

**An Extended Abstract of:**

**Cultural roots of entrepreneurship:  
Evidence from second-generation immigrants**

**JOHANNES KLEINHEMPEL**

Alliance Manchester Business School  
The University of Manchester  
Manchester, United Kingdom  
Email: johannes.kleinhempel@manchester.ac.uk

**MARIKO J. KLASING**

Faculty of Economics & Business  
University of Groningen  
Groningen, The Netherlands  
Email: m.j.klasing@rug.nl

**SJOERD BEUGELSDIJK**

Faculty of Economics & Business  
University of Groningen  
Groningen, The Netherlands  
Email: s.beugelsdijk@rug.nl

## **ABSTRACT**

Entrepreneurial activity varies substantially across countries. Although a large literature has argued that national entrepreneurial culture plays an important role in explaining the international variation in entrepreneurial activity, the existing empirical evidence is rather mixed and evidence for a causal effect of culture is lacking. We study the importance of culture for entrepreneurship by examining the self-employment choices of second-generation immigrants. We argue that entrepreneurship is influenced by deeply held intergenerationally transmitted values and that second-generation immigrants are more likely to become entrepreneurs if their parents stem from countries characterized by an entrepreneurial culture. Using a sample of more than 55,000 second-generation immigrants from 41 countries of ancestry in the U.S. and multi-level modeling, we find that entrepreneurial culture is transmitted intergenerationally and has a significant positive effect on the likelihood that individuals become entrepreneurs. We replicate our findings for a sample of second-generation European immigrants. Our results are robust to a number of alternative explanations from immigrant and minority entrepreneurship research. Our analysis highlights the profound impact of culture on entrepreneurship and the context-independent intergenerational transmission of entrepreneurial culture.

**Note:** The full manuscript is available upon request.

**Keywords:** Entrepreneurship; National Culture; Entrepreneurial Culture; Causality