Entrepreneurship Across Cultural Contexts: What Hofstede's Model and GEDI Rankings Missed in Evaluating the Entrepreneurial Potential in Pakistan, Egypt, and Zambia

Dalia M. Sherif
Adjunct Faculty, University of Houston - Downtown
Brenda D. Rios
Director of Entrepreneurial Initiatives and Community Relations, Houston Community College

Abstract

This concept paper examines entrepreneurial culture and its national cultural fit based on two of the cultural dimensions within Hofstede's theory and the Global Entrepreneurship Index (GEDI) ranking, while comparing these with the actual entrepreneurial outcomes in Pakistan, Egypt, and Zambia. The GEDI ranking indicates the potential for countries to be responsive to entrepreneurial investment, which can impact the willingness of investors to venture into a country. Pakistan, Egypt, and Zambia were among the first beneficiaries of the Global Entrepreneurship Initiative (GEI) and its partner programs. The researcher(s) spent considerable time in the field, facilitating entrepreneurial initiatives in all three countries. Although the three countries have lower GEDI rankings, they have shown considerable entrepreneurship potential based on GEI's (or its partner programs) country reports. Additionally, when using two of Hofstede's cultural dimensions to assess openness for entrepreneurial initiatives, the three countries did not seem to provide a supportive ecosystem for entrepreneurial initiatives; other factors appear to have buffered these negative cultural forces. The following analysis will demonstrate that cultural dimensions and GEDI may no longer be effective indicators for the success and sustainability of donor programs targeting entrepreneurial initiatives and interventions.
To better understand how a country's culture impacts entrepreneurial initiatives, this concept paper proposes the need for an alternative construct to gauge favorable entrepreneurial environment, which has huge policy implications for global angel financing, venture capital, and seed funding. The analysis shows that the presumed correlation between some cultural dimensions, GEDI rankings, and the creation of successful start-ups may not always hold. Start-ups seem to provide a counter-cyclical cushion in low-income countries to survive periods of economic downturn in cultures that do not support new ventures and risk taking. This analysis will help prompt further research geared towards building a better assessment model that incorporates sociocultural perspectives, politico-economic regulatory factors, and technological infrastructures.

Key words

Culture, Entrepreneurship Initiatives, Global Entrepreneurship Index, Hofstede's cultural dimensions, Masculinity, Uncertainty avoidance.

Introduction

Entrepreneurial ventures and activities have their own unique cultural makeup. Countries' cultures, subcultures, and the global business environment, have an equally strong impact on entrepreneurs (Zhang, 2010). Dealing with cultural challenges has never been more important, especially if the venture operates within a specific market that has a seemingly non-entrepreneurial environment. The Global Entrepreneurship Monitor (GEM) defines entrepreneurship as a process of starting a new venture (or the expansion of an existing one), by an individual (or a team) who identifies and evaluates potential opportunities to create self-employment (GEM Egypt Report, 2013). Kuratko and Hodgetts (2004) defined entrepreneurship as an integrated concept that recognizes a need in a marketplace and addresses it in an innovative manner. Entrepreneurship is also viewed as an ability that can be both taught and learned (Kwiatkowski, 2004). In this paper, we will compare the actual performance of individuals in entrepreneurial initiatives in three countries to the expected performance based on the prominent cultural norms and the countries' Global Entrepreneurship and Development Index (GEDI) ranking. The GEDI methodology as an index for entrepreneurial ecosystem "collects data on the entrepreneurial attitudes, abilities, and aspirations of the local population and then weighs these against the prevailing social and economic conditions that are favorable to entrepreneurship" (GEDI report, 2016, para. 3). The GEDI rankings and indices (Appendix A) are commonly used to make decisions regarding grant funding that unleashes small business growth in low income countries.

Entrepreneurial success cannot be separated from cultural environment that determines behaviors and opportunities. The most important factors related to entrepreneurial success potential and sustainability across countries are linked to certain supporting

cultural aspects (Gupta, Hanges, & Dorfman, 2002). According to Licht and Siegel (2004), culture is a very subjective term. Culture refers to complex interwoven meanings, beliefs, norms, values, symbols, assumptions, and common practices in each society (Dahl, 2010; Markus & Kitayama, 1994). Hofstede (1980) defined national cultures based on primary dimensions: Power Distance (PDI), Individualism (IDV), Uncertainty Avoidance (UAI), Masculinity (MAS), and Long-Term Orientation (LTO). Hofstede later added a sixth dimension, Indulgence (IND), essentially to measure a society's desire for happiness (Hofstede, 2010). These elements are embedded in the values that make a group prefer certain behaviors to others. While Hofstede did not specifically focus on entrepreneurial concepts in his cultural discussion, the risk propensity, recognition for achievement, and the tolerance for ambiguity analysis are closely associated with the entrepreneurship dialogue much like risk acceptance and other variables comprising the 14 pillars of GEDI (Godin, Clemens, & Veldhuis, 2008; Thomas & Mueller, 2000). Taken together, cultural considerations are crucial for the substantial spread and adaptation of successful entrepreneurship practices in various contexts, and are also captured in the various elements of entrepreneurship including non-fear of failure, competition, and cultural support (Fig. 1.8).

The relationship between cultural contexts and entrepreneurship has long been of central interest to economists, psychologists, and sociologists. Although culture was found to be one of the main determinants of entrepreneurial startups in different countries more than a century ago, the real links between culture and entrepreneurship are still underexplored (Wach, 2015). The need for a deeper understanding of the role of sociocultural aspects of entrepreneurship is specifically rooted in the field of international entrepreneurship which focuses mainly on entrepreneurial differences across countries and cultures (Wach, 2015). According to Zhao, Lee, and Rauch (2012) there are two ways of linking culture to entrepreneurship. The first line assumes that culture has a direct manifestation in the behavior of people in one area (Hosftede, 1980). In other words, the national culture becomes the driver of entrepreneurial values and behaviors at the individual's level (Hayton et al., 2002). The second line, based on institutional theory, assumes that the informal factors including culture are the driving forces for formal institutions and entrepreneurial start-ups (North, 2005). Both lines underscore the tight link between culture and entrepreneurship.

Hofstede's cultural dimensions theory is considered the main framework for cross-cultural understanding. Hofstede's cultural dimensions affect the development of an entrepreneurial mindset. According to Hyton, George, and Zahara (2002), societies differ in their perception of entrepreneurship along all of Hofstede's cultural dimensions. The authors argued that a predominant number of empirical studies have used Hofstede's conceptualization of national culture, and that some domains remain insufficiently explored and developed. Their discussion shows some evidence that "broad cultural characteristics are associated with national levels of entrepreneurship. Specifically, high individualism, low uncertainty avoidance, and high power-distance have all been found to be associated with national rates of innovation" and with venture creation decisions (Hyton et al., 2002, p. 4). However, these relationships are not consistent over time and have not been systematically leading to aggregate indicators of entrepreneurship across cultures (Davidsson & Wiklund, 1997; Shane, 1993). Researchers have posited that entrepreneurship is facilitated by cultures that are high in IND, high in PDI, high in MAS, and low in UAI (Hyton et al., 2002; McGrath, MacMillan, Yang, & Tsai, 1992; Scheinberg & MacMillan, 1988). Multiple cultural dimensions reflect people's orientations and culturally-related attitudes towards risk and reward, especially if the potential gains are not immediate or even guaranteed. According to Licht and Siegel (2004), western cultures, whose profiles are more embedded in autonomy and individuality, have an individualism score ranging from as high as 91 in the United States to 61 in Spain. On the other hand, scores in countries where achievement is viewed as a more collectivist activity range from 38 in some Arab countries to 12 in some Latin American societies (Hofstede, 1994, 1980; Licht & Siegel, 2004; Tamas, 2007). Researchers also suggested that a culture that combines high PDI, IDV, and low UAI, which is common in English-speaking countries, is one of the most supportive of entrepreneurship (McGrath et al., 1992; Shane, 1994, 1995). Cultural

dimensions, entrepreneurial success, and sustainability were also analyzed individually with a focus on risk tolerance as the main predictor for successful entrepreneurs and young graduate start-ups.

This paper will focus on UAI and MAS scores in three countries that benefited from the Global Entrepreneurship Program (GEP), a U.S. government program that focused on supporting and empowering entrepreneurs globally, or one of its partner programs. The GEP's mission is "to promote entrepreneurship and innovation by coordinating private sector partners and government programs that support entrepreneurs around the world" (U.S. Department of State GEP website, 2016, para. 1). GEP supports establishing integrated entrepreneurial ecosystems by focusing on key areas of entrepreneurial development such as training, financing, and market access (U.S. Department of State GEP website, 2016). "GEP's partners include both domestic and global non-governmental organizations, foundations, educational entities, investors, and others" (U.S. Department of State GEP website, 2016, para. 3). To develop and support entrepreneurship ecosystems, GEP partner organizations are asked to further their global entrepreneurial activities, either by expanding current programs or strengthening existing ventures.

The reason for focusing on UAI and MAS scores is that their entrepreneurial associations were extensively covered in recent literature. Most researchers agreed that low UAI and high MAS provide a conductive entrepreneurial environment. Accordingly, the relatively high UAI and low MAS in Pakistan, Egypt, and Zambia represented a poor entrepreneurial ecosystem during the evaluation phase for potential GEP beneficiaries. However, GEP and one of its partner programs were still interested in supporting entrepreneurial initiatives in these pilot countries regardless of their low cultural entrepreneurship potential and their low GEDI ranking. The goal was to identify any links between U.S. government funding, development needs, and how the program outcomes matched GEDI rankings and Hofstede's cultural scores. Egypt was piloted as one of the emerging developing economies in Africa. Pakistan and Zambia were piloted based on their low GEDI ranking, which contradicted with preliminary data from some small scale entrepreneurial initiatives. The authors analyzed Pakistan, Egypt, and Zambia, after they have been reviewed by the GEP partner program, highlighting their successful entrepreneurial outcomes which their UAI, MAS, and GEDI may have initially negated. The prevailing hypothesis in the field is that countries with unfavorable UAI, MAS, and GEDI ranking will not be successful entrepreneurship development programs' beneficiaries. Nevertheless, based on the pilot programs' data indicating exceptional entrepreneurial success in all three countries, this paper argues otherwise. The discussion will highlight the discrepancy between the low entrepreneurship potential based on GEDI ranking and UAI, and MAS scores, and the actual success data from program reports.

Literature Review

Contrary to what most people think, UAI and risk avoidance are not synonymous. UAI is a broader score that represents the society's tolerance for ambiguity in general (Hofstede, 2011). It also refers to the extent a culture supports tolerance to unstructured, novel, unknown, or even surprising situations (Hofstede, 2011). High UAI cultures try to minimize these situations with strict behavioral codes disapproving uncertain models or ideas. Low UAI may be defined as the willingness and tolerance to enter into unknown or risky ventures (Hofstede, 2001). MAS, on the other hand, focuses on how society stresses masculinity as a trait associated with achievement and material reward, with clearly delineated gender social roles (Hofstede, 2001). According to Hancıoğlu, Doğan, and Yıldırım (2014), Frijns, Lehnert, and Tourani-Rad (2013), and Matusitz and Musambira (2013), UAI and MAS are key elements of the entrepreneurial discussion and analysis. UAI and MAS are also captured within the 14 factors accounting for the GEDI; represented by the risk acceptance and competition GEDI elements (Fig 1.8). Accordingly, these two dimensions were mostly used in entrepreneurial cultural discussions, analyses, and evaluations (Hancıoğlu et al., 2014; Frijns et al., 2013; Matusitz & Musambira,

2013). Research on the relationship between UAI and entrepreneurial success supported a possible negative correlation. The negative correlation suggests that unfamiliarity and ambiguity are frightening notions for some cultures, prompting individuals to refuse facing unusual ideas and seek optimal stability with the least possible risk (Hancıoğlu et al., 2014). According to Frijns et al. (2013) and Osoba (2009), high UAI may also be associated with the need for control and structure. Favoring structure may be a barrier to entrepreneurship which involves unknowns and innovative ventures.

High UAI and low MAS societies commonly have low GEDI rankings. Supporting entrepreneurs without a cultural backdrop of low UAI and high MAS may lead to limited chances for successful entrepreneurial startups. Hayton et al. (2002) posited that low UAI and high MAS are predictors of startup success. Hofstede et al. (2004) supported that low UAI motivates enterprising mentalities to drive and promote entrepreneurial steps (Hofstede, 2004; Noorderhaven et al., 2002; Noorderhaven et al., 2003; Wennekers et al., 2002). Comparing entrepreneurs to non-entrepreneurs in 13 countries, researchers found that entrepreneurs were consistently higher in PDI, IDV, and MAS and lower in UAI (McGrath, MacMillan, Yang, & Tsai, 1992). This paper will contrast the theoretical view based on UAI, MAS, and GEDI ranking for each of the three countries with the actual outcomes; providing an alternative practical assessment.

A Country-Specific Background

Pakistan. Promoting entrepreneurship is an important priority for Pakistan's socio-economic development as a job-creation engine. Yet, according to the Global Entrepreneurship Monitor (GEM) 2010 report, Pakistan had less than half the rate of early-stage entrepreneurial activity of comparable economies. Part of this problem is cultural, resulting from young university graduates' preference to search for jobs than to create start-ups. Although several jobs are low-paying or belong to the informal sector, they remain the better option for these young graduates (Global Entrepreneurship Monitor, 2010). It is not clear if youth are not taking advantage of entrepreneurial opportunities, or they mostly need mentoring on how to build and sustain successful start-ups.

Egypt. An overview of the data from a wide range of studies investigating entrepreneurial trends in Egypt reported very successful outcomes. Entrepreneurial studies zeroed in on youth employment, entrepreneurship as an alternative route to labor-market entry, livelihood improvement, and economic empowerment of young people (Population Council, 2012). The findings show that entrepreneurial development initiatives can unleash small-business growth if assessed on socio-cultural and policy perspectives, in addition to the commonly used economic perspective. According to the GEM's 2010 report, Egypt suffered some decline in Total Early Stage Entrepreneurial Activity rate (TEA), going from 13% in 2008 to 7% in 2010. However, that decrease in the TEA shows the decline of the entrepreneurial environment was expected to be transient. Of the total population in Egypt, 2.7 million are active entrepreneurs including nascent entrepreneurs (0-4 months-old enterprises), owners of young businesses (4-42 months old), and owners of established businesses (Global Entrepreneurship Monitor, 2010; Hattab, 2010). The business start-ups cut across various industries and sectors providing an attractive economic opportunity.

Zambia. According to Malunde (2002), entrepreneurship culture was not widely accepted in Zambia until the year 2000. The culture is very risk-intolerant, and borrowing money for a start-up was not culturally acceptable (Malunde, 2002). The author posited that Zambia's entrepreneurship stumbling blocks combined both nature and nurture. The culture was not ready to accept pro-entrepreneurship ideology, and the deep-rooted masculine insights recognized assertiveness and material rewards as a measure of success more than creativity and cooperation (Malunde, 2002). Informal sector and entrepreneurship were used interchangeably within the Zambian society, not realizing that effective business skills and strategies in the realm of the latter give it a different

character and purpose (Malunde, 2002). In other words, the tough entrepreneurship environment and firmly embedded ideologies have long projected misconceptions and challenges for entrepreneurship evolution in Zambia.

Approach and Analysis

The UAI and MAS scores for Pakistan, Egypt, and Zambia were 70 and 50; 80 and 45; and 50 and 40 respectively (Hofstede, 1998, 2011). They also fell in the fourth quartile (Egypt and Zambia) and the bottom quartile (Pakistan) based on 2016 GEDI ranks of 109, 89, and 102 respectively (Acs, Szerb, & Autio, 2016). The paper examines some of the factors that allowed these countries to be successful in creating an entrepreneurial environment, despite the unfavorable UAI, MAS and GEDI ranks. The analysis uses archival data from country specific reports and published records from GEP or its partner programs. The study's purpose is to draw attention to countries that lack culturally driven success factors or favorable GEDI rankings, and have still proven entrepreneurially successful. The argument here is that in some countries where the culture does not support risk taking or achievement, entrepreneurship culture can be alternatively driven by the economic needs and opportunity cost.

A quantitative correlation or regression analysis were not possible at this point since each country has a single data point for each cultural dimension and GEDI ranking. The recommendations based upon the findings will focus on policy implications for start-up funds, initiatives, and entrepreneurial technical support in developing countries, whether in the form of incubators, accelerators, angel groups, or seed financing. The countries benefiting from international assistance programs that seek to improve core aspects of entrepreneurial and small-business development, including partnerships, technical assistance programs, grant financing, micro-lending, angel networks, and business incubation, require a deeper analysis of entrepreneurial trends not only based on GEDI and prevailing cultures, but also on job creation needs and politico-economic climates. Entrepreneurial initiatives in the three countries analyzed below are highly valued against any culturally rooted uncertainties for providing an alternative route to creating jobs and diversifying the economic base. Entrepreneurial start-ups provide an economic refuge rather than a source of innovation and risk taking that their MAS and UAI scores may not support.

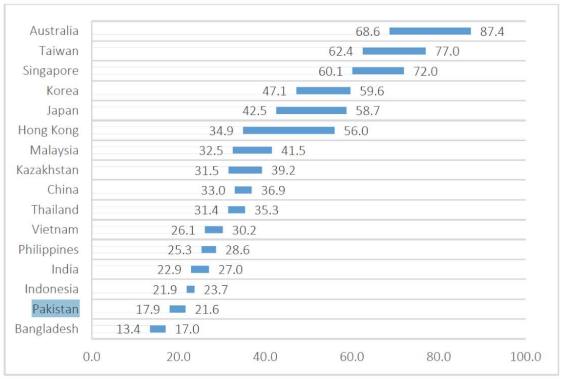
A climate that discourages entrepreneurial and small business development, reflected in the GEDI ranking and some of Hofstede's dimensions, may no longer be a barrier to entrepreneurs, as the analysis reveals. Entrepreneurial initiatives can leverage economic development needs rather than cultural aspects to build global entrepreneurial networks that can thrive globally and foster sustainable development. Either one or both authors have worked with GEP or one of its partner programs in at least one of these three countries. The authors analyzed the results from GEP and its partner programs and used public records to compare the actual and expected results until 2016. GEP permission to use their publicly available data was obtained by email before the paper was written.

Analyzing Pakistan

According to the GEDI 2016 report, Pakistan entrepreneurial ecosystem depends on the talented entrepreneurs, well-functioning infrastructure, finance, and regulatory framework in bringing change to the economy. Factor-driven countries with low gross domestic product (GDP), such as Pakistan are at the bottom of the entrepreneurship ranking (Acs, Szerb & Autio, 2016). As shown in figure (1.1), and the 2016 GEDI report (Appendix A), Pakistan ranks 109 out of 132 countries studied, with a low confidence interval of 17.9 through 21.6 points. This indicates a poor ranking in the Asia-Pacific region, mostly influenced by local insecurities and a sensitive political ecosystem. The ranking also highlights that activities that promote an innovative lifestyle may not be widely

practiced. However, based on the co-author's experience with GEP partner programs, archival data, and public records, Pakistani beneficiaries are among the highest performers when it comes to innovating, creating successful startups, and completing entrepreneurship training plans.

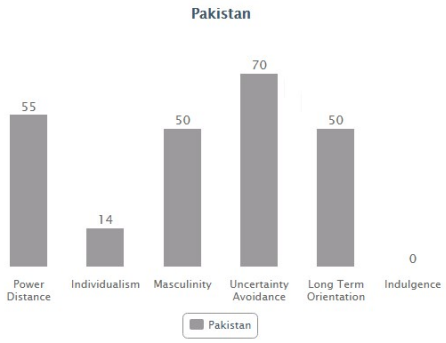
Figure (1.1): Confidence Intervals for Asia-Pacific Countries



Source: Global Entrepreneurship Index 2016

Based on Hofstede's cultural value dimensions in figure (1.2), Pakistan scores 70 on UAI and thus has a high preference for avoiding uncertainty (Hofstede, 2011). Pakistan scores an intermediate score of 50 on MAS reflecting no preference to Masculinity (Hofstede, 1998, 2001, 2011). With a 70 on UAI, Pakistanis are expected to avoid uncertainty with rigid codes of behavior and intolerance to new ideas; innovation is mostly resisted, and security is their primary motivation. If UAI commonly derails entrepreneurship, Pakistan seems to project a different model where high UAI and intermediate MAS are in fact conducive for successful entrepreneurial and innovative ecosystems. It is a need-driven situation where entrepreneurs thrive without being derailed by cultural, legal, or technological challenges (Noorderhaven et al., 2003; Noorderhaven et al., 2004; Wennekers et al., 2002). This is a situation where the theoretical success expectations do not coincide with the actual results obtained and published.

Figure (1.2): Hofstede Cultural Dimensions for Pakistan



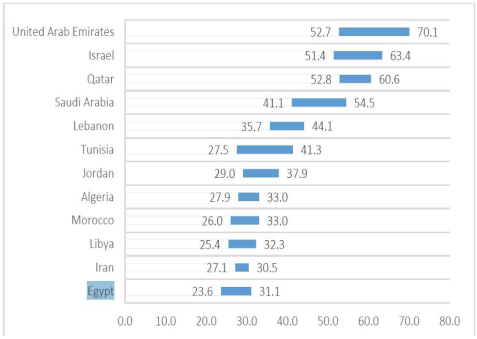
Source: Geert Hofstede Website https://geert-hofstede.com/egypt.html

Analyzing Egypt

After the political and social protests that rocked Egypt during the spring of 2009, it was believed that the entrepreneurship activity would slow because of turmoil in the country. However, the motivation for start-ups flourished, and Egyptians were encouraged to participate in many types of entrepreneurial accelerators and incubators to engage them into a more constructive way of improving

their lives (Acs, Szerb & Autio, 2016). The following will analyze the expected results from Hofstede and GEDI versus the actual results obtained from GEP initiatives and its partner programs.

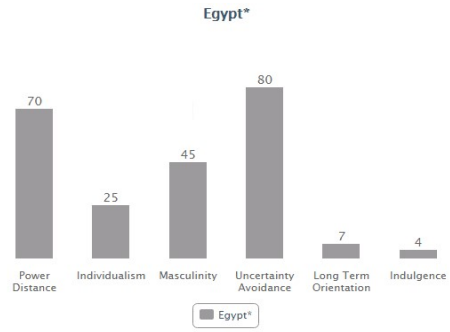
Figure 1.3: Confidence Intervals for MENA Countries



Source: Global Entrepreneurship Index 2016

Egypt's confidence interval, as shown in figure (1.3) above, falls within a range of 23.6 to 31.1 points. A GEDI ranking of 89 is considered low compared to other countries in the Middle East and North African (MENA) region. From figure (1.4), Egypt scores 80 on UAI, and thus has a high preference for avoiding uncertainty. Countries exhibiting high UAI are threatened by ambiguous situations and create strong behavioral codes to avoid risk (Hofstede, 2011). In these cultures, there is an emotional need for rules, and innovation can be resisted (Hofstede, 1998, 2001, 2011). Egypt also scores 45 on MAS and is thus considered a relatively feminine society (Hofstede, 2011). A low score on MAS reflects values of caring for others and for quality of life, yet, standing out from the crowd is not considered socially admirable (Hofstede, 1998, 2001, 2011). Once again, the cultural implications projected by MAS, UAI, and GEDI ranking do not predict an environment that strongly supports entrepreneurs, contrary to actual successful program results.

Figure (1.4): Hofstede Cultural Dimensions for Egypt



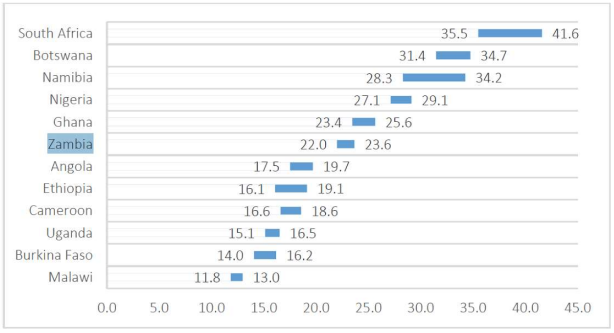
Source: Geert Hofstede Website https://geert-hofstede.com/egypt.html

The political and economic changes in Egypt projected positively on entrepreneurial startups as job creation engines. These possible relationships need to be further explored and investigated using qualitative or mixed methods. Although the UAI, MAS, and GEDI rank may preclude a favorable entrepreneurial culture, Egypt was among the most successful beneficiaries of GEP and its partner programs. In Egypt, GEP efforts resulted in extensive awareness of entrepreneurship initiatives with more than 2,800 participants between 2011 and 2014, which led to the creation of 63 new businesses (11 women-owned), and generated approximately 400 new jobs (Devex website, 2017). This paved the way for GEP partners to help form the first angel investors' group, facilitate three angel investor deals worth $3.5 million, and train more than 1,650 aspiring entrepreneurs to refine their business models (Devex website, 2017). Egypt is still considered one of the most successful entrepreneurship models since the onset of GEP.

Analyzing Zambia

The 2016 GEDI report shows Zambia with a ranking of 102 out of 132 countries studied (Appendix A), with a confidence interval of 22.0 through 23.6 (Fig. 1.5). This indicates that though not ranked at the bottom within the Sub-Saharan African countries, Zambia is still a tough entrepreneurial ecosystem where individuals are mostly skeptical in considering this as a career path.

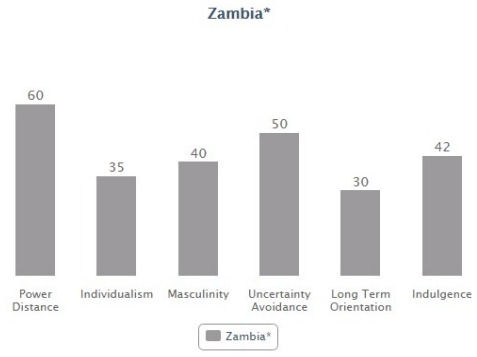
Fig. 1.5: Confidence Intervals for Sub-Saharan African Countries



Source: Global Entrepreneurship Index 2016

As seen in the Hofstede's dimension of cultural scales (Fig. 1.6), Zambia has a score of 50 on the UAI scale, and 40 on the MAS scale (Hofstede, 1998, 2011). The score indicates an intermediate UAI and a low MAS scale, respectively. UAI deals with how much it is culturally believed that the future cannot be foreseen or controlled, and how members of one society feel threatened by the future (Hofstede, 1998). As such, a score of 50 reflects no risk preference which does not make Zambia a promising entrepreneurial culture. With a MAS score of 40, Zambia is considered a feminine society where people are relationship-oriented and strive for consensus, equality, solidarity, and quality in their working lives (Hofstede, 2011). Intrinsic incentives such as flexibility and free time are preferred, and decision making is achieved through involvement (Hofstede, 2001, 2011). Compromise and negotiation are valued, and flexibility may be favored more than accomplishment, wealth, and achievement (Hofstede, 2011).

Fig (1.6): Hofstede Cultural Dimensions for Zambia



Source: Geert Hofstede Website https://geert-hofstede.com/egypt.html

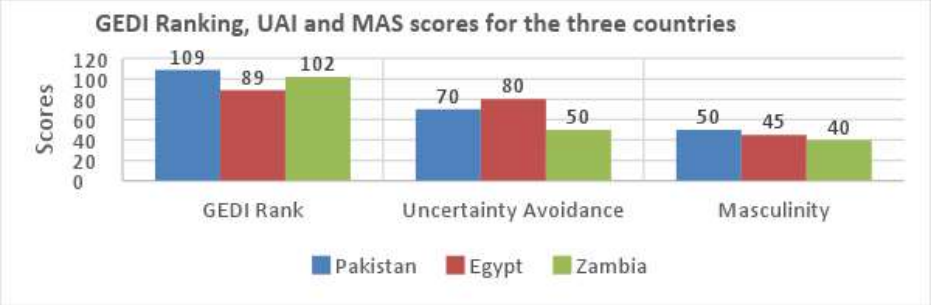
In reality, Zambians were seen as promising successful entrepreneurs who found their start-ups to be the gateway for economic survival and future prosperity. Building on the successful efforts of GEP partner programs, a public-private partnership program was developed with the goal of establishing a physical entrepreneurial community centered in safe and centralized locations for women. These hubs are primarily geared towards providing access to the essential resources required for starting or growing businesses (US Embassy in Zambia website, 2015). This can also be related to the MAS score that seem to have contributed to a reduced gender gap

in the Zambian culture. In Zambia, GEP partner initiatives were welcomed as engines of growth and employment. Zambia's continued economic growth will partly depend on the ability of its entrepreneurs to sustain their growth (U.S. embassy in Zambia website, 2015). The entrepreneurship programs in Zambia catalyzed economic growth, poverty reduction, and empowering women. GEP partners were very successful in promoting opportunities for entrepreneurship and encouraging innovation and risk taking towards youth entrepreneurship and self-employment. Again, further investigation and exploration are recommended to highlight the sources of discrepancies between the cultural environment and actual outcomes.

Discussion

The UAI, MAS, and 2016 GEDI rankings plotted in figure (1.7), suggest that entrepreneurial motivation in the three countries analyzed above seemed low and the probabilities for an entrepreneurial-supporting ecosystem were not strong. Based on the GEP and its partner programs success stories, these cultures were proven very conducive to entrepreneurship driven by the economic needs rather than innovation or pushing their startups creatively. The adverse economic conditions captured by a medium Human Development Index (UNDP Human Development Report, 2016), seem to make these countries more tolerant to uncertainty in search of more economic prosperity.

Figure (1.7): GEDI, UAI, and MAS for Pakistan, Egypt, and Zambia



Conclusion

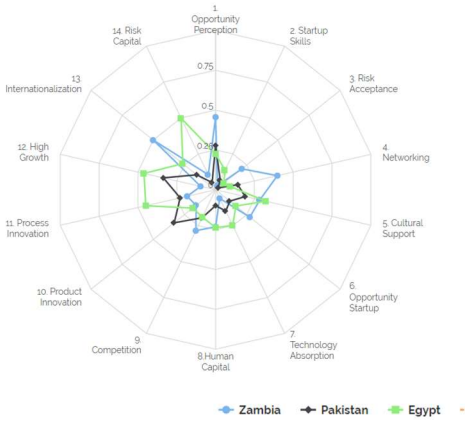
One of the main objectives of the paper is to explore the impact of cultural and social norms on evaluating entrepreneurship initiatives in various developing countries and recommend non-conventional ways of evaluating the social aspects of entrepreneurship success. Decades ago, Shahpiro and Sokol (1982) have recommended a combination of factors for evaluating entrepreneurial success in one country, recasting the culture emphasis to a combined interplay of factors that influence entrepreneurial intentions; what the authors referred to as the 'entrepreneurship event'. The lack of a coherent definition of an individual entrepreneurial intent, and the absence of country-specific micro and macro success metrics threaten global entrepreneurship initiatives (Bruyat & Julien, 2001; Shane & Venkataraman, 2000; Thompson, 2009). The modern entrepreneurial success formula needs to integrate more sociocultural and econometric factors to better guide development initiatives.

There is a possible relationship between areas of politico-economic unrest and the success of entrepreneurship endeavors, perhaps because of the economic challenges that prevail accordingly. Socioeconomic hardships may also lead to entrepreneurial success because of the need for an alternative form of economic adaptation to survive, rather than to promote creativity and innovation. As shown in the three cases above, and with their scores on cultural dimensions as well as GEDI, entrepreneurs thrived even though there may be insecurity, low economic development, or seemingly insufficient technological infrastructure reflected by their GEDI

rank (Fig 1.8). The need to construct a better place to live and the economic conditions can provide a much higher incentive for entrepreneurs.

Based on the analysis of these three countries, when managing international entrepreneurship technical assistance, start-up gardening programs, micro and angel financing programs, incubators, accelerators, angel venture capital, and endowments, donors need to reconsider what qualifies as a favorable entrepreneurship culture. Certain countries may qualify as high-potential beneficiaries even if their cultures or GEDI ranks are far from being entrepreneurial. Developers of business incubators and international financing programs, micro-lending, and angel networks need to reconsider the current entrepreneurial success formulas. The entrepreneurial success factors that include culturally rooted aspects need to be reconstructed by formulating a tracking system that analyzes the entrepreneurial potential for the prospective countries based on a more need-driven outlook. Moreover, a more inclusive entrepreneurial success formula can be developed based on the current analysis and more factors can be added to the sub-indices and pillars contributing to the GEDI (Fig. 1.8).

Fig. 1.8: The Fourteen Pillars of GEDI for Pakistan, Egypt, and Zambia



Sources: GEDI Report (2016); Godin, Clemens, and Veldhuis (2008)

Recommendations for Future Research

The previous comparison highlighted an unexpected trend for entrepreneurial success in all three countries. Hofstede scores for UAI and MAS for each of the three countries did not predict entrepreneurial success in a cultural context. Future research may consider other cultural dimensions and other countries with similar trends. More phenomenological qualitative research is recommended to unravel hidden facts about successful entrepreneurs in all three countries, including more culturally-embedded reasons that may have contributed to this success. Although the socioeconomic, political, and demographic characteristics of all three countries are different, they all exhibited a successful pattern of adapting to the entrepreneurship culture that appeared to be more driven by need than propelled by culture.

Appendix A- Global Entrepreneurship Index 2016 Rankings

Rank	Country	GEI
1	United States	86.2
2	Canada	79.5
3	Australia	78.8
4	Denmark	76.8
5	Sweden	75.9
6	Taiwan	69.7
7	Iceland	68.9
8	Switzerland	67.8
9	United Kingdom	67.7
10	France	66.4
11	Singapore	66.0
12	Ireland	65.6
13	Netherlands	65.4
14	Germany	64.6
15	Austria	62.9
16	Chile	62.1
17	Belgium	62.1
18	Finland	61.8
19	United Arab Emirates	61.4
20	Norway	61.1
21	Israel	57.4
22	Estonia	57.3
23	Luxembourg	57.2
24	Qatar	56.7
25	Lithuania	54.8
26	Latvia	53.5
27	Korea	53.4
28	Turkey	52.7
29	Bahrain	52.4
30	Japan	50.6
31	Slovenia	50.4
32	Spain	50.2
33	Portugal	50.0
34	Poland	49.3
35	Puerto Rico	48.1
36	Saudi Arabia	47.8
37	Slovakia	46.4
38	Oman	45.9
39	Kuwait	45.6
40	Hong Kong	45.4
41	Hungary	45.1
42	Romania	44.9
43	Colombia	44.8
44	Czech Republic	44.2
45	Greece	42.1
46	Bulgaria	41.6
47	Uruguay	41.3
48	Italy	41.1
49	Cyprus	41.0
50	Lebanon	39.9
51	Croatia	39.9
52	South Africa	38.5
53	Barbados	38.5
54	Montenegro	37.5
55	Brunei Darussalam	37.3
56	Malaysia	37.0
57	Macedonia	36.6
58	Costa Rica	36.2
59	Kazakhstan	35.4
60	China	34.9
61	Argentina	34.8
62	Tunisia	34.4
63	Ukraine	33.5
64	Jordan	33.5
65	Thailand	33.4
66	Botswana	33.1
67	Panama	32.4
68	Russia	32.2
69	Bolivia	32.1
70	Peru	32.0
71	Dominican Republic	31.7
72	Moldova	31.3
73	Namibia	31.3
74	Serbia	30.9
75	Algeria	30.5
76	Albania	30.0
77	Belize	29.8
78	Morocco	29.5
79	Libya	28.9
80	Iran	28.8
81	Georgia	28.7
82	Bosnia and Herzegovina	28.6
83	Trinidad & Tobago	28.2
84	Vietnam	28.2
85	Nigeria	28.1
86	Gabon	27.8
87	Mexico	27.6
88	Ecuador	27.4
89	Egypt	27.3
90	Jamaica	27.3
91	Philippines	27.0
92	Brazil	26.1
93	Paraguay	26.0
94	Lao PDR	25.9
95	Swaziland	25.8
96	El Salvador	25.6
97	Sri Lanka	25.5
98	India	24.9
99	Ghana	24.5
100	Venezuela	24.1
101	Cambodia	23.0
102	Zambia	22.8
103	Indonesia	22.8
104	Kenya	22.1
105	Honduras	21.9
106	Senegal	21.7
107	Guatemala	21.1
108	Guyana	19.8
109	Pakistan	19.8
110	Nicaragua	19.4
111	Suriname	19.3
112	Angola	18.6
113	Rwanda	18.3
114	Ethiopia	17.6
115	Cameroon	17.6
116	Mozambique	17.6
117	Myanmar	17.5
118	Gambia, The	17.4
119	Liberia	17.3
120	Côte d'Ivoire	17.0
121	Tanzania	16.8
122	Mali	16.6
123	Uganda	15.8
124	Benin	15.8
125	Bangladesh	15.2
126	Burkina Faso	15.1
127	Madagascar	14.6
128	Sierra Leone	14.3
129	Mauritania	13.2
130	Malawi	12.4
131	Burundi	11.9
132	Chad	9.9

Source: Acs, Szerb, and, Autio (2016)

References

Acs, Z. J., Szerb, L., & Autio, E. (2016). Global Entrepreneurship Index 2016. The Global Entrepreneurship and Development Institute. Retrieved from https://thegedi.org/

Bruyat, C., & Julien, P.A. (2001). Defining the field of research in entrepreneurship. *Journal of Business Venturing*, *16*(2), 165-180.

Dahl, S. (2010). An overview of intercultural research. Retrieved from http://stephan.dahl.at/intercultural/about_culture.html

Frijns, B., Gilbert, A., Lehnert, T. & Tourani-Rad, A. (2013), Uncertainty avoidance, risk tolerance and corporate takeover decisions. *Journal of Banking and Finance*, *37*, 2457-2471

Global Entrepreneurship Program (GEP) in Egypt. (2017). Retrieved from https://www.devex.com/impact/partnerships/global-entrepreneurship-program-gep-in-egypt-484

Global Entrepreneurship Monitor. (2010). GEM Report. Retrieved from www.gemconsortium.org/

Global Entrepreneurship Monitor. (2016). GEM Report. Retrieved from www.gemconsortium.org/

Godin, K., Clemens, J., & Veldhuis, N. (2008). Measuring entrepreneurship conceptual frameworks and empirical indicators. *Studies in Entrepreneurship Markets*, *7*, Vancouver, Canada: Fraser Institute.

Gupta, V., Hanges, P. J., & Dorfman, P. (2002). Cultural clusters: Methodology and findings. *Journal of world business*, *37*(1), 11-15.

Gupta, V., MacMillan, I. C., & Surie, G. (2004). Entrepreneurial leadership: developing and measuring a cross-cultural construct. *Journal of Business Venturing*, *19*(2), 241-260.

Hancıoğlu, Y., Doğan, U., & Yıldırım, S. (2014). Relationship between uncertainty avoidance culture, entrepreneurial activity and economic development. *Procedia of Social and Behavioral Sciences*, *150*(15), 908-916. doi.org/10.1016/j.sbspro.2014.09.100

Hattab, H. (2010). Egypt Entrepreneurship Report. Retrieved from www.silatech.com/.../global-entrepreneurship-monitor-gem-egypt-report

Hattab, H. (2013). GEM Egypt 2012 Report. GEM - Global Entrepreneurship Monitor. Retrieved from http://www.gemconsortium.org/docs/3005/gem-egypt-2012-report

Hayton, J., George, G., & Zahra, A. S. (2002). National culture and entrepreneurship: A review of behavioral research. *Entrepreneurship Theory and Practice*, *26*, 33-49.

Hofstede, G. H. (1980). *Culture's consequences: international differences in work - related values*. Thousand Oaks, CA: Sage.

Hofstede, G.H. (1998). *Entrepreneurship in Europe*, Schuman Lecture 1998, Stadium Generale Maastricht/ House of Europe.

Hofstede, G. H. (2001). *Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations* (2d ed.). Thousand Oaks, CA: Sage.

Hofstede, G. H. (2010). *The 6-D model of national culture*. Geert Hofstede Academic Website. Retrieved from http://www.geerthofstede.nl/

Hofstede, G. (2011). Dimensionalizing cultures: The Hofstede model in context. *Online Readings in Psychology and Culture*, *2*(1). doi.org/10.9707/2307-0919.1014

Kwiatkowski, S. (2004). Social and Intellectual Dimensions of Entrepreneurship. *Higher Education in Europe*, *29*(2), 205-220.

Licht A. N., & Siegel, J. I. (2008). The Social dimensions of entrepreneurship. Retrieved from www.worldbank.org/.../Licht_and_Siegel_083104.pdf

Malunde, S. D. (2002). *Causes of failure of entrepreneurship in Zambia* (Master's dissertation). Retrieved from http://hdl.handle.net/123456789/215

Markus, H. R., & Kitayama, S. (1994). A collective fear of the collective: Implications for selves and theories of selves. *Personality and Social Psychology Bulletin, 20,* 568-579.

Matusitz, J., & Musambira, G. (2013). Power distance, uncertainty avoidance, and technology: Analyzing Hofstede's dimensions and human development indicators. *Journal of Technology in Human Services*, *31*, 42-60.

McGrath, R.G., Macmillan, I.C., Yang, E.A., and Tsai, W. (1992). Does culture endure, or is it malleable? Issues for entrepreneurial economic development. *Journal of Business Venturing*, *7*, 441-458.

Noorderhaven, N. G., Wennekers, S., Hofstede, G. H., Thurik, A. R., & Wildeman, R. E. (1999). *Self-employment out of dissatisfaction: An international study* (Working Paper). Tinbergen, Netherlands: Tinbergem Institute.

Noorderhaven, N. G., Thurik, A. R., Wennekers, S., & Van Stel, A. (2003). Self-employment across 15 European countries: *The role of dissatisfaction* (Working Paper). Rotterdam, Netherlands: Rotterdam School of Economics.

Noorderhaven, N. G., Thurik, A.R., Wennekers, A., Uhlaner, L., Kuratko, D. F., & Hodgetts, R. (2004). Entrepreneurship education in the 21st century: From legitimization to leadership. *Entrepreneurship Theory*, *Process and Practice*, *24*(5), 53.

North, D. C. (2005). *Understanding the process of economic change*. Princeton, NJ: Princeton University Press.

Osoba, B. J., (2009), Culture and entrepreneurial activity in the United States: A Quantitative Analysis. *The European Journal of Social Science Research*, *22*(3), 341-370.

Population Council Report. (2012). Retrieved from www.popcouncil.org/uploads/pdfs/ar12/AR2012.pdf

Shane, S. (1993). Cultural influences on national rates of innovation. *Journal of Business Venturing*, *8,* 59-73.

Shane, S. (1994). Cultural values and the championing process. *Entrepreneurship Theory and Practice*, *18*, 25-41.

Shane, S. (1995). Uncertainty avoidance and the preference for innovation championing roles. *Journal of International Business Studies*, *26*, 47-68.

Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review*, *25*(1), 217–226.

Shapero, A., & Sokol, L. (1982). *The social dimensions of entrepreneurship*. In The Encyclopedia of Entrepreneurship (pp. 72-90). Englewood Cliffs, NJ: Prentice Hall.

Scheinberg, S., & MacMillan, I. C. (1988). An 11-country study of motivations to start a business. In B. Kirchoff, W. Long, W. McMuUan, K. H. Vesper, W. Wetzel (Eds.), *Frontiers of entrepreneurship research*. Wellesley, MA: Babson College.

Tamas, A. (2007). Geert Hofstede's dimensions of culture and Edward T. Hall's time orientations: An intercultural organization development tool. Retrieved from http://spectrum.troy.edu/~vorism/hofstede.htm

Thomas, A. S., & Mueller, S. L. (2000). A case for comparative entrepreneurship: Assessing the relevance of culture. *Journal of International Business Studies*, *31*, 287-301.

Thompson, E. (2009). Individual entrepreneurial intent: Construct clarification and development of an internationally reliable metric. *Entrepreneurship Theory and Practice*, *33*, 669 - 694.

UNDP Human Development Index and its components. (2016). Retrieved from http://hdr.undp.org/en/composite/HDI

U.S. Department of State GEP Page. Retrieved from DOS website https://www.state.gov/e/eb/cba/entrepreneurship/

U.S. Embassy in Zambia. (2016). U.S. Government Supports New Women's Entrepreneurship Center. Retrieved from https://zm.usembassy.gov/u-s-government-supports-new-womens-entrepreneurship-center/

Walch, Z. (2015). Impact of cultural and social norms on entrepreneurship in the EU: Cross-country evidence based on GEM survey results. *Zarządzanie W Kulturze, 16*(1), 15-29. doi:10.4467/20843976ZK.15.002.3037

Wennekers, S., Thurik, R., Van Stel, A. & Noorderhaven, N. (2002). *Uncertainty avoidance and the rate of business ownership across 22 OECD countries* (Working Paper). Tinbergen, Netherlands: Tinbergen Institute.

Zhang, Yi. (2010). *Power distance and its moderating impact on empowerment and team participation* (Lingnan University). Retrieved from http://commons.ln.edu.hk/hkibswp/53

Zhao, X., Li, H., & Rauch, A. (2012). Cross-Country differences in entrepreneurial activity: The role of cultural practice and national wealth. *Frontiers of Business Research in China*, *6*(4), 447-474.