

The link between entrepreneurial activities and angel investment: an international comparison*

Yuji HONJO

Chuo University

Hiroki NAKAMURA

Chuo University

Abstract

This study explores the link between the probabilities of becoming an entrepreneur and an angel investor. Using data from the Global Entrepreneurship Monitor, we examine what types of individuals invest in new businesses. We present the estimation results for the odds ratio of entrepreneurial activities and angel investment, which may reflect the extent of entrepreneurial ecosystems at the country level. The results reveal the existence of a positive and significant link between entrepreneurial activities and angel investment, indicating that individuals who have experience in entrepreneurial activities are more likely to invest in new businesses. Moreover, we find that the link between entrepreneurial activities and angel investment differs across countries. Specifically, while the proportion of individuals who engage in angel investment in Japan is much lower than in some countries, the link between entrepreneurial activities and angel investment in Japan is greater than in other countries.

Keywords: Angel investment; Entrepreneurial activities; Entrepreneurial ecosystem; International comparison; Link; Odds ratio

JEL classification: G11, L26, M13

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