

Startup vs Traditional entrepreneurship: A comparative approach

Milena Panagiotopoulou, Valia Aranitou and Kostas Eleftheriou

Over the last decades the term “startup” has been used to describe a temporary business formation which takes high risk to yield higher return. In contrast to the majority of nascent ventures, startups intend to grow rapidly and innovate. For this reason, startups are different enough from the rest of young businesses in terms of their characteristics, function and social impact. Although it is believed that startups are more likely to create new jobs than established traditional companies and have greater social impact, startups tend to destroy jobs and trigger broad political, economic and ideological debates all over Europe. For instance, Uber has caused a number of demonstrations by the taxi unions and taxi drivers in many European countries including Greece. Airbnb has been also strongly accused of allowing private owners without a license to let out online their residential properties for short term leases. Consequently, startups like Uber and Airbnb can be seen as destroyers of safe union jobs. Generally the sharing –economy companies like them have faced criticism because they have caused radical changes both in business and working environment. One research question relates to whether high-growth startups like Uber and Airbnb lead to a healthier business and working environment or they contribute to the deterioration of social security and other labor standards, as well as of the business environment. This criticism has also implications for the perception of the entire startup economy. The second research question we seek to explore revolves around the sociological profile and background of startup entrepreneurs in order to trace differences and similarities with traditional entrepreneurs. To conclude, this paper will address Greek startup and traditional entrepreneurship through a comparative perspective with emphasis on their social impact and structure.