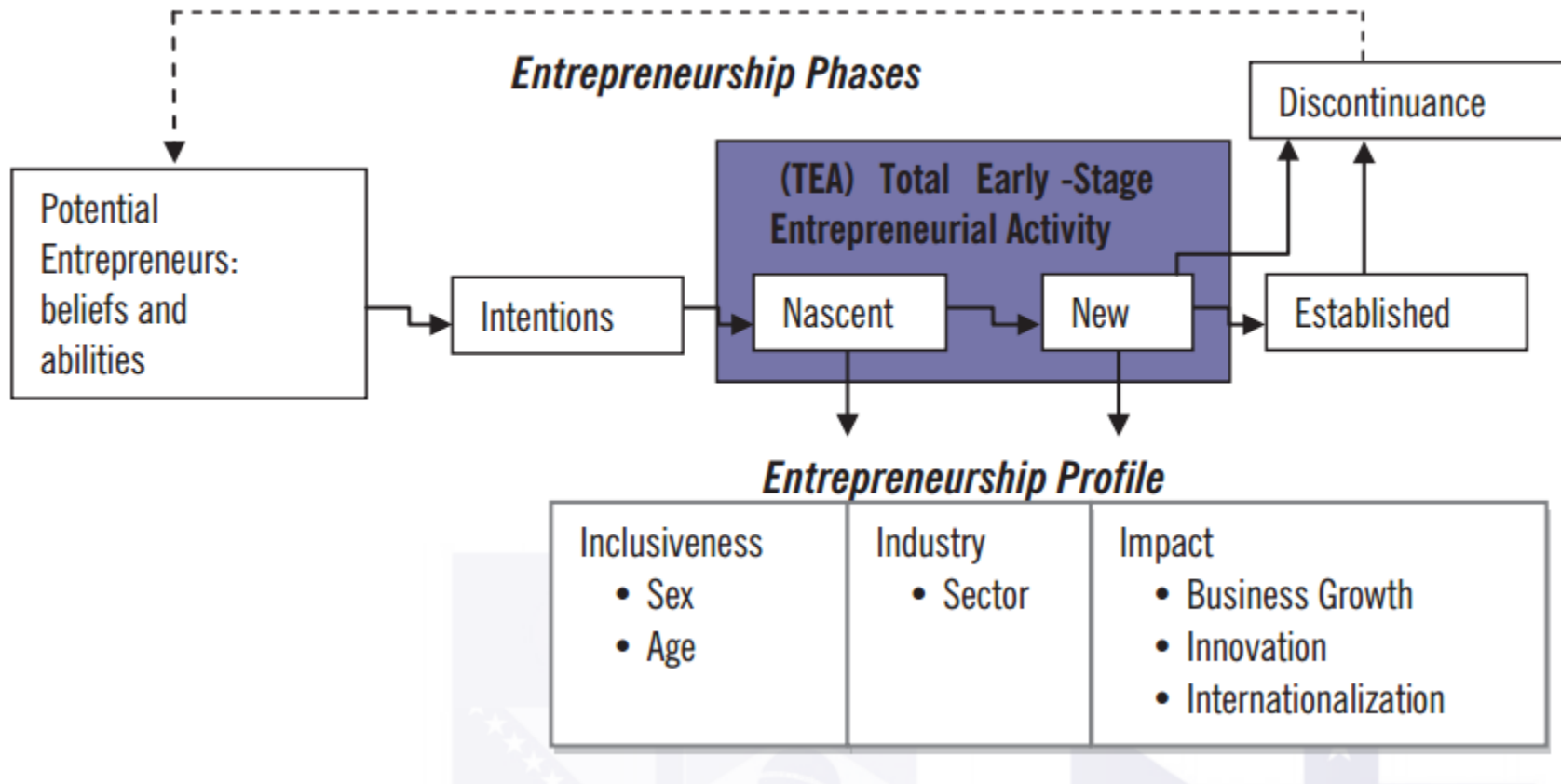
Q1. Do knowledge , skill and experience affect **TEA**
(Total entrepreneurial activity) of Japanese
potential/nascent entrepreneurs?

Q2. Is TEA in Japan **unique**?

⇒ If so, why?

Definition:

TEA: Total Early-Stage Entrepreneurial Activity



Source: Global Entrepreneurship Monitor 2011 Report
<http://www.gemconsortium.org/docs/download/2409>

Q1. Do knowledge , skill and experience affect TEA of Japanese potential/nascent entrepreneurs?

Questions referring to *Entrepreneur Attitudes* in GEM

1. *Network*

You know someone personally who started a business in the past 2 years. yes $\Rightarrow 1$, no $\Rightarrow 0$

2. *Opportunities*

In the next six months there will be good opportunities for starting a business in the area where you live. yes $\Rightarrow 1$, no $\Rightarrow 0$

3. *Knowledge*

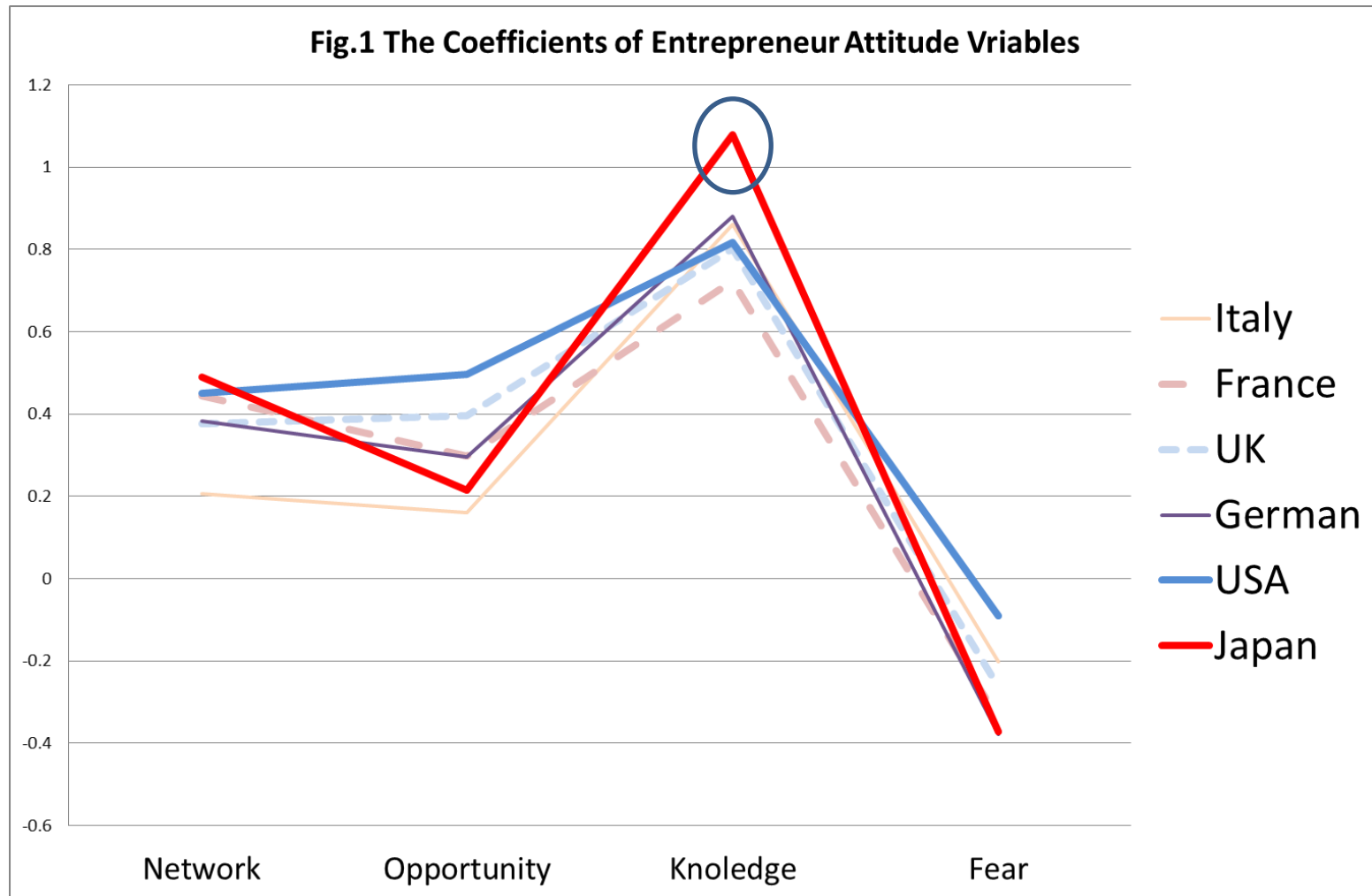
You have the knowledge, skill and experience required to start a new business. yes $\Rightarrow 1$, no $\Rightarrow 0$

4. *Fear*

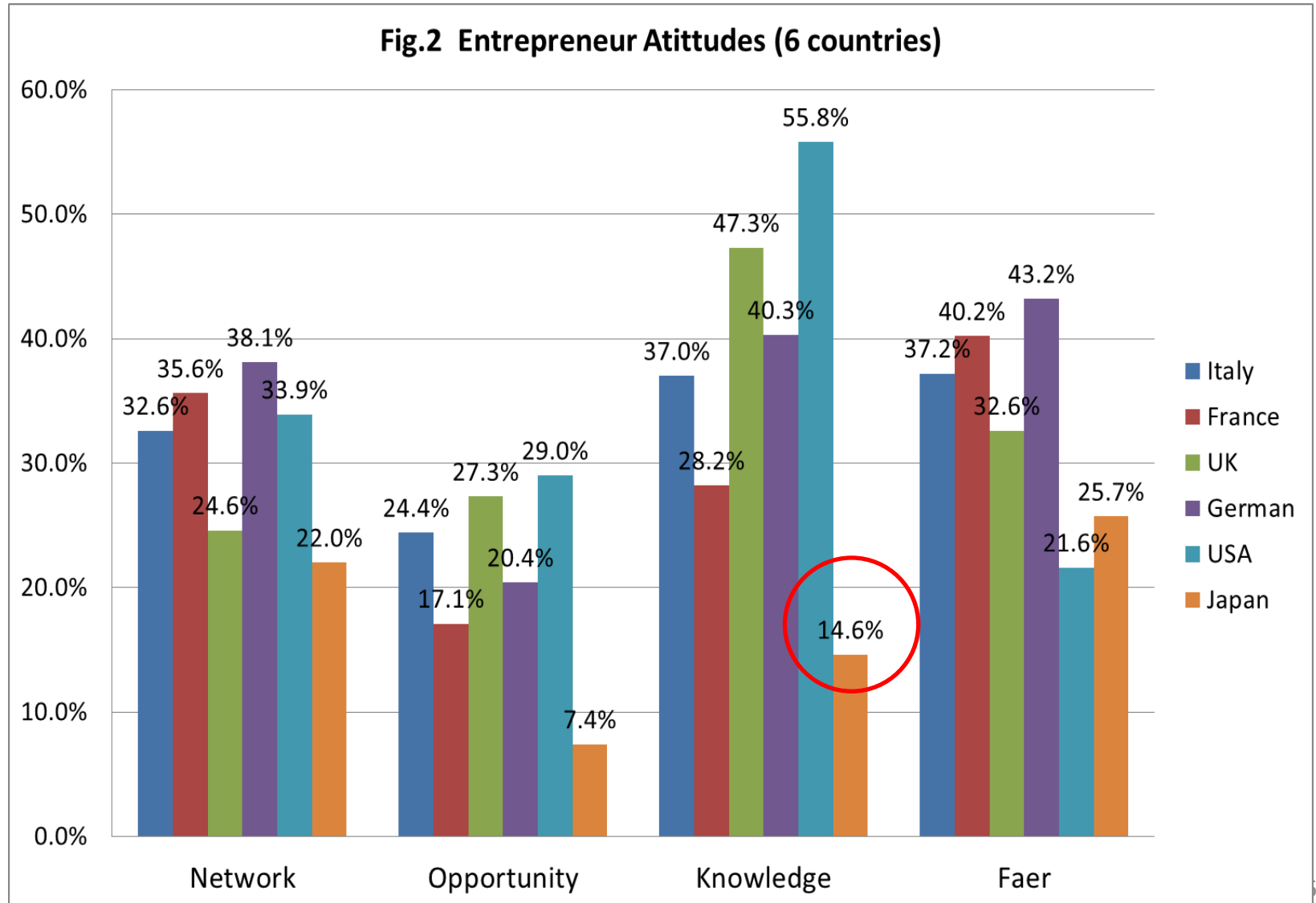
Fear of failure would prevent you from starting a business. yes $\Rightarrow 1$, no $\Rightarrow 0$

TEA=Prob(Entrepreneur Attitudes , other personal factor)

Result 1: According to Probit Analysis, in four factors, *knowledge* have larger effect to TEA than the other countries.



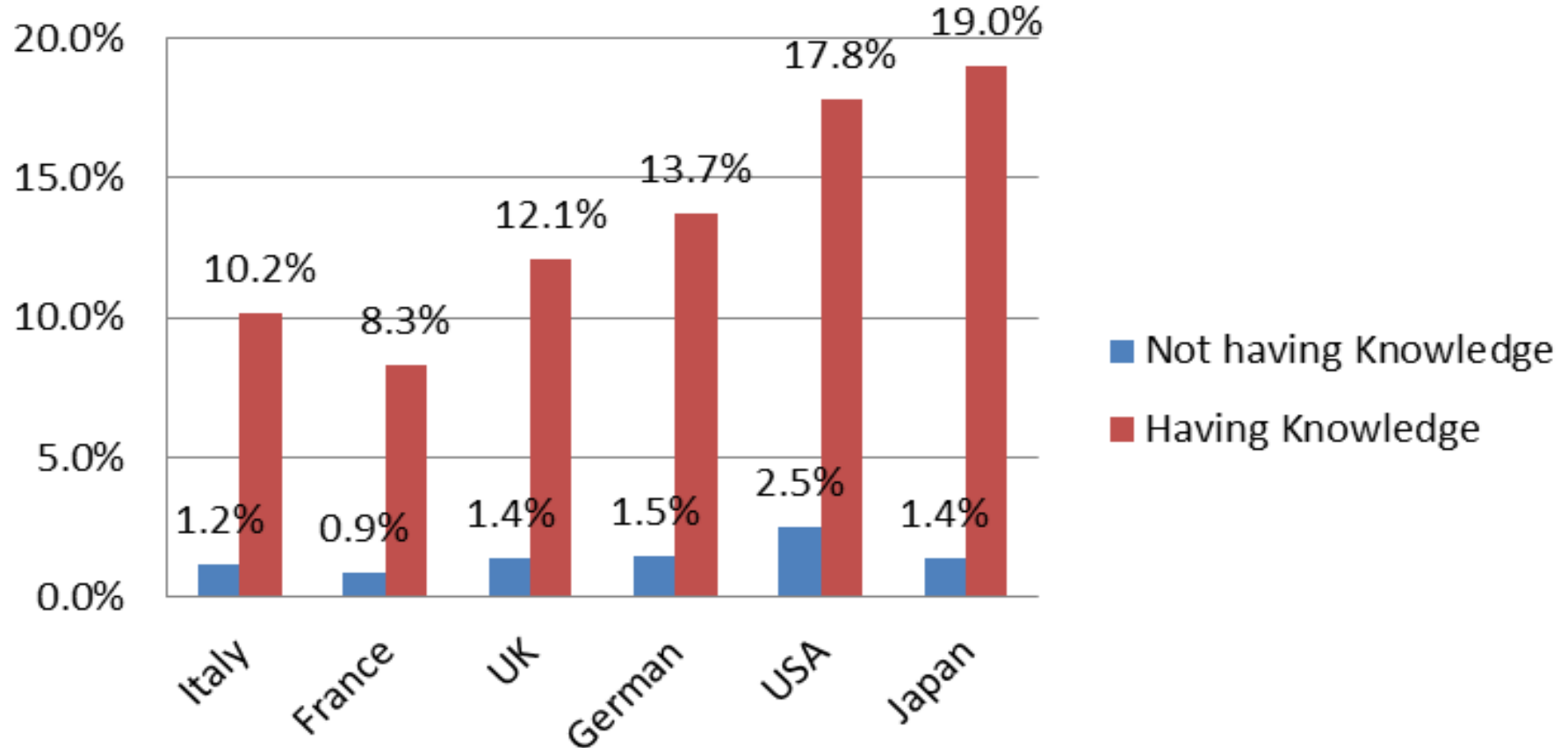
Result 2. In Japan, the ratio of respondents who have *Knowledge* about starting up a new business is low



Result 3. However, among knowledgeable respondents, TEA is high.

⇒ *More knowledge, higher TEA*

Fig.3 TEA and Knowledge

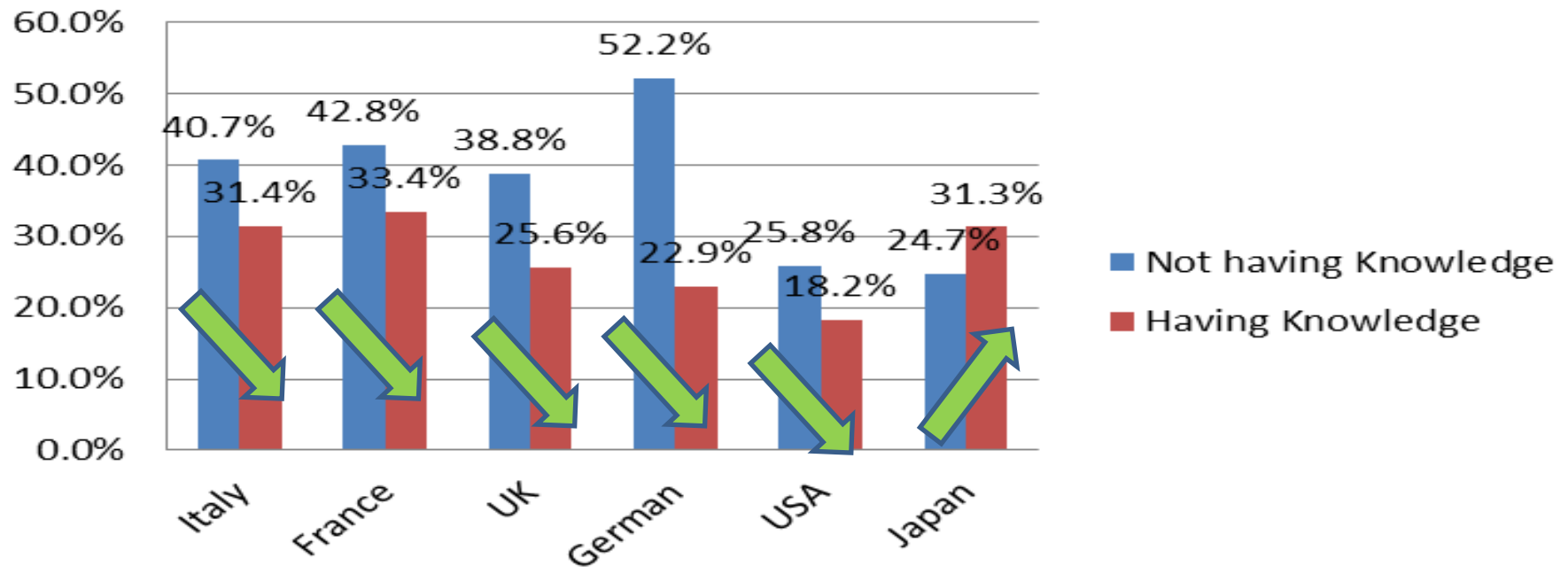


Result 4. In Japan, one third of knowledgeable respondents have fear of failure.

However, less-knowledgeable respondents do *not* have fear of failure in Japan.

⇒ In Japan **more knowledge, more fear.**

Fig.4 Knowledge and Fear



- The coefficient of correlation between *Knowledge* and *Fear* under the total GEM data is
 -0.119 (significantly negative relation)

At a global level: **More Knowledge, *less* Fear.**

However, analyses of Japan depict different story.
⇒ **More knowledge, *more* fear.**

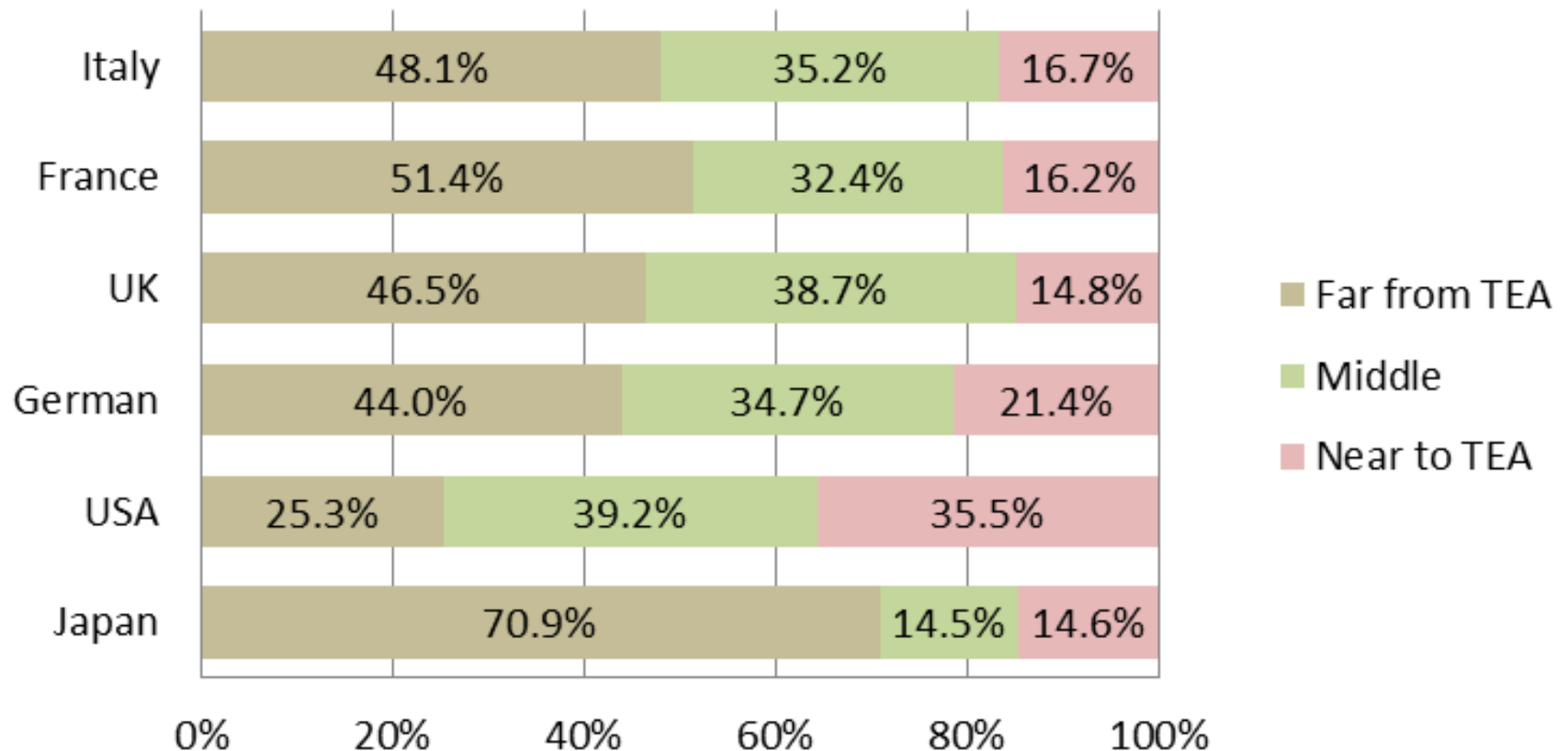
Q2. Is TEA in Japan unique?

Reclassification of the respondents of GEM by focusing entrepreneur attitudes.

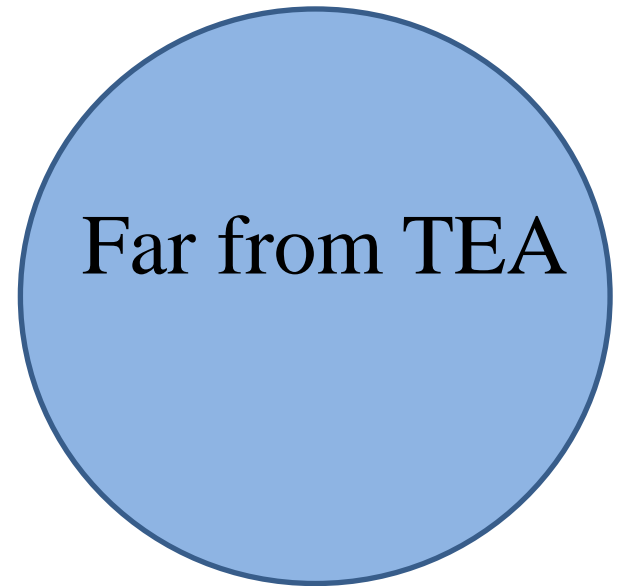
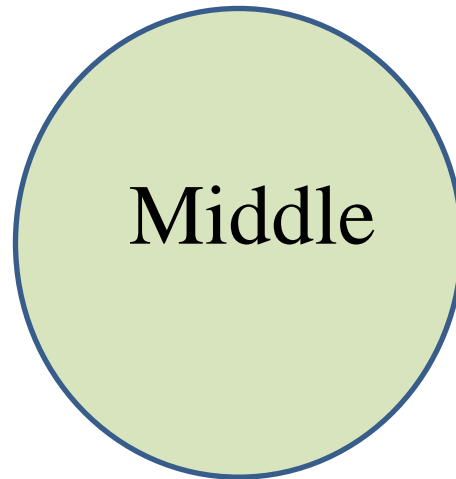
- Group 1. *“Near to TEA”*
 - “*Knowledge=yes*” and “*Network=yes*”
- Group 2. *“Far from TEA”*
 - “*Knowledge=No or don’t know*” and “*Network=No or don’t know*”
- Group 3. Middle

Majority of Japanese respondents are distanced from entrepreneurship.

Fig.5 The distance from TEA

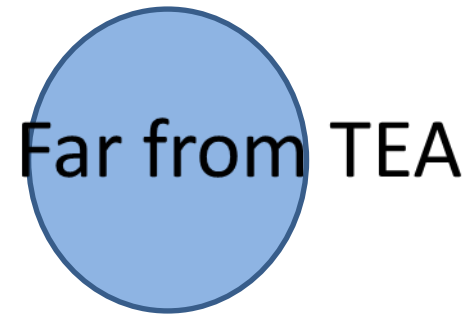
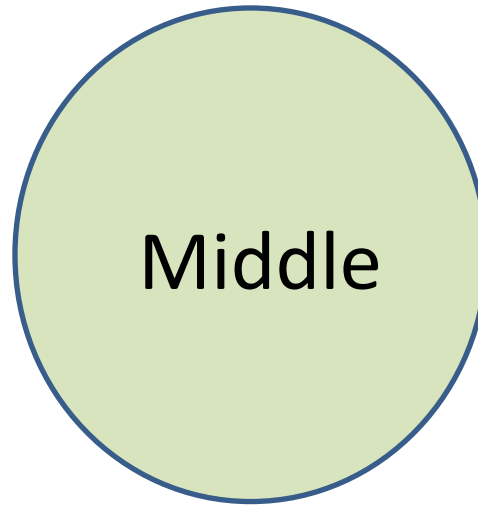


Europe



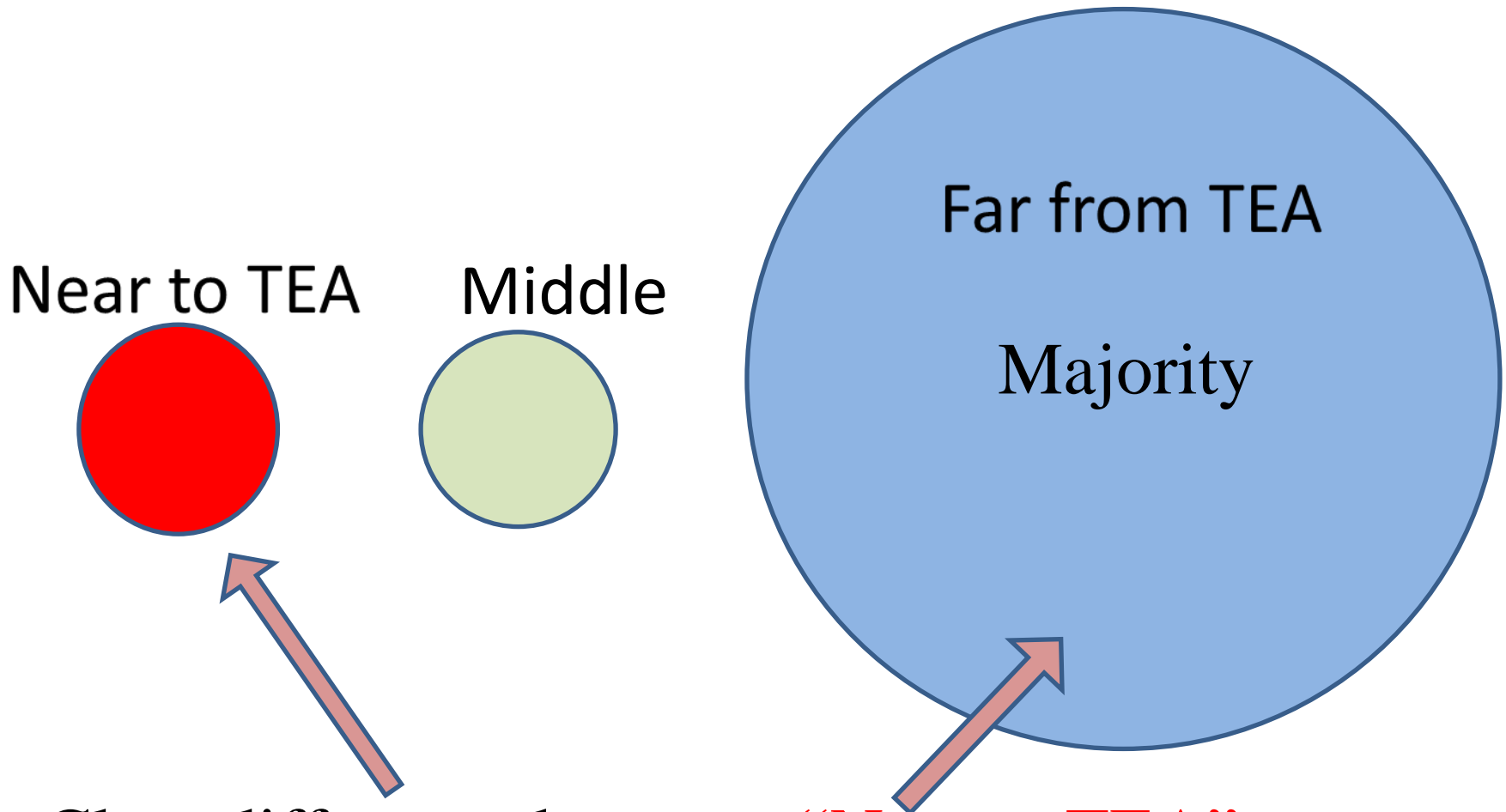
Balance

USA



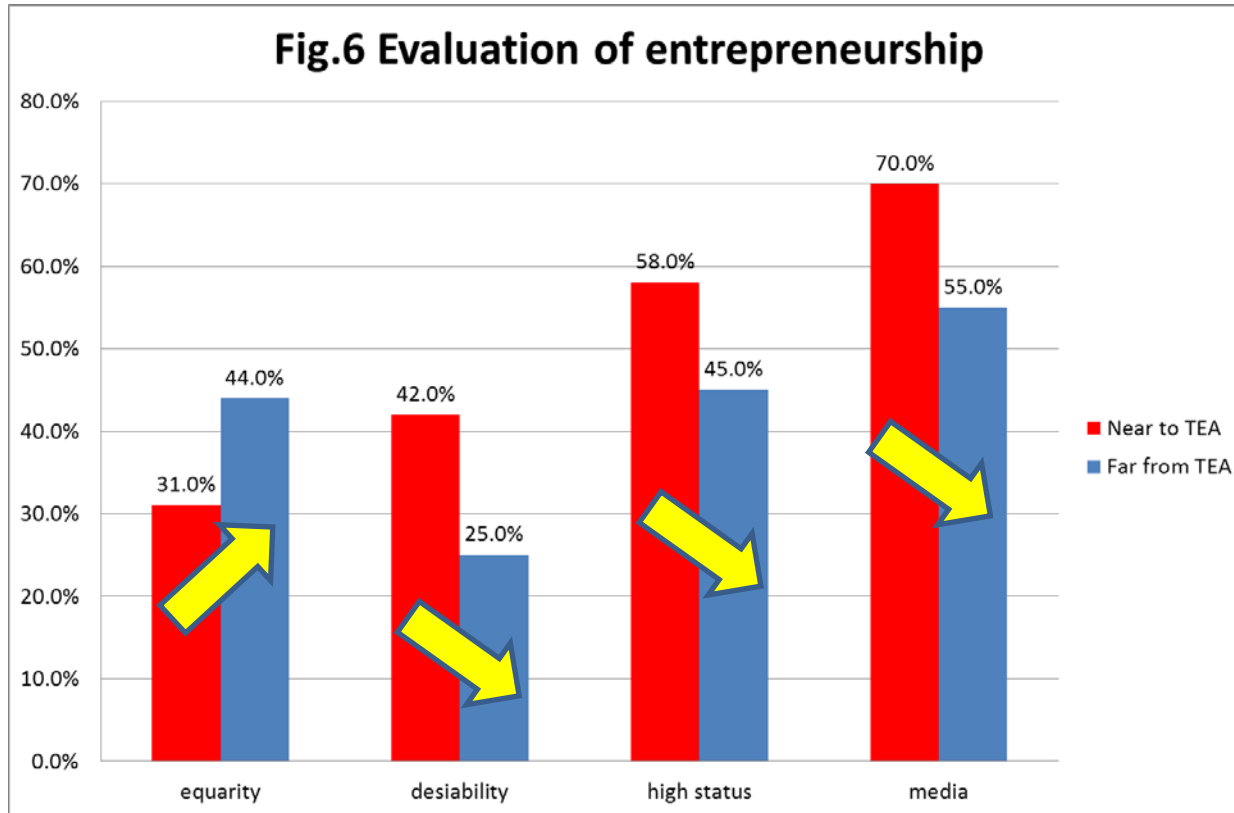
Balance

Japan



Clear difference between “Near to TEA” and “Far from TEA” group evaluation of entrepreneurship.

Clear difference between “Near to TEA” and “Far from TEA” group on evaluation of entrepreneurship.



- equality: respondents who would prefer that everyone had a similar standard of living
- desirability: respondents who consider starting a new business a desirable career choice.
- high status: respondents who think successful at starting a new business deserves a high level of status and respect
- media: respondents who often see stories in the public media about successful new businesses

But in other countries, ■ ■ ■ ■ ■ ■ ■ ■

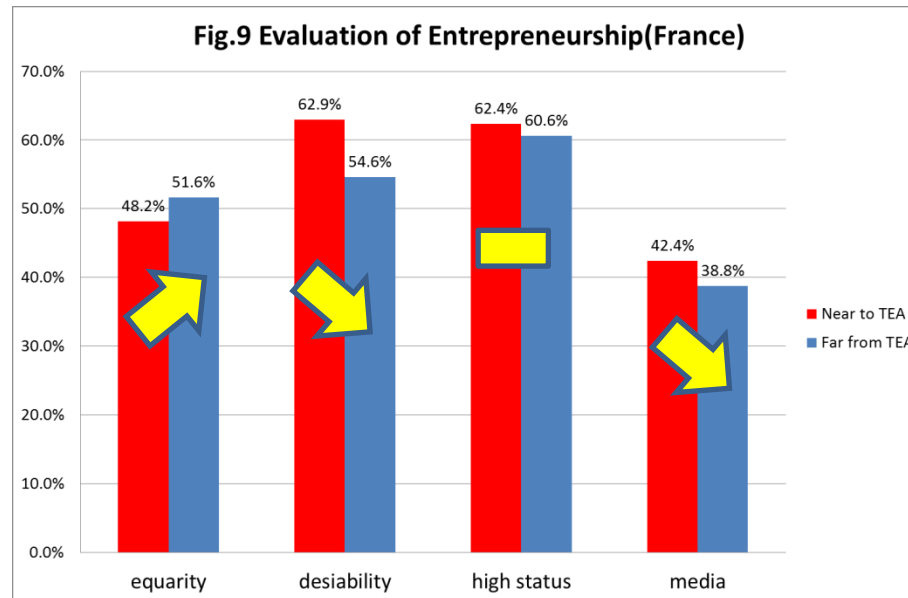
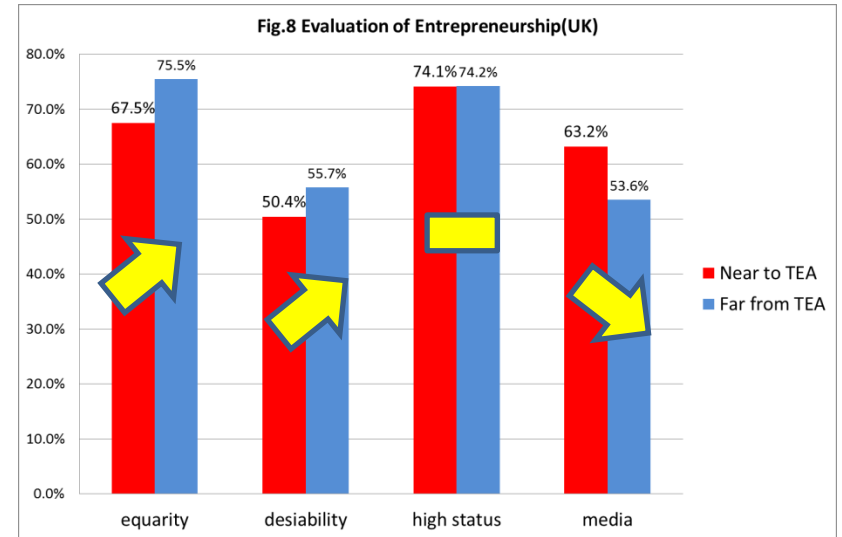
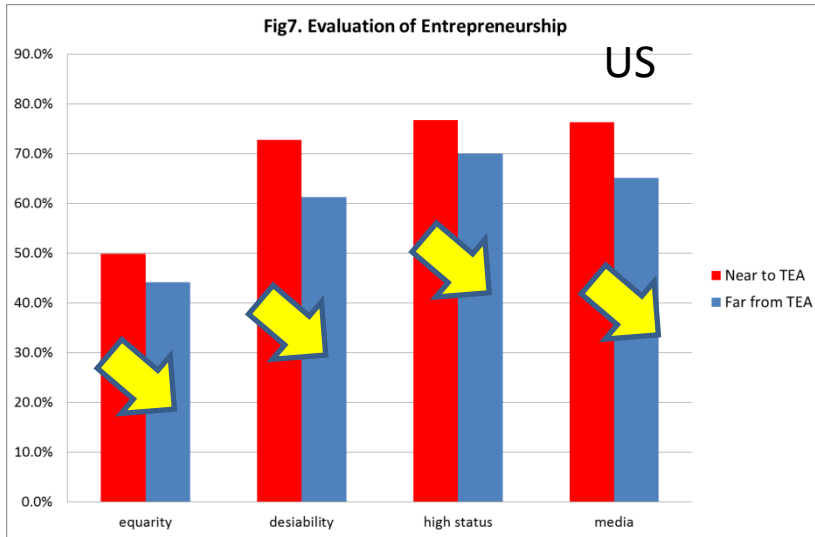


Fig.10 Evaluation of Entrepreneurship(German)

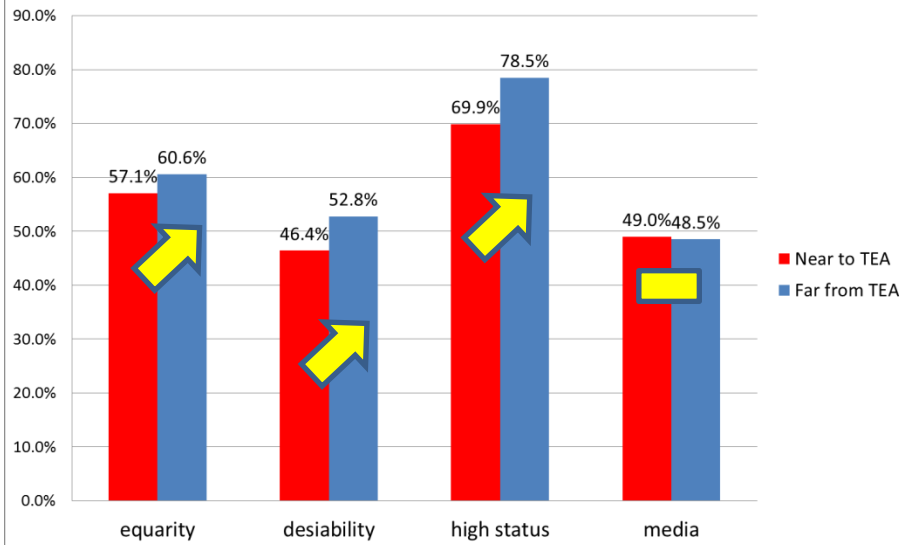
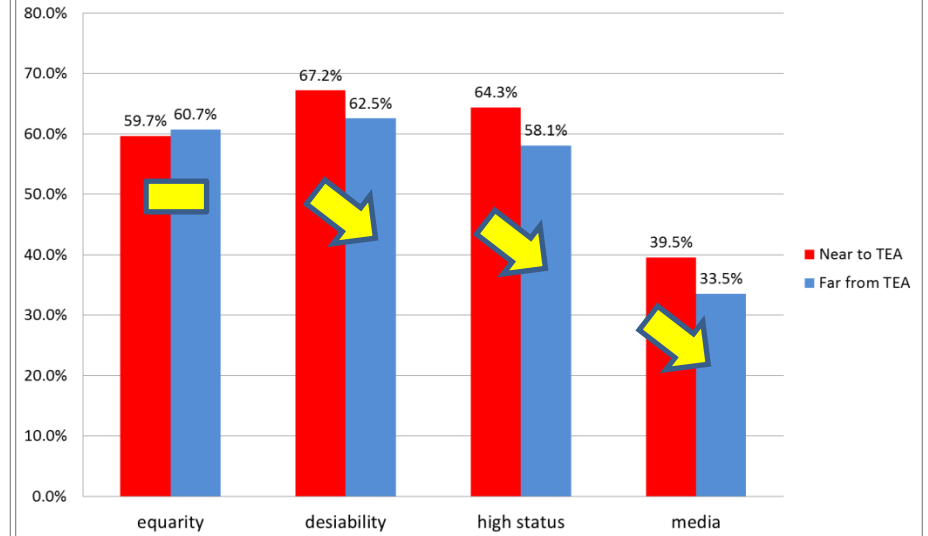
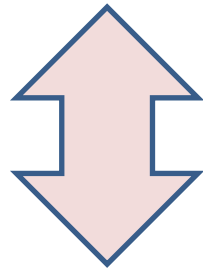


Fig.11 Evaluation of Entrepreneurship(Italy)



Summary 1: TEA in Japan

- Small number of respondents have knowledge, skill and experience of entrepreneurship
 - TEA in this group is **high** (“Near to TEA”).



**Gap about the evaluation
of entrepreneurship**

- Majority of respondents are distant from entrepreneurship (“Far from TEA”).

Summary 2: Unique Japanese TEA

- More knowledge, more fear (“Near to TEA”, minority)

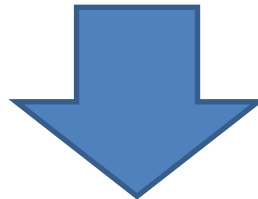
vs.

Less knowledge, less fear (“Far from TEA”, majority)

– Polarized attitude toward entrepreneurship among Japanese respondents

- “Near to TEA”: energetic would-be entrepreneurs
 - “Far from TEA”: negative evaluation for entrepreneurship
- “Near to TEA” is surrounded by “Far from TEA”

From this point



For entrepreneurs, Japan is a hard country to live in.

Thank you for your attention