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The entrepreneurial ladder and its determinants

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Notes

1

http://europa.eu.int/comm/enterprise/enterprise_policy/survey/eurobarometer_intro.htm

²Following this literature we also apply quadratic terms for age and education next to the linear ones.

³We also ran regressions with 1) all engagement levels, 2) only without engagement level (2a) and 3) only without engagement level (5a). It turns out that all diagnostics are in fact

⁴We use the log-likelihood function in the heteroskedasticity test. The log-likelihood function is distributed under the null hypothesis (no heteroskedasticity). Note that the test statistic is a value of a χ^2 distribution with 2 degrees of freedom. The test is based on the ordered eigenvalues of the Hessian matrix. The test is based on the ordered eigenvalues of the Hessian matrix. The test is based on the ordered eigenvalues of the Hessian matrix.

⁵To illustrate the test, we consider the following levels. One can now see that the test is based on the ordered eigenvalues of the Hessian matrix. The test is based on the ordered eigenvalues of the Hessian matrix. The test is based on the ordered eigenvalues of the Hessian matrix.



estimated. When these coefficient vectors do not significantly differ from each other, there is no reason to reject the 'parallel regression assumption'.

⁶The computation of the marginal effects is done as follows: for each observation a marginal effect is calculated and the sample averages of these values are displayed in [Table 2](#) for each variable. The p-values of these effects are comparable to p-values of the coefficients of the binary regressions in the same table.

⁷If the 'parallel regression assumption' is not violated for a variable, this does not necessarily imply that the marginal effects in [Table 2](#) are statistically the same across all binary regressions.

⁸Furthermore, we investigated the redundancy of the variables in the heteroskedastic specification (testing for each j) with a likelihood ratio test statistic (7 degrees of freedom, 0.05 critical value is 14.07). The four test statistics given in [Table 3](#) (79.42; 69.08; 58.20; 51.22) are all in excess of 14.07, leading us to the conclusion that for each binary regression the heteroskedastic specification is again preferred to the homoskedastic specification. We also assessed the significance of each binary heteroskedastic regression in its totality (46 degrees of freedom, 0.05 critical value is 62.83). The four test statistics given in [Table 3](#) (3343.66; 2034.88; 1776.52; 1351.76) are all in excess of 62.83.

⁹These measures are based on the findings of Reynolds et al., 2008, who found that the level of activity (Reynolds

¹⁰For each variable, the level of activity becomes higher than those obtained from the point of any level of activity. The highest level of activity is instead of 51.

¹¹Reynolds et al. (2008) reported two or more firm decisions during its peak for the age



¹²The turning point for education resulting from the coefficients in [Table 1](#) takes the value of 47 for the variable 'age when finished full time education'.

¹³The absence of a significant impact of the perception of lack of financial support as well as the unambiguous influences of the perception of administrative complexities, preference for self-employment and risk tolerance are in line with findings in earlier studies using different non-ordered models but also based on the 'Flash Eurobarometer survey on Entrepreneurship' data sets of different years (Grilo and Thurik, [2005a](#), 2008; Grilo and Irigoyen, [2006](#)).

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