



Global
Entrepreneurship
Monitor



GEM 2024/2025 Global Report

Entrepreneurship Reality Check



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WOMEN'S
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CARTIER WOMEN'S INITIATIVE

The Cartier Women's Initiative is an annual international entrepreneurship programme that aims to drive change by empowering women impact entrepreneurs. Founded in 2006, the programme is open to women-run and women-owned businesses from any country and sector that aim to have a strong and sustainable social and/or environmental impact.

At the heart of the Cartier Women's Initiative is a vision of a world in which every woman impact entrepreneur can realise her full potential. Cartier Women's Initiative has partnered with GEM to generate evidence on the global state of women's entrepreneurship. This is critical for driving collaboration and enrolling more support for women entrepreneurs.



MINISTRY OF INDUSTRY AND TOURISM, SPAIN: ENISA

ENISA is a State-owned company that belongs to the Ministry of Industry and Tourism, whose mission is to help viable and innovative projects, driven by entrepreneurs or small and medium-sized Spanish companies, to find the necessary financing to develop and compete in a global market. This financial boost takes the form of participative loans of between €25,000 and €1,5 million. It is a financing alternative that is particularly suited to the needs of SMEs and requires no collateral or guarantee other than a solid business project and the professional solvency of its management team. Since 2022 ENISA has taken on the role of certifying entity for startups wishing to take advantage of the fiscal and social benefits of the so-called Startups Law, a pioneering legislation in Europe that creates a favourable legal environment for the growth and success of startups.



SPRI GROUP: BASQUE GOVERNMENT

The Basque Agency for Business Development (SPRI Group) is part of the Basque Government's Department of Industry, Energy Transition and Sustainability, established to promote Basque industry. The SPRI Group is dedicated to supporting, promoting and contributing to the competitive improvement of Basque companies; it works both with existing cybersecurity or digitalisation firms and with those in the process of being created. Through its initiatives, it contributes to the generation of wealth in the region and to the improvement of the welfare of citizens by means of sustainable human development, within the scope of the Basque Government's Economic Promotion Policy.



GOVERNMENT OF BIZKAIA

The Government of Bizkaia is the collegiate body responsible for the government and administration of the territory of Bizkaia. Through its Department of Economic Promotion it seeks to strengthen Bizkaia's position as an innovative, talented, attractive, connected and balanced territory. To this end, it has a wide range of policies that promote the creation of an ecosystem of support for advanced entrepreneurship — one of the strategic levers for the economic development of Bizkaia's business fabric. It also promotes the innovation and internationalisation of Bizkaia's SMEs and their adaptation to a digital economy; as well as the attraction and retention of talent and support for competitiveness at a regional level to achieve a balanced development among Bizkaia's regions and for all its economic initiatives.



BILBAO CITY COUNCIL

Bilbao City Council, through the Department of Economic Development, Trade and Employment, created Bilbao Ekintza, a municipal company to support and contribute to the economic development of the city and facilitate companies' creation and growth. It also seeks to support the access of companies to new markets. It promotes the development of commercial activity while still maintaining a commitment to being the driving force behind projects and initiatives from abroad. It also promotes the professional development of young people, valuing their talent and creativity. Finally, it attracts events and tourists to the city to generate wealth and employment.



OBSERVATORIO DEL EMPRENDIMIENTO DE ESPAÑA (OEE)

The Observatorio del Emprendimiento de España (OEE) is a non-profit association that collects, analyses and disseminates key data on entrepreneurial activity in the country. Its goal is to provide rigorous, up-to-date information to enable an understanding of the entrepreneurial ecosystem and its trends, challenges and opportunities. Through studies like GEM, the OEE highlights entrepreneurship's economic and social impact.

Formerly known as RED GEM España, the OEE consists of 26 academic teams from Spanish universities across all regions. Nearly 200 researchers and professionals, supported by ENISA and over 90 institutions and organisations, collaborate to offer a comprehensive vision of Spain's entrepreneurial landscape, fostering innovation and business development.



BASQUE ENTREPRENEURSHIP OBSERVATORY (BEO)

The Basque Entrepreneurship Observatory, EEB-OVE, is dedicated to measuring, interpreting and disseminating data on entrepreneurship in the Basque Country. Its aim is to become a reference for entrepreneurs, companies and institutions, providing relevant data to design public policies and satisfy social interest. By means of an exhaustive analysis, it provides key information for decision-making in the field of entrepreneurship.

It has the institutional support of the Basque Government, the Provincial Councils of Bizkaia, Araba and Gipuzkoa, and FESIDE. In addition, 70% of the indicators of the impact of the Basque Government's Inter-institutional Plan for Entrepreneurship come from the Global Entrepreneurship Monitor Basque Country Report.



UNIVERSITY OF THE BASQUE COUNTRY: UPV/EHU

The University of the Basque Country/Euskal Herriko Unibertsitatea (UPV/EHU), founded in 1980, is a key player in the development of the Basque community. With a presence in the three main cities of the territory — Bilbao, Donostia-San Sebastián and Vitoria-Gasteiz — it has 20 faculties and schools in all, offering over 100 undergraduate degrees across a full spectrum of subjects, over 100 master's degrees, and 66 doctoral programmes. UPV/EHU is a public university, a research university, and a pioneer in the field of dual training, with over 5,000 agreements in place and an annual offering of over 11,000 internships. It is ranked among the 400 best universities in the world (Shanghai ranking) and among the 200 best of those founded within the last 50 years (Times Higher Education).



UNIVERSITY OF DEUSTO

The University of Deusto was founded in 1886 by the Society of Jesus, and is the oldest private university in Spain, with campuses in Bilbao and San Sebastian, and headquarters in Vitoria and Madrid. Through its educational model, it seeks excellence in research and teaching across its seven faculties. Positioned among the highest-ranked universities in a range of European and world university rankings, it provides a flexible research ecosystem that fosters international and intersectoral collaboration, as well as guaranteeing agility and response to the demands of society and organisations. The University of Deusto has over 5,000 agreements in place with over 1,400 companies.



MONDRAGON UNIVERSITY

Mondragon University is a cooperative university and public utility, created in 1997 and integrated within the Mondragon Corporation. It was formed with the integration of three educational cooperatives — Mondragon Goi Eskola Politeknikoa “Jose M^a Arizmendiarieta” S. Coop, ETEO S. Coop and Irakasle Eskola S. Coop — which, respectively, now comprise the University’s two Faculties and its School, and which were joined in 2011 by the Faculty of Gastronomic Sciences — or the Basque Culinary Center. Mondragon University embodies a training model that seeks the involvement of companies and institutions to guarantee social accessibility, combining study and work, the development of research and the transfer of knowledge, and the provision of continuing education.

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To all, warm appreciation.

Aileen Ionescu-Somers, PhD
GEM Executive Director

Foreword

Every February, Global Entrepreneurship Monitor (GEM) publishes the iconic Global Report, offering stakeholders invaluable insights into the breadth and depth of global entrepreneurship. The report serves as a comprehensive resource for understanding the state of the art of entrepreneurship and the entrepreneurial process worldwide. We are proud to present the most recent update — the **2024/2025 GEM Global Report: Entrepreneurship Reality Check**.

A key distinguishing feature of GEM research is that its findings reflect the first-hand perspectives of entrepreneurs. Through the GEM Adult Population Survey (APS), entrepreneurs share their intentions, aspirations, attitudes, motivations and activities. The data reflect their experiences and perspectives. So far, over four million entrepreneurs have completed the APS over the 25+ years of GEM's existence. A second key feature is that GEM, through its National Expert Survey (NES), embeds entrepreneurship within the context of each economy participating in the study. This makes GEM's results invaluable to decision-makers, particularly policymakers.

Why is GEM research so prized? Perception and reality are different ways to view the world. Perception is mostly subjective: it is how our brain interprets what we see, hear and feel. On the other hand, reality is objective. It is what is happening in the here and now — regardless of how we see it. Understanding this dynamic between perception and reality means working out how much of what we perceive is objective truth. It is about knowledge acquisition and how we know things. GEM research exposes the realities of entrepreneurship.

We formally encourage all policymakers to scrutinise the contents of this report and to reflect

on its relevance to their own decision-making. It provides food for thought, the primary purpose of which is to feed into **knowledge-driven decision-making** so that doors are opened to better and more entrepreneurship. Too often, reliant on a plethora of disciplines, decision-makers do not know what they do not know. Once more knowledge has entered the system, the resolution of challenges is more effective.

GEM offers its Global Report annually as a veritable reality check on the state of the art of entrepreneurship, using the power of real data from real people to break down mistaken perceptions about how stakeholders view important dimensions of entrepreneurship. The report highlights areas in which GEM's findings contradict traditional perceptions, such as in women's entrepreneurship, demographics, and the value of social and environmental sustainability to different categories of entrepreneur.

With this report, we are once again opening the door of knowledge and inviting you inside to discover the strength of the data for yourselves!

Aileen Ionescu-Somers, PhD,
GEM Executive Director

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Executive Summary

Stephen Hill and Aileen Ionescu-Somers

Entrepreneurship is defined by the Global Entrepreneurship Monitor (GEM) as the act of starting and running a new business. For over 25 years GEM has carefully and consistently measured entrepreneurial activity across different economies — over 120 in all — gradually building the world’s most extensive database of entrepreneurial activity, enabling comparisons and identifying trends with a fine degree of detail. Why has it been possible to maintain such an exceptionally long-standing research initiative? Simply because entrepreneurship is important as a key driver of future prosperity, a crucial component in processes of economic development and, in today’s world, an essential contributor of urgently required solutions to some of the world’s most formidable environmental and social challenges. In a sense, starting a business is the ultimate investment: putting in time, effort and resources now to build a business for the future. Starting a business is not just an investment in the entrepreneur’s own future: it is an investment in the economy, and, as new businesses increasingly strive to attain sustainability objectives, it is a solid investment in people and the planet.

The GEM data set is not just another collection of official statistics. It is not derived from tax returns or distilled from shipping invoices. It is carefully collected directly from the most relevant people: the entrepreneurs themselves. In every participating economy, a sample of 2,000 adults or more are asked the same set of questions about the social foundations of entrepreneurship. Respondents identified as starting a business are also asked about a wide range of issues from motivations and actions to strategies.¹ In each country involved in the annual GEM research cycle, these questions are asked within the same short time framework. Answers are rigorously collected and coded in the same way from country to country, to enable comparison. GEM also captures data related to important societal challenges and trends. Included in 2024 were questions related to sustainability actions, strategies and priorities, and additional questions were added about the intended uses and perceived importance of digital marketing tools, and about artificial intelligence. Altogether, GEM provides up-to-date primary data that can be counted on by its stakeholders, whether academics (for teaching and publications), policymakers (for input to their decision-making), GEM’s international partners or entrepreneurs.

In 2024, 51 national teams took part in the GEM Adult Population Survey (APS), from all corners of the globe. More than 150,000 people were surveyed throughout these 51 economies, adding their voices to the almost four million people interviewed in previous

¹ See Appendix 1 for a description of the GEM methodology.

GEM surveys over a period of two-and-a-half decades. In 2024, these 51 economies collectively represent more than 63% of the world's population, as well as more than 77% of global GDP. Furthermore, some 56 economies participated in GEM's National Expert Survey (NES), which gathers national experts' assessments of the promoting factors of entrepreneurship — using carefully selected criteria — in each economy's business context.

2024/2025 GLOBAL REPORT FINDINGS

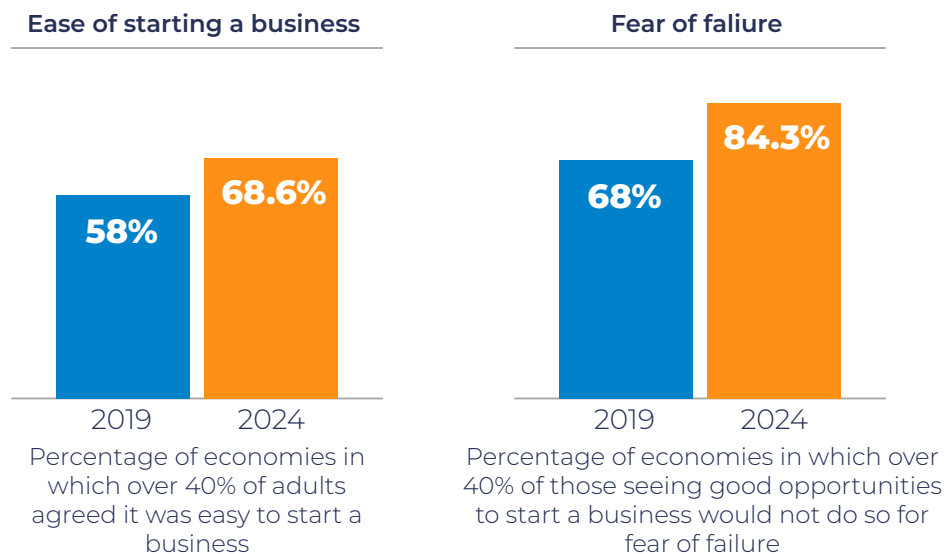
Fear of failure is on the rise

An increasing number of people agree that it is becoming easier to start a business, but there are also more potential entrepreneurs that are deterred from doing so by the fear it might fail. Five years ago (2019, and therefore pre-pandemic), over two in five adults in 29 of 50 participating economies agreed that it was easy to start a business. By 2024, this had risen to 35 out of 51 economies. During the same period, the number of economies in which at least two in five people seeing good opportunities would not start a business for fear it might fail increased markedly from 34 out of 50 to 43 out of 51.

One reason why people may be deterred from starting a new business is that they may also believe that exiting that business will ultimately be difficult and expensive. If this is true, those recently exiting a business would be unlikely to start another any time soon thereafter. However, exactly the opposite is true. This GEM Global Report shows that **those who have exited a business are, in most economies, much more likely to intend to start another than those who have not exited a business.** This is a compelling example of perception not matching reality and a demonstration of why GEM research is so crucial to a better understanding of entrepreneurial behaviours and actions.

Call to action

Develop robust support systems, including financial assistance, accessible training, mentorship programmes and simplified regulations, to reduce the risks of starting a business and address fear of failure, enabling more entrepreneurs to thrive.



While it's becoming easier to start a business, potential entrepreneurs are feeling increasingly deterred.

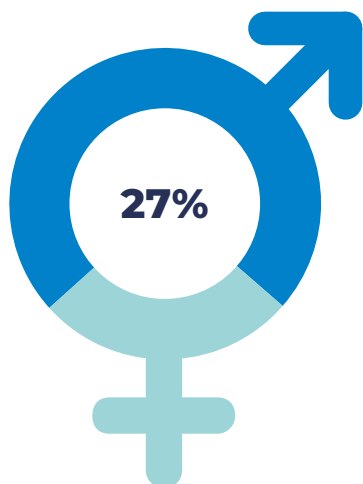
Women entrepreneurs lack equal access to entrepreneurial resources

This GEM Global Report reveals the **need to deconstruct the traditional perception of a single entrepreneur profile** (young, male, graduate, etc.), since this is not the reality of contemporary entrepreneurship. Such fixed perceptions can be an obstacle hindering the development of entrepreneurial support for people with different needs and ambitions.

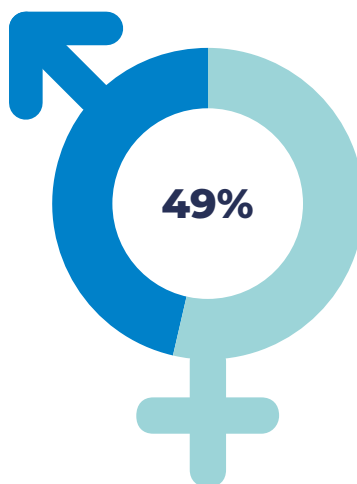
In most economies, men are more likely to start a business than women, and far more likely to own an established business. Furthermore, these gaps typically increase with income level. Out of 51 economies, there are 14 in which male early-stage entrepreneurial activity rates exceed that of females by five percentage points or more. Nine of these are in the high-income group. However, as targeted support programmes for women have increased, so too have women's startup rates.

At the same time, **far too many women entrepreneurs are still seen by national experts as not getting equal access to resources essential to entrepreneurial success**. Women's relative access to those resources is scored as less than sufficient in almost half of the economies (25 of 51), including 10 from the high-income group.

In **27%** (14 out of 51 economies) the level of male new entrepreneurship exceeds that of women by at least five percentage points



In **49%** (25 out of 51 economies) women's relative access to resources is scored as less than sufficient



This finding is especially relevant today as it highlights the systemic barriers that persist despite global progress in gender equality.



Call to action

Implement equitable resource allocation policies to ensure women entrepreneurs have equal access to funding, training and mentorship, closing the gender gap and fostering inclusive economic growth.

Job creation and innovation expectations reflect income-level disparities across economies

Job creation expectations of entrepreneurs vary considerably across economies, with significant proportions expecting to employ no one but themselves. In 37 of the 51 economies, at least one in three early-stage entrepreneurs expect to employ no one else but themselves in five years' time, across economies of all income levels. Conversely, there are only eight economies in which at least one in three early-stage entrepreneurs expect to employ at least another six people in five years' time. These are mainly concentrated in the high-income group: six from Group A (high income) plus Brazil and Thailand from Group C (low income).

Startup product and service innovation is mainly focused on high-income economies. GEM research reveals that 5% or more of early entrepreneurs are selling goods or services that are new to the world in only 17 out of 51 economies. Thirteen of these are from Group A (high income) and four are from Group B (middle income). None are from Group C (low income).

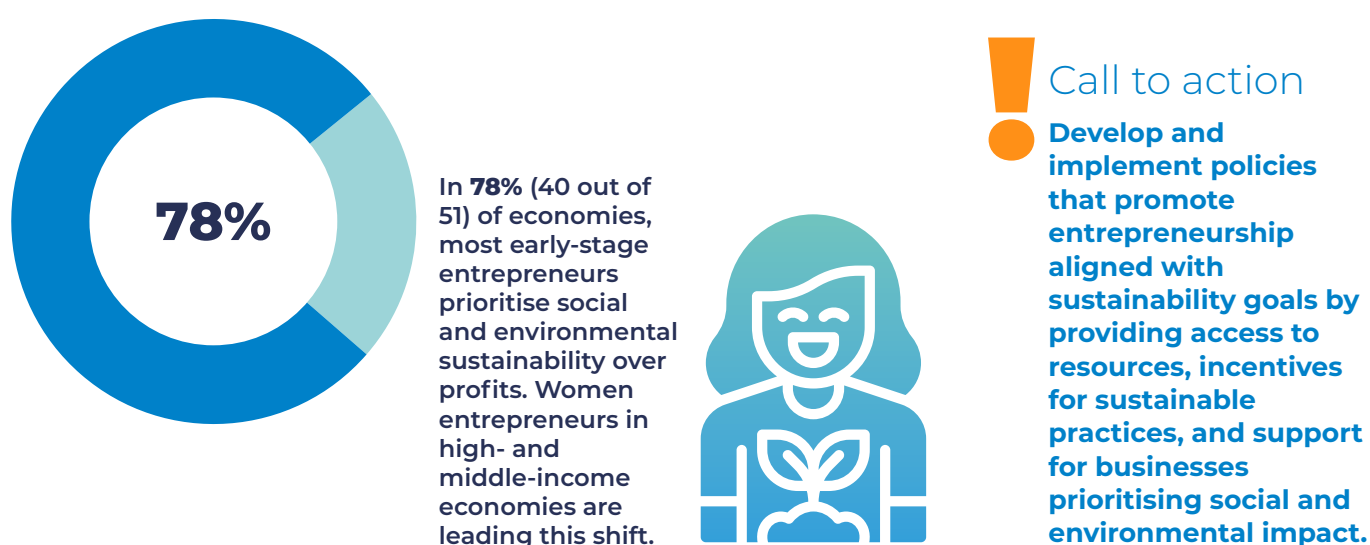


Entrepreneurship and sustainability: a dynamic partnership for positive impact

The relationship between entrepreneurship and sustainability is positive and symbiotic: they can feed and nourish each other. Many new businesses pursue sustainable development goals either directly or indirectly, while seeking solutions for a sustainable world in itself provides multiple opportunities and challenges to new businesses.

In all but two of the 51 participating economies (Morocco and Cyprus), over half of those starting or running new businesses agree that they **always consider social and environmental implications when making decisions about the future of their business**. In 40 of those economies, over half of early-stage entrepreneurs agree that they prioritise social and environmental sustainability above profits or growth.

In high- and middle-income economies, **women entrepreneurs are more likely than men to report sustainability strategies and actions**, and more likely to prioritise sustainability over profits or growth.



Awareness of AI's importance to entrepreneurship remains uneven across economies

There is still considerable lack of awareness and uncertainty about how important artificial intelligence (AI) will become to new businesses in the next three years. Survey responses include high rates of “don’t know”. Of those who did answer, in 36 of 49 economies, **fewer than three in 10 of those starting new businesses see AI as “very important” in the next three years**.

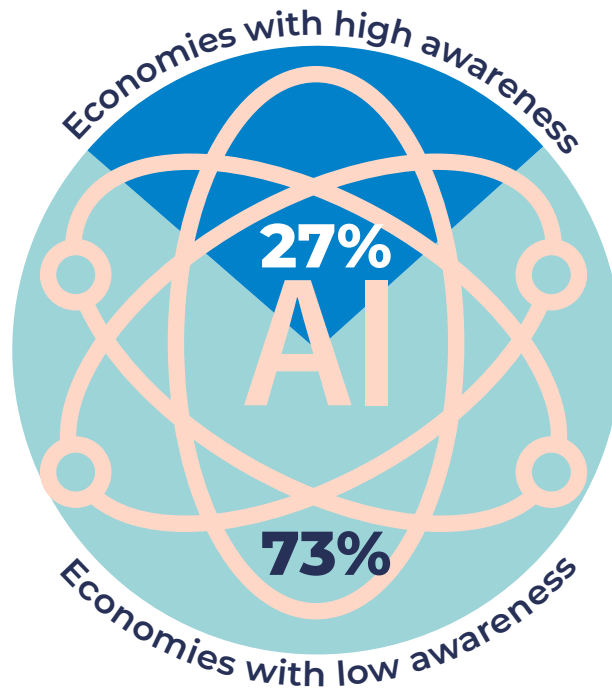
There is a perceived **income bias in new businesses’ awareness of the need for AI business solutions**, seen as less than sufficient in seven of 14 economies in the low-income group, in 11 of 19 in the middle-income group, but in none of the 23 economies in the high-income group.

At least one in two new entrepreneurs in 30 of 51 economies expect to use more digital marketing in the next six months to sell their products or services, with high-income economies seeing this expectation sharply up on last year.

Entrepreneurs are increasingly adopting new means of communicating with their customers through available technologies. Over three in five early-stage entrepreneurs perceive social media as very important in 27 out of 50 economies, whereas the same proportion see email communications as very important in just 14 economies, with just 11 for company websites and two for email communications.

Call to action

Launch awareness campaigns and training programmes to educate entrepreneurs about the importance and potential of AI, especially in economies in which fewer than 30% of businesses recognise AI as a critical tool for future growth.



A significant lack of awareness and uncertainty persists about the importance of AI for new businesses. In **73%** of economies (36 out of 49) fewer than three in 10 new entrepreneurs see AI becoming very important in the next three years.

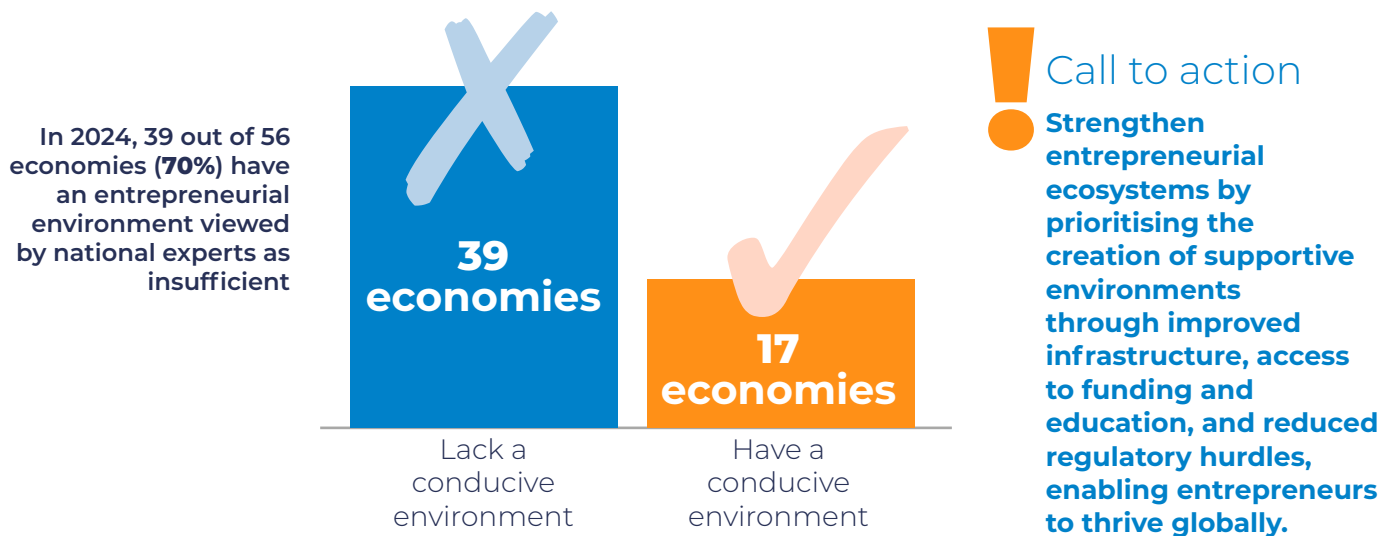
Many environments are not conducive to entrepreneurial success

In 2024, **far too many economies have an entrepreneurial environment whose quality is assessed by its own experts as not good enough.** Just 17 economies rated as sufficient or better, leaving 39 rated as less than sufficient.

However, **whether a particular economy has an excellent and conducive environment for entrepreneurial success is income-related but not income-dependent.** For example, in the league table of entrepreneurial environments, India and Indonesia (Group C, low-income countries) are both in the top 10.

In 2024, global GDP was expected to increase by around 3%. Does that mean all people are better off? Far from it. In all 51 GEM APS-participating economies, some adults report that their household income has actually decreased in 2024. In 38 out of those 51 economies at least one in four adults report that their household income has fallen in 2024. And, while the proportion reporting a fall is generally higher in lower-income economies, four of the five most wealthy economies in GEM 2024 (as measured by GDP per capita) are among those where more than a quarter of adults confirm that their household income has reduced.

The following pages will provide the details behind these brief highlights. The GEM experience makes it clear that measuring and monitoring entrepreneurial activity is a continuing process, so this Global Report represents just one point along this journey.



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It is difficult for policymakers to make informed decisions without having the right data. Global Entrepreneurship Monitor (GEM) fills this void. GEM is the only global research project that collects data on entrepreneurship directly from the source—entrepreneurs!

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Be part of future Global Reports, providing a snapshot of entrepreneurial activity across the world. You can contribute towards National Reports that include international benchmarking, local context and national entrepreneurship policy recommendations.

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*Virginia Lasio, Team Leader of
GEM Ecuador and Professor at the ESPAE
Graduate School of Management*



For more information, visit www.gemconsortium.org or email info@gemconsortium.org

PART 1

Introduction



What is GEM?

Stephen Hill and Aileen Ionescu-Somers

1.1 INTRODUCTION

Global Entrepreneurship Monitor (GEM) is the world's largest and longest-running research study of entrepreneurship, collecting primary data from individuals who are starting and running new businesses: in other words, the entrepreneurs themselves. GEM started in 1999 as a collaboration between Babson College in the United States and London Business School (LBS). It has grown over some 25 years from a mere handful of participating countries to what it is today: a large-scale multinational research initiative generating substantial intellectual capital from sustained and consistent data collection which is used to monitor and measure levels of entrepreneurial activity and a host of related variables across the globe. Indeed, National Teams from 56 economies participated in the GEM 2024 research cycle.

At the core of the GEM approach are two annual surveys:

- The Adult Population Survey (APS) collects data from at least 2,000 adults in each participating economy.
- The National Expert Survey (NES) is a qualitative survey of identified national experts, each of whom is asked to assess various dimensions of the entrepreneurial environment in their own economy. Asking the same questions in different economies allows comparisons to be made, both between economies and for the same economy over time.²

GEM defines entrepreneurship as the act of starting or running a new business, and *entrepreneurial activity* is therefore defined as the proportion of adults actively engaged in starting or running a new business. Monitoring and measuring levels of entrepreneurial activity is important because the propensity to start new businesses is a crucial ingredient in the process of economic development, and thus

a key driver of prosperity. New businesses emerge when determined individuals turn ideas or opportunities into innovations, driven by ambition and resilience despite the risk of failure. New businesses often integrate innovative ideas and technologies, addressing economic, social and environmental challenges while driving social change and enhancing personal well-being.

So new businesses bring fresh outputs, generate jobs and incomes, create new markets and, often, disrupt previous ones. They release resources from goods and services that are no longer in demand and redirect those resources towards products and services for which people and businesses are willing to pay. Therefore entrepreneurship, and the cycles of creative destruction it unleashes, continually renews and refreshes the economy, driving productivity and thereby prosperity. In recent years, new businesses have increasingly been focusing on tackling the social and environmental challenges of the day, led by a new generation of more purpose-driven entrepreneurs. More entrepreneurs are incorporating sustainability into their longer-term strategies, and prioritising these concerns above profitability or growth. See the GEM 2023/2024 *Entrepreneurship and Sustainability Report: Awareness and Actions*³ for the relationship between the two.

Of course, while not all new businesses succeed, failure can be a useful learning process, helping the entrepreneur to acquire the networks, experience and know-how that can serve as valuable foundations for future success. Indeed, one learning from last year's Global Report is that individuals who have exited a business in the previous 12 months are highly likely to start, or are intending to start, another one in the near future.⁴ Resilience is an important quality in business, just as in life.

² This is little more than a glimpse of the GEM methodology. For a fuller description, including the GEM conceptual framework and GEM-defined variables, see Appendix 1.

³ GEM (2025). *2023/24 Entrepreneurship and Sustainability Report: Awareness and Actions*. London: Global Entrepreneurship Monitor. Forthcoming.

⁴ See GEM (2024). *2023/2024 Global Report: 25 Years and Growing*, 91–92. <https://www.gemconsortium.org/report/51377>

1.2 THE GLOBAL CONTEXT IN 2024

Challenges bring opportunities. In 2024, the global outlook looked fraught, a context described by one commentator as “ballots and bullets”.⁵ Almost half of the world’s adult population was able to vote in a 2024 national election. A climate of “conflict with impunity” reigned in both Central Europe and the Middle East. The world is facing serious challenges to security and stability and there is a gradual shift of global economic and political power away from Europe and North America and towards East Asia and South America. The United Nations (UN) has rarely been so widely challenged, nor so sorely needed.

Despite this insecurity and instability, the world economy, according to the International Monetary Fund, looks set to expand by a little over 3% in 2024, with inflation falling to just under 6%.⁶ These global averages inevitably mask significant variation. Some evidence for this is provided later in this chapter in terms of the proportion of adults in each economy reporting that their household income had fallen in 2024.

Of course, there is never a “right” time to start a business, least of all in periods of instability. Yet such is the human spirit of resilience that new businesses still start and some grow and prosper, as new entrepreneurs rise to challenges and grasp opportunities. Despite this, progress towards achievement of the UN Sustainable Development Goals (SDGs) appears limited: despite being well over halfway towards the target date of 2030, there is a paucity of measurable achievement.

This GEM 2024/25 Global Report includes a chapter on sustainable entrepreneurship, building on the work of the GEM 2023/24 *Entrepreneurship and Sustainability Report*, as well as a new chapter on a key topic of interest — entrepreneurship in a new age of digital marketing — reporting results from new questions added to the GEM portfolio, including that of entrepreneurial awareness of artificial intelligence. Both topics — sustainability and artificial intelligence — are important components of the 2024 global context.

1.3 GEM PARTICIPATING ECONOMIES IN 2024

The 56 economies participating in this year’s GEM research are listed in Table 1.1, arranged by income group according to World Bank data for Gross Domestic Product (GDP) per capita. We use GEM-defined boundaries to differentiate economies:

- Low-income (Group C, less than \$25,000);
- Medium-income (Group B, between \$25,000 and \$50,000);
- High-income (Group A, greater than \$50,000).⁷

These boundaries are of course arbitrary. These groups will be used throughout this report, demonstrating the very important role that income plays for many key variables.

Included are survey results for Ukraine, conducted under extremely difficult circumstances. This is testament to the resilience of the GEM Ukraine National Team and every Ukrainian citizen that responded to the survey questions.

These 56 economies include both of the world’s most populous countries by far (China and India), and, taken together, they account for 63% of the current world population, and represent 78% of global GDP. Hence, the GEM data collected in 2024 are a good representation of the state of entrepreneurship in the global economy, if slightly weighted towards more prosperous economies, which are more likely to participate in GEM research.

⁵ Colomina, C. (coord.) (2023). *The World in 2024: Ten Issues That Will Shape the International Agenda*. Barcelona Centre for International Affairs (CIDOB), December 2023. <https://www.cidob.org/en/publications/world-2024-ten-issues-will-shape-international-agenda>

⁶ IMF, *World Economic Outlook: The Global Economy in a Sticky Spot*, July 2024. <https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024>

⁷ Figures for GDP per capita (PPP [purchasing power parity], current international \$) are from the World Bank database (<http://data.worldbank.org>), accessed 14 October 2024, providing data for 2023, except for Taiwan for which other estimates were used.

TABLE 1.1

2024 participating economies by income group (GDP per capita)

Group A >\$50,000	Group B \$25,000–\$50,000	Group C <\$25,000
Austria	Argentina	Armenia
Bahrain*	Belarus	Bosnia and Herzegovina
Canada	Chile	Brazil
Cyprus	Costa Rica	China
France	Croatia	Ecuador
Germany	Estonia	Egypt
Israel	Greece	Guatemala
Italy	Hungary	India
Japan*	Kazakhstan	Indonesia*
Lithuania	Latvia	Jordan
Luxembourg	Mexico	Morocco
Norway	Oman	South Africa*
Qatar	Poland	Thailand
Republic of Korea	Puerto Rico	Ukraine
Saudi Arabia	Romania	
Slovenia	Serbia	
Spain	Slovak Rep.	
Sweden	Uruguay*	
Switzerland	Venezuela	
Taiwan		
United Arab Emirates		
United Kingdom		
United States		

Of these 56 economies, 51 participated in the 2024 GEM Adult Population Survey (APS), while five economies, denoted by *, participated in the National Expert Survey (NES) but not the APS.

1.4 CHANGES IN HOUSEHOLD INCOME

During and since the global COVID-19 pandemic in 2020/21, the GEM APS has included a question about household income, asking individuals if their household income for the year had strongly decreased, somewhat decreased, more or less stayed the same, somewhat increased or strongly increased. Results aggregated across individual economies provide a compelling glimpse of the participating countries' economic context. Figure 1.1 sets out results for the 51 economies participating in the 2024 APS.

The pattern for 2024 shows that, in higher-income economies, individuals are less likely to report a decrease in household income and more likely to report an increase. However, the middle-income group included both the largest proportion of adults reporting a decrease (Argentina, 84%) and the largest reporting an increase (Croatia, 67%). This is the fourth year in a row that Croatia had the highest increase, with that proportion rising from three in 10 in 2021 to almost seven in 10 in 2024, matching EU

forecasts of strong growth driven by household consumption.⁸

Despite the Croatian result, the overall balance of the chart is negative, with 33 of 51 economies having more people reporting a decrease in household income than an increase. While the prevalence of household income reductions decreases as income group rises, even the highest-income group sees a significant proportion reporting reductions. One in two or more adults reported a decrease in seven economies: four from Latin America, plus Ukraine, Egypt and Jordan. Only Croatia had more than one in two households reporting an increase. This evidence implies that the 2024 global economic context was indeed a muted one.

⁸ European Commission, "Autumn 2024 Economic Forecast: A Gradual Rebound in an Adverse Environment". <http://economy-finance.ec.europa.eu>

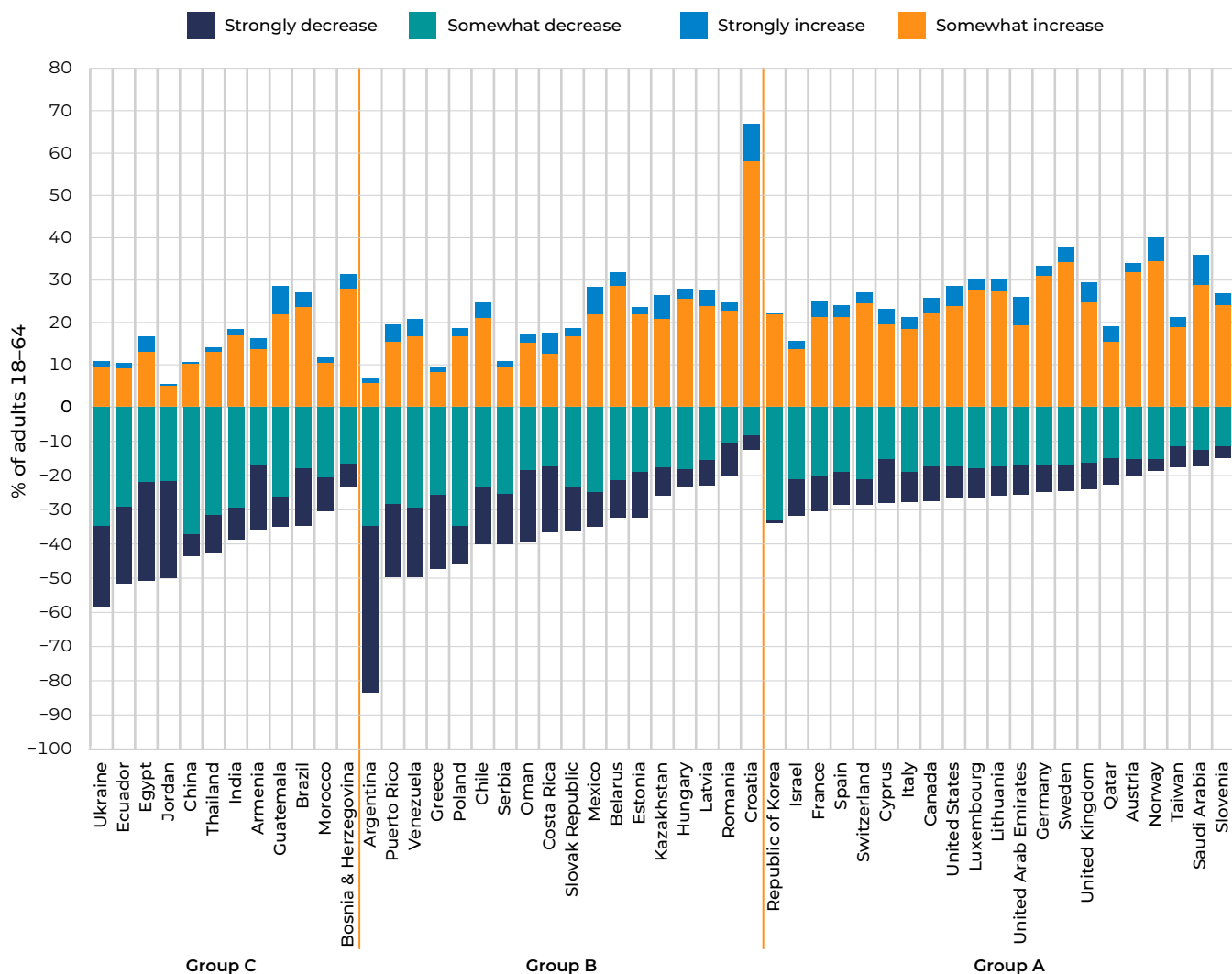


FIGURE 1.1 The percentage of adults reporting a change in household income in 2024

1.5 CONCLUSIONS

It is clear from GEM research that in 2024 more individuals are reporting a decrease in their household income than those reporting an increase, with decreases being especially prevalent among low-income economies, indicating a constrained global economic context in 2024. This is a continuing challenge across the gamut of SDGs, but especially to SDG 1: No Poverty.

SDG FOCUS ...



UN Sustainable Development Goal 8 is **Decent Work and Economic Growth**. Within this goal, Target 8.3 calls for promoting policies that support entrepreneurship, innovation and the growth of micro, small and medium-sized enterprises. GEM highlights the importance of creating environments that foster entrepreneurial resilience and innovation, which drive economic development and social change.



THE REAL WORLD BEHIND THE DATA ...

Transforming adversity into opportunity: how necessity fuels entrepreneurial success

Sometimes, entrepreneurship is pursued simply to meet basic needs or survive in challenging economic conditions. Such necessity entrepreneurship can help reduce poverty; it can contribute to decent work and economic growth and create opportunities for women.

María-José Ibáñez, Professor at the Centrum PUCP Business School in Peru and a member of the new GEM Peru Team, has a close interest in necessity entrepreneurship from a research perspective, having once been an entrepreneur herself, motivated by necessity.

That began when María-José was let go from her job in 2015. She entered the job market with a wealth of experience and academic qualifications. However, she was unable to find a role that aligned with her aspirations as a woman and a young person. She chose therefore to found her own enterprise: a construction company focused on energy efficiency projects in sustainable building.

"I decided if nobody was going to make me a CEO, I needed to become my own CEO," she said.

María-José's entrepreneurial journey progressed, some years later, into involvement with a craft beer company in the south of Chile. This initially evolved from an interview that María-José conducted with the company's founder as part of research for an academic paper.

Based on her experiences, María-José offers the following advice to entrepreneurs who feel compelled to start a business out of necessity:

- **Leverage your skills and experience.** Even if you feel that you are driven by necessity, focus on the skills and experience you already possess. Use them to differentiate your business and add value to your offerings.



- **Stay resilient and flexible.** The entrepreneurial journey can be unpredictable, especially those begun out of necessity. It's important to adapt to changes, and be willing to pivot when needed.
- **Stay alert to opportunities for improvement.** It's important to keep an eye out for opportunities to optimise or adjust your business to make it more profitable. Don't get too attached to the original idea if it's not working, and be willing to change when needed.
- **Your original dream doesn't always define your path.** María-José always wanted to work in academia, but circumstances pushed her into entrepreneurship. It ended up being a great experience, and it made her a better professional, teacher and researcher.

"Sometimes, life takes you in unexpected directions, and those turns can help you grow in ways you never thought possible."

PART 2

Analysis



This part of the report presents in-depth analysis of data collected from the 2024 GEM Adult Population Survey. Analysis is presented of the social foundations of entrepreneurship, the motivating factors for starting a business, as well as the barriers and promoting factors involved in doing so. Business intentions of entrepreneurs, different levels and dimensions of entrepreneurial activity and socio-economic impacts of entrepreneurship are also explored, as are findings related to the diversity of entrepreneurs.

The Social Foundations for Entrepreneurship

Stephen Hill and Jeffrey Shay

2.1 INTRODUCTION

The decision to start a business is a personal one, and yet it is inevitably influenced by social context. That context can include:

- **Opportunities and competence:** Recognising and acting on opportunities, backed by self-belief.
- **Social context:** Attitudes, perceptions, networks and access to resources.
- **Supportive environments:** Role models, mentor, and cultural values that encourage business success.
- **Discouraging factors:** Fear of failure, collective priorities over individual pursuits or restricted access to resources.
- **Cultural impact:** Social norms shape risk tolerance and attitudes towards social mobility.

The GEM Adult Population Survey (APS) seeks to identify those individuals who are starting or running a new business. Even in the most entrepreneurial-intensive economies, this is likely to be a minority of individuals. However, those who are not starting businesses will have attitudes and perceptions that can say a lot about the social foundations of entrepreneurship in a particular economy.

Cultural differences are an important factor behind levels of entrepreneurship. For example, low-income economies like Brazil and India typically have much higher levels of entrepreneurial activity than Morocco and Iran

which are also part of the same low-income group. High-income Qatar and Canada usually have much higher levels of entrepreneurial activity than their high-income counterparts France or Norway. These differences within income groups point to variations in attitudes and social values rather than economic factors.

Many attitudes and perceptions shifted during the pandemic — for example, in favour of online shopping, fast-food delivery and working from home, the latter including working *for yourself* from home. Some of these perceptions, including about how technology is used, may have shifted permanently and are not being gradually restored. This chapter utilises the GEM APS to examine how these social attitudes vary across economies, as well as how they are changing over time. It also looks briefly at the relationship between different attitudes — for example, whether those economies with high proportions of adults seeing good opportunities to start a business also comprise high proportions who would not start a business for fear it may fail.

One very real manifestation of attitude towards entrepreneurship is whether the respondent is someone who is investing in another's new business. Such informal investment is usually a minority activity but, where it does occur, it can be a very important source of startup resources. This chapter concludes with a brief examination of levels of informal investment across economies.

2.2 THE CULTURE OF ENTREPRENEURSHIP

Importantly (and increasingly), many of those seeing good opportunities would not start a business for fear it might fail. One outcome of such an attitude is the general level of intention

to start a business. GEM is able to show the proportion of those not already involved in entrepreneurial activity who intend to start a business within the next three years. Of course,

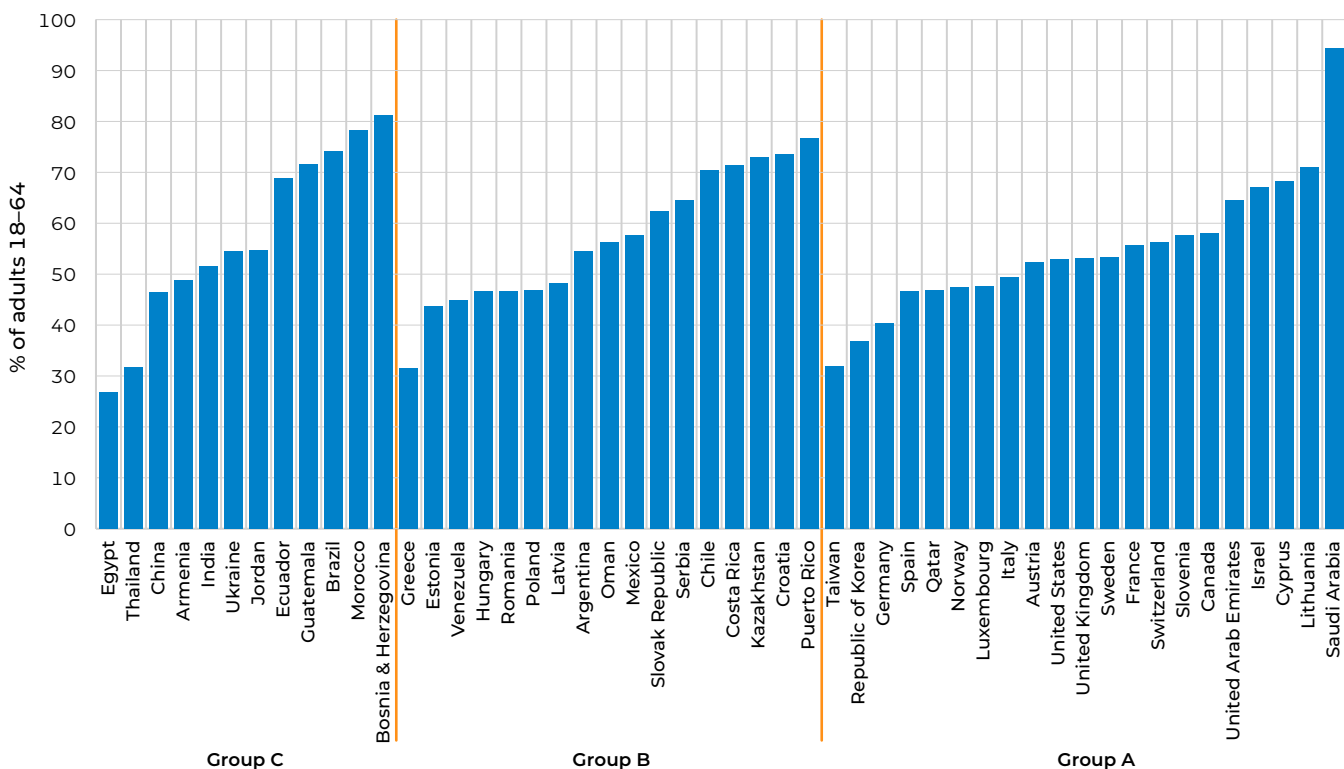
we have to speculate about what share of those with business intentions will go on to start a business, since a gap between intentions and actions is inherently human! It can be understood, however, that lack of intention to start a business is highly unlikely to convert into an actual business.

Figure 2.1 shows the percentage of adults in each economy who report that they know someone who has started a business in the past two years. This proportion will be determined by both the numbers starting new businesses but also by the profile or visibility of the businesses among those numbers. Figure 2.1 shows that this proportion varies from a low of just over two in 10 (Egypt) to more than nine out of 10 (Saudi Arabia). Knowing an entrepreneur varies considerably across all income groups: from two in 10 to eight in 10 in Group C, from three in 10 to nearly eight in 10 in Group B, and from three in 10 to nine in 10 in Group A. However, in a majority of economies in each income group, more than one in two adults know someone who has started a business in the last two years (eight of 12 economies in Group C, 10 of 17 Group B and 13 of 21 in Group A). Knowing a starter is more typical in low-income than in high-income economies, not least because starting rates tend to be higher.

Figure 2.2 shows the percentage of adults agreeing that there are good opportunities to start a business locally, illustrating some negative association with income group (i.e. those in the lowest income group are more likely to agree). The level of agreement varied from just under three in 10 in Spain to more than nine in 10 in Saudi Arabia. The share of economies with one in two adults or more agreeing there are good local business opportunities declines with income group: from 11 of 12 in Group C to 11 of 18 in Group B, and again just 11 of 21 in Group A.

Of course, knowing someone who has started a business, or seeing good opportunities to do so locally, may have little impact unless people think it is easy to start a business. Figure 2.3 shows the percentage of adults in each economy who agree with the notion that it is easy to start a business. This varies from lows in Israel and China to highs in India, Poland and Saudi Arabia. The level of variation increases with income group. The proportion agreeing that it is easy to start varies between three in 10 and five in 10 in all but four Group C economies, all but two Group B economies, but just 8 out of 21 Group A economies. With a few exceptions, including Italy, Israel and Spain, there is more agreement that

FIGURE 2.1 Knowing someone who has started a business in the last two years (% adults)
Note: Belarus data excluded (data collection error)



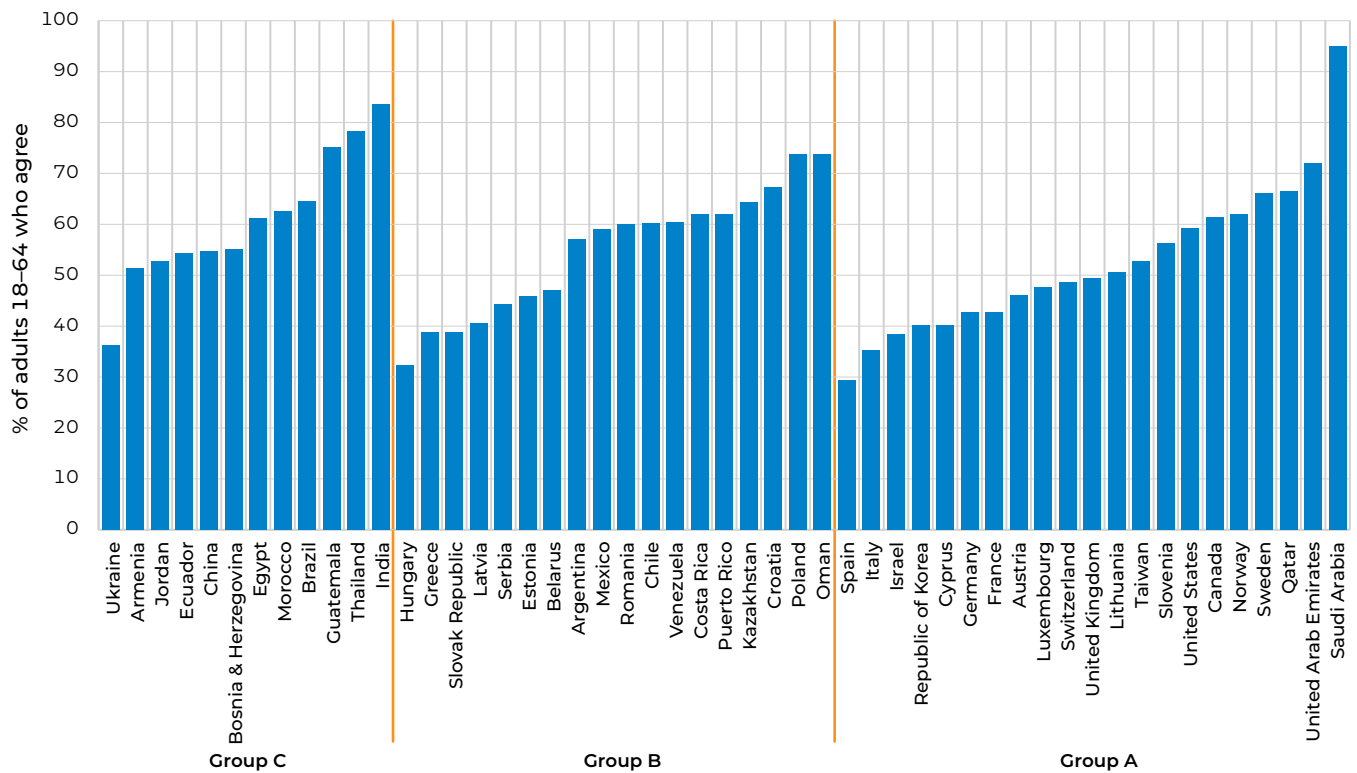


FIGURE 2.2 In the next six months, there will be good opportunities to start a business in my area (% adults agree)

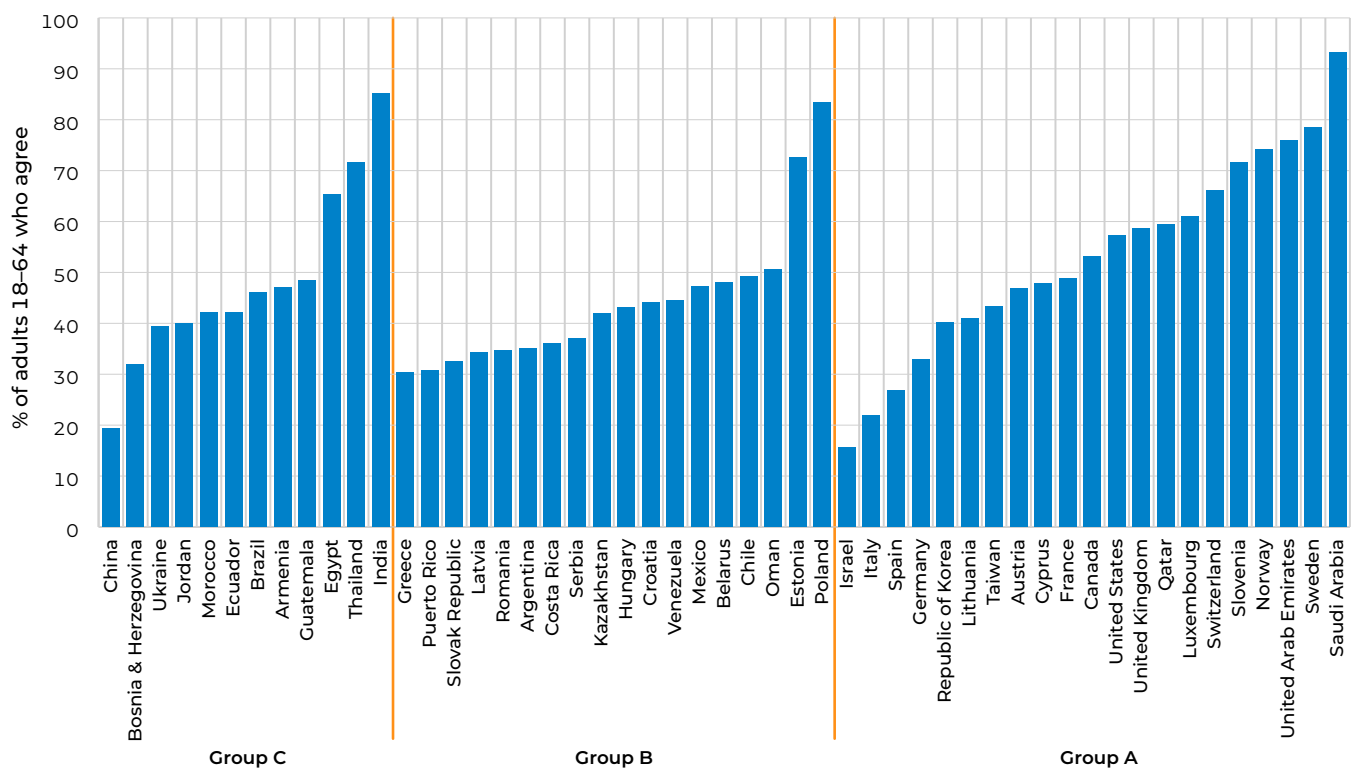


FIGURE 2.3 In my country, it is easy to start a business (% adults agree)

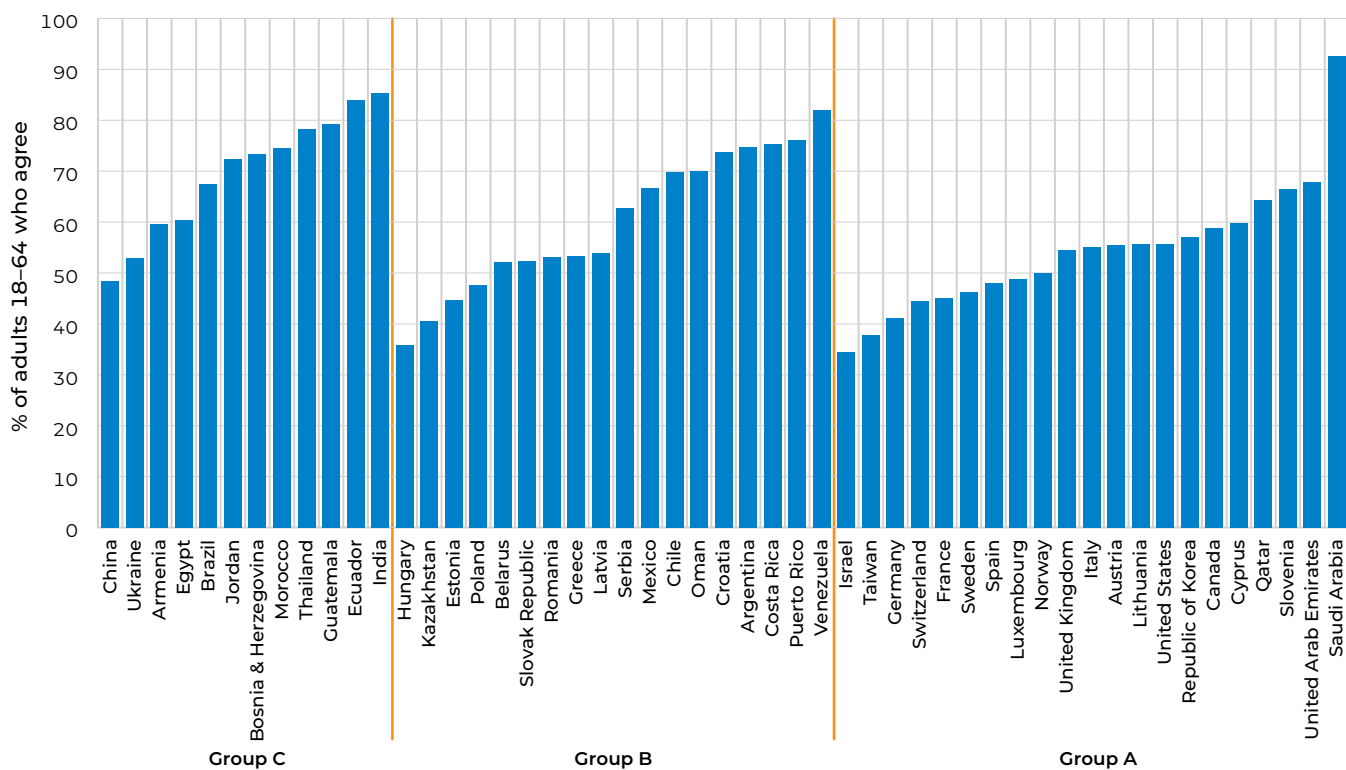


FIGURE 2.4 I have the knowledge, skills and experience to start my own business (% adults agree)

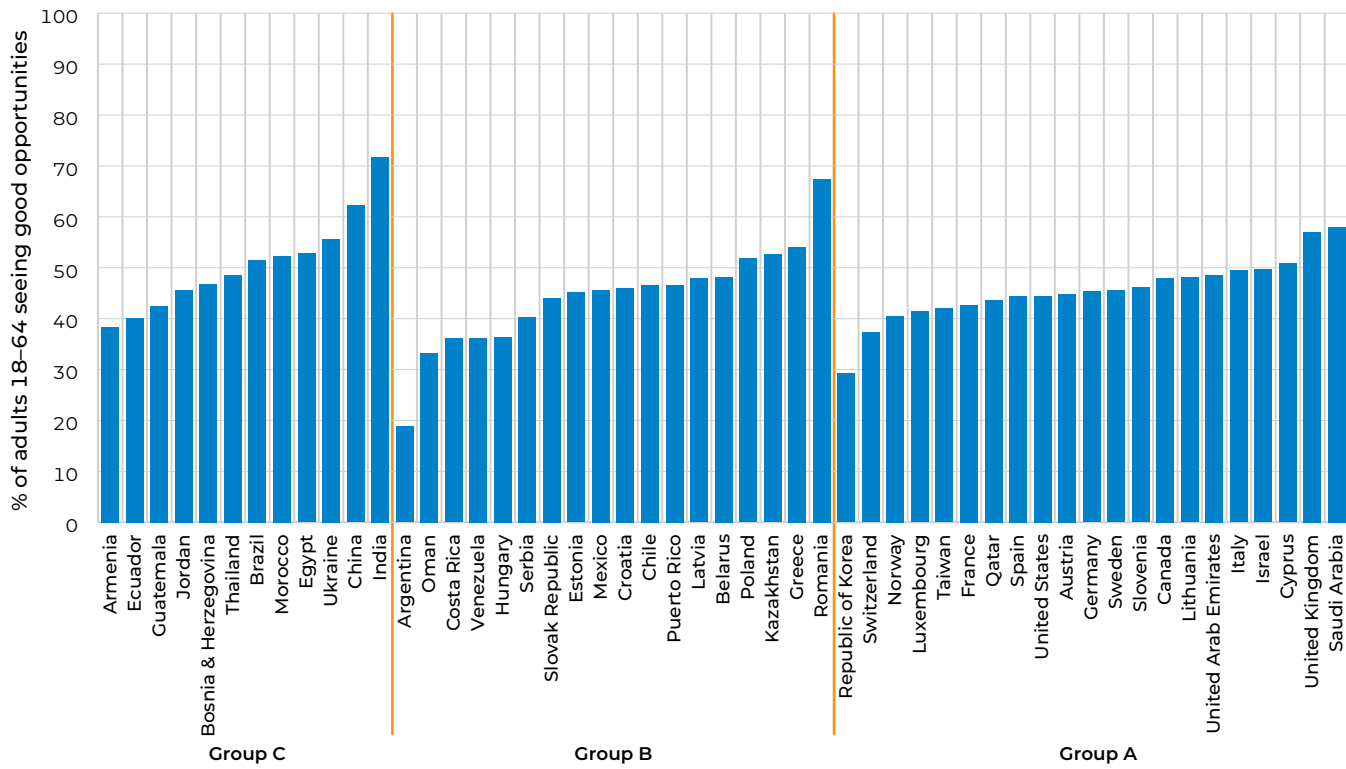


FIGURE 2.5 There are good opportunities, but I would not start a business for fear it might fail (% of those adults seeing good opportunities)

it is easy to start a business in the high-income economies.

Figure 2.4 shows the level of personal entrepreneurial confidence, in terms of the percentage of adults who agree that they have the knowledge, skills and experience to start their own business.

Confidence levels are typically high, although with some diminution as income level increases, as does the variability of confidence levels. One in two or more adults see themselves as having the knowledge, skills and experience to start their own business in 11 of 12 Group C economies, 14 of 18 Group B economies, but just 12 of 21 Group A economies. The outlier is Saudi Arabia, where more than nine out of 10 adults see themselves as having the knowledge, skills and experience, just as they had in each of the previous three years of GEM APS results.

So far, the analysis has considered whether the individual knows someone who has started a business, whether they see good business opportunities, whether it is easy to start a business and whether they see themselves as having the skills, knowledge and experience to start their own. Each of these factors contributes to the social context for entrepreneurial activity. Yet even if each of these factors is favourable, the

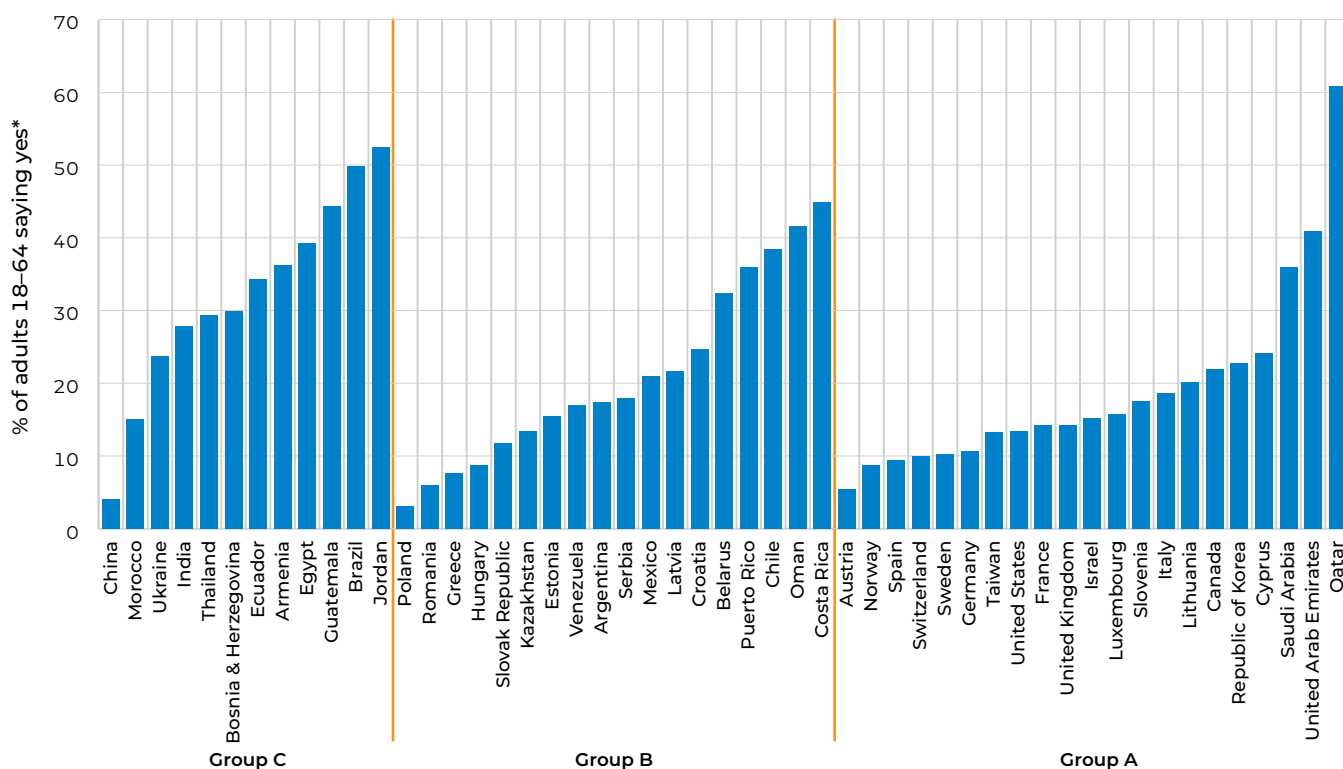
individual may hesitate to start a business due to fear of failure — a growing constraint highlighted in recent Global Reports.

Figure 2.5 shows the proportion of adults in each economy who see good opportunities to start a business but would not do so for fear it might fail. Note that because the denominator is different (i.e. those adults seeing good opportunities, rather than all adults), Figure 2.5 is not directly comparable to the previous figures.

Among those seeing good opportunities, the lowest levels of fear of failure are in Argentina (less than two in 10) and in the Republic of Korea (less than three in 10), although in general fear of failure declines with income level. Every other participating economy has at least one in three of those seeing good opportunities being deterred by fear of failure. These include: more than one in two of those persons seeing good opportunities in six Group C, four Group B and three Group A economies, reaching highest levels in India, China and Romania. These three economies deserve closer inspection, because each scores well for knowing someone who had started a business (at least 46% of adults), for seeing good opportunities (at least 55%) and for individuals seeing themselves as having the skills and experience to start their own (at least 49% of adults). However,

FIGURE 2.6 Are you expecting to start a business in the next three years? (% adults saying yes)

* In the 18–64 age-group sample that is not involved in entrepreneurial activity





THE REAL WORLD BEHIND THE DATA ...

Supporting entrepreneurs in the arts

The contemporary art industry is a vibrant but complex landscape, often marked by high entry barriers and unique challenges that blend creative vision with entrepreneurial demands. While many artists excel at creating work that captivates audiences, they often feel unprepared to navigate the industry's commercial and operational aspects.

Usha Seejarim is a contemporary artist in South Africa who produces sculptural artworks as director of Usha Seejarim Pty Ltd. Her message to policymakers is to “create supportive ecosystems that acknowledge the unique challenges that artists face”.

Usha Seejarim Pty Ltd is a micro-enterprise based in Johannesburg with five staff members. Usha has numerous career highlights that include large public art commissions, over nine solo exhibitions, and participation in various renowned group exhibitions and art fairs. The artist has received multiple awards, including the Dignitas Award from University of Johannesburg (2022) and the SEED Award from the Southern African Foundation for Contemporary Art (2019).

Usha believes that many artists thrive in environments that value innovation and experimentation, yet encounter barriers related to funding, accessibility, sustainability and visibility.

“It would be helpful for policymakers to implement financial support mechanisms, such as grants, tax incentives and subsidised spaces for studios,” she said. “Such initiatives encourage local economies and enhance cultural and community engagement.”

Demand patterns are unpredictable, and it is difficult to successfully marry artistic and commercial logic, according to Usha. Public art commissions and sales of artworks generate inconsistent revenue.



ALEXANDER SMITH

“Holistic approaches to arts education that integrate business acumen with creative practice is severely lacking in many current art education courses, both at undergraduate and postgraduate levels,” said Usha. “Contemporary artists often juggle multiple roles, including marketing, management and production, without any training around the commercial aspects of their work.”

Usha is an MBA student at Henley Business School, UK. She began this course to bridge the gap between creative training and entrepreneurial understanding, which she now sees as even wider than she initially thought.

In addition to formal training, Usha recommends providing artists with access to workshops, mentorship programmes, and resources that address the intersection of creativity and entrepreneurship.

She also sees a role for policymakers to promote diversity and inclusivity by supporting initiatives that uplift under-represented voices and communities, ensuring that funding and resources are equitably distributed.

relatively low scores for the share of adults perceiving it easy to start their own business spoils the picture, with just 19% for China and 35% for Romania (although a considerable 85% for India). Argentina and the Republic of Korea have the lowest shares of those seeing good opportunities being deterred by fear of failure; and both scored well for those seeing themselves as having the skills to start a business, although modestly for those perceiving it easy to start.

Of the 40 economies that participated in the GEM APS in both 2023 and 2024, among those seeing good opportunities, 27 had a higher level of fear of failure in 2024 than in 2023, offering support for the notion that the fear of failure is increasing.

In every economy, different attitudes and perceptions spin a complex web that forms the context in which individuals choose to start

businesses or not. The proportion actually starting and running new businesses in each economy is the focus of the next chapter, but one useful indicator is the intention rate. GEM APS respondents are asked whether they expect to start a business in the next three years. The proportion responding affirmatively is illustrated in Figure 2.6 and shows considerably more variation than the previous charts.

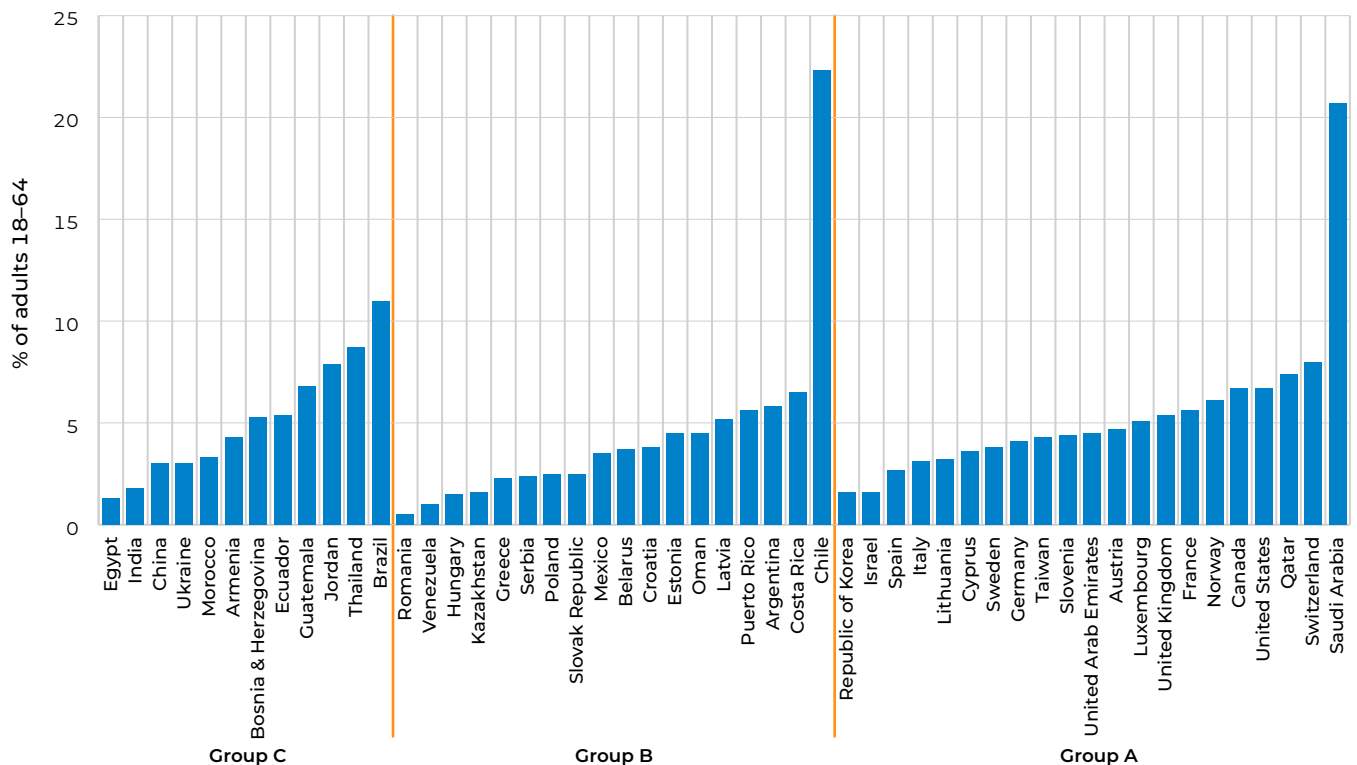
The proportion of adults expecting to start a business in the next three years varies from very few in China and Poland to a majority in Qatar, and Jordan. More than one in three adults expect to start a business in the next three years in six Group C economies, in four Group B, and in three Group A (all from the Gulf). While there is substantial variation across all income groups, the proportion intending to start a business generally declines as the income group rises.

2.3 INFORMAL INVESTMENT

There are many different ways of being entrepreneurial. While starting or running a new business may be the most obvious, others include developing new businesses for your employer (employee entrepreneurship) or investing your

own resources in someone else's new business. The latter is called informal investment; it can be an important source of funds for those without substantial assets or a recognised credit history. While much informal investment is to benefit

FIGURE 2.7
Investing in someone else's new business (% adults)



a family member, recipients can also include colleagues or friends.

The GEM APS asks individuals if they have, in the past three years, personally provided funds for a new business started by someone else and, if so, how much. Figure 2.7 shows responses, ranging from close to zero to more than one in 10 in Brazil and one in five in both Chile and Saudi Arabia. On the whole,

investing in someone else's startup doesn't happen frequently: less than one in 20 adults in six Group C economies, 13 in Group B and 12 in Group A. The median amount invested increases rapidly with income group. The economies with the highest median levels of informal investment were the Republic of Korea, Taiwan, Luxembourg and Cyprus, but each had fewer than 5% of adults investing.

2.4 CONCLUSIONS AND POLICY IMPLICATIONS

Social connections are an important dimension of context. Knowing someone who has started a business means exposure to a role model, potential increase in motivation, encouragement of opportunity recognition and enhancement of confidence.

The high proportion of fear of failure has been noted in recent Global Reports, and appears to be both increasing and to be a major constraint on entrepreneurial activity levels: in 2024, 48 of 51 participating economies have at least one in three of those seeing good opportunities reporting that they would not start a business for fear it might fail. Actions to reduce this fear of failure could include policies to reduce the personal cost of failure (i.e. less draconian bankruptcy regulations), better awareness of failure rates and therefore the real risk of failure, improved

knowledge of risk management techniques, and more publicity and prominence given to those who have managed to succeed with their own businesses despite earlier failures.

It is important to foster a positive cultural narrative around entrepreneurship through media, accessible education and other support to shift societal attitudes towards risk-taking and business creation.

Informal investment can be crucial to new business creation, especially where access to entrepreneurial finance is limited, and can be encouraged and supported through write-offs and tax breaks. This could be an important part of the Expanded Access to Capital called for in the 2023/2024 GEM Women's Entrepreneurship Report, thereby contributing to SDG 10: Reduced Inequalities.

SDG FOCUS ...



Entrepreneurship plays a vital role in addressing UN Sustainable Development Goal 10 — **Reduced Inequalities** — by creating opportunities for marginalised communities and fostering economic inclusion. Entrepreneurs often develop innovative solutions that target the needs of underserved populations, including women, youth and individuals in low-income or rural areas. By enabling access to markets, technology and financial resources, entrepreneurship helps bridge the gap between the privileged and the disadvantaged.

Entrepreneurial activity across the world in 2024

Stephen Hill and Sreevas Sahasranamam

3.1 INTRODUCTION

The evidence of this chapter will make clear the substantial variation in the rate at which people are starting and running new businesses across the globe. This shouldn't come as a surprise, given the range of factors that influence levels of entrepreneurial activity in different economies. These include differences in access to resources, variations in government and other public support for those starting businesses, the differing legal and regulatory frameworks under which new businesses operate, and the range of cultures and attitudes noted in the previous chapter. Given this long list, it is stability in entrepreneurial activity levels over time that might surprise, rather than variations.

Before examining the evidence, a brief reminder is helpful of why levels of entrepreneurial activity are important to any economy. First and foremost, new businesses mean new economic activity, which in turn brings job creation and new employment opportunities, as well as new outputs, new income sources, and increased Gross Domestic Product. But this is not *just* new economic activity: it is activity that is closely associated with innovation, because new businesses turn ideas into new products, services and processes, many of which will address the pressing issues of the day, including social welfare and environmental improvement.

New businesses can also bring diversification, reducing reliance on what may be declining sectors, meaning a stronger and more resilient economy overall. Finally, new businesses may mean more competition, with the prospect of lower prices and more choices for both consumers and producers.

So increasing levels of entrepreneurial activity is a common policy objective for national governments, and is readily seen as indicative of a faster-growing and more dynamic economy, with positive impacts on both well-being and the public purse. Which economies have the highest proportions of adults starting and running new businesses? This chapter will answer this question using evidence from the GEM Adult Population Survey (APS), while also taking into consideration the number of established businesses. We will explore the relationship between the two, as having a good proportion of new businesses surviving and maturing into established businesses is critical for an economy in order to prevent it from being stuck with a static pool of old businesses. We will also examine the association between levels of new and established businesses and levels of income. Rising incomes provide new business opportunities, but also the competing lure of established jobs and well-paid employment.

3.2 THE GLOBAL DISTRIBUTION OF ENTREPRENEURIAL ACTIVITY

The key GEM measure of entrepreneurial activity is the proportion of adults (aged 18–64) who are actively engaged in starting or running a new business, labelled by GEM as Total early-stage Entrepreneurial Activity or TEA. Entrepreneurs owning businesses that pay wages or salaries

for 42 months or more are classified by GEM as Established Business Owners or EBO. Levels of TEA and EBO for the 51 2024 GEM participating economies are set out in Figure 3.1.

Levels of early-stage entrepreneurial activity vary considerably, both by income group and

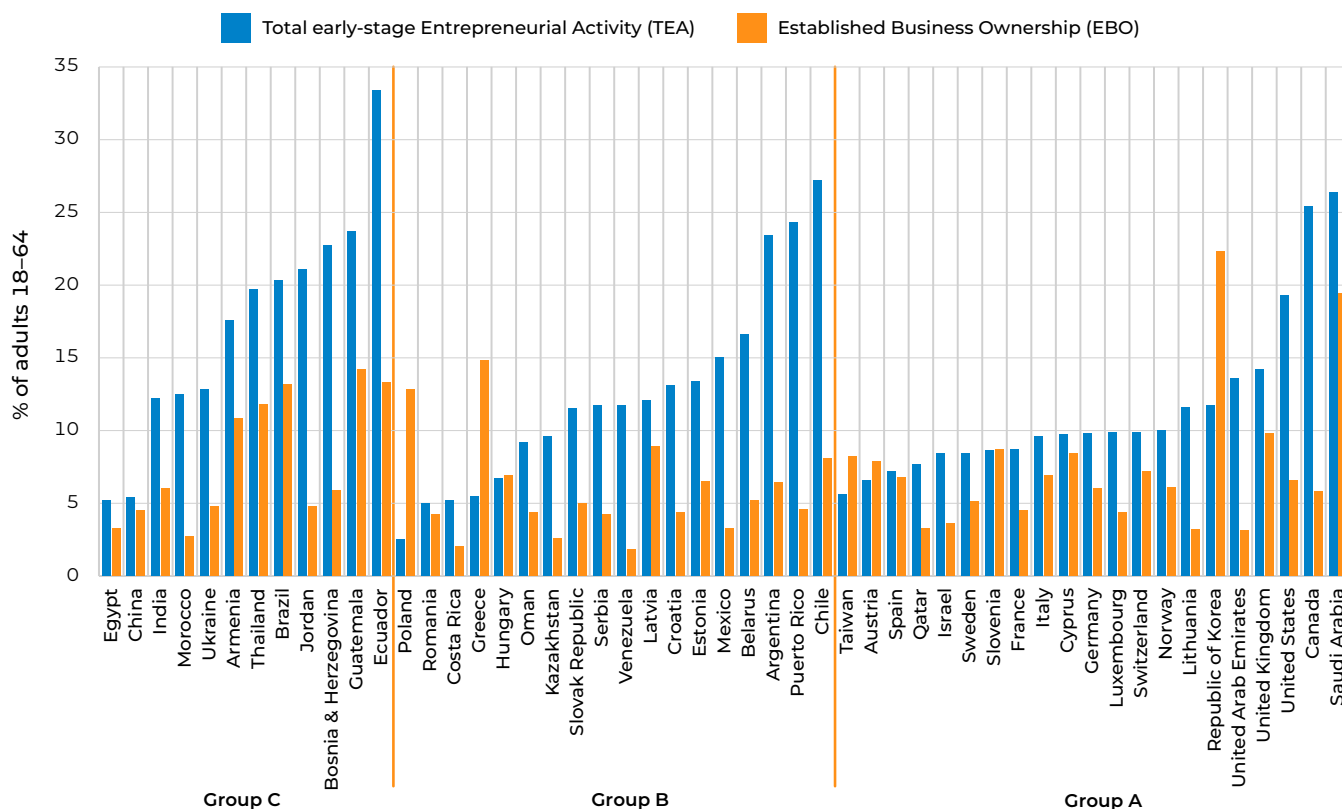


FIGURE 3.1

Total early-stage Entrepreneurial Activity (TEA) and Established Business Ownership (EBO) rates, both as % adults

within each income group. Ecuador has the highest rate of people starting or running new businesses at just over one in three, followed by Chile, Saudi Arabia and Canada. In both 2022 and 2023, the five highest levels of new entrepreneurial activity were all economies from the Latin America & Caribbean region, leading GEM to label that region as the “hothouse of new entrepreneurship”.

However, in 2024, both Canada and Saudi Arabia have joined the top five, and are followed closely by not only Puerto Rico, Argentina and Guatemala but also by Bosnia and Herzegovina, Jordan and Brazil. All of these economies have one in five adults or more starting or running new businesses in 2024. Moreover, high levels of entrepreneurial activity are no longer synonymous with the lower-income groups. The high-income group also has high entrepreneurial activity, although average rates continue to decline with the income group.

At the other end of the scale, the five lowest levels of new entrepreneurial activity were in Poland, Romania, Egypt, Costa Rica and China, each at around one in 20 adults or less.

Notwithstanding Saudi Arabia and Canada, entrepreneurial activity levels in the high-income

group are generally lower than for the middle-income group, which in turn are generally lower than for the low-income group. Less than one in 10 adults were starting or running a new business in just two Group C economies (Egypt and China), but in seven Group B and in 12 Group A.

Figure 3.1 shows the level of Established Business Ownership (EBO) in the 51 economies. Levels of EBO have a significantly different pattern from TEA, being generally lower across the board. Levels in Group C are typically higher than in Groups A or B, despite exceptions. The highest levels of EBO were in the Republic of Korea and Saudi Arabia (at around one in five adults), and in Greece, Guatemala, Ecuador, Brazil and Poland (one in eight or more). Less than one in 20 adults ran an established business in five Group C economies, as well as nine from Group B and six from Group A. Established businesses are especially important for providing stability and account for the majority of jobs in most economies.

The relationship between the level of new and established entrepreneurship (TEA to EBO) is important enough to warrant its own chart (Figure 3.2). There are just seven economies where EBO exceeded TEA (so a ratio of less than



THE REAL WORLD BEHIND THE DATA ...

An entrepreneurial vision for clean-energy cities

An entrepreneurial spark combined with a commitment to environmental sustainability can be a powerful means of instigating change. Ariana Martín can attest to this. In the quaint town of Portugalete, Bizkaia, in the Autonomous Community of the Basque Country (northern Spain), Ariana co-founded Roseo Eólica Urbana in 2020 with a vision of transforming urban energy consumption.

After years of professional experience, Ariana enrolled in a master's programme in Entrepreneurship and Business Management at the University of the Basque Country (UPV/EHU). It was there, amid the inspiring discourse of like-minded individuals, that she found her calling. A project presented by a colleague in the renewable energy sector piqued her interest, leading to the formation of a dynamic team, which included engineers who shared her vision. This collaboration blossomed into Roseo.

Innovating for a sustainable future

At the heart of Roseo's approach lies a commitment to harnessing wind energy in urban settings. The startup's offerings, the Anemoi service and the Rosbi wind turbine, small-scale wind power solutions for urban environments, are designed to enable cities to generate their own clean energy.

CEO Ariana emphasises the importance of doing what you love: "It's about pushing the potential of both myself and my team to the limit. Contributing to society with a new way to generate energy is a significant challenge."

This passion manifests in Roseo's innovative solutions, which integrate seamlessly into urban landscapes without causing noise or disruption. Ariana recognises that clean energy solutions are no longer optional but essential.



"Today, public awareness of environmental issues is growing, evidenced by increasing social movements demanding improvements in this area," she notes.

This societal shift, coupled with favourable European policies, has paved the way for Roseo to carve out a niche in the burgeoning urban wind energy market.

The company also engages with the cutting edge of digitalisation. By storing information in the cloud, Roseo streamlines its decision-making and enhances communication, enabling rapid responses in the fast-paced startup environment. Ariana recognises its role in reaching a wider client base and establishing effective operational processes:

"Digitalisation is now indispensable," she asserts.

The Roseo Eólica Urbana story describes the intersection of entrepreneurship, innovation and sustainability. With the company continuing to grow, the founders remain dedicated to their vision of empowering urban areas with clean energy, ensuring that their community not only meets today's energy demands but also paves the way for a more sustainable future.

Learn more about Roseo Eólica Urbana at <https://roseo.es>.

**We thank GEM Spain, host of the GEM 2024/2025 Global Report Launch in Bilbao,
for providing this material and helping to put our data in a real-world context.**



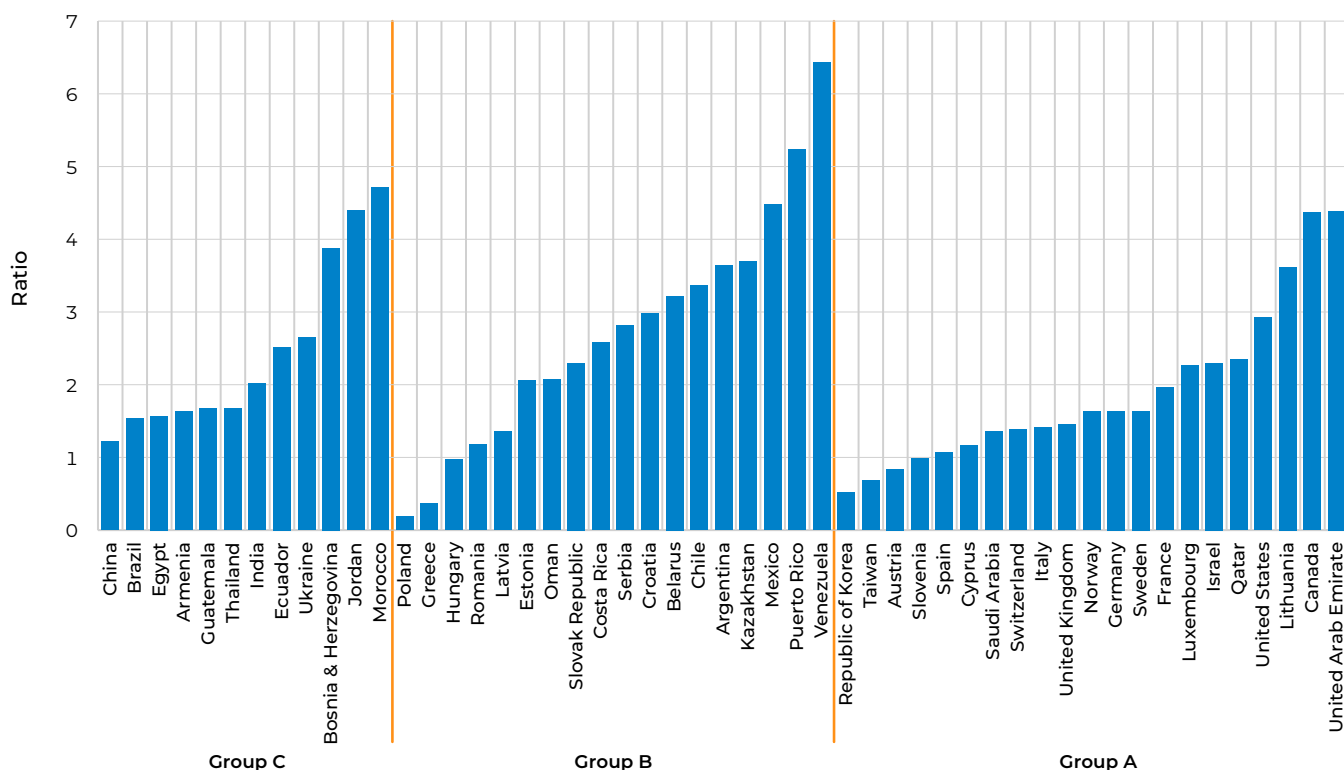


FIGURE 3.2 The ratio of new to established businesses (TEA/EBO)

one), mostly in Europe (Poland, Greece, Hungary, Austria and Slovenia) plus the Republic of Korea and Taiwan. A ratio of less than one calls into question the ability of a steady flow of new businesses to replenish the stock of established businesses.

At the other extreme, seven economies have four or more new businesses for every established business, including, not surprisingly, many of the

economies with high levels of new businesses, including Canada, Jordan and Puerto Rico. Such disproportionality may suggest an imminent rise in the number of established businesses, but that expectation may be unduly optimistic. A persistently high ratio of new to established businesses may in fact suggest that most of those new businesses do not survive long enough to become established.

3.3 ENTREPRENEURIAL ACTIVITY AND INCOME LEVELS

The relationship between entrepreneurial activity and income is a recurrent theme in successive Global Reports, not least because of the ambiguity in this relationship. On the one hand, increasing national income provides plenty of room for new business activities, with rising consumer confidence and greater spending power. On the other hand, rising national income can also mean more and better employment opportunities, increasing the real (opportunity) cost of starting a new business. Other sections of this Global Report will show that, even in high-income economies, many people agree that they are motivated to start businesses because of the need “to earn a living because jobs are scarce”.

Figure 3.3 plots the relationship between the proportion of adults starting or running a new business (TEA) and GDP per capita, utilising the data introduced in Chapter 1 to classify economies by income group. Figure 3.4 plots the similar relationship between Established Business Ownership (EBO) and the same GDP-per-capita data. Both figures include the line of best fit, which slopes gently down (though rather less gently for TEA than for EBO), showing entrepreneurial activity declining with income level. In both cases, best fit is not a precise designation.

Note that while the shapes are reasonably similar, the vertical axis for TEA is much taller than for EBO. In both cases, the proportion of

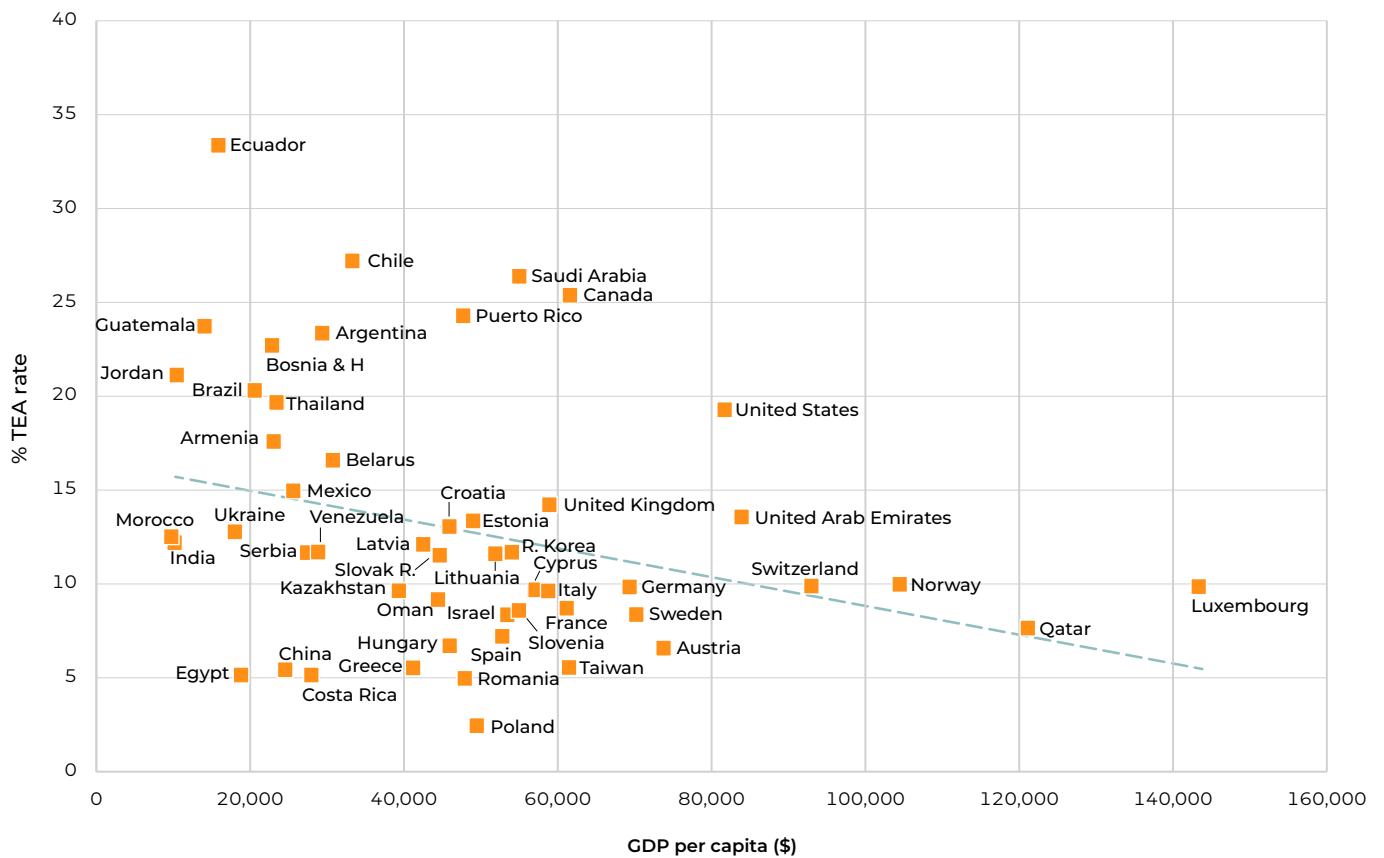


FIGURE 3.3 The relationship between the percentage of adults starting or running a new business (TEA) and an economy's Gross Domestic Product (GDP) per capita

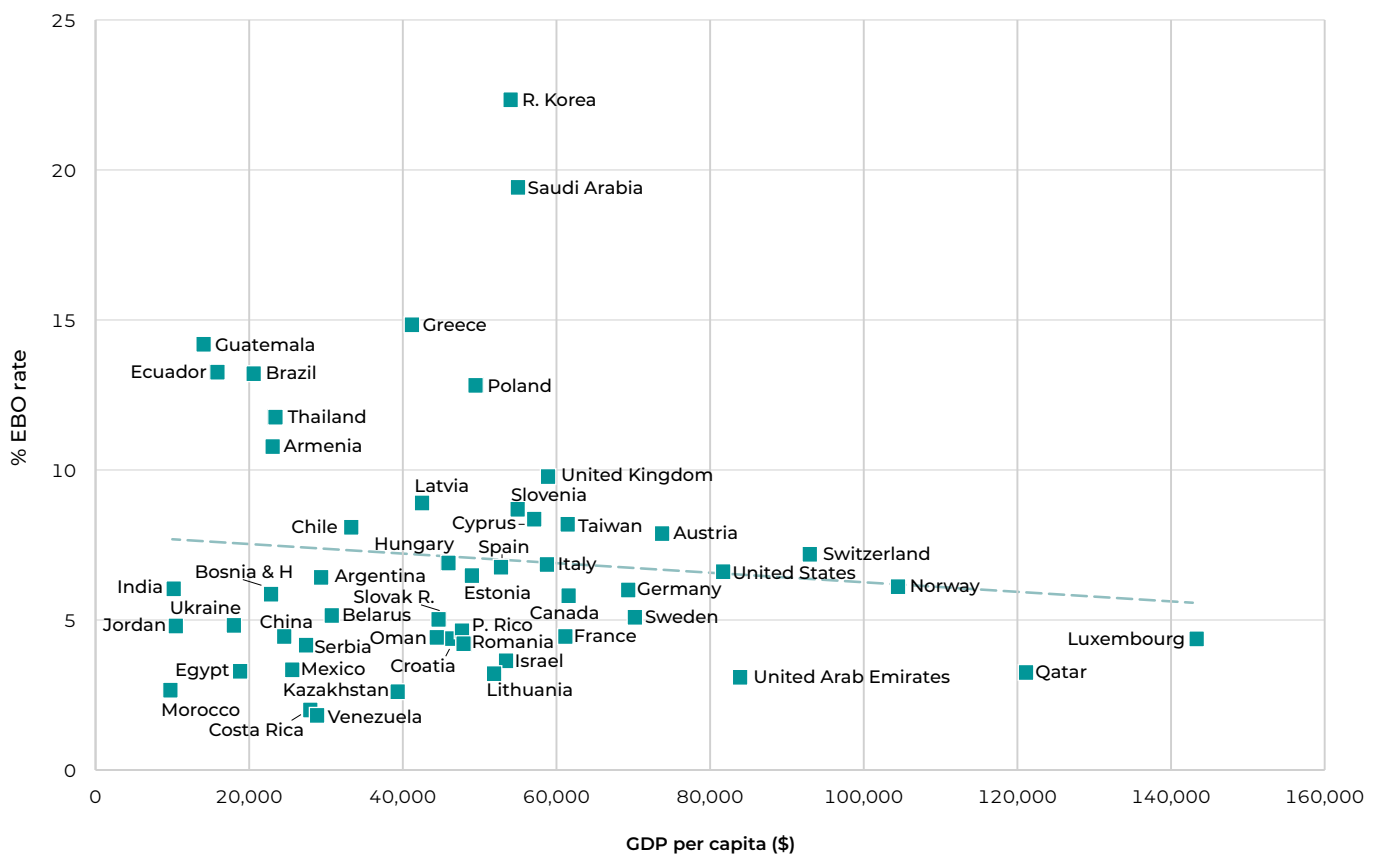


FIGURE 3.4 The relationship between the percentage of adults owning an established business (EBO) and Gross Domestic Product (GDP) per capita

adults declines as the level of GDP per capita increases, although in each case the majority of observations are some distance from the line of best fit. So the entrepreneurial activity/income level debate remains unresolved, although the

inclusion of two high-income economies among the top five most entrepreneurial may mark a watershed, with high levels of entrepreneurial activity becoming more commonplace within high-income economies.

3.4 THE SECTOR DISTRIBUTION OF NEW BUSINESSES

Economies vary considerably in their sector composition, and the sector distribution of new businesses is likely to both reflect that composition and to indicate changes in that composition. New businesses are more likely to prosper in new and growing sectors, whereas business exits may mirror old or declining sectors. Given the individual nature of the decision to start a new business, the choice of sector may reflect the knowledge and experience of the founder as well as wider market trends. Other influences will include the resource requirements of the new business, including knowledge as well as capital, the scale of the intended startup, perceived market opportunities and anticipated growth, and any regulatory or licensing requirements.

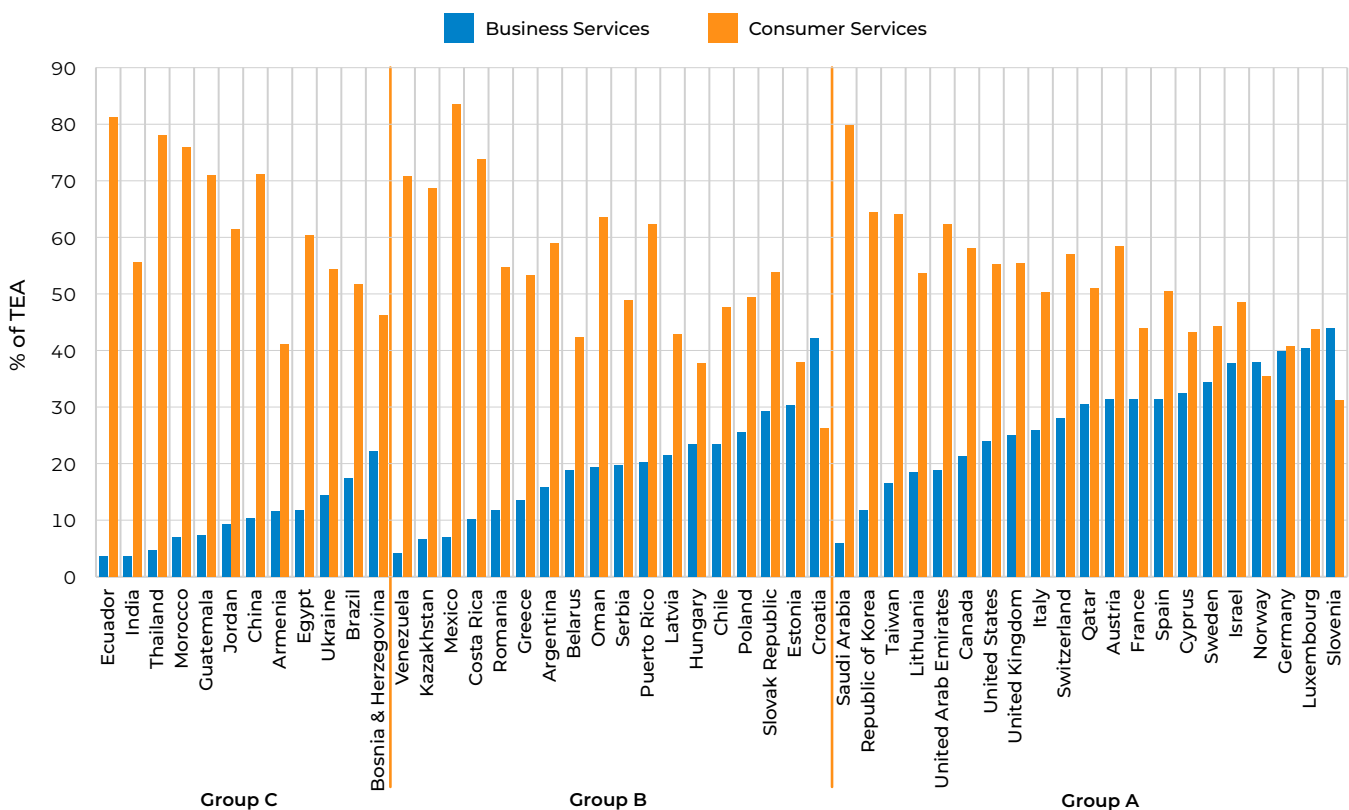
GEM classifies new businesses into four broad sectors:

- Consumer Services (the largest)
- Business Services
- Transformative
- Extractive

Transformative includes both manufacturing and logistics, while Extractive encompasses mining and agriculture. Both Transformative and Extractive sectors tend to be relatively important in specific economies with particular characteristics, such as an abundance of natural resources or highly fertile agricultural land.

In the GEM 2024 APS, Consumer Services and Business Services included more than three out of four or more of those starting or running new

FIGURE 3.5
Business Services
and Consumer
Services as a
percentage of new
businesses (% TEA)



businesses. The largest exceptions were in India and Armenia with large agricultural and mining sectors but with Consumer Services plus Business Services still accounting for well over half of those starting new businesses in those economies.

Figure 3.5 shows Business Services and Consumer Services as a percentage of all new starts for the 2024 GEM participating economies. It shows considerable variation in the relative importance of Consumer Services in all income groups, while Business Services generally increase in importance as income rises.

Business Services account for more than one in five starts in one Group C economy, but eight from Group B and 16 from Group A, whereas Consumer Services account for more than three in five starts in seven Group C economies, six Group B, and just four Group A. Only two Group C economies

(Armenia and Bosnia and Herzegovina) have less than one in two starts in Consumer Services. Just one Group A economy (Saudi Arabia) has less than one in 10 starting in Business Services, compared to three from Group B and six from C.

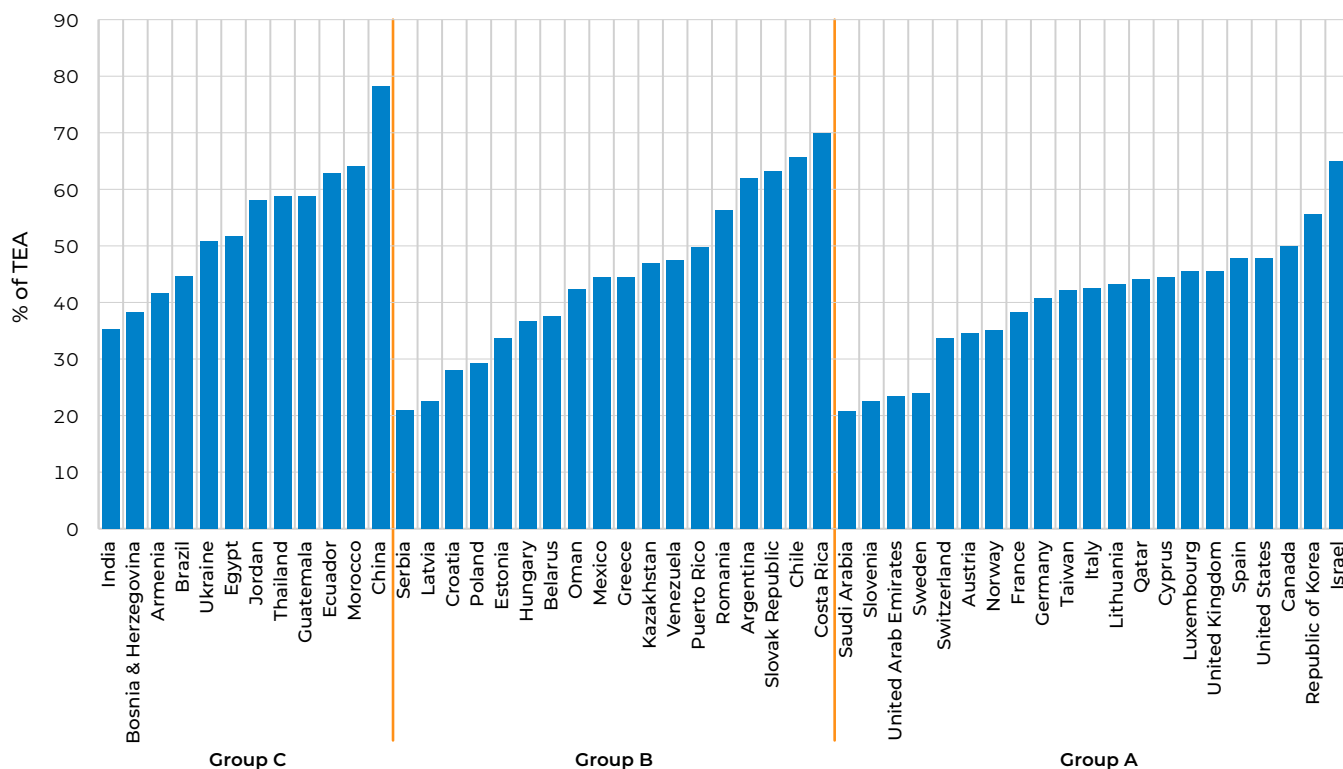
It remains self-evident that easy-entry sectors are typically very competitive and therefore low-margin. It is relatively easy to open a new grocery store, hairdresser or tea shop, but very difficult to build a sustainable market through higher productivity or product differentiation. Many of these Consumer Services new businesses have low entry costs with limited differentiation and potentially limited durability. On the other hand, new starts in Business Services are likely to be more knowledge- and capital-intensive, and therefore margins tend to be higher and more sustainable.

3.5 IS IT GETTING HARDER TO START A BUSINESS?

The proportion of adults agreeing that it was easy to start a business ranged from one in six in Israel to more than nine out of 10 in Saudi Arabia (see Figure 2.3 in the previous chapter), although that proportion mostly varied from three in 10 to five

in 10. The APS asks a slightly different question of those identified as starting or running a new business, and therefore with first-hand experience. Do you think starting a business is more difficult than it was a year ago? Figure 3.6 shows the results.

FIGURE 3.6 The percentage of those starting or running new businesses who consider it much or somewhat more difficult to start a business than a year ago (% TEA)



There is considerable variation in responses, both within and between income groups, although the level of agreement generally falls as the income group rises. The highest level of agreement was in China, where nearly four in five new entrepreneurs thought it harder to start than a year ago. The lowest agreement was in Serbia and in

Saudi Arabia, where only one in five agreed. More than one in two new entrepreneurs considered it more difficult in eight Group C economies, five Group B and just three Group A. Meanwhile, less than one in three considered it more difficult in no Group C economies, but in four economies from Group B and four from Group A.

3.6 CONCLUSIONS AND POLICY IMPLICATIONS

In recent years, the Latin America & Caribbean region has provided most of the high-entrepreneurial-activity economies, but no longer. Moreover, these changes are not about entrepreneurial activity levels falling in the Latin America & Caribbean region but rather about those levels increasing in both North America and the Gulf States.

Levels of Established Business Ownership are generally lower than levels of new entrepreneurial activity. Some economies have low ratios of new to established businesses, implying they may not have enough new businesses to replenish the business stock. Other economies have persistently high ratios of new to established businesses, suggesting that many of those new businesses do not endure long enough to become established.

Finally, many new entrepreneurs consider that it is getting harder to start new businesses.

Some policy implications:

- It is not enough to help new businesses start, since many new businesses do not survive into maturity. New businesses may need continuing support to become established.
- More research is needed on the association between entrepreneurial activity and income, particularly as levels of entrepreneurial activity may be increasing in high-income economies.
- Those intent on starting new businesses need to be encouraged to look beyond Consumer Services if those businesses are to have lasting impacts.
- Many new entrepreneurs in all economies perceive it to be getting harder to start a new business. Those responsible for encouraging new starts need to urgently review what specific factors are making new starts harder.

SDG FOCUS ...



Earlier in this chapter we highlighted the levels of Established Business Ownership (EBO), defined as owning and managing a running business that has paid salaries, wages or any other payments to the owners for more than 42 months. EBOs provide the majority of employment in most economies, as well as stability. The formation of established business should be a key policy objective. It directly connects to ending poverty in all its forms (UN Sustainable Development Goal 1: **No Poverty**) and reducing inequalities (UN SDG 10).

The diversity of entrepreneurs

Stephen Hill, Fatima Boutaleb and Maribel Guerrero

4.1 INTRODUCTION

Entrepreneurship encompasses a multitude of backgrounds, cultures, genders and perspectives. There is no monolithic figure of “the entrepreneur”. Understanding the diversity of entrepreneurs helps to better comprehend the plurality of their experiences and can contribute to more inclusive, innovative and sustainable entrepreneurship.

In this context, diversity refers to the different characteristics of those starting or running new businesses. This chapter will look at how entrepreneurial activity varies by gender, age and educational attainment. It will challenge the presumption that all new entrepreneurs are young male graduates — although many of them are. There are likely to be many other characteristics that can impact the propensity to start a business: urban or rural location, family background, religious or political affiliation, etc.

Diversity in this report is limited to the data available from the GEM Surveys. It encompasses more than demographic or educational characteristics, since new entrepreneurs also differ in their expectations and behaviours, especially in terms of employment or the newness of their products or processes, each of which will be considered in this chapter.

Diversity in entrepreneurship matters because of:

- **Representation and opportunity.** It can be difficult to be what you cannot see. People need to know that others like them are starting and running businesses, and that this can be an opportunity for all. Under-representation not only means that some individuals are missing out, but so too are their economies and societies in terms of new businesses, trade and job impacts that have not materialised.

- **Creativity and innovation.** People from different cultures, with a diverse range of backgrounds and different experiences, can bring alternative perspectives and approaches to problem-solving. Multiple perspectives can lead to better, more creative solutions.
- **Economic growth.** Diversity among entrepreneurs can help to address untapped markets, while inclusive development can raise incomes and reduce inequalities, generating social as well as economic benefits. Diversity can also increase resilience by spreading risk and increasing market responsiveness.
- **Barriers.** Encouraging diversity in entrepreneurship contributes to the breaking-down of barriers and the creation of a more inclusive society that can harness a wider range of talents and ideas, leading to more sustainable economic development.

This chapter will look at key demographics — starting with gender — and their relationship to levels of entrepreneurial activity. There are several ways to explore group differences. The most obvious is in terms of absolute differences, such as the proportion of men starting and running new businesses compared to women. However, these differences are also dependent on the scale of entrepreneurial activity, so a given difference may be more important when entrepreneurial activity rates are low compared to when they are high. An alternative approach is to measure the relative difference, or one rate divided by the other. The further this ratio is from one, then the greater the relative difference.

4.2 DO MEN START MOST BUSINESSES?

Viewing entrepreneurship through the lens of gender equality is not only an economic or social issue, but a fundamental aspect of sustainable development (Sustainable Development Goal 5: Gender Equality). Figure 4.1 shows the percentage of men starting and running new businesses in each economy, alongside the proportion of women who are doing the same. It shows that, in many economies, the numbers of men and women starting new businesses are very similar. Indeed, there is a very high correlation between the two.

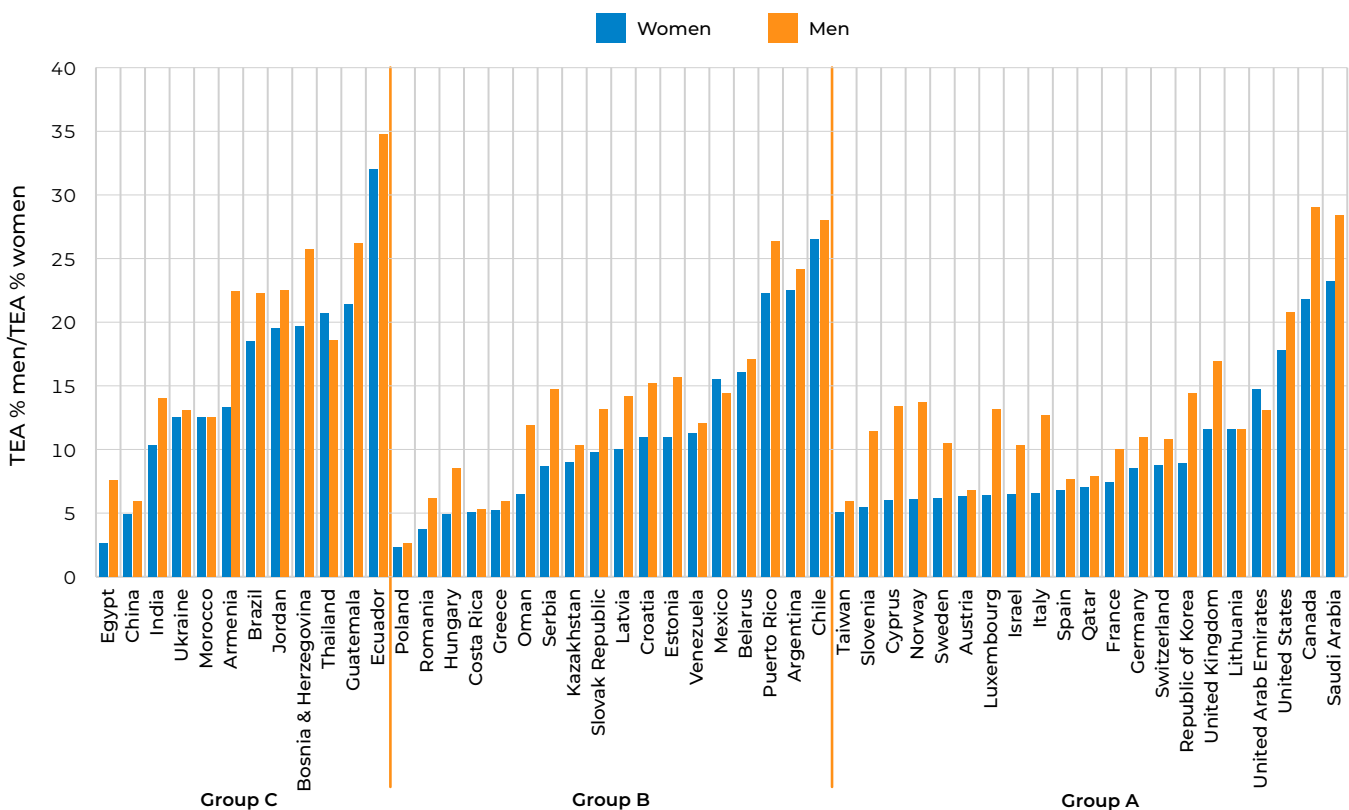
In recent years, there were increasing numbers of economies in which women new entrepreneurs outnumbered their male counterparts. Figure 4.1 may represent a step back in 2024, since just three economies (one per income group) have higher proportions of women starting new businesses than men (Thailand, Mexico and the United Arab Emirates).

Figure 4.2 shows the absolute difference between male and female entrepreneurial activity rates, calculated as the male rate minus the female rate. As anticipated, only three of these rates are negative (with more women than men

entrepreneurs), although another 13 economies have differences that are one percentage point or less (three from Group C, five from B, and five from A). The largest gap is in Armenia (nine percentage points), followed by Norway, Cyprus and Canada. Group C has just three economies with a gap of five percentage points or more, while Group B has two, and Group A has nine.

What about the gender breakdown for established businesses (defined by GEM as those paying wages or salaries for three-and-a-half years or more)? The answer is shown in Figure 4.3. Here, the picture is very clear: Established Business Ownership is very much dominated by men, with only one economy (Thailand) in which women own more established businesses than men. Moreover, this gender gap may increase with income group. There are only 10 economies in which this absolute gap is one percentage point or less: four from Group C, four from B and two from A. In terms of the relative gender gap for Established Business Ownership, the outlier is Egypt, where around 10 men own an established business for every woman doing the same, followed by Qatar with four men and Venezuela

FIGURE 4.1
Total early-stage
Entrepreneurial
Activity (TEA) by
men and by women
(TEA % men and
TEA % women)



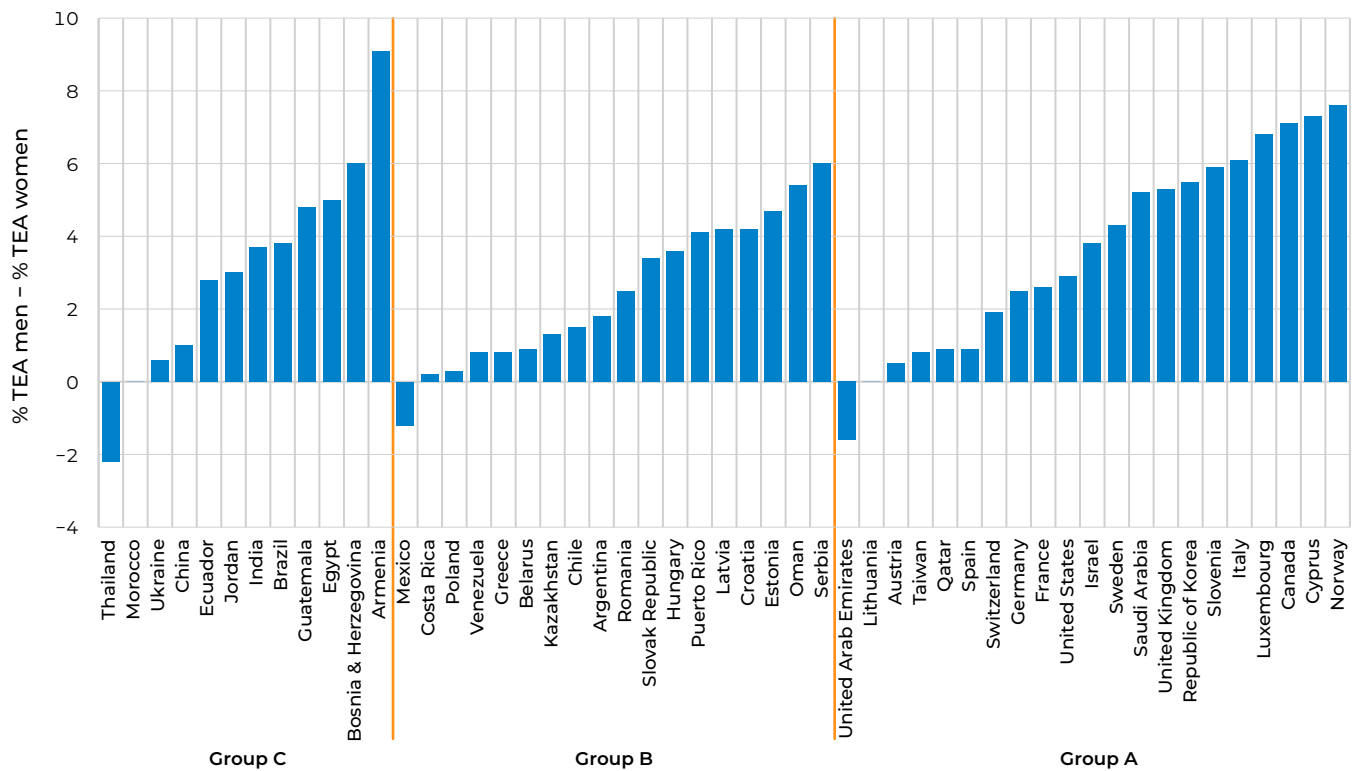


FIGURE 4.2 The absolute difference between male and female early-stage entrepreneurial activity rates (% TEA men minus % TEA women)

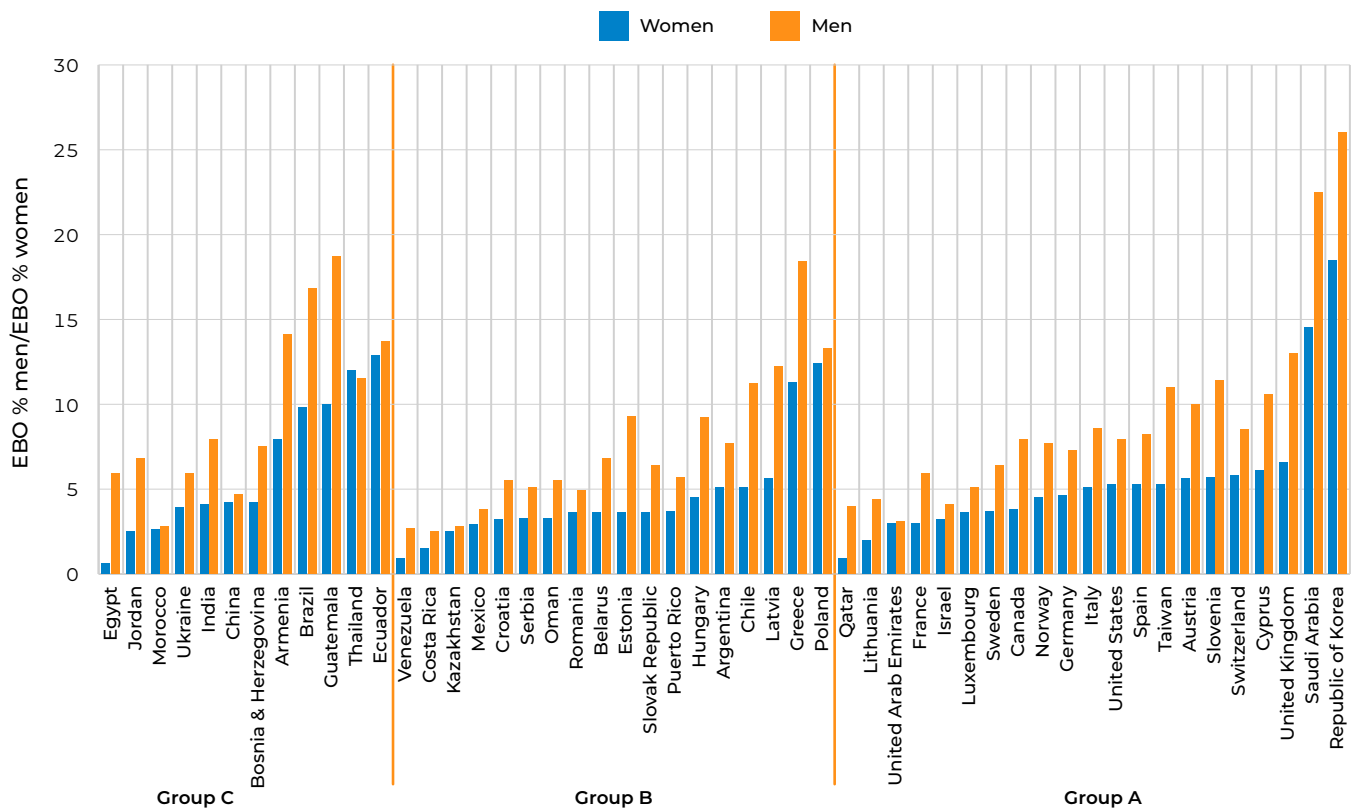


FIGURE 4.3 Established Business Ownership (EBO) by men and by women (% men and % women)

with three. Two economies in Group C have two or more men owning an established business for every woman doing the same, compared to five economies in Group B and five in Group A.

Comparison between Total Entrepreneurial Activity (TEA) and Established Business Ownership suggests that the pool of established women entrepreneurs may soon be enriched by

emerging and nascent women entrepreneurs as their businesses reach maturity. However, it is essential that women's entrepreneurial initiatives are supported by a nurturing ecosystem to help them to survive and grow to become established. Indeed, most economies have more men than women both starting new businesses or running established businesses.

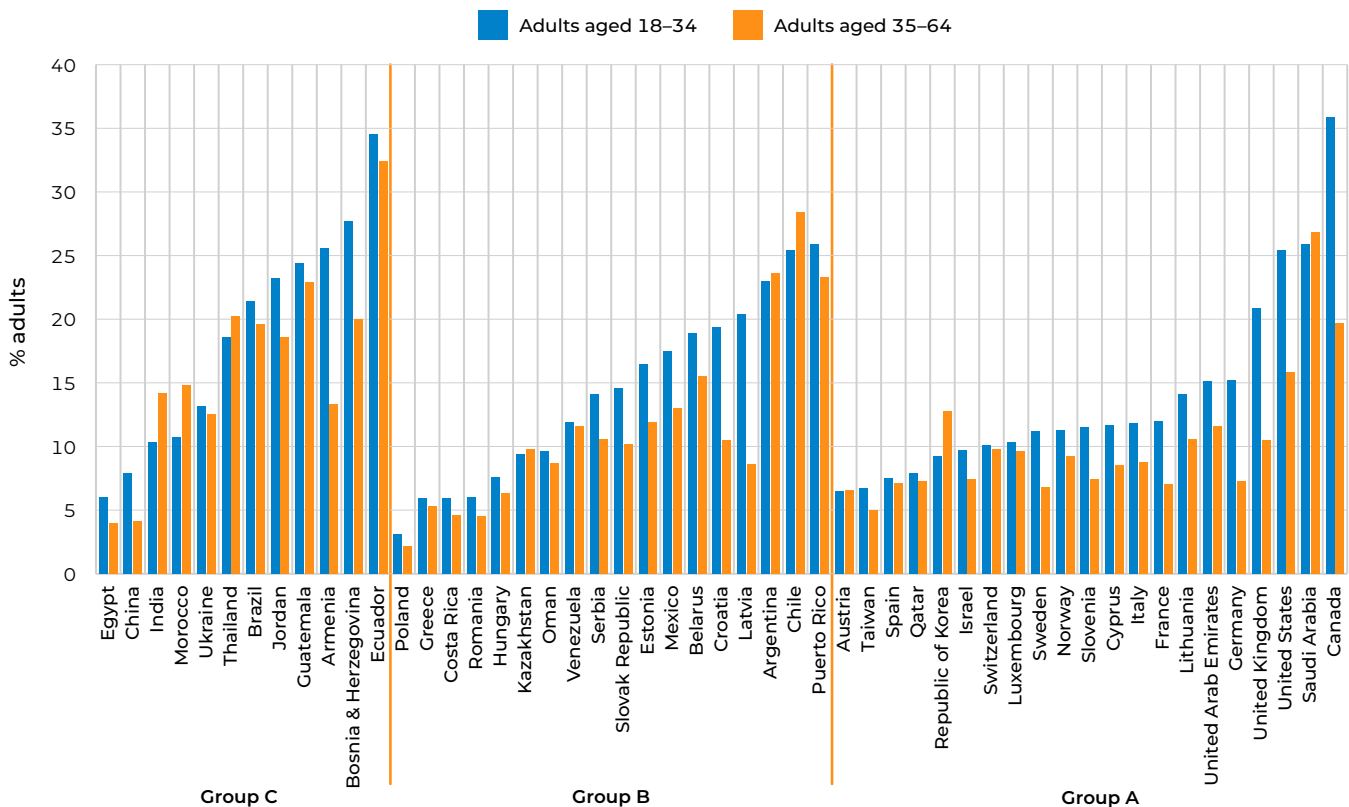
4.3 AGE, EDUCATION AND LEVELS OF NEW ENTREPRENEURSHIP

Previous Global Reports have shown that younger age groups and graduates are more likely to start new businesses than older people and non-graduates. Conversely, older individuals tend to own established businesses. This may be because younger people are less likely to have family responsibilities that could deter them from starting new businesses or could have less to lose from those new businesses. In contrast, older people are likely to have better access to resources and more time for their businesses to become established. This section will review the evidence for 2024, beginning with Figure 4.4, which illustrates the percentage of adults aged

18–34 and 35–64 who are starting new businesses in each economy.

Of the 51 economies, 42 have a higher proportion of younger people than older people starting or running new businesses, leaving just nine in which more older people than younger people are starting new businesses, three from each income group. The largest absolute gap is for Canada, with 36% of younger people starting or running new businesses, compared to just 20% of older people, followed by Armenia and Latvia. Only two economies have a proportion of young people starting new businesses that are twice that of older people: Latvia and Germany.

FIGURE 4.4
Total early-stage Entrepreneurial Activity (TEA) for age groups 18–34 and 35–64 (% of adults in each age group)





THE REAL WORLD BEHIND THE DATA ...

What do education entrepreneurs need from policymakers?

Women's entrepreneurship aligns closely with several UN Sustainable Development Goals (SDGs), including Goal 5: Gender Equality; Goal 8: Decent Work and Economic Growth; and Goal 10: Reduced Inequalities.

As part of a special series, we asked women entrepreneurs from different sectors to share their perspectives on how policymakers can best support them. The entrepreneurs are fellows of the Cartier Women's Initiative (CWI), an annual international entrepreneurship programme. Since its creation, the Cartier Women's Initiative has supported 330 impact entrepreneurs across 66 countries.

Komal Dadlani, 2015 CWI Fellow (Chile), Co-founder of Lab4U, a company that develops web and mobile technologies to turn smartphones and tablets into science instruments.

Adopt a long-term vision that supports educational innovation.

Impact in education takes time, and a commitment to sustainable investment is essential.

Champion proven pedagogical solutions, even if they haven't yet scaled.

Many educational technologies have demonstrated efficacy through rigorous studies, yet they remain stuck in pilot phases. By embracing these innovations, policymakers can empower education entrepreneurs to foster lasting change and equip students with the skills necessary for the future workforce.

Nathalie Lesselin, 2023 CWI Fellow (Switzerland), Founder and CEO of KOKORO lingua, a language platform on which children can learn foreign languages through videos, games and songs taught by other kids.

Collaboration between public and private sectors is essential in education.

It's not a competition but a team effort to improve learning outcomes. Quality education requires investment, and every dollar spent on early childhood education can yield a significant return over a lifetime. Policymakers and entrepreneurs need to create



efficient pathways for innovative education solutions to thrive and benefit all children.

Research shows that investing in early childhood education can boost a country's GDP by 10% over a 40-year period.

Dora Palfi, 2023 CWI Fellow (Sweden), Co-founder and CEO of imagi, a company that fosters a love for tech in all kids through fun, inclusive coding. Their AI-powered platform enables any educator, without prior computer science knowledge, to deliver engaging lessons.

Create flexible regulatory frameworks that scale compliance requirements to fit small providers.

Small providers offer educators and administrators personalised support and genuine care. However, we often struggle

to access the spaces where decisions are made, missing procurement opportunities due to overly complex privacy, data security policies and lengthy procurement processes. These challenges favour larger companies over smaller, more innovative providers that might deliver better outcomes for learners.

Access to capital, capacity-building programmes, and streamlined public procurement processes would help education entrepreneurs meet regulatory standards and scale impact. Additionally, policies that promote collaboration with public institutions and prioritise equity in education will ensure that innovation benefits all learners. With the right support, education entrepreneurs can focus on delivering the best outcomes, not just meeting administrative requirements.



Thank you to the Cartier Women's Initiative (CWI), one of our report sponsors, for providing this material and helping to put our data in a real-world context.

Cartier
**WOMEN'S
INITIATIVE**

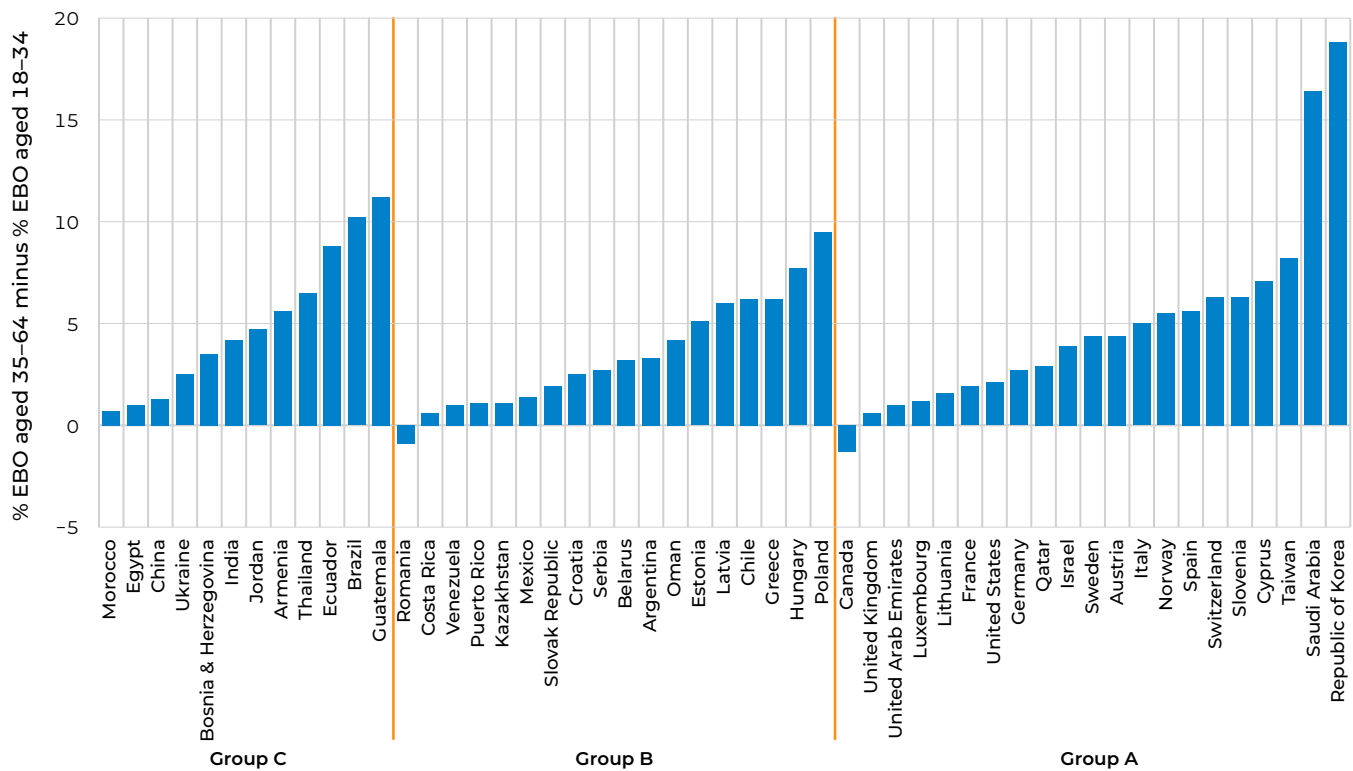


FIGURE 4.5 The difference between older and younger people's Established Business Ownership rates (% EBO aged 35-64 minus % EBO aged 18-34)

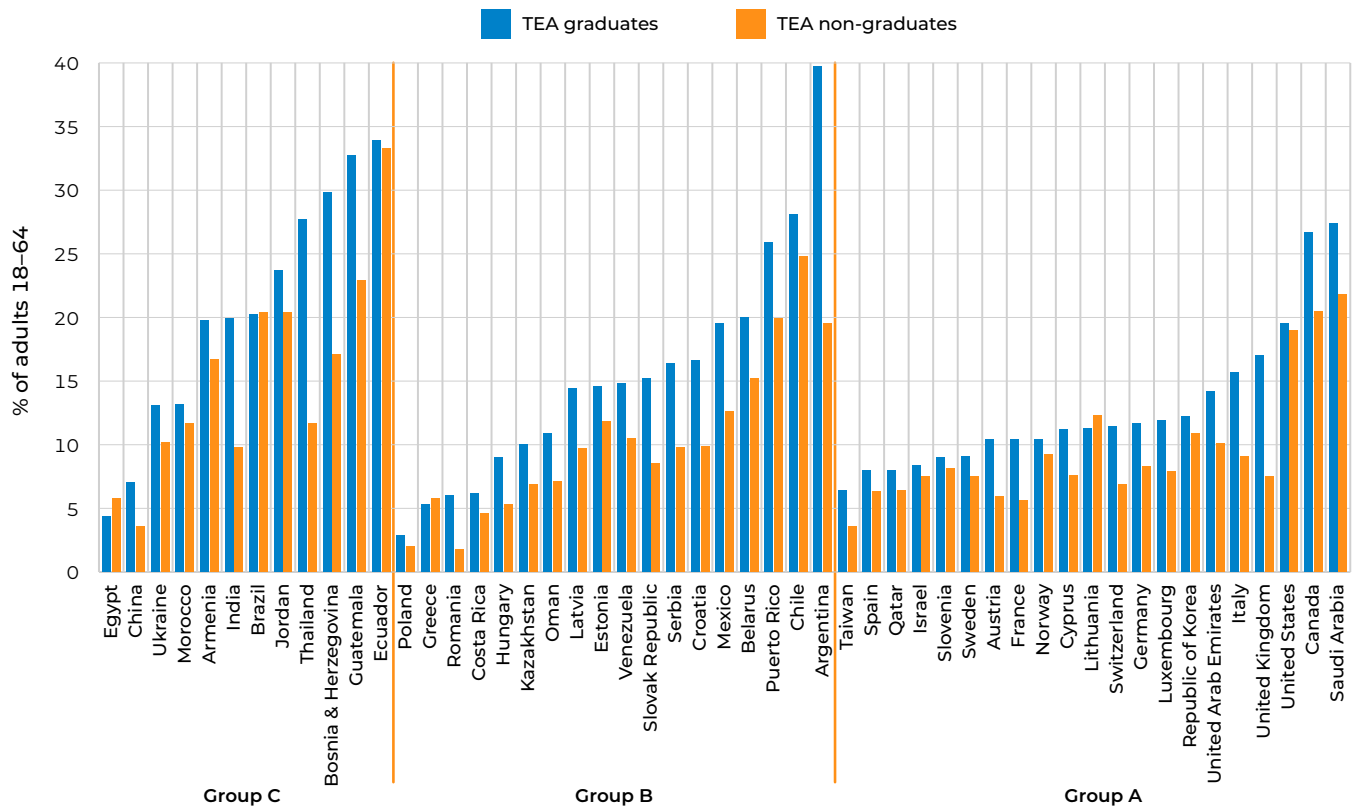


FIGURE 4.6 Total early-stage Entrepreneurial Activity (TEA) for graduates and non-graduates (%)

Turning to Established Business Ownership presents a very different picture, with older people (aged 35–64) far more likely to be owners than younger people (aged 18–34). This is illustrated in Figure 4.5. While there is a positive association between the two, there are only two economies (Romania and Canada) in which younger adults are more likely to be owning established businesses than older people, and another five economies, led by the Republic of Korea and Saudi Arabia, where the proportion of older people owning established businesses is 10 percentage points or more higher than the corresponding proportion of younger people.

Finally, Figure 4.6 compares the proportions of graduates and non-graduates who are

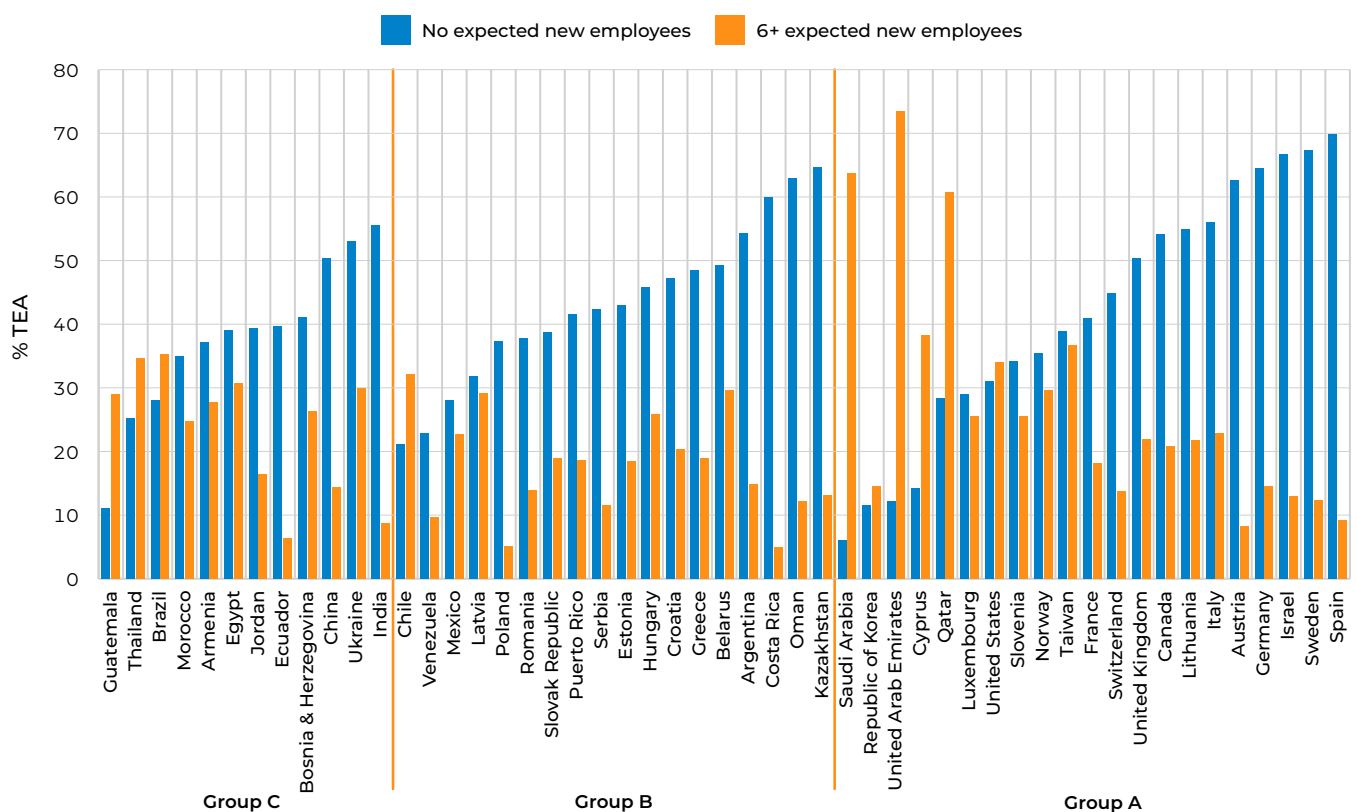
starting or running new businesses. Once more, there is a positive association between the two, but there are only four economies with non-graduates more likely than graduates to be starting or running a new business (Lithuania, Greece, Brazil and Egypt). There are 16 economies in total in which the difference is less than two percentage points. At the other end of the scale, there are four economies in which the difference is greater than 10 percentage points: Argentina, Thailand, Bosnia and Herzegovina, and India. Three of these (Argentina, Thailand and India) plus Romania and the United Kingdom have rates of new entrepreneurship that are at least twice as high for graduates as for non-graduates.

4.4 DIVERSITY IN ENTREPRENEURIAL JOB EXPECTATIONS AND INNOVATION

Entrepreneurs who start and run businesses with no plans to employ others within five years are likely to have less impact compared to those aiming to significantly expand their workforce. Expectations vary considerably and do matter because they suggest the growth path of the

new business, whereas not expecting to grow may well be self-fulfilling. The GEM APS asks those starting and running new businesses how many people they expect to employ in five years' time. Figure 4.7 compares the proportion of entrepreneurs expecting to employ no additional

FIGURE 4.7 Job growth expectations among early-stage entrepreneurs expecting to employ no additional people in five years' time, and those expecting to employ at least another six people over the same period (both as % TEA)





THE REAL WORLD BEHIND THE DATA ...

Revolutionising smart-city logistics with AI

Many entrepreneurs are grappling with the disruptions and opportunities brought about by artificial intelligence (AI). Diego Zúñiga, CEO of Ubyko (second from left in photo), is leading an innovative company that combines robotics and automation to deliver sustainable and efficient logistics solutions for smart cities.

“This past year has marked the awakening of artificial intelligence,” Diego notes. “AI is expanding across multiple sectors, including logistics, driving predictive and sustainable solutions. For example, if we know that 10 smartphones are likely to be sold in a specific area of the city, our technology enables them to be stored in a nearby automated nano-fulfilment centre. This optimises delivery times and reduces the carbon footprint. Products arrive in under 30 minutes, improving both efficiency and the customer experience.”

Diego highlights another key point: “Younger generations don’t mind if you anticipate their purchases, as long as you enhance the service — delivering quickly and wherever they need. Immediacy and sustainability are what connect with these new generations, and the brands that embrace this will lead the market.”

Diego and his team, including co-founder Hugo Fernández, are uniquely positioned to seize these opportunities, building on a proven track record of innovation. Headquartered in Bilbao, Ubyko developed the first nano-warehouse connected to an automated product dispenser for small businesses in urban centres. This groundbreaking tool promotes a more sustainable urban lifestyle by enabling efficient goods movement and empowering consumers to manage their own logistics through product ATMs.

This solution not only provides autonomy to consumers but also helps businesses cut costs. As Diego explains: “Younger generations value self-sufficiency and prefer managing things on their own. Just as ATMs revolutionised cash withdrawals, we believe the same concept can now be applied to products.”



The idea was sparked during a routine task: withdrawing cash from an ATM. Diego wondered if picking up online purchases could be just as simple — or if products could be delivered conveniently and collected later by someone else.

“As we refined the idea, we realised that European cities have millions of square metres of underutilised retail space,” Diego explains. “These vacant spaces could play a crucial role in solving logistical challenges. With AI for prediction and Ubyko’s automation for optimisation, products can be stored closer to consumers, even before they make a purchase — mirroring traditional logistics, where goods were grouped and distributed to local stores.”

Ubyko’s vision goes beyond decarbonising urban delivery vehicles. It aims to minimise the number of vehicles altogether by leveraging AI and compact urban warehouses of less than 100 m².

The challenge of modern logistics, as they point out from Spain, lies in reducing the carbon footprint of every item that is purchased. This requires hyperlocal logistics, where products are grouped and brought into city centres, then dispatched from nearby points. This approach not only reduces traffic and energy consumption per product but also boosts customer satisfaction.

For Diego and his team, Ubyko represents more than just a technological breakthrough. It embodies a commitment to social progress, grounded in values and a bold vision for the future.

We thank GEM Spain, host of the GEM 2024/2025 Global Report Launch in Bilbao, for providing this material and helping to put our data in a real-world context.



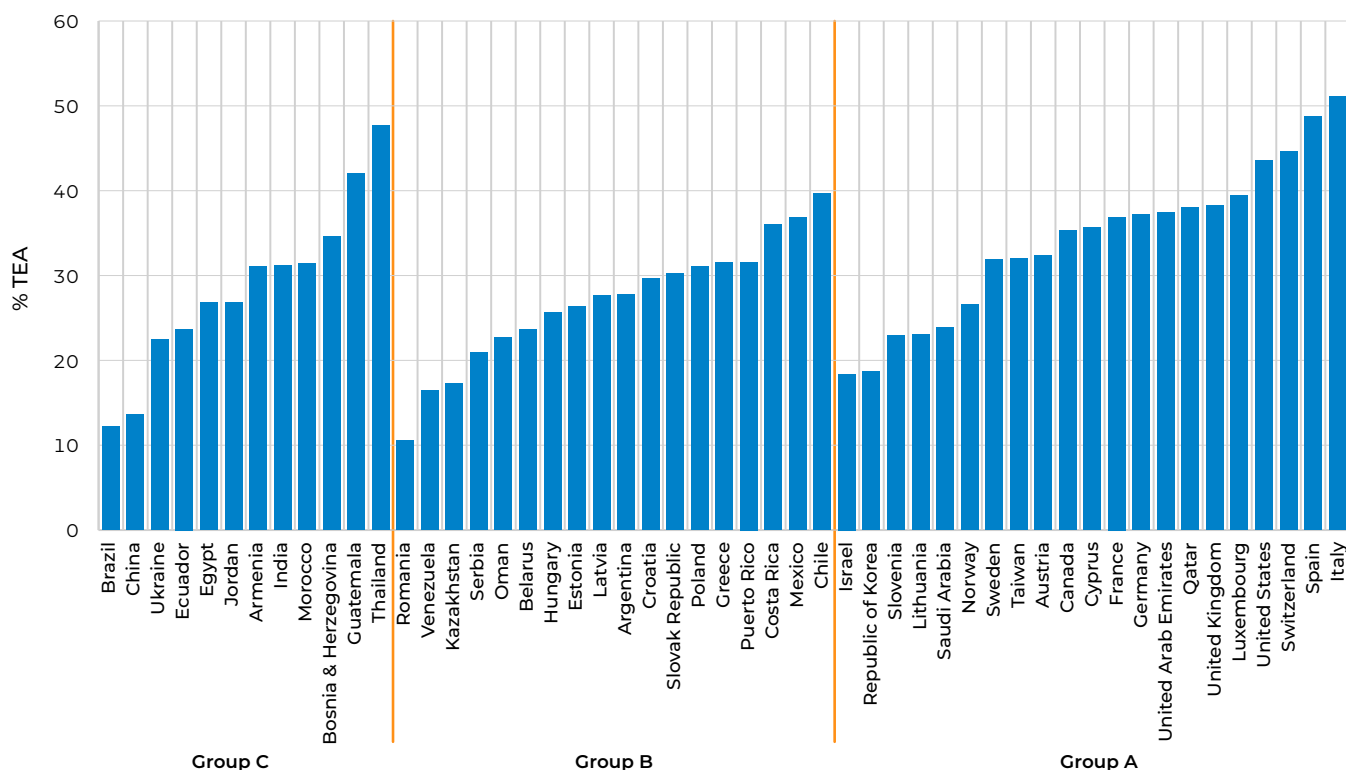


FIGURE 4.8 Those starting or running new businesses with products that are new to their area, new to their country or new to the world (% TEA)

people to those anticipating hiring at least six or more within the same time frame.

Of the 51 economies, 37 have at least one in three new entrepreneurs expecting to employ no one else in five years' time. The highest proportions with no job expectation, at around two-thirds of new entrepreneurs, are in Spain, Sweden, Israel, Germany and Kazakhstan.

An absence of job expectations is typically more prevalent in the high-income economies. On the other hand, three economies have more than three in five of their new entrepreneurs expecting to employ at least another six people, all from the Gulf (the United Arab Emirates, Saudi Arabia and Qatar), with another five economies with at least a third of their new entrepreneurs sharing this high job expectation (Cyprus, Taiwan, Brazil, Thailand and the United States). Relatively high levels of new entrepreneurship, plus high proportions anticipating six-plus jobs, mean that the percentage of adults starting a new business and expecting at least six new jobs in five years' time reaches as high as 17% in Saudi Arabia, 10% in the United Arab Emirates, 9% in Chile, and 7% in Brazil, Thailand, the United States and Guatemala.

Innovation is a much-vaunted characteristic of many new businesses. Innovative ideas and technologies transform into new products

and services, expanding consumer choices and creating new markets. The GEM APS asks individuals starting or running new businesses whether their products or services are new to their area, new to their country or new to the world. Products or services that are entirely new to the world are far less common than those that are new to a specific area or country.

Figure 4.8 summarises the results of these questions. Introducing product innovation is quite common, with 28 economies having over three in 10 of those starting or running new businesses reporting that they are introducing products that are at least new to their area, spread across all income groups, although more prevalent as income increases (six from Group C, seven from B and 15 from A). However, these numbers fall quickly as the proportions increase. Just six economies have two in five or more new entrepreneurs introducing new products: two from Group C (Guatemala and Thailand) and four from Group A (Italy, Spain, Switzerland and the United States).

The final chart focuses on what is indeed a rare phenomenon: those who are starting and running new businesses and introducing new products or services to the world. Unique products, by definition, establish their own monopoly and

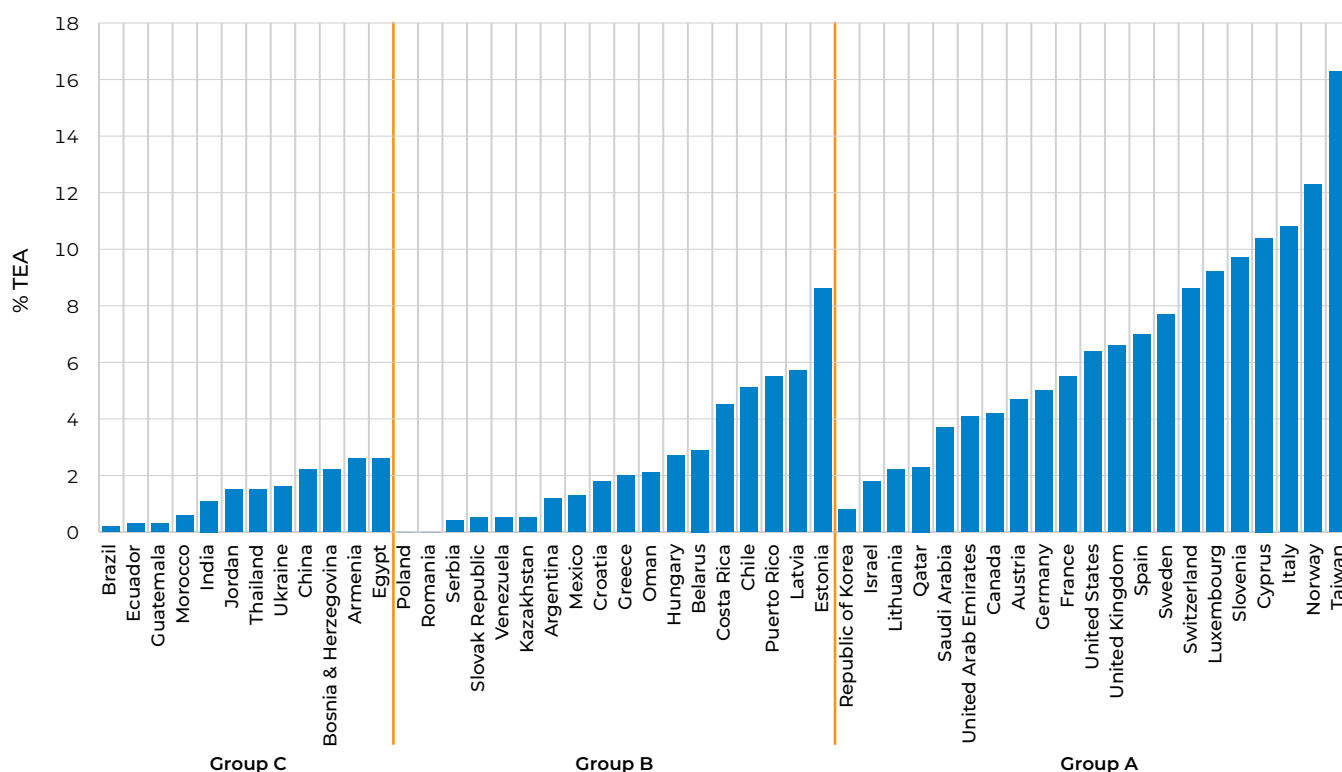


FIGURE 4.9 The percentage of those who starting or running new businesses with products that are new to the world (% TEA)

can yield high margins and sustained profits, depending on the product's distinctiveness and desirability.

Figure 4.9 presents a subset of Figure 4.8. It shows the proportion of those starting or running new businesses introducing new products or services to the world. This is less than one in 20

new entrepreneurs in all Group C economies, in 14 economies in Group B, and in eight Group A economies. Just four economies have one in 10 or more of their entrepreneurs introducing new products or services to the world: Taiwan, Norway, Italy and Cyprus, all in the high-income group.

4.5 CONCLUSIONS AND POLICY IMPLICATIONS

While there are encouraging signs of progress in some economies in closing the diversity and inclusion gap in entrepreneurship, significant obstacles still exist, especially in the later stages of business development. Furthermore, differences persist across economies in job expectations and levels of product innovation for early-stage entrepreneurs. Although over half of new entrepreneurs in most economies are introducing new products or services, most are new to the area or new to the country rather than new to the world.

Building on these findings, what are the implications, and what actions can be taken?

GEM indicators (see Chapter 8) reveal how some economies have established support mechanisms through an entrepreneurial

ecosystem developed to reduce these gaps. Other economies rely mainly on initiatives led by international philanthropy, NGOs, or initiatives promoted by women or minority entrepreneurs themselves. This can be because of persistent cultural barriers and because overcoming entrenched social norms may take generations.

On the policy front, every effort made at the city, national or international level is vital in dismantling diversity and inclusion challenges throughout the entrepreneurial process: identification of opportunities, business conception, consolidation and growth. Deconstructing the single entrepreneur profile, i.e. discarding the notion of a typical entrepreneur, is a necessary step in designing effective entrepreneurship support to enhance

innovative and sustainable entrepreneurship, and to better tailor programmes to different needs and ambitions.

It is essential to acknowledge that women, youth/elder, and non-graduates all still face three significant challenges:

- **Training and mentoring (human capital).** As noted in the GEM 2023/2024 Women's Entrepreneurship Report,⁹ digital literacy and STEM training programmes tailored to women's needs should evolve in traditional sectors and with more scaling-up opportunities. There are some flexible online learning platforms with instructor-guided lessons (LinkedIn Learning, MOOCs [Massive Open Online Courses], W3Schools), but policies that are targeted at promoting STEM and digital technology training for girls and women will enhance their interest in innovative business models. Incentives for mentoring platforms and business associations are highly valuable, as they help women entrepreneurs scale their businesses by connecting them with peers and industry leaders.
- **Access to funding (finance).** Women VCs (venture capitalists) and business angels help early-stage women entrepreneurs transition to more advanced stages of their business. So policies are needed to incentivise VCs to invest in female-led ventures or funding programmes that reduce diversity and inclusion gaps across all stages of the entrepreneurial journey.

- **Work-life balance and labour market constraints (regulations).**

Entrepreneurship offers a unique path for seniors and women's career development in various economies, addressing labour market challenges, promotion gaps and retirement options. Also welcome are policies that support working mothers (e.g. affordable childcare options, parental leave policies for both parents), that reduce gender bias, and that reduce gender-based violence. Additionally, policies for seniors starting businesses after retirement should address retirement savings, self-employment taxes and healthcare, among other relevant considerations.

All these actions can support SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth and SDG 10: Reduced Inequalities.

In targeting specific groups in order to encourage entrepreneurial activity, policymakers face a conundrum. Is it more effective to direct resources towards encouraging under-represented groups, such as women, older people, or non-graduates, or towards those most likely to start a new business (men, younger people and graduates)? In some emerging countries with larger youth populations, other questions become more decisive, including how the educational system can position entrepreneurship as a priority career option. This is especially critical where labour markets are unable to absorb the large influx of young graduates.

SDG FOCUS . . .



UN Sustainable Development Goal 5 is to achieve **Gender Equality** and empower all women and girls. GEM's research over time highlights how women entrepreneurs are having a considerable and increasingly positive impact on society and economies. This research can help policymakers make ever more rational policy decisions that enable women entrepreneurs to move forward.

⁹ GEM (2024). *2023/24 Women's Entrepreneurship Report: Reshaping Economies and Communities*. London: Global Entrepreneurship Monitor. <https://www.gemconsortium.org/file/open?fileId=51601> (accessed 13 December 2024).

The drivers of entrepreneurship

Stephen Hill and Przemysław Zbierowski

5.1 INTRODUCTION

Every person who makes the decision to start a business does so based on a mix of personal, financial and professional reasons. Foremost among these is a desire for independence and autonomy. Many want to freely make their own decisions without a boss looking over their shoulder. When GEM was pre-testing in order to design its questionnaire, this was such a ubiquitous motivation, with almost universal agreement among entrepreneurs, that it was excluded from the survey.

Following closely behind are monetary objectives: the desire for higher income or more wealth, often in the absence of alternative income sources. Then there is the personal passion for an idea, or the strong desire to solve a problem or to address an issue. Seeking to make a difference can be a powerful reason for starting your own business, allied to building a business as a legacy for others. Some people see forming a successful business as an important personal achievement, and are eager to rise to that challenge. More mundanely, others simply want a better work–life balance. And then there are those who by starting a business are following in a family tradition.

There are nearly as many reasons for exiting a business. They include financial gain, or simply the opportunity has arisen to sell. Other reasons can be personal: perhaps the entrepreneur feels it's time to move on or has identified and is pursuing opportunities elsewhere.

Perhaps the most common reason for exit can be attributed to market conditions: the business has not generated the revenue or return that was anticipated, or perhaps the realisation has dawned that the business has insufficient potential or is too risky.

This chapter presents evidence from the 2024 GEM Adult Population Survey (APS) about the motivations of those who start businesses, as well as the reasons why some choose to exit the businesses they have been running. In many cases, that business will continue post-exit, such that the departure of the entrepreneur might not imply the closure of the business. The reasons for exit will also be considered. Finally, the chapter concludes by considering entrepreneurial resilience, or the propensity of those exiting businesses to start another business in the near future.

5.2 WHY START A BUSINESS?

The GEM APS asks those identified as early-stage entrepreneurs about their motivations for starting a business. They do this by assessing four carefully specified motivations:

- To make a difference in the world;
- To build great wealth or very high income;
- To continue a family tradition;
- To earn a living because jobs are scarce.

On a five-point Likert scale — strongly agree, somewhat agree, neither agree nor disagree,

somewhat disagree, or strongly disagree — respondents score each motive. They can agree or disagree with multiple motivations. Figures 5.1 and 5.2 display the percentage of early-stage entrepreneurs who somewhat or strongly agree with each of the four motivations, with economies once again organised by income group.

The motivation “to make a difference in the world” receives a highly variable response, from agreement by just one in 10 early-stage entrepreneurs in the Republic of Korea to more

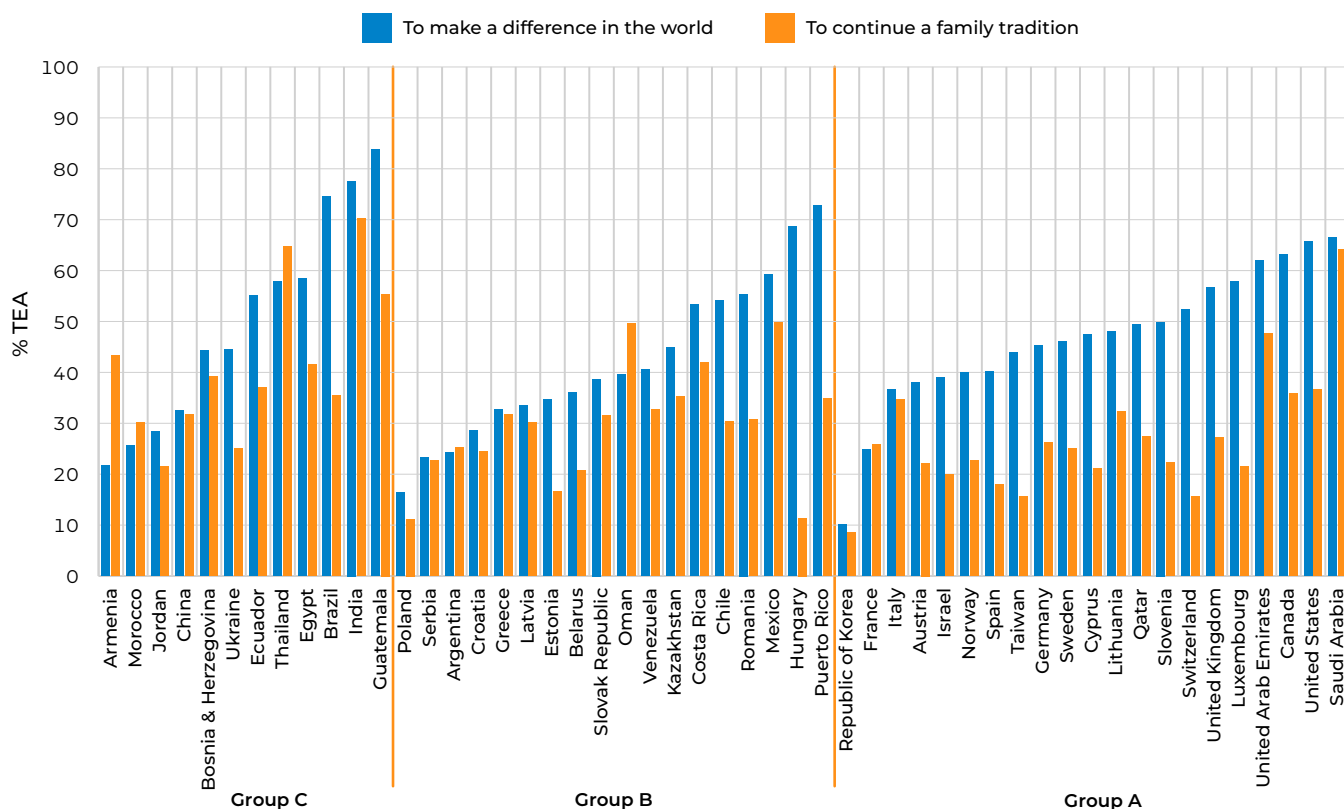


FIGURE 5.1
Motivations “to make a difference in the world” and “to continue a family tradition”, somewhat or strongly agree as a percentage of early-stage entrepreneurs (% TEA)

than eight out of 10 in Guatemala. Agreement varies as much within income groups as between income groups. If anything, entrepreneurs in the lower income economies are more likely to agree with this motivation than those in the middle- or high-income groups. For example, a half of low-income economies have one in two or more of their early-stage entrepreneurs agreeing, compared to a third of entrepreneurs in medium- or high-income economies. As noted in the *GEM 2023/24 Entrepreneurship and Sustainability Report*, purpose-driven entrepreneurship can prioritise sustainability, maximise their businesses’ social impacts and minimise environmental impacts.

The motivation “to continue a family tradition” is quite divisive, agreed by around one in 10 early-stage entrepreneurs in the Republic of Korea, Hungary and Poland, but by over six in 10 in Thailand, India and Saudi Arabia. Agreement with this motivation generally declines with income, suggesting family orientation may be stronger in low-income economies. For example 15 Group A economies had three in 10 or less of their new entrepreneurs agree, compared to just seven in Group B and two in Group C. The obvious outliers are India, Saudi Arabia and Thailand.

For the motivation “to build great wealth or a very high income”, in each of the three income groups agreement varies from under four in 10 (Hungary, Spain, Poland, Switzerland and Norway) up to around nine out of 10 (India, Kazakhstan and Cyprus). Agreement is a little stronger in lower-income economies. Overall, in just 16 of 51 economies do less than half of early-stage entrepreneurs agree.

In Figure 5.2 we see the percentages of early-stage entrepreneurs who agree with the other two motivations. Agreement with the motivation “to earn a living because jobs are scarce” is rather more income-dependent. In Group C, agreement went from a low of seven out of 10 (Ukraine and Brazil), to nine out of 10 or more (Ecuador, Jordan, Thailand, Guatemala and India). In Group B, it was from four out of 10 (Oman) to around nine out of 10 (Argentina, Costa Rica and Venezuela). In the high-income group, the level of agreement ranged from just three in 10 (Norway, Sweden, Taiwan and Republic of Korea), again up to eight in 10 (Saudi Arabia).

To generalise, the most frequently agreed motivations by early-stage entrepreneurs are the material ones — “to earn a living because jobs are scarce” followed by “to build great wealth

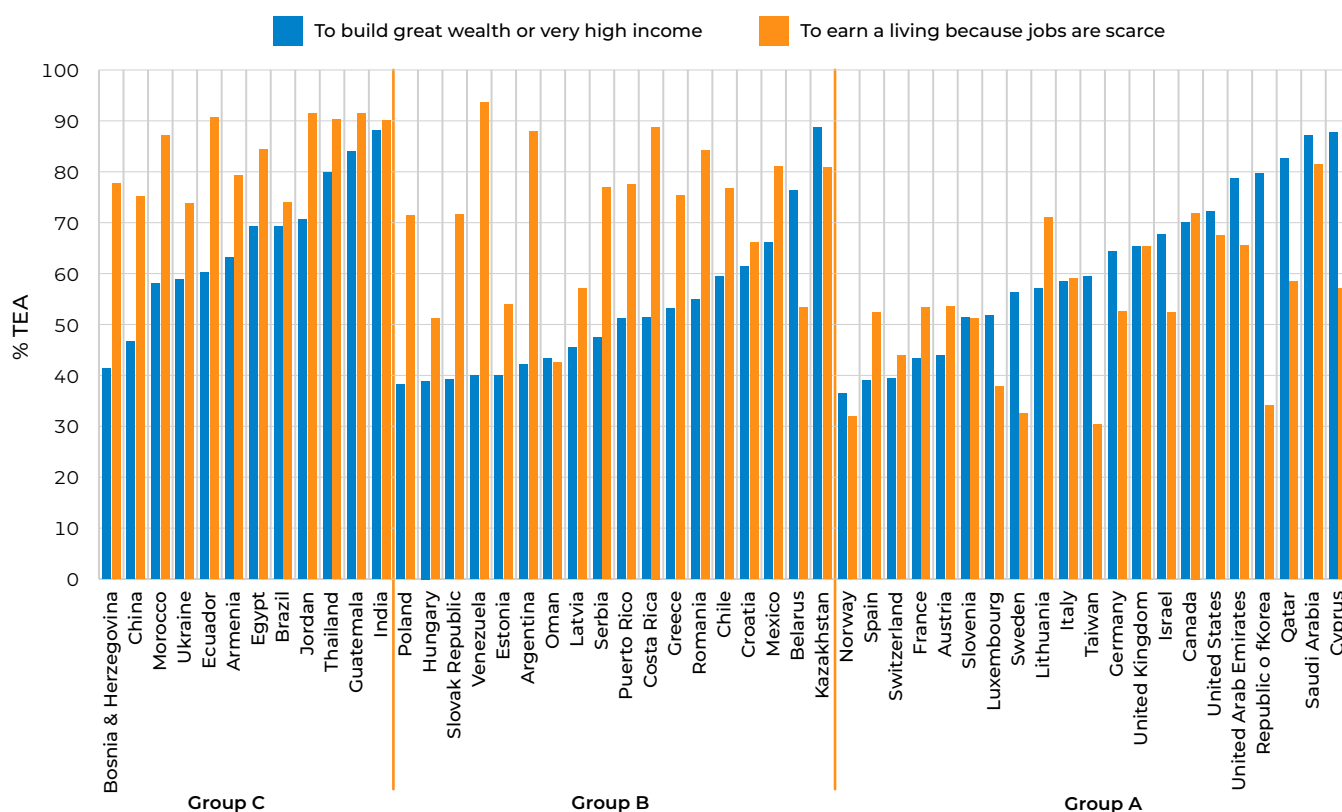


FIGURE 5.2

Motivations “to build great wealth or very high income” and “to earn a living because jobs are scarce”, somewhat or strongly agree as a percentage of early-stage entrepreneurs (% TEA)

or very high income” — especially in lower-income economies. The motivation “to make a difference in the world” shows less agreement, followed lastly by “to continue a family tradition”, although both have high levels of agreement in certain economies. For example, “to make a difference in the world” is agreed by around eight out of 10 early-stage entrepreneurs in both

Guatemala and India. Meanwhile, seven out of 10 starting or running new businesses in India agree with the motivation “to continue a family tradition”.

Motivation matters, because it is likely to affect how the business behaves, including its priorities, actions and strategies. This impacts jobs, outputs, value-add, social well-being and the environment.

5.3 WHY EXIT A BUSINESS?

Exiting a business is an important part of the entrepreneurial pipeline, freeing up resources that can be used elsewhere. Many businesses continue after the founding entrepreneur has exited. So while exit may be difficult, it need not mean the end for the business. Moreover, many of those exiting a business expect to start another business in the near future, using the knowledge they have acquired. The GEM APS asks adults if they have sold, shut down, discontinued or quit a business they owned and managed within the past year. Subsequent questions determined whether the business continued after they quit, and what was the most important reason for their exit.

Figure 5.3 shows the level of exits in each economy, ranging from less than one in 30 adults in nine economies (China and India in Group C; Romania, Greece and Hungary in Group B; Taiwan, Switzerland, Republic of Korea and Norway in Group A) to over one in 10 adults in nine other economies (four from Group C: Ecuador, Jordan, Thailand and Brazil; three from Group B: Puerto Rico, Oman and Chile; and just two from Group A: Lithuania and Canada). So while Established Business Ownership levels are typically lower than levels of early-stage entrepreneurial activity, the level of business exits is usually lower than both of these.



THE REAL WORLD BEHIND THE DATA ...

Making a difference through sustainable innovation

Policymakers need to understand the motivations of those starting businesses. GEM's Adult Population Survey sheds light on such motivations, one of which is “to make a difference in the world” (as shown in this chapter).

An example of one such entrepreneur is Aya Laraki, founder of the Morocco-based startup Cuimer, which she started in 2016 to address environmental waste. The company transforms discarded fish skins into high-quality marine leather, offering the fashion industry a sustainable alternative to exotic reptile leathers.

Cuimer's approach challenges traditional fashion industry norms, demonstrating that sustainability and style can co-exist. Aya believes that by embracing innovative materials like fish leather, the fashion industry can take a major step towards ethical consumption and environmental responsibility. Among the company's achievements, it has:

- Recycled over 40 tons of fish skins, transforming potential waste into a sustainable, high-quality material;
- Offered an eco-friendly alternative to exotic leathers, reducing the demand for reptile skins in fashion;
- Collaborated with local fisheries to source fish skins responsibly, ensuring its supply chain supports sustainable practices.



“We have the power to shift the narrative and inspire others to adopt solutions that prioritise the planet,” said Aya.

Through Cuimer, Aya is proving that fashion can drive meaningful change while promoting a healthier world.

As for how policymakers can support entrepreneurs in sustainable fashion, Aya believes a few measures would be especially impactful.

“Streamlining administrative processes, simplifying regulations, and making them clearer would help us navigate requirements more efficiently,” she said. “Financial support, such as grants or incentives for companies reducing waste and promoting eco-innovation, would also be beneficial. Additionally, fostering education around sustainable sourcing practices could create a stronger ecosystem for businesses like ours.”

The proportion of businesses that continue after exit varies considerably, from less than one in 10 (Romania and Venezuela) to more than one in two (Bosnia and Herzegovina, Saudi Arabia, Thailand, Serbia and the United Kingdom). Higher-income economies have slightly higher rates of business continuation — for example, one in three or more businesses continue in four Group C economies, eight in Group B,

but 12 in Group A. Certainly, there can be no presumption that the business closes simply because the previous owner has exited — or, to put it more positively, a significant proportion of exited businesses in many economies are sold or transferred to continue as businesses.

The introduction to this chapter noted potential reasons for exiting a business. While these are dominated by market considerations,

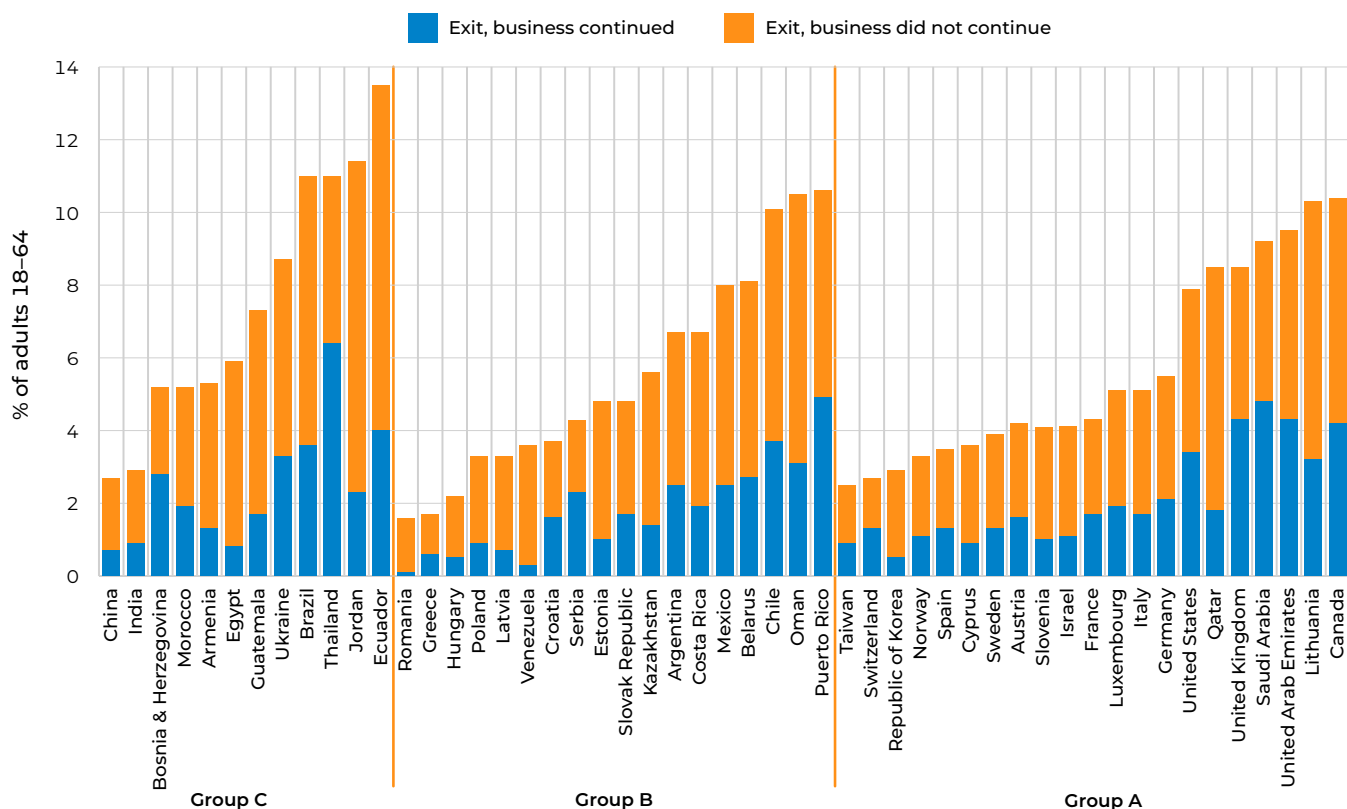


FIGURE 5.3 The percentage of adults who have exited a business in the past 12 months and whether that business continued

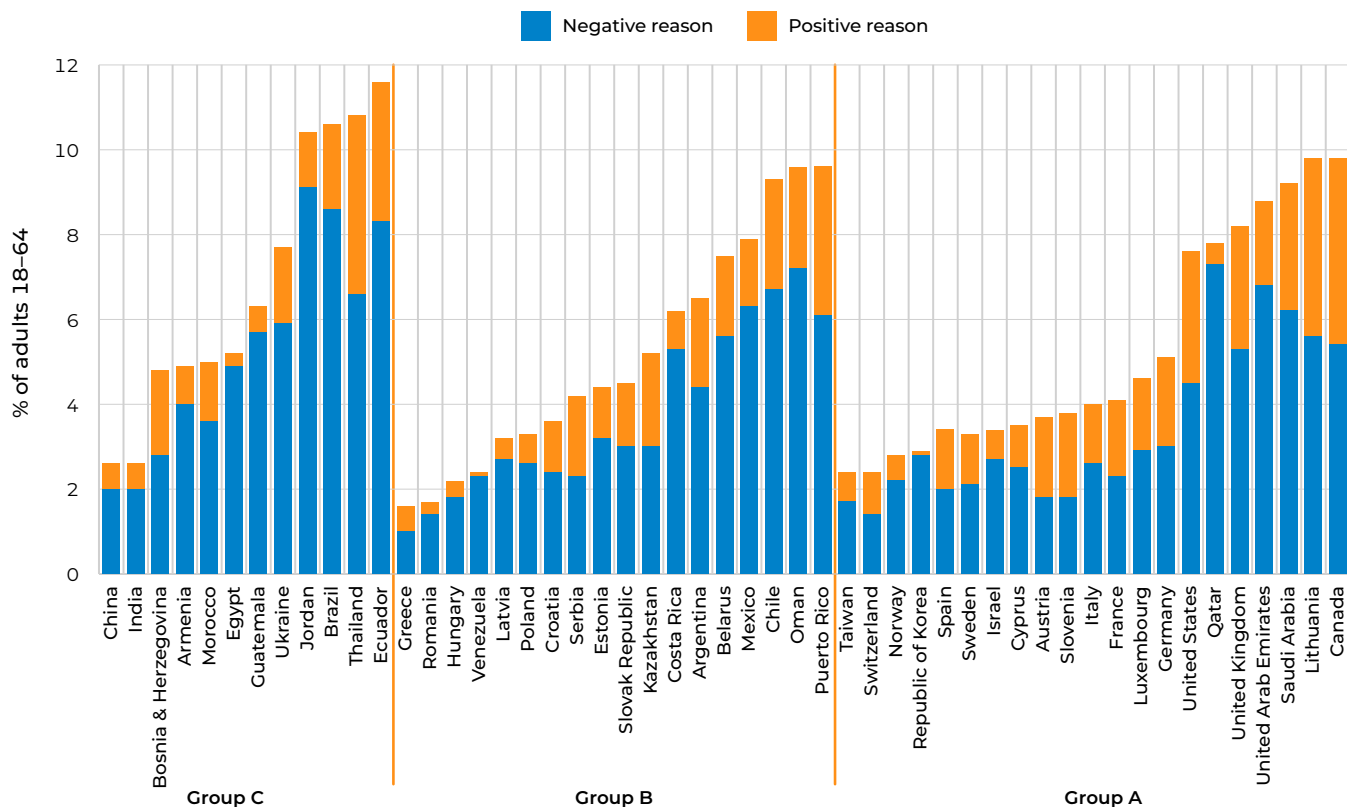


FIGURE 5.4 Reasons for exiting a business: negative or positive (% adults)

it is also the case that many owners are exiting for more positive reasons (such as selling the business for it to continue). Figure 5.4 categorises the main reasons for exit into positive (such as selling the business, retirement, or to pursue another business opportunity) and negative (losing money, excessive taxation, bureaucracy,

etc.). Only two (Sweden and Republic of Korea) of 51 economies have more exits for positive than for negative reasons. Three out of four exits or more are for negative reasons in eight of 12 Group C economies, nine of 18 Group B, but just five of 21 Group A economies. So the prevalence of negative reasons increases as income declines.

5.4 RESILIENCE

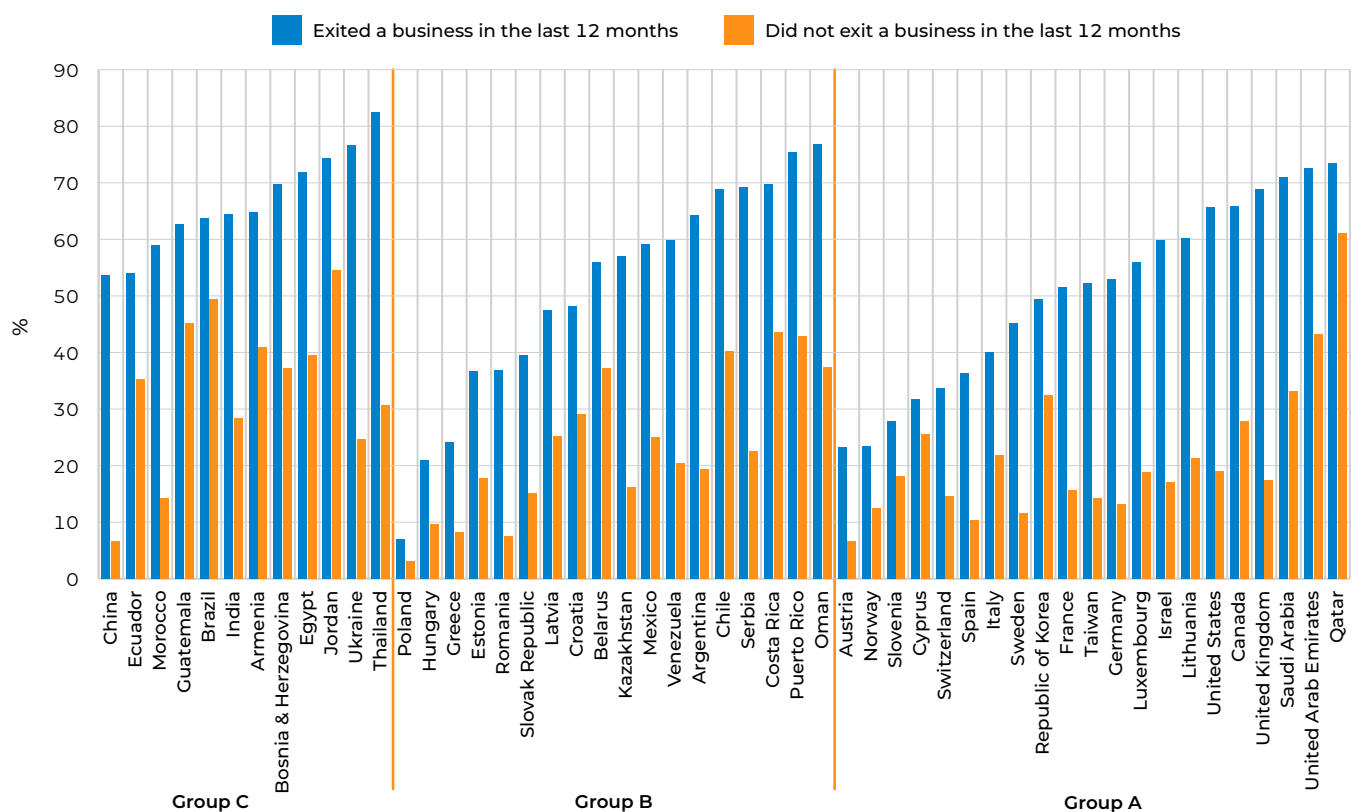
In setting out the global context, Chapter 1 of this Global Report pointed to conflicts and uncertainties as symptomatic of the contemporary international economy. In these circumstances, resilience, or the ability to recover from an adverse situation, becomes a crucial characteristic for a stable economy and society.

One dimension of resilience is an ability to overcome initial failures. This includes the mental toughness to not be deterred by the fear of failure. Figure 5.5 compares (a) the proportion of those adults who have exited a business in the past year who expect to start another business in the next three years with (b) the comparable proportion of those adults who

have *not* exited a business in the last 12 months and expect to start a business in the next three years.

The picture is very clear. In every one of these 51 economies, across all income groups, those who have exited a business in the past 12 months are more likely to expect to start a business in the next three years than those who have not exited a business, and usually by a considerable margin. This is as true in low early-stage entrepreneurial activity economies such as Poland, China and Romania as it is in high early-stage entrepreneurial activity economies such as Saudi Arabia, the United States or Brazil. One note of caution is that exit rates are typically fairly low,

FIGURE 5.5 Those who have exited a business in the last 12 months and expect to start a business in the next three years (% of those exiting), compared to those who have not exited a business in the last 12 months and expect to start a business in the next three years (% of remaining adults aged 18–64)



so sample sizes of those having exited a business can be small.

It is both noteworthy and significant that many recent business exiters intend to start another

venture soon. This indicates that the perceived cost of failure may be lower for those with first-hand experience than for those deterred by a fear of failure without such experience.

5.5 CONCLUSIONS AND POLICY IMPLICATIONS

There is a multitude of reasons for starting or exiting a business, but financial imperatives dominate: either the desire to make money or to stop losing it! These types of motivation have the widest agreement among early-stage entrepreneurs, although the purpose-driven motivation (to make a difference in the world) is very popular in certain economies (including Guatemala, India, Brazil and Puerto Rico), while continuing a family tradition has substantial support in a minority of economies (including India, Saudi Arabia and Thailand).

In almost half of the 51 economies, one in three or more businesses continued after the owner had exited, suggesting that these businesses were sold or transferred, although continuation was more likely in higher-income economies. Despite this, the major reasons cited by most people exiting a business were negative.

However, those exiting a business are unlikely to be deterred from starting future ones, since, in every one of the 51 participating economies, those who had exited a business in the past 12 months are more likely to expect to start another business than those who had not exited a business. In many economies, those exiting a business were at least three times more likely to be expecting to start a new business than those who had not exited a business. Exiting a business can be an important step along the entrepreneurial pipeline, releasing resources and entrepreneurial potential, so it is important that policies and regulations do not obstruct that pipeline.

In addition, more prominence should be given in news reports and society to those who have recently exited a business and intend to start another soon. It is helpful to hear their stories and explanations why exiting a business may not be as daunting or costly as might appear.

SDG FOCUS ...



We survey individuals on their specific reasons for starting a business. One of these motivations includes “to make a difference in the world”. When driven by such a desire, individuals and organisations can act as catalysts for progress, ensuring their work not only advances their goals but also contributes to a better, more sustainable world for all. This aligns with several UN Sustainable Development Goals. For example, SDG 9: **Industry, Innovation and Infrastructure** is focused on building resilient infrastructure, promoting inclusive and sustainable industrialisation, and fostering innovation, all of which are essential for creating a lasting positive impact and addressing global challenges.

Entrepreneurship and sustainability

Stephen Hill, Natanya Meyer and Mahsa Samsami

6.1 INTRODUCTION

The relationship between early-stage entrepreneurial activity and sustainability is positive and symbiotic. New businesses can promote sustainable development goals by generating economic value-added and jobs without depleting resources or exploiting individuals or communities. New entrepreneurs often address issues like climate change, unequal opportunities or resource scarcity by promoting innovative solutions or targeting new opportunities in waste management or green energy.

The GEM 2023/24 *Entrepreneurship and Sustainability Report* explores that relationship and highlights how early-stage entrepreneurs perceive their actions in relation to their

social and environmental impacts, how they claim to incorporate these impacts into their long-term strategies, and whether they prioritise sustainability over profitability or growth. The report also highlights the motivation to become entrepreneurs that GEM describes as “making a difference in the world”.

Sustainability can provide a platform for new business opportunities such as environmental improvements, waste minimisation or renewable energy. Sustainability-focused early-stage entrepreneurs actively minimise their businesses’ environmental impacts, maximise their social contributions, integrate social and environmental considerations into future planning, and prioritise these impacts in their decision-making.

6.2 SUSTAINABILITY ACTIONS

As concerns about the COVID-19 pandemic began to recede, new questions in the GEM Adult Population Survey (APS) were added. Individuals starting or running new businesses were asked whether, over the past year, they had taken steps to minimise their business’s environmental impacts or to maximise its social impacts.

Figure 6.1 shows a substantial proportion of new entrepreneurs reporting that they had taken steps to minimise environmental impacts in the past year. This proportion is more variable in Group C economies, ranging from less than two in 10 early-stage entrepreneurs in India to nine out of 10 in Brazil. In the middle- and upper-income groups, the proportion affirming that they had taken steps to minimise environmental impacts ranges from around three in 10 (Venezuela and Oman) to just over seven in 10 (Puerto Rico, Costa Rica and Saudi Arabia). Responses are generally very positive, with 34

of the 51 participating economies reporting that more than half of early-stage entrepreneurs have taken steps to minimise the environmental impact of their businesses.

Figure 6.2 plots the proportion of early-stage entrepreneurs taking steps to maximise their social impact against the corresponding proportion taking steps to minimise environmental impacts. A strong positive correlation exists between the two proportions: economies with high proportions of their early-stage entrepreneurs taking steps to minimise environmental impacts are likely to also have high proportions taking steps to maximise social impacts (and vice versa).

The chart shows India as having by far the lowest levels for each, with less than one in five new entrepreneurs taking either step. At the other end of the scale, Brazil leads, with nine out of 10 entrepreneurs taking environmental steps and

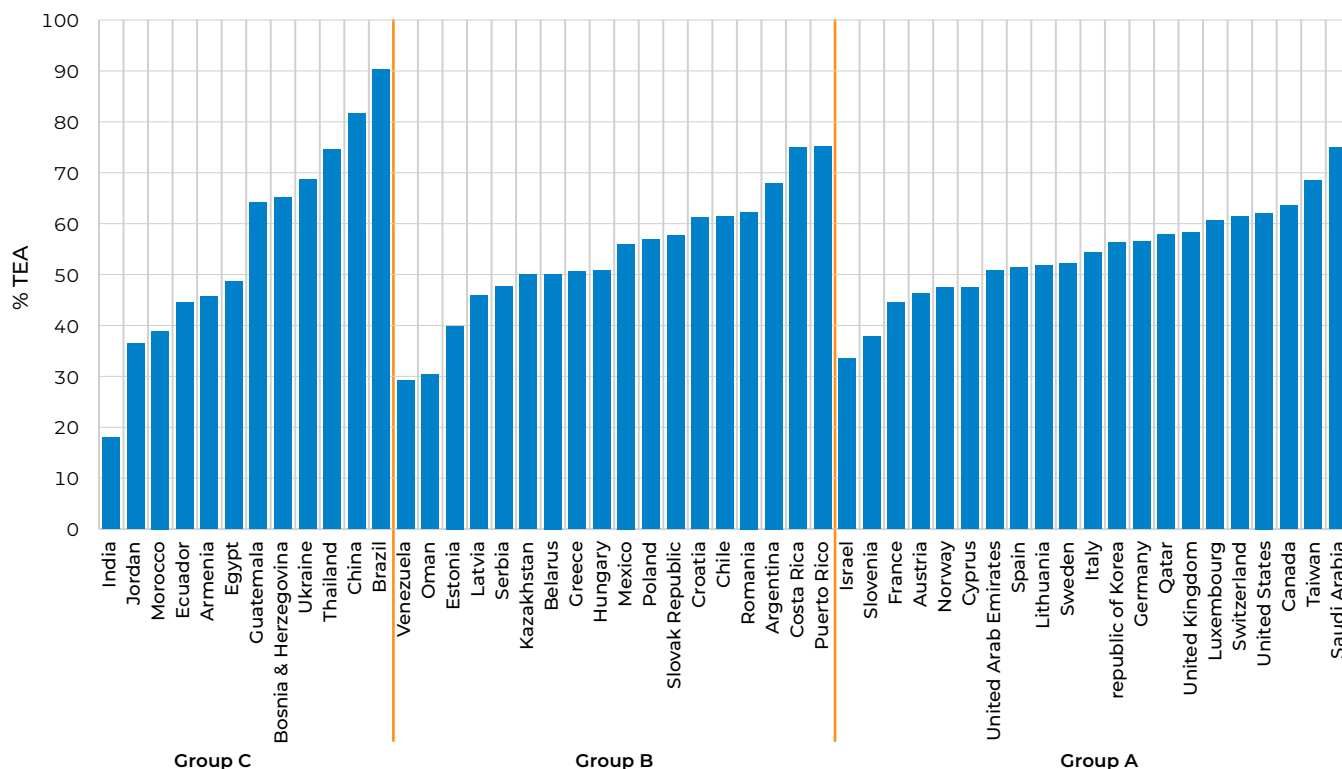


FIGURE 6.1 The share of early-stage entrepreneurs who report they have taken steps to minimise the environmental impact of their business (% TEA)

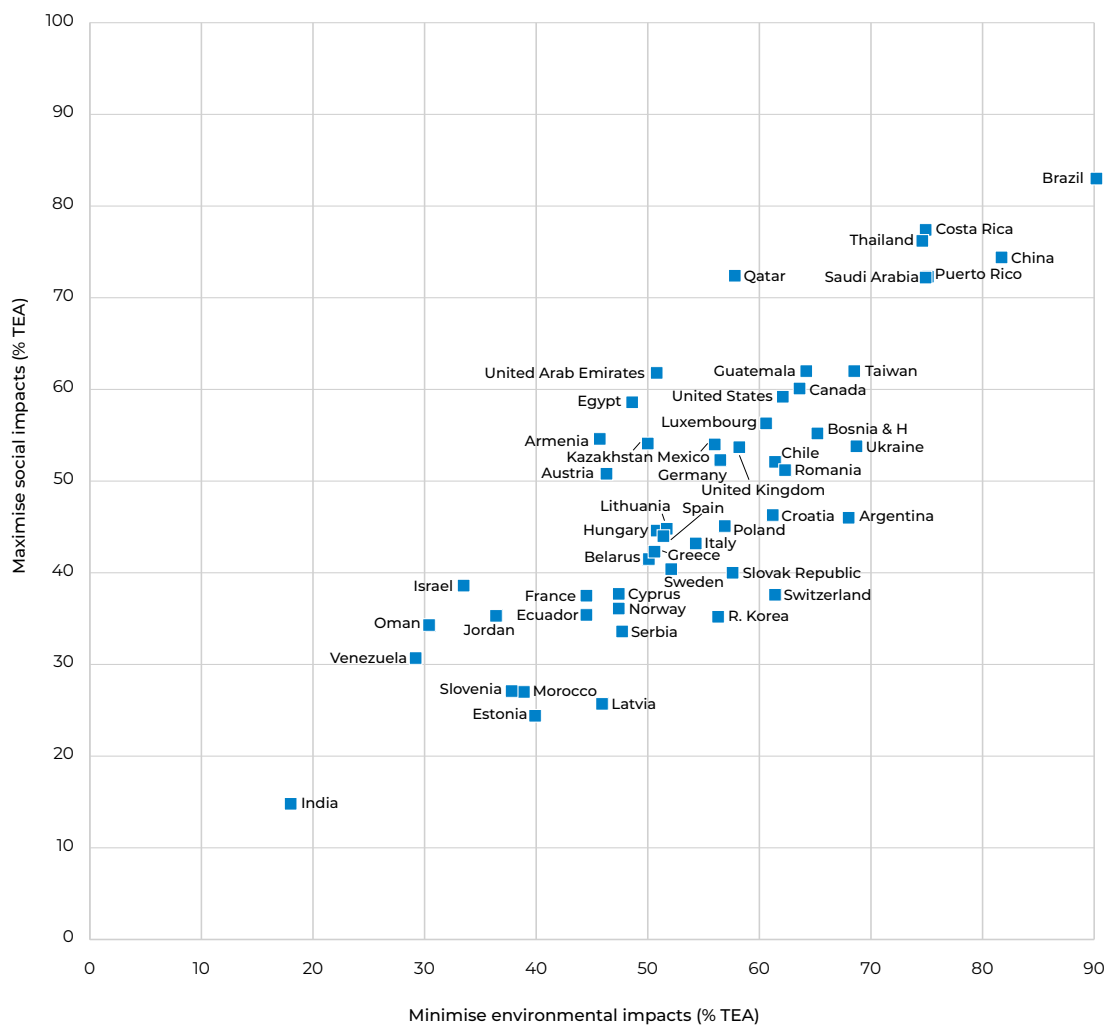


FIGURE 6.2 The association between the proportion of early-stage entrepreneurs taking steps to maximise social impacts and the proportion taking steps to minimise environmental impacts (both % TEA)

eight in 10 taking social steps. Brazil is followed by a small group of economies having around three out of four of their early-stage entrepreneurs taking steps to maximise their social impacts and a similar proportion taking steps to minimise

their environmental impacts, comprising China, Costa Rica, Thailand and Puerto Rico, plus Saudi Arabia. Two of these are from the low-income group, two from the middle-income group and one from the high-income group.

6.3 STRATEGIES FOR SUSTAINABILITY

Another set of questions in the GEM APS asked those identified as starting or running new businesses whether, when making decisions about the future, they always consider social implications such as access to health and quality of life at work, and, separately, whether they always consider environmental implications, such as reduction of emissions, reduced consumption of water, etc.

The APS also asked individuals starting or running new businesses whether they consistently take social factors (i.e. access to healthcare and quality of life at work) and environmental factors (i.e. reducing emissions and water consumption) into account when planning for the future. See Figure 6.3.

In all but two economies (Morocco and Cyprus), more than half of early-stage entrepreneurs always consider social

implications, rising to more than nine out of 10 in India, Brazil and Guatemala. Indeed, all but five economies (adding Estonia, Norway and Sweden to Morocco and Cyprus) have more than three in five of their new entrepreneurs somewhat or strongly agreeing that they always take social implications into account. A similar picture emerges of early-stage entrepreneurs taking environmental implications into account when making decisions about the future of their businesses, as can be seen in Figure 6.4.

The association between proportions is again both strong and positive. At the lower end of the scale are Cyprus and Morocco, with around two in five of their early-stage entrepreneurs taking social or environmental implications into account. However, there is a large cluster of economies towards the top of the scale, with 22 of the 51 economies having at least four out of five

FIGURE 6.3 The share of early-stage entrepreneurs who report they always consider social implications when making decisions about the future of their business (% TEA)

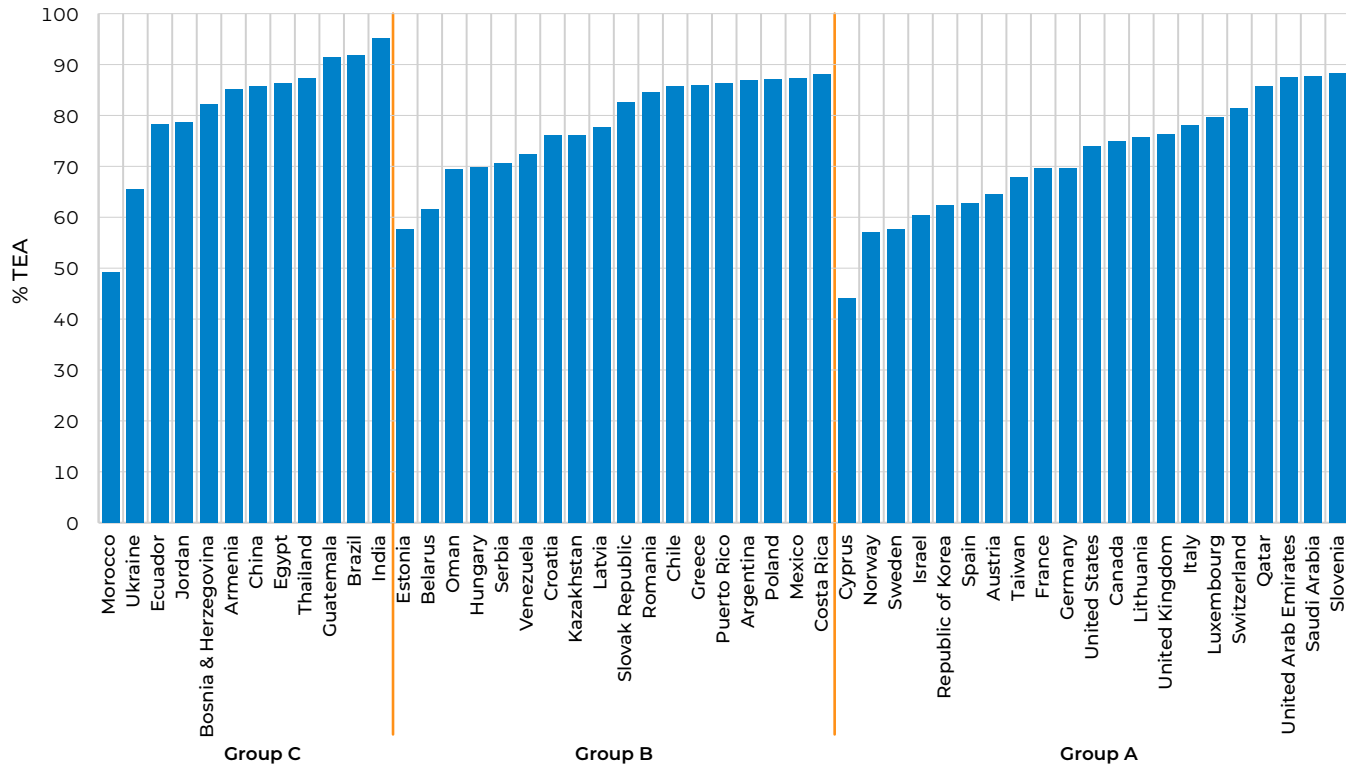
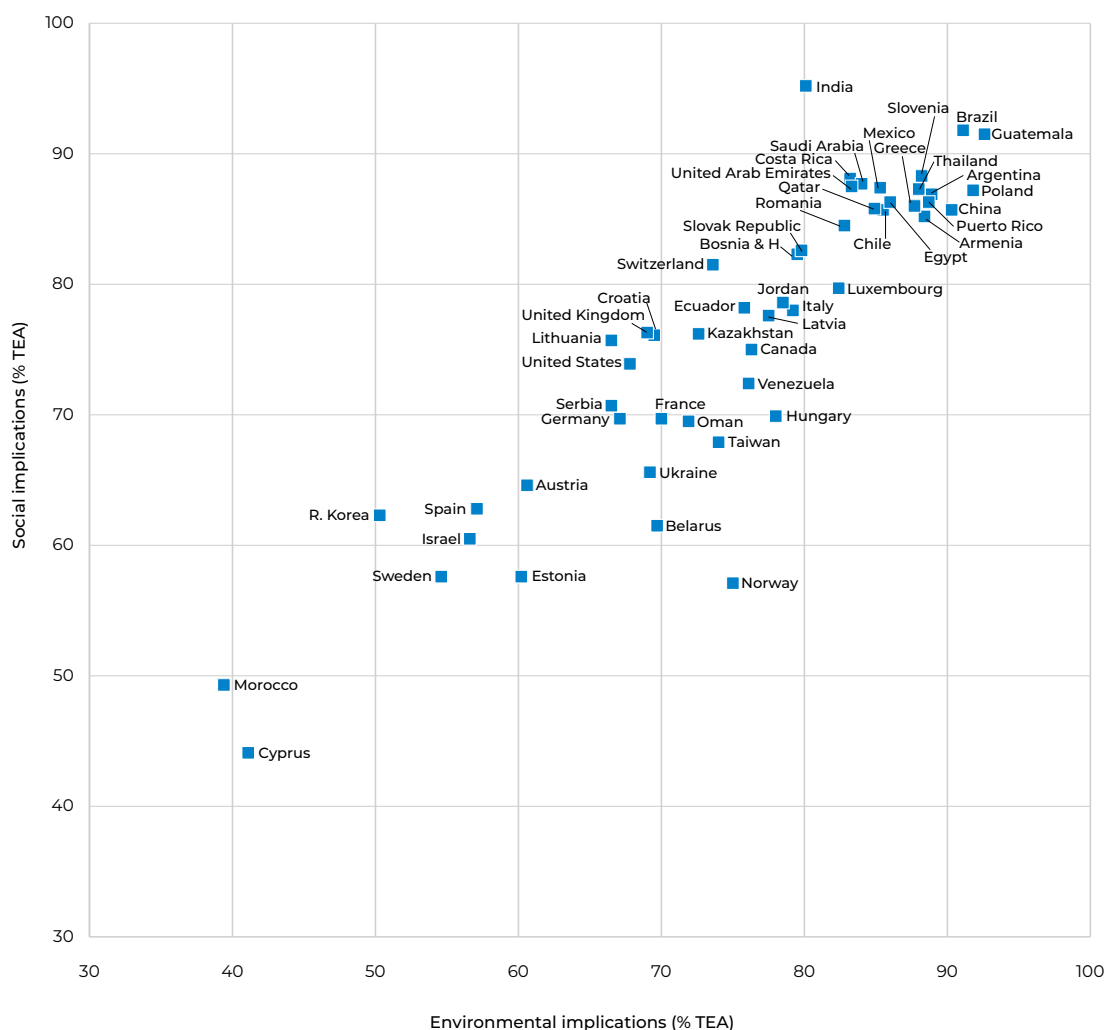


FIGURE 6.4 The proportion of early-stage entrepreneurs taking social implications into account in decisions about the future and the proportion taking environmental implications into account in those decisions (both % TEA)

Note: both axes start at 30% since no economy had less than this



of their early-stage entrepreneurs taking social implications into account, as well as a similar proportion taking environmental implications into account. It is very promising for the future

that well over half of those starting or running new businesses across the globe take social and environmental implications into account when making strategic decisions.

6.4 PRIORITIES FOR SUSTAINABILITY

It is one thing to take environmental or social implications into account when making strategic decisions; it is quite another to prioritise the social or environmental impact of the business above profitability or growth. The GEM APS asks this question directly to early-stage entrepreneurs.

Previous Global Reports and the 2023/2024 GEM Women's Entrepreneurship Report¹⁰ have shown gender differences in motivations, with women early-stage entrepreneurs more likely than men to agree with the purpose-driven motivation "to make a difference in the world" and with male

early-stage entrepreneurs more likely to agree with the motivation "to build great wealth or very high income". Given these differences, it may be presumed that women entrepreneurs are more likely than their male counterparts to somewhat or strongly agree that they prioritise social or

¹⁰ GEM (2024). *2023/24 Women's Entrepreneurship Report: Reshaping Economies and Communities*. London: Global Entrepreneurship Monitor. <https://www.gemconsortium.org/file/open?fileId=51601> (accessed 13 December 2024), 8.

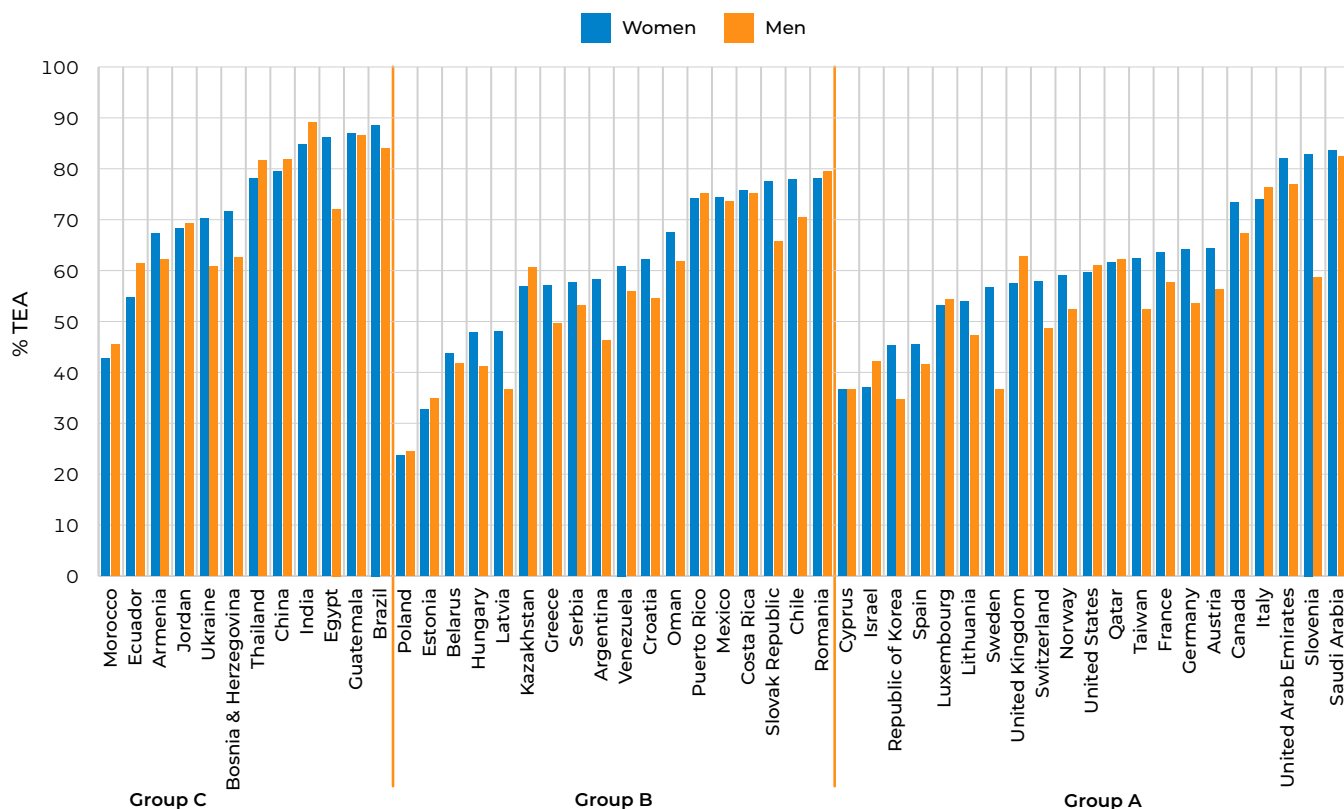


FIGURE 6.5 The share of early-stage entrepreneurs who somewhat or strongly prioritise social and/or environmental impact above profitability or growth (% female TEA; % male TEA)

environmental impacts above profitability or growth. The evidence is shown in Figure 6.5.

The GEM 2023/2024 *Entrepreneurship and Sustainability Report* demonstrates that in high- and middle-income countries (Groups A and B), women are more likely than men to report sustainability strategies and actions, while in low-income countries (Group C), women are slightly less likely. The greatest gender gap is in high-income countries, where women are more likely than men to prioritise sustainability over economic goals.

There is, of course, strong association between the proportion of women entrepreneurs agreeing that they prioritise social or environmental impacts above profitability, and the corresponding

proportion of men, although there are also some differences. In 34 of the 51 economies, the proportion of women agreeing exceeds the corresponding proportion of men. While many of the absolute differences are small (13 economies are two percentage points or less), for another nine economies, differences are 10 percentage points or more. The largest differences are in Slovenia (83% of women agreed, but just 59% of men) and in Sweden (57% of women, 37% of men).

These gender differences do not negate the fact that in 36 of the 51 economies, more than half of all early-stage entrepreneurs somewhat or strongly agreed that they prioritised social and/or environmental impacts above profitability or growth.

6.5 SUSTAINABILITY-FOCUSED ENTREPRENEURSHIP

Consideration so far has been given to those early-stage entrepreneurs who have acted to:

- Minimise their environmental impacts;
- Maximise their social impacts;
- Integrate environmental or social impacts into their decisions about the future of the business; or

- Report that they prioritise environmental and/or social impacts above profitability or growth.

The GEM 2023/24 *Entrepreneurship and Sustainability Report*, based on analysis of APS data from 2021–2023, showed that some early-stage entrepreneurs stated they did all of these, as



THE REAL WORLD BEHIND THE DATA ...

Integrating sustainability into business models

This chapter highlights strategies for sustainability. Forward-looking entrepreneurs understand that sustainability needs to be integrated — seamlessly — into every aspect of business operations. Sustainability is not merely a box-ticking exercise.

WEO co-founders Imeshi Weerasinghe (right) and Charlotte Wairion (left) know this. Having met at VUB University in Brussels, they shared a commitment to creating positive environmental change. During their studies, they recognised the crucial need for timely, affordable and high-quality environmental analytics. So in 2020 they launched their business, which provides continuous, affordable environmental analytics to municipalities, and regional and national governments, using satellite imagery enhanced by proprietary technology.

They integrate sustainability principles into their business in a number of ways:

1. Address a societal problem

The co-founders' aim was to apply innovative research for the benefit of communities.

“Our motivation was about making an impact in cities and countries,” said Imeshi. “We both have children, and contributing to a sustainable future for them is a key driver for us.”

2. Monitor sustainability progress

WEO uses Vested Impact, an AI-driven platform, to review its progress on key sustainability metrics. The platform highlights both the company's strengths and areas for improvement.

Imeshi advises new entrepreneurs to “think about infrastructure-related sustainability issues from the outset because it's much harder to implement them later.”



3. Create a culture by leading through example

At WEO, all eight employees are deeply committed to sustainability. This focus extends beyond the company's mission and is embedded in daily practices. For instance, the team avoids flying to events, in favour of train travel; employees either use public transport or walk to work; and plastic bottles are not used in the office.

“These aren't formal rules, but they're ingrained in our culture,” Imeshi explained. “Charlotte and I lead by example, and because our employees share our values, it's easier to embed sustainability throughout the company.”

Imeshi also believes that having a co-founder is a significant advantage. “Two brains are better than one. In sustainability, having multiple perspectives can lead to even better ideas.”

4. Leverage programmes

Imeshi encourages startups to explore accelerators that focus on sustainability. “These programmes help you integrate sustainability into your company's culture, systems and processes.”

Imeshi also has advice for policymakers. Governments should incentivise startups to adopt sustainable practices. Additionally, they should explore new models for supporting social and impact-driven businesses, potentially through funding mechanisms beyond traditional grants.

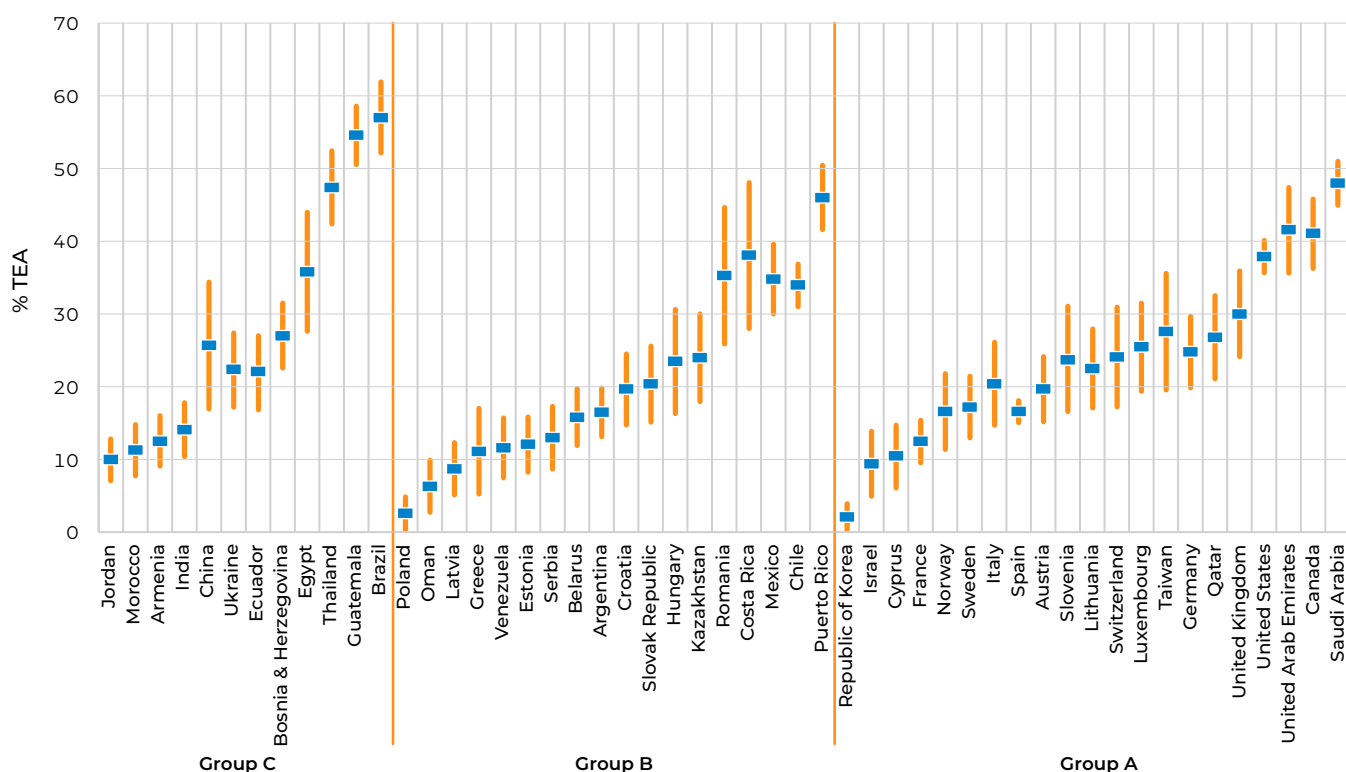


FIGURE 6.6 Early-stage entrepreneurs (% TEA) agreeing with the motive of making a difference, who are also taking sustainable actions, and building sustainability into their strategies, and who prioritise sustainability over profits. The blue point represents the average, while the orange line is the 95% confidence interval.

well as agreeing with the motivation “to make a difference in the world”. Of the GEM participating economies between 2021 and 2023, the average levels of these sustainability-focused early-stage entrepreneurs, in terms of the percentage of adults, were lowest in Morocco, China, Norway, Kazakhstan and Poland and highest in Chile, Sudan, Brazil, Panama and Guatemala. Figure 6.6 shows the results of the same estimation process from the 2024 GEM APS.

Because the data are for new entrepreneurs meeting multiple criteria, Figure 6.6 also includes the confidence interval for each sample estimate, such that we can be 95% certain that the population figure lies within this interval. Note that none of the confidence intervals encompasses zero, so each estimate can be described as significantly greater than zero.

In the 2024 results, the highest proportions of adults engaged in sustainability-focused

early-stage entrepreneurship are in Brazil, Guatemala, Saudi Arabia, Thailand and Puerto Rico, while the lowest are in Republic of Korea, Poland, Oman, Latvia and Israel. So the lowest-income countries (Group C) provide three of the five highest, with one each from Groups B and A. None of the five economies with the lowest levels are from the lowest-income group.

Finally, note that the width of each confidence interval is largely dependent on the sample size from each country and the level of early-stage entrepreneurship within this. The product of these two figures is the number of early-stage entrepreneurs in each economy’s sample. This number ranged from around 100 in Costa Rica, China and Romania to well over 1,000 in Chile, the United States and Spain. Hence, the former have relatively wide confidence intervals while the latter are relatively narrow.

6.6 CONCLUSIONS AND POLICY IMPLICATIONS

Entrepreneurship and sustainability are intricately linked, with many early-stage entrepreneurs actively addressing social and

environmental challenges while leveraging sustainability as a driver for innovation and new business opportunities. GEM 2024 data reveal that

a significant proportion of entrepreneurs across economies consider and prioritise sustainability impacts, even under the pressures of early business stages. New businesses are typically under substantial commercial pressure just to survive. Yet in 40 out of 51 surveyed economies, more than half of early-stage entrepreneurs prioritised social or environmental impacts above profitability or growth. Given the close association between minimising environmental impacts and maximising social impacts, policies aimed at encouraging one of these objectives are likely to increase the other.

High-income and middle-income economies often show higher engagement, with notable gender differences highlighting women's greater tendency towards sustainability-focused goals in specific contexts.

New businesses are increasingly prioritising social and environmental issues when developing strategies for future growth. These considerations build trust, loyalty and a positive reputation and are increasingly sought after by consumers. Governments worldwide are tightening regulations on environmental practices, emissions and labour standards, making early integration of these strategies essential. Sustainable practices like energy efficiency, waste reduction and resource recycling can lead to significant cost savings and long-term profitability, making businesses more attractive to investors. Green financing options and sustainability-focused grants are often available for businesses committed to these goals.

Addressing social and environmental challenges fosters innovation, enabling businesses to develop unique products, services

or business models that position them as market leaders. Internally, businesses that prioritise social and environmental concerns are better positioned to attract and retain employees who seek alignment with their personal values. Externally, businesses can build partnerships with governments, NGOs and other stakeholders, preparing them for long-term resilience.

Community support is another critical factor for businesses promoting social well-being and environmental sustainability. Businesses perceived as harmful or exploitative risk losing community support, negatively impacting their growth. Addressing social and environmental issues reflects a business's ethical responsibility, creating a legacy of positive impact that transcends financial success. Incorporating social and environmental considerations into strategic planning positions new businesses for immediate success and ensures sustainable, long-term growth in an increasingly interconnected and responsible global marketplace. Finally, this chapter has estimated the proportion of early-stage entrepreneurs who are sustainability-focused.

Given the commitment to sustainability of the majority of those starting and running new businesses, effective policies to enhance levels of early-stage entrepreneurship are also likely to have positive impacts on social well-being and the environment. So there are significant positive externalities to policies that increase levels of entrepreneurial activity, with those externalities multiplied if the new entrepreneurs are women, contributing across the board to the SDGs.

SDG FOCUS ...



It is encouraging that many early-stage entrepreneurs are actively addressing social and environmental challenges. This potentially correlates to progress on UN Sustainable Development Goals 6, **Clean Water and Sanitation**; 7, **Affordable and Clean Energy**; 13, **Climate Action**; and 14, **Life Below Water**; among others.

Entrepreneurship in a new age of digital marketing and artificial intelligence

Stephen Hill, Christian Friedl and Ehud Menipaz

7.1 INTRODUCTION

Digital marketing has been a commonplace for at least the past decade, with most consumers familiar with the daily onslaught of marketing emails and social media posts. What is different now is its pervasiveness in entrepreneurship, compounded by the transformative impacts of key technologies, including:

- **Artificial intelligence:** enabling rapid and cost-effective algorithms for personalisation and automation;
- **Cloud computing:** cheap and virtually limitless online access and storage;
- **Big data:** information collected and analysed automatically, transforming decision-making; and
- **Mobile technology:** 5G wireless technology and the ubiquitous Internet.

The rise of digital marketing brings clear benefits but also poses risks such as digital divides, unequal access to opportunities, security challenges, and ethical concerns about misinformation and bias.

This chapter focuses on the relationship between entrepreneurship and digital marketing, including the dawning of artificial intelligence. Digital marketing can be transformative for new businesses. Products and services can be efficiently and effectively promoted. It provides cost-effective, targeted access to both global mass markets and niche audiences, outperforming traditional methods such as television advertising.

Early-stage entrepreneurs can much more easily target specific audiences; they can use data-driven tools such as Google Data Analytics and social media business analytics to segment and assess audiences. It is easier, faster and

cheaper to develop a brand using digital tools for website development and for managing social media. Inexpensive short videos can reach multiple audiences on platforms such as Instagram, TikTok or YouTube. Collaboration with influencers can enhance brand recognition.

Individuals or small groups can now achieve what used to be the remit of large teams, including: logo making, marketing plans and campaigns, content creation (e.g. ChatGPT, Gemini, etc.), photo generation and data analysis. Above all, digital marketing allows for cheap and effective personalisation. “Social proof”, such as positive customer reviews and testimonials, can build trust and reduce uncertainty. Entering new markets and bypassing first-mover advantage both become much cheaper, with accessibility enabling new businesses to have substantial marketing reach and the flexibility to respond quickly to trends with infinitely adaptable strategies. Consumers can, and do, shop anytime and anywhere. Data visualisation tools such as augmented reality can superimpose that new kitchen into the available space, or this new jacket onto you! In addition, these marketing digital tools can be shaped to a new way of working – increasingly nomadic and mobile.

The newest of the digital tools, and the least familiar, is artificial intelligence (AI). AI can enhance decision-making through machine-learning, faster algorithms and data analysis, improving forecasting and reducing uncertainty. This can help in the identification of market gaps and new fashions, as well as competitor behaviour, while customer interactions can be given a more personal feel using tools such as chatbots. AI can further support the creative process by driving problem identification, idea

generation, customer development, prototyping and solution design. It can act as a versatile team member, covering for skill gaps in startups. Most importantly, AI accelerates these operations to unprecedented speeds, enabling rapid innovation, adaptation and scalability in a fast-moving market.

Several years ago, the GEM Adult Population Survey (APS) responded to the beginning of this new age by asking those starting or running new

businesses if they expected to use more digital technology to sell their products. In 2024 the APS has been further revised to include new questions on the perceived importance of digital marketing tools, including email marketing, company websites and social media. Each will be considered in this chapter, before concluding with an assessment of how important those starting and running new businesses consider AI tools will be in the next three years.

7.2 PREPARING FOR THE FUTURE

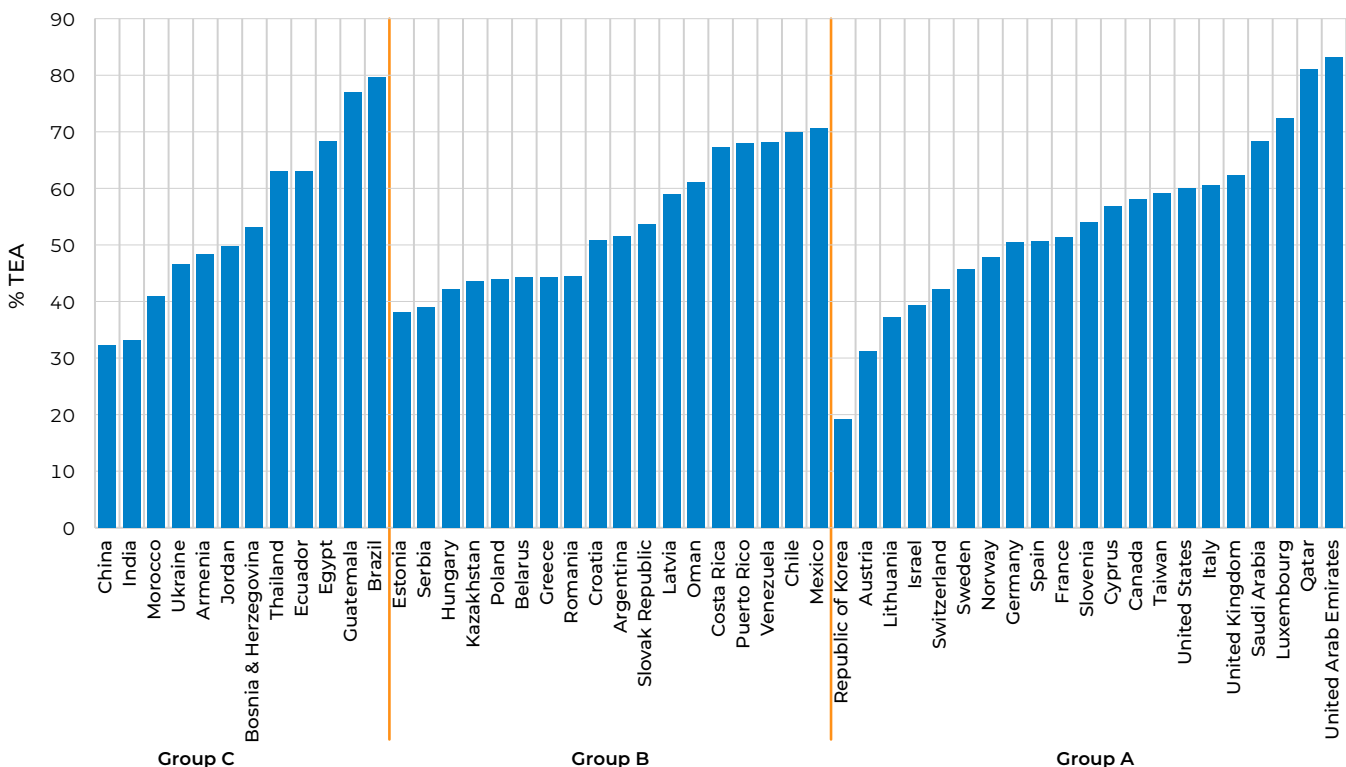
Starting a business is essentially an optimistic act: investing time, effort and resources today in anticipation of a future return. One way to prepare for the future is to develop and utilise new digital technologies. In recent years the GEM APS has asked those starting and running new businesses if they expect to use more digital technology to sell their products or services in the next six months. The proportions responding positively are shown in Figure 7.1.

There is wide variation within each income group. In Group C, the range is from three in 10 in China expecting to use more digital tools to almost eight out of 10 in Brazil. There is rather

less variation in Group B: from nearly four in 10 in Estonia to seven out of 10 in Mexico. Group A has the widest range, from just two in 10 in Republic of Korea to over eight in 10 in the United Arab Emirates, but then Group A also has the largest number of economies. The range among the high-income economies is very similar to the other groups. Overall, a majority of economies are in the range between two in five and three in five, with little association with income group.

A brief comparison of the 39 economies in which this question was asked in both 2024 and 2023 reveals that, while there is a high degree

FIGURE 7.1 The percentage of early-stage entrepreneurs expecting to use more digital technologies to sell their products or services in the next six months (% TEA)



of correlation between answers, 23 economies have higher proportions answering yes in 2024 compared to the previous year. Delving a little deeper, eight economies saw that proportion increase by 10 percentage points or more, while four experienced a decline of 10 points or more.

Interestingly, seven of the eight with a 10-point increase are from Group A, with one from Group B. Of the four with a 10-point decrease, one each is from A and B and two are from C. So, there is some weak evidence that the proportion of

early-stage entrepreneurs expecting to use more digital tools to sell their products is increasing fastest in the high-income economies. This evidence should be viewed in the context of varying starting points, as highly digitised economies like Sweden or Israel may show smaller increases in planned digital tool adoption simply because their entrepreneurs are already operating at advanced levels, unlike those in less digitised economies where there is more room for growth.

7.3 THE NATURE OF DIGITAL MARKETING

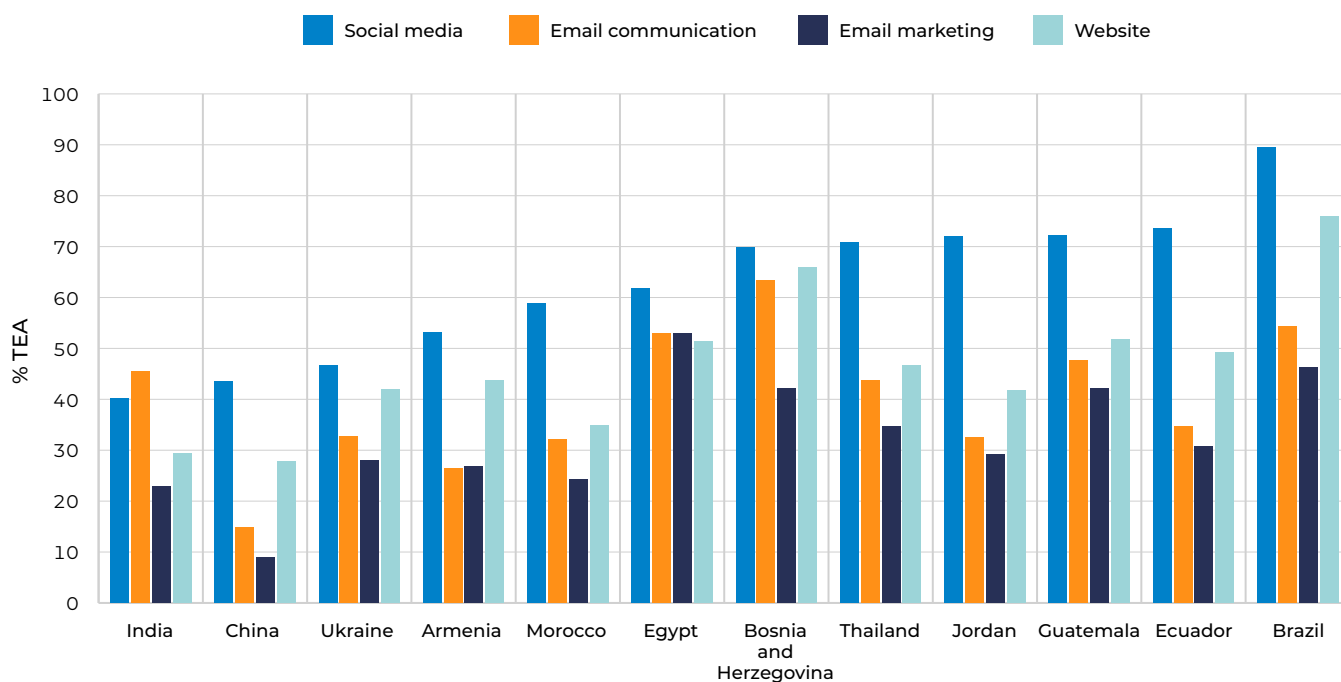
So far, digital marketing has been treated as one tool, whereas it is a catch-all phrase encompassing a variety of categories. To distinguish the importance of different categories of digital marketing, the GEM APS introduced questions in 2024 asking those identified as early-stage entrepreneurs, or as Established Business Owners, how important are the following in their day-to-day operations:

- Social media (such as Instagram, X/Twitter, Facebook, etc.);
- Email communications with customers and/or employees;
- Email marketing to customers (such as Mailchimp); and

- Company branded website for information/communications.

Email marketing involves strategic, large-scale campaigns to promote products or services, targeting both potential and existing customers. Email communications are more personalised and focused on one-to-one or small-scale interactions to nurture relationships or address specific needs. Respondents could choose between three options: very important, somewhat important and not important. Figures 7.2–7.4 show the proportion of early-stage entrepreneurs economy who consider each tool as very important. These charts are arranged by income group to allow both the absolute and relative importance of each tool to be assessed.

FIGURE 7.2 The percentage of those starting new businesses in Group C economies who perceive each digital marketing tool as very important (% TEA)



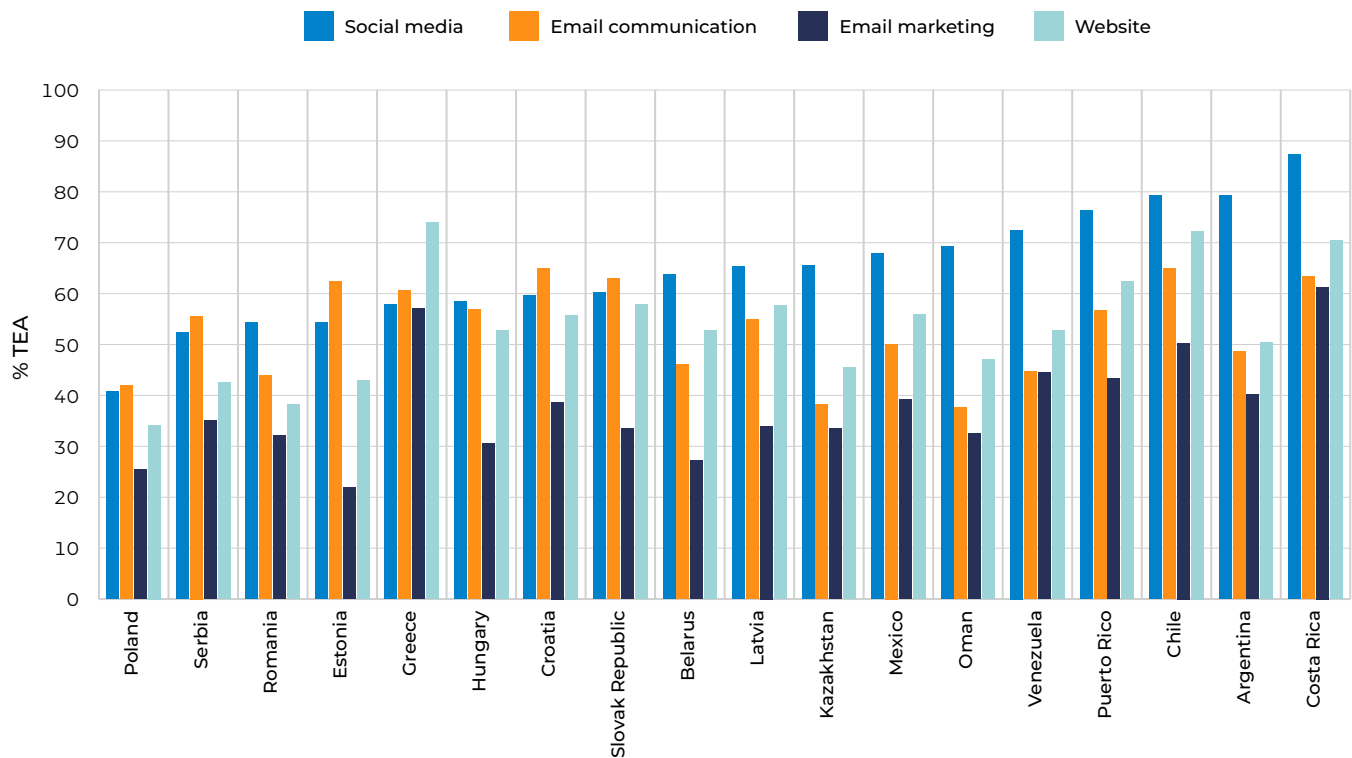


FIGURE 7.3 The percentage of those starting new businesses in Group B economies who perceive each digital marketing tool as very important (% TEA)

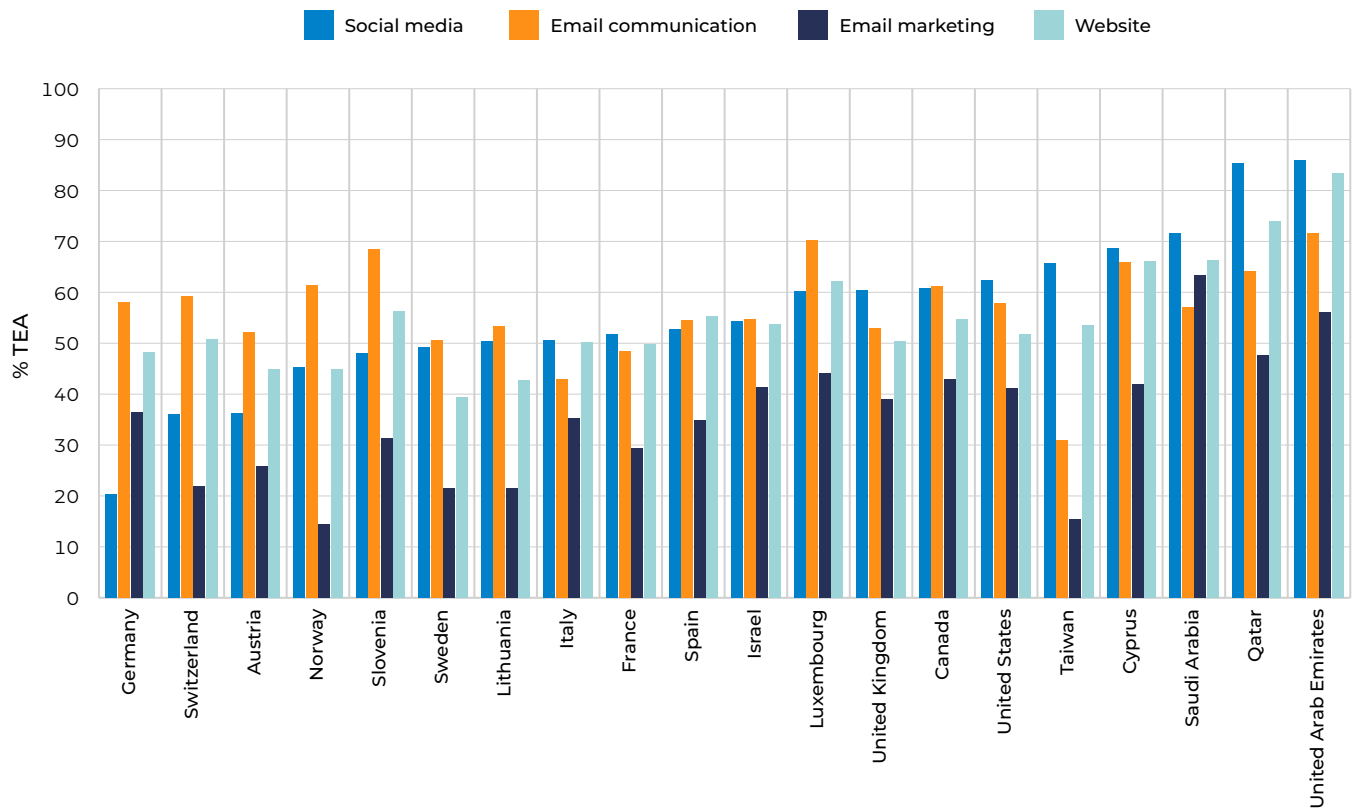


FIGURE 7.4 The percentage of those starting new businesses in Group A economies who perceive each digital marketing tool as very important (% TEA)

* Republic of Korea excluded (error during data collection).

The respective charts reveal some interesting similarities and contrasts. In Group C, in all economies but India, social media has the highest proportions of early-stage entrepreneurs reporting this as very important, ranging from just four out of 10 in India to almost nine out of

10 (Brazil). In 10 of the 12 economies, websites have the second highest proportions who consider it as very important, while in the same number of economies, email marketing has the least share of early entrepreneurs seeing it as very important.



THE REAL WORLD BEHIND THE DATA ...

Starting a company to benefit society

There are so many entrepreneurs that could be added to the economy if better support and coaching was accessible. Swedish-based entrepreneur Alexander Zahari is trying to address this problem with his startup Edventures: a company with a mission to make personalised entrepreneurship support accessible to all. According to Alexander “some 90% of potential entrepreneurs are denied the support they need for their early-stage businesses.” (Various GEM studies and research like the 2023 OECD Report *The Missing Entrepreneurs* highlight such gaps.)

To support those who are often overlooked and excluded from traditional support systems, Alexander leveraged AI to create a platform for personalised entrepreneurship coaching and learning — a platform bound by neither geography nor time.

“Many ecosystem organisations such as incubators, science parks and accelerators claim to serve the entrepreneurial community, but in reality their offerings are often inaccessible to the majority of entrepreneurs,” said Alexander. “This exclusivity stems from a variety of barriers, including stringent selection criteria, limited spots, and short-term, time-limited programmes. Even when entrepreneurs do gain access, they often face information overload and limited availability of personalised coaching and mentoring.”

Alexander’s aspiration is for no entrepreneur to be left behind due to systemic exclusivity. He notes the example of an aspiring entrepreneur in a rural area with a promising idea for a sustainable agriculture



startup or business. Traditionally, this entrepreneur would face significant barriers, such as limited access to nearby incubators or accelerators and a lack of personalised mentorship due to geographic isolation. Even if this person managed to join a programme, it would likely leave them without the continuous support needed to turn their idea into a viable business.

“Our platform provides this entrepreneur with tailored guidance throughout their journey, from refining their business idea to navigating the complexities of scaling their operations. We aim to democratise access to entrepreneurial support, helping to unlock the potential of millions who would otherwise be left without the resources and guidance necessary to succeed. This approach not only enhances individual entrepreneurial journeys but also strengthens the global innovation ecosystem as a whole.”

So, in terms of relative importance for early entrepreneurs in these Group C economies, social media ranks first, website second, email communications third and email marketing last. But how important are these tools overall? Some indication may come from the proportion of new entrepreneurs in each economy who regard any of these tools as very important. In China, the sum of the four percentages of those starting or running new businesses regarding these tools as very important was 95, or an average of about 24% of new entrepreneurs regarding each tool as very important. In Brazil that total was 266, or 66% per tool. So, and perhaps surprisingly, fewer early entrepreneurs in China consider these digital marketing tools as very important, followed by India, whereas many more early-stage entrepreneurs see them as very important in Brazil, followed by Egypt.

Group B presents a more mixed picture, with social media having the highest proportion of early-stage entrepreneurs considering it as very important in 12 of 18 economies, while in all economies email marketing has the lowest share seeing it as very important. Email communications has the highest proportions in five economies: the Slovak Republic, Serbia, Estonia, Poland, and Croatia, while websites have the highest proportion in Greece. Social media tools are seen by more new entrepreneurs as very important in Costa Rica (average 70%) and in Chile (67%), and by fewest new entrepreneurs as very important in Poland (35%) and in Romania (54%).

Finally, income Group A provides the most variety, with email communications seen as very important by the highest proportions of new entrepreneurs in 10 of 20 economies, followed by social media in nine economies. The exception to this trend is Spain, where, like Greece, websites have the highest proportion of those starting or running new businesses seeing it as very important. Email marketing

has the lowest share in 18 of the 20 economies, with email communications lowest in Saudi Arabia and social media lowest in Germany. The economies where these digital tools have the highest shares of early-stage entrepreneurs seeing them as very important are Gulf states (United Arab Emirates average 74%, Qatar 68%), while the lowest shares are in Austria and Sweden (both 40%).

Looking across the income groups, social media is the strategy with the highest proportions perceiving it as very important, exceeding three in five new entrepreneurs in 27 of 50 economies, whereas the corresponding number for email communications is 14, for email marketing just two, and for websites 11. On the other hand, fewer than two in five early-stage entrepreneurs consider social media very important in three economies, email communications in nine, websites in six, and email marketing in 32 out of 50 economies.

The same questions were asked of Established Business Owners, with responses shown in Figures 7.5–7.7. Established Business Owners are generally older than new entrepreneurs. Being older may make them less likely to be using digital tools, although this may be outweighed by experience in the effective use of such tools and the fact that their businesses are often more mature and have grown steadily, which may result in having more resources to implement digital solutions at scale.

Table 7.1 summarises the results of Figures 7.5–7.7 by showing the number of economies in each income group in which the proportion of Established Business Owners perceiving each tool as very important exceeded one in two. So, of 12 economies in Group C, eight had a half or more of their established business owners seeing social media as very important, compared to just two where a half or more seeing email communications as very important.

TABLE 7.1 Number of economies with a half or more Established Business Owners seeing each social media tool as very important

Digital tool	Group C	Group B	Group A
Social media	7	8	3
Email communications	2	12	16
Email marketing	1	3	1
Website	1	9	4
Group size (number of economies)	12	18	20

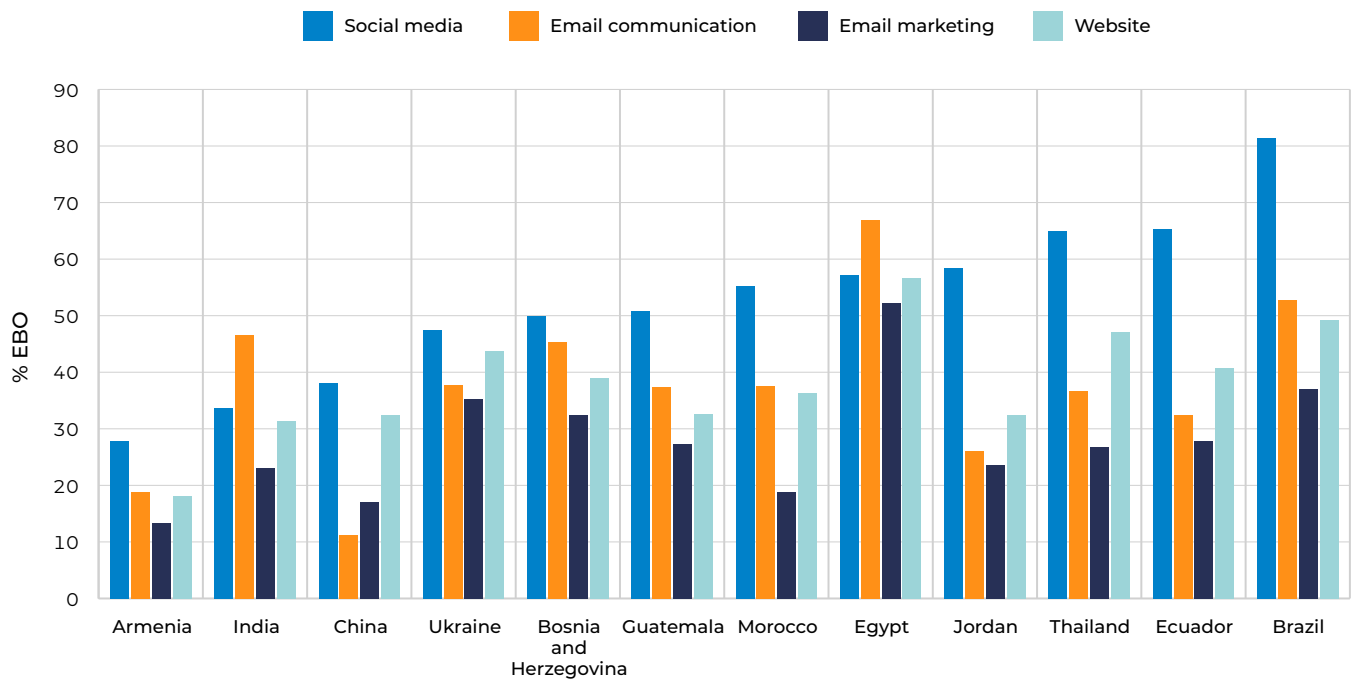


FIGURE 7.5 The percentage of Established Business Owners in Group C economies who perceive each digital marketing tool as very important (% EBO)

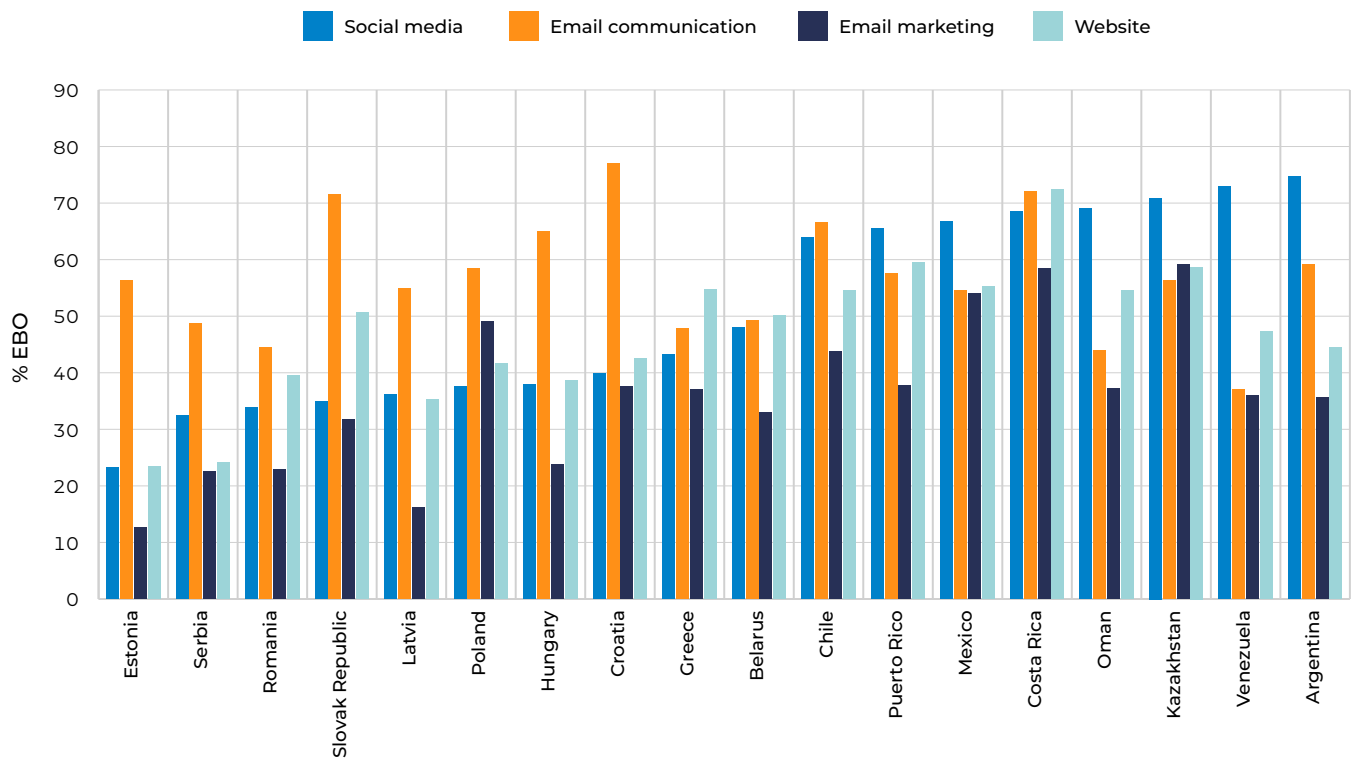


FIGURE 7.6 The percentage of Established Business Owners in Group B economies who perceive each digital marketing tool as very important (% EBO)

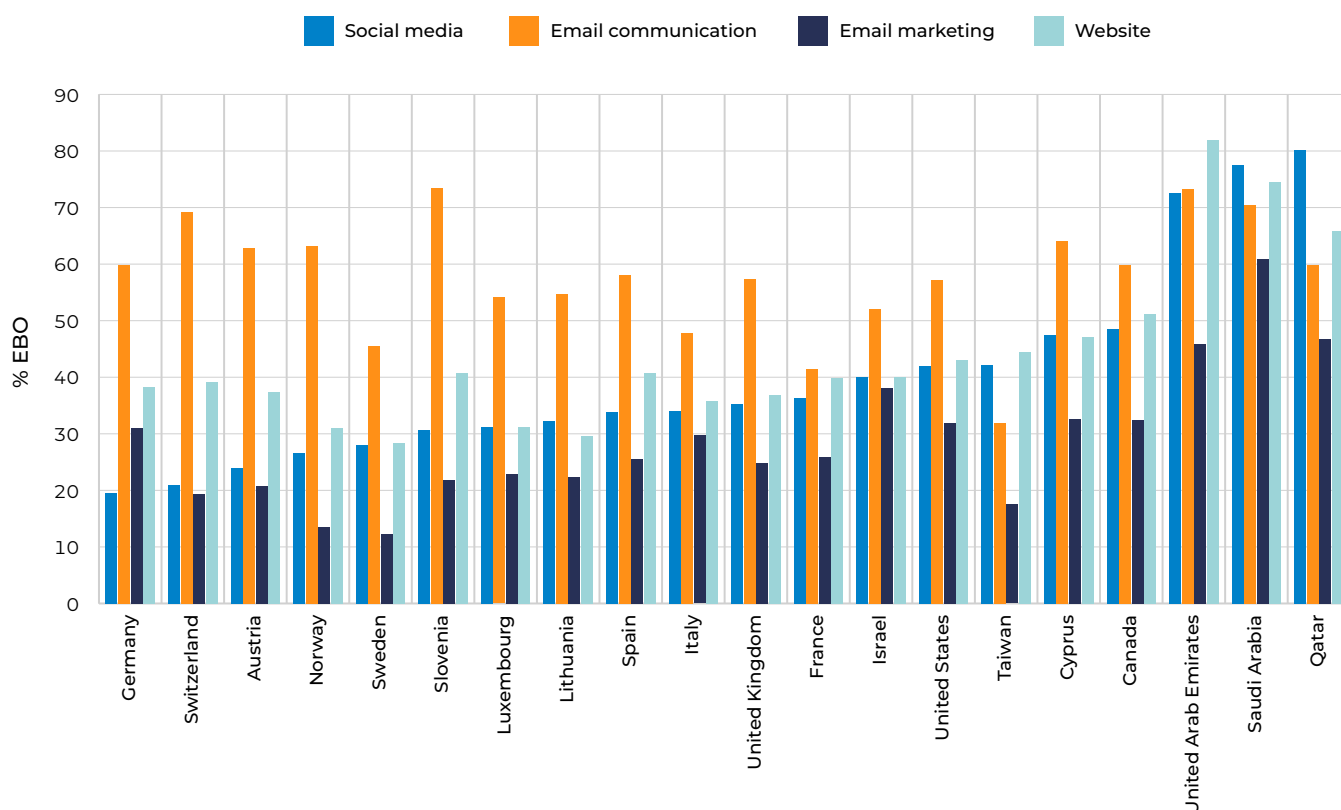


FIGURE 7.7 The percentage of established business owners in Group A economies who perceive each digital marketing tool as very important (% EBO)
 Note: Republic of Korea excluded (error during data collection)

Social media is the strategy with the highest share of Established Business Owners regarding it as very important for 10 out of 12 Group C economies, six out of 18 Group B and just two Group A economies (Qatar and Saudi Arabia). So, clearly, the significance declines with income group. Email communications shows the opposite pattern, having the highest proportions for just two Group C economies (India and Egypt), but for nine in Group B and 16 in Group A.

In terms of overall importance, Established Business Owners exhibited a similar, but not the same, pattern to early-stage entrepreneurs. Taking the sum of percentages of those choosing the four digital tools as very important as a simple measure of their overall significance, the

highest totals for Established Business Owners are in Saudi Arabia, the United Arab Emirates, Costa Rica, Qatar and Kazakhstan. For early-stage entrepreneurs, the corresponding highest five are the United Arab Emirates, Costa Rica, Qatar, Chile and Brazil. At the other end of the scale, the five economies in which we see the lowest totals of Established Business Owners seeing these digital marketing tools as very important are Armenia, China, Sweden, Estonia and Serbia, whereas for new entrepreneurs they are China, India, Poland, Ukraine and Armenia. Moreover, these totals, at both ends of the scale, are not dissimilar, so there is no evidence to say that new and established business owners see digital marketing tools differently.

7.4 ARTIFICIAL INTELLIGENCE

In recognising AI's recent emergence in mainstream business activity, the 2024 APS asked both new and established business owners "How important do you anticipate artificial intelligence tools will be for implementing your business model and strategy in the next three years?" As before,

respondents could choose between very important, somewhat important and not important. The final chart (Figure 7.8) shows the proportion of both early-stage entrepreneurs and Established Business Owners who anticipate that AI will become a very important tool in the next three years.

Before considering these results, a note of caution. The emerging nature of AI means that a significant number of respondents chose to reply “Don’t know” rather than an importance level. A total of 15 economies had 10% or more of their new entrepreneurs responding, “don’t know”, which makes it difficult to attach significance to differences in proportions in the chart. However, this high rate of uncertainty may also reflect a general unawareness or lack of understanding of AI’s potential among entrepreneurs.

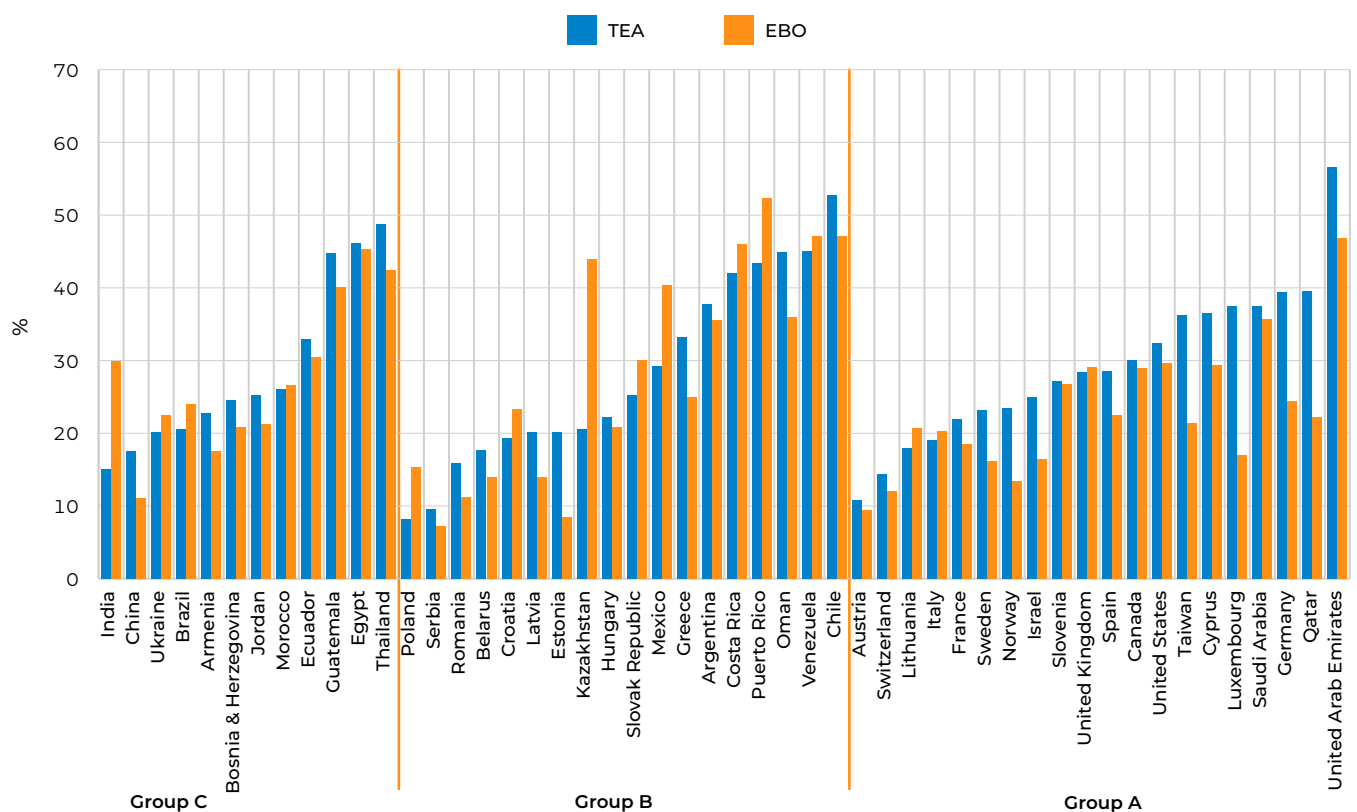
In Figure 7.8, the proportion of early-stage entrepreneurs anticipating that AI will become very important to their business in the next three years ranges from just 8% in Poland to 57% in the United Arab Emirates. In between, less than one in five share this anticipation in two Group C economies, five Group B and four Group A. At the other end of the scale, more than two in five have this anticipation in three Group C, four Group B and just one Group A economy. In other words, for 31 out of 50 economies, the level of new entrepreneurs anticipating that AI will become very important to their businesses in the next three years ranges from one in five to two in five. While the highest rates are in Latin

America and in Asia (United Arab Emirates, Chile, Thailand), the lowest are all in Europe (Poland, Serbia).

Established Business Ownership rates are similar, if a little lower. Of the 50 economies, 35 have higher rates of early-stage entrepreneurs anticipating that AI will become very important to their business in the next three years compared to the corresponding rates for Established Business Owners. Rates for those established businesses vary from 7% in Serbia to 52% in Puerto Rico. This time one in five or less share this anticipation in two economies from Group C, six from Group B and seven from Group A, so a little more than for early-stage entrepreneurs, and all but two of these (Israel and China) were from Europe.

However, the number of economies in which the share of established businesses anticipating AI becoming very important equals one in five or more is similar to that for new entrepreneurs: three from Group C, six from Group B and just one from Group A. The highest rates are again a mixture of Latin America and Asia (Puerto Rico, Venezuela and the United Arab Emirates); the lowest are once more from Europe (Serbia, Estonia and Austria).

FIGURE 7.8
The proportion of early-stage entrepreneurs (% TEA) and Established Business Owners (% EBO) who anticipate artificial intelligence becoming very important to their business in the next three years
Note: Republic of Korea excluded (error during data collection)



7.5 CONCLUSIONS AND POLICY IMPLICATIONS

This chapter has revealed some variation in the shares of new entrepreneurs expecting to use more digital technologies to sell their products in the next six months. There is much more variation between new and established entrepreneurs' perceptions of the importance of various forms of digital marketing tools. Highest shares across the economies, for both new and established entrepreneurs, are in favour of social media, followed by email communication, with websites and then email marketing some way behind. Table 7.2 sums this up by showing the number of economies (from 50) in which

the proportion perceiving each digital tool as very important exceeded three in five. New entrepreneurs favour social media over email communication, whereas established business owners are more evenly split between social media and email as very important. Both agree, however, that websites are less often seen as very important, with email marketing some way behind.

The chapter has also considered AI, and whether new and established business owners anticipate this becoming very important to their business in the next three years. In most economies, the majority did not, except in Costa Rica, Saudi Arabia and the United Arab Emirates for Established Business Owners, and in the United Arab Emirates and Brazil for new entrepreneurs.

Entrepreneurs cannot use what they don't know. Raising awareness and then training to develop digital marketing skills could be crucial to the success of the new business.

TABLE 7.2 The number of economies where the proportion of new entrepreneurs (% TEA) or Established Business Owners (% EBO) seeing that digital marketing tool as very important exceeded three in five

	TEA	EBO
Social media	27	14
Email communication	14	13
Email marketing	2	1
Website	11	4

SDG FOCUS ...



By focusing on digital tools, entrepreneurs can drive innovation, inclusivity and economic progress, directly contributing to a number of UN Sustainable Development Goals. Of note is the connection to SDG 17: **Partnerships for the Goals**. Digital technologies enhance collaboration and partnerships by making it easier for businesses to connect with stakeholders, customers and global networks, thereby fostering cooperative efforts towards sustainable development.

PART 3

National Contexts and Individual Economy Profiles



This part of the Global Report concerns the significance of place, first by setting out the GEM approach to analysing the characteristics of place that matter most to entrepreneurial activity, and then by assessing each economy against those characteristics. This is followed by a set of Economy Profiles, one for each of the GEM 2024 participating economies, including a “bird’s-eye view” of key country-specific GEM research results alongside basic socio-economic data for that economy. Each is accompanied by a Policy Roadmap which identifies strengths and weaknesses in individual entrepreneurial ecosystems as well as recent trends in entrepreneurial activities.

Why context matters

Stephen Hill and Alicia Coduras

8.1 WHAT MAKES A PLACE IDEAL FOR STARTING A BUSINESS?

The personal decision to start a business is set within a local and national context, which can support, encourage and nurture that business. Examples of contextual factors are low-cost premises and affordable utilities, access to open markets and finance, regulations and taxes, hostile competitors, limited customer access, and weak Internet. So there are many dimensions to the entrepreneurial environment. They include the following.

- Necessary factors are the affordability of resources, the ability to receive inputs and to distribute outputs, and the availability of talent as well as customers.
- Social and cultural norms are important, including support for individual successes, attitudes towards risk-taking and the relative access to resources of women and minorities.
- Infrastructure also matters, not just roads, trains and planes, but access to the Internet and to mobile networks, shown in the previous chapter as crucial to digital marketing. Also of importance are accessibility and affordability of spaces to produce and work.
- Professional and commercial networks, such as access to mentors, lawyers and accountants, can be just as important, as well as straightforward regulations, including simple and inexpensive business registrations.

- These matter little, however, without access to growing markets and to sufficient customers, preferably those with increasing purchasing power.

While businesses can and do start and succeed in the most difficult environments, including war zones, that business is more likely to endure and prosper in a positive and supportive environment. Earlier chapters have shown substantial differences between economies in terms of levels of entrepreneurial activity, for both new and established businesses. The entrepreneurial environment will be an important influence, both on the likelihood of starting a business and on the prospects of that business surviving long enough to become established. Overshadowing all this is also a large element of chance since most people start businesses in their own neighbourhood, which is often where they were born.

Just as there is never a best time to start a business, neither is there a best place. Even if there was, it would quickly cease to be so as entrants push up prices and markets are shared between increasing numbers of businesses. Every place has strengths and weaknesses, though not necessarily with the same ratio. This chapter will outline the GEM approach to defining and measuring context, including how those strengths and weaknesses are systematically assessed by people who know that place best: national experts.

8.2 HOW GEM DEFINES AND MEASURES CONTEXT

In its consideration of the many factors that influence the environment for starting and growing a business, GEM categorises these into 13 distinct conditions known as Entrepreneurial Framework Conditions (EFCs), outlined in Table 8.1. In each national economy, all of these

conditions are assessed by at least 36 national experts, identified by National Teams and approved in advance by GEM. Each of these has experience and expertise in that economy's entrepreneurial environment, and their number includes bankers, business journalists, business

TABLE 8.1 Summary of National Entrepreneurial Framework Conditions (EFCs)

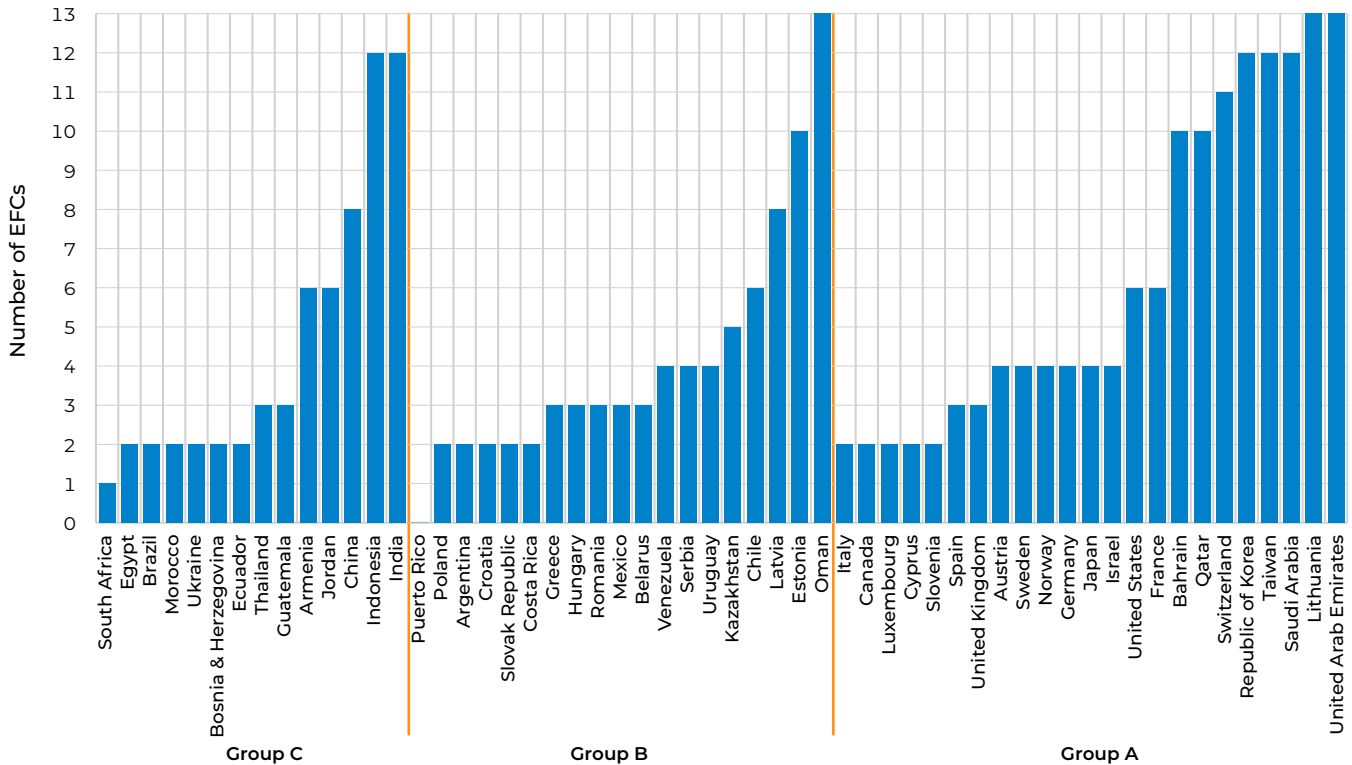
A1. Entrepreneurial Finance:	there are sufficient funds for new startups
A2. Ease of Access to Entrepreneurial Finance:	and those funds are easy to access
B1. Government Policy — Support and Relevance:	policies promote and support startups
B2. Government Policy — Taxes and Bureaucracy:	new businesses are not over-burdened
C. Government Entrepreneurial Programmes:	quality support programmes are widely available
D1. Entrepreneurial Education at School:	schools introduce entrepreneurial ideas
D2. Entrepreneurial Education Post-School:	colleges offer courses in how to start a business
E. Research and Development Transfers:	research is easily transferred into new businesses
F. Commercial and Professional infrastructure:	quality services are available and affordable
G1. Ease of Entry — Market Dynamics:	markets are free, open and growing
G2. Ease of Entry — Burdens and Regulations:	regulations encourage not restrict entry
H. Physical Infrastructure:	good-quality, available and affordable
I. Social and Cultural Norms:	encourage and celebrate entrepreneurship

FIGURE 8.1 Number of Entrepreneurial Framework Conditions (out of 13) rated as sufficient (score ≥5), 56 economies, 2024

academics, policymakers, entrepreneurs, among other profiles. Every expert undertakes an online survey, whereby they assess the veracity of a series of statements about the EFCs on an 11-point scale from completely false (zero), to neither true nor false (five), to completely true (10).

By using the same set of statements in different economies and over time, comparisons can be made. Individual assessments are pooled and analysed by GEM to derive collective scores

for each EFC, also on the 11-point scale, with an EFC score of 5.0 (midpoint) regarded as just sufficient. As with the GEM Adult Population Survey (APS), each year core questions in this National Expert Survey (NES) are supplemented to reflect contemporary issues. In 2024 these issues included women’s relative access to entrepreneurial resources, new and growing businesses’ prioritisation of sustainability, and awareness of the need to develop and



implement AI solutions among entrepreneurs and owner-managers.

National expert scores for each framework condition are set out in “spidergrams” in the individual Economy Profiles that follow these pages. This section simply offers a brief summary across the economies. Figure 8.1 shows the number of conditions, out of 13, scored as sufficient or better for each economy.

Only three economies have all 13 of their EFCs scored as sufficient or better (United Arab

Emirates, Lithuania and Oman), while just one economy has no condition scored as sufficient (Puerto Rico). Although the average number of sufficient conditions increases with income group, the association is far from linear. Two Group C economies have all conditions but one scoring as sufficient (Indonesia and India), and while seven Group C economies have just two or fewer scoring as sufficient, so too do six Group B and five Group A economies. So there is substantial variety, both within and across income groups.

8.3 SUMMARISING CONTEXT INTO ONE NUMBER

As the individual economy profiles make clear, in any period of time a given economy is likely to see improvements in some conditions and declines in others. Table 8.2 demonstrates this by simply counting the number of economies (out of the 45 that participated in the NES in both 2023 and 2024), for which the score for a particular EFC has increased since 2023, and the number for which that score has decreased. For many EFCs, the number of economies with increases is little different from the number of those with decreases. Just seven EFCs have a difference of five economies or more, with decreases outnumbering increases for three (B2, G1, I) but with increases outnumbering decreases four others (A1, B1, E and G2) The biggest difference is for Cultural and

Social Norms, for which scores increased in 29 economies and declined in just 16. So there is some evidence that social and cultural norms are increasingly encouraging and celebrating entrepreneurship.

Of the biggest changes for individual economies, Spain can point to improvements in the entrepreneurial finance. Japan, Israel and Latvia are making progress in their policy support for entrepreneurship, with the latter two also improving with Entrepreneurial Education in Schools. Finally, both Sweden and Uruguay have improved their internal market dynamics, probably as a result of expanding markets.

Given these changes, it can be difficult to determine if the quality of the entrepreneurial

Framework condition	Number of economies in which score decreased	Number of economies in which score increased
A1. Entrepreneurial Finance	20	25
A2. Ease of Access to Entrepreneurial Finance	24	21
B1. Government Policy: Support and Relevance	19	26
B2. Government Policy: Taxes and Bureaucracy	26	19
C Government Entrepreneurial Programmes	22	23
D1. Entrepreneurial Education at School	23	22
D2. Entrepreneurial Education Post-School	23	22
E. Research and Development Transfers	20	25
F. Commercial and Professional Infrastructure	23	22
G1. Ease of Entry: Market Dynamics	25	20
G2. Ease of Entry: Burdens and Regulation	20	25
H. Physical Infrastructure	22	23
I. Social and Cultural Norms	29	16

TABLE 8.2 Changes in Entrepreneurial Framework Condition (EFC) scores, 2023–2024 (45 economies)

Source: GEM National Expert Surveys, 2023 and 2024

environment in a particular economy is improving, and how it compares, not only with its past but also with other economies. To address this, GEM introduced the National Entrepreneurial Context Index (NECI) in 2018, providing a single figure that summarises the overall state of a country's entrepreneurial environment.

The NECI is simply the average of the 13 framework condition scores for a particular economy, with results for 2024 set out in Figure 8.2. Comparison between economies allows these

results to be presented in the form of a league table, from highest (United Arab Emirates) to lowest (Bosnia and Herzegovina). The quality of the entrepreneurial environment varies considerably between economies, with less than one in three rated as sufficient (a NECI score of 5.0) or better (just 17 of 56), leaving 39 rated as less than sufficient. Moreover, as with the number of sufficient conditions, the association with income level is positive but not linear.

For example, the top 10 economies in this NECI include eight from income Group A but also two



THE REAL WORLD BEHIND THE DATA...

What do climate entrepreneurs need from policymakers?

Women's entrepreneurship aligns closely with several UN Sustainable Development Goals (SDGs), including Goal 5: Gender Equality; Goal 8: Decent Work and Economic Growth; and Goal 10: Reduced Inequalities.

As part of a special series, we asked women entrepreneurs from different sectors to share their perspectives on how policymakers can best support them. The entrepreneurs are fellows of the Cartier Women's Initiative (CWI), an annual international entrepreneurship programme. Since its creation, the Cartier Women's Initiative has supported 330 impact entrepreneurs across 66 countries.

Wendy Owens, 2023 CWI Fellow (USA), CEO of Hexas Biomass Inc., a company that uses low-cost, sustainable, plant-based materials to replace wood and fossil fuel-based raw materials in multiple applications.

Stop supporting fossil fuel-based materials by phasing out subsidies for oil production. The ages of human existence are marked by materials: iron, bronze, steel, and lately fossil fuels. To move to the next materials age, climate entrepreneurs need policymakers to understand that the new bioeconomy is built on sustainable materials produced from land and air.

Encourage investment in renewable biomaterials. Policymakers can support climate entrepreneurs through regulations that encourage investment in renewable biomaterials that do not require subsidies for economic viability.

Include innovators in policymaking. We need policymakers to make it easy for us to be part of policymaking efforts so the voices of young



companies without lobbyists are heard over the status quo.

Policymakers hold the key to success for climate entrepreneurs. We need to work with them to ensure the next age of human existence brings material value to the world.

(continued on next page...)

from income Group C (India and Indonesia). Of the bottom 10 economies in the NECI, six are from Group C but four are from Group B. Twelve Group A economies have entrepreneurial environments that rate as less than sufficient, while four of the relatively few scored as sufficient or better are from income Group C (with China and Jordan joining India and Indonesia). Consistent with previous years' results, high income is no more assurance of a high-quality entrepreneurial environment than low income implies a low-quality environment. Of the 45 economies in

the NES in both 2023 and 2024, 20 saw their NECI scores decrease and 25 increased. The largest falls are for Estonia, Puerto Rico and Slovenia, while the biggest increases are for Israel, Spain and Japan.

The best place to start a business in 2024, from a supportive environment perspective, is the United Arab Emirates, with other Gulf economies also scoring well. The highest-rated European economy by far is Lithuania, while the footloose entrepreneur could do worse than to consider relatively low-cost India and Indonesia.

Tracy O'Rourke, 2019 CWI Fellow (Ireland), CEO of Vivid Edge, a company that supplies energy efficiency as a service for large organisations.

Support infrastructure investment especially in national grids. It is crucial for supporting the growing demand and enabling the transition to renewables. Without a solid infrastructure foundation, innovation cannot thrive. Connecting national grids across Europe would allow for the transmission of excess wind and solar energy to where it's needed most. This requires not only investment but also political cooperation.



Incentivise innovative entrepreneurs.

Policymakers play a vital role by creating financial incentives like grants, subsidies, tax credits and low-interest loans. It's also essential to raise limits on tax relief for private investors, a key funding source for many entrepreneurs. Policies such as renewable energy mandates and green procurement practices can further support sustainable solutions.

A clear regulatory framework would reduce uncertainty, giving entrepreneurs the confidence to plan long-term, while collaboration between startups and established businesses can accelerate innovation. With the right support from policymakers, we can build a cleaner, more efficient future.

Kristin Kagetsu, 2018 CWI Fellow (India), Co-founder and CEO of Saathi, a company that produces 100% all-natural sanitary pads offering positive impacts on health, the environment and society.

As a climate entrepreneur, I advocate for regulations that prioritise eco-friendly materials and sustainable business practices.



Financial incentives. To scale our efforts, we need access to financial incentives like tax reductions on sustainable raw materials and low-interest loans for businesses focused on sustainability. Carbon and plastic reduction incentives would further promote responsible manufacturing.

Promote educational campaigns that highlight the benefits of eco-friendly alternatives.

Government support is essential for distributing eco-friendly products. We must also address the intersection of gender, health and sustainability by promoting educational campaigns that highlight the benefits of eco-friendly alternatives. Implementing procurement policies that prioritise locally produced, sustainable menstrual hygiene products for government institutions is a necessary step.

By prioritising long-term policies that support climate entrepreneurs, we can create a more equitable, sustainable future for all.

Thank you to the Cartier Women's Initiative (CWI), one of our report sponsors, for providing this material and helping to put our data in a real-world context.

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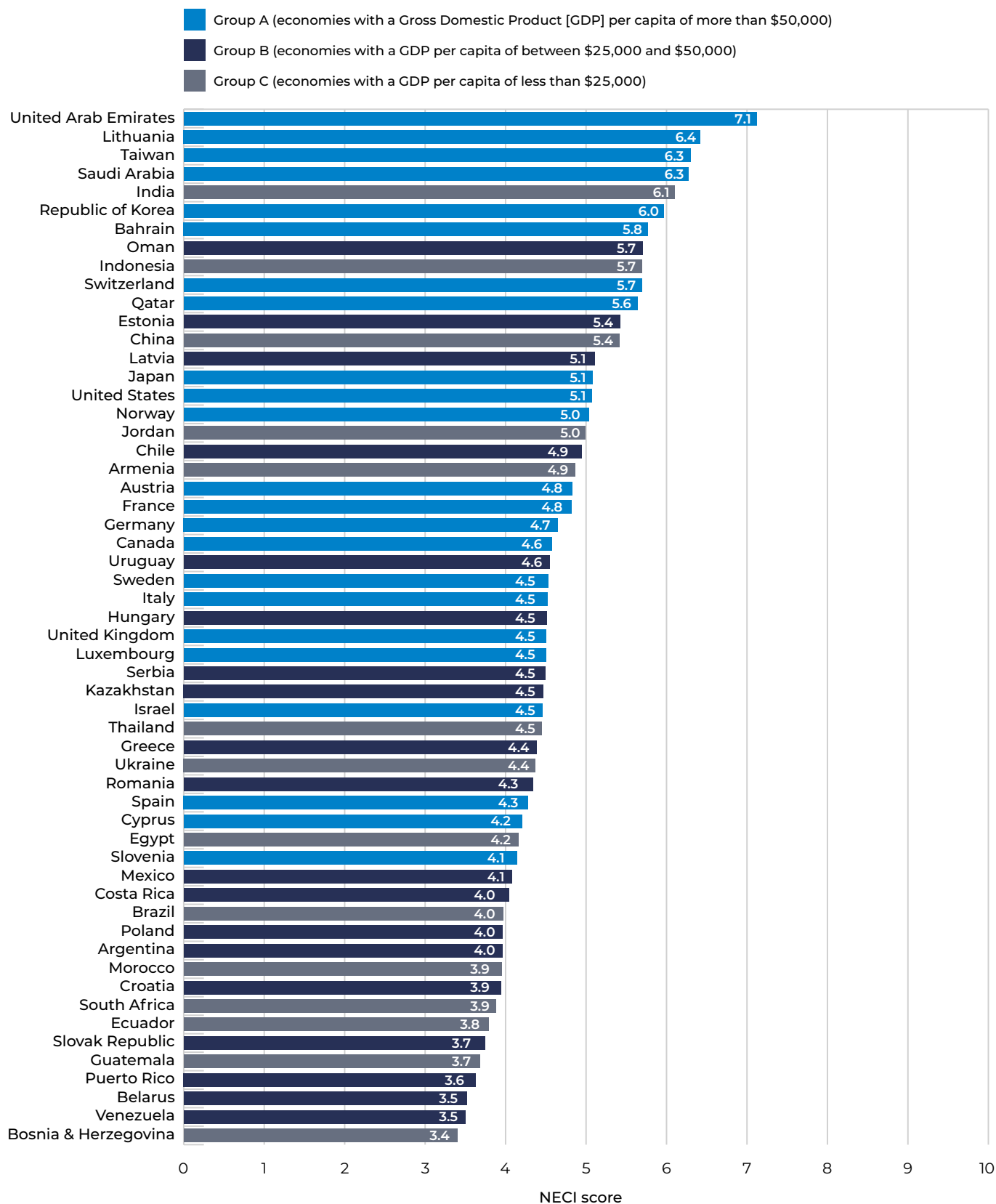


FIGURE 8.2 The National Entrepreneurial Context Index (NECI) 2024

The remainder of this chapter will address national experts' perceptions of three contemporary issues in relation to entrepreneurship: the prioritisation of

sustainability, women's equal access to resources, and the awareness of the need to develop artificial intelligence (AI) solutions to business issues.

8.4 DO NEW BUSINESSES PRIORITISE SUSTAINABILITY?

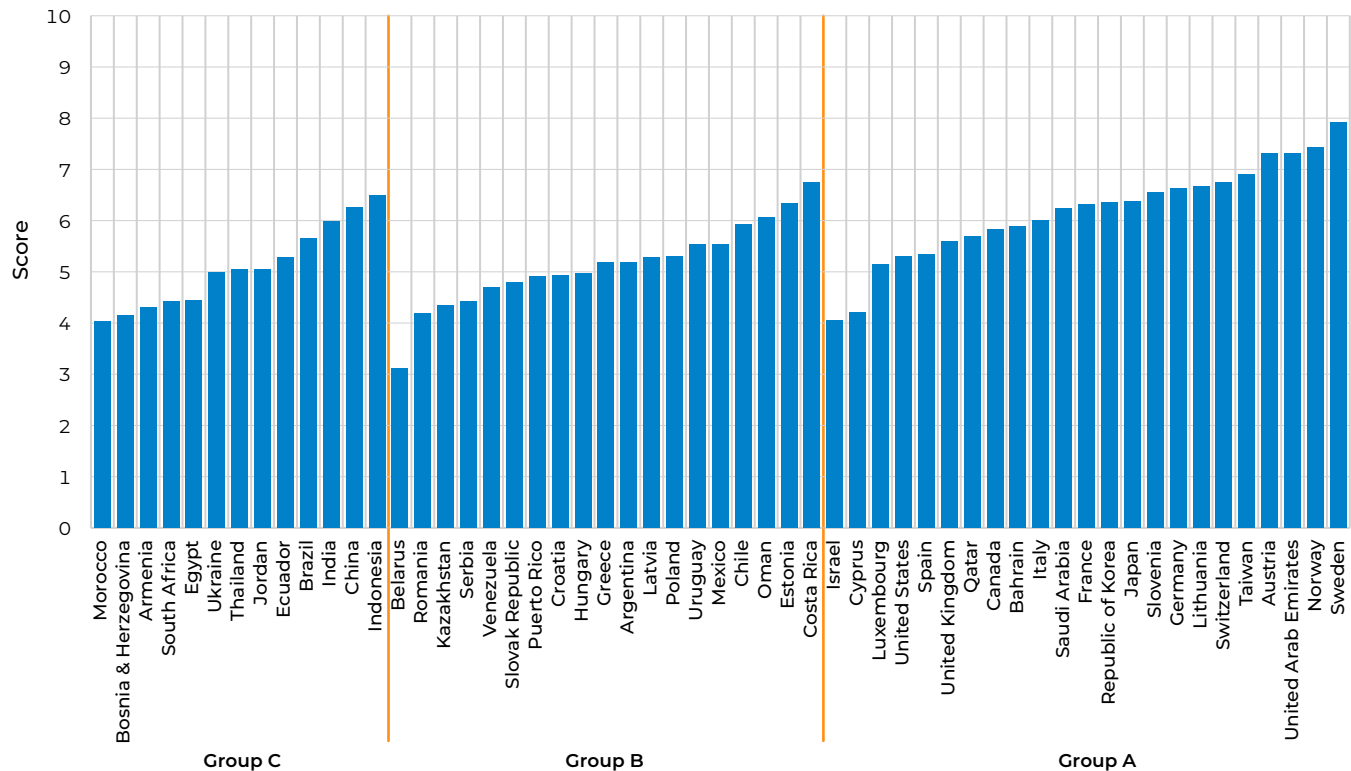
Chapter 6 looked at the attitudes and actions of new and established entrepreneurs in relation to sustainability. In assessing a series of statements, national experts were also asked to assess the prioritisation that new and growing businesses in their economy give to sustainability, with the results shown in Figure 8.3.

There is a clear and positive relationship between income group and the expert-perceived sustainability priorities of new and growing businesses. In five Group C economies, that prioritisation is seen as less than sufficient, as it is in nine Group B economies, but in just two economies from Group A (Israel and Cyprus). Conversely, that prioritisation is perceived as

good (score > 6.0) in two Group C economies (China and India) and in three Group B economies (Oman, Estonia and Costa Rica), but in 14 Group A economies (all but Israel and Cyprus, plus Canada, the United States, the United Kingdom, Spain, Qatar, Luxembourg and Bahrain).

Overall, there is a perceived high degree of commitment to sustainability, headed by northern and central Europe (Sweden, Norway, Austria and Switzerland) but including parts of East Asia (Taiwan and Japan) and the Gulf (United Arab Emirates and Oman). This commitment is seen as lowest in parts of eastern Europe (Belarus and Romania) as well as the southern Mediterranean (Morocco, Israel and Cyprus).

FIGURE 8.3 National experts' scores for the perceived prioritisation of sustainability in new and growing businesses
 Note: Guatemala excluded (data error)



8.5 DO WOMEN GET EQUAL ACCESS TO ENTREPRENEURIAL RESOURCES?

Chapter 4 demonstrated that, in most economies, men are more likely than women to be starting new businesses. There can be multiple reasons for this, including culture, opportunities, social norms, differences in motivation, etc. But one important reason could be an unequal access to entrepreneurial resources. National experts were asked to assess women's relative access to entrepreneurial resources compared to that of men, with results shown in Figure 8.4.

Across the 56 economies, scores for the majority are between four and six. There is little apparent association with income level. Of the 14 economies in Group C, six are seen as less than sufficient with regard to women's relative access to entrepreneurial resources, compared to 10 out of 18 in Group B, and another 10 of 22 in Group

A. But that still means that, in 2024, 26 of 56 economies are seen as less than sufficient. This is more or less the same proportion as were seen as less than sufficient by national experts in 2023, so little sign of serious progress.

In 2024, just five economies rated as good (score >6.0): two from income Group C (India and Egypt) and three from income Group A (Canada, the United States and the United Kingdom). Meanwhile six economies rate as poor (score <4.0): four from Europe (Estonia, Armenia, Romania and the Slovak Republic) and two from the Gulf (Bahrain and Saudi Arabia). Until this issue is addressed, both women themselves and their wider economies are missing out, in terms of the jobs, value-added, and unrealised outputs.

8.6 ARE ENTREPRENEURS AWARE OF THE NEED TO DEVELOP AND IMPLEMENT AI SOLUTIONS FOR THEIR BUSINESSES?

The previous chapter looked at the use of digital marketing tools by new and established business owners, noting that these were widespread and prevalent. That chapter concluded with a brief examination of whether new and established businesses consider whether AI will become very important to their businesses in the next three years. The proportion of new entrepreneurs who agree varies from just over one in 20 in Poland to more than one in two in the United Arab Emirates, although the majority of economies are towards the lower end of this scale. Rates are highest in the Gulf, and in Latin America & Caribbean, but lowest in Europe.

National experts were asked a slightly different question, in terms of how they see the awareness of the need to develop AI business solutions

among new entrepreneurs and owner-managers. Figure 8.5 shows that, in Group A, awareness is seen as sufficient in 12 of 22 economies. It is sufficient in just eight of 18 Group B economies and only seven of 14 Group C economies. So little suggestion perceived awareness increases with income level.

This perceived awareness is highest in the United States, United Kingdom, Canada, India and Egypt. It is lowest in the Gulf (Bahrain, Saudi Arabia) and parts of Europe (Estonia, Armenia and Romania).

Many high-income economies in North America and northern Europe score well for perceived awareness, as do India and Egypt. So there may be some income-group and geographical influences behind this perceived awareness.

8.7 CONCLUSIONS AND POLICY IMPLICATIONS

This chapter has looked at the characteristics of a national entrepreneurial environment that can make it easier to start and grow a business, and at how national experts rate the quality of these conditions in their own economies. Before

briefly considering these results and their policy implications, a note of caution. Determined individuals start businesses in the most dire of circumstances, and sometimes these businesses prosper. An obvious example is Ukraine, where

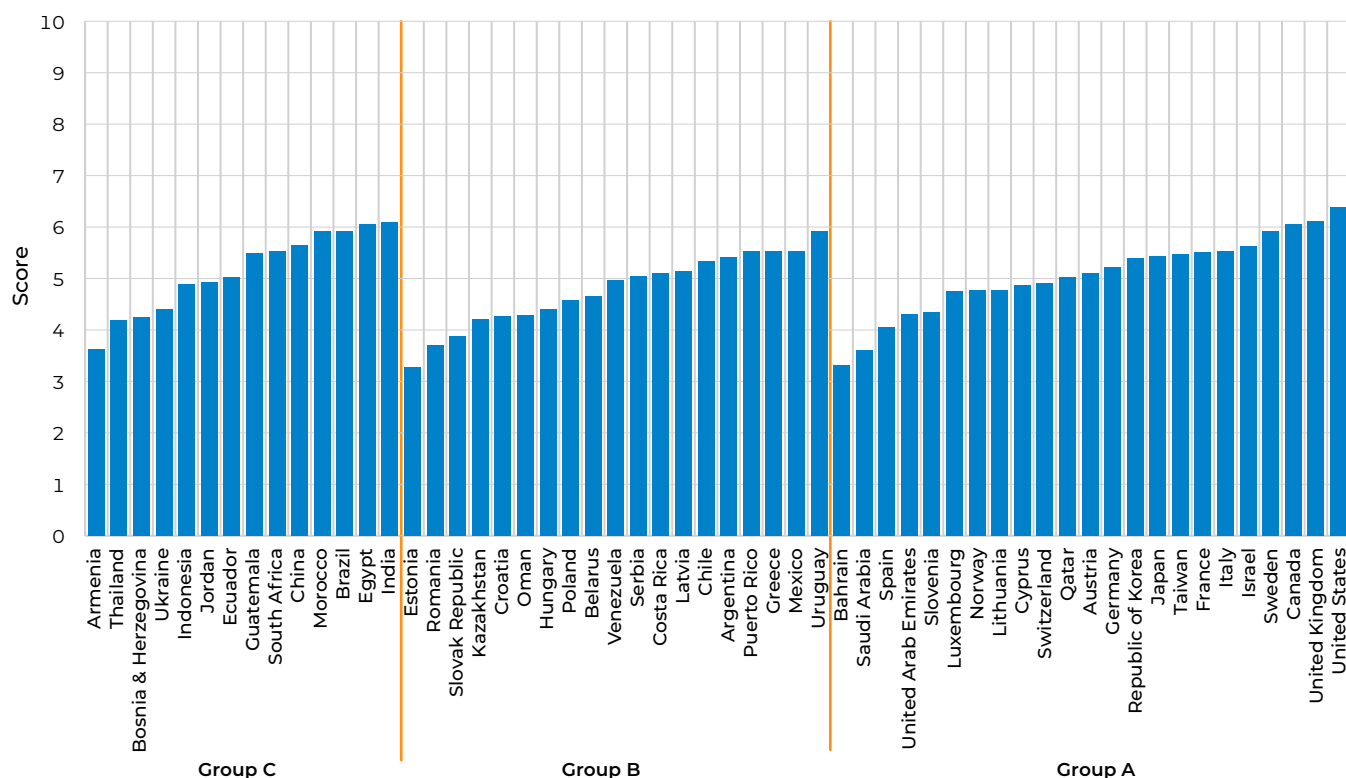


FIGURE 8.4 National experts' scores for women's perceived relative access to entrepreneurial resources

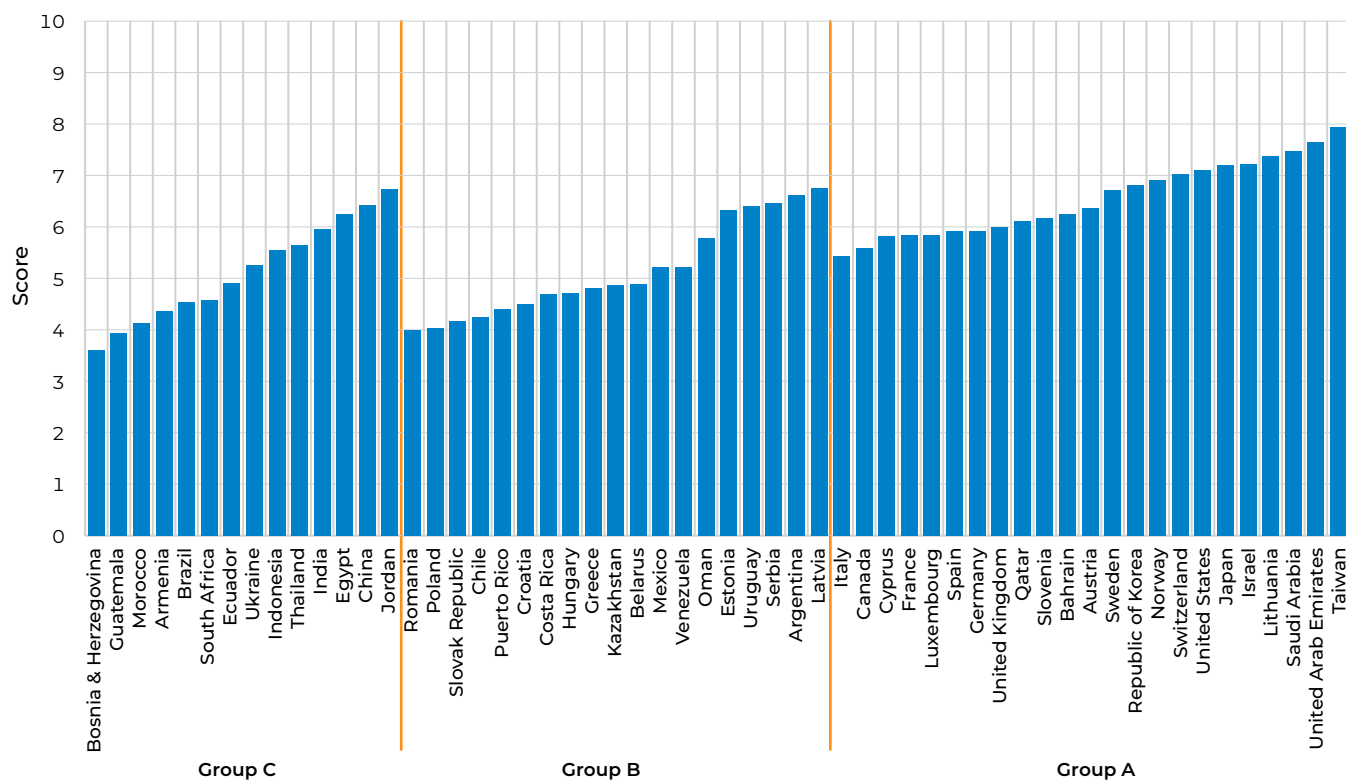


FIGURE 8.5 National experts' scores for the perceived awareness among entrepreneurs and owner-managers of the need to develop and implement AI business solutions



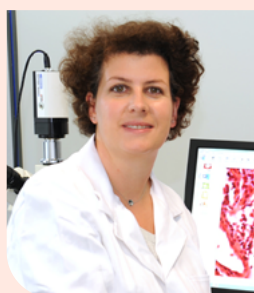
THE REAL WORLD BEHIND THE DATA...

What do health entrepreneurs need from policymakers?

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As part of a special series, we asked women entrepreneurs from different sectors to share their perspectives on how policymakers can best support them. The entrepreneurs are fellows of the Cartier Women's Initiative (CWI), an annual international entrepreneurship programme. Since its creation, the Cartier Women's Initiative has supported 330 women impact entrepreneurs across 66 countries.

Cécile Réal, 2012 CWI Fellow (France), CEO and Co-founder of Endodiag, a company that develops non-invasive diagnosis and advanced biopsy tools to fight endometriosis.



Support faster adoption of emerging technologies.

Health entrepreneurs strive to deliver innovative solutions that improve the lives of patients. However, their path is fraught with challenges beyond typical business hurdles like R&D, funding and industrialisation. Two major obstacles we face are regulation and reimbursement.

In Europe, regulatory processes have become exclusively focused on safety, often neglecting patient interests. As a result, many medical devices have either failed to reach the market or been withdrawn due to the costly and time-consuming requirements of the new Medical Device Regulation (MDR).

Harmonise reimbursement systems. Moreover, reimbursement systems vary across countries, with each nation having its own lengthy approval process. We need harmonised and updated systems that accommodate new innovations as well as patient needs.

To address the growing challenges posed by an ageing population and shrinking healthcare resources, policymakers must adapt regulations to be more innovation-friendly and support faster adoption of emerging technologies.

Dimple Parmar, 2023 CWI Fellow (India), Co-founder and CEO of ZenOnco.io, the world's first integrative oncology healthtech platform, created with the vision of saving millions of lives from cancer.

The healthcare industry, especially in areas like cancer care, has been traditional and slow-moving. It takes time for new entrepreneurs to build trust with patients and the public. While significant innovations have occurred in treatments, pharmaceuticals, diagnostics and vaccines, care delivery models have seen little progress. Support from policymakers is essential to drive impactful change.



Incentivise entrepreneurs to develop innovative care models that make healthcare more affordable and accessible, especially in underserved markets.

Simplifying licensing processes and regulatory standards can enable entrepreneurs to launch their ventures more swiftly without compromising quality. Public insurance schemes should be more inclusive of new healthcare providers.

Improve public-private collaborations. Grant-based support and public-private partnerships (PPPs) can also help bridge the gap between urban and rural healthcare access. Additionally, allowing private sector involvement in traditionally public activities can enhance efficiency and save more lives in a timely manner.

Thank you to the Cartier Women's Initiative (CWI), one of our report sponsors, for providing this material and helping to put our data in a real-world context.

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around one in eight adults are starting or running a business in 2024, many of whom will be, in a familiar GEM refrain, finding opportunity in adversity. Moreover, earlier chapters also reveal that many of those recently exiting a business fully expect to start another one soon. So starting and running a business is a process, not an event, and recognising that the business is not working and moving on can be an important part of that process. Nevertheless, context matters, and a favourable and supportive environment can ease the process of exit and renewal.

This chapter has also shown that, in many economies, entrepreneurs are seen by national experts as embracing sustainability as a priority, but there are differences across income groups and geographies. New businesses need to be encouraged and supported to see sustainability as an opportunity rather than a burden. Similarly, there are differences in how experts see women's relative access to entrepreneurial resources compared to men. In too many economies, this is viewed as less than sufficient, especially in eastern parts of Europe and in parts of the Gulf, reflecting the rapidity of social change in that region, with, for example, regulations allowing women to own property in some cases being fairly recent. Unequal access to resources is an anomaly in 2024 that governments and policymakers should no longer tolerate. By contrast, entrepreneurial awareness of the need for AI solutions is widespread, especially in higher-income economies, but uneven. Policies should aim to improve access to AI for small businesses, such as affordable training, mentoring, etc., to prevent AI becoming the province of only the largest and most capital-intensive companies.

Governments play an important role in determining the quality of the entrepreneurial environment, being directly responsible for at least three conditions, and implicated in several more. Government support doesn't have to mean massive public expenditure: both India and Indonesia achieve high-quality entrepreneurial environments with limited resources. Positive government support can be more a matter of political commitment: for example, by publicising and celebrating entrepreneurial successes.

Another, more familiar, lesson is that entrepreneurial education in schools is far too often neglected and under-resourced, ranked last in too many economies. Once more, this is a matter of commitment more than resources: some economies have recently made substantial improvements in their entrepreneurial education in schools provision, including Brazil and India in 2023, and Japan in 2024.

A brief analysis of NECI results shows that more than two-thirds of participating economies have entrepreneurial environments that are rated by their own experts as less than sufficient. Comparing those results with 2023 shows overall improvement in 25 economies but declines in 20 others. Japan shows the biggest improvement, while Slovenia and Puerto Rico share the largest falls. So there is massive potential for substantial improvement in entrepreneurial environments. The fact that 37 out of 56 economies are rated as less than sufficient poses a significant challenge for these economies and their governments. Most of these governments profess to support entrepreneurship and to encourage individuals to start their own businesses. But words alone are not enough.

SDG FOCUS . . .



The GEM National Entrepreneurship Context Index (NECI) assesses the entrepreneurial ecosystem of each economy by assessing 13 Entrepreneurship Framework Conditions (EFCs). Stakeholders should particularly take note of the NECI as it connects to UN Sustainable Development Goal 11 (**Sustainable Cities and Communities**): “Make cities and human settlements inclusive, safe, resilient and sustainable”. Target 11.a notes the importance of supporting positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.

ECONOMY PROFILE



Argentina

■ Population (2023): **46.6 million** (UN)

■ GDP per capita (2023; PPP, international \$): **29.4 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	54.6	25=
Good opportunities to start a business in my area	57.0	24
It is easy to start a business	35.0	40
Personally have the skills and knowledge	74.8	9
Fear of failure (opportunity)	18.8	51
Entrepreneurial intentions**	17.4	29

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	3.5	18
	% TEA	Rank/51
International (25%+ revenue)	5.6	40
Always consider social impact	86.8	11
Always consider environmental impact	88.9	5
Prioritise social and/or environmental impact above profit or growth	51.9	39
Industry (% TEA in business services)	15.9	33

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	24.3	47
To build great wealth or very high income	42.1	42
To continue a family tradition	25.3	32
To earn a living because jobs are scarce	88.0	8

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	23.4	7	22.4	24.2

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	83.5	1
	% TEA	Rank/51
Starting a business is more difficult than a year ago	62.0	8
Use more digital technology to sell products or services	51.6	26

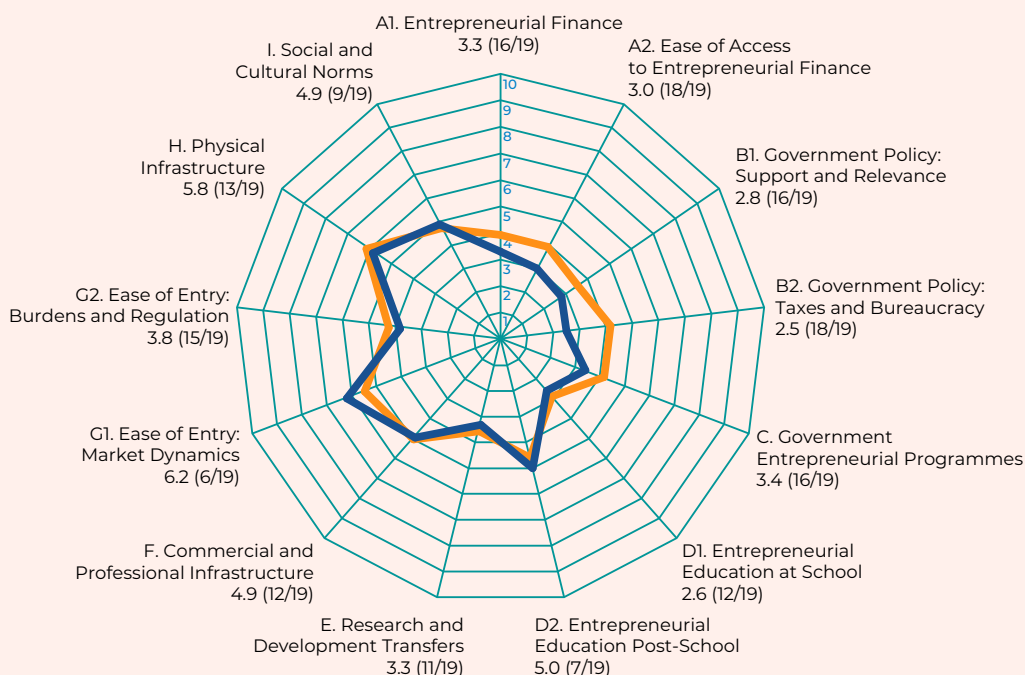
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Argentina (Blue line)
Group B average (19 GEM economies; see Section 1.3 and Table 1.1) (Orange line)

EFCs scale:
0 = very inadequate insufficient status,
10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

The economic conditions for entrepreneurship are improving, with the recent election of Javier Milei as president leading to significant economic reforms, including stabilising inflation, reducing regulations and taxes, and with labour reforms opening up the economy, particularly in sectors like fintech, agritech and SaaS (Software as a Service). Argentina's relatively low labour costs, skilled workforce, and strong entrepreneurial culture and ecosystem make it an attractive destination for global entrepreneurs and investors.

2024 Framework Conditions Review

The overall quality of the entrepreneurial environment in Argentina has been improving in recent years, with NECI (National Entrepreneurial Context Index) scores rising from 3.7 (2022) to 3.9 (2023), and then to 4.0 (2024). The NECI score, an average of 13 individual Framework Condition scores, presents a very mixed picture. One condition, Ease of Entry: Market Dynamics, rates as good (≥ 6.0), while two others — Physical Infrastructure and Entrepreneurial Education Post-School — rate as sufficient (≥ 5.0). At the other end of the spectrum, two others score as less than sufficient (< 5.0), a further five rate as poor (< 4.0) and the final three rate as very poor (< 3.0).

Six conditions had lower scores, and not by much, while seven scored better, with the largest increases for Government Policy: Support and Relevance; R&D Transfers; and Social and Cultural Norms. So there is some evidence of improvements. Finally, women's relative access to entrepreneurial resources scored

as better than sufficient, as did new and growing businesses perceived prioritisation of sustainability.

2024 Entrepreneurial Activity Review

A very high four out of five Argentinian adults report that their household income has fallen in the current year. While entrepreneurial awareness is modest, confidence is high, as evidenced by the following:

- A little more than a half of adults know someone who has started a business in the last two years
- Three out of four of adults see themselves as having the skills and knowledge to start their own business
- Three out of five see good opportunities to start a business locally
- A relatively low one in five of those would not start a business for fear it might fail

Nearly one in four adults in Argentina is starting or running a new business, with women more or less as likely to be doing so as men. However, just one in 15 adults owns an established business. These numbers are likely to improve over time, given that nearly one in five adults intend to start a business within the next three years.

Only one in 10 new entrepreneurs has customers beyond Argentina, although a half expect to use more digital technology in the next six months to sell their products. While nearly nine in 10 agree with the motivation "to earn a living because jobs are scarce", over one in two claim to prioritise social or environmental impacts above profitability or growth.

Institution

Lead institution

IAE Business School



Type of institution

Business School

Website

<https://www.iae.edu.ar/>

Team

Team leader

Silvia Torres Carbonell

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IAE Business School

APS vendor

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Contact

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ECONOMY PROFILE



Armenia

■ Population (2023): **2.8 million** (UN)

■ GDP per capita (2023; PPP, international \$): **23.1 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	48.8	33
Good opportunities to start a business in my area	51.4	31
It is easy to start a business	47.0	24
Personally have the skills and knowledge	59.6	24
Fear of failure (opportunity)	38.4	44
Entrepreneurial intentions**	36.2	10

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	21.8	49
To build great wealth or very high income	63.2	20
To continue a family tradition	43.3	8
To earn a living because jobs are scarce	79.3	15

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	17.6	13	13.3	22.4

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	4.9	10=
	% TEA	Rank/51
International (25%+ revenue)	23.1	11
Always consider social impact	85.2	18
Always consider environmental impact	88.4	7
Prioritise social and/or environmental impact above profit or growth	64.2	21
Industry (% TEA in business services)	11.6	39

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	35.7	18
	% TEA	Rank/51
Starting a business is more difficult than a year ago	41.7	33
Use more digital technology to sell products or services	48.3	32

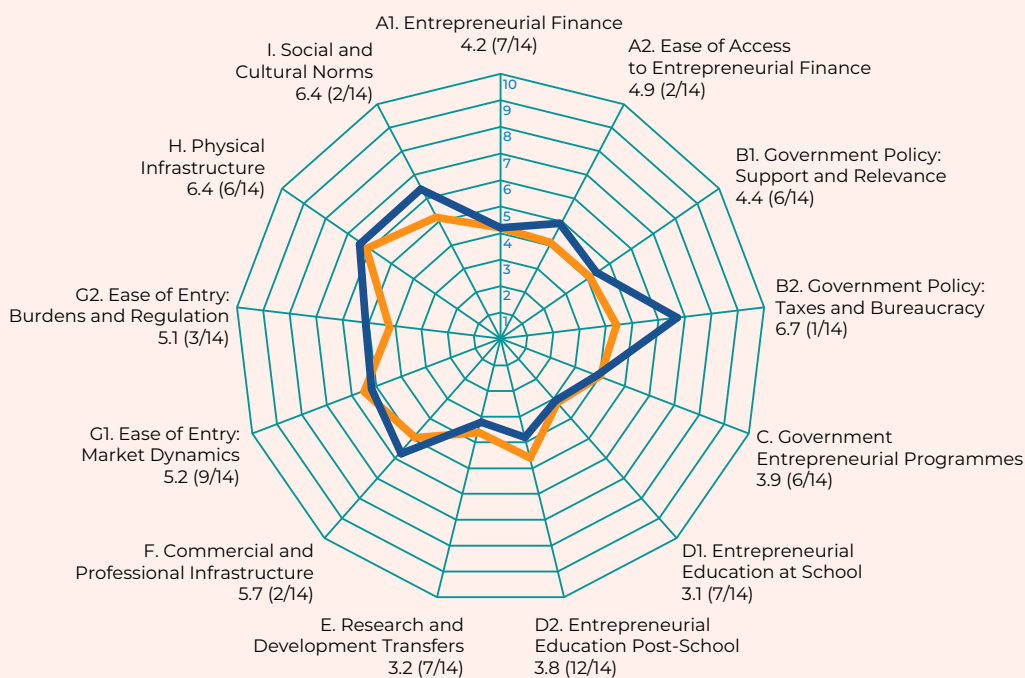
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Armenia —
Group C average
(14 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Economic growth slowed in the country this past year: 6% in the first three quarters of 2024 compared to 9% in 2023. Many entrepreneurs were seizing opportunities to replace Russian imports. The government, with assistance from international partners, has initiated “Armenia’s Entrepreneurship Development Strategy 2025–2030”, which includes detailed actions to support entrepreneurship and the environment.

2024 Framework Conditions Review

Armenia has a NECI (National Entrepreneurial Context Index) score of 4.9 in 2024, just less than sufficient and ranking it 20th of 56 GEM economies. This score is the average of the 13 individual framework scores, each assessed by a group of national experts in Armenia. Of these conditions, six are rated as better than sufficient, including three scoring as good (≥ 6.0): Government Policy: Taxes and Bureaucracy; Physical Infrastructure; and Social and Cultural Norms. This leaves seven scoring as less than sufficient, of which four are rated as poor (< 4.0): Government Entrepreneurial Programmes; both Entrepreneurial Education conditions; and Research and Development Transfers.

Despite the relatively poor performance in Government Entrepreneurial Programmes, the Armenian government is actively working to improve the situation through initiatives including the Economic Modernisation Programme, which provides businesses with loan funding at an interest rate of up to 2%. Armenia is rated as poor by its own national experts for women’s relative access to entrepreneurial

resources (3.6), and for new and growing firms’ prioritisation of sustainability (3.8).

2024 Entrepreneurial Activity Review

Just over one in three adults in Armenia reported that their household income has fallen in the current year. Entrepreneurial awareness and confidence are reasonable, with just under a half of adults knowing someone who has started a business in the past two years, and slightly more seeing good opportunities to do so locally. Three in five adults consider themselves as having the skills and experience to start their own business, although two in five of those seeing good opportunities would not start one for fear it might fail.

Nearly one in five adults is starting or running a new business in Armenia, with men almost twice as likely as women to be doing so, no doubt reflecting women’s relative access to entrepreneurial resources (see above). Over one in 10 adults owns an established business, while over one in three of those adults not already involved in entrepreneurship intend to start a business in the next three years.

Two in five of those running new businesses have customers beyond Armenia, while one in two expect to use more digital technology to sell their products in the next six months. An impressive one in four new entrepreneurs anticipate employing at least another six people in five years’ time. While four out of five new entrepreneurs agree with the motivation “to earn a living because jobs are scarce”, nearly two out of three also claim to prioritise social or environmental impacts above profitability or growth.

Institution

Lead institution

Ameria CJSC



Type of institution

Private

Website

www.ameriadvisory.am

Team

Team leader

Tigran Jrbashyan

Team members

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Contact

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Funders

Ameria CJSC

APS vendor

Intagma LLC

ECONOMY PROFILE



Austria

■ Population (2023): **9.1 million** (UN)

■ GDP per capita (2023; PPP, international \$): **73.7 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	52.3	30
Good opportunities to start a business in my area	46.0	37
It is easy to start a business	46.8	25
Personally have the skills and knowledge	55.4	29
Fear of failure (opportunity)	44.8	32
Entrepreneurial intentions**	5.4	49

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	0.5	49
	% TEA	Rank/51
International (25%+ revenue)	20.6	17
Always consider social impact	64.6	42
Always consider environmental impact	60.6	44
Prioritise social and/or environmental impact above profit or growth	60.1	27
Industry (% TEA in business services)	31.3	11

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	38.0	36
To build great wealth or very high income	43.9	39
To continue a family tradition	22.2	39
To earn a living because jobs are scarce	53.6	37

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	6.6	44	6.3	6.8

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	20.0	45=
	% TEA	Rank/51
Starting a business is more difficult than a year ago	34.6	41
Use more digital technology to sell products or services	31.2	50

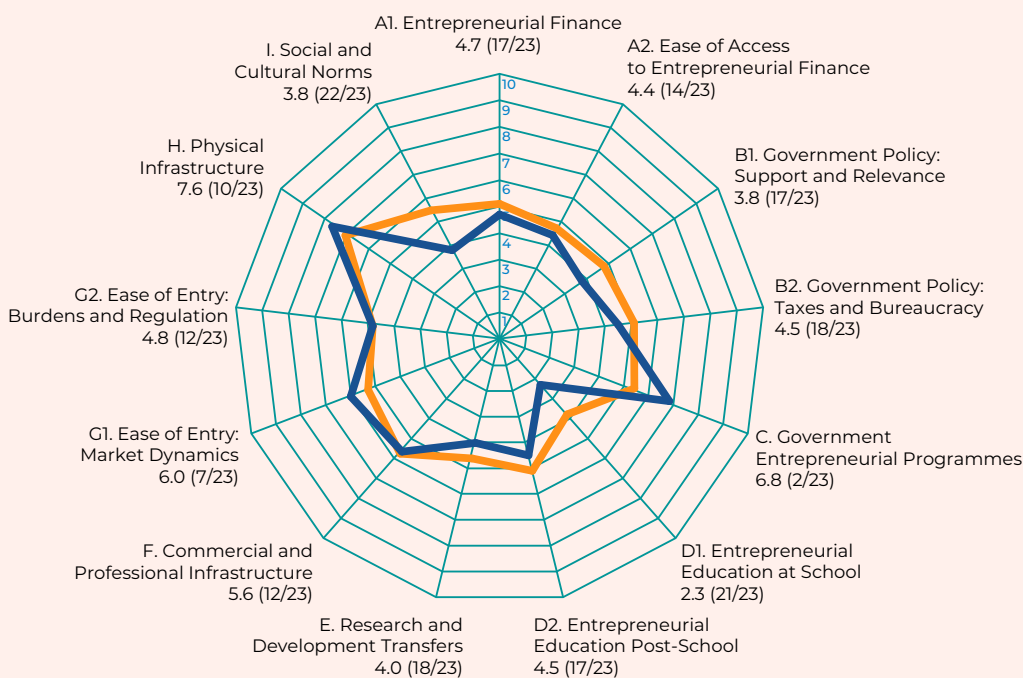
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
0 = very inadequate insufficient status,
10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Economic conditions for entrepreneurs in Austria have been declining, with a projected 0.6% GDP contraction in 2024, reduced private consumption, comparatively high inflation and decreased investment. The Flexible Company (FlexCo) law, introduced in 2024, reduces financial barriers for startups, streamlines share transfer processes, and introduces enterprise value shares to attract investors and facilitate employee participation.

2024 Framework Conditions Review

National experts scored the overall quality of the entrepreneurial environment in Austria as just less than sufficient, with a NECI (National Entrepreneurial Context Index) score of 4.8. This reflects a stable assessment with only small changes over the last decade. This overall rating hides considerable variation in the scores for individual Framework Conditions, however, which range from very good (≥ 7.0) (Physical Infrastructure, 7.6) to very poor (< 3.0) (Entrepreneurial Education at School, 2.3).

Two other conditions are rated as good (Government Entrepreneurial Programmes and Ease of Entry: Market Dynamics), while two more score as poor (Government Policy: Support and Relevance; and Social and Cultural Norms). So this is very much a mixed bag, reflected in Government Entrepreneurial Programmes ranking second among the 56 GEM economies, while Social and Cultural Norms ranks 50th. Nine conditions have slightly lower scores than in 2022, reflecting a challenging financial environment with rising costs.

Women's access to entrepreneurial resources score is just better than sufficient at 5.1. New and growing

businesses priority given to sustainability is rated as very good at 7.3, third among the GEM economies.

2024 Entrepreneurial Activity Review

The proportion of adults in Austria who report that their household income has fallen in the current year has declined, from three in 10 in 2022 to two in 10 in 2024. Meanwhile, Total early-stage Entrepreneurial Activity in Austria remains reasonably constant but at a low level since the pandemic.

Uncertainty is evident: while half of adults believe they have the skills to start a business and see good local conditions for entrepreneurship, around half of those would refrain from doing so due to fear of failure. This hesitation, possibly exacerbated by increasingly negative media coverage of entrepreneurs since 2022, contributes to low entrepreneurial intentions. Only one in 20 plan to start a business within the next three years.

Despite this persistently sluggish entrepreneurial momentum, the rate of established businesses remains at pre-pandemic levels, reflecting the resilience of Austrian entrepreneurs. Additionally, the proportion of female entrepreneurs continues to grow.

Four out of 10 new entrepreneurs serve customers beyond Austria, and three in 10 plan to adopt more digital technologies in the next six months. However, only one in 10 anticipates creating at least six additional jobs within the next five years. Economic motives for starting a business are becoming more prominent, yet three out of five entrepreneurs report prioritising environmental or social impacts over profitability and growth.

Institution

Lead institution

Joanneum University of Applied Sciences



Type of institution

University of applied Sciences

Website

www.gemaustria.at

Team

Team leader

Christian Friedl

Team members

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Funders

Federal Ministry of Labour and Economy (BMAW)

Austrian Federal Economic Chamber (WKO)

Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK)
Federal Economic Chamber of Vienna (WKW)

Austrian Economic Service (AWS)
Austrian Research Promotion Agency (FFG)

explore! Foundation, EY Austria and WU Wien

FH JOANNEUM GesmbH University of Applied Sciences

APS vendor

Market Marktforschungs-Ges.m.b.H. & Co.KG

Contact

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ECONOMY PROFILE



Bahrain

■ Population (2023): **1.5 million** (UN)

■ GDP per capita (2023; PPP, international \$): **63.8 thousand** (World Bank)

Attitudes and perceptions

	% Adults
Know someone who has started a new business	52.7
Good opportunities to start a business in my area	74.9
It is easy to start a business	80.2
Personally have the skills and knowledge	60.4
Fear of failure (opportunity)	41.6
Entrepreneurial intentions*	55.0

Motivational

(somewhat or strongly agree)

	% TEA
To make a difference in the world	59.2
To build great wealth or very high income	85.9
To continue a family tradition	51.4
To earn a living because jobs are scarce	74.4

Activity

	% Adults	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	5.9	7.2	4.6

Entrepreneurship impact

	% Adults
Job expectations (expecting to employ six or more people in five years' time)	1.5
International (25%+ revenue)	34.9
Always consider social impact	86.4
Always consider environmental impact	79.7
Prioritise social and/or environmental impact above profit or growth	82.5
Industry (% TEA in business services)	14.8

Recent changes

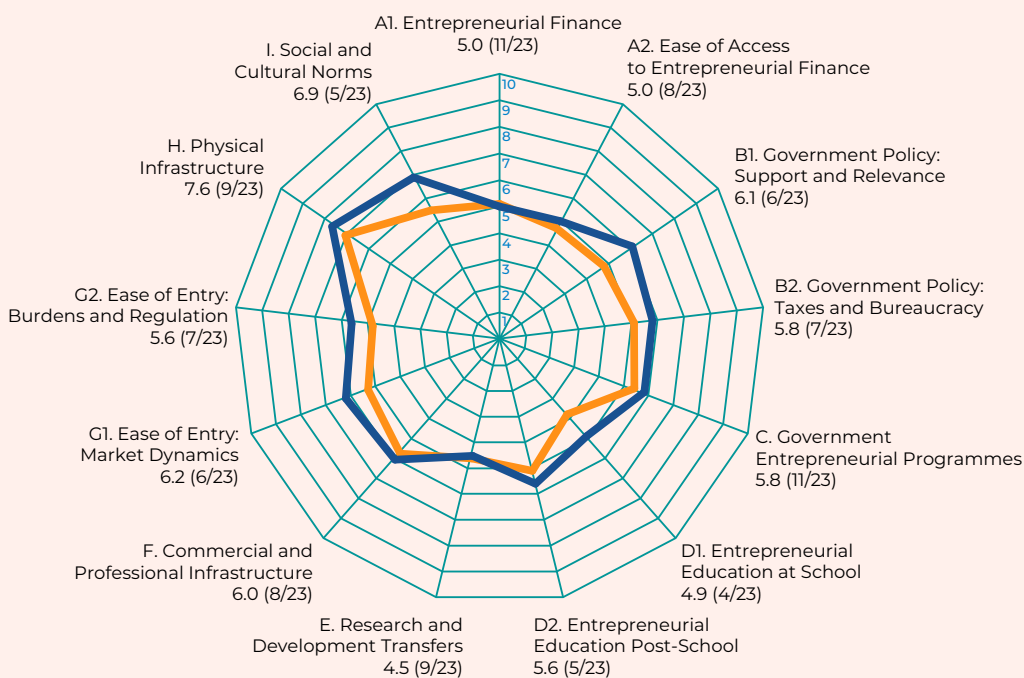
	% Adults
Household income has decreased in the current year**	26.9
Starting a business is more difficult than a year ago	53.2
Use more digital technology to sell products or services	53.8

Refer to the forthcoming 2024/25 GEM Bahrain National Report for complete 2024/25 APS data analysis.

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Bahrain —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Economic conditions are improving in the context of “Bahrain Economic Vision 2030”, which emphasises entrepreneurship as a driver of economic growth. Banks and other economic actors offer financial support and advisory services to startups and small businesses, providing loans, equity financing and grants, while the government continues to simplify business regulations and licensing, along with targeted initiatives and programmes for women entrepreneurs.

2024 Framework Conditions Review

In its first year of participation in GEM, the overall quality of the Kingdom of Bahrain’s entrepreneurial environment is seen by its own national experts as better than sufficient, with an NECI score of 5.8, placing Bahrain seventh of the 56 GEM participating economies. This overall score is the average of 13 individual Framework Condition scores, with just two rated by national experts as less than sufficient (<5.0): Entrepreneurial Education at School and Research and Development Transfers. Another six conditions score better than sufficient, with another four scoring as good (≥6.0): Government Policy: Support and Relevance; the Commercial and Professional Infrastructure; Ease of Entry: Market Dynamics; and Social and Cultural Norms, while Physical Infrastructure rates as very good (≥7.0). This points to a high-quality entrepreneurial environment, with just a couple of areas for improvement. Indeed, six of Bahrain’s Framework Conditions rank in the top 10 among the 56 GEM participating economies, the highest of which is Social and Cultural Norms at sixth.

One challenge identified, however, is women’s relative access to entrepreneurial resources, rated by

national experts as very poor. More positively, new and growing businesses prioritisation of sustainability is rated much better than sufficient.

2024 Entrepreneurial Activity Review

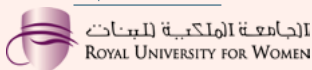
Just over one in four adults in the Kingdom report that their household income has fallen in 2024, roughly in line with its neighbours in Qatar and the United Arab Emirates. However, more than one in two adults expect to start a business in the near future: a high level, even for the Gulf. Entrepreneurial awareness is also high, with more than half of adults reporting that they know someone who has recently started a business, and an even higher proportion seeing themselves as having the skills and experience start their own. Three in four adults see good opportunities to start a business, although two in five of these would not start a business for fear it might fail.

Given this high awareness and intentions, it is perhaps surprising that just a little over one in 20 adults are starting or running a business in the Kingdom, with an Established Business Ownership rate that is less than half of this. Women are more likely to be starting a business than men: roughly in the ratio three to two. Building great wealth is the dominant agreed motivation among early-stage entrepreneurs, more than half of whom expect to use more digital technology to sell their products in the next six months. Not surprisingly for a small island economy, around three in five have customers beyond the Kingdom, but few expect to employ at least another six or more people in five years’ time. More than four out of five new entrepreneurs say they prioritise sustainability above profits or growth.

Institution

Lead institution

Women’s Research Centre Royal University for Women Kingdom of Bahrain <https://ruw.edu.bh/>



Type of institution

University Research Centre

Website

<https://www.moic.gov.bh/en>

Other institutions involved

The Ministry of Industry and Commerce



Team

Team leaders

Dr. Christelle Comair
Dr. Nehal ElNaggar

Team members

Dr. Dwa bint Khalid Al-Khalifa
Ms. Shaika Abdulla Alfadhel
Mr. Jalal M. Naser
Dr. Rania Mohy Nafea

Funders

Royal University for Women

APS vendor

Derasat, Bahrain Center for Strategic, International and Energy Studies
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Contact

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nelnaggar@ruw.edu.bh

ECONOMY PROFILE



Belarus

■ Population (2023): **9.2 million** (UN)

■ GDP per capita (2023; PPP, international \$): **30.7 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	–	–
Good opportunities to start a business in my area	46.9	36
It is easy to start a business	48.1	21
Personally have the skills and knowledge	52.1	37
Fear of failure (opportunity)	48.2	18
Entrepreneurial intentions**	32.4	14

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	4.9	10=
	% TEA	Rank/51
International (25%+ revenue)	23.7	9=
Always consider social impact	61.5	45
Always consider environmental impact	69.7	36
Prioritise social and/or environmental impact above profit or growth	42.8	45
Industry (% TEA in business services)	18.8	29

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	36.1	38
To build great wealth or very high income	76.4	10
To continue a family tradition	20.8	43
To earn a living because jobs are scarce	53.3	39

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	16.6	14	16.1	17.1

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	32.4	23
	% TEA	Rank/51
Starting a business is more difficult than a year ago	37.5	37
Use more digital technology to sell products or services	44.2	38

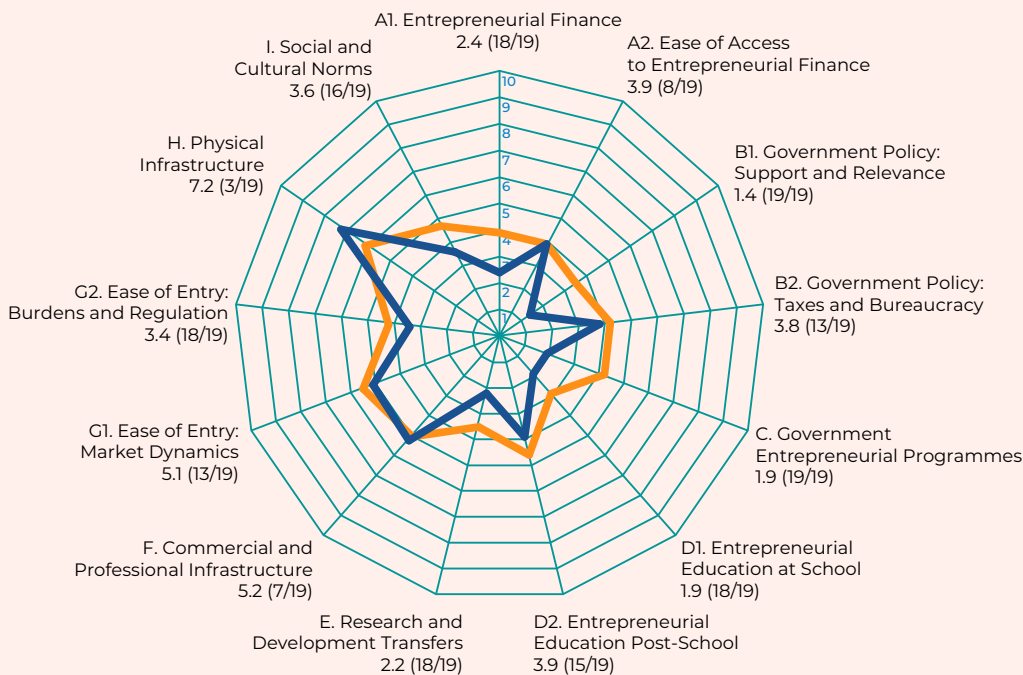
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Belarus —
Group B average
(19 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Belarus's economy has rebounded strongly from the 2022 downturn, with GDP per capita expected to increase by more than 3% in 2024, driven by positive domestic economic policy, a surge in real wages, rising consumer demand and record-low unemployment.

Since 1 January 2023, the significant reduction in available tax benefits for individual entrepreneurs in Belarus has compelled many to transition their businesses to legal-entity status.

2024 Framework Conditions Review

The quality of the entrepreneurial environment in Belarus in 2024, assessed by its own national experts and measured by the NECI (National Entrepreneurial Context Index), is poor, with a NECI score of 3.5, down slightly since Belarus last participated in the GEM NES in 2021. This NECI score is the average of expert-assessed scores for each of 13 individual Framework Conditions. These scores paint a clear picture of where that entrepreneurial environment is weakest. Just three of those conditions are assessed as sufficient or better (≥ 5.0): Physical Infrastructure, Commercial and Professional Infrastructure and Ease of Entry: Market Dynamics. All other conditions are rated as poor (score < 4.0 , five conditions), or very poor (score < 3.0 , two conditions), with the final three rated as awful, with scores of less than 2.0: Government Entrepreneurial Programmes, Entrepreneurial Education at School and Government Policy: Support and Relevance. It is unlikely to be a coincidence that all three are the responsibility of government. Of the 56 GEM participating economies in 2024, two of Belarus's conditions ranked completely last, with another three

ranked next to last. The highest-ranked condition was Physical Infrastructure, placed 17th.

Women's relative access to entrepreneurial resources is rated by the experts as just less than sufficient, while new and growing businesses' prioritisation of sustainability is assessed as poor.

2024 Entrepreneurial Activity Review

One in three adults in Belarus in 2024 reported that their household income has fallen in the current year. Entrepreneurial awareness is high, with just over one in two adults seeing themselves as having the skills and experience to start their own business, with a slightly lower proportion seeing good opportunities to start a business locally, although nearly a half of these would not start a business for fear it might fail.

More than one in six adults in Belarus is starting or running a new business in 2024, with men and women more or less equally likely to be doing so. However, just one in 20 adults owns an established business, so there are about three people starting a new business for every person owning an established one. Future entrepreneurial prospects are good, with nearly one in three adults intending to start a business in the next three years. Nearly a half of new entrepreneurs have customers beyond Belarus, while two in five expect to use more digital technologies in the next six months to sell their products. Three in 10 new entrepreneurs anticipate employing another six or more people in five years' time. While three out of four of those new entrepreneurs agree with the motivation "to build great wealth or very high income", more than two in five report that they prioritise social or environmental impacts above profitability or growth.

Institution

Lead institution

BEROC tyrimų centras (Vilnius, Lithuania)



Type of institution

NGO

Website

www.beroc.org

Other institutions involved

Pyxera Global

Team

Team leader

Radzivon Marozau

Team members

Viyaleta Panasevich

Natalja Apanasovich

Funders

United States Agency for International Development (USAID), SIDA

Contact

marozau@beroc.org



Bosnia and Herzegovina

■ Population (2023): **3.2 million** (UN)

■ GDP per capita (2023; PPP, international \$): **22.8 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	81.3	2
Good opportunities to start a business in my area	55.1	26
It is easy to start a business	31.9	45
Personally have the skills and knowledge	73.3	12
Fear of failure (opportunity)	46.8	22
Entrepreneurial intentions**	29.9	15

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	44.3	28
To build great wealth or very high income	41.3	43
To continue a family tradition	39.1	11
To earn a living because jobs are scarce	77.7	16

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	22.7	8	19.7	25.7

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	6.0	8
	% TEA	Rank/51
International (25%+ revenue)	27.2	5
Always consider social impact	82.3	21
Always consider environmental impact	79.5	22
Prioritise social and/or environmental impact above profit or growth	66.4	18
Industry (% TEA in business services)	22.1	22

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	23.1	42
	% TEA	Rank/51
Starting a business is more difficult than a year ago	38.2	36
Use more digital technology to sell products or services	53.1	25

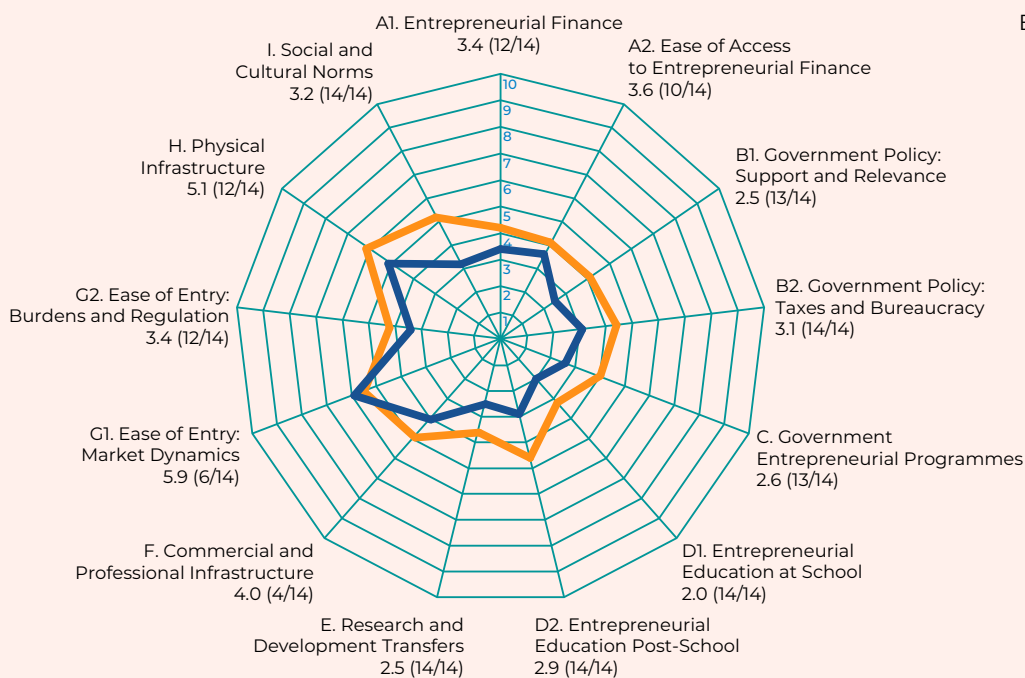
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:

0 = very inadequate
insufficient status,

10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

The increasing number of active entrepreneurs in Bosnia and Herzegovina — 61,000 in 2022 and 62,300 in 2023 — suggests the economic climate for business owners is somewhat improving, while a few payroll taxation-related regulations were marginally better.

2024 Framework Conditions Review

The overall quality of the entrepreneurial environment in Bosnia and Herzegovina is rated by its own national experts as poor, with a NECI (National Entrepreneurial Context Index) score of 3.4 which places that environment last of 56 GEM economies in 2024. This NECI score is the average of 13 individual Framework Condition ratings, with just two conditions scored by experts as sufficient (≥ 5.0): Ease of Entry: Market Dynamics and Physical Infrastructure. That leaves 11 conditions rated as less than sufficient, with one of these (Commercial and Professional Infrastructure) scored as just less than sufficient, but five rated as poor (< 4.0) and five as very poor (< 3.0): Government Policy: Support and Relevance; Government Entrepreneurial Programmes; both entrepreneurial education conditions; and Research and Development Transfers. Of the 13 conditions, 12 rank in the bottom 10 across the 56 GEM economies: only one (Ease of Entry: Market Dynamics) ranks better, at 21st. So there is much to do, and government would be a good place to start, since government is primarily responsible for at least five of the conditions rated as poor or very poor (both government policy conditions, both educational conditions, and Government Entrepreneurial Programmes). Both women's relative access to entrepreneurial resources (4.3) and new and

growing businesses prioritisation of sustainability (4.2) are scored by experts as less than sufficient (but better than poor!).

2024 Entrepreneurial Activity Review

Nearly one in four adults in Bosnia and Herzegovina report that their household income has fallen in the current year. Despite this, entrepreneurial awareness and confidence are both high, with more than four in five adults knowing someone who has started a business in the past two years, and nearly three in four considering themselves to have the skills and experience to start their own business. More than a half of adults see good opportunities to start a business locally, although nearly a half of these would not start a business for fear it might fail.

A creditable nearly one in four adults is starting or running a business in 2024, with men a little more likely than women to be doing so. Just one in 20 adults owns an established business, although these numbers may change, since three in 10 of those adults not already involved in entrepreneurship intend to start a business in the next three years. Two out of five new entrepreneurs have customers beyond their country, with more than a half expecting to use more digital technology in the next six months to sell their products. More than one in four new entrepreneurs anticipate employing another six or more people in five years' time. While more than three out of four new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", nearly two out of three claim to prioritise social or environmental impacts above profitability or growth.

Institution

Lead institution

LINK Entrepreneurial Centre



Team

Team leader

Vjekoslav Domljan

Team members

Alisa Gekić

Rasim Tulumovic

Majda Mujanović Babović

Funders

LINK Entrepreneurial Centre

APS vendor

Ipsos doo Sarajevo

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ECONOMY PROFILE



Brazil

■ Population (2023): **216.4 million** (UN)

■ GDP per capita (2023; PPP, international \$): **20.6 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	74.1	5
Good opportunities to start a business in my area	64.5	11
It is easy to start a business	46.1	26
Personally have the skills and knowledge	67.4	17
Fear of failure (opportunity)	51.5	12
Entrepreneurial intentions**	49.8	3

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	7.2	4
	% TEA	Rank/51
International (25%+ revenue)	2.0	47
Always consider social impact	91.8	2
Always consider environmental impact	91.1	3
Prioritise social and/or environmental impact above profit or growth	86.2	3
Industry (% TEA in business services)	17.3	31

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	74.6	3
To build great wealth or very high income	69.3	14
To continue a family tradition	35.4	15
To earn a living because jobs are scarce	73.9	22

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	20.3	10	18.4	22.3

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	34.6	21
	% TEA	Rank/51
Starting a business is more difficult than a year ago	44.7	24
Use more digital technology to sell products or services	79.6	3

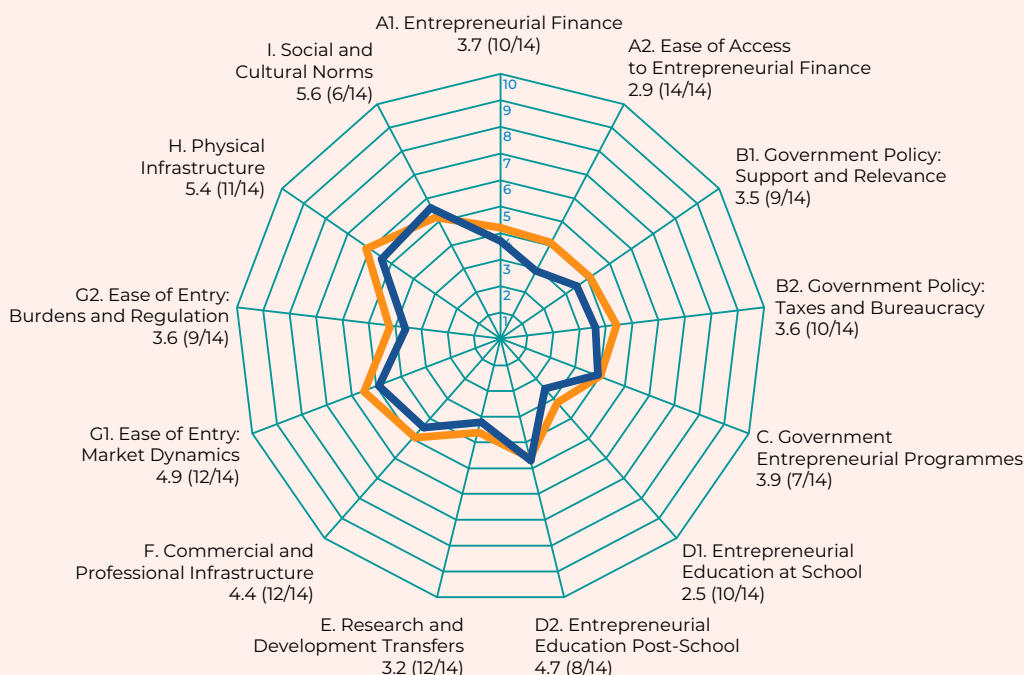
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Brazil —
Group C average
(14 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

The economic conditions for entrepreneurship in Brazil in 2024 raise concerns, mainly because of high inflation and restrictive interest rates, making credit more expensive and less accessible for small and medium-sized entrepreneurs,¹ although unemployment rates have been falling, down to less than 7% in August 2024. In October, the “Acredita Program” was enacted into law, enabling access to credit for small businesses and allowing for the renegotiation of debts (Desenrola Pequenos Negócios).²

2024 Framework Conditions Review

While the national expert-assessed overall quality of the entrepreneurial environment in Brazil remains less than satisfactory, as measured by its NECI (National Entrepreneurial Context Index) score of 4.0, that score has improved in each of the past two years. However, only two of 13 underlying Framework Conditions are rated as satisfactory (≥ 5.0): Physical Infrastructure and Social and Cultural Norms. Three conditions are rated as very poor (< 3.0): Entrepreneurial Education at School; Research and Development Transfers; and Ease of Access to Entrepreneurial Finance, with a further five rated as poor (< 4.0). These include both government policy conditions and Government Entrepreneurial Programmes, the other finance condition and Ease of Entry: Burdens and Regulation. So, while conditions have been improving, there is much to do, including with regard to those conditions that are the direct responsibility of government.

Among the 56 NES participating economies in 2024, Brazil ranks 21st for Social and Cultural Norms, but 50th or lower for Ease of Access to Entrepreneurial Finance, and for Commercial and Physical Infrastructure. However, Brazil scores well for women’s relative access to entrepreneurial resources, much better

than satisfactory at 5.9, and for the priority new entrepreneurs give to sustainability, scored at 5.7.

2024 Entrepreneurial Activity Review

More than one in three adults in Brazil report that their household income has fallen in the current year, a substantial proportion but one that has been declining steadily since its level of three in five adults in 2021. Entrepreneurial intentions remain high, with nearly one in two of those adults not already doing so expecting to start a new business in the next three years.

Entrepreneurial awareness is also high, with nearly three out of four adults knowing someone who has started a business in the past 12 months, while two out of three see themselves as having the skills and experience to start their own. A similar proportion see good opportunities to start a business locally, although almost a half of these would not start a business for fear it might fail.

One in five adults are already starting or running a new business, up slightly on last year, with men a little more likely than women to be doing so. Established Business Ownership has been rising steadily in Brazil, from one in 12 adults in 2021 to more than one in eight in 2024.

Nearly three out of four early-stage entrepreneurs agree with the motivation “to make a difference in the world”, although almost as many also agree with “to earn a living because jobs are scarce” or “to build great wealth or very high income”. Just one in 20 new entrepreneurs have customers outside Brazil, but that may change since four out of five intend to use more digital technology to sell their products in the next six months. Job expectations are high, with more than one in three expecting to employ at least another six people in five years’ time. Sustainability awareness is very high, with nearly nine out of 10 early-stage entrepreneurs reporting that they prioritise social or environmental impacts above profitability of growth.

1 Banco Central do Brasil (2024). “Relatório de Política Monetária e Operações de Crédito”.

2 ASN, <https://agenciasebrae.com.br>

Institution

Lead institution

ANEGEPE



ANEPE
Associação Nacional de
Empresários e Empreendedoras

Type of institution

Non-governmental organisation

Website

<https://anepe.org.br/>

Other institutions involved

Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (SEBRAE)

Team

Team leader

Simara Greco

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Funders

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ECONOMY PROFILE



Canada

■ Population (2023): **40.1 million** (UN)

■ GDP per capita (2023; PPP, international \$): **61.6 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	58.1	18
Good opportunities to start a business in my area	61.3	17
It is easy to start a business	53.2	16
Personally have the skills and knowledge	58.9	25
Fear of failure (opportunity)	48.0	20
Entrepreneurial intentions**	22.0	22

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	63.1	8
To build great wealth or very high income	70.0	13
To continue a family tradition	35.8	14
To earn a living because jobs are scarce	71.9	24

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	25.4	4	21.8	29.0

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	5.3	9
	% TEA	Rank/51
International (25%+ revenue)	21.7	14=
Always consider social impact	75.0	32
Always consider environmental impact	76.3	27
Prioritise social and/or environmental impact above profit or growth	69.8	16
Industry (% TEA in business services)	21.3	24

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	27.6	32
	% TEA	Rank/51
Starting a business is more difficult than a year ago	50.0	16
Use more digital technology to sell products or services	58.1	21

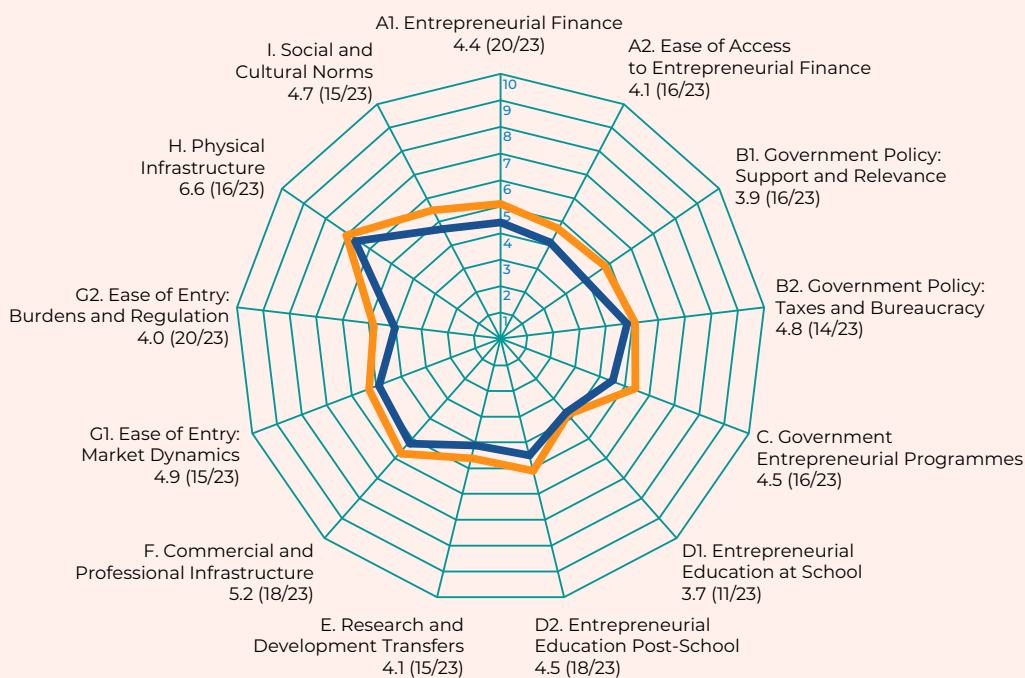
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Canada —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

The economic conditions for entrepreneurship remained constant during 2024, with a modest increase in GDP, an increase in household spending, a rise in the unemployment rate and government spending, and a decline in inflation. The federal government has recently introduced a Canadian Entrepreneurs' Incentive, which offers a significant reduction in taxable capital gains for entrepreneurs.

2024 Framework Conditions Review

The overall quality of the Canadian entrepreneurial environment is assessed by its own national experts as having deteriorated in 2024, with its NECI (National Entrepreneurial Context Index) score falling to 4.6, placing Canada 24th of the 56 GEM participating economies, having scored 5.1, and ranked 16th, just two years earlier. This NECI score is itself the average of 13 individual Framework Condition scores, 11 of which fell in 2024, with just two increasing. With a score of ≥ 5.0 regarded as sufficient, in 2024 Canada had just two conditions (Commercial and Professional Infrastructure and Physical Infrastructure) rated as sufficient or better, with eight rated just less than sufficient and three as poor (< 4.0). These latter three were Government Policy: Support and Relevance; Entrepreneurial Education at School; and Ease of Entry: Market Dynamics. On a more positive note, women's relative access to entrepreneurial resources scores as good, while new businesses prioritisation of sustainability is seen as better than sufficient.

It cannot be a coincidence that all the Framework Conditions most closely associated with government (both policy conditions, entrepreneurial programmes, and both educational conditions) are rated as less than sufficient.

2024 Entrepreneurial Activity Review

The proportion of adults reporting that their household income has fallen in the current year has itself been declining since this question was introduced in the pandemic in 2020, from more than four in 10 at that time to less than three in 10 in 2024. Over the same period the proportion of adults intending to start their own business has been increasing: from one in 10 to more than one in five.

Entrepreneurial awareness and confidence in Canada is very high, with around three in five adults knowing someone who has started a business in the past two years, or considering themselves to have the skills and knowledge to start their own, or seeing good opportunities locally to do so, although nearly a half of the latter would not do so for fear of failure. Over a quarter of adults in Canada are already starting or running a new business, up from just under a quarter last year, which was already relatively high for a high-income economy. Established Business Ownership is much lower, and fell to little over one in 20 in 2024, implying that four times as many adults are starting new businesses in Canada than owning established ones. This long-term Established Business Ownership trend is downward, reflecting the challenge in converting Canada's relatively high rate of startups into established businesses. Men continue to be much more likely to start a new business than women. One in three new businesses has customers beyond Canada, and nearly three in five expect to use more digital technology to sell their product in the next six months. One in five new entrepreneurs expect to employ another six or more people in five years' time. While "to build great wealth or very high income", or "to earn a living because jobs are scarce" are the dominant agreed motivations, almost seven in 10 new entrepreneurs report that they prioritise environmental or social impacts above profitability or growth.

Institution

Lead institution

The Centre for Innovation Studies (THECIS)



Type of institution

Research Institute

Other institutions involved

The Centre for Innovation Studies
University of Calgary
Memorial University of Newfoundland
Cape Breton University
Mount Allison University

University of PEI
Université du Québec à Trois-Rivières
University of Ottawa
Toronto Metropolitan University
University of Manitoba
University of Regina
University of British Columbia
University of Saskatchewan
Mount Royal University
University of Alberta

Team

Team leader

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Blair Winsor
Yves Bourgeois
Kevin McKague
Marc Duhamel
Sandra Schillo
Amanda Williams
Charles Davis
Howard Lin
Geoff Gregson
Tyler Case
Reuben Domike

Funders

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Government of Alberta
Government of Quebec
PacifiCan
PrairiesCan
Atlantic Canada Opportunities Agency
Innovation Science and Economic Development (ISED)

Contact

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ECONOMY PROFILE



Chile

■ Population (2023): **19.6 million** (UN)

■ GDP per capita (2023; PPP, international \$): **33.3 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	70.4	11
Good opportunities to start a business in my area	60.2	20
It is easy to start a business	49.3	18
Personally have the skills and knowledge	69.9	15
Fear of failure (opportunity)	46.6	23=
Entrepreneurial intentions**	38.5	9

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	54.1	17
To build great wealth or very high income	59.5	23
To continue a family tradition	30.3	25
To earn a living because jobs are scarce	76.8	18=

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	27.2	2	26.5	28.0

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	8.7	3
	% TEA	Rank/51
International (25%+ revenue)	3.6	43
Always consider social impact	85.7	16=
Always consider environmental impact	85.5	12
Prioritise social and/or environmental impact above profit or growth	74.1	13
Industry (% TEA in business services)	23.5	20=

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	40.0	12=
	% TEA	Rank/51
Starting a business is more difficult than a year ago	65.6	3
Use more digital technology to sell products or services	69.9	7

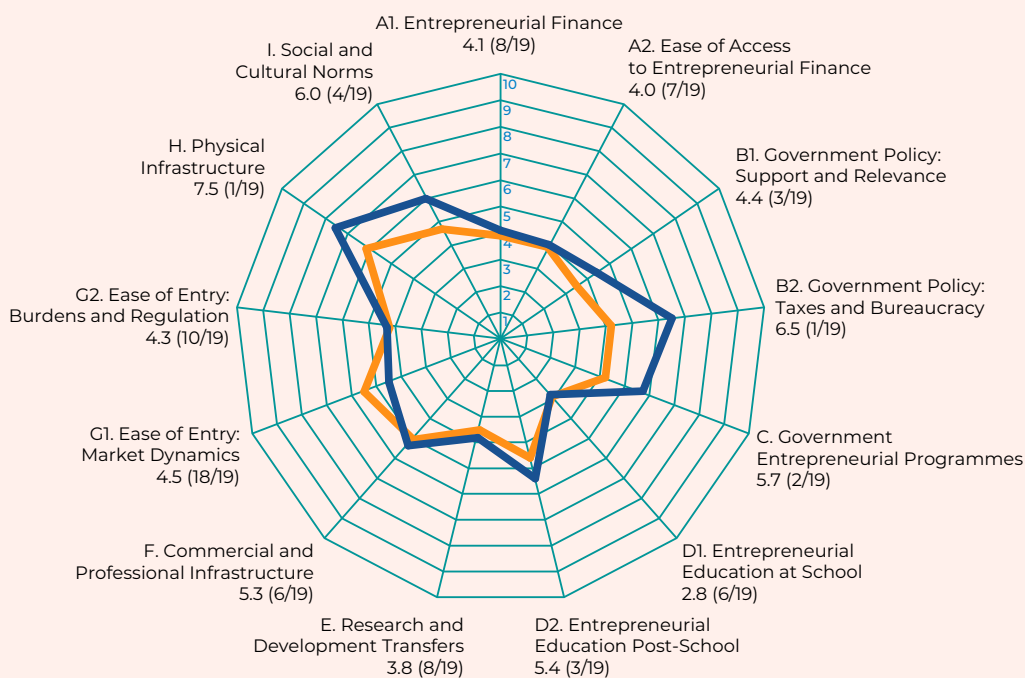
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Chile —
Group B average
(19 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Entrepreneurship conditions in Chile are improving, highlighted by the expansion of public funding initiatives like Start-Up Chile, and by better access to digital infrastructure. Nevertheless, in December 2023, just over 11,000 new companies and partnerships were established, marking a 13% decline from December 2022.¹ Indeed, the Chilean government modified the “Ley de Insolvencia” in 2023 to streamline bankruptcy processes and enhance protection for entrepreneurs. Additionally, new initiatives such as “Impulsa Digital” seek to aid small businesses in their digital transformation.²

2024 Framework Conditions Review

The quality of the Chilean entrepreneurial environment, as assessed by its national experts, has been improving steadily, with its NECI (National Entrepreneurial Context Index) score rising from 4.5 in 2022 to 4.6 in 2023 and again to 4.9 in 2024. The NECI score is the average of 13 individual Framework Condition scores, which, while improving, still present a very mixed picture. Physical Infrastructure is rated as very good (≥ 7.0), while Social and Cultural Norms, along with Government Policy: Taxes and Bureaucracy, are considered good (≥ 6.0). Nonetheless, some conditions do not meet that standard, with one (Research and Development Transfers) classified as poor (< 4.0), and another (Entrepreneurial Education at School) very

poor (< 3.0). While 12 conditions improved their scores from 2023 to 2024, both Research and Development Transfers and Entrepreneurial Education at School need more attention and resources.

Experts see women’s relative access to business resources as sufficient, as is the prioritisation of sustainability by new and growing businesses.

2024 Entrepreneurial Activity Review

While two in five adults in Chile report that their household income has fallen in the current year, this proportion has been falling steadily from three in four in Chile when this question was first introduced in 2020.

Entrepreneurial awareness is very high in Chile, with seven in 10 adults knowing someone who has started a business in the past two years and a similar proportion considering themselves to have the skills and knowledge to start their own. Three in five adults see good opportunities to start a business locally, and a fear of failure would deter less than half of these. As a result, nearly two in five adults expect to start their own business in the next three years. In 2024, one in four Chilean adults is starting or running a new business — a decrease from three out of 10 the previous year. The level of Established Business Ownership is much lower, at about one in 12, but slowly increasing over time.

Entrepreneurs in Chile remain mostly inward-looking, with just one in 10 having customers beyond their borders. Although seven in 10 expect to use more digital technology to sell their products in the next six months, a relatively high three in 10 expect to employ at least another six people in five years’ time. While three in four new entrepreneurs agreed with the motivation “to earn a living because jobs are scarce”, a similar proportion reported prioritising environmental or social impacts above profitability or growth.

1 Ministerio de Economía, Fomento y Turismo, <https://www.economia.gob.cl/wp-content/uploads/2024/01/informe-res-2023-diciembre.pdf>

2 For Start-Up Chile, see <https://startupchile.org/postula>; for Ley de Insolvencia <https://www.bcn.cl/leychile/navegar?idNorma=1058072>; and for Impulsa Digital <https://impulsadigital.cl>.

Institution

Lead institution

Universidad del Desarrollo



Universidad del Desarrollo

Type of institution

University

Website

<https://www.udd.cl>

Other institutions involved

Universidad Católica del Norte

Universidad Técnica Federico Santa María

Universidad de la Frontera

Universidad Católica de la Santísima Concepción

Team

Team leader

Mariabel Guerrero, PhD

Funders

Universidad del Desarrollo

APS vendor

Questio Estudios de Mercado y Opinión Limitada

Contact

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ECONOMY PROFILE



China

■ Population (2023): **1,410.7 million** (UN)

■ GDP per capita (2023; PPP, international \$): **24.6 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	46.4	42
Good opportunities to start a business in my area	54.8	27
It is easy to start a business	19.3	50
Personally have the skills and knowledge	48.5	40
Fear of failure (opportunity)	62.2	3
Entrepreneurial intentions**	4.0	50

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	32.5	42
To build great wealth or very high income	46.6	37
To continue a family tradition	31.8	21=
To earn a living because jobs are scarce	75.2	21

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	5.4	47	4.9	5.9

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	0.8	46
International (25%+ revenue)	3.2	44=
Always consider social impact	85.7	16=
Always consider environmental impact	90.3	4
Prioritise social and/or environmental impact above profit or growth	80.8	5
Industry (% TEA in business services)	10.4	40

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	43.5	10
Starting a business is more difficult than a year ago	78.3	1
Use more digital technology to sell products or services	32.2	49

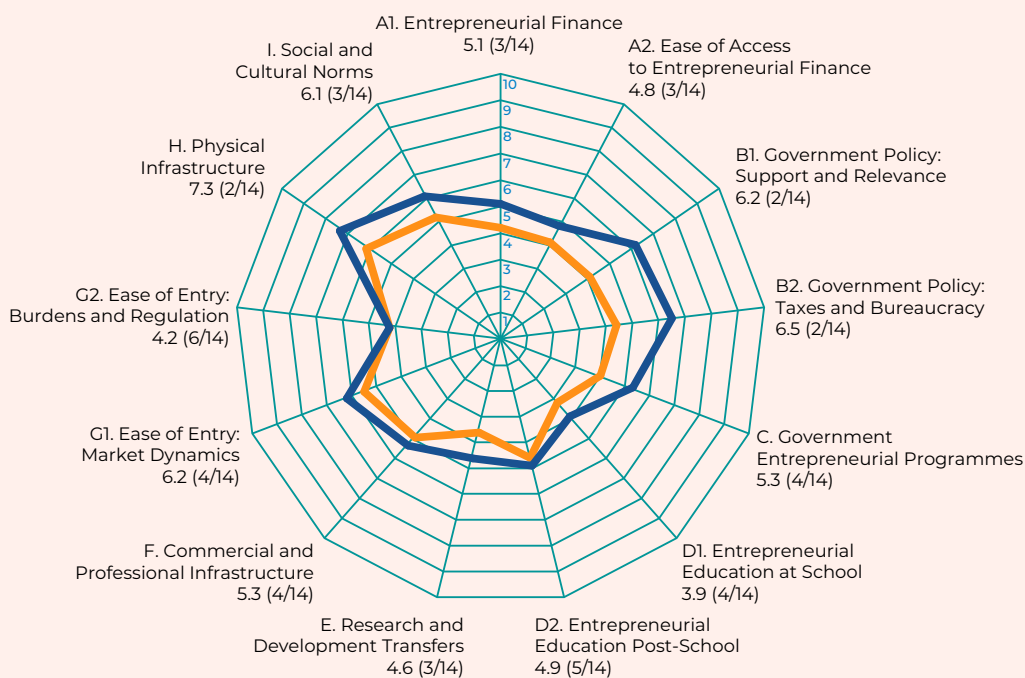
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



China —
Group C average
(14 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

The economic conditions for entrepreneurship in China remain generally stable, though slightly less robust compared to last year, as the GDP growth rate is projected to be marginally lower. In the past year, the Chinese government has positively impacted entrepreneurship by making financial loans more accessible to new ventures and by reducing interest rates, fostering a supportive environment for startups and small businesses.

2024 Framework Conditions Review

For the past two years, the national expert-assessed quality of the overall entrepreneurial environment in China, as measured by the NECI (National Entrepreneurial Context Index), has declined slightly, from 5.6 in 2022 to 5.4 in 2024, still well above sufficient. Eight of 13 Framework Conditions also scored as at least sufficient (≥ 5.0), the same number as in 2023. Between the two years, six conditions are showing improved scores with seven seeing their scores fall, although most changes were modest. The largest change was for Ease of Entry: Market Dynamics, whose score fell from 6.9 to 6.2. As in many economies, the lowest-scoring condition is Entrepreneurial Education at School, while the highest-scoring is Physical Infrastructure. In 2024 China ranked seventh of 56 GEM economies for both government policy conditions, but 31st for Ease of Entry: Burdens and Regulation.

China scores better than satisfactory for women's relative access to entrepreneurial resources (5.6) and for the priority given to sustainability by new entrepreneurs (6.3), although both scores are lower than the year before.

2024 Entrepreneurial Activity Review

More than four out of 10 Chinese adults report that their household income has fallen in the current year, a substantial proportion but a big improvement on the seven in 10 reporting the same in 2022. Just one in 25 expect to start a business in the next three years, a proportion that has been declining steadily since 2022.

Only one in 20 adults in China are starting or running a new business, down slightly on last year. Men are more likely than women to be starting a business, but only by a little. Established Business Ownership is likewise modest, although up slightly in the last two years. Despite these low levels of entrepreneurial activity, entrepreneurial awareness is reasonable, with nearly half of adults knowing someone who has recently started a business, with a similar proportion seeing themselves as having the skills and experience to start their own. Just over half of adults report that they see good opportunities to start a business locally, although fear of failure is a concern that would prevent three out of five of those from actually starting that business.

Of the early-stage entrepreneurs, three out of four agree with the motivation "to earn a living because jobs are scarce". Just one in 20 have customers beyond China, perhaps not too surprising given the vast size of the internal market. However, around one in three expect to use more digital technology in the next six months to sell their products. Job expectations are reasonable, with about one in seven new entrepreneurs expecting to employ at least another six people in five years' time. Sustainability awareness is very high, with four out of five reporting that they prioritise environmental or social impacts above profitability or growth.

Institution

Lead institution

ShanghaiTech University



Type of institution

University

Website

<https://www.shanghaitech.edu.cn/eng/>

Team

Team leader

Guangwei Li

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Funders

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ECONOMY PROFILE



Costa Rica

■ Population (2023): **5.2 million** (UN)

■ GDP per capita (2023; PPP, international \$): **27.9 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	71.5	9
Good opportunities to start a business in my area	61.9	16
It is easy to start a business	36.1	39
Personally have the skills and knowledge	75.4	8
Fear of failure (opportunity)	36.1	47=
Entrepreneurial intentions**	44.9	4

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	53.3	18
To build great wealth or very high income	51.3	34
To continue a family tradition	41.9	9
To earn a living because jobs are scarce	88.8	7

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	5.1	48=	5.0	5.2

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	0.3	50
	% TEA	Rank/51
International (25%+ revenue)	2.8	46
Always consider social impact	88.1	5
Always consider environmental impact	83.2	17
Prioritise social and/or environmental impact above profit or growth	75.4	11
Industry (% TEA in business services)	10.2	41

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	36.7	16
	% TEA	Rank/51
Starting a business is more difficult than a year ago	69.9	2
Use more digital technology to sell products or services	67.2	12

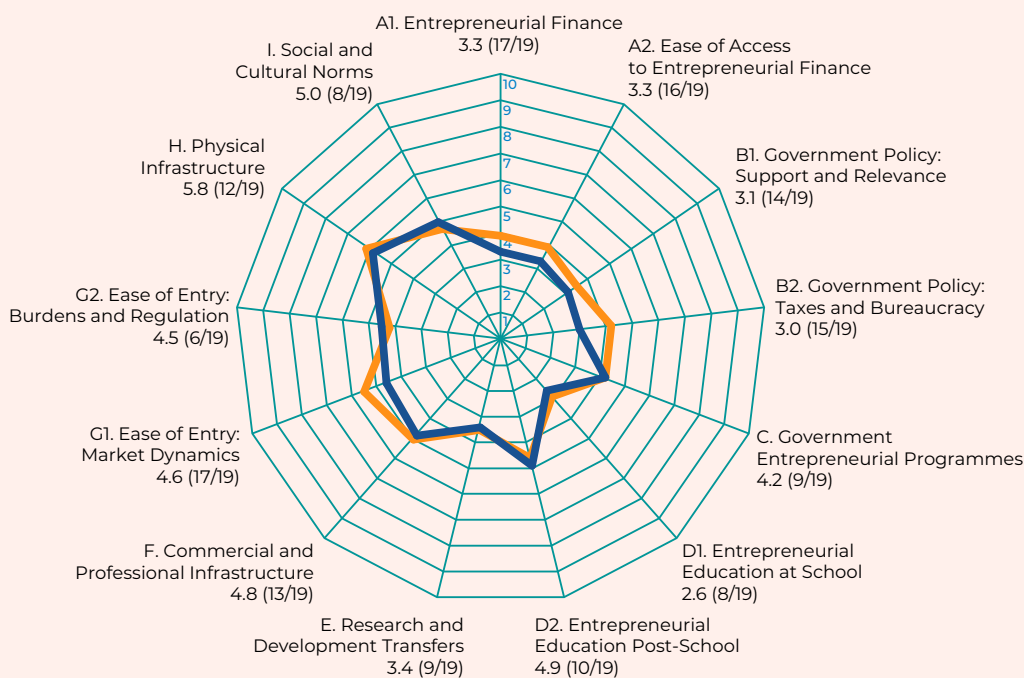
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Costa Rica (Blue line)
Group B average (19 GEM economies; see Section 1.3 and Table 1.1) (Orange line)

EFCs scale:
0 = very inadequate insufficient status,
10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Economic conditions have improved over the past two years, with a GDP growth of 5% in 2023 and projected growth of 4% for 2024. Price stability has also been achieved, with inflation down from 12% in August 2022 to less than 1% in August 2024. In January 2024, Law 10392 came into effect, extending the income tax reduction scale for new micro, small and medium-sized enterprises (MSMEs) from three to six years. In August 2024, the Law of Incentives for the Formalisation and Development of MSMEs in Costa Rica was approved, introducing the establishment of a special regime for entrepreneurs and microenterprises (with up to five employees).

2024 Framework Conditions Review

The overall quality of the entrepreneurial environment in Costa Rica is rated by its own national experts as less than satisfactory, with an NECI (National Entrepreneurial Context Index) score of 4.0, placing it 43rd of the 56 GEM economies in 2024. Only two of 13 conditions scored as satisfactory (≥ 5.0): Physical Infrastructure and Social and Cultural Norms. Of the other conditions, five are less than satisfactory, five poor (score < 4.0), including both finance conditions, both government policy conditions, and Research and Development Transfers, and one (Entrepreneurial Education at School) rated very poor (score < 3.0).

Three conditions rank in the bottom 10 of the GEM 56 economies: both finance conditions and Government Policy: Taxes and Bureaucracy, while the highest-ranked condition is Social and Cultural Norms. Women's relative access to entrepreneurial resources was seen as satisfactory (score 5.1), and the priority that new businesses give to sustainability as good (score 6.7). So while there is social support

for entrepreneurship, there is much more the government can do, in terms of its policies to support new businesses, reducing the costs and regulation new businesses face and improving the state of entrepreneurial education in schools. More support in accessing entrepreneurial finance could help, too.

2024 Entrepreneurial Activity Review

Just over one in three adults in Costa Rica report that their household income has fallen in the current year. More positively, over two in five adults expect to start a new business in the next three years.

However, just one in 20 adults are starting or running a new business, with men a little more likely to be doing so than women. Established Business Ownership levels are even lower, at around one in 50 adults. Despite these low levels of entrepreneurial activity, entrepreneurial awareness, confidence and opportunity recognition are high. Seven in 10 adults know someone who has recently started a business, slightly more see themselves as having the skills and experience to start their own, and six out of 10 see good opportunities to start a business locally. Of the latter, just one in three would not start a business for fear it might fail.

Of the four specified GEM motivations, "to earn a living because jobs are scarce" had by far the most agreement at almost nine out of 10. Very few new businesses have customers outside the country, although two out of three expect to use more digital technology to sell their products in the next six months. Job expectations among early-stage entrepreneurs are low, although three out of four report that they prioritise environmental or social impacts above profitability or growth.

Institution

Lead institution

Chamber of Industries (CICR)



MÁS COMPETITIVIDAD, MÁS EMPLEO

University of Costa Rica (UCR)



Type of institution

Association of Business Firms
University

Website

www.cicr.com

www.ucr.ac.cr

Team

Team leader

Ariana Tristán

Team members

Ariela Quesada

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Pamela Chacón

Rafael Herrera

Funders

System of Banking for Development
(SBD)



APS vendor

Demoscopia S.A.

Contact

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ECONOMY PROFILE



Croatia

■ Population (2023): **3.8 million** (UN)

■ GDP per capita (2023; PPP, international \$): **45.9 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	73.6	6
Good opportunities to start a business in my area	67.3	8
It is easy to start a business	44.1	28
Personally have the skills and knowledge	73.8	11
Fear of failure (opportunity)	46.0	26
Entrepreneurial intentions**	24.7	18

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	28.6	43
To build great wealth or very high income	61.3	21
To continue a family tradition	24.4	35
To earn a living because jobs are scarce	66.2	29

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	13.1	19	11.0	15.2

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	2.7	23
	% TEA	Rank/51
International (25%+ revenue)	21.7	14=
Always consider social impact	76.1	30
Always consider environmental impact	69.5	37
Prioritise social and/or environmental impact above profit or growth	57.8	32
Industry (% TEA in business services)	42.1	2

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	12.3	51
	% TEA	Rank/51
Starting a business is more difficult than a year ago	28.0	45
Use more digital technology to sell products or services	50.8	28

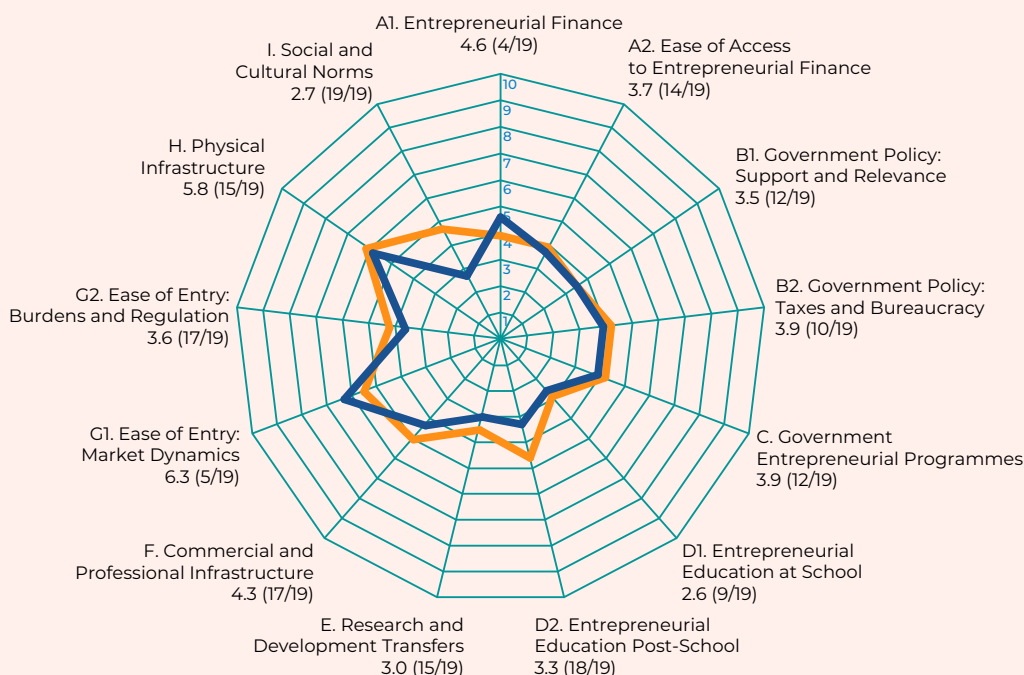
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Croatia —
Group B average
(19 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Economic conditions for entrepreneurship are improving, as seen by an expected GDP growth rate for 2024 of just over 3%, second highest in the European Union (after Malta) and much higher than the EU average of 1%. However, the lack of collaboration between researchers and business sector has been identified by GEM as constraining the entrepreneurship ecosystem in Croatia. The government has responded with two parallel programmes: innovation vouchers for small businesses to help them transform ideas into new products or processes, while the other programme focuses on strengthening the capacity of universities to transfer research results into practice.

2024 Framework Conditions Review

The quality of the overall entrepreneurial environment in Croatia, as assessed by its own national experts, weakened significantly in 2024, with its NECI (National Entrepreneurial Context Index) score falling from 4.3 in 2023 (ranked 31st) to 3.9 in 2024 (ranked 48th). That NECI score is the average of scores for each of 13 individual Framework Conditions, which present a challenging picture of Croatia's entrepreneurial ecosystem. Just two Croatian conditions are scored as sufficient (≥ 5.0): Ease of Entry: Market Dynamics and Physical Infrastructure. Another two conditions rate as less than sufficient, with a further seven scored as poor (< 4.0) and two as very poor (< 3.0) (Entrepreneurial Education at School and Social and Cultural Norms). For the latter condition Croatia ranks last of all 56 GEM participating economies, with another four of its conditions all placed in the bottom 10. Croatia has much to do to improve its entrepreneurial environment, with plenty of opportunity for government to lead the way, given that both government policy conditions, both educational conditions and Government Entrepreneurial Programmes all score as poor or worse.

Both women's relative access to entrepreneurial resources and new and growing businesses prioritisation of sustainability are seen by experts as a little less than sufficient.

2024 Entrepreneurial Activity Review

Croatia continues to have the lowest proportion, in the sample of GEM economies, of adults reporting that their household income has declined in the current year, with that proportion falling still further to less than one in eight in 2024.

Entrepreneurial awareness and confidence are high, with nearly three in four adults knowing someone who has started a business in the past two years, or considering themselves to have the skills and knowledge to start their own. Two in three adults see good opportunities to start a business locally. Nearly half of these seeing good opportunities would not start a business for fear it fails.

The proportion of adults who are starting or running a new business in Croatia has been relatively stable at just over one in eight, although a further one in four say they intend to start a business in the next three years. Men are much more likely to start a business than women. Levels of Established Business Ownership are much lower, at less than one in 20, so there are around three people starting new businesses for every owner of an established one.

Two in five new entrepreneurs have customers beyond Croatia, but that may change, as a half of new entrepreneurs expect to use more digital technology in the next six months to sell their products. Three out of five new entrepreneurs agree with the motivation "to build great wealth or very high income" while a similar proportion agree with "to earn a living because jobs are scarce". More than a half of new entrepreneurs report prioritising environmental or social impacts above profitability or growth.

Institution

Lead institution

J.J. Strossmayer University in Osijek,
Faculty of Economics and Business in
Osijek (EFOS)



Type of institution

University

Website

<http://www.efos.unios.hr>
<http://www.ices.hr/en/gem>
<http://www.cep.hr/gem-globalentrepreneurship-monitor/>

Other institutions involved

CEPOR—SMEs and Entrepreneurship
Policy Centre

Team

Team leader

Prof. Slavica Singer, PhD

Team members

Nataša Šarlija
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Funders

Ministry of Economy
Croatian Banking Association
CEPOR SME & Entrepreneurship
Policy Centre
J.J. Strossmayer University in Osijek,
Faculty of Economics and Business
in Osijek

APS vendor

IPSOS d.o.o., Zagreb

Contact

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ECONOMY PROFILE



Cyprus

■ Population (2023): **1.3 million** (UN)

■ GDP per capita (2023; PPP, international \$): **57.1 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	68.3	13
Good opportunities to start a business in my area	40.2	43
It is easy to start a business	47.8	22
Personally have the skills and knowledge	59.9	23
Fear of failure (opportunity)	50.8	13
Entrepreneurial intentions**	24.1	19

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	3.7	15
	% TEA	Rank/51
International (25%+ revenue)	17.8	21
Always consider social impact	44.1	51
Always consider environmental impact	41.1	50
Prioritise social and/or environmental impact above profit or growth	36.6	49
Industry (% TEA in business services)	32.4	8

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	47.5	23
To build great wealth or very high income	87.8	3
To continue a family tradition	21.1	42
To earn a living because jobs are scarce	57.1	34

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	9.7	33	6.0	13.4

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	27.8	30=
	% TEA	Rank/51
Starting a business is more difficult than a year ago	44.4	26=
Use more digital technology to sell products or services	56.9	22

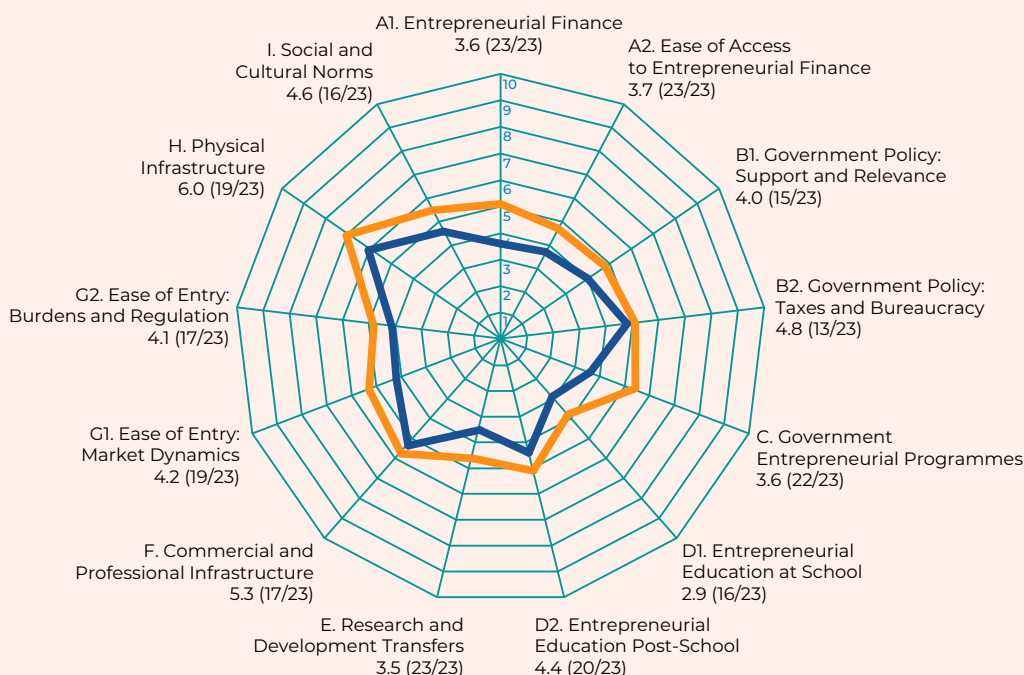
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Cyprus —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Cyprus has positive momentum for GDP growth in 2024 at just under 4%.¹ In the National Reform Programme, the government has implemented new policies aiming to improve access to finance through equity fund solutions, which provide financing to enable entrepreneurs to research, assess and develop an initial concept, as well as follow-on financing to successful graduates from the Acceleration Compartment.

2024 Framework Conditions Review

For the past four years, the quality of Cyprus's overall entrepreneurial environment has been rated by its own national experts as rather less than satisfactory, with an NECI (National Entrepreneurial Context Index) score fluctuating between 4.0 and 4.2, ranking Cyprus as 38th among the 56 GEM economies in 2024. This is one of Cyprus's better years, with 10 of 13 underlying Framework Conditions improving their scores this year compared to last, causing that NECI score to rise. The biggest improvements were for Entrepreneurial Education at School, still regarded as very poor (<3.0) but up from 2.1 to 2.9, and for Social and Cultural Norms, which improved from poor (3.8) to just less than sufficient (4.6). However, low scores for both entrepreneurial finance conditions, for Government Entrepreneurial Programmes, and for Research and Development Transfers, each scored as poor, are concerning, alongside a level of early-stage entrepreneurship that fell in the past year.

Women's relative access to entrepreneurial resources was scored as just less than sufficient, which

may help to explain why so few women in Cyprus are starting businesses. New businesses prioritisation of sustainability was also seen by national experts as less than sufficient.

2024 Entrepreneurial Activity Review

The proportion of adults in Cyprus reporting that their household income had declined in the current year has fallen for the past two years, from more than four in 10 in 2022 to less than three in 10 in 2024. Over that same period, the proportion of adults intending to start their own business in the next three years has increased, from less than one in five to almost one in four.

Entrepreneurial awareness is relatively high in Cyprus, as is confidence, with two in three adults knowing someone who has started a business in the past two years, and three in five considering themselves to have the skills and knowledge to start their own. Opportunity recognition is a little lower, with just two in five adults seeing good opportunities to start a business locally, of whom over a half would not do so for fear that business might fail.

The proportion of adults currently starting or running a new business in Cyprus fell slightly this year to about one in 10, a little higher than those owning an established business. Men are more than twice as likely as women to be starting a business. Nearly nine out of 10 new entrepreneurs agree with the motivation "to build great wealth or very high income", whereas a relatively low one in three report that they prioritise environmental or social impacts above profitability or growth. Surprisingly for a small economy, a little over one in three new entrepreneurs have customers beyond the island, although more than half expect to use more digital technology to sell their products in the next six months. A relatively high two in five new entrepreneurs expect to employ another six or more people in five years' time.

¹ European Commission (2024, 15 November). "Economic Forecast for Cyprus". https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/cyprus/economic-forecast-cyprus_en

Institution

Lead institution

University of Cyprus (UCY)
Centre for Entrepreneurship (C4E)



Type of institution

University

Website

<http://www.ucy.ac.cy/en>

Other institutions involved

Ministry of Energy, Commerce and Industry

Team

Team leader

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Team members

Ariana Polyviou

Funders

Ministry of Energy Commerce and Industry
PwC Cyprus

APS vendor

IMR LTD

Contact

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ECONOMY PROFILE



Ecuador

■ Population (2023): **18.2 million** (UN)

■ GDP per capita (2023; PPP, international \$): **15.8 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	68.9	12
Good opportunities to start a business in my area	54.4	28
It is easy to start a business	42.2	31=
Personally have the skills and knowledge	83.9	3
Fear of failure (opportunity)	40.1	43
Entrepreneurial intentions**	34.3	13

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	2.1	30
	% TEA	Rank/51
International (25%+ revenue)	1.4	48
Always consider social impact	78.2	25
Always consider environmental impact	75.8	29
Prioritise social and/or environmental impact above profit or growth	58.1	30
Industry (% TEA in business services)	3.7	50=

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	55.1	16
To build great wealth or very high income	60.3	22
To continue a family tradition	37.1	12
To earn a living because jobs are scarce	90.6	4

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	33.4	1	32.0	34.8

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	51.6	3
	% TEA	Rank/51
Starting a business is more difficult than a year ago	62.8	7
Use more digital technology to sell products or services	63.1	13=

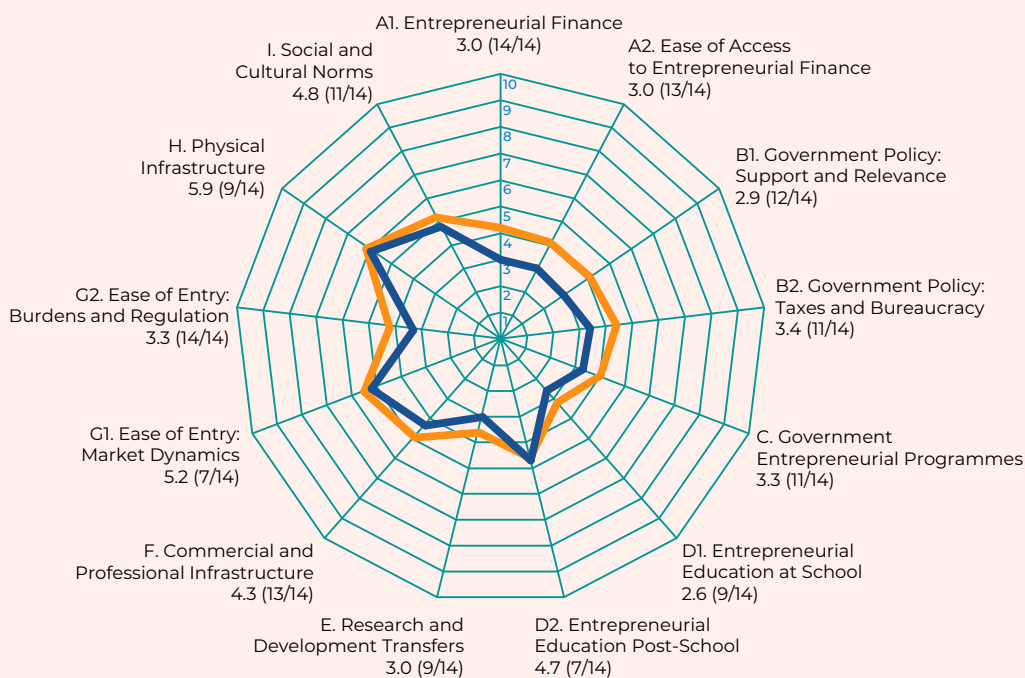
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Ecuador ■
Group C average
(14 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

The economic conditions for entrepreneurship in Ecuador declined in 2024, with quarterly GDP showing a decreasing trend. In December 2023, the Economic Efficiency and Employment Generation Law introduced tax incentives for companies that generate employment, especially for young people and in sectors such as construction and agriculture. In addition, a tax amnesty was implemented that forgives interest, fines and surcharges for taxpayers who pay their overdue debts, improving business liquidity, as the government seeks more equitable and simpler taxation for entrepreneurs.

2024 Framework Conditions Review

The quality of Ecuador's entrepreneurial environment, as assessed by its own national experts and summarised in a single score by the NECI (National Entrepreneurial Context Index), was rated as poor in 2024. The NECI was 3.8, placing Ecuador 50th out of the 56 GEM economies. In 2023, the score had been 3.9, with a higher rank of 43rd. That NECI score is the average of 13 individual Framework Condition scores, each rated by those national experts.

In 2024 just two conditions score as sufficient (≥ 5.0) (Ease of Entry: Market Dynamics and Physical Infrastructure), leaving 11 rated as less than sufficient. Of these, three are just less than sufficient, with six scored as poor (score < 4.0) and two as very poor (score < 3.0): Government Policy: Support and Relevance and Entrepreneurial Education at School. Since last year, four conditions have improved scores, with the largest increase for Ease of Entry: Market Dynamics (up from 4.4 to 5.2). However, nine scores declined, with the biggest falls for Government Policy: Taxes and Bureaucracy (4.0 to 3.4) and for Ease of Access to Entrepreneurial Finance (3.5 to 3.0). In 2024, seven conditions ranked in the bottom 10 across the 56 GEM economies, including four ranked at 54th: both finance conditions, Commercial and Professional

Infrastructure, and Ease of Entry: Burdens and Regulation. On a brighter note, both women's relative access to entrepreneurial resources and the prioritisation that new and growing businesses give to sustainability are both rated by national experts as sufficient or better.

2024 Entrepreneurial Activity Review

Just over one half of adults in Ecuador report that their household income has fallen in the current year: just about the same proportion as a year earlier. However, the proportion of adults intending to start a business in the next three years reduced from over one in two to just one in three. While relatively many Ecuadorians know someone who has started a business in the last two years (over two in three), even more see themselves as having the skills and knowledge to start their own (more than four out of five), while a little over one in two see good opportunities to start a business locally. However, two in five of those seeing good opportunities would not start a business for fear it might fail.

One in three adults in Ecuador are starting or running a new business, up a little from a year earlier, with men slightly more likely than women to be starting a business. Established Business Ownership is lower at just over one in eight, having fallen sharply from the year before, when it was almost one in four. Only one in 20 new entrepreneurs have customers outside of their country, with a similar proportion expecting to employ six or more people in five years' time. More optimistically, over three in five new entrepreneurs anticipate using more digital technology to sell their products in the next six months. Over nine in 10 new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", although nearly three in five claim that they prioritise environmental or social impacts above profitability or growth.

Institution

Lead institution

Universidad Técnica Particular de Loja—UTPL



Type of institution

HIGHER Education/University

Website

www.utpl.edu.ec
edes.utpl.edu.ec

Other institutions involved

EDES Business School (UTPL)



Universidad Espíritu Santo (UEES)



Pontificia Universidad Católica del Ecuador Sede Ibarra (PUCE SI)



Team

Team leader

María Paula Espinosa Vélez

Team members

María Dolores Mahauad
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Funders

UTPL — EDES — UEES — PUCE Sede Ibarra

APS vendor

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Contact

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ECONOMY PROFILE



Egypt

■ Population (2023): **112.7 million** (UN)

■ GDP per capita (2023; PPP, international \$): **18.8 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	26.8	50
Good opportunities to start a business in my area	61.1	18
It is easy to start a business	65.4	11
Personally have the skills and knowledge	60.4	22
Fear of failure (opportunity)	52.8	8
Entrepreneurial intentions**	39.2	8

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	58.5	11
To build great wealth or very high income	69.2	15
To continue a family tradition	41.5	10
To earn a living because jobs are scarce	84.3	10

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	5.1	48=	2.6	7.6

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.6	34=
	% TEA	Rank/51
International (25%+ revenue)	11.0	30
Always consider social impact	86.3	12=
Always consider environmental impact	86.0	11
Prioritise social and/or environmental impact above profit or growth	75.5	9=
Industry (% TEA in business services)	11.8	36=

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	50.8	4
	% TEA	Rank/51
Starting a business is more difficult than a year ago	51.7	14
Use more digital technology to sell products or services	68.4	8

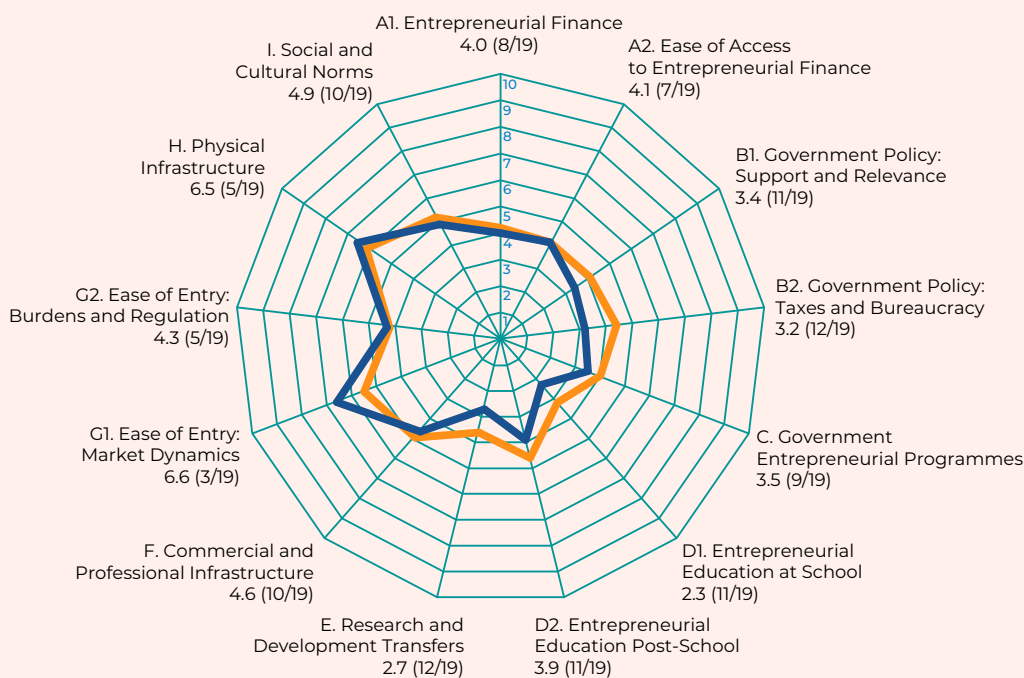
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Economic conditions for entrepreneurship in Egypt are improving. For example, Fitch has upgraded Egypt's credit rating. Challenges remain, as GDP growth fell to just over 2% this year. Policy initiatives to support entrepreneurship include establishing the Egypt Entrepreneurship and Innovation Center (EEIC), to transform innovative ideas into startups, and the Digital Egypt Cubs Initiative (DECI), aiming to develop technological skills among students.

2024 Framework Conditions Review

National experts assess the overall quality of the Egyptian entrepreneurial environment as less than sufficient, as measured by the NECI (National Entrepreneurial Context Index). Egypt's NECI score has fallen from 4.3 to 4.2 in the last two years. That score places Egypt 40th among the 56 GEM economies in 2024; it had ranked as high as 29th just three years ago. The NECI score is the average of 13 individual Framework Condition scores, of which Egypt now rates as better than sufficient (≥ 5.0) for just two: Ease of Entry: Market Dynamics and Physical Infrastructure. Another five conditions are rated by national experts as less than sufficient, with four scored as poor (< 4.0), and two, Entrepreneurial Education at School and Research and Development Transfers, as very poor (< 3.0). Since 2022, three conditions have improved their scores, while 10 have seen their scores reduced. Most of these changes are small, except for the two government policy conditions, with Support and Relevance and Taxes and Bureaucracy both down substantially. In 2024, both government policy conditions, Government Entrepreneurial Programmes, and both entrepreneurial education conditions rate as poor or very poor. Hence it is not difficult to work out where responsibility for improving the entrepreneurial environment in Egypt should lie.

Surprisingly, given the disparity between male and female entrepreneurial activity rates, women's relative access to entrepreneurial resources is rated by experts as good, while new and growing businesses prioritisation of sustainability is seen as less than sufficient.

2024 Entrepreneurial Activity Review

While just over one in two adults in Egypt report that their household income has fallen in the current year, this is a considerable improvement on two years earlier when that proportion had reached two out of three. Although only one in four Egyptians know someone who has started a business in the last two years, more than three in five consider themselves to have the skills and experience to start a business, or see good opportunities to start a business locally. However, and not unusually, half of those seeing good opportunities would not start a business for fear it might fail.

Just one in 20 adults in Egypt are starting or running a new business, down a little on two years earlier. Much opportunity is being wasted, since men are three times more likely to be starting a business than women. Established Business Ownership is lower still, although an improvement on two years ago. There are some grounds for optimism, given that nearly two in five adults intend to start a business in the next three years.

Just one in five of Egypt's new entrepreneurs has customers outside the country, although two out of three expect to use more digital technology to sell their products in the next six months, and three in 10 expect to employ at least another six people in five years' time. While more than four out of five new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", three out of four claim to prioritise environmental or social impacts above profitability or growth.

Institution

Lead institution

The American University in Cairo —
School of Business



**The American
University in Cairo**

Team

Team leader

Ayman Ismail

Team members

Ahmed Tolba

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The American University in Cairo —
School of Business

APS vendor

PHI Knowledge

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ECONOMY PROFILE



Estonia

■ Population (2023): **1.4 million** (UN)

■ GDP per capita (2023; PPP, international \$): **48.9 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	43.7	44
Good opportunities to start a business in my area	45.8	38
It is easy to start a business	72.6	7
Personally have the skills and knowledge	44.7	45
Fear of failure (opportunity)	45.1	31
Entrepreneurial intentions**	15.5	32

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	2.5	24=
	% TEA	Rank/51
International (25%+ revenue)	31.5	3
Always consider social impact	57.6	47=
Always consider environmental impact	60.2	45
Prioritise social and/or environmental impact above profit or growth	34.0	50
Industry (% TEA in business services)	30.3	13

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	34.6	39
To build great wealth or very high income	39.9	44=
To continue a family tradition	16.5	46
To earn a living because jobs are scarce	54.0	36

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	13.4	18	11.0	15.7

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	32.3	24
	% TEA	Rank/51
Starting a business is more difficult than a year ago	33.6	42=
Use more digital technology to sell products or services	38.1	46

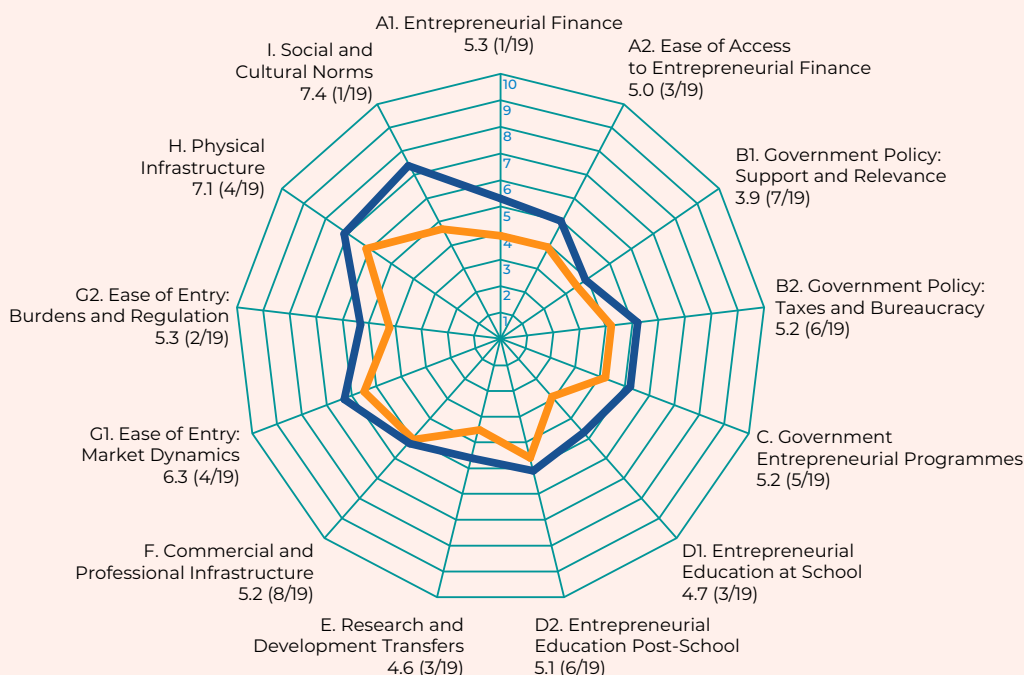
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

The Estonian economy is on the brink of growth after two consecutive years of GDP decline, with the recession longer and more persistent than anticipated. However, fuel and energy prices are down from their peaks, inflation is falling and interest rates are being reduced. Government policies are focusing on reducing budget deficits and tax increases to ensure long-term stability, but temporarily hindering entrepreneurial growth. Estonia is no longer a country with cheap labour or raw materials, but is transitioning towards an innovation-driven economy in search of new competitive advantages.¹

2024 Framework Conditions Review

In 2023, Estonia was assessed by its national experts as having a high-quality entrepreneurial environment, with a NECI (National Entrepreneurial Context Index) score of 5.9 ranking it sixth among the GEM participating economies. By 2024 this position has deteriorated markedly, with national experts scoring that environment at 5.4, ranked 12th. Given that this NECI score is itself the average of 13 individual Framework Condition scores, the nature of this decline can be traced to the 12 individual conditions that scored lower in 2024. The biggest declines are for the two government policy conditions, with Support and Relevance down from 4.9 to 3.9 and Taxes and Bureaucracy falling from 6.7 to 5.2, while Entrepreneurial Education Post-School fell from 6.2 to 5.1. Responsibility for the first two sits firmly with the government. However, 10 of 13 conditions were still rated as sufficient or better (≥5.0), with just two conditions scored as less than sufficient

1 Majandus- ja kommunikatsiooniministeerium. *Majanduspoliitika plaan*. <https://mkm.ee/sites/default/files/documents/2024-03/majanduspoliitika%20dokument.pdf>

(Entrepreneurial Education at School and Research and Development Transfers) and one as poor (<4.0): Government Policy: Support and Relevance. National experts rate new and growing businesses prioritisation of sustainability as good, but women’s relative access to entrepreneurial resources as poor, which may help to explain why the proportion of men starting new businesses far exceeds the corresponding proportion of women.

2024 Entrepreneurial Activity Review

Nearly one in three adults in Estonia report that their household income has fallen in the current year, up a little on a year ago. Just over two in five adults know someone who has started a business in the past two years, with a similar proportion considering themselves to have the skills and knowledge to start a business of their own, or seeing good opportunities to start a business locally, although nearly a half of the latter would not start a business for fear it might fail. In 2024, a little over one in eight adults are starting or running a new business, a marginal increase on a year earlier. Men are half as likely again as women to be starting a business, while low levels of Established Business Ownership imply two people starting a business for every person owning an established one. More optimistically, around one in six adults intend to start a new business within the next three years. More than half of new entrepreneurs have customers beyond Estonia, with two in five expecting to use more digital technology in the next six months to sell their products. Just one in five expect to employ at least another six people in five years’ time. Over half of new entrepreneurs agree with the motivation “to earn a living because jobs are scarce”, while one in three report prioritising environmental or social impacts above profitability or growth.

Institution

Lead institution
Tallinn University of Technology and
University of Tartu



Type of institution
University

Website
<https://taltech.ee/en/>

Team

Team leader
Sirje Ustav

Team members

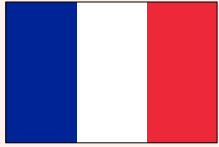
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Basel Hammoda
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Funders

Republic of Estonian Ministry
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ECONOMY PROFILE



France

■ Population (2023): **68.2 million** (UN)

■ GDP per capita (2023; PPP, international \$): **61.2 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	55.6	23
Good opportunities to start a business in my area	42.8	40
It is easy to start a business	48.8	19
Personally have the skills and knowledge	45.0	44
Fear of failure (opportunity)	42.7	37
Entrepreneurial intentions**	14.3	35=

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.6	34=
	% TEA	Rank/51
International (25%+ revenue)	13.7	25=
Always consider social impact	69.7	37=
Always consider environmental impact	70.0	35
Prioritise social and/or environmental impact above profit or growth	60.2	26
Industry (% TEA in business services)	31.4	9=

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	24.9	46
To build great wealth or very high income	43.4	40
To continue a family tradition	25.8	31
To earn a living because jobs are scarce	53.4	38

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	8.7	37	7.4	10.0

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	30.4	26=
	% TEA	Rank/51
Starting a business is more difficult than a year ago	38.3	35
Use more digital technology to sell products or services	51.4	27

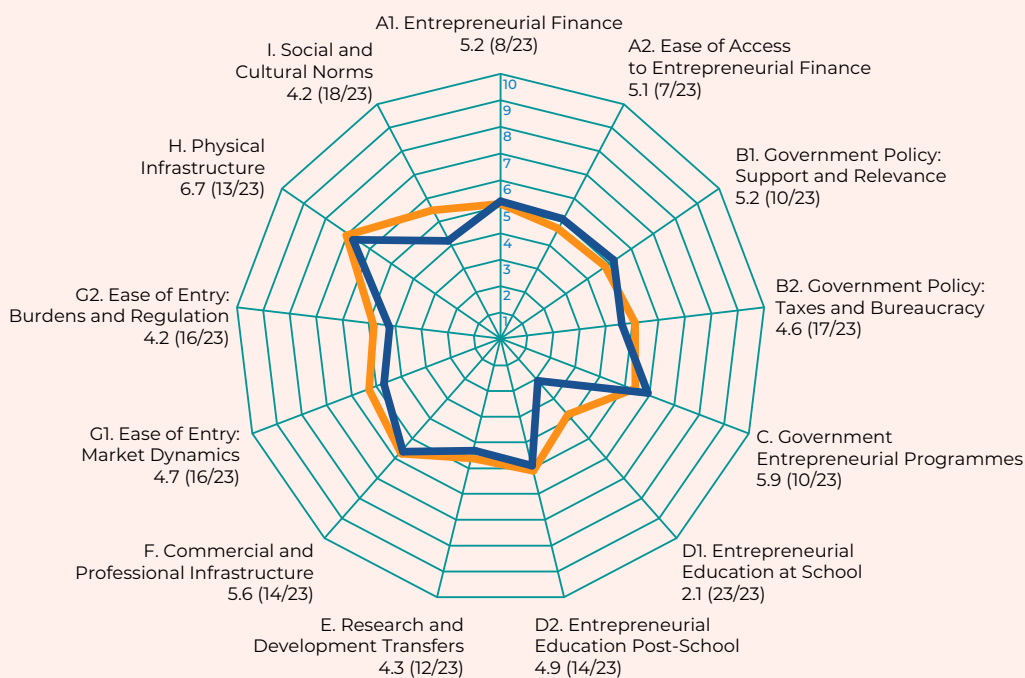
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



France —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

French GDP shows resilience, with expected growth of close to 1%, similar to last year. However, the French economy faces difficulties in some sectors such as real estate and construction and the automotive industry. Many small businesses are caught between declining consumer purchasing power and higher costs of debt. Current economic conditions, including declining public spending and the fear of political instability, result in the perception of a less favourable business climate.

2024 Framework Conditions Review

The overall quality of a national entrepreneurial environment, as assessed by that nation's own national experts, is measured by the NECI (National Entrepreneurial Context Index): the average of the scores for 13 individual Framework Conditions. In 2024, the NECI for France was down to 4.8, less than sufficient and placing it 22nd. The year before, the score came in at 4.9 and in 2022 it was 5.1.

Most of France's Framework Conditions score around the midpoint (~5.0), with five just sufficient (≥5.0) and six just less than sufficient. Only one condition (Physical Infrastructure) scores as good (≥6.0), while another (Entrepreneurial Education at School) rates as very poor (<3.0). Over the year, scores for 11 conditions declined, although mostly not by much, while Ease of Entry: Market Dynamics increased from 3.9 to 4.7. So there were some pockets of improvement within an overall deteriorating framework performance. On a much brighter note, women's relative access to entrepreneurial resources

is rated as better than sufficient, while the priority that new and growing businesses place on sustainability scored as good.

2024 Entrepreneurial Activity Review

Three in 10 French adults report that their household income has fallen in 2024, up from two in 10 a year earlier. The French continue to have a complex relationship with entrepreneurship, with more than a half knowing someone who is starting or running a new business, slightly fewer considering themselves to have the skills and knowledge to start a business themselves, but with two out of five French adults seeing good opportunities to start a business locally, although a similar proportion would not start a business for fear it might fail. Nevertheless, one in seven intend to start a business in the next three years, while the percentage already doing so fell from 11% in 2023 to 9% in 2024, alongside an Established Business Ownership rate of just a half of this. Men are more likely to be starting a business than women (ratio 4:3), and earning a living because jobs are scarce remains the most commonly agreed motivation.

The proportion of new entrepreneurs expecting to use new digital technology to sell their products has been increasing steadily, from one in 10 in 2021 to one in three in 2023 and over one in two in 2024. Almost one in five new entrepreneurs expect to employ six or more people in five year's time, while three in five new entrepreneurs report that they prioritise environmental or social impacts above profits or growth.

Institution

Lead institution

Labex Entreprendre (Entrepreneurship)



LABEX Entreprendre
Université de Montpellier

University of Montpellier



MBS School of Business



Erasmus University Rotterdam & Montpellier Business School

Type of institution

Research Institute
University
Business School
University & Business School

Website

<https://labex-entreprendre.edu.umontpellier.fr/en/home-2/>
<https://www.umontpellier.fr/en/>
<https://www.mbs-education.com/international/>
<https://www.mbs-education.com/international/>

Team

Team leaders

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Roy Thurik
Olivier Torres
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Funders

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APS vendor

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ECONOMY PROFILE



Germany

■ Population (2023): **84.4 million** (UN)

■ GDP per capita (2023; PPP, international \$): **69.3 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	40.3	45
Good opportunities to start a business in my area	42.7	41
It is easy to start a business	32.9	43
Personally have the skills and knowledge	41.1	47
Fear of failure (opportunity)	45.3	30
Entrepreneurial intentions**	10.5	41

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.4	36=
	% TEA	Rank/51
International (25%+ revenue)	26.2	6
Always consider social impact	69.7	37=
Always consider environmental impact	67.1	41
Prioritise social and/or environmental impact above profit or growth	58.0	31
Industry (% TEA in business services)	39.9	4

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	45.3	25
To build great wealth or very high income	64.4	19
To continue a family tradition	26.3	30
To earn a living because jobs are scarce	52.5	40

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	9.8	32	8.5	11.0

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	24.9	38
	% TEA	Rank/51
Starting a business is more difficult than a year ago	40.7	34
Use more digital technology to sell products or services	50.5	30

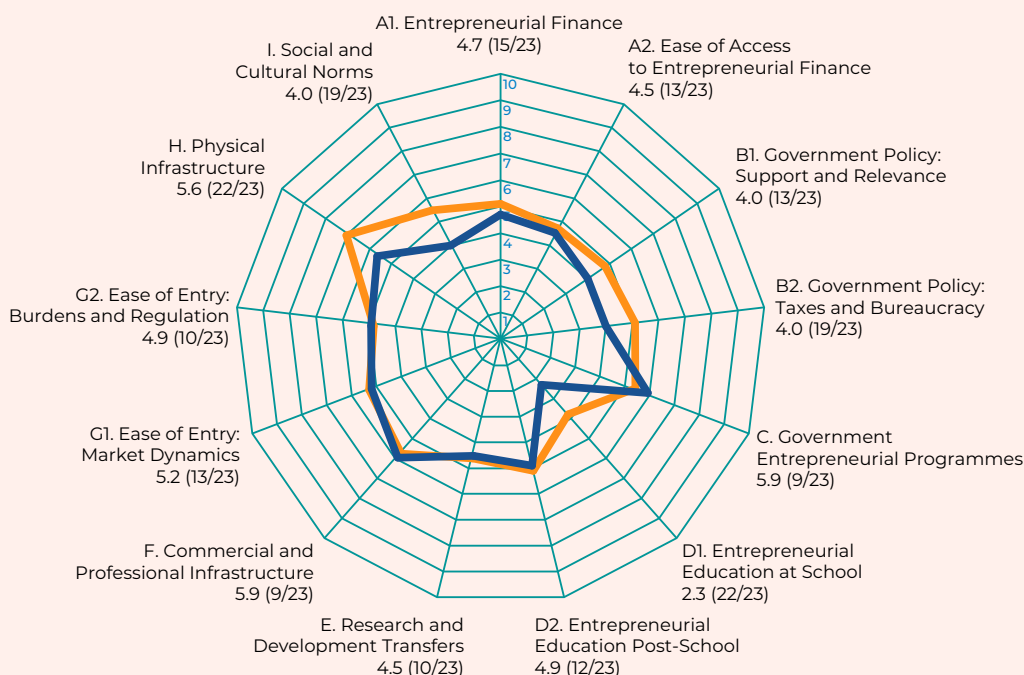
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Germany —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Interest rates reached 4.5% in autumn 2023, making funding more expensive, before falling again since June 2024. For startups, this had a dramatic impact, with venture capital funding sharply reduced. However, inflation levels have come down. The Ministry of Economic Affairs and Climate Action's startup strategy includes activities to increase diversity, and an action plan to increase female participation among SMEs and new entrepreneurs: for instance, through a programme supporting university-based female entrepreneurs. In addition, measures to improve capital supply for startups have been implemented.

2024 Framework Conditions Review

The overall entrepreneurial environment for Germany is seen by its own national experts as having deteriorated over the past two years, with its NECI (National Entrepreneurial Context Index) score declining from a better-than-sufficient 5.1 two years ago, ranking Germany 17th, to a less-than-sufficient 4.7 in 2024, placing Germany at 23rd of the 56 GEM National Expert Survey participating economies.

In 2024, 11 of the 13 underlying Framework Conditions scored lower than a year earlier, although most changes are small, with the largest being for Government Entrepreneurial Programmes, down from 6.4 to 5.9. As a result, just four conditions now score as sufficient or better (≥ 5.0), with eight less than sufficient (< 4.0) and one very poor (< 3.0): Entrepreneurial Education at School. In 2024, Germany ranked in the bottom 10 for both Entrepreneurial Education at School and for Physical Infrastructure. Despite its prominent financial centres, Germany continues to score as less than sufficient for both Entrepreneurial Finance and for ease of access to that finance, with each condition ranked outside of the GEM top 20. More positively, Germany scores as better than sufficient for

women's relative access to entrepreneurial resources (5.2), and very well for the perceived priority new and growing businesses give to sustainability (6.6 and ranked eighth).

2024 Entrepreneurial Activity Review

Just one in four German adults reported that their household income declined in the current year, down from three in 10 two years ago. Germany has relatively low levels of entrepreneurial awareness in a high-income context, with just two in five adults knowing someone who has started their own business in the last two years, or considering themselves to have the skills and knowledge to start a business themselves, or see good opportunities to do so locally. Of the latter, almost one in two would not start that business for fear it might fail. However, both the proportion of adults who intend to start a business in the next three years and the proportion actually starting or running a new business have been rising, the former to more than one in 10 in 2024, having been little over one in 20 four years ago, while the latter also reached one in 10 in 2024, more than double the level just four years earlier. As one consequence, the level of Established Business Ownership has also been rising, reaching 6% in 2024 from 4% a year earlier.

Two in five new entrepreneurs in Germany have customers outside of their country, while just over a half expect to use more digital technology in the next six months, and only one in seven anticipate employing at least another six people in five years' time. While the two material motivations ("to build great wealth or very high income" and "to earn a living because jobs are scarce") had majority agreement among new entrepreneurs, three in five of those same new entrepreneurs report prioritising environmental or social impacts above profitability or growth.

Institution

Lead institution

RKW Kompetenzzentrum Eschborn
RKW Competence Centre



Type of institution

Government funded transfer
organisation

Website

rkw-kompetenzzentrum.de

Team

Team leader

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Funders

Federal Ministry for Economic Affairs
and Climate Action

APS vendor

UADS Institut für Umfragen, Analysen
und DataScience GmbH

Contact

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ECONOMY PROFILE



Greece

■ Population (2023): **10.4 million** (UN)

■ GDP per capita (2023; PPP, international \$): **41.2 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	31.5	49
Good opportunities to start a business in my area	38.7	46
It is easy to start a business	30.4	47
Personally have the skills and knowledge	53.4	33
Fear of failure (opportunity)	54.1	7
Entrepreneurial intentions**	7.7	47

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	32.7	41
To build great wealth or very high income	53.1	31
To continue a family tradition	31.8	21=
To earn a living because jobs are scarce	75.3	20

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	5.5	45=	5.1	5.9

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.0	44=
	% TEA	Rank/51
International (25%+ revenue)	23.7	9=
Always consider social impact	86.0	14
Always consider environmental impact	87.7	10
Prioritise social and/or environmental impact above profit or growth	53.0	38
Industry (% TEA in business services)	13.5	35

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	47.2	8
	% TEA	Rank/51
Starting a business is more difficult than a year ago	44.5	25
Use more digital technology to sell products or services	44.3	37

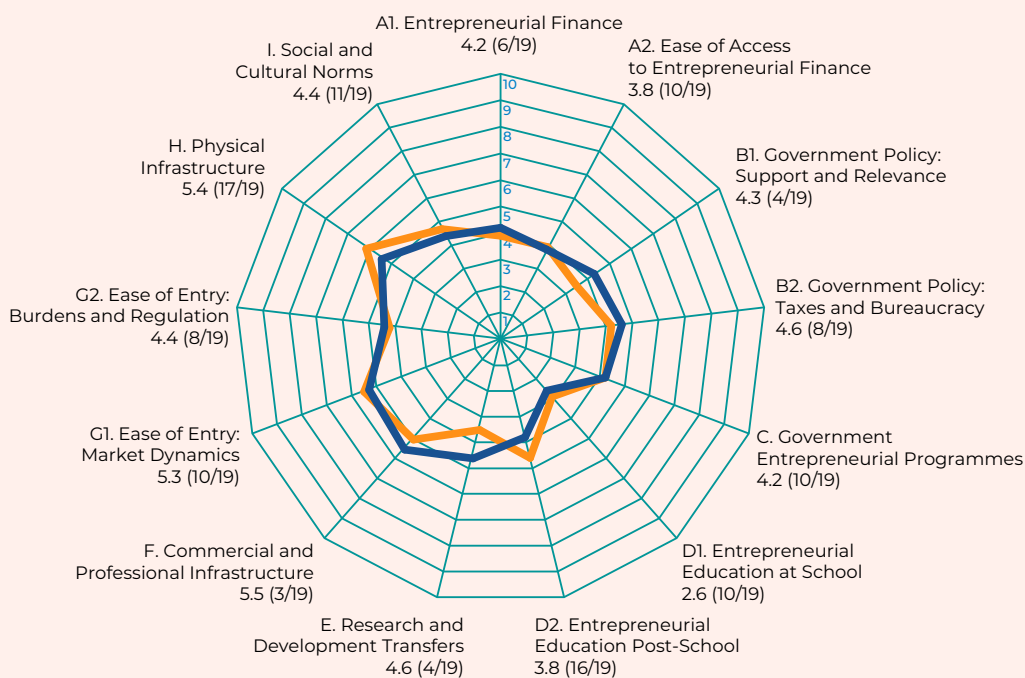
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Greece —
Group B average
(19 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

The growth rate of the Greek economy is estimated at around 2.4% for 2024, significantly above the European average in recent quarters. The economy is on a positive trajectory, supported by a recovery in consumption and the strong performance of exports. The timely implementation of the expanded loan component of the National Recovery and Resilience Plan is an opportunity and a challenge to finance productive investment on favourable terms.

2024 Framework Conditions Review

The overall quality of the Greek entrepreneurial environment, as assessed by its own national experts, and as measured by the NECI (National Entrepreneurial Context Index), declined in 2024 from a score of 4.6 in 2023 to 4.4, placing Greece 35th among the 56 GEM National Expert Survey participating economies.

This overall score fell because 12 of the 13 underlying Framework Conditions are rated by experts as worse in 2024 than in 2023. In 2024, Greece has just three sufficient (≥ 5.0) Framework Conditions (Commercial and Professional Infrastructure; Ease of Entry; Market Dynamics; and Physical Infrastructure), alongside seven that are less than sufficient (< 5.0), two that are poor (< 4.0) (Ease of Access to Entrepreneurial Finance and Entrepreneurial Education Post-School) and one that is very poor (< 3.0) (Entrepreneurial Education at School). Despite the deterioration in Greece's overall entrepreneurial environment, women's relative access to entrepreneurial resources scores as more than

sufficient in 2024, as does the perceived priority that new and growing businesses give to sustainability.

2024 Entrepreneurial Activity Review

Since 2022, the percentage of adults in Greece reporting that their household income has fallen (from 57% to 47%), although it is still relatively high for Europe. Almost one in three adults know someone who has started a business, while over a half consider themselves to have the skills and knowledge to be able to do so themselves, although less than one in 10 intend to start a business in the next three years. This is probably a reflection of the high fear of failure in Greece, with the proportion of those adults seeing opportunities but saying they would not start a business for fear it might fail rising steadily from two in five in 2019 to over one in two in 2023 and 2024.

Greece has long had a relatively high level of Established Business Ownership (nearly 15% in 2024) but far fewer adults starting or running a new business (less than 6%), meaning a ratio of less than one business started for every three established ones. Men are slightly more likely to be starting a new business than women, while three in four new starters agree with the motivation "to earn a living because jobs are scarce". New entrepreneurship in Greece is both outward-looking and future-facing, with more than two in five having customers beyond Greece, while a similar proportion expect to use more digital technology in the next six months. Over a half of new entrepreneurs claim to prioritise environmental or social impacts above profitability or growth.

Institution

Lead institution

Foundation for Economic & Industrial Research (FEIR/IOBE)



Type of institution

Research Institute

Website

<http://iobe.gr>

Other institutions involved

Laboratory of Industrial and Energy Economics at the National Technical University of Athens

Team

Team leader

Prof. Aggelos Tsakanikas

Team members

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Funder

Accenture

APS vendor

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ECONOMY PROFILE



Guatemala

■ Population (2023): **17.6 million** (UN)

■ GDP per capita (2023; PPP, international \$): **14.1 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	71.6	8
Good opportunities to start a business in my area	75.1	4
It is easy to start a business	48.4	20
Personally have the skills and knowledge	79.3	5
Fear of failure (opportunity)	42.5	38
Entrepreneurial intentions**	44.3	5

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	6.9	5
	% TEA	Rank/51
International (25%+ revenue)	0.6	50
Always consider social impact	91.5	3
Always consider environmental impact	92.6	1
Prioritise social and/or environmental impact above profit or growth	86.7	2
Industry (% TEA in business services)	7.4	43

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	83.7	1
To build great wealth or very high income	83.9	5
To continue a family tradition	55.4	4
To earn a living because jobs are scarce	91.5	2=

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	23.7	6	21.4	26.2

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	35.0	19=
	% TEA	Rank/51
Starting a business is more difficult than a year ago	58.7	9=
Use more digital technology to sell products or services	77.0	4

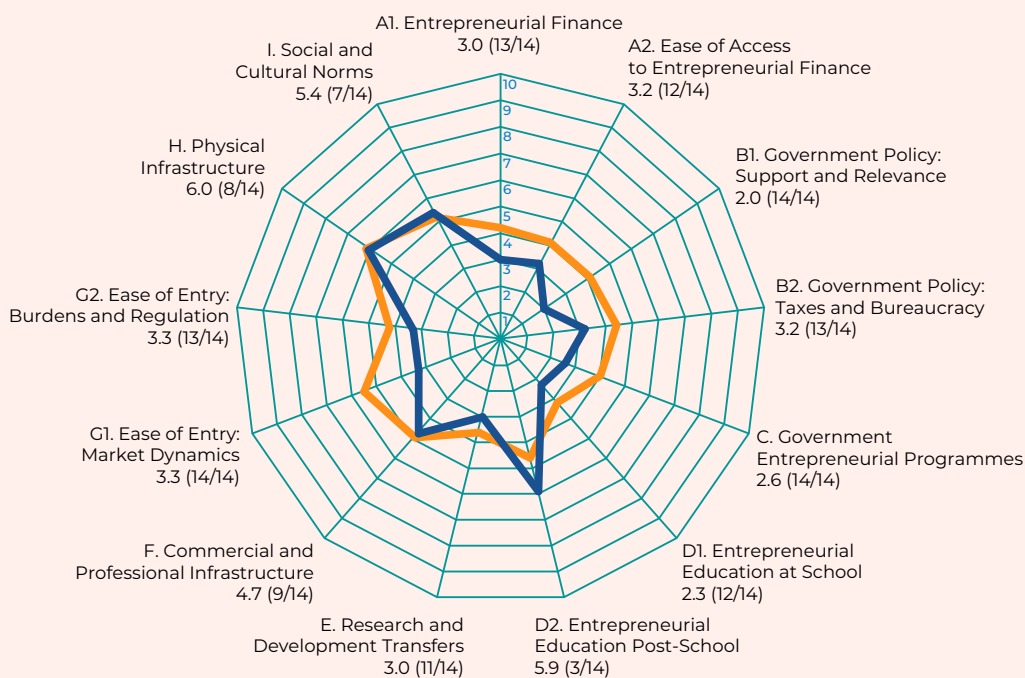
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Guatemala —
Group C average
(14 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Guatemala's economic and political landscape in 2024 is one of moderate growth, fuelled by remittances, agriculture and manufacturing exports. However, significant challenges persist, including low-quality public goods and an over-regulated business environment. The new government is yet to introduce initiatives to address the barriers faced by entrepreneurs, such as inadequate productive infrastructure, excessive bureaucracy and an unsafe environment for conducting business.

2024 Framework Conditions Review

The Guatemalan entrepreneurial environment in 2024 presents a complex and varied picture, with some strengths more than offset by many more weaknesses. The overall quality of that entrepreneurial environment, as assessed by its own national experts and as measured by the NECI (National Entrepreneurial Context Index), is poor, with its score of 3.7 slightly down on last year, and ranking Guatemala as 52nd of 56 GEM economies. This NECI score is the average of the 13 underlying Framework Conditions, and it is here that those strengths and weaknesses are revealed. In 2024, experts viewed one condition as good (≥ 6.0) (Physical Infrastructure, specifically good access and affordable cost for communications such as telephone and Internet services). However, the country faces serious problems in terms of the poor conditions of the roads, delays in ports and high vulnerability to natural disasters. There are two conditions scored as sufficient (≥ 5.0) (Social and Cultural Norms and Entrepreneurial Education Post-School). But that leaves 10 conditions as less than sufficient. While one is just less than sufficient (Commercial and Professional Infrastructure), six more score as poor (< 4.0) and three as very poor (< 3.0): Government Policy: Support and Relevance,

Government Entrepreneurial Programmes and Entrepreneurial Education at School.

2024 Entrepreneurial Activity Review

More than one in three adults in Guatemala report that their household income has fallen in the current year: a high proportion but much less than the nearly two in three two years ago. Entrepreneurial awareness is very high, with seven out of 10 adults knowing someone who has started a business in the past two years, four out of five considering themselves to have the skills or knowledge to start their own, and three out of four seeing good opportunities to do so locally, although two in five of those seeing good opportunities would not start a business for fear it might fail. Nevertheless, more than four in 10 of those adults not already involved in entrepreneurship intend to start a business in the next three years.

Nearly one in four adults in Guatemala is already starting or running a new business, down from one in three a year ago, with men slightly more likely to be starting a new business, although the female rate is still more than one in five. Established Business Ownership is relatively high at around one in seven adults.

Almost no new entrepreneurs have customers beyond Guatemala, while three out of four expect to use more digital technology to sell their products in the next six months. A high three in 10 new entrepreneurs anticipate employing at least another six people in five years' time, which may be optimistic given the low conversion of new into established businesses. Despite the challenging environment for entrepreneurship, Guatemalan entrepreneurs are valued for their resilience and determination to overcome obstacles, create opportunities and to prosper.

Institution

Lead institution

Kirzner Entrepreneurship Center at Francisco Marroquín University



Type of institution

University

Website

www.kec.ufm.edu
www.gem.ufm.edu

Team

Team leader

Mónica Río-Nevado de Zelaya, PhD

Team members

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Lucrecia Monge

Funders

Francisco Marroquín University -UFM-

APS vendor

Khanti Consulting, SA

Contact

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ECONOMY PROFILE



Hungary

■ Population (2023): **9.6 million** (UN)

■ GDP per capita (2023; PPP, international \$): **45.9 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	46.7	39=
Good opportunities to start a business in my area	32.3	50
It is easy to start a business	43.2	29=
Personally have the skills and knowledge	35.8	50
Fear of failure (opportunity)	36.4	46
Entrepreneurial intentions**	8.7	46

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	68.6	5
To build great wealth or very high income	38.9	49
To continue a family tradition	11.4	49
To earn a living because jobs are scarce	51.1	43=

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	6.7	43	4.9	8.5

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.7	32=
	% TEA	Rank/51
International (25%+ revenue)	10.9	31=
Always consider social impact	69.9	36
Always consider environmental impact	78.0	25
Prioritise social and/or environmental impact above profit or growth	43.4	43
Industry (% TEA in business services)	23.5	20=

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	23.4	41
	% TEA	Rank/51
Starting a business is more difficult than a year ago	36.7	38
Use more digital technology to sell products or services	42.2	41=

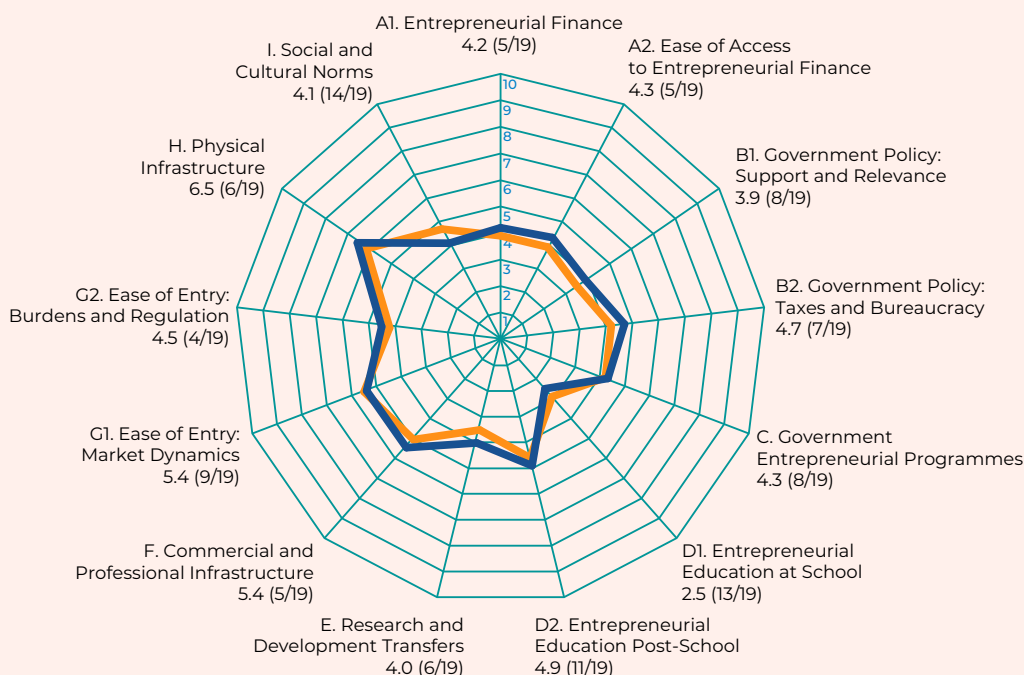
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Hungary (Blue line)
 Group B average (19 GEM economies; see Section 1.3 and Table 1.1) (Orange line)

EFCs scale:
 0 = very inadequate insufficient status,
 10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Economic conditions for entrepreneurship have been stable over the past year. The government has announced the launch of a new SME development programme, which aims to support both the development of internationally successful Hungarian businesses and the stable functioning of the entrepreneurial layer that provides a livelihood for a significant part of society. Major elements of the programme include:

- An investment stimulus programme for SMEs;
- Grants to support the digitalisation of firms; and
- Simplifying administration for SMEs: for example, by exempting the smallest companies from compulsory audits.

2024 Framework Conditions Review

The quality of a national entrepreneurial environment is measured by the NECI (National Entrepreneurial Context Index), the average of 13 individual Framework Condition scores assessed by that economy's own national experts. Hungary's NECI score of 4.5 for 2024 is unchanged from the previous year, although improvements by other economies pushed Hungary down the GEM rankings from 25th to 28th, exactly halfway among the 56 participating economies. This unchanged NECI score is despite seven framework scores increasing in 2024, since these were more or less offset by the six conditions whose scores decreased. While most changes were small, the largest increase was for Entrepreneurial Education Post-School (up from 4.3 to 4.9), with the biggest fall being for Commercial and Professional Infrastructure, down from 5.7 to 5.4. In 2024 Hungary has just three conditions rated as better than sufficient (≥ 5.0) (Physical Infrastructure, Commercial and Professional Infrastructure and Ease of Entry: Market Dynamics),

with eight rated as just less than sufficient (< 5.0), one rated as poor (< 4.0 , Government Policy: Support and Relevance) and one scored as very poor (< 3.0 , Entrepreneurial Education at School).

National experts rate new and growing businesses' prioritisation of sustainability as just sufficient, while women's relative access to entrepreneurial resources is seen as rather less than sufficient, which may be a factor in why many more men than women start businesses in Hungary.

2024 Entrepreneurial Activity Review

Less than a quarter of adults in Hungary report that their household income has fallen in the current year, down from three in 10 in 2023. Almost a half of adults know someone who has started a business in the last two years, with around a third considering themselves to have the skills and knowledge to start their own business or seeing good opportunities to do so locally, while a similar proportion of those seeing good opportunities would be deterred by fear of failure. Less than one in 10 Hungarian adults intend to start a business in the next three years, a proportion that has been stable over time, while one in 15 adults are already starting or running a new business, with a similar proportion running an established one. Men are nearly twice as likely to be starting a new business as women, while two-thirds of new entrepreneurs agree with the motivation "to make a difference in the world".

Around one in four early-stage entrepreneurs expect to employ another six people or more in five years' time, with a similar proportion having customers beyond Hungary. Over two in five expect to use more digital tools in the next six months to sell their products, while a similar proportion report prioritising environmental or social impacts above profitability or growth.

Institution

Lead institution

Budapest Business University



BBU

Type of institution

University

Website

<https://uni-bge.hu/en>

Team

Team leader

Judit Csákné Filep

Team members

Áron Szennay
Zsófia Borsodi
Gigi Timár

Funder

Budapest Business University (BBU)

APS vendor

TÁRKI Social Research Institute

Contact

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ECONOMY PROFILE



India

■ Population (2023): **1,428.6 million** (UN)

■ GDP per capita (2023; PPP, international \$): **10.2 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	51.5	31
Good opportunities to start a business in my area	83.6	2
It is easy to start a business	85.1	2
Personally have the skills and knowledge	85.4	2
Fear of failure (opportunity)	71.8	1
Entrepreneurial intentions**	27.8	17

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.1	40=
	% TEA	Rank/51
International (25%+ revenue)	0.2	51
Always consider social impact	95.2	1
Always consider environmental impact	80.1	20
Prioritise social and/or environmental impact above profit or growth	87.3	1
Industry (% TEA in business services)	3.7	50=

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	77.6	2
To build great wealth or very high income	88.1	2
To continue a family tradition	70.3	1
To earn a living because jobs are scarce	90.0	6

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	12.2	22	10.3	14.0

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	38.7	15
	% TEA	Rank/51
Starting a business is more difficult than a year ago	35.3	39
Use more digital technology to sell products or services	33.2	48

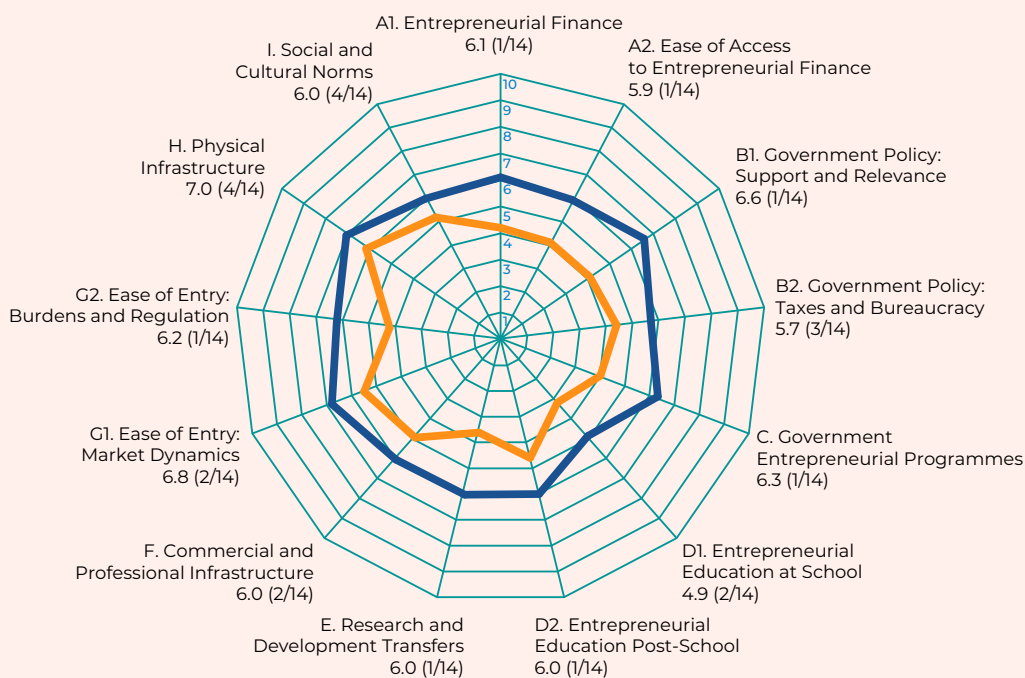
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



India —
Group C average
(14 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Economic conditions for entrepreneurship are improving. In 2024, India had over 150,000 startups registered on the “Startup India” portal of the Government of India. The Government of India and state governments have rolled out a number of impactful schemes and programmes to encourage new ventures to start and to grow.

2024 Framework Conditions Review

For the past three years, the overall quality of the entrepreneurial environment in India has been rated by its national experts as good, with a NECI (National Entrepreneurial Context Index) score of six or more, although that score declined in 2024 to 6.1, having reached 6.5 in 2023. This score places India fifth of the 56 GEM economies in 2024, having been second in 2023. In 2024 12 of 13 underlying Framework Conditions were scored as satisfactory or better (≥ 5.0), with nine scored as good (≥ 6.0). The previous year all 13 had been satisfactory or better, the difference being the decline in score for Entrepreneurial Education at School, down from 6.3 to 4.9. In fact all 13 Framework Condition scores were lower in 2024 than in 2023, but most of the falls were modest.

India’s national experts rate women’s relative access to entrepreneurial resources as good (6.1), as is the perceived priority that new businesses give to sustainability (6.0), although both scores were also down on the previous year. So while India’s entrepreneurial environment is still seen as good, there is little room for complacency.

2024 Entrepreneurial Activity Review

In 2024, just under four in 10 adults in India report that their household income has fallen in the current year, a proportion that has been falling steadily, from

nine in 10 in 2021 to seven in 10 in 2022 and then to five in 10 in 2023. Entrepreneurial intentions are high, with more than one in four expecting to start a business in the next three years, up from one in five a year earlier.

Entrepreneurial awareness is reasonable, with around one in two adults knowing someone who has started a business recently, but entrepreneurial confidence is very high, with more than four out of five adults considering themselves to have the skills or knowledge to start their own business. Opportunity recognition is equally high, with a similar proportion seeing good opportunities to start a business locally, although more than seven out of 10 of those would not start that business for fear it may fail. About one in eight adults in India are starting or running a new business, with men more likely than women to be doing so. Established Business Ownership levels represent just a half of early-stage entrepreneurship levels, having fallen sharply from the year before. Of the new entrepreneurs, nine out of 10 agree with the motive “to earn a living because jobs are scarce”, although almost as many also agree with building great wealth, making a difference and continuing a family tradition motivations, thus reflecting multiple drivers.

Very few early-stage entrepreneurs have customers beyond India, perhaps not too surprising given the size of the internal market, although about one in three expect to use more digital technology in the next six months to sell their products. Job expectations are modest, with just one in 12 expecting to employ another six people or more in five years’ time. What is not modest is the sustainability imperative. Almost nine out of 10 new entrepreneurs report that they prioritise environmental or social impacts above profitability or growth.

Institution

Lead institution

Entrepreneurship Development
Institute of India (EDII) — Ahmedabad



**Entrepreneurship
Development
Institute of India**
Ahmedabad

Type of institution

Research Institute

Website

<https://www.ediindia.org>

Team

Team leader

Dr. Sunil Shukla, PhD

Team members

Dr. Amit Kumar Dwivedi, PhD
Dr. Pankaj Bharti, PhD

Funders

Centre for Research in
Entrepreneurship Education and
Development (CREED)

APS vendor

Kantar IMRB

Contact

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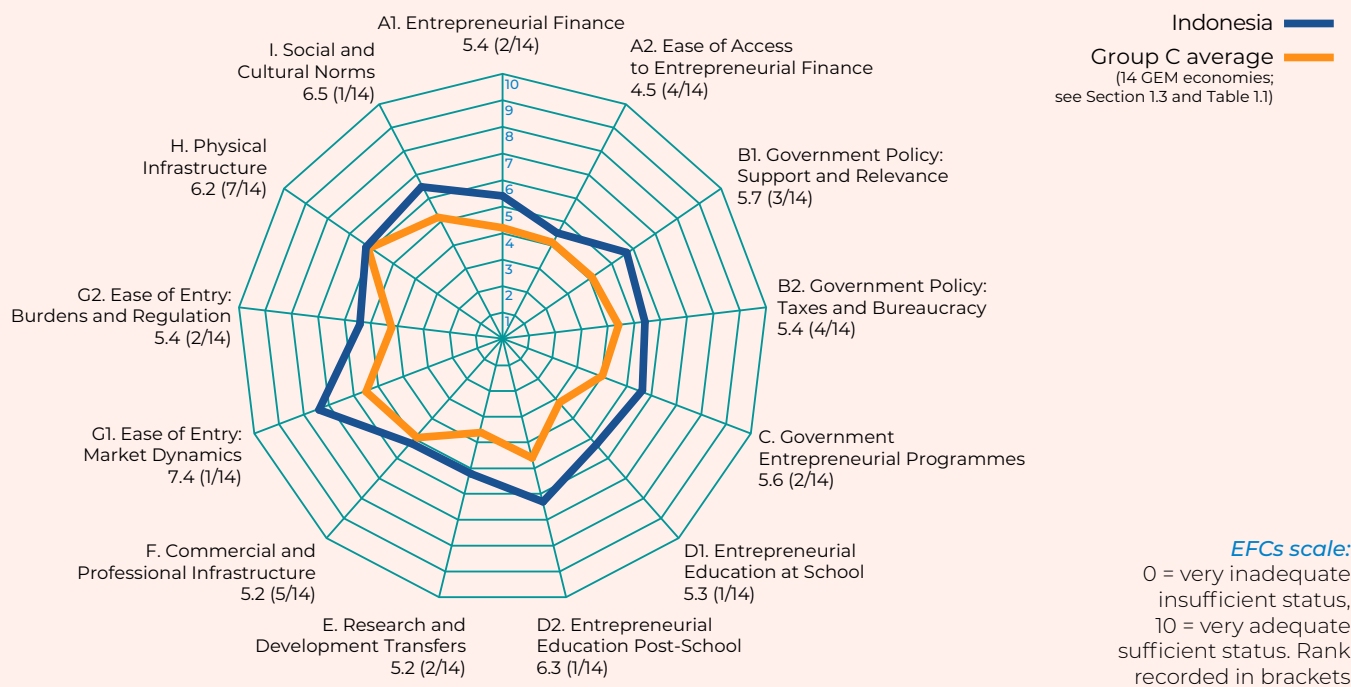


Indonesia

■ **Population** (2023): **277.5 million** (UN)
■ **GDP per capita** (2023; PPP, international \$): **15.6 thousand** (World Bank)

Indonesia did not participate in the 2024 Adult Population Survey.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

Indonesia's recent economic reforms have fostered a more favourable environment for entrepreneurship, including initiatives like the job creation law (the "Omnibus Law"), aiming to streamline regulations and reduce bureaucracy. The government has been actively promoting the growth of the digital economy, including initiatives to improve digital infrastructure, support e-commerce development and foster innovation in the digital sector. It has also implemented programmes to support micro, small and medium enterprises (MSMEs) in their access to financing, training and mentoring, and to widen market access opportunities.

2024 Framework Conditions Review

Indonesia has an entrepreneurial environment assessed by its own national experts as much better than sufficient (≥ 5.0). The overall quality of that environment is judged to have declined a little in the year to 2024, as measured by its NECI (National Entrepreneurial Context Index) score, which fell from 5.8 in 2023 to 5.7. That NECI score is itself the average of 13 individual Framework Condition scores, allowing assessment of the entrepreneurial environment's strengths and weaknesses. Strongest of these conditions is the Ease of Entry: Market Dynamics, rated as very good (≥ 7.0), followed by three other conditions

scoring as good (≥ 6.0): Entrepreneurial Education Post-School; Physical Infrastructure; and Social and Cultural Norms.

Another eight conditions rate as better than sufficient (including, unusually, Entrepreneurial Education at School), with just one scored as less than sufficient: Ease of Access to Entrepreneurial Finance. In the past 12 months, seven conditions saw their scores decline, while six increased. The largest changes were for Research and Development Transfers, up from less than sufficient to better than sufficient, and Government Policy: Taxes and Bureaucracy, down from good to better than sufficient. Despite these changes, in 2024 Indonesia has five conditions ranked in the top 10 of the 56 GEM participating economies: Entrepreneurial Finance, both entrepreneurial education conditions, Research and Development Transfers and Ease of Entry: Market Dynamics.

Somewhat surprisingly, national experts rate women's relative access to entrepreneurial resources as just less than sufficient, while new and growing businesses' prioritisation of sustainability is seen by those experts as good.

2024 Entrepreneurial Activity Review

Indonesia did not participate in the 2024 GEM Adult Population Survey.

Institution

Lead institution

UNPAR (Parahyangan Catholic University)



UNIVERSITAS
KATOLIK
PARAHYANGAN

Team

Team leader

Gandhi Pawitan

Team members

Catharina Badra Nawangpalupi
Ceicalia Tesavrita

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Funders

UNPAR (Parahyangan Catholic University)

APS vendor

SAPA Institute

Contact

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ECONOMY PROFILE



Israel

■ Population (2023): **9.8 million** (UN)

■ GDP per capita (2023; PPP, international \$): **53.4 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	67.0	14
Good opportunities to start a business in my area	38.4	47
It is easy to start a business	15.7	51
Personally have the skills and knowledge	34.5	51
Fear of failure (opportunity)	49.7	14
Entrepreneurial intentions**	15.2	33

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	39.0	34
To build great wealth or very high income	67.7	16
To continue a family tradition	19.9	44
To earn a living because jobs are scarce	52.3	42

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	8.4	39=	6.5	10.3

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.1	40=
	% TEA	Rank/51
International (25%+ revenue)	14.2	24
Always consider social impact	60.5	46
Always consider environmental impact	56.6	47
Prioritise social and/or environmental impact above profit or growth	40.2	47
Industry (% TEA in business services)	37.7	6

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	31.7	25
	% TEA	Rank/51
Starting a business is more difficult than a year ago	65.0	4
Use more digital technology to sell products or services	39.3	44

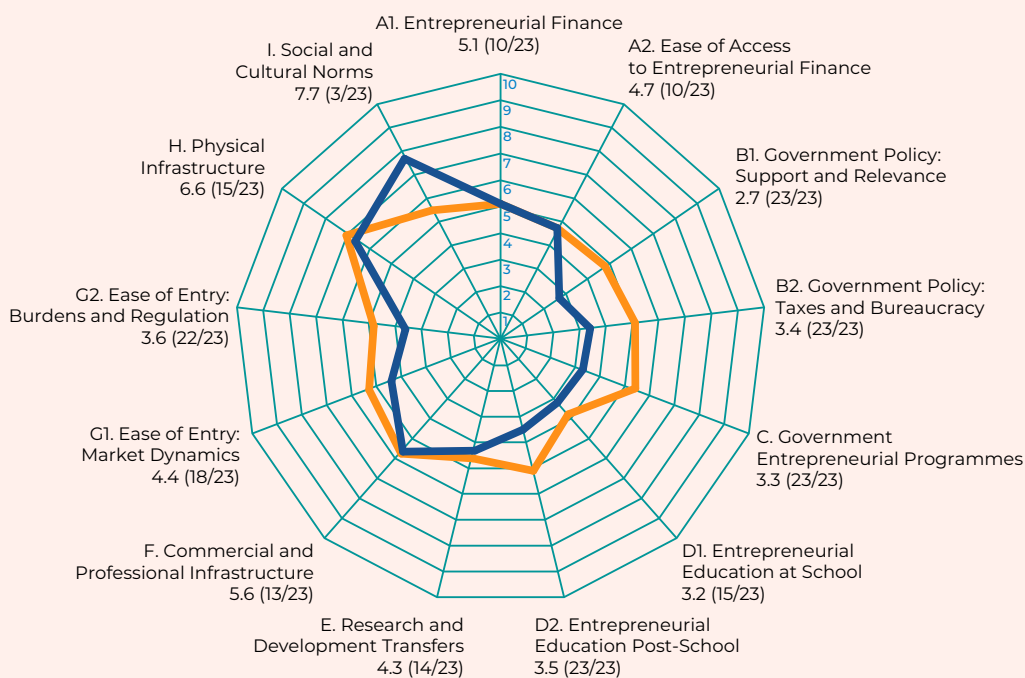
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Israel

Group A average

(23 GEM economies; see Section 1.3 and Table 1.1)

EFCs scale:

0 = very inadequate insufficient status,

10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

Inflationary pressures are leading to tighter lending, limiting financing for small businesses. The ongoing security situation increases uncertainty, potentially hindering entrepreneurial activities. However, the high-tech sector remains buoyant, accounting for a fifth of economic output and more than half of exports, indicating resilience. In 2024, the government implemented several policy changes impacting entrepreneurship, including a stimulus package for high-tech industry (a startup fund of US \$150 million annually and a new “Yozma” fund to encourage institutional investment in venture capital), and increased funding for the Israel Innovation Authority (US \$250 million to support technological innovation and entrepreneurship). Meanwhile, the government has proposed significant spending cuts in the 2025 budget.

2024 Framework Conditions Review

Just two years ago, the overall entrepreneurial environment in Israel was rated by its own national experts as better than sufficient, with a NECI (National Entrepreneurial Context Index) score of 5.5, placing it 12th among the GEM economies. Last year that score collapsed to 4.0, pushing Israel down to 38th. This year the score has partially recovered to 4.5, placing it 33rd among 56 GEM economies. One reason for this recovery is that all four Framework Conditions that had previously scored as very poor (<3.0) improved substantially, with three shifting to poor (<4.0), leaving just one condition — Government Policy: Support and Relevance — rated as very poor, although even that score improved this year, from 2.2 to 2.7.

So in 2024 the Israel entrepreneurial environment presents very much a mixed picture, with one condition rated as very good (Social and Cultural Norms, ranked third across GEM), one good, two

just sufficient, three less than sufficient, five as poor (Government Policy: Taxes and Bureaucracy; Government Entrepreneurial Programmes; both entrepreneurial education conditions; and Ease of Entry: Market Dynamics) and one very poor. Nor can it be a coincidence that all five conditions rated as poor or worse are each closely associated with government.

2024 Entrepreneurial Activity Review

A little over three in 10 Israeli adults report their household income has fallen in the current year, up from one in four a year earlier. While entrepreneurial awareness is high, with two out of three adults knowing someone who has started a business in the past two years, just over one in three see themselves as having the skills or knowledge to start their own business or see good opportunities to do so locally. Of those seeing good opportunities, a half would not start a business for fear it might fail.

The proportion of adults who are starting or running a new business in Israel has stayed fairly stable at just under one in 10, with those owning an established business a little less than half of this. More optimistically, one in six of those adults not already involved in entrepreneurship expect to start their own business in the next three years, although if the current pattern is retained, a majority of these will be men. Three in 10 new entrepreneurs have customers beyond Israel, four in 10 expect to use more digital technology in the next six months, but only just over one in 10 anticipate employing at least six more people in five years’ time. “To build great wealth or very high income” is agreed by two out of three new entrepreneurs, with two out of five also reporting prioritising environmental or social impacts above profitability or growth.

Institution

Lead institution

Ira Center of Business, Technology & Society, Ben-Gurion University of the Negev



Type of institution

University

Website

<https://in.bgu.ac.il/en>

Other institutions involved

Ministry of Economics and industry
Government of Israel
The Ira Foundation
Voyage Capital
MSI Digital

Team

Team leader

Prof. Emeritus Ehud Menipaz,
B.Sc.Eng., M.Sc.Eng., MBA, Ph.D.

Team members

Prof. Eli Gimmon, PhD
Michal Ben David, MSc

Funders

Ira Foundation

APS vendor

Brandman Institute

Contact

ehudm@bgu.ac.il

ECONOMY PROFILE



Italy

■ Population (2023): **58.7 million** (UN)

■ GDP per capita (2023; PPP, international \$): **58.7 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	49.4	32
Good opportunities to start a business in my area	35.2	49
It is easy to start a business	21.9	49
Personally have the skills and knowledge	55.1	30
Fear of failure (opportunity)	49.5	15
Entrepreneurial intentions**	18.6	26

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	2.2	27=
	% TEA	Rank/51
International (25%+ revenue)	22.6	12
Always consider social impact	78.0	26
Always consider environmental impact	79.2	23
Prioritise social and/or environmental impact above profit or growth	75.5	9=
Industry (% TEA in business services)	25.9	16

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	36.7	37
To build great wealth or very high income	58.5	26
To continue a family tradition	34.6	18
To earn a living because jobs are scarce	59.1	32

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	9.6	34=	6.6	12.7

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	27.8	30=
	% TEA	Rank/51
Starting a business is more difficult than a year ago	42.6	30
Use more digital technology to sell products or services	60.5	17

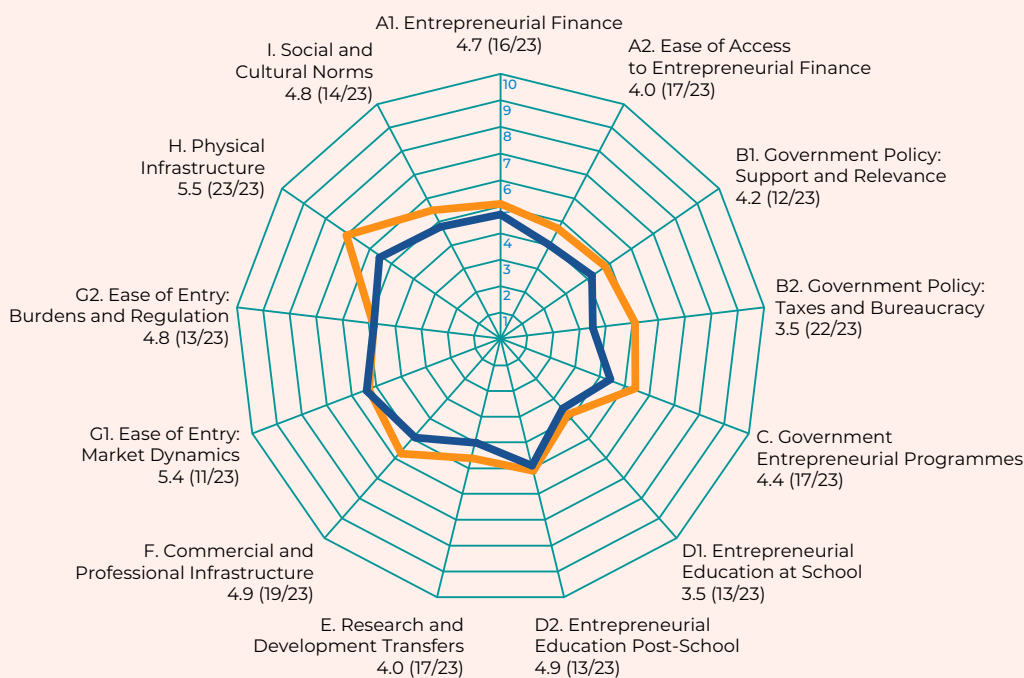
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Italy —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Economic conditions in Italy continue to be challenging, with annual new business registrations just 85% of the 2015 level.¹ Since 2021 the major policy initiative for the business environment has been the largely EU-funded Recovery and Resilience Plan (RRP), with €114 billion allocated by August 2024, much of it to improve digitalisation in the public and private sectors.

2024 Framework Conditions Review

The 2024 NES saw the overall Italian entrepreneurial environment rated as strictly average by its national experts, with a NECI (National Entrepreneurial Context Index) score of 4.5. This ranks 27th among 56 economies, but is better than its score of 4.2 (37th) two years earlier.

Of the 13 Framework Conditions that comprise the overall NECI, just two were rated as sufficient (≥ 5.0) or better in 2024 (Ease of Entry: Market Dynamics and Physical Infrastructure), although seven had improved their scores on the previous year. Both Government Policy: Taxes and Bureaucracy and Entrepreneurial Education at School were rated as poor (< 4.0), with Italy ranked 45th for the former and 28th for the latter. National experts saw new businesses' commitment to prioritising sustainability as better than satisfactory, as was women's relative access to entrepreneurial resources.

¹ EU Commission (2024). "Commission Staff Working Document: 2024 Country Report — Italy".

2024 Entrepreneurial Activity Review

Just over one in four Italians reported that their household income had fallen in the current year, slightly less than the year before but a substantial improvement on the more than one in two adults reporting the same in 2020. Nearly one in five Italians intend to start a business in the next three years, up from just one in 10 a year before.

Entrepreneurial awareness is reasonable, with around one in two adults knowing someone who has started a business in the past 12 months, and a similar proportion seeing themselves as having the skills and experience to start a business themselves. However, just one in three saw good opportunities to start a business locally, while a half of these would not start a business for fear it might fail.

Nevertheless, the proportion of adults who are actually starting or running a new business in Italy has doubled in the past three years, to almost one in 10, slightly higher than the Established Business Ownership rate. However, gender differences remain high, with men around twice as likely as women to be starting or running new businesses.

Those starting or running new businesses were most likely to agree with the two material motivations (with three out of five agreeing with "to build great wealth or very high income" or "to earn a living because jobs are scarce"). A similar proportion say they intend to use more digital technology in the next six months, while two in five have customers beyond Italy. There is substantial job optimism among new entrepreneurs, with around one in five expecting to employ at least another six people in five years' time. Meanwhile, more than three in five early-stage entrepreneurs report that they prioritise the social or environmental impacts of their business above profitability or growth.

Institution

Lead institution

Universitas Mercatorum



Università telematica delle
Camere di Commercio Italiane

Type of institution

University

Website

<https://www.unimercatorum.it>

Other institutions involved

Centre for Innovation and
Entrepreneurship, Università
Politecnica delle Marche

Team

Team leader

Alessandra Micozzi

Team members

Claudia Covucci
Dominique Lepore
Maria Zifaro
Giusy Sica
Tommaso Maria Cucchiarelli
Andrea Mazzitelli
Donato Iacobucci
Diego D'Adda
Francesca Micozzi
Martina Orzi

Funders

Universitas Mercatorum

APS vendor

IPSOS

Contact

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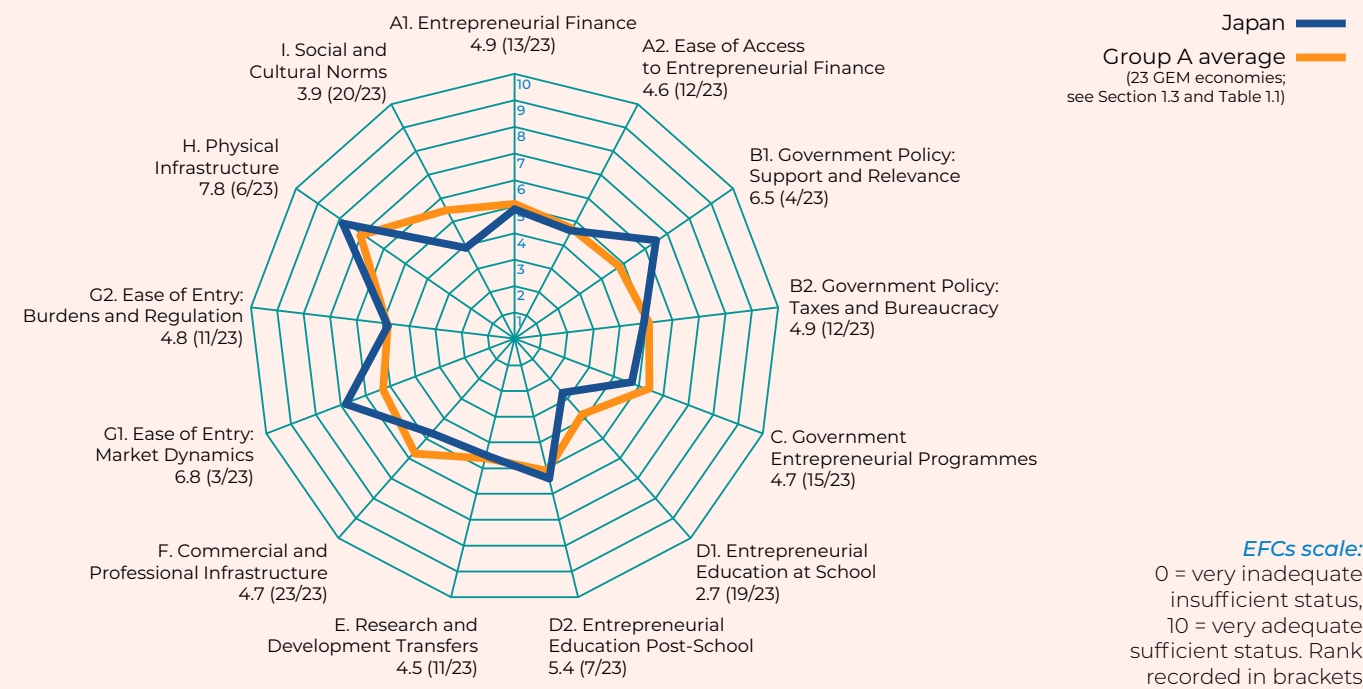


Japan

■ **Population** (2023): **124.5 million** (UN)
■ **GDP per capita** (2023; PPP, international \$): **50.2 thousand** (World Bank)

Refer to the forthcoming 2024/25 GEM Japan National Report for 2024/25 APS data analysis.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



POLICY ROADMAP

For most entrepreneurs in Japan, the environment is improving due to an increase in the balance of small loans and the enhancement of consultation systems through local governments and other organisations. The Startup Development Five-Year Plan, formulated in November 2022, sets two main goals: to expand investment in startups to ¥10 trillion by fiscal year 2027 and to support the commercialisation of more than 5,000 university-based research results over a five-year period. Support measures include building human resources and networks, strengthening entrepreneurship education (at all levels), strengthening funding supply and diversifying exit strategies.

2024 Framework Conditions Review

The overall quality of the entrepreneurial environment in Japan is seen by its own national experts as having improved substantially in 2024, with its NECI (National Entrepreneurial Context Index) score up to 5.1 (placing Japan 15th of 56 GEM economies) from 4.4 (and 27th) the year before. The NECI is the average of 13 individual Framework Condition scores, and while that overall measure is just better

than sufficient, the majority of the Framework Conditions rate as less than sufficient (<5.0). In the latest NECI, Japan has one condition scored as very good (≥7.0) (Physical Infrastructure), two scored as good (≥6.0) (Ease of Entry: Market Dynamics and Government Policy: Support and Relevance) and one rated as better than sufficient (≥5.0) (Entrepreneurial Education Post-School). However, that leaves more than twice as many conditions rated as less than sufficient, including one scored as poor (<4.0) (Social and Cultural Norms) and one as very poor (as usual: Entrepreneurial Education at School). So a very mixed picture overall, with too many of Japan's Framework Conditions seen as less than sufficient, despite having three conditions ranked in the top 10 among the GEM 56 economies. On a brighter note, women's relative access to entrepreneurial resources is seen by national experts as better than sufficient, while new and growing businesses prioritisation of sustainability rates as good.

2024 Entrepreneurial Activity Review

Japan did not participate in the 2024 GEM Adult Population Survey.

Institution

Lead institution

Musashi University



**MUSASHI
UNIVERSITY**

Type of institution

University

Website

<https://www.musashi.ac.jp/english>

Other institutions involved

Chuo University
Toyo University
Kwansei Gakuin University

Team

Team leader

President Noriyuki Takahashi

Team members

Prof. Masaaki Suzuki
Prof. Yuji Honjo
Prof. Takehiko Yasuda
Prof. Masatoshi Kato

Funders

Ministry of Economy, Trade and
Industry, METI

APS vendor

Social Survey Research Information
Co. Ltd (SSRI)

Contact

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ECONOMY PROFILE



Jordan

■ Population (2023): **11.3 million** (UN)

■ GDP per capita (2023; PPP, international \$): **10.4 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	54.7	24
Good opportunities to start a business in my area	52.7	30
It is easy to start a business	39.9	36
Personally have the skills and knowledge	72.3	13
Fear of failure (opportunity)	45.6	27=
Entrepreneurial intentions**	52.4	2

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	3.5	16=
	% TEA	Rank/51
International (25%+ revenue)	7.9	38
Always consider social impact	78.6	24
Always consider environmental impact	78.5	24
Prioritise social and/or environmental impact above profit or growth	68.9	17
Industry (% TEA in business services)	9.2	42

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	28.3	44
To build great wealth or very high income	70.7	12
To continue a family tradition	21.6	40=
To earn a living because jobs are scarce	91.5	2=

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	21.1	9	19.5	22.5

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	50.0	5
	% TEA	Rank/51
Starting a business is more difficult than a year ago	58.0	11
Use more digital technology to sell products or services	49.7	31

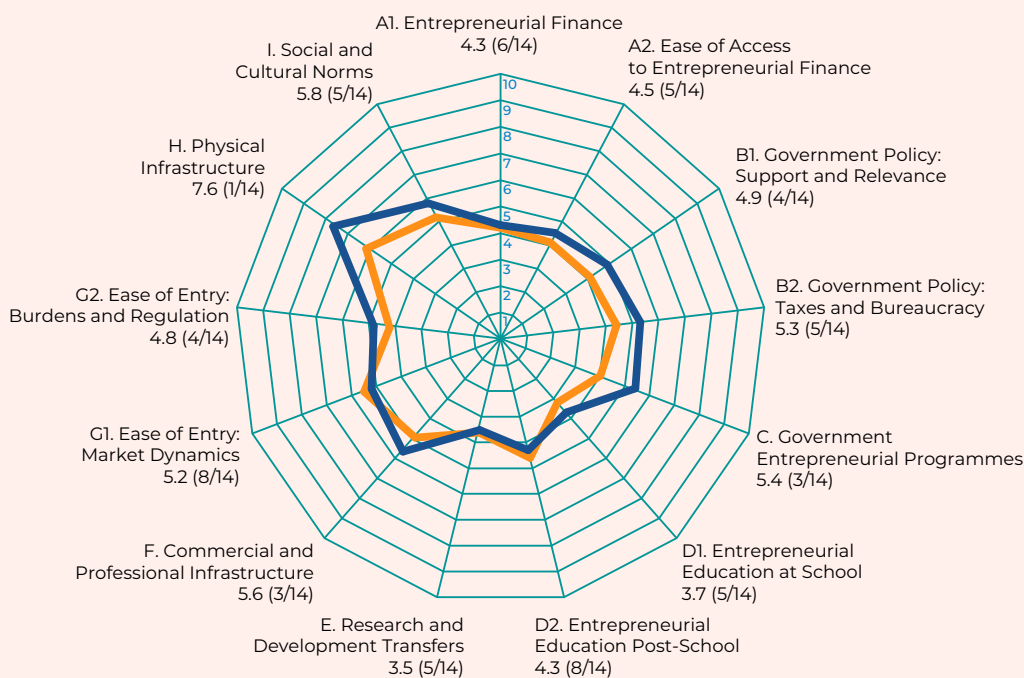
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Jordan —
Group C average
(14 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

The economic conditions for entrepreneurship in Jordan are improving, supported by the extension of the National Entrepreneurship Policy to 2027, targeted initiatives to bridge skill gaps and increased investments in digital skills, tech hubs and entrepreneurial ecosystems, despite regional challenges. Other policy changes include establishing a Digital Skills Training Ecosystem to enhance digital skills and nurture an entrepreneurial mindset.

2024 Framework Conditions Review

In 2024 the overall quality of the Jordanian entrepreneurial environment, as assessed by its own national experts and as measured by the NECI (National Entrepreneurial Context Index), improved to sufficient (score of 5.0), having been rated as less than sufficient a year earlier (4.7). This improvement came about because 11 of the 13 Framework Conditions had higher scores than the year before, with the biggest improvement being for Government Policies: Taxes and Bureaucracy, up from 2.9 to 3.7. Two conditions had lower scores than last year, but not by much.

By 2024 Jordan has one condition rated as very good (≥ 7.0) (Physical Infrastructure), five as sufficient (≥ 5.0), five as less than sufficient (< 5.0) and two as poor (< 4.0): Entrepreneurial Education at School and Research and Development Transfers. While Physical Education ranked ninth in the 56 GEM economies, the lowest-ranked condition is Entrepreneurial Education Post-School (40th).

Women's relative access to entrepreneurial resources scored just less than sufficient (4.9), while the priority new businesses give to sustainability was rated as just sufficient (5.0).

2024 Entrepreneurial Activity Review

One in two adults in Jordan report that their household income has fallen in the current year, more or less in line with last year. A similar proportion intend to start a business in the next three years, with this proportion up a little on last year.

Just over one in two adults know someone who has recently started a business, or see good opportunities to start a business locally. Confidence is high, with nearly three out of four regarding themselves as having the skills and experience to start their own business, although just under a half of those who see good opportunities would not start a business for fear it might fail.

A little over one in five adults are starting or running a new business, up from last year, and with men more likely to start a business than women. However, established business ownership has fallen in the past year, from around 7% to 5%, implying more than four people starting or running a new business for every person owning an established one. Nine out of 10 early-stage entrepreneurs agree with the motivation "to earn a living because jobs are scarce", although seven in 10 also agree with "to build great wealth or very high income". Just one in six have customers outside of the country, with a similar proportion expecting to employ at least another six people in five years' time. While one in two early-stage entrepreneurs expect to use more digital technology in the next six months to sell their products, over two in three report that they prioritise social or environmental impacts above profitability or growth.

Institution

Lead institution

Ministry of Digital Economy and Entrepreneurship



Type of institution

Government

Website

<https://www.modee.gov.jo/EN/Pages/Entrepreneurship>

Other institutions involved

German Jordan University (GJU)



الجامعة الألمانية الأردنية
German Jordanian University

Jordan Strategy Forum (JSF)



Team

Team leader

Ahmad Alshwawra

Team members

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Nidal Alshwawreh

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Dr. Ahmad Almuhtady

Funders

(GIZ) Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH

Implemented by



APS vendor

NAMA Strategic Intelligence Solutions



STRATEGIC INTELLIGENCE SOLUTIONS

نماء للإستشارات الإستراتيجية

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ECONOMY PROFILE



Kazakhstan

■ Population (2023): **19.9 million** (UN)

■ GDP per capita (2023; PPP, international \$): **39.3 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	73.0	7
Good opportunities to start a business in my area	64.4	12
It is easy to start a business	42.0	33
Personally have the skills and knowledge	40.6	48
Fear of failure (opportunity)	52.6	9
Entrepreneurial intentions**	13.4	37=

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.3	38=
	% TEA	Rank/51
International (25%+ revenue)	9.5	33
Always consider social impact	76.2	29
Always consider environmental impact	72.6	33
Prioritise social and/or environmental impact above profit or growth	58.9	28
Industry (% TEA in business services)	6.6	46

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	44.9	26
To build great wealth or very high income	88.7	1
To continue a family tradition	35.2	16
To earn a living because jobs are scarce	80.9	14

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	9.6	34=	9.0	10.3

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	25.8	35
	% TEA	Rank/51
Starting a business is more difficult than a year ago	46.9	21
Use more digital technology to sell products or services	43.6	40

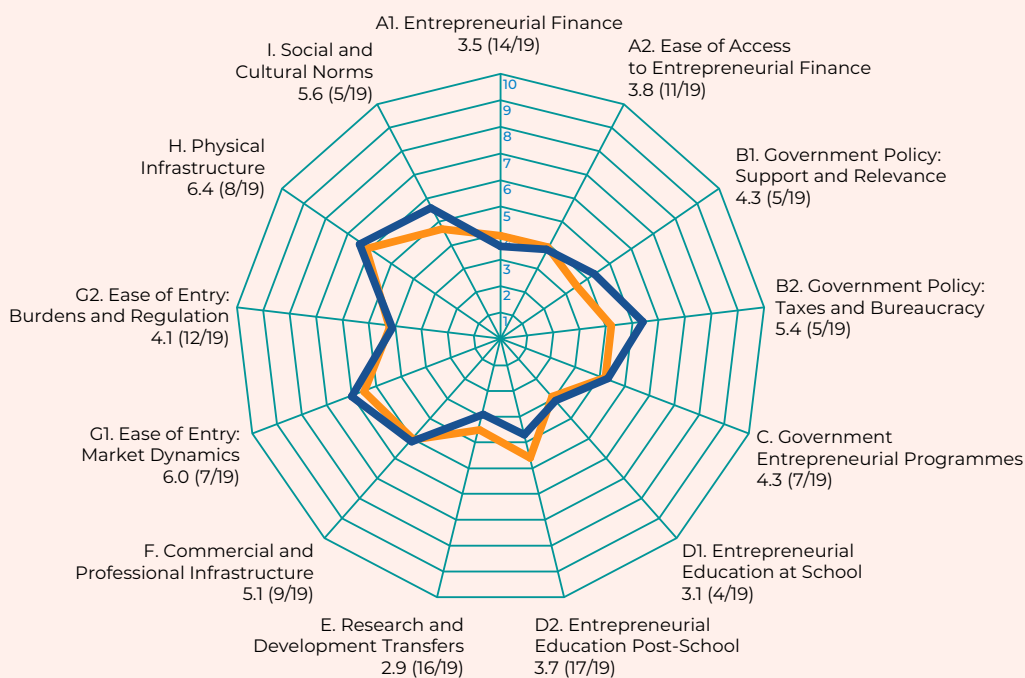
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Kazakhstan —
Group B average
(19 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

The role of SME sector in the economy of Kazakhstan is growing, representing 37% of the country's GDP and accounting for 46% of the total economically active population in 2023, demonstrating the viability of the sector and its ability to adapt to economic conditions. In April 2024, the Law "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Business Conduct" was adopted, aiming to improve the mechanisms for conducting state control and supervision, as well as to improve entrepreneurial activity and ensuring the balance of interests of consumers, business entities and the state.

2024 Framework Conditions Review

In 2024 the overall quality of Kazakhstan's entrepreneurial environment, as assessed by its own national experts, and as measured by the NECI (National Entrepreneurial Context Index), scored 4.5 (less than sufficient) and lower than the 4.8 achieved in 2021 (when Kazakhstan last participated in GEM). In 2021 Kazakhstan had ranked 21st of the GEM economies; by 2024 this has fallen to 32nd.

In the intervening period, eight of Kazakhstan's underlying Framework Conditions have seen their scores reduced, while five have increased (although three by very little). The largest fall is for Government Policy: Support and Relevance (5.6 to 4.3) followed by Entrepreneurial Finance (4.2 to 3.5). The largest increase is for Ease of Entry: Market Dynamics, up from 5.4 to 6.0. In 2024, Kazakhstan has five conditions regarded as sufficient (≥ 5.0), with three less than sufficient, four poor (< 4.0) and one (Research and Development Transfers) scored as very poor (< 3.0). As in many economies, Physical Infrastructure is seen as the strongest Framework Condition, here with a score of 6.4. Both women's

relative access to entrepreneurial resources, and new businesses prioritisation of sustainability are seen as less than satisfactory, with scores of 4.2 and 4.4 respectively.

2024 Entrepreneurial Activity Review

Just over one in four adults in Kazakhstan report that their household income has fallen in the current year, much less than the nine out of 10 reporting the same in 2021. A little over one in eight adults expect to start a business in the next three years.

Entrepreneurial awareness is high, with nearly three in four adults knowing someone who has started a business recently; entrepreneurial confidence less so, with just two in five adults seeing themselves as having the skills and experience to start their own. About two out of three see good opportunities to start a business locally, but more than half of these would not do so for fear it might fail.

Just under one in 10 adults is starting or running a new business, around a half of the level of three years ago, with men slightly more likely to be starting a business than women. Established Business Ownership rates are very low, with about four people starting a new business for every person owning an established one. Building great wealth or high salary is the motivation receiving the most support, agreed by nearly nine out of 10 early-stage entrepreneurs. Few of these sell beyond the country (about one in six), although over two in five expect to use more digital technology in the next six months to sell their products. Job expectations are modest, with around one in eight expecting to employ another six or more people in five years' time, while nearly three in five report that they prioritise social or environmental impacts above profitability or growth.

Institution

Lead institution

Center for Strategic Initiatives (CSI)



Type of institution

Consulting company

Website

<https://csi.kz/>

Team

Team leader

Kamilya Suleimenova

Team members

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Funders

Center for Strategic Initiatives (CSI)

APS vendor

Individual entrepreneur "Kausar"

Contact

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ECONOMY PROFILE



Latvia

■ Population (2023): **1.9 million** (UN)

■ GDP per capita (2023; PPP, international \$): **42.5 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	48.2	34
Good opportunities to start a business in my area	40.5	42
It is easy to start a business	34.1	42
Personally have the skills and knowledge	54.0	32
Fear of failure (opportunity)	47.9	21
Entrepreneurial intentions**	21.7	23

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	33.5	40
To build great wealth or very high income	45.5	38
To continue a family tradition	30.1	27
To earn a living because jobs are scarce	56.9	35

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	12.1	23	10.0	14.2

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	3.5	16=
	% TEA	Rank/51
International (25%+ revenue)	28.0	4
Always consider social impact	77.6	27
Always consider environmental impact	77.5	26
Prioritise social and/or environmental impact above profit or growth	41.2	46
Industry (% TEA in business services)	21.4	23

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	22.9	43
	% TEA	Rank/51
Starting a business is more difficult than a year ago	22.5	48=
Use more digital technology to sell products or services	59.0	20

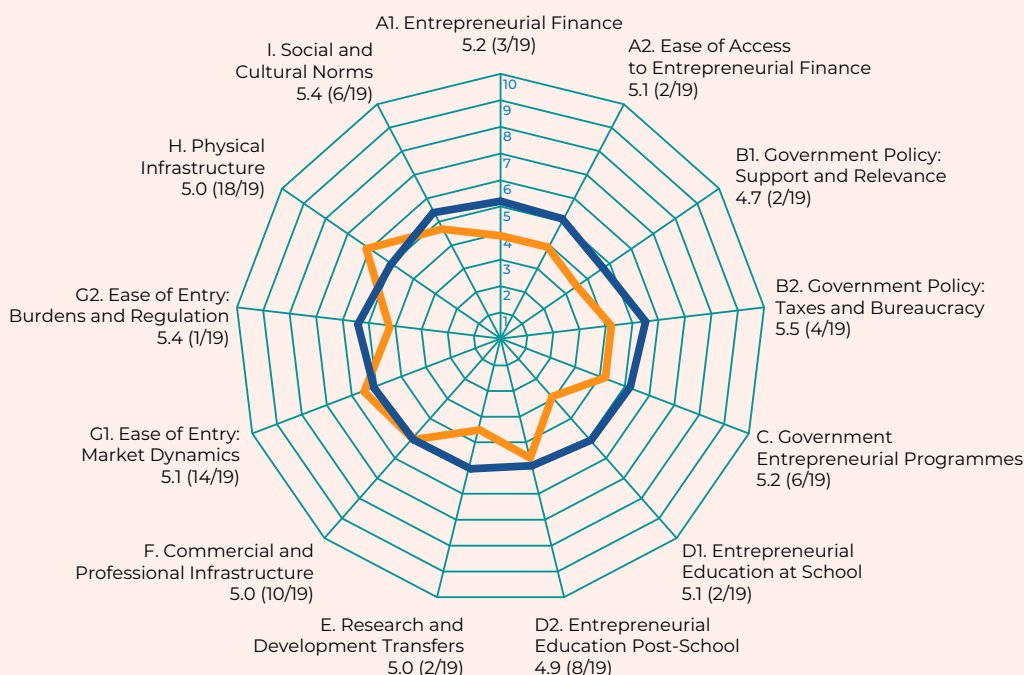
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

In 2024, Latvia's economy is expected to grow modestly by 0.6%, with low inflation at 1.3%. However, external pressures persist, including a 3.4% drop in goods exports, delayed EU-funded projects, declining profitability in key industries and cautious lending by banks. Meanwhile, the Ministry of Economics has allocated €77.3 million to boost exports, investments and innovation, aiming to strengthen business competitiveness.

2024 Framework Conditions Review

The quality of the overall entrepreneurial environment is rated as just better than satisfactory by its national experts in 2024, with a NECI (National Entrepreneurial Context Index) score of 5.1, up from 5.0 a year earlier, and now placing Latvia 14th.

In 2024, eight Framework Conditions have been scored by national experts as satisfactory (≥ 5.0) or better, up from six a year before. The highest score is for Government Policies, Taxes and Bureaucracy, while the lowest is for Government Policies: Support and Relevance, although that score was well up on a year earlier. Moreover, the four remaining Framework Conditions rated as less than satisfactory all score 4.9 or more, so all very close to satisfactory. The highest-ranking Framework Condition for Latvia (sixth) is Entrepreneurial Education at School, which says a lot about how poorly this condition scores elsewhere. Physical Infrastructure in Latvia scores just under satisfactory. However, high scores in other economies mean that this condition places Latvia 53rd.

Women's relative access to entrepreneurial resources scores 5.1 (seventh), well up from 4.4 (40th) a year earlier. Finally, the perceived priority given by new businesses to sustainability scores as better than satisfactory at 5.3, the same as the year before.

2024 Entrepreneurial Activity Review

Just over one in five Latvian adults report that their household income has fallen in the current year, a little higher proportion than a year earlier. A similar proportion expect to start a business in the next three years, also up a little from a year earlier.

Entrepreneurial awareness is reasonable, with just under a half of adults knowing someone who has started a business recently. Confidence is high, with more than one in two adults seeing themselves as having the skills or experience to start their own business, although only two in five see good opportunities to do so locally. Of those who do see good opportunities to start a business, just under half would not do so because of the fear of failure.

The proportion of adults who are starting or running a new business in Latvia has fallen a little in the past year, down to about one in eight. Men are a little more likely than women to be early-stage entrepreneurs. Established business ownership has also fallen, from around one in eight two years ago to just under one in 12 in 2024.

Three in five new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", while just one in three agree with "to make a difference in the world". A similar three out of five expect to use more digital technology in the next six months to sell their products, while one in two has customers beyond Latvia. Jobs optimism is high, with three in 10 new entrepreneurs expecting to employ at least another six people in five years' time. Two in five of these new entrepreneurs report that they prioritise environmental or social impacts above profitability or growth.

Institution

Lead institution

Stockholm School of Economics in Riga (SSE Riga)



SSE RIGA

Type of institution

Business School

Website

<https://www.sseriga.edu>

Other institutions involved

Baltic International Centre for Economic Policy Studies (BICEPS)

Team

Team leader

Marija Krumina

Team member

Anders Paalzow

Funders

Stockholm School of Economics in Riga
The Abraham Storch Memorial Project.

APS vendor

SKDS

Contact

marija@biceps.org

ECONOMY PROFILE



Lithuania

■ Population (2023): **2.9 million** (UN)

■ GDP per capita (2023; PPP, international \$): **51.9 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	71.1	10
Good opportunities to start a business in my area	50.6	32
It is easy to start a business	40.9	34
Personally have the skills and knowledge	55.6	28
Fear of failure (opportunity)	48.1	19
Entrepreneurial intentions**	20.2	25

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	48.0	22
To build great wealth or very high income	57.0	28
To continue a family tradition	32.3	20
To earn a living because jobs are scarce	71.0	27

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	11.6	27	11.6	11.6

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	2.5	24=
	% TEA	Rank/51
International (25%+ revenue)	7.7	39
Always consider social impact	75.7	31
Always consider environmental impact	66.5	43
Prioritise social and/or environmental impact above profit or growth	50.5	40
Industry (% TEA in business services)	18.4	30

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	25.7	36
	% TEA	Rank/51
Starting a business is more difficult than a year ago	43.2	29
Use more digital technology to sell products or services	37.3	47

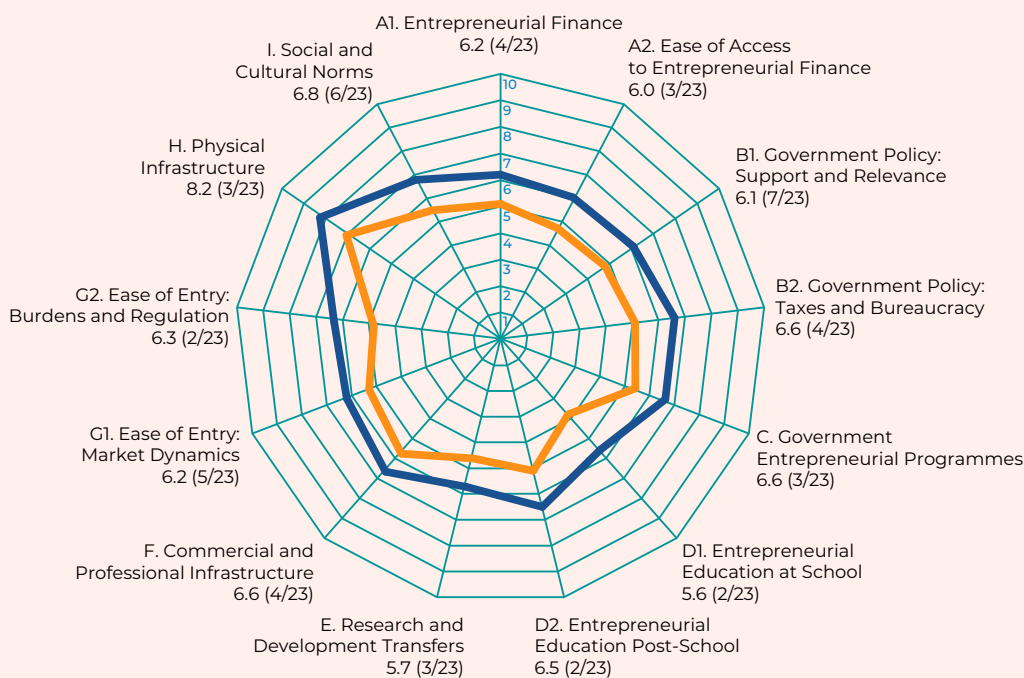
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Lithuania —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

After two years of stagnation, Lithuania's economy returned to growth in the first half of 2024. Real GDP is projected to increase by 3% next year after growing by 2% this year. The service sector, particularly IT, has been a key driver of growth, while manufacturing has started to recover. Over three years, the administrative burden on businesses has been reduced by more than €33 million. Following the implementation of the €1 billion plan to boost the country's economy, the government has provided more than €226 million in additional funding to companies and almost €300 million has been made available to business through various financial instruments (loans, venture capital).

2024 Framework Conditions Review

National experts view Lithuania's entrepreneurial environment as very positive, with a NECI (National Entrepreneurial Context Index) score in 2024 of 6.4 (ranked second), up from 6.1 (fourth) the year before. In 2024, all 13 of Lithuania's Framework Conditions scored as sufficient (≥ 5.0) or better, an improvement from a year earlier when Entrepreneurial Education at School had scored 4.7 (less than sufficient); the increase of this condition's score to 5.6 brought all of them over the sufficiency line.

Out of 56 economies participating in the 2024 GEM National Expert Survey, Lithuania ranked second overall for three Framework Conditions (both education conditions and Ease of Entry: Market Dynamics), and third for a further three conditions (Government Entrepreneurial Programmes; Ease of Access to Entrepreneurial Finance; and Research and Development Transfers). Despite these excellent scores, national experts still saw Lithuania as less than satisfactory in terms of women's relative access to entrepreneurial resources, although that score

did increase in the past year from 4.5 to 4.8, so still work to do here. However, those same experts scored the priority new businesses give to their social or environmental impacts at 6.7, much better than satisfactory and up from 6.1 in 2023.

2024 Entrepreneurial Activity Review

Just one in four Lithuanian adults report that their household income has fallen in 2024, down from one in three a year earlier. Meanwhile, entrepreneurial intentions are up sharply, with one in five adults expecting to start a new business in the next three years, nearly doubled from one year ago. Lithuania has high levels of entrepreneurial awareness, with over seven out of 10 adults knowing someone who has started a business recently, while more than half of adults see themselves as having the skills and experience to start their own. About the same proportion see good opportunities to start a business locally, but nearly half of these would not start a business for fear it may fail.

Nearly one in eight Lithuanians are currently starting or running a business, almost twice the rate of the previous year, which was itself half the rate of the year before. Hence, entrepreneurial activity rates are volatile, as evidenced by only one in 30 adults being an Established Business Owner in 2024, compared to one in seven adults in 2023. However, men and women are equally likely to be starting or running a new business.

More than a third of these expected to use more digital technology in the next six months, while a similar proportion already had customers beyond the country. Job expectations are high, with one in five new entrepreneurs anticipating employing at least another six people in five years' time. One in two reported that they prioritised social or environmental impacts above profits or growth.

Institution

Lead institution

Vilnius University Business School



Type of institution

University

Website

<https://www.vu.lt/en/>

Other institutions involved

Ministry of Economics and Innovation



Team

Team leader

Prof.Saule Maciukaite-Zviniene

Team members

Vytenis Mockus
Robertas Skliaustas
Ieva Druktene
Migle Marija Galvonaite
Andrius Jankauskas

Funders

Moody's Lithuania

MOODY'S

Vilnius University Business School
Ministry of Economics and Innovation

APS vendor

SQ Shopper Quality

Contact

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ECONOMY PROFILE



Luxembourg

■ Population (2023): **.7 million** (UN)

■ GDP per capita (2023; PPP, international \$): **143.3 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	47.6	35
Good opportunities to start a business in my area	47.7	35
It is easy to start a business	61.0	12
Personally have the skills and knowledge	48.8	39
Fear of failure (opportunity)	41.4	40
Entrepreneurial intentions**	15.8	31

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	57.9	12
To build great wealth or very high income	51.8	32
To continue a family tradition	21.6	40=
To earn a living because jobs are scarce	37.9	47

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	9.9	30=	6.4	13.2

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	2.5	24=
	% TEA	Rank/51
International (25%+ revenue)	39.6	1
Always consider social impact	79.7	23
Always consider environmental impact	82.4	19
Prioritise social and/or environmental impact above profit or growth	53.9	36
Industry (% TEA in business services)	40.4	3

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	26.4	34
	% TEA	Rank/51
Starting a business is more difficult than a year ago	45.6	22=
Use more digital technology to sell products or services	72.4	5

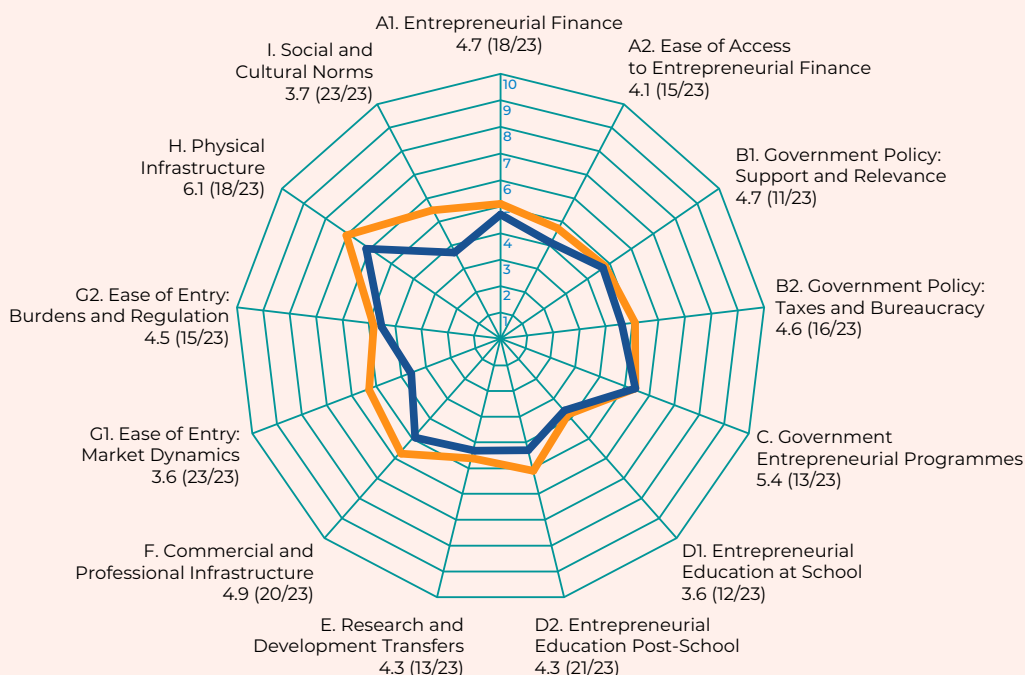
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Luxembourg —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Luxembourg is gradually emerging from the recession of 2023, with real GDP growth projected at +1.5% for 2024. Growth is expected to accelerate steadily from 2025, reaching nearly 3% by the end of the forecast period.¹ The new law on business protection and modernisation of the bankruptcy regime entered into force in November 2023, enabling non-viable firms to exit and viable ones to restructure.² The new legislation aims to improve resource reallocation to productive firms and encourages entrepreneurship by offering failed entrepreneurs a second chance, promoting risk-taking and innovation.

2024 Framework Conditions Review

The overall quality of the entrepreneurial environment in Luxembourg has declined over the past two years, with its NECI (National Entrepreneurial Context Index) score falling from 5.0 in 2022, placing Luxembourg 20th among GEM economies, to 4.6 last year and then to 4.5 in 2024, placed at 30th. 2024 presents a very mixed picture, with six of 13 Framework Conditions improving and seven declining. Most changes were small, although the rating for Entrepreneurial Education Post-School fell from 5.2 to 4.3, while Social and Cultural Norms declined from 4.5 to 3.7. Of those 13 conditions, just two are rated as sufficient (≥ 5.0) or better (Government Entrepreneurial Programmes and Physical Infrastructure), while eight are scored as just less than sufficient (< 5.0) and three as poor (< 4.0): Entrepreneurial Education at School; Ease of Entry; Market Dynamics; and Social and Cultural Norms. For one of the richest economies in Europe to have

poor-quality entrepreneurial education in schools is disappointing.

Women's relative access to entrepreneurial resources scored as just less than sufficient, which may help to explain why more men than women start businesses in Luxembourg. New and growing businesses prioritisation of sustainability is seen by experts as just sufficient.

2024 Entrepreneurial Activity Review

Just over one in four adults in Luxembourg reported that their household income has fallen in the current year, a proportion that has been reasonably stable over time.

A little under half of adults know someone who has started a business in the past two years, or see good opportunities for doing so locally, or consider themselves to have the skills and knowledge to start their own. Of those seeing good opportunities, more than two in five would not start a business for fear it might fail. Despite this, the proportion of adults in Luxembourg intending to start their own business has been increasing, from just one in 10 in 2020 to about one in six in 2024. In the meantime, one in 10 adults are already starting or running a new business, with men more than twice as likely as women to be doing so. Established Business Ownership levels are much lower, at less than one in 20 adults.

Not surprisingly for a small surrounded economy, more than two in three new entrepreneurs in Luxembourg have customers beyond its borders, while seven in 10 expect to use more digital technology in the next six months to sell their products, and a high one in four expect to employ another six or more people in five years' time. Making a difference in the world is the most commonly agreed motivation for new entrepreneurs, at just over one in two, while a similar proportion report that they prioritise environmental or social impacts above profitability or growth.

- 1 Statistiques.lu (2024, 19 September). "Updated Forecasts for 2024 and 2025 and Medium-Term Projections". <https://statistiques.public.lu/en/actualites/2024/stn34-projections-moyen-terme.html>
- 2 Journal Officiel du Grand-Duché de Luxembourg. <https://legilux.public.lu/eli/etat/leg/loi/2023/08/07/a521/jo>

Institution

Lead institution
STATEC Research

STATEC
RESEARCH

Type of institution
Public Body

Website

<https://statistiques.public.lu/en/statistique-publique/statec/red.html>

Team

Team leader

Cesare Riillo

Team members

Francesco Sarracino

Chiara Peroni

Maxime Pettinger

Funders

STATEC Research

STATEC (National Institute of Statistics and Economic Studies of the Grand Duchy of Luxembourg)

Chambre de Commerce Luxembourg

House of Entrepreneurship

Ministère de l'Économie

APS vendor

TNS ILRES

Contact

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ECONOMY PROFILE



Mexico

■ Population (2023): **128.5 million** (UN)

■ GDP per capita (2023; PPP, international \$): **25.6 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	57.7	19
Good opportunities to start a business in my area	59.1	23
It is easy to start a business	47.3	23
Personally have the skills and knowledge	66.6	18
Fear of failure (opportunity)	45.6	27=
Entrepreneurial intentions**	21.0	24

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	59.2	10
To build great wealth or very high income	66.1	17
To continue a family tradition	49.8	5
To earn a living because jobs are scarce	81.0	13

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	15.0	15	15.5	14.3

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	3.4	19
	% TEA	Rank/51
International (25%+ revenue)	4.3	41
Always consider social impact	87.4	8
Always consider environmental impact	85.3	13
Prioritise social and/or environmental impact above profit or growth	74.0	14
Industry (% TEA in business services)	7.0	44

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	35.0	19=
	% TEA	Rank/51
Starting a business is more difficult than a year ago	44.4	26=
Use more digital technology to sell products or services	70.6	6

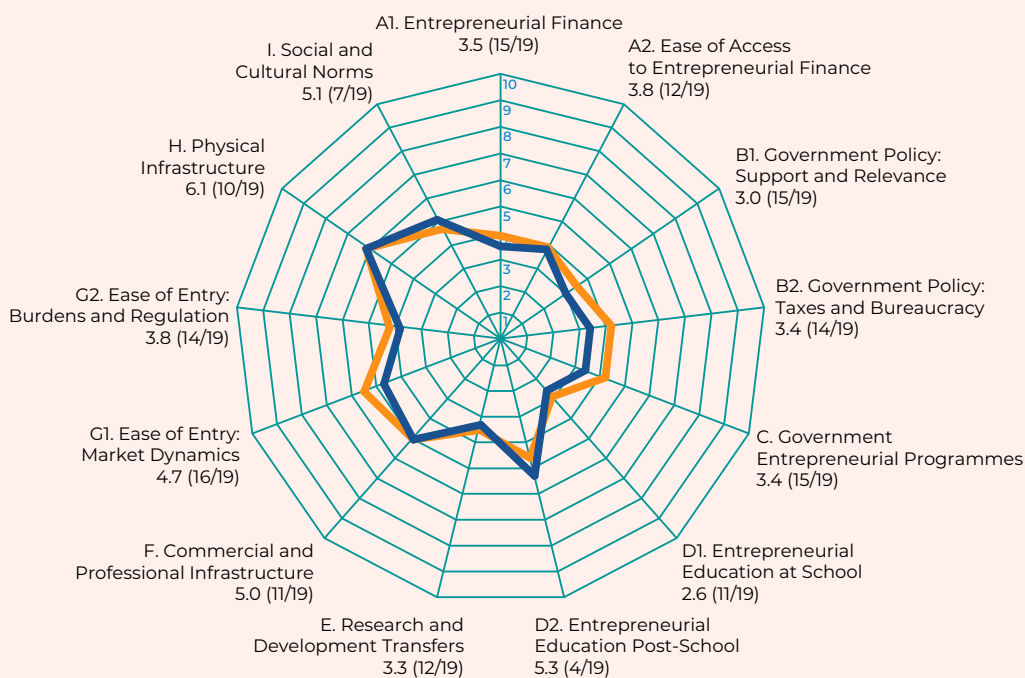
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Mexico —
Group B average
(19 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Arguably, the economic policy dynamics in Mexico have been the most influential cause of weak performance in terms of entrepreneurial and business activities. Since 2019, the federal government's support programmes for entrepreneurship and R&D have suffered a remarkable decline, and while it looks likely that the Mexican economy grew around 2.0% in 2024, this is much lower than the officially projected 4%. No new federal programmes were implemented in 2024, leaving just some local state government initiatives, like Nuevo León's PEAK acceleration programme, Jalisco's REDi programme and Santiago de Querétaro's IQEI to support entrepreneurs and startups.

2024 Framework Conditions Review

The overall quality of the Mexican entrepreneurial environment, as rated by its national experts and scored by the NECI (National Entrepreneurial Context Index), has been slowly improving, up from 3.8 in 2022 to 3.9 in 2023 and 4.1 in 2024. However, in 2024, just three of the 13 Framework Conditions scored as sufficient (≥ 5.0) or better, as in 2023: Entrepreneurial Education Post-School; Physical Infrastructure; and Social and Cultural Norms. One condition was scored as very poor (< 3.0): Entrepreneurial Education at School, although this improved from 2.1 in 2023 to 2.6 in 2024. Three conditions have scores that fell in the past year: Entrepreneurial Finance; Government Entrepreneurial Programmes; and Ease of Entry: Market Dynamics. Ten conditions improved their scores in 2024, and while most increases were small, Government Policy: Support and Relevance improved from 2.5 to 3.0 and Entrepreneurial Education at School from 2.1 to 2.6. Despite these, among the 56 GEM economies in 2024, Mexico ranked 48th for Entrepreneurial Finance and 47th for both Government Policy: Taxes and Bureaucracy and Government Entrepreneurial Programmes. Ironically, Mexico's highest rank was for its lowest-scoring condition: Entrepreneurial Education at School, ranked 17th.

Mexico scores much better for women's relative access to entrepreneurial resources (5.5), and for the priority new businesses give to sustainability (5.5), with both scores having improved.

2024 Entrepreneurial Activity Review

In 2024, just over one in three adults report that their household income has fallen in the current year, less than half of the level two years ago. Entrepreneurial intentions are reasonable, with about one in five adults expecting to start a business in the next three years, down a little from a year earlier. Nearly three in five adults know someone who has started a business recently, with a similar proportion seeing good opportunities to start a business locally. However, confidence is high, with two in three adults seeing themselves as having the skills and experience to start their own business. Of those who see good opportunities, just under a half would not start a business for fear it might fail.

Around one in seven adults in Mexico are starting or running a new business, down a little from a year before, with women more likely to start a business than men. Established Business Ownership is very low at about one in 30 adults, a level unchanged since last year, implying a ratio of about five people starting new businesses for every person owning an established one. This persistently high ratio suggests that substantial obstacles prevent new companies from maturing into established ones.

Four out of five new entrepreneurs agree with the motivation "to earn a living because jobs are scarce". While just one in 10 new businesses have customers beyond Mexico, that may change, since seven out of 10 expect to use more digital technology in the next six months to sell their products. Job expectations are reasonable, with more than one in five new entrepreneurs wishing to employ at least six more people in five years. Nearly three in four new entrepreneurs report prioritising social or environmental impacts above profitability or growth.

Institution

Lead institution

Instituto Tecnológico y de Estudios Superiores de Monterrey (Tecnológico de Monterrey)



Type of institution

University

Website

<https://tec.mx/en>

Team

Team leader

José Ernesto Amorós

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Marcia Nelly Villasana Campos

Funders

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APS vendor

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ECONOMY PROFILE



Morocco

■ Population (2023): **37.8 million** (UN)

■ GDP per capita (2023; PPP, international \$): **9.7 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	78.2	3
Good opportunities to start a business in my area	62.6	13
It is easy to start a business	42.2	31=
Personally have the skills and knowledge	74.6	10
Fear of failure (opportunity)	52.3	10
Entrepreneurial intentions**	15.1	34

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	3.1	20=
	% TEA	Rank/51
International (25%+ revenue)	8.0	37
Always consider social impact	49.3	50
Always consider environmental impact	39.4	51
Prioritise social and/or environmental impact above profit or growth	44.1	41
Industry (% TEA in business services)	6.9	45

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	25.7	45
To build great wealth or very high income	58.0	27
To continue a family tradition	30.2	26
To earn a living because jobs are scarce	87.2	9

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	12.5	21	12.5	12.5

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	30.4	26=
	% TEA	Rank/51
Starting a business is more difficult than a year ago	64.1	5
Use more digital technology to sell products or services	40.9	43

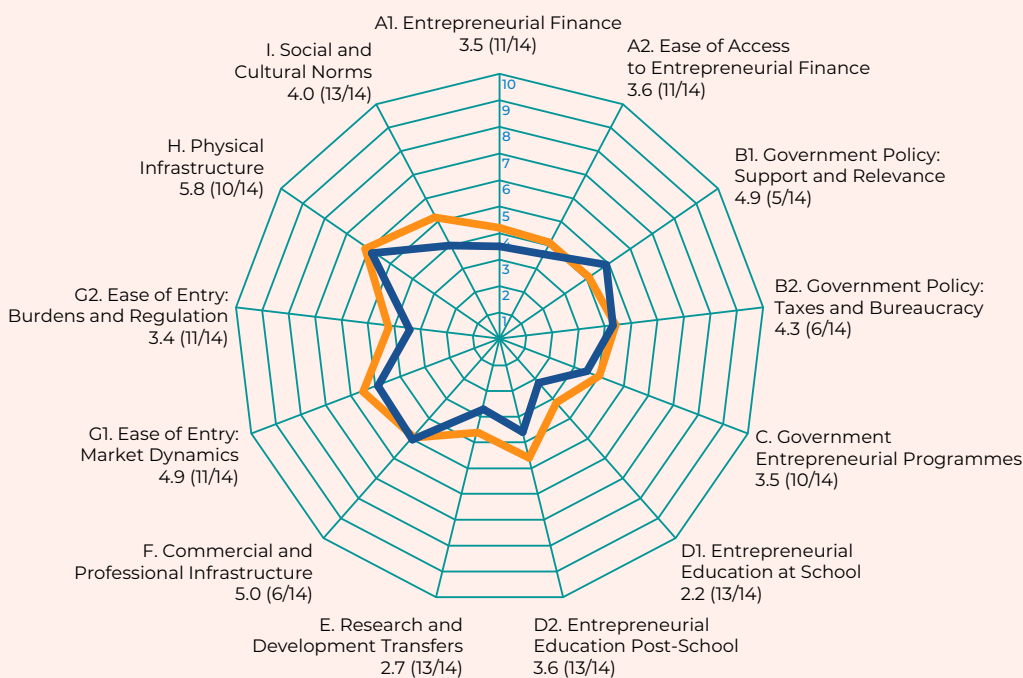
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Morocco —
Group C average
(14 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Improving conditions for entrepreneurship in Morocco include government initiatives for startup financing (via TAMWILCOM, for example), a growing number of technology hubs and incubators, and improvements in digital infrastructure. However, challenges remain, such as complex regulatory processes and limited access to venture capital. In 2023, policy changes included simplified tax regulations for small and medium enterprises and enhanced support for digital startups. The Digital Morocco 2030 initiative has a budget of around US \$1.1 billion and aims to support startups, either by providing funding or helping them to expand regionally and internationally.

2024 Framework Conditions Review

The quality of the overall entrepreneurial environment in Morocco, as assessed by its national experts, has a NECI (National Entrepreneurial Context Index) score of 3.9 in 2024. While this score reflects some challenges compared to the 4.3 achieved in the previous two years, it also highlights areas for potential growth and improvement. The decline is attributed to decreases in 11 of 13 Framework Conditions, with the most notable changes being in Government Entrepreneurial Programmes (from 4.4 to 3.5) and in Government Policy: Support and Relevance (from 5.7 to 4.9). Only one condition scored the same (Ease of Entry: Market Dynamics) and one score improved slightly (Entrepreneurial Education at School). In 2024, six conditions were rated as poor (<4.0), and two as very poor (<3.0): Entrepreneurial Education at School and Research and Development Transfers. As a result, Morocco has seven conditions ranked in the bottom 10 of the 56 economies in GEM's 2024 National Expert Survey, alongside one condition (Government Policy: Support and Relevance) in the top 20. Morocco scores much better with women's relative access to entrepreneurial resources (5.9) but not for new

businesses' perceived prioritisation of sustainability (4.0).

2024 Entrepreneurial Activity Review

More than three in 10 adults in Morocco report that their household income has fallen in the current year — a significant proportion but less than half the rate of two years ago. Over the same period the proportion of adults who expect to start a business in the next three years has also more than halved, being just over 15% in 2024. Entrepreneurial awareness is high, with more than three in four adults knowing someone who has started a business recently or see themselves as having the skills and experience to start their own. Just over three in five adults see good conditions to start a business locally, although nearly a third of these would not start a business for fear it might fail.

The level of early-stage entrepreneurship in Morocco is about one in eight adults, a level that has doubled in the past year. However, the level of Established Business Ownership is very low, at about one in 30 adults, halving more than halved in the last 12 months. This gives a ratio of around four people starting businesses for every established business, a ratio which, if maintained, would point to serious obstacles preventing new businesses from enduring to maturity. However, the female new entrepreneurship rate has increased sharply recently.

Nearly nine out of 10 new entrepreneurs agree with the motivation “to earn a living because jobs are scarce”, while three in 10 have customers beyond Morocco, a figure that has risen quickly. Two out of five expect to use more digital technology to sell their products in the next six months, while one in four anticipate employing at least another six people in five years' time. Finally, just over two in five new entrepreneurs report prioritising social or environmental impacts above profitability or growth.

Institution

Lead institution

Entrepreneurship Research Laboratory — Faculty of Law, Economics and Social Sciences, University of Hassan II Casablanca



Type of institution

University

Website

<http://www.entrepreneurship.ma>

Team

Team leaders

Khalid El Ouazzani
Fatima Boutaleb, PhD

Team members

Abdellatif Komat, PhD
Salah Koubaa, PhD
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Sara Yassine, PhD
Riad Mekouar

Funders

University of Hassan II Casablanca

APS vendor

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ECONOMY PROFILE



Norway

■ Population (2023): **5.5 million** (UN)

■ GDP per capita (2023; PPP, international \$): **104.5 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	47.5	36
Good opportunities to start a business in my area	62.0	14=
It is easy to start a business	74.1	6
Personally have the skills and knowledge	49.9	38
Fear of failure (opportunity)	40.5	41
Entrepreneurial intentions**	8.8	45

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	39.9	32
To build great wealth or very high income	36.5	51
To continue a family tradition	22.6	36=
To earn a living because jobs are scarce	31.9	50

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	10.0	29	6.1	13.7

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	3.0	22
	% TEA	Rank/51
International (25%+ revenue)	13.0	27
Always consider social impact	57.1	49
Always consider environmental impact	75.0	30
Prioritise social and/or environmental impact above profit or growth	54.4	35
Industry (% TEA in business services)	38.0	5

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	18.6	47
	% TEA	Rank/51
Starting a business is more difficult than a year ago	35.1	40
Use more digital technology to sell products or services	47.9	33

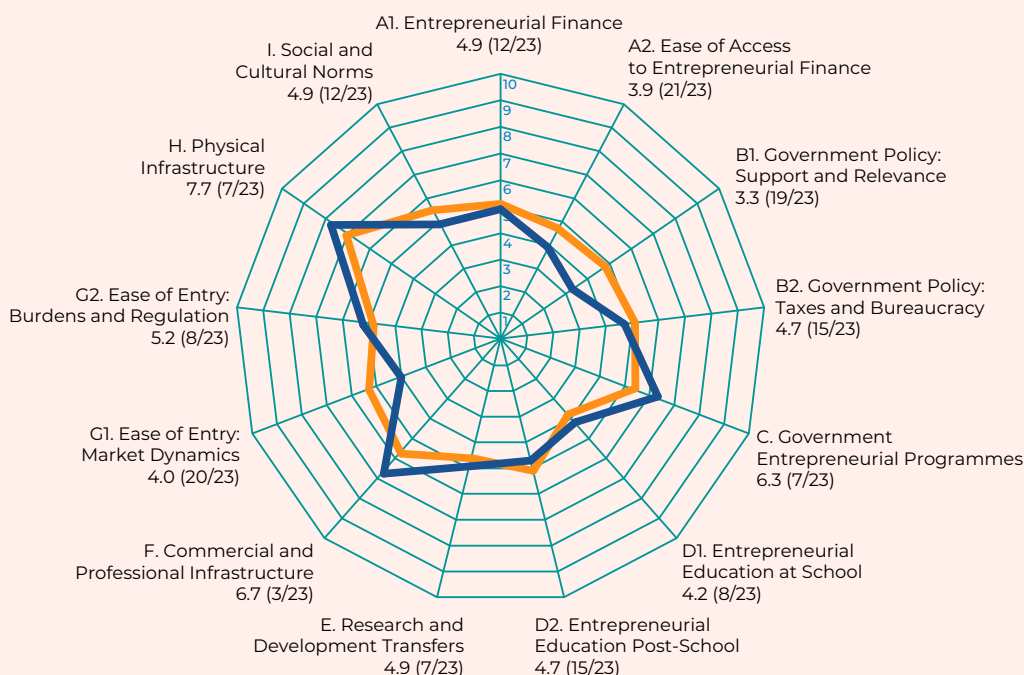
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Norway —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

The downturn in the Norwegian economy has flattened in 2024, with a significant decline in inflation, although the labour market is still tight and wages are rising. Entrepreneurs face increased business costs, while exporters benefit from the weak Norwegian currency. In 2024 the government launched a white paper on entrepreneurship, including 53 measures aimed at making Norway “the best country in the world to start and run a business”, including improved access to risk capital and qualified labour, alongside ambitions to simplify business regulations.

2024 Framework Conditions Review

The quality of Norway's overall entrepreneurial environment, as assessed by its national experts, has fluctuated in recent years, from a NECI (National Entrepreneurial Context Index) score of 5.2 (better than sufficient) two years ago, to 4.7 last year (less than sufficient), and then back to 5.0 (just sufficient) in 2024. However, the majority of Framework Conditions are still assessed as insufficient (<5.0), with seven of these scoring more than 4.0 but two scoring as poor (<4.0): Ease of Access to Entrepreneurial Finance and Government Policy: Support and Relevance. The four conditions seen as sufficient or better are Physical Infrastructure; Commercial and Professional Infrastructure (third across GEM); Government Entrepreneurial Programmes; and Ease of Entry: Burdens and Regulations. Eight conditions improved their scores in 2024 and five declined. The largest increase was for Government Entrepreneurial Programmes. Both government policy conditions and educational conditions are seen as less than sufficient, offset a little by the improvement in Entrepreneurial Programmes.

Women's relative access to entrepreneurial resources is scored as less than sufficient, which may be a factor in why men are starting twice as many new businesses as women. However, new and growing businesses prioritisation of sustainability is seen as excellent, with the third highest score in GEM.

2024 Entrepreneurial Activity Review

Less than one in five adults in Norway report that their household income has declined in the current year, a relatively low level in European terms, but well up on the one in eight of a year ago. Just under a half of Norwegian adults know someone who has started a business in the last two years, or consider themselves to have the skills or knowledge to be able to start a business. More than three in five see good opportunities to start locally, but over two in five of these would not do so because of the fear of failure.

The proportion of adults in Norway already starting or running a new business continues to rise, reaching one in 10 in 2024, more than three times the level of three years ago, when it was particularly low during COVID-19. Established Business Ownership levels now lag behind the number starting new businesses; men are still twice as likely as women to be starting a new business. One in three new entrepreneurs have customers beyond Norway, and nearly half expect to use more digital technology in the next six months, while a relatively high three in 10 anticipate employing another six or more people in five years' time.

“To make a difference in the world” continues to be the most agreed motivation among new entrepreneurs, also reflected in the more than one in two who report prioritising environmental or social impacts above profitability or growth.

Institution

Lead institution

Nord University Business School



NORD
University

BUSINESS SCHOOL

Type of institution

University

Website

<https://www.nord.no/en>

Team

Team leader

Professor Gry Agnete Alsos

Team members

Marit Breivik-Meyer

Sølvi Solvoll

Marta Lindvert

Maiken Stensaker Emilsen

Funders

Innovation Norway

Nord University Business School

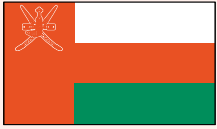
APS vendor

Norstat and Oxford Research

Contact

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ECONOMY PROFILE



Oman

■ Population (2023): **4.6 million** (UN)

■ GDP per capita (2023; PPP, international \$): **44.4 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	56.3	21
Good opportunities to start a business in my area	73.8	5
It is easy to start a business	50.6	17
Personally have the skills and knowledge	70.1	14
Fear of failure (opportunity)	33.2	49
Entrepreneurial intentions**	41.5	6

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.1	40=
	% TEA	Rank/51
International (25%+ revenue)	11.5	28
Always consider social impact	69.5	39
Always consider environmental impact	71.9	34
Prioritise social and/or environmental impact above profit or growth	63.7	22
Industry (% TEA in business services)	19.3	27

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	39.5	33
To build great wealth or very high income	43.3	41
To continue a family tradition	49.7	6
To earn a living because jobs are scarce	42.6	46

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	9.2	36	6.5	11.8

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	39.5	14
	% TEA	Rank/51
Starting a business is more difficult than a year ago	42.3	31
Use more digital technology to sell products or services	61.0	16

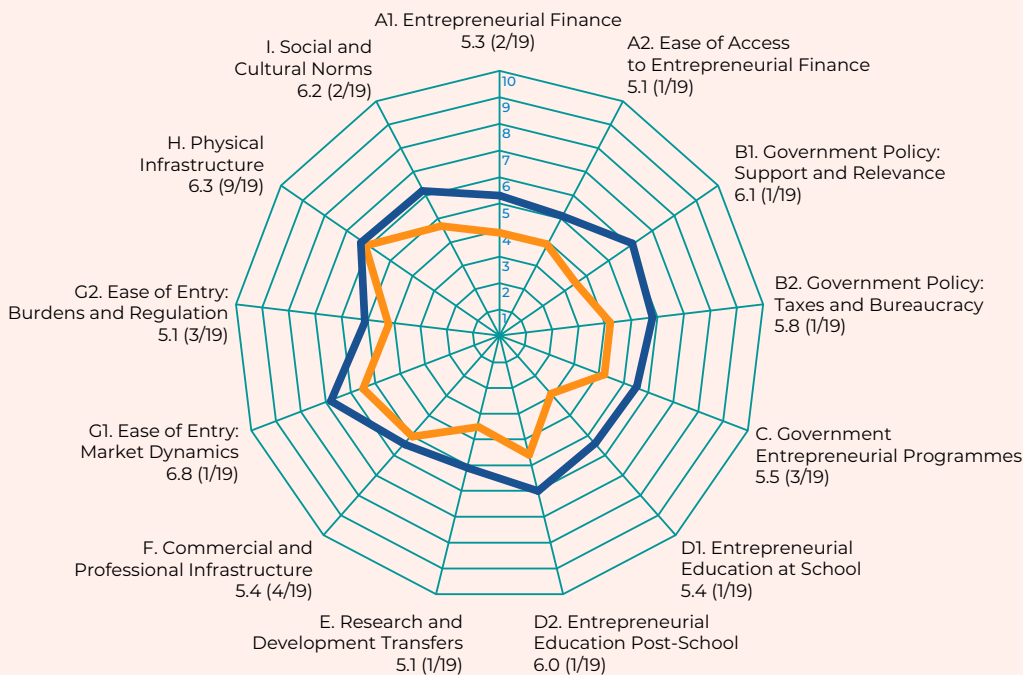
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Oman —
Group B average
(19 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Economic conditions for Oman are improving. GDP increased by more than 2% in the first quarter of 2024, and the inflation rate is below 1%. Oman Vision 2040 aims to diversify the economy and increase the contribution of non-oil sectors, with a focus on technology, knowledge and innovation.

The Ministry of Education, in collaboration with the SMEs Development Authority, has designed an entrepreneurship curriculum for school students, while the Ministry of Higher Education, Research and Innovation has launched the Scientific Incubation programme for university and college students to help them bring innovative ideas to the market.

2024 Framework Conditions Review

The quality of the entrepreneurial environment in Oman, as rated by its national experts and as measured by its NECI (National Entrepreneurial Context Index) score, has improved steadily since 2021, with the score rising from 4.1 (40th) that year to 5.7 (eighth) in 2024. For the first time, 2024 sees all 13 of Oman's Framework Conditions rated as sufficient (≥ 5.0) or better, up from eight last year. Ten conditions improved their score over 2023, with the biggest increase being for Ease of Entry: Market Dynamics, up from 5.8 to 6.8. Four of Oman's Framework Conditions are now rated as good (≥ 6.0). However, two conditions (Physical Infrastructure and Social and Cultural Norms) have lower scores in 2024 than 2023, while Commercial and Professional Infrastructure scores more or less the same.

In 2024 Oman ranks fourth of 56 GEM economies for Entrepreneurial Education at School, fifth for Ease of Entry: Market Dynamics and sixth for Entrepreneurial Education Post-School, but 32nd for Physical Infrastructure. Women's relative access to entrepreneurial resources is scored by its national

experts as fairly low (4.3), although much improved on the year before (2.8). New businesses' prioritisation of sustainability scores much better at 6.1, though down on the previous year (6.6).

2024 Entrepreneurial Activity Review

About two in five adults report that their household income has fallen in 2024, up from one in five a year earlier. A similar proportion expect to start a business within the next three years, down from two in three one year ago. Over a half of adults know someone who has started a business recently, while a relatively high seven out of 10 see themselves as having the skills and experience to start their own or see good opportunities to start a business locally. Of the latter, just one in three would not start a business for fear it fails.

Just under one in 10 adults in Oman are starting or running a new business, down slightly from the year before, while men are almost twice as likely as women to be starting that business. The level of Established Business Ownership is less than half of the early-stage entrepreneurship rate, implying more than two people starting a business for every person owning an established one.

"To continue a family tradition" was the most agreed motivation among new entrepreneurs, selected by around one in two. One in three of those new entrepreneurs has customers beyond Oman, a proportion that may increase since three out of five expect to use more digital technology to sell their products in the next six months. Job expectations are modest, with around one in eight early-stage entrepreneurs expecting to employ at least another six people in five years' time. Finally, more than three in five of those starting or running new businesses report that they prioritise social or environmental impacts above profitability or growth.

Institution

Lead institution

University of Nizwa



Small and Medium Enterprises (SMEs)
Development Authority

Type of institution

University
Organisation

Website

<http://www.unizwa.edu.om>
<https://www.sme.gov.om/>

Team

Team leader

Dr. Abdullah Al Shukaili

Team members

Dr. Salem Al Abri
Badar Al Suleimani
Abrar Al Alwai
Kawther Al Kindi
Mohammed Al Maawaly
Dr. Salim Al Riyami

Funders

University of Nizwa
SMEs Development Authority

APS vendor

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Contact

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ECONOMY PROFILE



Poland

■ Population (2023): **36.7 million** (UN)

■ GDP per capita (2023; PPP, international \$): **49.5 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	46.8	38
Good opportunities to start a business in my area	73.6	6
It is easy to start a business	83.4	3
Personally have the skills and knowledge	47.7	42
Fear of failure (opportunity)	51.8	11
Entrepreneurial intentions**	3.1	51

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	0.1	51
	% TEA	Rank/51
International (25%+ revenue)	4.1	42
Always consider social impact	87.2	10
Always consider environmental impact	91.8	2
Prioritise social and/or environmental impact above profit or growth	24.1	51
Industry (% TEA in business services)	25.5	17

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	16.4	50
To build great wealth or very high income	38.3	50
To continue a family tradition	11.2	50
To earn a living because jobs are scarce	71.4	26

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	2.5	51	2.3	2.6

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	45.8	9
	% TEA	Rank/51
Starting a business is more difficult than a year ago	29.2	44
Use more digital technology to sell products or services	43.9	39

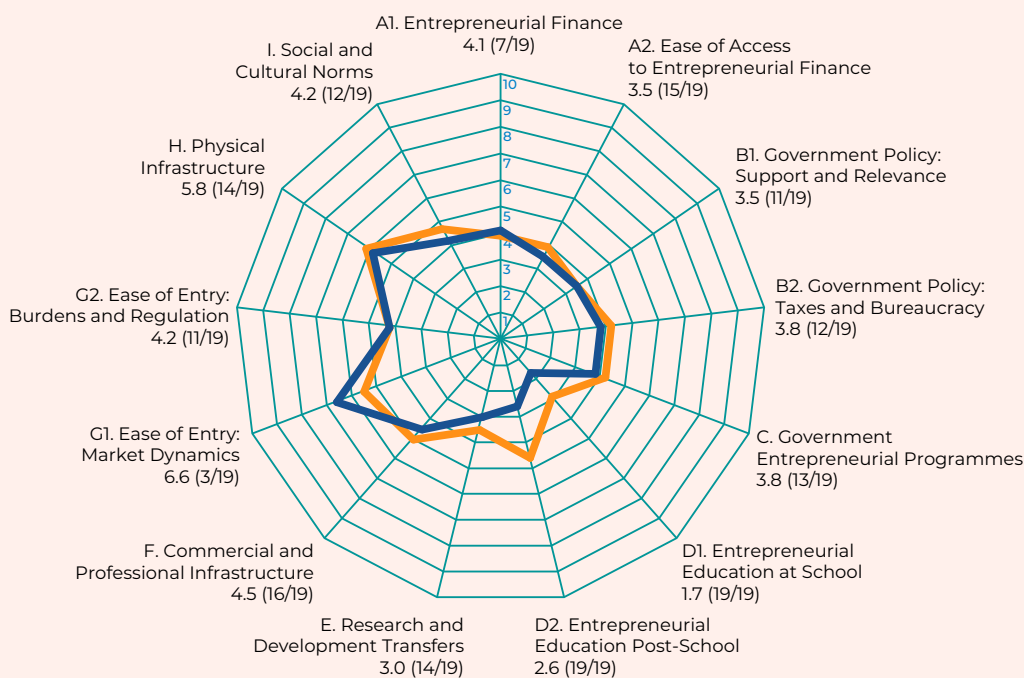
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Poland —
Group B average
(19 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Poland's economy rebounded sharply in 2024, with real GDP growth expected to be around 3% (the fourth highest in the EU), with inflation just under 4% and a low unemployment rate of less than 3%. On the other hand, the high cost of employment remains the main barrier to entrepreneurial activity.

Most policy changes by the government in 2023 and 2024 are aimed at simplifying procedures and advancing digitalisation. From September 2023, people can establish a business faster and more conveniently. Entrepreneurs are also encouraged to issue electronic invoices via a dedicated platform provided by the government: the National System of e-Invoices (KSeF).

2024 Framework Conditions Review

The overall quality of the Polish entrepreneurial environment, as assessed by its own national experts and as measured by the NECI (National Entrepreneurial Context Index), is less than sufficient, with a score of 4.0, placing Poland 46th of the 56 economies in the 2024 GEM National Expert Survey. In 2023, Poland had scored 4.2 and ranked 33rd.

The reason for this shift is that 10 of Poland's Framework Conditions have lower scores in 2024 than 2023, with the largest fall being for Commercial and Professional Infrastructure, which fell from 5.4 to 4.5, reducing the number of conditions scored as sufficient (≥ 5.0) from three to two. Poland also has five conditions rated as poor (< 4.0) and two as very poor (< 3.0). Entrepreneurial Education Post-School scores 2.6, while Entrepreneurial Education at School came in at 1.7. Both ranked 56th of the 56 economies in the GEM National Expert Survey in 2024, a dismal position for an economy that can no longer claim to be poor, given a GDP per capita of almost \$50,000. These scores, and the poor scores for all three conditions, indicate where government attention and action is needed. Both government policy conditions plus

Government Entrepreneurial Programmes point to need for revision, public support and EU-funded investment. Poland scored better for women's relative access to entrepreneurial resources (4.6), and for the priority new businesses are seen to give to sustainability.

2024 Entrepreneurial Activity Review

Just under a half of Polish adults report that their household income has fallen in the current year, more or less the same proportion as last year. Only one in 30 adults expect to start a business in the next three years, a low figure but up on a year before.

The level of early-stage entrepreneurship is only one in 40 adults in Poland, again similar to a year ago. Men are just slightly more likely to be starting a business. However, the level of Established Business Ownership is much higher, at about one in eight, implying around five people owning established businesses for every person starting a new one.

Despite the relatively low level of new entrepreneurial activity, nearly one in two adults report that they know someone who has recently started a business, with a similar proportion seeing themselves as having the skills and experience to start their own. Almost three in four adults report seeing good opportunities to start a business locally, although over half of these would be deterred by fear of failure.

"To earn a living because jobs are scarce" is the dominant agreed motivation, chosen by over seven out of 10 of those starting or running a new business. Just one in 10 has customers beyond Poland, although two in five expect to use more digital technology in the next six months to sell their products. Few new entrepreneurs expect to employ at least another six people in five years' time, while a relatively low one in four say they prioritise social or environmental impacts above profitability or growth.

Institution

Lead institution

Polish Agency for Enterprise Development (PARP)



PFR Group

Type of institution

Public Body

Website

<https://en.parp.gov.pl>

Other institutions involved

Polish Agency for Enterprise Development

University of Economics in Katowice

Team

Team leader

Anna Tarnawa

Team members

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Przemysław Zbierowski

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Funders

Ministry of Development Funds and Regional Policy

University of Economics in Katowice

APS vendor

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ECONOMY PROFILE



Puerto Rico

■ Population (2023): **3.2 million** (UN)

■ GDP per capita (2023; PPP, international \$): **47.7 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	76.8	4
Good opportunities to start a business in my area	62.0	14=
It is easy to start a business	30.8	46
Personally have the skills and knowledge	76.1	7
Fear of failure (opportunity)	46.6	23=
Entrepreneurial intentions**	35.9	11

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	4.6	12=
	% TEA	Rank/51
International (25%+ revenue)	14.4	23
Always consider social impact	86.3	12=
Always consider environmental impact	88.7	6
Prioritise social and/or environmental impact above profit or growth	74.8	12
Industry (% TEA in business services)	20.2	25

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	72.8	4
To build great wealth or very high income	51.2	35
To continue a family tradition	34.9	17
To earn a living because jobs are scarce	77.5	17

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	24.3	5	22.3	26.4

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	49.8	6
	% TEA	Rank/51
Starting a business is more difficult than a year ago	49.7	17
Use more digital technology to sell products or services	68.0	11

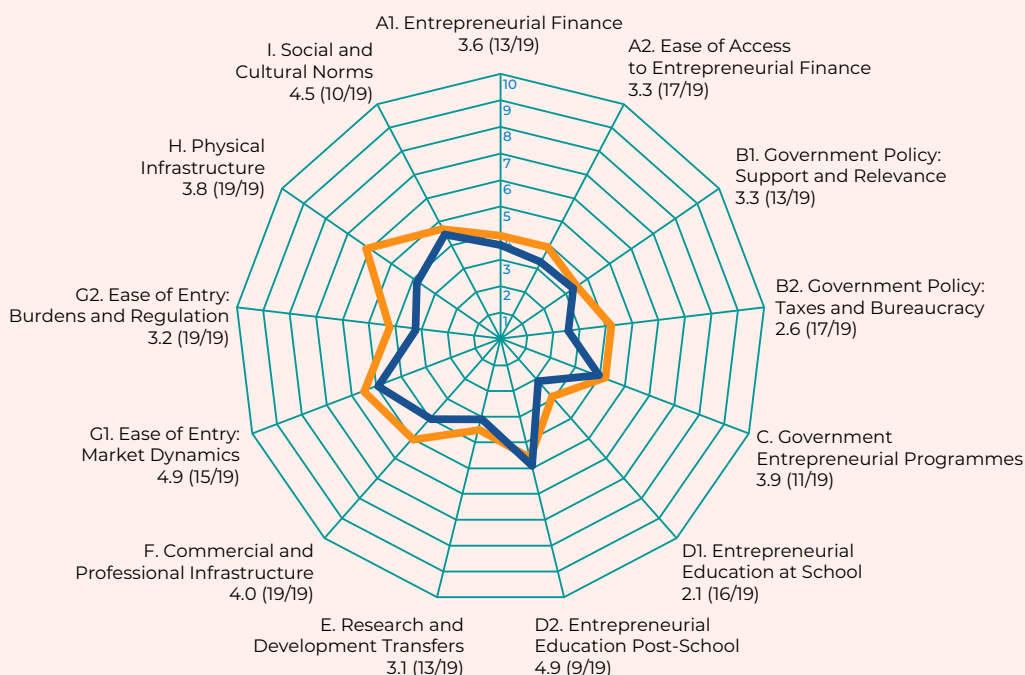
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Puerto Rico —
Group B average
(19 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Puerto Rico's Planning Board projects sustained growth of 2.8% for fiscal year 2024 and of 1.4% for 2025. These projections are supported by the multiplying effect of an expected increase in federal funds, mostly due to funds assigned to Puerto Rico to mitigate the damages caused by Hurricane Maria in 2017 and by other natural disasters.

2024 Framework Conditions Review

The overall quality of Puerto Rico's entrepreneurial environment, as assessed by its own national experts and as measured by the NECI (National Entrepreneurial Context Index), had improved from 2023 to 2024, with its score increasing from 3.8 to 4.2, pushing its ranking from 42nd to 36th. In 2024 that position is more than reversed, with the score falling to 3.6 and the ranking to 53rd (of 56 economies).

The reason for this decline is that all 13 of Puerto Rico's underlying Framework Conditions scored less this year than last, with the largest falls being for Physical Infrastructure (down from 5.3 to 3.8), reflecting continuing power outages, and for Social and Cultural Norms (from 5.4 to 4.5). By 2024 all conditions were scored as less than sufficient (<5.0), with eight rated as poor (<4.0) and two very poor (<3.0): Entrepreneurial Education at School and Government Policy; Taxes and Bureaucracy. Six Framework Conditions rank in the bottom 10 of the 56 GEM economies in the 2024 National Expert Survey, with three ranked absolute last: Commercial and Professional Infrastructure; Ease of Entry: Burdens and Regulation; and Physical Infrastructure.

By contrast, women's relative access to entrepreneurial resources scored as better than satisfactory (5.5), while the perceived prioritisation new businesses give to sustainability was just less than satisfactory (4.9), which looks low given that three out of four of those new businesses report that

they prioritise social or environmental impacts above profitability or growth (see below).

2024 Entrepreneurial Activity Review

A half of adults in Puerto Rico report that their household income has fallen in the current year, up from just over one in three a year ago. The proportion expecting to start a business in the next three years continues to rise, and is now over one in three, having been one in four last year. Entrepreneurial awareness and confidence are very high, with over three in four knowing someone who has started a business recently, or regarding themselves as having the skills or experience to start their own. Over three in five adults see good opportunities to start a business locally, although a little under a half of these would not start a business for fear it might fail.

Almost one in four adults is starting or running a new business, up on a year earlier, with men slightly more likely to be doing so than women. However, Established Business Ownership continues to fall, and has now reached the point where almost five people are starting new businesses for every person owning an established one. Early-stage entrepreneurship has been high for several years, and the fact that Established Business Ownership is not rising suggests that most of these new businesses are not surviving to maturity.

More than three in four new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", although seven in 10 also agree with "to make a difference in the world". One in three has customers outside the country, while over two in three expect to use more digital technology to sell their products in the next six months. Job expectations are high, with one in five expecting to employ at least another six people in five years' time. Finally, and as noted earlier, three out of four report prioritising social or environmental impacts above profitability or growth.

Institution

Lead institution

University of Puerto Rico School of Business, Rio Piedras Campus



Type of institution

Business School

Website

<https://www.uprrp.edu/english/>

Team

Team leader

Theany M. Calderon Abreu

Team members

Arleen Hernandez

Segundo Castro

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Funders

University of Puerto Rico School of Business, Rio Piedras Campus

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The Department of Economic Development and Commerce.

APS vendor

Gaither International

Contact

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ECONOMY PROFILE



Qatar

■ Population (2023): **2.7 million** (UN)

■ GDP per capita (2023; PPP, international \$): **121.1 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	46.9	37
Good opportunities to start a business in my area	66.4	9
It is easy to start a business	59.5	13
Personally have the skills and knowledge	64.3	20
Fear of failure (opportunity)	43.7	36
Entrepreneurial intentions**	60.8	1

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	4.6	12=
	% TEA	Rank/51
International (25%+ revenue)	21.1	16
Always consider social impact	85.8	15
Always consider environmental impact	84.9	14
Prioritise social and/or environmental impact above profit or growth	62.1	23
Industry (% TEA in business services)	30.5	12

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	49.4	21
To build great wealth or very high income	82.6	6
To continue a family tradition	27.5	28
To earn a living because jobs are scarce	58.5	33

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	7.7	41	7.0	7.9

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	22.5	44
	% TEA	Rank/51
Starting a business is more difficult than a year ago	44.1	28
Use more digital technology to sell products or services	81.0	2

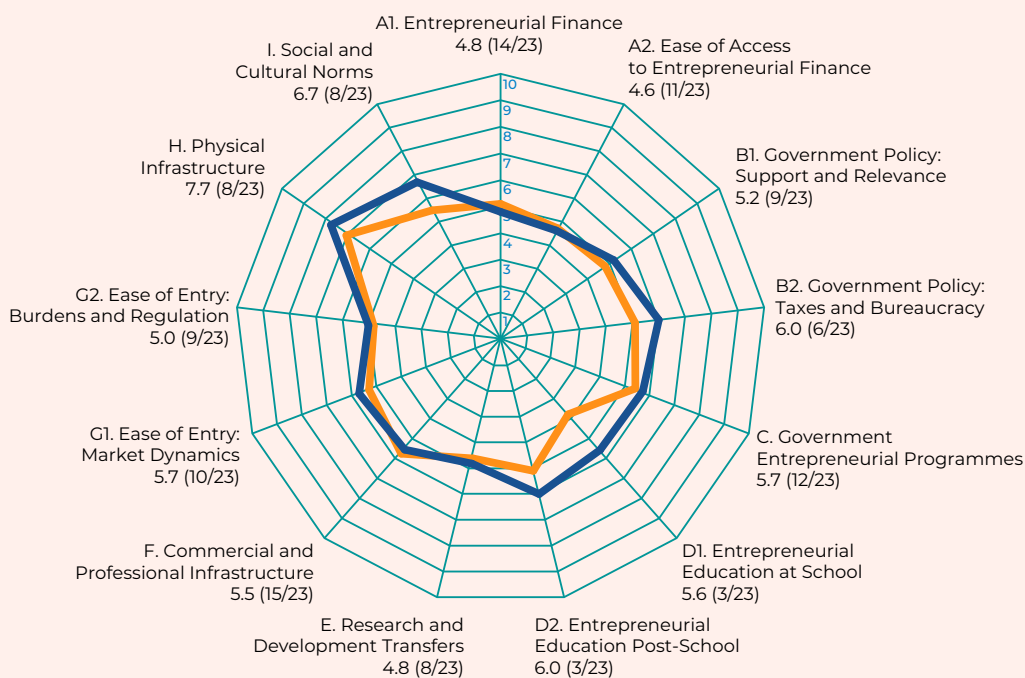
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Qatar —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

The economic conditions for entrepreneurship in Qatar are strengthening, as reflected by consistently strong growth in the non-hydrocarbon private sector, while inflation remains around 2%, fostering a stable macroeconomic environment. The government has launched the Third National Development Strategy (NDS3, 2024–2030), focusing on diversifying the economy and fostering a private sector-friendly environment. In line with the NDS3 goal of digitalising 90% of government services by 2030, significant progress in digital transformation in 2024 included the Ministry of Labour's launch of online e-contract verification and the Ministry of Municipality's digitalisation of services.

2024 Framework Conditions Review

The Qatar entrepreneurial environment, as assessed by its own national experts, continues to be rated as better than sufficient (≥ 5.0), although its 2024 NECI (National Entrepreneurial Context Index) score of 5.6 (ranked 11th) is well down on last year's 6.0. This NECI score is the average of 13 individual Framework Condition scores, 10 of which are rated as sufficient or better in 2024, while the three scored as less than sufficient are all close (≥ 4.6). However, all of Qatar's 13 Framework Conditions scored lower in 2024 than 2023, except for Physical Infrastructure, the already excellent score (≥ 7.0) for which increased further to 7.7. Most of these score reductions were fairly minor, with the largest being for Entrepreneurial Education at School, falling from 6.3 to 5.6. Note that this score still places Qatar third for this condition among the 56 economies in GEM 2024. It is concerning that so many conditions are viewed as worse than a year ago, especially the two entrepreneurial finance conditions, both of which are now scored as insufficient.

Women's relative access to entrepreneurial resources in Qatar was rated as just sufficient, while

new and growing businesses perceived prioritisation of sustainability was scored as better than sufficient.

2024 Entrepreneurial Activity Review

The proportion of adults in Qatar reporting that their household income has reduced in the current year has been falling steadily recently: from more than a half in 2022 to less than a quarter in 2024. Meanwhile, the share of adults expecting to start a new business in the next three years has been rising sharply: from just under a half of adults last year to over three in five in 2024. Just under a half of adults in Qatar report knowing someone who has started a business in the past two years, while nearly two in three consider themselves as having the skills and knowledge to start a business of their own, or see good opportunities to start one locally. However, of those seeing good opportunities, two out of five would not start a business for fear it might fail.

The share of adults who are actually starting or running a new business fell sharply in 2024, from nearly one in six to less than one in 12. Established Business Ownership also fell, to just one in 30 adults. Men were slightly more likely than women to be starting a business. Despite being a small peninsula, just two out of five new entrepreneurs had customers beyond Qatar, although four out of five expected to use more digital technology to sell their products in the next six months. A very high three out of five new entrepreneurs anticipate employing at least six more people in five years' time, one of the highest proportions among Group A economies. More than four out of five new entrepreneurs agree with the motivation "to build great wealth or very high income", although three out of five also report that they prioritise environmental or social impacts above profitability or growth.

Institution

Lead institution

Qatar Development Bank



Type of institution

Public Body

Website

<https://www.qdb.qa/en>

Team

Team leader

Farha Al Kuwari

Team members

Ahmed Badawy
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Dana Khaled Al Thani

Funders

Qatar Development Bank (QDB)

APS vendor

Intelligence Qatar

Contact

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ECONOMY PROFILE



Republic of Korea

■ Population (2023): **51.7 million** (UN)

■ GDP per capita (2023; PPP, international \$): **54.0 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	36.9	46
Good opportunities to start a business in my area	40.1	44
It is easy to start a business	40.2	35
Personally have the skills and knowledge	57.0	26
Fear of failure (opportunity)	29.2	50
Entrepreneurial intentions**	22.7	21

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	10.2	51
To build great wealth or very high income	79.6	8
To continue a family tradition	8.5	51
To earn a living because jobs are scarce	34.0	48

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	11.7	24=	8.9	14.4

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.7	32=
	% TEA	Rank/51
International (25%+ revenue)	1.3	49
Always consider social impact	62.3	44
Always consider environmental impact	50.3	49
Prioritise social and/or environmental impact above profit or growth	38.5	48
Industry (% TEA in business services)	11.7	38

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	33.8	22
	% TEA	Rank/51
Starting a business is more difficult than a year ago	55.6	13
Use more digital technology to sell products or services	19.1	51

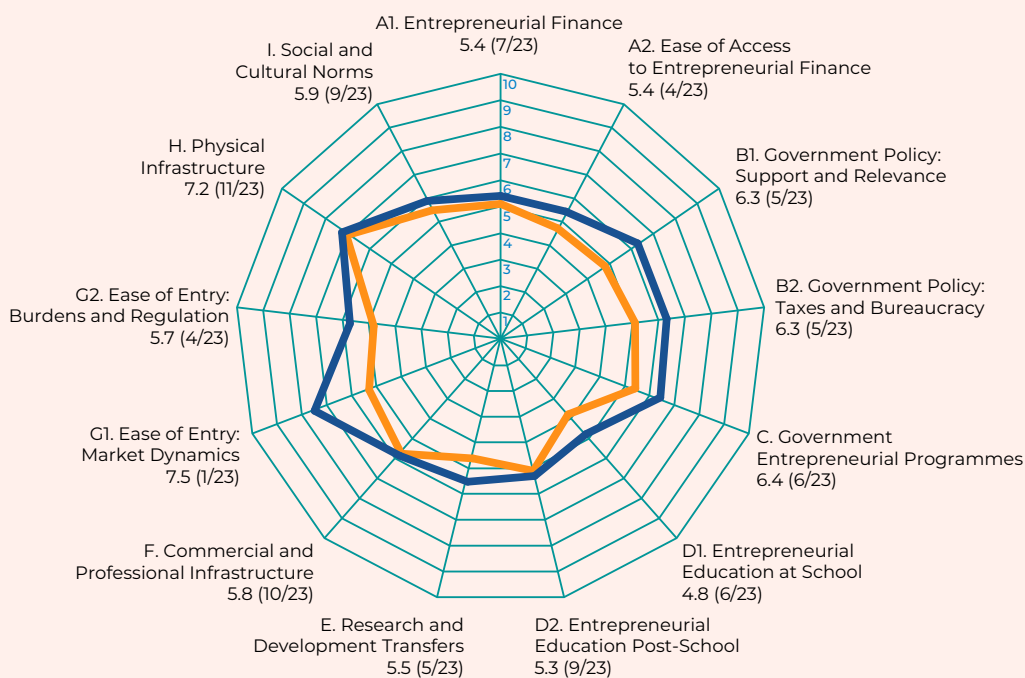
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Republic of Korea —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Economic conditions for entrepreneurship in the Republic of Korea are not strong. For example, in the first six months of 2024, the number of new startups decreased by around 6% compared with the year before. However, the government has expanded its budget for small and medium-sized businesses, venture companies and startups.

2024 Framework Conditions Review

The overall quality, as assessed by its own national experts, of the Republic of Korea's entrepreneurial environment is high, with a NECI (National Entrepreneurial Context Index) score of 6.0, having improved from 5.7 in 2022 and 5.8 in 2023. Twelve of the 13 Framework Conditions are assessed as sufficient (≥ 5.0) or better, with only Entrepreneurial Education at School scoring less than satisfactory, although its score was an improvement on the year before.

In 2024, eight Framework Conditions improved and five saw their scores fall, although most changes were small. Five conditions scored as sufficient, three scored as good (≥ 6.0) and two very good (≥ 7.0): Ease of Entry: Market Dynamics and Physical Infrastructure. For the former, the Republic of Korea ranked first of all 56 GEM economies, while for the latter it ranked 15th, one of only four Korean conditions ranked outside the GEM top 10, the others being Commercial and Professional Infrastructure, Entrepreneurial Education Post-School and Social and Cultural Norms. Both women's relative access to entrepreneurial resources and new businesses prioritisation of sustainability scored better than satisfactory, although both scores were lower than a year earlier.

2024 Entrepreneurial Activity Review

A little over one in three adults in the Republic of Korea report that their household income has fallen in the current year, a proportion that has been very consistent since this question was first asked in the GEM Adult Population Survey in 2020. Just over one in five adults expect to start a business in the next three years, down a little from one year ago.

Around four in 10 adults know someone who has started a business recently, with a similar proportion seeing good opportunities to start a business locally. Nearly six in 10 adults see themselves as having the skills and experience to start their own business, although three in 10 of those seeing good opportunities would not start a business for fear it might fail.

The level of early-stage entrepreneurship in the Republic of Korea is very consistent, with just under one in eight adults starting or running a business in 2024, up slightly on the one in 10 of last year. Men are more likely than women to be starting that business, with a ratio of around three to two. Established Business Ownership includes almost one in four adults, up a little on last year and implying around two people owning an established business for every person starting a new one, a ratio that has been slowly increasing over time, having been just five to four in 2021.

More than four in every five new entrepreneurs agree with the motivation "to build great wealth or very high income", while just one in 12 has customers beyond Korea. This is unlikely to change in the short term, given that just one in five expect to use more digital technology to sell their products in the next six months. Job expectations are reasonable, with about one in six early entrepreneurs expecting to employ at least another six people in five years' time. Less positively, fewer than two in five report that they prioritise environmental or social impacts above profitability or growth.

Institution

Lead institution

Korea Institute of Startup & Entrepreneurship Development (KISED)



Type of institution

Research Institute

Website

www.kised.or.kr

Team

Team leader

Yeol-Su Choi

Team members

Hee-Young Son
Min-Wook Noh
Jae-Hawn Lee

Funders

Ministry of SMEs and Startups

APS vendor

Vista Consulting Lab Company

Contact

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ECONOMY PROFILE



Romania

■ Population (2023): **19.1 million** (UN)

■ GDP per capita (2023; PPP, international \$): **47.9 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	46.7	39=
Good opportunities to start a business in my area	60.0	21
It is easy to start a business	34.5	41
Personally have the skills and knowledge	53.1	34
Fear of failure (opportunity)	67.4	2
Entrepreneurial intentions**	6.0	48

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	0.7	47=
	% TEA	Rank/51
International (25%+ revenue)	8.6	34
Always consider social impact	84.5	19
Always consider environmental impact	82.8	18
Prioritise social and/or environmental impact above profit or growth	79.0	7
Industry (% TEA in business services)	11.8	36=

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	55.4	15
To build great wealth or very high income	55.0	30
To continue a family tradition	30.7	24
To earn a living because jobs are scarce	84.2	11

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	5.0	50	3.7	6.2

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	20.0	45=
	% TEA	Rank/51
Starting a business is more difficult than a year ago	56.3	12
Use more digital technology to sell products or services	44.4	36

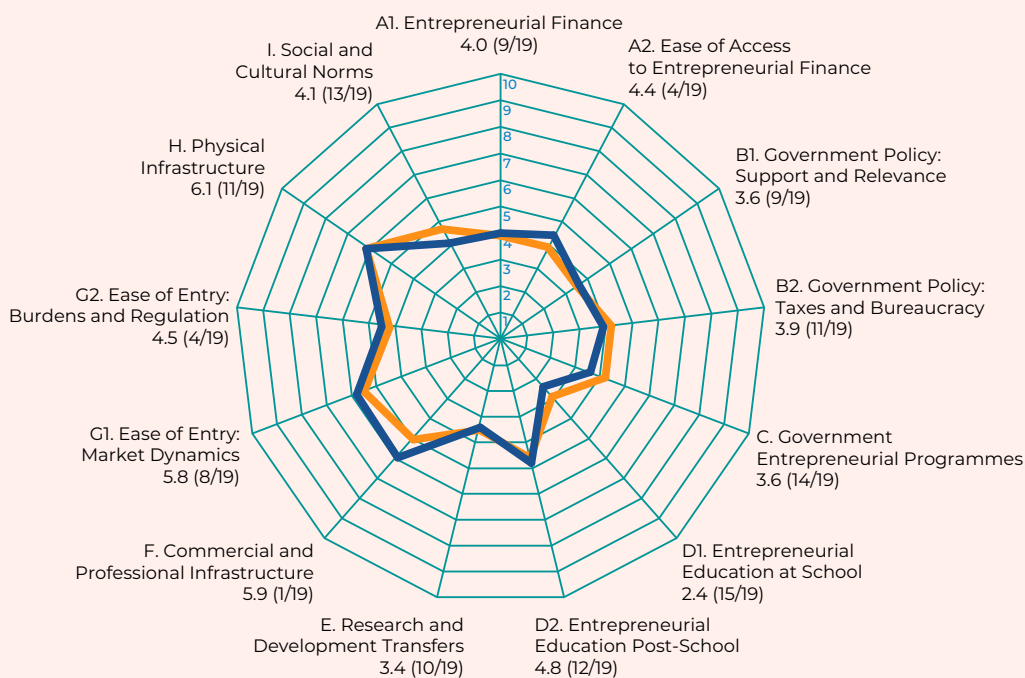
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Romania —
Group B average
(19 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Economic conditions in Romania in 2024 remain difficult, with GDP growth slowing to an estimated 1%, down from 2.4% in 2023. Consumption rebounded, however, supported by significant increases in wages and by social transfers, such as pensions, while inflation eased at a gradual pace. Nonetheless, external demand stayed weak due to challenges faced by Romania's key trading partners. Tax reforms included modifications to VAT rates, the introduction of industry-specific taxes, increased excise duties and adjustments to the fiscal regime for microenterprises.

2024 Framework Conditions Review

The overall quality of the Romanian entrepreneurial environment, as assessed by its own national experts, is less than sufficient (i.e. scored at <5.0), with several strengths more than offset by weaknesses. That quality is measured in GEM by the NECI (National Entrepreneurial Context Index) score, which for Romania in 2024 is 4.3, the same as a year earlier. However, improvements elsewhere and increasing numbers of GEM participating economies have pushed Romania from a rank of 28th in 2023 to 37th in 2024. The NECI score is the average of expert-assessed scores for 13 individual Framework Conditions. Just one condition — Physical Infrastructure — rates as good (≥6.0), with two other scoring better than sufficient (≥5.0) (Commercial Infrastructure and Ease of Entry: Market Dynamics). The other 10 conditions rate as less than sufficient, with four scoring as poor (<4.0) (both government policy conditions; Government Entrepreneurial Programmes; and Research and Development Transfers) and one as very poor (<3.0) — yet again Entrepreneurial Education at School. So

there is much work to do to improve the environment for entrepreneurship in Romania. Much of this work (with reference to the conditions scored as poor) in the hands of government. National experts also rate women's relative access to entrepreneurial resources as poor, while new and growing businesses' prioritisation of sustainability is seen as less than sufficient.

2024 Entrepreneurial Activity Review

Just one in five adults in Romania report that their household income has fallen in 2024. Just under a half of adults know someone who has started their own business in the past two years, slightly over a half see themselves as having the knowledge or skills to start their own, while three in five see good opportunities to do so locally. However, of these, two in three would be deterred by the fear of failure. A relatively low 6% of adults intend to start a business in the next three years, while 5% are doing so in 2024, slightly more than are running an established business. Men are half as likely again than women to be starting a new business.

More than four in five new entrepreneurs in Romania agree with the motivation "to earn a living because jobs are scarce", while only one in six has customers beyond Romania. More optimistically, about half of new entrepreneurs expect to use more digital technology to sell their products in the next six months, although one in six expect to employ another six or more people in five years' time. The entrepreneurial focus on sustainability is high, since nearly four in five new entrepreneurs report prioritising environmental or social impacts above profitability or growth.

Institution

Lead institution

Faculty of Economics and Business
Administration, Babes-Bolyai
University



Type of institution
University

Website

<https://econ.ubbcluj.ro/>

Team

Team leader

Szabó Tünde Petra

Team members

Dézsi-Benyovszki Annamária
Bálint Csaba

Györfy Lehel-Zoltán

Szász Levente

Benedek Botond

Csala Dénes

Funders

Faculty of Economics and Business
Administration, Babes-Bolyai
University

APS vendor

Metro Media Transilvania

Contact

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Saudi Arabia

■ Population (2023): **36.9 million** (UN)

■ GDP per capita (2023; PPP, international \$): **54.9 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	94.4	1
Good opportunities to start a business in my area	95.0	1
It is easy to start a business	93.2	1
Personally have the skills and knowledge	92.6	1
Fear of failure (opportunity)	58.0	4
Entrepreneurial intentions**	35.8	12

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	66.5	6
To build great wealth or very high income	87.2	4
To continue a family tradition	64.1	3
To earn a living because jobs are scarce	81.4	12

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	26.4	3	23.2	28.4

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	16.8	1
	% TEA	Rank/51
International (25%+ revenue)	8.4	36
Always consider social impact	87.7	6
Always consider environmental impact	84.0	15
Prioritise social and/or environmental impact above profit or growth	82.8	4
Industry (% TEA in business services)	6.0	47

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	17.2	49
	% TEA	Rank/51
Starting a business is more difficult than a year ago	20.7	51
Use more digital technology to sell products or services	68.3	9

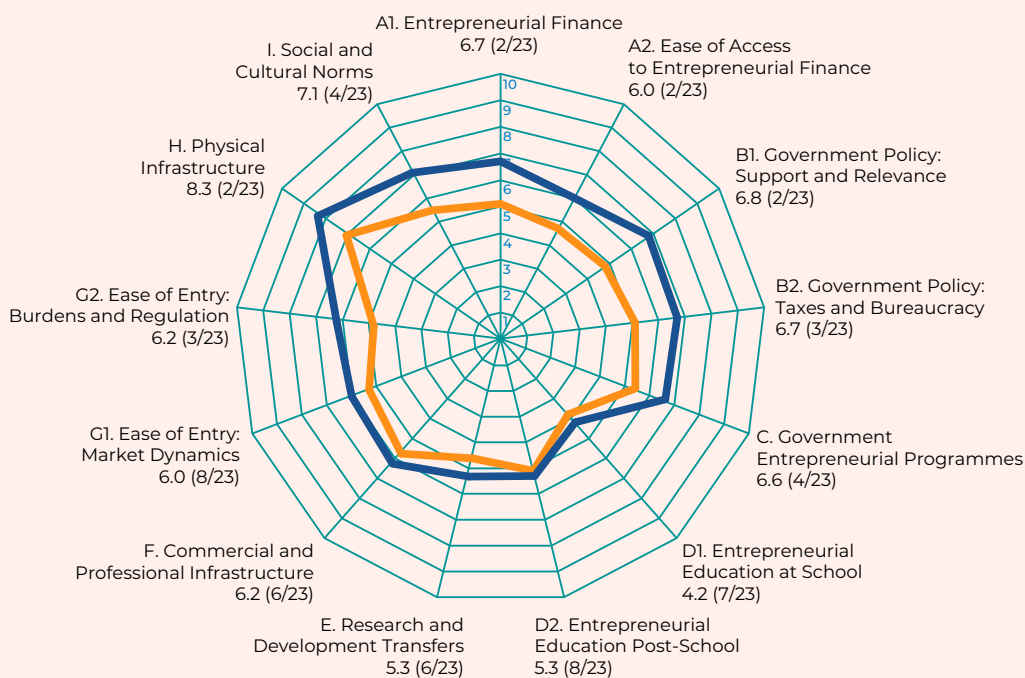
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Saudi Arabia —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

In 2024, economic conditions for entrepreneurship in Saudi Arabia continue to improve, as indicated by significant development in the non-oil sector. Saudi Arabia made entrepreneurship policy improvements in 2024 to promote business and economic diversification under its “Saudi Vision 2030” programme:

- Building regional headquarters is now mandatory for firms seeking government contracts;
- Special Economic Zones (SEZs) now offer reduced standards, low corporation tax rates, tax exemptions and other incentives;
- The proposed Income Tax Law specifies rates of 5% for dividends, rentals and interest; 10% for service charges; and 15% for royalties.

2024 Framework Conditions Review

The overall quality of the Saudi Arabian entrepreneurial environment, as assessed by its national experts and measured by the NECI (National Entrepreneurial Context Index), remains high, with a score of 6.3 maintained for the past three years. However, improvements in other economies have pushed Saudi Arabia down the GEM rankings, from second in 2022 to third last year, and now to fourth. This overall score is the average of 13 individual Framework Condition scores, which for Saudi Arabia have been generally very stable. In 2024, Saudi Arabia has one condition scored as excellent (≥ 8.0): Physical Infrastructure (8.3), one very good (≥ 7.0): Social and Cultural Norms (7.1), and eight rated as good (≥ 6.0), two better than sufficient (≥ 5.0) and just one less than sufficient: Entrepreneurial Education at School (4.2). Unfortunately, the score for the latter decreased over the past year. Given such high framework standards elsewhere, and with 10 Saudi Arabian Framework Conditions ranked in the GEM top 10, it should not be difficult for policymakers to give entrepreneurial education in schools the attention and resources it clearly needs.

However, this is not the only area needing work. Last year’s Policy Roadmap pointed to a low score of 4.4 for

women’s relative access to entrepreneurial resources as an issue needing urgent attention. This year that score has fallen to an even lower 3.6, increasing that urgency. The prioritisation that new and growing businesses are seen to give to sustainability scores much better, with a creditable 6.2.

2024 Entrepreneurial Activity Review

Less than one in five adults in Saudi Arabia report their household income as being reduced in the current year, a similar proportion to last year but both much reduced from the more than two in five just two years ago. Entrepreneurial awareness is astonishingly high, with more than nine out of 10 adults knowing someone who has started a business in the past two years, or seeing themselves as having the skills and knowledge to start their own, or seeing good opportunities to start a business locally, although over half of the latter would not start a business for fear it might fail.

More than one in four adults in Saudi Arabia were starting or running a new business in 2024, with another one in five owning an established one, and a further one in three of those not already involved in entrepreneurship expecting to start their own business in the next three years, suggesting that the high levels of awareness mirror an already enterprising economy and society.

Only one in seven new entrepreneurs has customers beyond Saudi Arabia, which, while relatively low, is twice the rate of a year earlier. More than two in three new entrepreneurs expect to use more digital technology to sell their products in the next six months, with almost as many anticipating employing at least another six people in five years’ time. “To build great wealth or very high income” is the motivation agreed by nearly nine out of 10 new entrepreneurs, closely followed by “to earn a living because jobs are scarce” (eight out of 10). However, eight out of 10 also report that they prioritise environmental or social impacts above profitability or growth.

Institution

Lead institution

Prince Mohammed bin Salman College (MBSC)



Babson Global Center for Entrepreneurial Leadership (BGCEL)



Type of institution

Business School

Website

<https://www.mbsc.edu.sa>

Other institutions involved

Emaar The Economic City

Team

Team leader

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Team members

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Dr. Donna Kelley
Kim Stanhouse

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APS vendor

Field Interactibe-MR, Market Research Provider, monitored by Opinometre Institute LLS

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ECONOMY PROFILE



Serbia

■ Population (2023): **6.6 million** (UN)

■ GDP per capita (2023; PPP, international \$): **27.4 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	64.6	15
Good opportunities to start a business in my area	44.3	39
It is easy to start a business	37.0	38
Personally have the skills and knowledge	62.7	21
Fear of failure (opportunity)	40.3	42
Entrepreneurial intentions**	18.0	27

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.3	38=
	% TEA	Rank/51
International (25%+ revenue)	11.3	29
Always consider social impact	70.7	35
Always consider environmental impact	66.5	42
Prioritise social and/or environmental impact above profit or growth	54.8	34
Industry (% TEA in business services)	19.8	26

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	23.3	48
To build great wealth or very high income	47.5	36
To continue a family tradition	22.6	36=
To earn a living because jobs are scarce	76.8	18=

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	11.7	26	8.7	14.7

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	40.0	12=
	% TEA	Rank/51
Starting a business is more difficult than a year ago	21.0	50
Use more digital technology to sell products or services	39.0	45

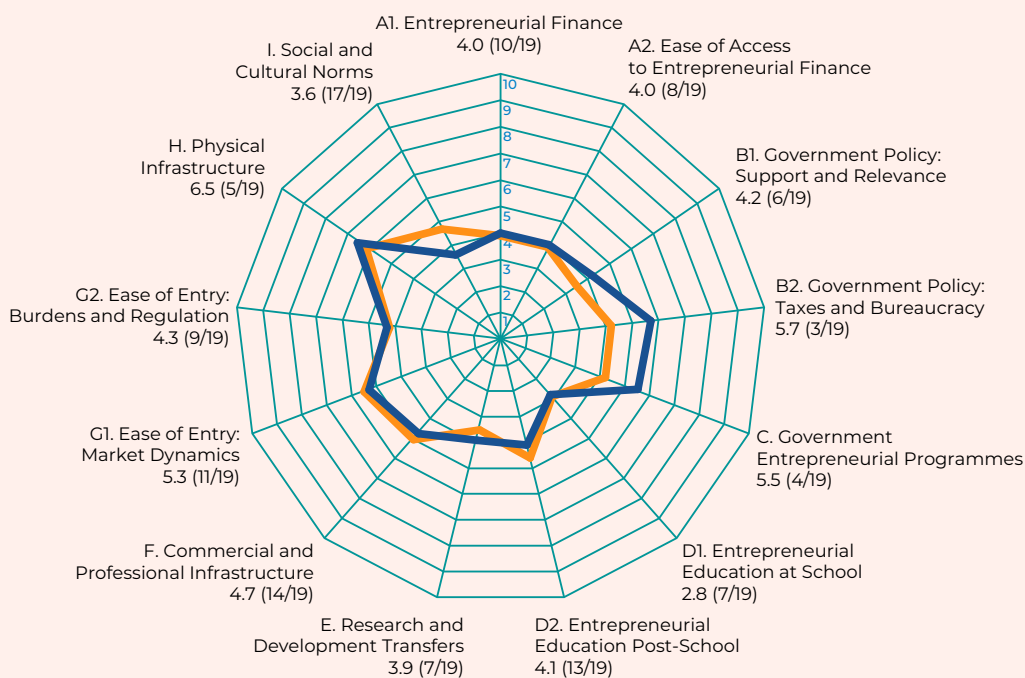
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Serbia
 Group B average
 (19 GEM economies;
 see Section 1.3 and Table 1.1)

EFCs scale:
 0 = very inadequate
 insufficient status,
 10 = very adequate
 sufficient status. Rank
 recorded in brackets

POLICY ROADMAP

In the first half of 2024, Serbia's economy grew by 4.3% (up from 2.5% in 2022–23), driven by trade, tourism and construction.¹ Additionally, Serbia achieved a new investment-grade rating from S&P, coinciding with a record-high foreign direct investment inflow of €4.5 billion in 2024. The World Bank has allocated €25 million to support Serbian innovation, AI and biotech, boosting competitiveness.

2024 Framework Conditions Review

The overall quality of the Serbian entrepreneurial environment, assessed by its own national experts and measured by the NECI (National Entrepreneurial Context Index), declined slightly in the two years to 2024, with its score falling from 4.6 to 4.5, placing Serbia 31st of 56 GEM economies. The NECI score is itself the average of expert-rated scores for each of 13 individual Framework Conditions. In 2024, four conditions rate better than sufficient (≥ 5.0), with one of these scored as good (≥ 6.0 , Physical Infrastructure). Of the nine conditions scored as less than sufficient, three rate as poor (< 4.0 — Ease of Access to Entrepreneurial Finance; Government Policy: Taxes and Bureaucracy; and Ease of Entry: Market Dynamics) and one very poor (< 3.0 , Entrepreneurial Education at School). Since 2022, seven conditions have seen their scores fall, while six have increased. Most changes are small, with the largest increase being for Entrepreneurial Education Post-School and the largest fall for Commercial and

Professional Infrastructure. Women's relative access to entrepreneurial resources is rated just better than sufficient, while new and growing businesses prioritisation of sustainability is rather less than sufficient.

2024 Entrepreneurial Activity Review

Two out of five adults in Serbia report that their household income has fallen in the current year, down from one in two just two years ago. However, more than three out of five adults know someone who has started a business in the past two years, or see themselves as having the skills and knowledge to start their own, although just over two in five see good opportunities to do so locally. Of those seeing good opportunities, two in five would not start business for fear it might fail.

One in eight adults are starting or running a new business in Serbia in 2024, up a little on two years ago, but only one in 20 own an established business, implying more than two people starting businesses for every person owning an established one. More optimistically, nearly one in five adults not already involved in entrepreneurship intend to start their own business in the next three years, although most of these are likely to be men, because male new entrepreneurs outnumber women by almost two to one. One in five early-stage entrepreneurs has customers beyond Serbia, two in five expect to use more digital technology in the next six months but less than one in 10 anticipate employing another six people or more in five years' time. While three out four new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", more than a half also report prioritising environmental or social impacts above profitability or growth.

- 1 Pajic, J. (2024, 26 September). "EBRD Forecasts Accelerating Growth for Serbia in 2024". European Bank for Reconstruction and Development (EBRD). <https://www.ebrd.com/news/2024/ebd-forecasts-accelerating-growth-for-serbia-in-2024.html>

Institution

Lead institution

University of Novi Sad — Faculty of Technical Sciences



Type of institution

Academic

Team

Team leader

Ugljesa Marjanovic

Team member

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Funders

World Bank — SAIGE project

European Union

Government of Serbia, Ministry of Science, Technological Development and Innovations

APS vendor

IPSOS

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ECONOMY PROFILE



Slovak Republic

■ Population (2023): **5.4 million** (UN)

■ GDP per capita (2023; PPP, international \$): **44.6 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	62.3	17
Good opportunities to start a business in my area	38.8	45
It is easy to start a business	32.6	44
Personally have the skills and knowledge	52.4	36
Fear of failure (opportunity)	44.1	35
Entrepreneurial intentions**	11.7	40

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	38.7	35
To build great wealth or very high income	39.1	47
To continue a family tradition	31.6	23
To earn a living because jobs are scarce	71.6	25

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	11.5	28	9.8	13.2

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	2.2	27=
	% TEA	Rank/51
International (25%+ revenue)	10.9	31=
Always consider social impact	82.6	20
Always consider environmental impact	79.8	21
Prioritise social and/or environmental impact above profit or growth	70.6	15
Industry (% TEA in business services)	29.1	14

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	36.0	17
	% TEA	Rank/51
Starting a business is more difficult than a year ago	63.2	6
Use more digital technology to sell products or services	53.7	24

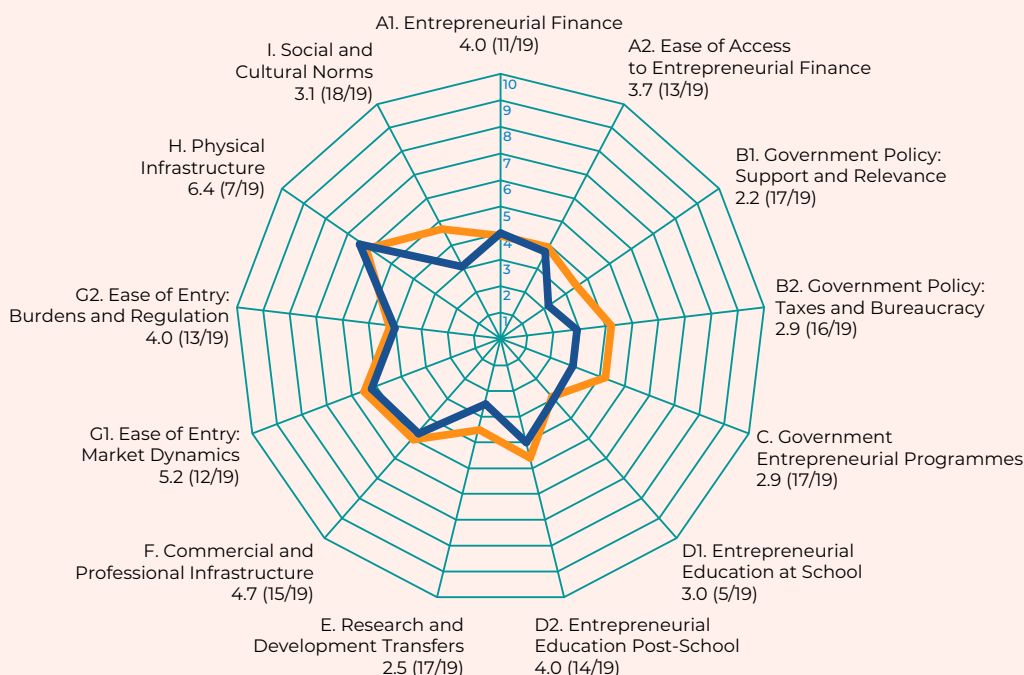
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Slovak Republic —
Group B average
(19 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Economic conditions for entrepreneurship saw a slight improvement in 2024, thanks to economic growth (estimated at just under 3% by the Council for Budget Responsibility), driven mainly by household consumption, but also by favourable expectations related to export and to investments from EU funds. However, the government decision to put the majority of the public monetary consolidation burden on the shoulders of entrepreneurs and businesses has increased negative sentiment among the business sector.

2024 Framework Conditions Review

Since 2022, the quality of the Slovak Republic's entrepreneurial environment has declined, as assessed by its own national experts and as measured by the NECI (National Entrepreneurial Context Index), which fell from 4.4 (31st) in 2022 to 4.0 (39th) in 2023, and has now fallen further to 3.7, ranking the Slovak Republic 51st of the 56 economies participating in the 2024 GEM National Expert Survey. This sharp decline in the overall score reflects falls in 12 of the 13 individual framework scores, with just one (Social and Cultural Norms) scoring the same. The largest decline was for Government Policy: Taxes and Bureaucracy, down from 3.8 to 2.9. Just two Framework Conditions scored as sufficient (≥ 5.0) or better: Ease of Entry: Market Dynamics and Physical Infrastructure.

So in 2024 the Slovak Republic has two satisfactory conditions, three that are unsatisfactory (< 5.0), three poor (< 4.0) and five very poor (< 3.0). It cannot be a coincidence that four of the five very poor conditions are the direct responsibility of government: both government policy conditions, Government Entrepreneurial Programmes, and Entrepreneurial Education at School, plus Research and Development Transfers. Finally, the Republic

scored 3.9 for women's access to entrepreneurial resources and 4.8 for how new businesses were seen to prioritise sustainability.

2024 Entrepreneurial Activity Review

Just over one in three adults reported that their household income has fallen in the current year, more or less in line with last year, but better than the more than one in two in 2022. One in eight adults expect to start a business in the next three years, up slightly from one year ago. Entrepreneurial awareness is reasonable, with three in five adults knowing someone who has started a business recently, while just over a half see themselves as having the skills and experience to start their own business. Nearly two in five adults see good opportunities to start a business locally, although almost a half of these would not start a business for fear it might fail.

The level of entrepreneurial activity is good at about one in eight adults starting or running a new business, although that person is more likely to be male than female, since men and women are starting businesses roughly in the ratio of three to two. Established Business Ownership is relatively low, at about one in 20 adults, implying that over two people are starting new businesses for every person that owns an established one.

Seven out of 10 early-stage entrepreneurs agree with the motivation "to earn a living because jobs are scarce", while over one in three has customers beyond the Slovak Republic and one in two expects to use more digital technology to sell their product in the next six months. Almost one in five of those starting or running a new business expect to employ another six people or more in five years' time. Seven out of 10 new entrepreneurs report prioritising social or environmental impacts above profitability or growth.

Institution

Lead institution

Comenius University Bratislava,
Faculty of Management



FACULTY OF MANAGEMENT
Comenius University
Bratislava

Type of institution

University

Website

<https://www.fm.uniba.sk/en>

Other institutions involved

Slovak Business Agency (SBA)

Team

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Faculty of Management

APS vendor

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Contact

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ECONOMY PROFILE



Slovenia

■ Population (2023): **2.1 million** (UN)

■ GDP per capita (2023; PPP, international \$): **54.9 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	57.6	20
Good opportunities to start a business in my area	56.1	25
It is easy to start a business	71.6	9
Personally have the skills and knowledge	66.4	19
Fear of failure (opportunity)	46.1	25
Entrepreneurial intentions**	17.5	28

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	2.2	27=
	% TEA	Rank/51
International (25%+ revenue)	21.9	13
Always consider social impact	88.3	4
Always consider environmental impact	88.2	8
Prioritise social and/or environmental impact above profit or growth	66.0	19
Industry (% TEA in business services)	43.9	1

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	49.9	20
To build great wealth or very high income	51.4	33
To continue a family tradition	22.3	38
To earn a living because jobs are scarce	51.1	43=

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	8.6	38	5.5	11.4

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	14.9	50
	% TEA	Rank/51
Starting a business is more difficult than a year ago	22.5	48=
Use more digital technology to sell products or services	54.0	23

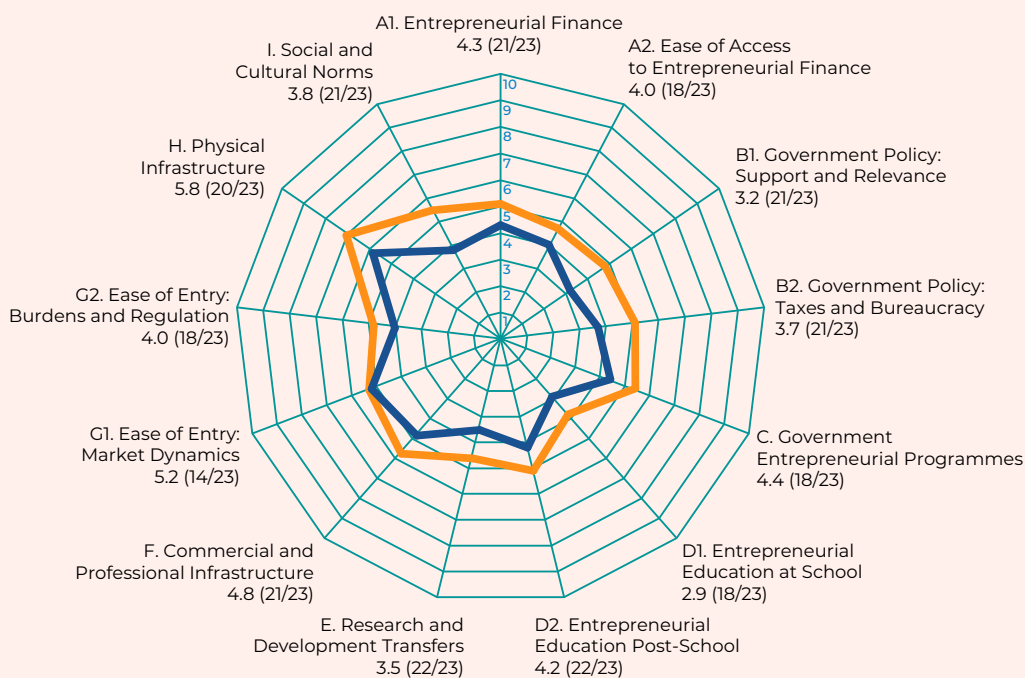
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Slovenia (Blue line)
Group A average (23 GEM economies; see Section 1.3 and Table 1.1) (Orange line)

EFCs scale:
0 = very inadequate insufficient status,
10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

In 2024, Slovenia's entrepreneurial environment faced challenges due to a combination of factors, including a slowdown in GDP growth revised downward to 1.5%, reduced export demand from key foreign trading partners like Germany, and a tight labour market leading to increased wage pressures.¹ In May 2024, the Slovenian government introduced the foundations of the Slovenian Startup Strategy, aiming to position Slovenia among the most attractive environments for startup companies by 2030, including a new legal form for startups, implementing a startup visa, developing the venture capital market and regulating stock options.²

2024 Framework Conditions Review

The quality of the overall entrepreneurial environment, as assessed by national experts in Slovenia, declined in 2024, with its NECI (National Entrepreneurial Context Index) score falling from 4.8, ranked 17th among GEM economies in 2023, to just 4.1, ranked 41st in 2024. This NECI score is the average of the scores for 13 individual Framework Conditions, each of which declined in 2024. Many of these reductions were small, although the score for Ease of Entry: Market Dynamics fell from 6.6 to 5.2, while Ease of Entry: Burdens and Regulations decreased from 4.9 to 4.0. By 2024, only two Slovenian conditions were rated as sufficient (≥ 5.0) or better: Ease of Entry: Market Dynamics and Physical Infrastructure. Entrepreneurial Education at School was seen to be requiring significant improvement (a "very poor" score of <3.0), four conditions scored as needing

improvement ("poor", <4.0) and six scoring as less than sufficient (<5.0).

The reasons for these declines, including the economic slowdown in key trading partners, need to be carefully analysed and swift action taken if Slovenia is to return to the GEM top 20 for the quality of its entrepreneurial environment. One clue may be in the less-than-sufficient score Slovenia received for women's relative access to entrepreneurial resources (4.4), although its score for new and growing businesses' perceived prioritisation of sustainability is much better (6.6), putting it in the top 10.

2024 Entrepreneurial Activity Review

Less than one in six adults in Slovenia report that their household income has reduced in the current year, down from one in four just two years ago and nearly one in two four years ago. More than half of adults know someone who has started a business in the past two years, or see good opportunities to start a business locally, although nearly half of the latter would not start a business for fear it might fail. Confidence is high, with two out of three adults considering themselves to have the skills or knowledge to start their own business. The proportion intending to do so in the next three years has been creeping upwards, reaching just under one in five in 2024.

The proportion of adults actually starting or running a new business in Slovenia is also creeping upwards to just under one in 10, roughly matched by those owning an established business. Men continue to be twice as likely as women to be starting a new business. Nearly a half of new businesses have customers beyond the country, and more than half expect to use more new digital technology to sell their products in the next six months. One in four anticipate employing at least another six people in five years' time.

"To build great wealth or very high income" and "to earn a living because jobs are scarce" have majority agreement among new entrepreneurs, although two out of three also report that prioritising environmental or social impacts above profitability or growth.

- 1 European Commission. (2024, November). "Economic Forecast for Slovenia". https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/slovenia/economic-forecast-slovenia_en
- 2 Government of the Republic of Slovenia (2024, May 14). "Slovenia aims to become one of the most attractive environments for startup companies by 2030". <https://www.gov.si/novice/2024-05-14-slovenija-zeli-do-leta-2030-doseci-preboj-med-najbolj-privlacna-okolja-za-startup-podjetja>

Institution

Lead institution

University of Maribor, Faculty of Economics and Business



Type of institution

University

Website

<https://www.um.si/en>
<https://www.epf.um.si/en/>
<https://ipmmp.um.si/globalni-podjetniski-monitor/>

Team

Team leader

Prof. Karin Širec, PhD

Team members

Prof. Polona Tominc, PhD

Prof. Katja Crnogaj, PhD
Prof. Barbara Bradač Hojnik, PhD
Matej Rus, MSc
Ivona Huđek, PhD
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Funders

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Slovenian Research and Innovation Agency

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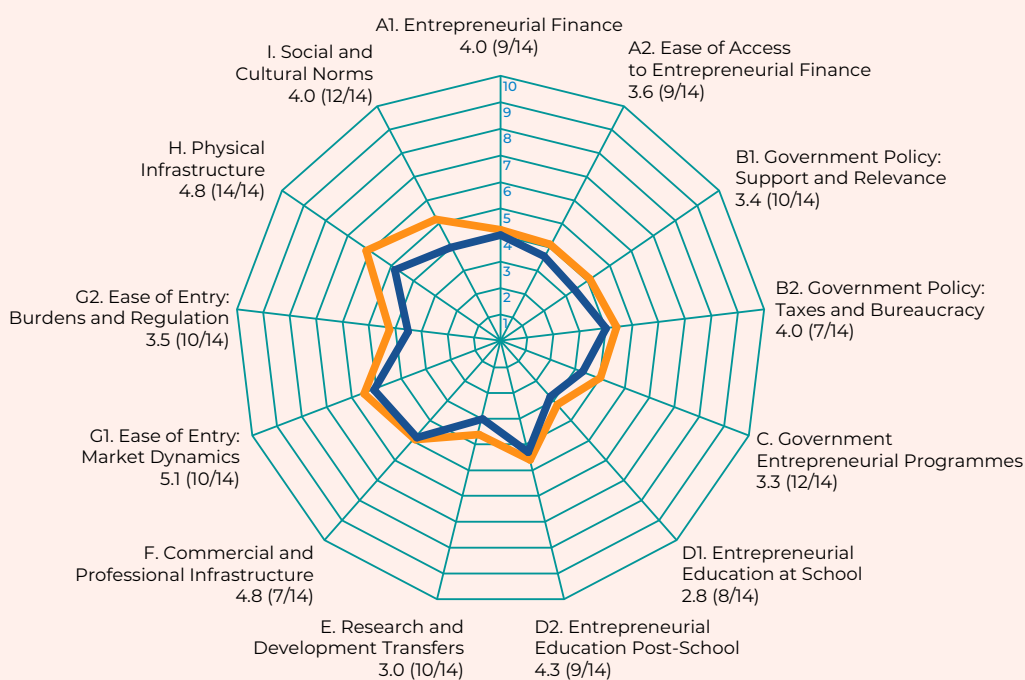
South Africa

■ Population (2023): **60.4 million** (UN)

■ GDP per capita (2023; PPP, international \$): **15.8 thousand** (World Bank)

South Africa did not participate in the 2024 Adult Population Survey.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



South Africa (Blue line)
Group C average (14 GEM economies; see Section 1.3 and Table 1.1) (Orange line)

EFCs scale:
0 = very inadequate insufficient status,
10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

South Africa has been unable to keep pace with other emerging markets and developing economies after the COVID-19 pandemic, with economic growth at only 0.6% in 2023, following over a decade of poor economic performance that averaged just 1.5% growth per annum. These conditions, including significant infrastructure declines, have negatively impacted entrepreneurship and new business development. However, the National Small Enterprise Amendment Bill of 2023 is now law, and establishes the Small Enterprise Development Finance Agency to simplify the business development support ecosystem and foster economic growth and inclusivity.

2024 Framework Conditions Review

Although the overall quality of the entrepreneurial environment in South Africa is assessed by its own national experts as poor, that quality has improved substantially in the past year, as measured by the increase in its NECI (National Entrepreneurial Context Index) score from 3.6 to 3.9. This NECI score is the average of 13 individual Framework Condition scores. In 2024 national experts rate just one condition as

sufficient (≥ 5.0): Ease of Entry: Market Dynamics. Another six conditions score as just less than sufficient, leaving five assessed as poor (< 4.0 — Ease of Access to Entrepreneurial Finance; Government Policy: Support and Relevance; Government Entrepreneurial Programmes; Research and Development Transfers; and Ease of Entry: Burdens and Regulations) and just one scoring as very poor (> 3.0 , Entrepreneurial Education at School). In the past 12 months, just two conditions have seen their scores fall, and not by much, one scored the same and 10 increased, again usually not by much, except for Social and Cultural Norms and Entrepreneurial Education Post-School, both of which improved from poor to just less than sufficient.

National experts see women's relative access to entrepreneurial resources as better than sufficient, but new and growing businesses' prioritisation of sustainability rates as less than sufficient.

2024 Entrepreneurial Activity Review

South Africa did not participate in the 2024 GEM Adult Population Survey.

Institution

Lead institution

Stellenbosch University



Type of institution

University

Website

www.sun.ac.za
www.stellenboschbusiness.ac.za

Other institutions involved

University of Johannesburg

Team

Team leader

Dr. Angus Bowmaker-Falconer

Team members

Prof Natanya Meyer
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Funders

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Small Enterprise Development
Agency (Seda)
University of Johannesburg (UJ)

APS vendor

NielsenIQ South Africa

Contact

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ECONOMY PROFILE



Spain

■ Population (2023): **48.4 million** (UN)

■ GDP per capita (2023; PPP, international \$): **52.8 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	46.6	41
Good opportunities to start a business in my area	29.3	51
It is easy to start a business	26.9	48
Personally have the skills and knowledge	48.1	41
Fear of failure (opportunity)	44.4	33=
Entrepreneurial intentions**	9.4	44

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	0.7	47=
	% TEA	Rank/51
International (25%+ revenue)	17.9	20
Always consider social impact	62.8	43
Always consider environmental impact	57.1	46
Prioritise social and/or environmental impact above profit or growth	43.3	44
Industry (% TEA in business services)	31.4	9=

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	40.1	31
To build great wealth or very high income	39.0	48
To continue a family tradition	18.0	45
To earn a living because jobs are scarce	52.4	41

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	7.2	42	6.8	7.7

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	28.6	28
	% TEA	Rank/51
Starting a business is more difficult than a year ago	47.8	19
Use more digital technology to sell products or services	50.7	29

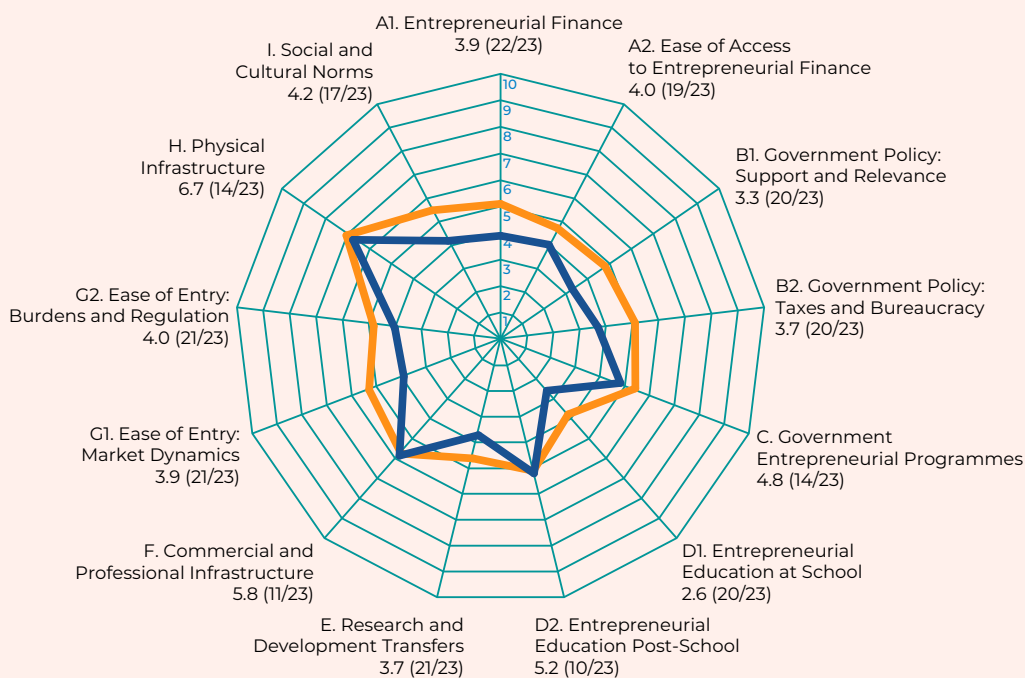
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Spain —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

In 2024, Spanish GDP growth, at just under 3%, exceeded expectations. The strengths of the Spanish economy include population growth, the resilience of manufacturing and the influx of tourists. Spain's Startup Law (2023) supports a technology-driven and innovation-focused business environment by establishing a tailored regulatory framework, and by introducing measures to support startups at every stage of the entrepreneurial process. Since 2023, the National Innovation Company (ENISA) has certified more than 1,300 companies as innovative startups, allowing them access to specific fiscal benefits. Recently, the government also created the National Forum for Emerging Companies, aimed at developing startups in high-value-added sectors such as technology and innovation.

2024 Framework Conditions Review

National expert scores for Spain's overall quality of its entrepreneurial environment have recently been turbulent, with its NECI (National Entrepreneurial Context Index) score reaching 5.4 (better than sufficient) in 2021, before falling to 4.0 in 2022 and to 3.8 in 2023. Things have improved in 2024, with the score increasing to 4.3, still less than sufficient but much better than it was.

This Spanish NECI score improved because all but one of the Framework Conditions scores increased this year. The only score to fall was for Ease of Entry: Market Dynamics, down from 4.2 to 3.9. Of the other scores, the largest increases were for Commercial and Professional Infrastructure (from 4.8 to 5.8), Social and Cultural Norms (3.3 to 4.2) and Entrepreneurial Education Post-School (4.3 to 5.2). Spain has three conditions scored as sufficient (≥ 5.0) or better in 2024, compared to one in 2023. Similar improvements in the coming year could see that NECI score restored to sufficient. Spain had been scored relatively poorly (3.6) in 2023 by its national experts for women's equal access to entrepreneurial resources, but that score improved markedly this year (to 4.1). However, those national experts' score for new businesses

prioritisation of sustainability moved in the opposite direction, from 5.5 to 5.3.

2024 Entrepreneurial Activity Review

In 2024 just under three in 10 adults in Spain reported that their household income has fallen in the current year, the fourth year in a row that this proportion has decreased, having had more than four in 10 in 2020. The business intention rate has moved slowly in the opposite direction, up from 7% in 2021 to nearly 10% in 2023, but back down to 9% in 2024. This small decrease may be understood in the context of an unprecedented high employment rate during 2024.

Just under a half of Spanish adults know someone who has recently started a business, while a similar proportion see themselves as having the skills and experience to start their own. Only three in 10 adults see good opportunities to start a business locally, while two out of five of these would not start a business for fear it might fail. Despite these figures, entrepreneurial activity rates in Spain are very stable, with early-stage entrepreneurial activity rising from 6% in 2022 to just under 7% in 2023 and just over 7% in 2024. Established Business Ownership has both a similar level and similar stability, being just under 7% in 2024. Men are more likely to start a business than women, but the difference is small.

A small majority of new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", but "to make a difference in the world" and "to build great wealth or very high income" are not far behind. Just over a half of early-stage entrepreneurs expect to use more digital technology in the next six months to sell their products, while over a third already have customers beyond Spain. Employment expectations are modest, with less than one in 10 of those starting or running new businesses expecting to employ at least another six people in five years' time. Two out of five new entrepreneurs report that they prioritise social or environmental impacts above profitability or growth.

Institution

Lead institution

Observatorio del Emprendimiento de España (OEE)



Type of institution

Non Profit Organisation

Website

<https://observatoriodelemprendimiento.es/>

Regional teams

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Funders

ENISA (Ministry of Industry, Commerce and Tourism)

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Opinometre

Contact

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National team

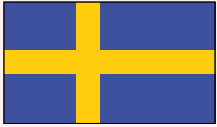
Team leader

Ana Fernández Laviada, PhD

National team members

Nuria Calvo Babio, PhD
Yago Atrio Lema

ECONOMY PROFILE



Sweden

■ Population (2023): **10.5 million** (UN)

■ GDP per capita (2023; PPP, international \$): **70.2 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	53.3	27
Good opportunities to start a business in my area	66.2	10
It is easy to start a business	78.4	4
Personally have the skills and knowledge	46.3	43
Fear of failure (opportunity)	45.5	29
Entrepreneurial intentions**	10.3	42

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.0	44=
	% TEA	Rank/51
International (25%+ revenue)	20.0	18
Always consider social impact	57.6	47=
Always consider environmental impact	54.6	48
Prioritise social and/or environmental impact above profit or growth	43.8	42
Industry (% TEA in business services)	34.4	7

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	46.1	24
To build great wealth or very high income	56.3	29
To continue a family tradition	25.0	33=
To earn a living because jobs are scarce	32.5	49

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	8.4	39=	6.2	10.5

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	24.4	39
	% TEA	Rank/51
Starting a business is more difficult than a year ago	23.9	46
Use more digital technology to sell products or services	45.7	35

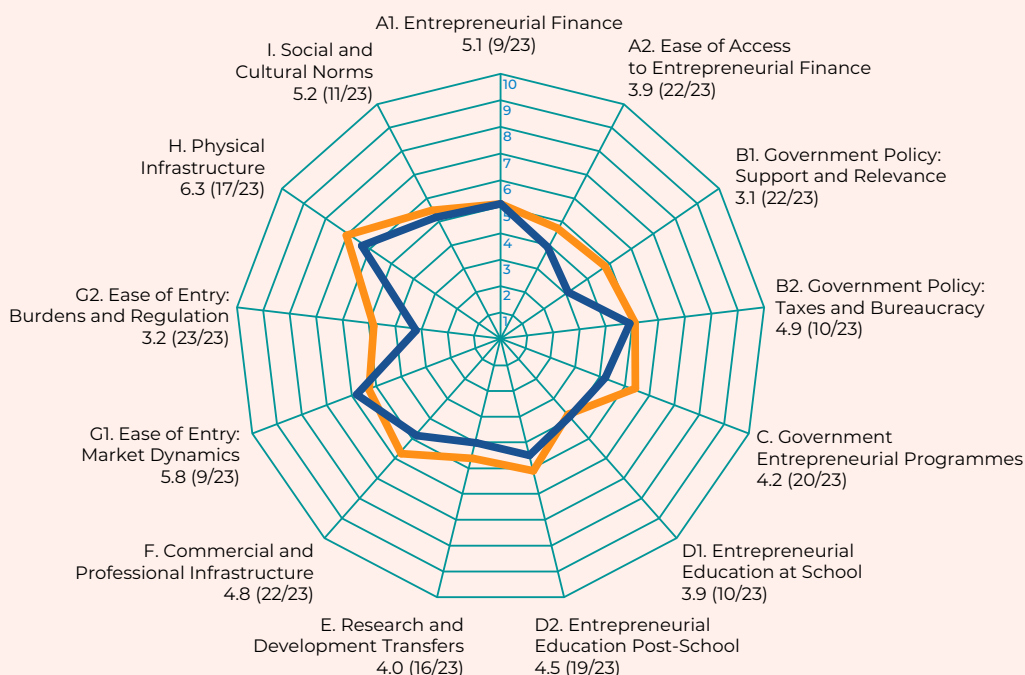
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Sweden —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

The economic downturn deepened in the first half of 2024, but a turnaround is anticipated. Inflationary pressures have eased (1.6% on an annual basis in October), prompting the Sveriges Riksbank to gradually reduce its interest rate to 2.75% in November 2024. Meanwhile, the government has established an Implementation Council (Implementeringsrådet), with the aim of reducing companies' regulatory burden, and administrative and other compliance costs that arise from EU legislation

2024 Framework Conditions Review

The overall quality of the Swedish entrepreneurial environment, as assessed by its own national experts, has now declined for the third year in a row. In 2021, Sweden had a NECI (National Entrepreneurial Context Index) score of 5.3 (the average of scores for 13 Framework Conditions), ranking Sweden 12th among GEM economies. By 2024 its NECI score has fallen to 4.5 and its rank to 26th. The underlying factor, i.e. the scores for individual conditions, was a reduction in 2024 in eight conditions, the largest being for Ease of Entry: Burdens and Regulations, falling from 4.3 to 3.2, followed by Physical Infrastructure, down from 6.9 to 6.3. Five conditions had improved scores, and while four of these were small, Ease of Entry: Market Dynamics increased from 4.5 to 5.8.

So in 2024, Sweden has four Framework Conditions rated as sufficient (≥ 5.0) or better (Entrepreneurial Finance; Ease of Entry: Market Dynamics; Physical Infrastructure; and Social and Cultural Norms), alongside five scored as less than sufficient (< 5.0) and four poor (< 4.0 — Ease of Access to Entrepreneurial Finance; Government Policy: Support and Relevance; Entrepreneurial Education at School; and Ease of Entry:

Burdens and Regulation). Responsibility for three of these four sits squarely with government.

In complete contrast, Sweden scores well for women's relative access to entrepreneurial resources (5.9, fourth in the high income group) and very well for new and growing businesses' perceived prioritisation of sustainability (7.9, first overall).

2024 Entrepreneurial Activity Review

As in many other parts of Europe, the proportion of adults in Sweden reporting that their household income has declined in the current year has itself been falling: from 42% in 2020 to 24% in 2024. Sweden demonstrates strong entrepreneurial awareness, with just over half of adults knowing someone who has started a new business in the past two years. Slightly fewer believe they have the skills and knowledge to start their own business, while two out of three perceive good local opportunities to do so. However, of the latter, nearly a half would be deterred by fear of failure. One in 10 adults expect to start their own business in the next three years, a level slightly higher than those who are doing so already (8%), which is in turn higher than the level owning an established business (5%). In Sweden, men are nearly twice as likely as women to be starting a new business.

"To build great wealth or very high income" is the most agreed motivation, although two out of five new entrepreneurs report prioritising environmental or social impacts above profitability or growth. One in three of these new entrepreneurs have customers beyond Sweden, almost one in two expect to use more digital technology in the next six months to sell their products, but only one in eight expect to employ another six or more people in five years' time.

Institution

Lead institution

Swedish Entrepreneurship Forum
(Entreprenörskapsforum)



Type of institution

Research Institute

Website

<https://entreprenorskapsforum.se>

Team

Team leader

Per Thulin

Team members

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Pontus Braunerhjelm

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Funders

Confederation of Swedish Enterprise

Triton Advisers Sweden

APS vendor

Norstat

Contact

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ECONOMY PROFILE



Switzerland

■ Population (2023): **8.8 million** (UN)

■ GDP per capita (2023; PPP, international \$): **93.0 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	56.2	22
Good opportunities to start a business in my area	48.6	34
It is easy to start a business	66.1	10
Personally have the skills and knowledge	44.4	46
Fear of failure (opportunity)	37.3	45
Entrepreneurial intentions**	10.0	43

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.4	36=
	% TEA	Rank/51
International (25%+ revenue)	24.0	8
Always consider social impact	81.5	22
Always consider environmental impact	73.6	32
Prioritise social and/or environmental impact above profit or growth	53.1	37
Industry (% TEA in business services)	28.1	15

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	52.3	19
To build great wealth or very high income	39.4	46
To continue a family tradition	15.6	47=
To earn a living because jobs are scarce	44.0	45

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	9.9	30=	8.8	10.7

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	28.4	29
	% TEA	Rank/51
Starting a business is more difficult than a year ago	33.6	42=
Use more digital technology to sell products or services	42.2	41=

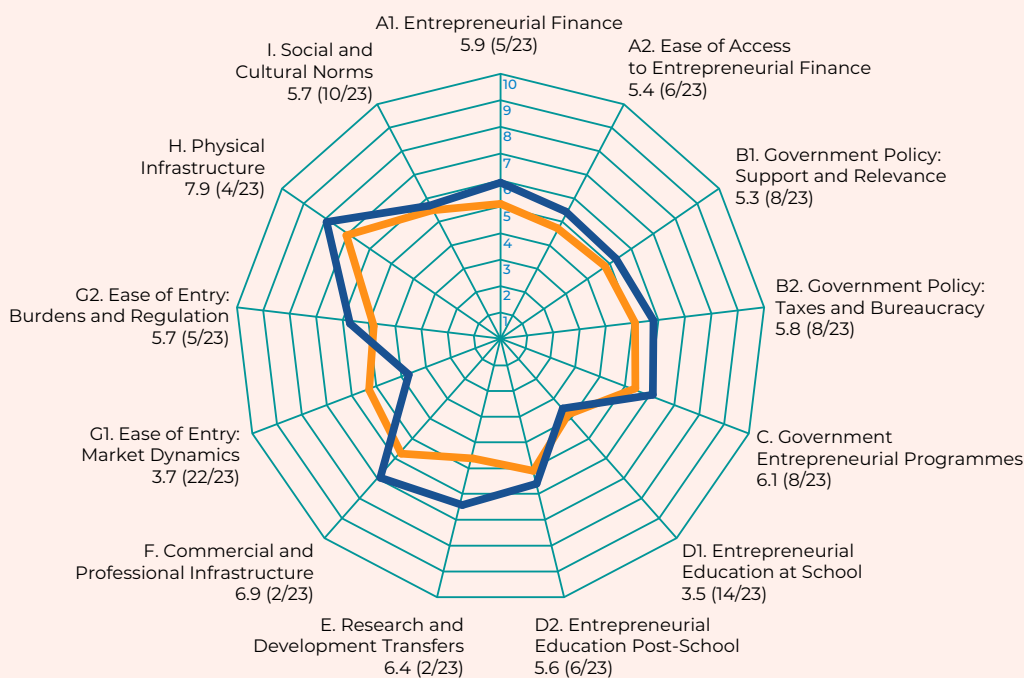
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Switzerland —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Economic conditions for entrepreneurship in Switzerland are mixed, with modest GDP growth of 0.2% in Q3 2024 driven by rise in consumption and an increase in energy output, offset by a decline in manufacturing value added, a drop in goods exports,¹ higher VAT rates, funding cuts for innovation and increased compliance burdens from international regulations. Policy changes include the elimination of customs duties on industrial goods to support SMEs, an increase in VAT rates and legal reforms to combat abusive bankruptcy.

2024 Framework Conditions Review

Its own national experts assess Switzerland as having a strong entrepreneurial environment, demonstrated by a NECI (National Entrepreneurial Context Index) score of 5.7, up from 5.5 a year earlier. That NECI score is the average of 13 individual Framework Condition scores, 10 of which improved in 2024 while three declined (and not by much). The largest increase was for Ease of Entry: Burdens and Regulations, up from 4.9 to 5.7. In 2024 Switzerland has one Framework Condition rated as very good (≥ 7.0 , Physical Infrastructure), three as good (≥ 6.0) and another seven as better than sufficient (≥ 5.0), so 11 conditions in all that provide the backbone of a quality entrepreneurial system. Why, then, are there also two conditions which, for the second year in succession, are not just rated as less than sufficient but as poor (< 4.0)? These are Ease of Entry: Market Dynamics and, less surprisingly, Entrepreneurial Education at School. Switzerland has seven framework conditions matching the highest global standards, rated in the top 10 among the 56 GEM economies, including two in second place:

¹ State Secretariat for Economic Affairs (SECO) (2024). "Konjunkturtendenzen Winter 2024/2025: Wirtschaftslage Schweiz". <https://www.seco.admin.ch>

Research and Development Transfers and Commercial and Professional Infrastructure. The low score for Entrepreneurial Education at School is unfortunately not unusual (ranked 22nd). However, the score for Ease of Entry: Market Dynamics places Switzerland 53rd of 56.

Women's relative access to entrepreneurial resources is rated just less than sufficient, while the priority new and growing businesses give to sustainability is seen by national experts as good.

2024 Entrepreneurial Activity Review

The proportion of Swiss adults reporting that their household income has fallen in the current year has been slowly rising since 2022, from just over one in five to just under three in 10 in 2024. Over half of those adults know someone who has started a business in the past two years, with almost as many considering themselves to have the skills and knowledge to start their own business, or seeing good opportunities to do so locally, but more than a third of these would be deterred by the fear of failure.

Just one in 10 adults are starting or running a new business in Switzerland, with a similar proportion intending to do so in the next three years, both rates relatively stable over time, while Established Business Ownership is a little lower at 7%. Men continue to be more likely to start a new business than women, while "to make a difference in the world" remains the most agreed motivation for new entrepreneurs. More than two in five new businesses have customers beyond Switzerland, with a similar proportion expecting to use more digital technology to sell their products in the next six months, although just one in seven expects to employ another six or more people in five years' time. The emphasis on making a difference is reflected in the over half of new entrepreneurs who say that they are prioritising environmental or social impacts above profitability or growth.

Institution

Lead institution

School of Management Fribourg (HEG-FR)



HAUTE ÉCOLE DE GESTION
HOCHSCHULE FÜR WIRTSCHAFT
SCHOOL OF MANAGEMENT

Fribourg
Freiburg

Type of institution

Business School

Website

<https://www.heg-fr.ch/en>

Other institutions involved

Swiss Start-up Factory
Swiss Economic Forum
Impact Hub Switzerland

Team

Team leader

Jürgen Fritz

Team members

Gabriel Simonet
Maya Dougoud
Viktoriiia Apalkova
Lucia Zurkinden

Funders

School of Management Fribourg (HEG-FR)
University of Applied Sciences and Arts of Western Switzerland (HES-SO)

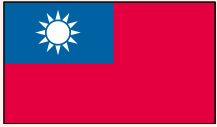
APS vendor

Gfs Bern

Contact

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ECONOMY PROFILE



Taiwan

■ Population (2023): **23.3 million** (UN)

■ GDP per capita (2023; PPP, international \$): **61.5 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	32.0	47
Good opportunities to start a business in my area	52.8	29
It is easy to start a business	43.2	29=
Personally have the skills and knowledge	37.9	49
Fear of failure (opportunity)	42.0	39
Entrepreneurial intentions**	13.3	39

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	44.0	29
To build great wealth or very high income	59.4	24
To continue a family tradition	15.6	47=
To earn a living because jobs are scarce	30.4	51

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	5.5	45=	5.1	5.9

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	2.0	31
	% TEA	Rank/51
International (25%+ revenue)	8.5	35
Always consider social impact	67.9	40
Always consider environmental impact	74.0	31
Prioritise social and/or environmental impact above profit or growth	57.0	33
Industry (% TEA in business services)	16.6	32

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	17.6	48
	% TEA	Rank/51
Starting a business is more difficult than a year ago	42.1	32
Use more digital technology to sell products or services	59.1	19

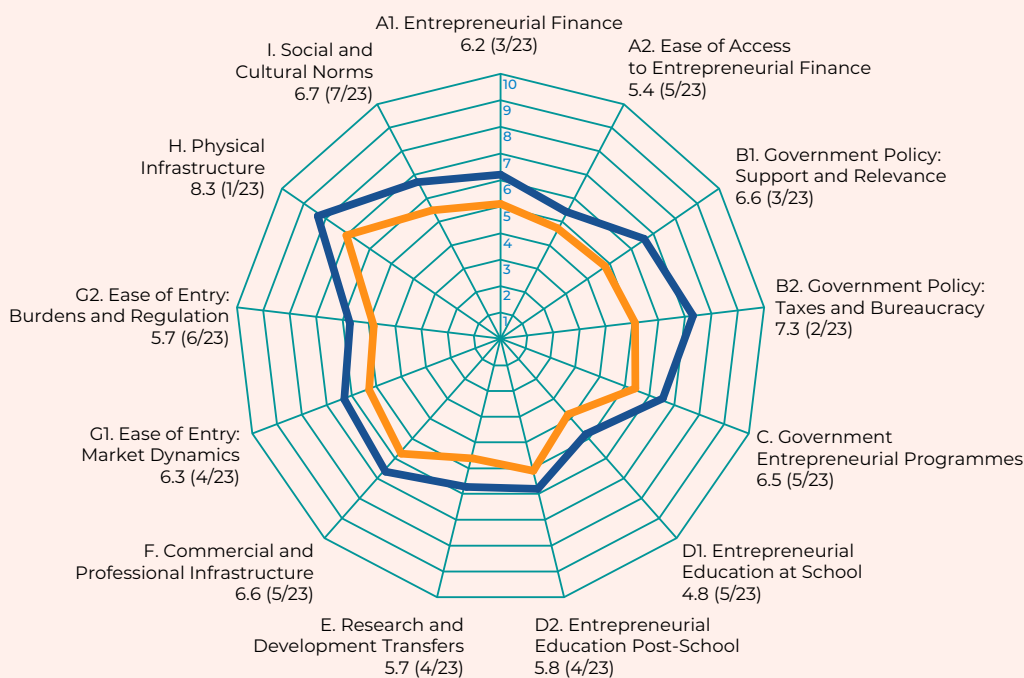
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Taiwan —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Conditions are improving in Taiwan, because the government has launched a programme for innovation and entrepreneurship (the Taiwan Chip-based Industrial Innovation Program) which aims to drive new applications like generative AI. In addition, the government will build a robust “rainforest ecosystem” for startups and enhance the Asia Silicon Valley Development Plan, focusing on advancing AI, 5G, satellite networks and related technologies.

2024 Framework Conditions Review

Taiwan has a good entrepreneurial environment, as assessed by its national experts and evidenced by a NECI (National Entrepreneurial Context Index) score of 6.3 in 2024, up from 6.2 two years earlier. In both years Taiwan’s NECI score ranked it third among GEM economies. Since 2022, eight of Taiwan’s Framework Conditions have improved, while five are lower. Most of these changes are small, with six of the 13 being for 0.10 or less. The largest changes are increases: for Entrepreneurial Education at School up from 4.3 to 4.8, Ease of Entry: Burdens and Regulation, from 5.2 to 5.7, and for Ease of Entry: Market Dynamics, from 5.9 to 6.3. In 2024 Taiwan continues to have one less-than-sufficient (<5.0) framework score (Entrepreneurial Education at School, 4.8) but four sufficient (≥5.0) scores, six good (≥6.0), one very good (≥7.0, Government Policy: Taxes and Bureaucracy at 7.3) and one excellent (≥8.0, Physical Infrastructure at 8.3). Of the 56 GEM economies in 2024, Taiwan ranked first for Physical Infrastructure, second for Government Policy: Taxes and Bureaucracy and third for both Government Policy: Support and Relevance and Entrepreneurial Finance. Only one condition ranked outside of the top 10: Ease of Entry: Burdens and Regulation, which was

11th. Taiwan scored as satisfactory for women’s relative access to entrepreneurial resources (5.5) and as good for new businesses’ prioritisation of sustainability (6.9).

2024 Entrepreneurial Activity Review

Less than one in five adults in Taiwan report that their household income has fallen in the current year, much less than the two in five saying the same two years earlier. Just over one in eight adults expect to start a business in the next three years, a little lower than two years ago. Entrepreneurial awareness is fairly modest, with less than one in three adults knowing someone who has recently started a business, while just a little more see themselves as having the skills and experience to start a business of their own. Just over a half of adults see good conditions to start a business locally, while two in five of these would not start a business for fear it may fail.

Early-stage entrepreneurial activity levels are low, with a little over one in 20 adults starting or running a new business, similar to two years ago. Men are more likely than women to be starting that business, but not by much. Established Business Ownership is a little higher, at about one in 12 adults, but has been falling steadily since the level of one in eight five years ago. “To build great wealth or very high income” is the most chosen motivation, agreed by three in five of those starting new businesses, while more than one in four has customers beyond Taiwan. Three in five early-stage entrepreneurs expect to use more digital technology in the next six months, while just over one in three expect to employ at least another six people in five years’ time. Over half of these new entrepreneurs report that they prioritise social or environmental impacts above profitability or growth.

Institution

Lead institution

Taiwan Institute of Economic Research (TIER)



Team

Team leader

Xin-Wu Lin

Team members

Ju-Yin Tang

Kelly Lin

Li-Chi Wang

WEH-CHIEH KU

RF Cheng

June Chen

Funders

Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs of Taiwan

APS vendor

China Credit Information Service, Ltd. (CRIF_CCIS)

Contact

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ECONOMY PROFILE



Thailand

■ Population (2023): **71.8 million** (UN)

■ GDP per capita (2023; PPP, international \$): **23.4 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	31.8	48
Good opportunities to start a business in my area	78.2	3
It is easy to start a business	71.7	8
Personally have the skills and knowledge	78.3	6
Fear of failure (opportunity)	48.6	16=
Entrepreneurial intentions**	29.3	16

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	57.8	13
To build great wealth or very high income	79.8	7
To continue a family tradition	64.8	2
To earn a living because jobs are scarce	90.3	5

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	19.7	11	20.7	18.6

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	6.8	6
	% TEA	Rank/51
International (25%+ revenue)	13.7	25=
Always consider social impact	87.3	9
Always consider environmental impact	88.0	9
Prioritise social and/or environmental impact above profit or growth	79.7	6
Industry (% TEA in business services)	4.6	48

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	42.3	11
	% TEA	Rank/51
Starting a business is more difficult than a year ago	58.7	9=
Use more digital technology to sell products or services	63.1	13=

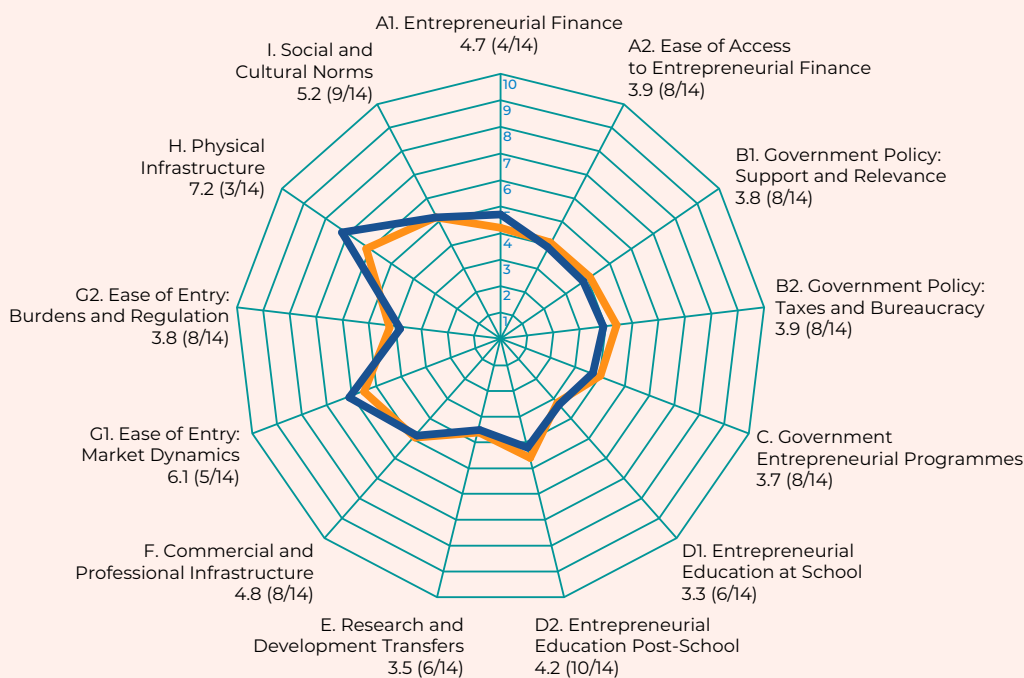
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Thailand —
Group C average
(14 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Economic conditions for entrepreneurship in Thailand in 2024 are improving, supported by a projected GDP growth of nearly 3%, driven specifically by the recovery in tourism and in exports, and a decrease in inflation to a regional low of less than 1%, which may enhance consumer spending and investment opportunities.¹ In 2023 and 2024, the Thai government introduced tax incentives for startups and small businesses, plus initiatives aimed at enhancing digital infrastructure ("Thailand 4.0" and the "National Broadband Plan"), and access to financing, particularly for innovative and tech-driven enterprises.

2024 Framework Conditions Review

The entrepreneurial environment in Thailand presents a mixed picture, with some pockets of quality overshadowed by poorer Framework Conditions. The overall state of the Thai entrepreneurial environment, as assessed by its own national experts and as measured by a NECI (National Entrepreneurial Context Index) score of 4.5, is less than sufficient, but an improvement on the previous year's 4.3. This score is itself the average of 13 individual Framework Condition scores. In 2024, three conditions are seen as better than sufficient (≥ 5.0), with Physical Infrastructure rated as very good (≥ 7.0), Ease of Entry: Market Dynamics as good (≥ 6.0) and Social and Cultural Norms just better than sufficient. However, of the remaining 10 conditions only three are just less than sufficient (Entrepreneurial Finance; Entrepreneurial Education Post-School; and Commercial and Professional Infrastructure), with the other seven rated by experts as poor (< 4.0). As in previous years, the lowest score is for Entrepreneurial Education at

¹ *The Nation* (Thailand) (2024). "Thai economy shows resilience in Q3, positive outlook for 2024–2025". <https://www.nationthailand.com/business/economy/40043394>

School, despite this score having risen sharply in the past year (from 2.6 to 3.3). The greatest fall was for Government Policy: Taxes and Bureaucracy, down from 4.4 to 3.9.

Despite women having a higher early-stage entrepreneurial activity rate than men, women's relative access to entrepreneurial resources is seen by experts as less than sufficient, while new and growing businesses prioritisation of sustainability is rated as just sufficient.

2024 Entrepreneurial Activity Review

More than two in five adults in Thailand report that their household income has fallen in the current year, a proportion similar to a year earlier. Around three in 10 adults intend to start a business in the next three years, again similar to a year ago. Despite only three in 10 adults knowing someone who has started their own business in the last three years, over three in four adults consider themselves to have the skills or experience to start a business of their own, or see good opportunities to do so locally. Of those seeing good opportunities, just under a half would not start a business for fear it might fail.

In 2024, just under one in five adults were starting or running a new business, slightly lower than a year earlier. Established Business Ownership was more stable at around one in eight adults. Women in Thailand are a little more likely to start a new business than men. Three in 10 early-stage entrepreneurs have customers outside Thailand, six in 10 expect to use more digital technology to sell their products in the next six months, while a relatively high one in three anticipate employing at least another six people in five years' time. Although nine out of 10 new entrepreneurs agree with the motivation "to earn a living because jobs are scarce", four out of five report that they prioritise environmental or social impacts above profitability or growth.

Institution

Lead institution

Bangkok University — School of Entrepreneurship and Management (BUSEM)



BANGKOK UNIVERSITY
THE CREATIVE UNIVERSITY

Type of institution

University

Website

www.bu.ac.th

Team

Team leaders

Ulrike Guelich
Wutnipong Warakraisawad

Team members

Suchart Tripopsakul
Kanjana Patanaworaphan

Nanida Sroidokson
Phisanu Katcharoen
Titipong Roenggrittirong
Arthorn Prompatanapak
Phongphet Chutitananon
Oytip Sodsang

Funders

Bangkok University
OSMEP (Office of SMEs Promotion)

APS vendor

Intage (Thailand) Co. Ltd.

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ECONOMY PROFILE



Ukraine

■ Population (2023): **37.0 million** (UN)

■ GDP per capita (2023; PPP, international \$): **18.0 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	54.6	25=
Good opportunities to start a business in my area	36.2	48
It is easy to start a business	39.3	37
Personally have the skills and knowledge	53.0	35
Fear of failure (opportunity)	55.6	6
Entrepreneurial intentions**	23.7	20

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	44.5	27
To build great wealth or very high income	58.8	25
To continue a family tradition	25.0	33=
To earn a living because jobs are scarce	73.8	23

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	12.8	20	12.5	13.1

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	3.8	14
	% TEA	Rank/51
International (25%+ revenue)	18.2	19
Always consider social impact	65.6	41
Always consider environmental impact	69.2	38
Prioritise social and/or environmental impact above profit or growth	65.5	20
Industry (% TEA in business services)	14.4	34

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	58.7	2
	% TEA	Rank/51
Starting a business is more difficult than a year ago	50.8	15
Use more digital technology to sell products or services	46.6	34

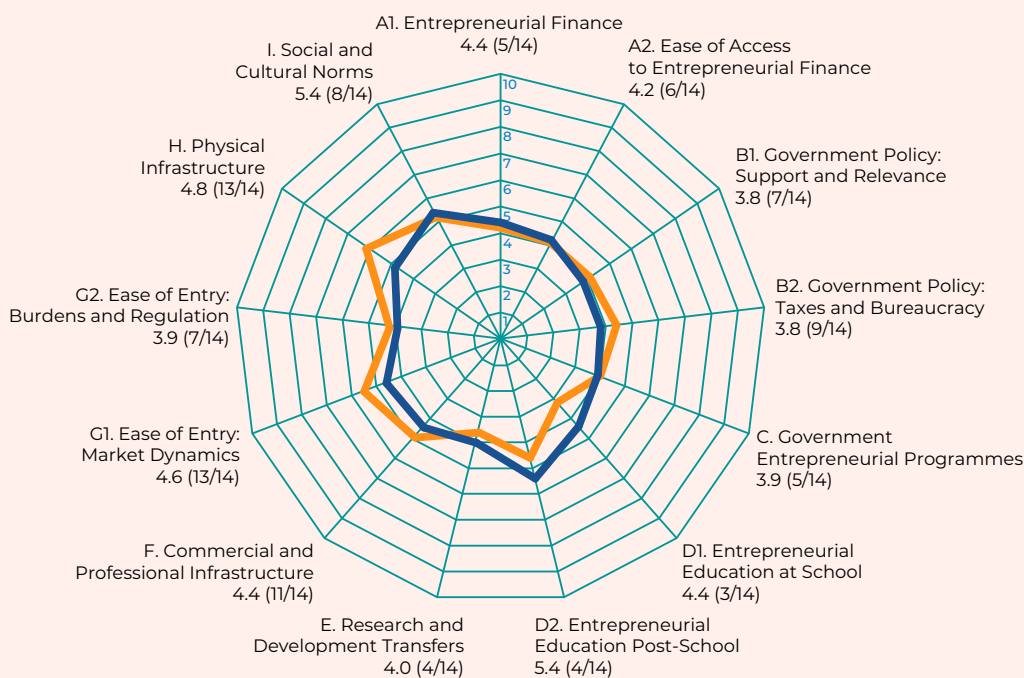
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Ukraine —
Group C average
(14 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Economic conditions for entrepreneurship in Ukraine are deteriorating due to the destruction of the energy system (with up to 60% of national generation lost), the outflow of people (70,000 have left Ukraine in 11 months), rapid inflation (doubled to 9.7%), the devaluation of the national currency and the military tax increasing from 1.5% to 5%.

2024 Framework Conditions Review

Despite the very difficult circumstances following the Russian invasion, the quality of the overall Ukrainian entrepreneurial environment, as measured by the NECI (National Entrepreneurial Context Index), actually improved in 2024, with its score of 4.4 up from 4.3 a year earlier. Of the 13 underlying Framework Conditions, just two are scored as sufficient (≥ 5.0 , Entrepreneurial Education Post-School and Social and Cultural Norms), while seven are less than satisfactory and four poor (< 4.0), although only just (two scores of 3.9, Government Entrepreneurial Programmes and Ease of Entry: Burdens and Regulations; and two scores of 3.8 for each government policy condition).

In 2024, eight Framework Conditions improved, and five worsened. Perhaps not surprisingly, the largest fall was for Physical Infrastructure, down from 6.2 to 4.8. The largest increase was for Government Entrepreneurial Programmes, up from 3.1 to 3.8. Among the 56 GEM economies, Ukraine's highest-ranked Framework Condition is Entrepreneurial Education at School (12th), while the lowest is Physical Infrastructure (54th). Women's relative access to entrepreneurial resources scores 4.4, a

big improvement from 3.3 a year earlier, although the priority new businesses are seen to give to sustainability scores 5.0, a little lower than a year ago.

2024 Entrepreneurial Activity Review

Nearly three out of five adults report that their household income has fallen in the current year, while almost one in four intend to start a business in the next three years. Just over one in two know someone who has recently started a business, while a similar proportion see themselves as having the skills and experience to start their own. A little more than one in three see good opportunities to start a business locally, although more than half of these would not start a business for fear it might fail.

Around one in eight adults are starting or running a new business, with men marginally more likely to be doing so than women. However, just one in 20 adults are Established Business Owners, so there are about five people starting new businesses for every two owning an established one.

"To earn a living because jobs are scarce" is the most agreed motivation among early-stage entrepreneurs, while nearly two in five have customers beyond Ukraine. Almost half anticipate using more digital technology in the next six months, and job expectations are high, with three in 10 new entrepreneurs expecting to employ at least another six people in five years' time. Meanwhile, nearly two out of three of those starting or running a new business report that they prioritise social or environmental impacts above profitability or growth.

Institution

Lead institution

Institute for Circle and Hydrogen Economy (NGO)



Type of institution

NGO

Website

<https://www.circularh2economy.org/>

Team

Team leader

Serhii Apalkov

Team members

Nataliia Meshko

Oksana Tarasiuk

Vasyl Namoniuk

Kateryna Doroshkevych

Funders

Institute for Circle and Hydrogen Economy (NGO)



Partnership | Progress | Prosperity

GOOD
GOVERNANCE
FUND



APS vendor

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Contact

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ECONOMY PROFILE



United Arab Emirates

■ Population (2023): **9.5 million** (UN)

■ GDP per capita (2023; PPP, international \$): **83.9 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	64.5	16
Good opportunities to start a business in my area	71.9	7
It is easy to start a business	76.0	5
Personally have the skills and knowledge	67.8	16
Fear of failure (opportunity)	48.6	16=
Entrepreneurial intentions**	40.9	7

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	62.0	9
To build great wealth or very high income	78.6	9
To continue a family tradition	47.7	7
To earn a living because jobs are scarce	65.6	30

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	13.6	17	14.7	13.1

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	10.0	2
	% TEA	Rank/51
International (25%+ revenue)	34.9	2
Always consider social impact	87.5	7
Always consider environmental impact	83.3	16
Prioritise social and/or environmental impact above profit or growth	78.7	8
Industry (% TEA in business services)	18.9	28

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	25.5	37
	% TEA	Rank/51
Starting a business is more difficult than a year ago	23.5	47
Use more digital technology to sell products or services	83.2	1

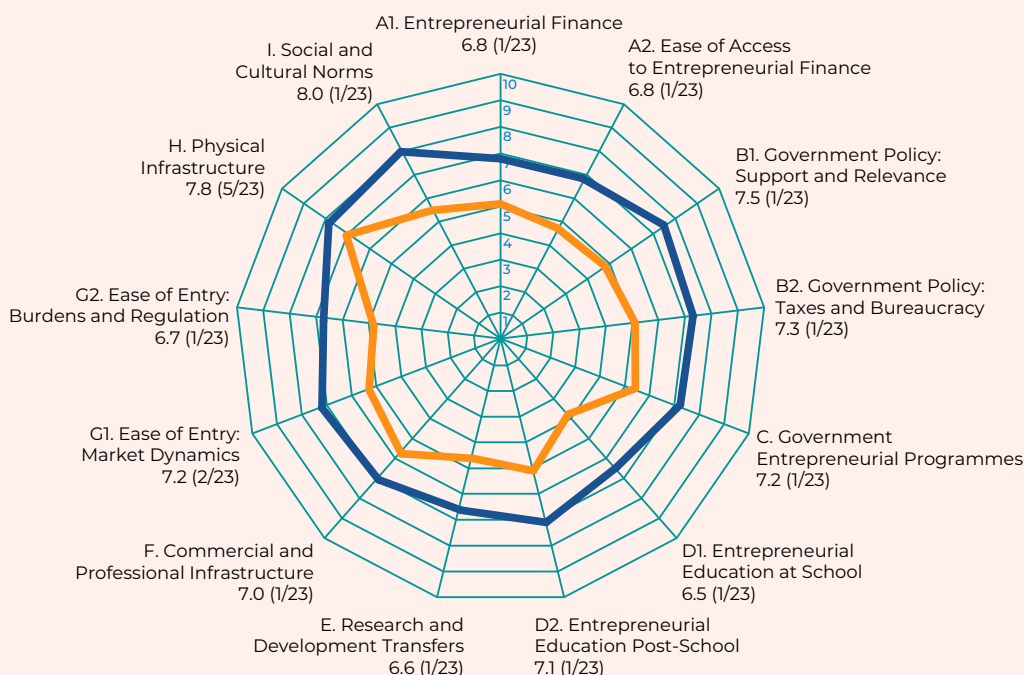
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



United Arab Emirates —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Based on data through early 2024, entrepreneurship conditions in the United Arab Emirates are improving, evidenced by the government's \$8.7 billion "Projects of the 50" initiative, increasing foreign direct investment (reaching \$22.7 billion in 2023), and favourable reforms like the new 2024 Commercial Companies Law allowing 100% foreign ownership of mainland companies.

2024 Framework Conditions Review

Since 2021 the United Arab Emirates has ranked first among GEM economies for the quality of its overall entrepreneurial environment, as assessed by its national experts and as measured by its NECI (National Entrepreneurial Context Index) score. This position was maintained in 2024, although its NECI score declined to 7.1 from 7.7 the year before. The reason for this decline was reductions in the scores of 12 of the 13 Framework Conditions, with only Physical Infrastructure increasing its score (from 7.6 to 7.8). However, even with these reductions, the Emirates' lowest framework score was 6.5 (still rated as good, ≥ 6.0), while seven conditions still scored as "very good" (≥ 7.0). The largest falls were for Entrepreneurial Education at School (from 7.7 to 6.5), and for Research and Development Transfers (from 7.8 to 6.6). Eleven of 13 Framework Conditions ranked first among the 56 GEM economies, with Ease of Entry: Market Dynamics ranked third and Physical Infrastructure now ranked fifth.

One major concern is the decline in score for women's relative access to entrepreneurial resources, falling from 7.4 (very good) to 4.3 (unsatisfactory). However, new businesses' perceived prioritisation of sustainability continues to score as very good (7.3).

2024 Entrepreneurial Activity Review

The share of adults in the United Arab Emirates reporting that their household income has fallen in the current year has itself declined dramatically in the past two years, from almost two in three to just one in four. The share of adults intending to start a business has meanwhile stayed relatively high, at about two in five.

Entrepreneurial awareness is very high, with about two in three adults saying that they know someone who has recently started a business, or regarding themselves as having the skills and experience to start their own, while over seven in 10 see good opportunities to start a business locally. However, about half of those seeing good opportunities would not start a business for fear it might fail.

The level of early-stage entrepreneurial activity is volatile, because having increased from one in six to one in four two years ago, it has since fallen back to a little under one in seven. Women are more likely than men to be starting a new business, but the difference is small. However, Established Business Ownership rates have halved since 2021, and are now down to just one in 30 adults, implying that there are more than four people starting or running a new business for every person owning an established one.

Nearly four out of five new entrepreneurs agree with the motivation "to build great wealth or very high income", while more than a half have customers beyond the United Arab Emirates. Over four in five expect to use more digital technology in the next six months to sell their products, while job expectations are equally high, with nearly three out of four early-stage entrepreneurs expecting to employ at least another six people in five years' time. Almost four out of five of these new entrepreneurs report that they prioritise social or environmental impacts above profitability or growth.

Institution

Lead institution

United Arab Emirates University (UAEU)



Type of institution

University

Website

<https://www.uaeu.ac.ae/en>
<https://gemuae.uaeu.ac.ae/en/>

Team

Team leader

Chafik Bouhaddioui

Team members

Chafik Bouhaddioui
Llewellyn Thomas

Funders

United Arab Emirates University (UAEU)

APS vendor

Kantar

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ECONOMY PROFILE



United Kingdom

■ Population (2023): **68.4 million** (UN)

■ GDP per capita (2023; PPP, international \$): **58.9 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	53.1	28
Good opportunities to start a business in my area	49.5	33
It is easy to start a business	58.6	14
Personally have the skills and knowledge	54.4	31
Fear of failure (opportunity)	57.0	5
Entrepreneurial intentions**	14.3	35=

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	3.1	20=
	% TEA	Rank/51
International (25%+ revenue)	24.6	7
Always consider social impact	76.3	28
Always consider environmental impact	69.0	39
Prioritise social and/or environmental impact above profit or growth	60.5	24
Industry (% TEA in business services)	25.1	18

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	56.6	14
To build great wealth or very high income	65.3	18
To continue a family tradition	27.2	29
To earn a living because jobs are scarce	65.3	31

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	14.2	16	11.6	16.9

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	24.0	40
	% TEA	Rank/51
Starting a business is more difficult than a year ago	45.6	22=
Use more digital technology to sell products or services	62.3	15

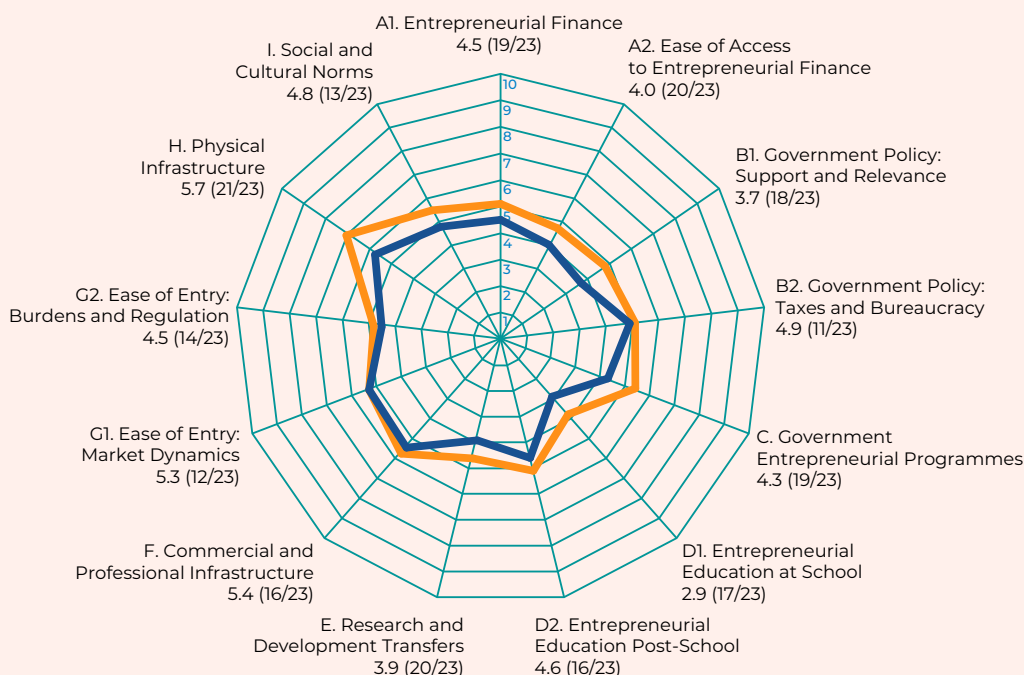
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



United Kingdom —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

UK small business confidence surveys report¹ rather pessimistic perceptions of economic conditions. Their main concerns relate to falling demand and rising taxation in the current uncertain economic and geopolitical context. Although the Bank of England decreased the interest rate in 2024, small businesses still face very high cost of finance. The new government has announced a Small Business Strategy to be published in 2025, and in December launched the New Business Growth Service for England aiming to “make it easier and quicker for SMEs to find government advice and support all under one roof”.

2024 Framework Conditions Review

The overall quality of the UK entrepreneurial environment, as assessed by its own national experts and as measured by the NECI (National Entrepreneurial Context Index), continues to decline slowly, with the NECI score of 4.7 in 2022 falling to 4.6 in 2023 and 4.5 in 2024. The NECI score is the average of 13 individual Framework Condition scores. In 2024 just three conditions scored as better than sufficient (≥ 5.0 — Commercial and Professional Infrastructure; Ease of Entry; Market Dynamics; and Physical Infrastructure), six others were seen as less than sufficient, three as poor (< 4.0 — Ease of Access to Entrepreneurial Finance; Government Policy: Support and Relevance; and Research and Development Transfers) and one (Entrepreneurial Education at School) very poor (< 3.0). In sum, none of the finance conditions, government policy conditions or education conditions are seen as sufficient. No UK Framework Condition scored in the

top 20 among the 56 GEM participating economies, although one (Physical Infrastructure) was placed in the bottom 10, at 46th. The United Kingdom does better with women’s relative access to entrepreneurial resources, scored by experts as good, and with new and growing businesses’ prioritisation of sustainability seen as better than sufficient.

2024 Entrepreneurial Activity Review

Almost one in four UK adults report that their household income has reduced in the current year, a proportion that has fallen slowly each year since this question was introduced in the pandemic in 2020. Entrepreneurial awareness is high, with around one in two adults knowing someone who has recently started a new business, seeing themselves as having the skills and knowledge to start their own or seeing good opportunities to do so locally. However, of the latter, almost three in five would be deterred by the fear of failure.

One in seven adults in the UK intend to start a business in next three years, roughly the same proportion as are already doing so. Successive years of relatively high levels of new entrepreneurial activity in the UK are slowly pushing up Established Business Ownership rates, reaching almost one in 10 adults in 2024, almost twice the level of 2021. Despite Brexit, two in five new entrepreneurs have customers beyond the United Kingdom, and three in five expect to use more digital technology to sell their products in the next six months, while one in five expect to employ another six people or more in five years’ time. Although the two material motivations (“to build great wealth or very high income” and “to earn a living because jobs are scarce”) have majority agreement among new entrepreneurs, three in five of these report prioritising environmental or social impacts above profitability or growth.

1 FSB50 (National Federation of Self Employed & Small Businesses). “Small Business Index”. <https://www.fsb.org.uk/resource-report/small-business-index-quarter-3-2024.html>

Institution

Institution

Aston Business School, Aston University



Aston University

Type of institution

University

Website

<https://www2.aston.ac.uk>

Other institutions involved

Queen’s University Belfast
University of Glasgow
University of Edinburgh
Ulster University

Team

Team Leader

Prof. Mark Hart, PhD

National Team Members

Jonathan Levie
Tomasz Mickiewicz
Niels Bosma

Wendy Ferris
Neha Prashar
Karen Bonner
Anastasia Ri
Samuel Mwaura
Sreevas Sahasranamam
Ines Alvarez Boulton

Funders

Department for Business and Trade (DBT)
Welsh Government
Hunter Centre for Entrepreneurship, University of Strathclyde

NatWest Group
Department for the Economy (NI)
Be the Business
MasterCard
Aston University

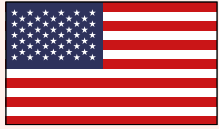
APS Vendor

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ECONOMY PROFILE



United States

■ Population (2023): **334.9 million** (UN)

■ GDP per capita (2023; PPP, international \$): **81.7 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	53.0	29
Good opportunities to start a business in my area	59.3	22
It is easy to start a business	57.2	15
Personally have the skills and knowledge	55.7	27
Fear of failure (opportunity)	44.4	33=
Entrepreneurial intentions**	13.4	37=

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	65.8	7
To build great wealth or very high income	72.2	11
To continue a family tradition	36.6	13
To earn a living because jobs are scarce	67.4	28

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	19.3	12	17.8	20.8

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	6.6	7
	% TEA	Rank/51
International (25%+ revenue)	16.9	22
Always consider social impact	73.9	33
Always consider environmental impact	67.8	40
Prioritise social and/or environmental impact above profit or growth	60.4	25
Industry (% TEA in business services)	23.9	19

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	26.7	33
	% TEA	Rank/51
Starting a business is more difficult than a year ago	47.9	18
Use more digital technology to sell products or services	60.0	18

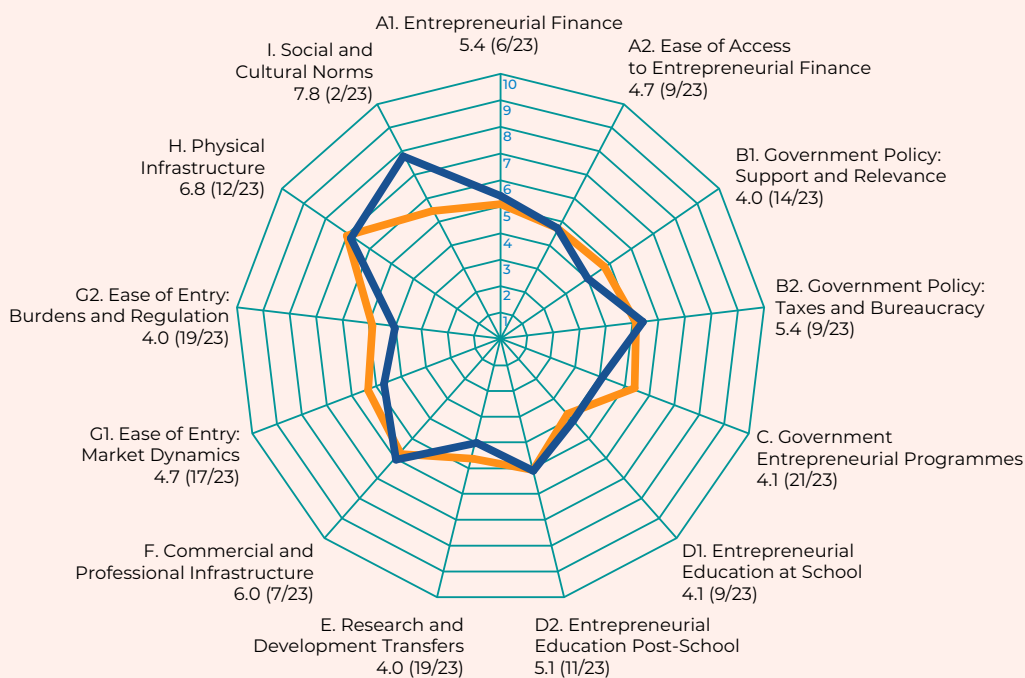
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



United States —
Group A average
(23 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

In 2024, real GDP in the United States grew strongly by just under 3%, driven by consumer spending and productivity increases. The incoming Trump administration is proposing to extend the Tax Cuts and Jobs Act, and lower the corporate tax rate, both set to improve entrepreneurial conditions.

2024 Framework Conditions Review

Having fallen sharply the year before, the overall quality of the US entrepreneurial environment, as assessed by its national experts and as measured by its NECI (National Entrepreneurial Context Index) score, improved strongly in 2024, restoring most of the previous loss. In 2022 it was 5.2, fell to 4.8 in 2023, and has now recovered to 5.1.

Eleven of the 13 underlying Framework Conditions improved their scores in 2024, with just two (both “ease of entry” conditions) falling, although neither by much. The biggest increases were for Social and Cultural Norms (up from 6.7 to 7.8) and Entrepreneurial Finance (from 4.9 to 5.4). Overall, the quality of the US Framework Conditions is highly variable, with three scored as poor (<4.0), four less than sufficient (<5.0), four sufficient (≥5.0), one good (≥6.0, Physical Infrastructure) and one very good (≥7.0, Social and Cultural Norms). Government Policy: Support and Relevance, Research and Development Transfers and Ease of Entry: Burdens and Regulations all scored as poor (although only just).

Finally, women’s relative access to entrepreneurial resources scored as good (6.4), while the priority new businesses give to sustainability scored as satisfactory (5.3).

2024 Entrepreneurial Activity Review

Around one in four adults report that their household income has fallen in the current year, slightly up on last year, and ending three successive

years when this proportion had fallen. Just one in eight adults expect to start a business in the next three years, which is more or less in line with the previous two years.

Entrepreneurial awareness is reasonable, with just over one in two adults knowing someone who has recently started a business, slightly more regarding themselves as having the skills and experience to start their own, and still slightly more seeing good opportunities to start a business locally. Of the latter, just under half would not start a business for fear it might fail.

Early-stage entrepreneurial activity rates are high, with almost one in five adults starting or running a new business. Men are more likely to be starting a business than women, although the difference is small. Established Business Ownership rates have declined for the second year in a row and are now just under 7%. These figures imply that the United States now has nearly three people starting a new business for each person owning an established one, and may suggest that some obstacles are preventing new businesses enduring into maturity.

Seven out of 10 new entrepreneurs agree with the motivation “to build great wealth or very high income”, although “to earn a living because jobs are scarce” and “to make a difference in the world” each had almost as much agreement. The share of new entrepreneurs with customers beyond the States has been rising and now stands at over three in 10, having been a little over two in 10 three years ago. Six in 10 new entrepreneurs expect to use more digital technology to sell their products, while job creation expectations are high, with more than one in three expecting to employ at least an additional six people in five years’ time. Three in five early-stage entrepreneurs report that they prioritise social or environmental impacts above profitability or growth.

Institution

Lead institution

Babson College

**BABSON
COLLEGE**

Type of institution

Business School

Website

<https://www.babson.edu>

Team

Team leaders

Jeff Shay, PhD
Prof. Donna Kelley, PhD

Team members

Mahdi Majbouri (Technical Director)

Daniel August
Candida Brush
Andrew Corbett
Caroline Daniels
Diana Hechavarria
Clare Currie

Funders

Babson College

APS vendor

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ECONOMY PROFILE



Uruguay

■ Population (2023): **3.4 million** (UN)

■ GDP per capita (2023; PPP, international \$): **34.1 thousand** (World Bank)

Attitudes and perceptions

	% Adults
Know someone who has started a new business	60.0
Good opportunities to start a business in my area	53.8
It is easy to start a business	33.3
Personally have the skills and knowledge	68.6
Fear of failure (opportunity)	48.2
Entrepreneurial intentions*	34.7

Motivational

(somewhat or strongly agree)

	% TEA
To make a difference in the world	32.1
To build great wealth or very high income	42.4
To continue a family tradition	19.8
To earn a living because jobs are scarce	70.7

Activity

	% Adults	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	23.0	21.2	24.8

Entrepreneurship impact

	% Adults
Job expectations (expecting to employ six or more people in five years' time)	4.9
International (25%+ revenue)	7.1
Always consider social impact	86.4
Always consider environmental impact	90.6
Prioritise social and/or environmental impact above profit or growth	76.0
Industry (% TEA in business services)	26.3

Recent changes

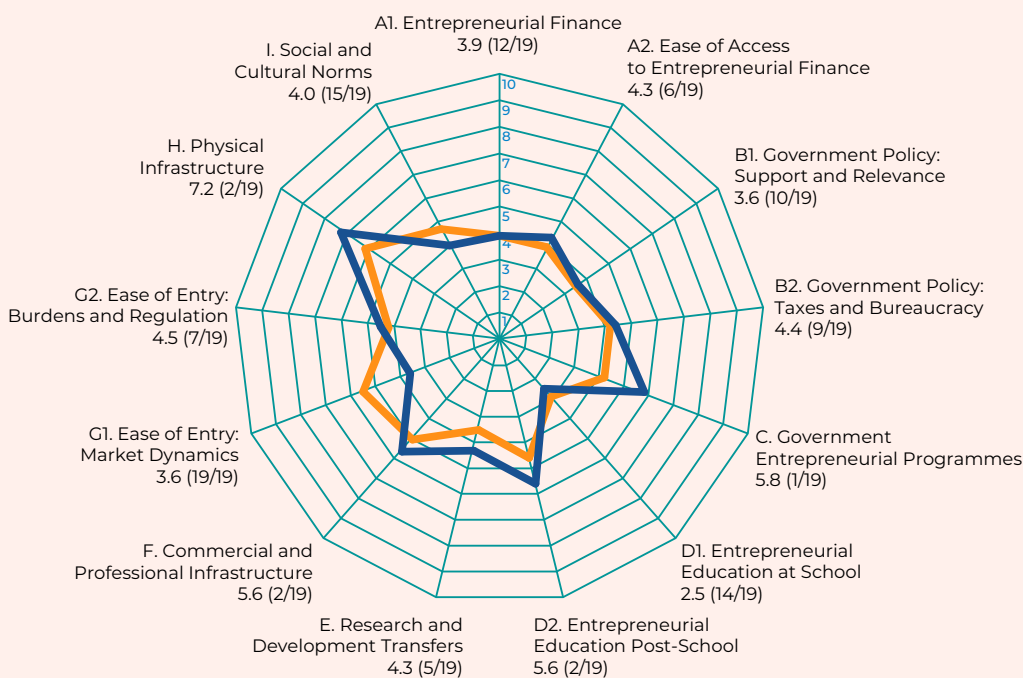
	% Adults
Household income has decreased in the current year**	34.9
Starting a business is more difficult than a year ago	29.6
Use more digital technology to sell products or services	74.2

Refer to the forthcoming 2024/25 GEM Uruguay National Report for complete 2024/25 APS data analysis.

* Entrepreneurial intentions of those who are not currently involved in business activity.

** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



Uruguay —
Group B average
(19 GEM economies;
see Section 1.3 and Table 1.1)

EFCs scale:
0 = very inadequate
insufficient status,
10 = very adequate
sufficient status. Rank
recorded in brackets

POLICY ROADMAP

Uruguay's entrepreneurial environment is always improving, although not by leaps and bounds. Entrepreneur fairs and meetings are common, and the government is very supportive. But one key factor is the political stability that keeps policies and programmes running from one administration to the next.

2024 Framework Conditions Review

While the overall quality of Uruguay's entrepreneurial environment, as assessed by its own national experts, is seen as less than sufficient with a NECI (National Entrepreneurial Context Index) score of 4.6, it has improved over the past year (from a score of 4.4). As a result Uruguay now ranks as 25th among the 56 GEM participating economies, having been 32nd of 49 in 2023. The overall NECI score is itself the average of 13 individual Framework Condition scores, which allow the strengths and weaknesses of that entrepreneurial environment to be assessed. Just one condition (Physical Infrastructure) rates as very good (≥ 7.0), with three others (Government Entrepreneurial Programmes; Entrepreneurial Education Post-School; and Commercial and Professional Infrastructure) regarded as sufficient (≥ 5.0). However, that leaves nine conditions as less than sufficient, including two scored as poor (< 4.0 — Government Policy: Support and Relevance and Ease of Entry: Market Dynamics) and one rated as very poor (< 3.0) (inevitably, Entrepreneurial Education at School). So there are a few strengths but many more weaknesses. Nevertheless, 10 of 13 conditions have higher scores in 2024 than a year earlier, with the biggest improvements for Ease of Entry: Market Dynamics and for both entrepreneurial finance conditions.

Similar improvements next year could see many more conditions pushed to sufficiency. Two areas already seen by national experts as sufficient are women's relative access to entrepreneurial resources and new and growing businesses' prioritisation of sustainability.

2024 Entrepreneurial Activity Review

Just over one in three adults report that their household income has reduced in the current year, a small improvement over last year. A similar proportion expect to start their own business in the near future. Entrepreneurial awareness is high, with three in five adults knowing someone who has recently started a business, a little fewer seeing good opportunities to start a business locally, while a few more view themselves as having the skills and experience to start their own. Of those seeing good opportunities, around a half would not start a business for fear it might fail.

The entrepreneurial activity rate is relatively high, with about one in four adults starting or running a new business, although a little down on last year. Men are slightly more likely than women to be starting a business, but the difference is small. Established Business Ownership is relatively low, at around one in 12 adults, implying three people starting a new business for every person owning an established one. "To earn a living because jobs are scarce" is by far the dominant agreed motivation, while just one in five new entrepreneurs have customers beyond Uruguay. Very few new entrepreneurs expect to employ another six people or more in five years' time, although three in four anticipate using more digital technology to sell their products, while a similar proportion report prioritising sustainability above profits or growth.

Institution

Lead institution

IEEM Business School, University of Montevideo



Type of institution

University

Website

<https://www.ieem.edu.uy/en>

Team

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ECONOMY PROFILE



Venezuela

■ Population (2023): **28.8 million** (UN)

■ GDP per capita (2023; PPP, international \$): **28.8 thousand** (World Bank)

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	44.8	43
Good opportunities to start a business in my area	60.4	19
It is easy to start a business	44.4	27
Personally have the skills and knowledge	82.1	4
Fear of failure (opportunity)	36.1	47=
Entrepreneurial intentions**	17.0	30

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	1.1	40=
	% TEA	Rank/51
International (25%+ revenue)	3.2	44=
Always consider social impact	72.4	34
Always consider environmental impact	76.1	28
Prioritise social and/or environmental impact above profit or growth	58.3	29
Industry (% TEA in business services)	4.2	49

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	40.5	30
To build great wealth or very high income	39.9	44=
To continue a family tradition	32.8	19
To earn a living because jobs are scarce	93.6	1

Activity

	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	11.7	24=	11.3	12.1

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	49.6	7
	% TEA	Rank/51
Starting a business is more difficult than a year ago	47.4	20
Use more digital technology to sell products or services	68.2	10

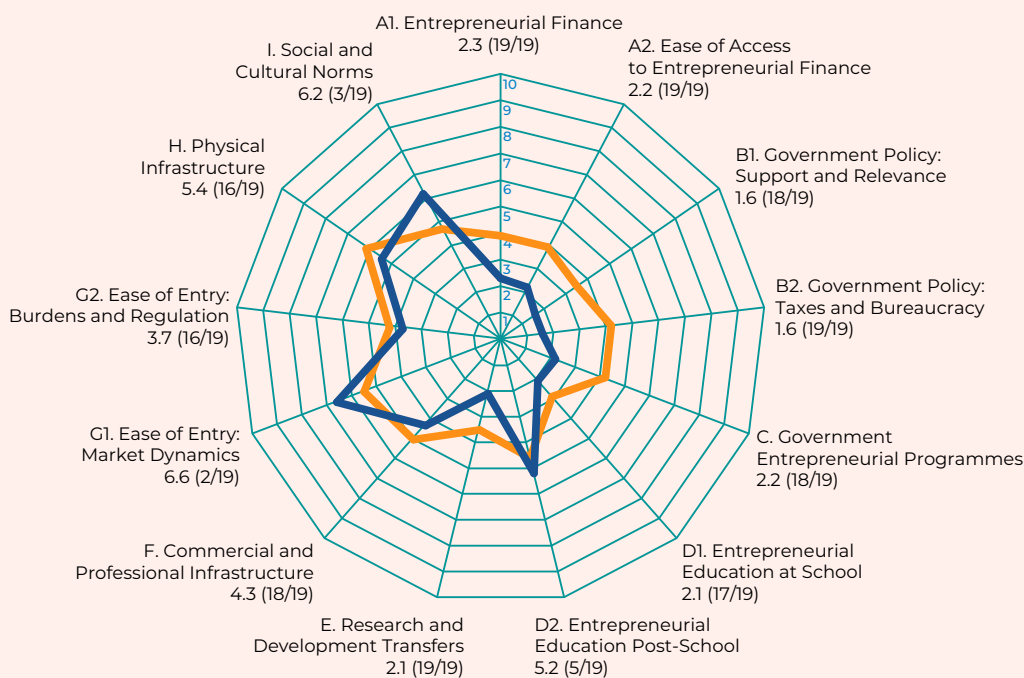
An equals sign (=) indicates that the ranking position is tied with another economy or economies.

* Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.

** Entrepreneurial intentions of those who are not currently involved in business activity.

*** Either somewhat decrease or strongly decrease.

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
0 = very inadequate insufficient status,
10 = very adequate sufficient status. Rank recorded in brackets

POLICY ROADMAP

The IMF sees growth expectations in Venezuela as above the average for Latin America & Caribbean, with GDP increasing in 2024 by just over 2%, and expected to grow a little faster in 2025. According to official figures, since October 2021 nearly 1.4 million entrepreneurs have been registered and certified, of which 64% are women.

2024 Framework Conditions Review

The overall entrepreneurial environment in Venezuela, as rated by its own national experts, and as measured by the NECI (National Entrepreneurial Context Index), improved over the past year, with its score rising from 3.2 to 3.5. However, improving scores in other economies pushed its rank from 48th in 2023 to 55th of the 56 GEM economies this year. “Highly variable” is a good description of the state of Venezuela’s 13 Framework Conditions, with two scored as good (≥ 6.0 , Ease of Entry: Market Dynamics and Social and Cultural Norms), two as satisfactory (≥ 5.0 , Entrepreneurial Education Post-School and Physical Infrastructure), but with one less than satisfactory (Commercial and Professional Infrastructure), one poor (< 4.0 , Ease of Entry: Burdens and Regulations), four very poor (< 3.0 , both finance conditions; Research and Development Transfers; and Entrepreneurial Education at School) and two “awful” (< 2.0 , both government policy conditions). While nine of these conditions ranked in the bottom 10 of GEM 2024, four ranked absolute last: both finance conditions, Government Policy: Taxes and Bureaucracy and Research and Development Transfers. Meanwhile, Ease of Entry: Market Dynamics ranked seventh overall, while Social and Cultural Norms ranked 13th.

Despite these two bright spots, and the enterprise funding noted earlier, it is hard to avoid the conclusion

that government in Venezuela continues to fail to support those starting new businesses. More positively, women’s relative access to entrepreneurial resources was scored by experts at 5.0, while new businesses’ prioritisation of sustainability scored 4.7.

2024 Entrepreneurial Activity Review

Almost one in two adults in Venezuela report that their household income has fallen in the current year, a high rate but better than the two in three reporting the same last year. Just under one in five adults expect to start a business in the next three years, down from almost one in two 12 months ago. Just under a half of adults know someone who has recently started a business. Personal confidence is high, with more than four out of five regarding themselves as having the skills and experience to start their own business, while three in five see good opportunities to do so locally. However, around a third of these would not start a business for fear it might fail.

Entrepreneurial activity rates have fallen in the past year, with those starting or running new businesses declining from one in four adults to just one in eight. Established Business Ownership rates collapsed from one in 20 adults to less than one in 50 — the lowest rates in GEM 2024 by a margin. Of those starting businesses, more than nine out of 10 agree with the motivation “to earn a living because jobs are scarce”. Fewer than one in 10 have customers beyond Venezuela, although that may change as more than two in three expect to use more digital technology in the next six months to sell their products. Job expectations are low, with just one in 10 expecting to employ another six people or more in five years’ time, while nearly three in five report prioritising social or environmental impacts above profitability or growth.

Institution

Lead institution

IESA



UCAB



Type of institution

Business School
University

Website

<https://www.iesa.edu.ve/>
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PART 4

Appendix Tables



The GEM Conceptual Framework and Methodology

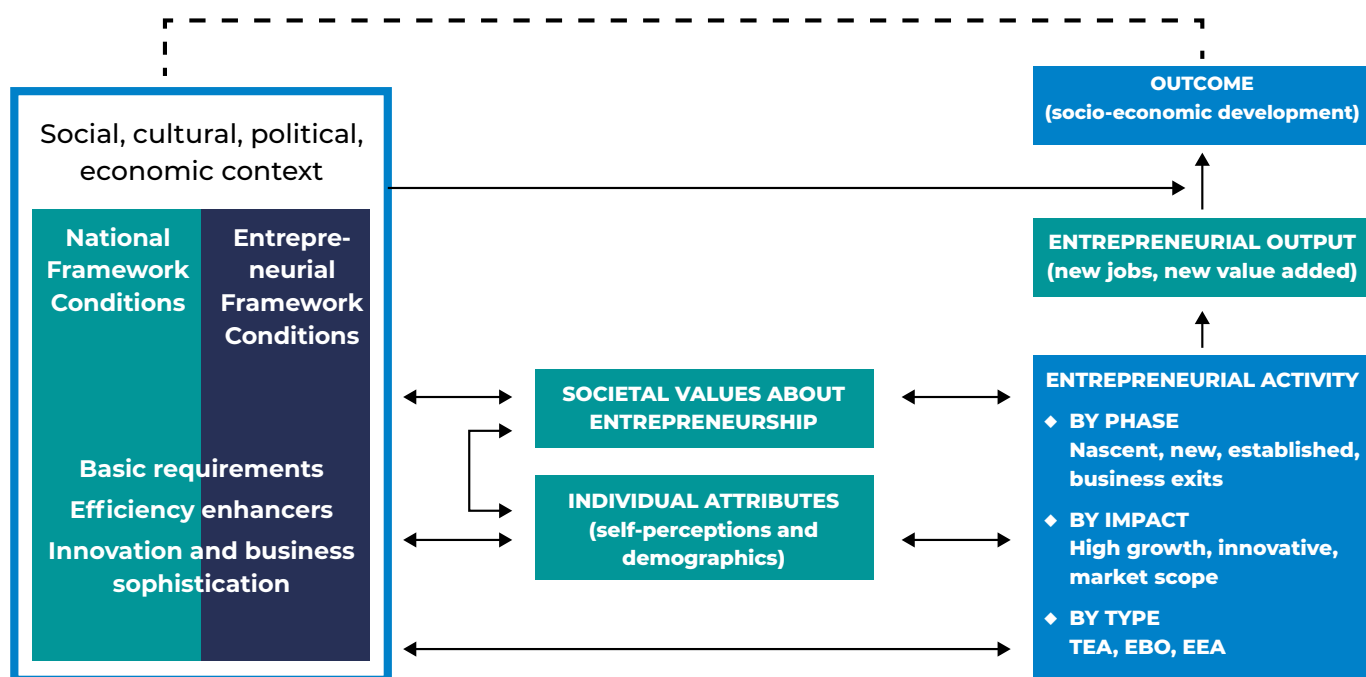
The Global Entrepreneurship Monitor (GEM) is a long-term multinational research study of entrepreneurship, conducted annually and using population-based data to carefully measure the level of entrepreneurship in each participating economy. GEM defines and measures entrepreneurship as the act of starting or running a new business. Note that it is the act of starting that is the key differentiator: simply thinking about starting a business, or planning to do so at some point in the future, is not counted according to the GEM measure of entrepreneurial activity.

The GEM Conceptual Framework is illustrated below, setting out the relationship between the decision to start a new business and the entrepreneurial environment that impacts on that decision and its implementation, both directly

(via access to resources) and indirectly (via social priorities and values). The relevant environment can be local, regional or national or a mixture of all three, depending on the nature of the new business and its scale.

The decision to start a business is then set within a social, economic and political context that conditions that decision in terms of variables, including choice of sector, scale of operations and levels of ambition and innovation. These variables in turn influence the impacts of the new business on other factors, such as number of jobs, levels of value-addition and ultimately on economic development. At the same time multiple acts of starting new businesses may begin to shift social values, creating more positive attitudes to entrepreneurship, and in turn influencing potential new entrepreneurs.

FIGURE A1
The GEM Conceptual Framework



THE GEM METHODOLOGY AND MEASURES OF ENTREPRENEURSHIP

GEM uses two principal research instruments: the Adult Population Survey (APS), a random sample of at least 2,000 adults, and a National Expert Survey (NES) of at least 36 national experts. The APS identifies the (usually small) proportion of adults who are starting or running new businesses. GEM refers to this as the level of Total early-stage Entrepreneurial Activity or TEA. However, although the majority of surveyed adults are not currently starting a business, they can still provide highly valuable information as a result of questions asked in GEM surveys. Their responses provide insights into their awareness of entrepreneurship and of local business opportunities, their view of their own competency to start a business, their perceptions of how easy it is to start a business and whether the fear of failure would stop them from doing so. They are also asked whether they intend to start a business in future.

In each participating economy, the APS is supervised by a GEM National Team, usually of academics at top universities, and sometimes by some other organisation with interest and expertise in entrepreneurship. These organisations work closely with GEM to ensure that the same questions are asked in the same way in each participating economy, so that answers can be compared across economies, and for the same economy over time. After the Global Report is published each year, National Teams usually produce and publish their own National Reports. These are customarily shared on the GEM main website (<https://www.gemconsortium.org/report>). Each year, new questions in the APS reflect a changing world: for example, by asking about the impacts of increasing energy prices or of the awareness of the United Nations Sustainable Development Goals (SDGs).

There are many ways to assess the level of entrepreneurial activity in an economy. Most official statistics count new firm businesses or tax registrations as a measure of entrepreneurial dynamics. These are certainly useful but only to the extent that new businesses actually register. In many economies, especially, less developed ones, new firm registrations can actually represent only a small proportion of new business starts. There can be several reasons for this: for example, a business may start off informally and very small, an owner may be waiting to see first if

the business works, or, as mentioned, the process of registration may be expensive, difficult or excessively bureaucratic. Another measure is the number of self-employed, but many self-employed people work only for themselves and may not even perceive initially that they are actually running a business. Examples might include journalists, musicians or some taxi drivers. The GEM approach circumvents the challenge of collecting comprehensive data both by being population-based and by assuring anonymity, thereby capturing activity in the informal economy where official statistics cannot. This is a major differentiating factor for GEM when compared to other studies.

The way GEM uses APS data to estimate key entrepreneurial variables is set out below. GEM defines an entrepreneur as an individual starting or running a new business. The APS includes a question about whether that individual has expended resources (including their own time) in trying to start that business, such as looking for premises, developing a business plan, etc. If the answer is affirmative, a follow-up question asks whether that business has paid any wages or salaries, including to the owner, and if so, for how long. If those wages have not yet been paid for three months or more, then GEM classifies this as a nascent new business, and the individual as a nascent entrepreneur. If wages have been paid for three months or more, but for less than three-and-a-half years, then GEM categorises this as a new business, and the individual as a new business owner. If wages have been paid for three-and-a-half years or more, then according to GEM the business is no longer new but established, and the individual is an Established Business Owner.

Figure A2 illustrates the entrepreneurial pipeline, beginning from the time that potential entrepreneurs perceive new opportunities that they believe they can grasp, to when they begin to expend resources to become nascent entrepreneurs. Of course, at any stage the entrepreneur can exit that business, which may or may not continue without them. The figure also shows the major GEM measures of entrepreneurial activity. At centre stage is Total early-stage Entrepreneurial Activity (TEA), or the proportion of adults in a participating economy who are starting or running a new

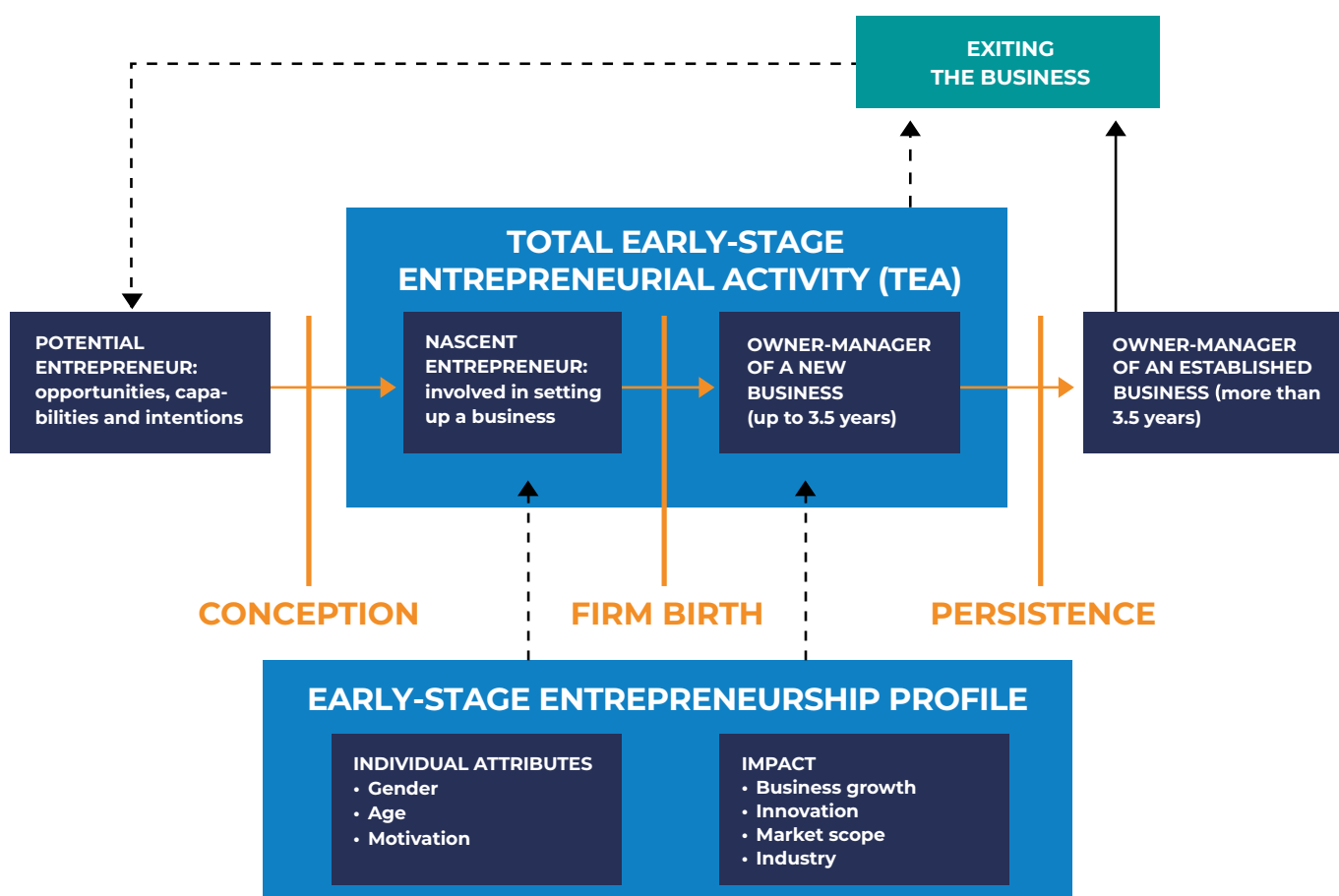


FIGURE A2
The entrepreneurial process and GEM indicators

business, seen in this figure as the sum of nascent entrepreneurs plus new business owners.¹ Other relevant entrepreneurial variables include the level of Established Business Ownership (EBO), and the level of business exits, both expressed as a proportion of the adult population. Each is important, especially in relation to the level of TEA. For example, a high ratio of TEA to EBO may indicate difficulties in transitioning new businesses into established ones, sometimes because of an unsupportive entrepreneurial environment, while a high ratio of TEA to business exits may suggest a growing entrepreneurial base.

The decision to start a new business inevitably takes place within a context that can either support or constrain the new startup and its subsequent development. To assess the quality of each national entrepreneurial business

context, GEM specifies different dimensions of the entrepreneurial environment common to all contexts (referred to as the Entrepreneurial Framework Conditions or EFCs), and then surveys a group of national experts in each country to assess the quality of these conditions. These assessments are then harmonised to provide a single figure for the quality of that entrepreneurial environment. These consistent qualitative data allow the comparison of national entrepreneurial environments at one time, or of the evolution of a national entrepreneurial environment over time. These National Expert Surveys (NESs) provide a crucial complement to the APSs. Taken together, these unique surveys provide a detailed assessment of both the level of entrepreneurial activity in each economy, and the quality of the entrepreneurial ecosystem within which that activity takes place.

¹ Strictly, this is nascent entrepreneurship plus new business owners, minus any doing both.

Key GEM Definitions and Abbreviations

Adult Population Survey (APS)	The APS is a comprehensive interview questionnaire, administered to a minimum of 2,000 adults in each GEM economy, designed to collect detailed information on the entrepreneurial activities, attitudes and aspirations of respondents.
National Expert Survey (NES)	The NES is completed by selected experts in each GEM economy and collects views on the context in which entrepreneurship takes place in that economy. It provides information about the aspects of a country's socio-economic characteristics that, according to research, have a significant impact on national entrepreneurship: referred to as the Entrepreneurship Framework Conditions (EFCs).
Total early-stage Entrepreneurial Activity (TEA)	The percentage of adults (aged 18–64) who are starting or running a new business, i.e. one that has not yet paid wages or salaries for 42 months or more.
Established Business Ownership (EBO)	The percentage of adults (aged 18–64) who are currently the owner-manager of an established business, i.e. owning and managing a business that has paid salaries, wages or any other payments to the owners, for more than 42 months.
Entrepreneurial Framework Conditions (EFCs)	<p>The conditions identified by GEM that enhance (or hinder) new business creation in a given economy, and form the framework for the NES. The conditions are:</p> <p>A1. Entrepreneurial Finance Are there sufficient funds for new startups? A2. Ease of Access to Entrepreneurial Finance And are those funds easy to access? B1. Government Policy: Support and Relevance Do they promote and support startups? B2. Government Policy: Taxes and Bureaucracy Or are new businesses burdened? C. Government Entrepreneurial Programmes Are quality support programmes available? D1. Entrepreneurial Education at School Do schools introduce entrepreneurship ideas? D2. Entrepreneurial Education Post-School Do colleges offer courses in starting a business? E. Research and Development Transfers Can research be translated into new businesses? F. Commercial and Professional Infrastructure Are these sufficient and affordable? G1. Ease of Entry: Market Dynamics Are markets free, open and growing? G2. Ease of Entry: Burdens and Regulation Do regulations encourage or restrict entry? H. Physical Infrastructure Is this sufficient and affordable? I. Social and Cultural Norms Does culture encourage and celebrate entrepreneurship?</p>
National Entrepreneurial Context Index (NECI)	This summarises in one figure the average state of 13 national EFCs selected by GEM researchers as the most reliable determinants of a favourable environment for entrepreneurship. It is calculated as the simple average of 13 variables that represent the EFCs, and which have been measured through a block of items evaluated by an 11-point Likert scale and summarised by applying factorial analyses (principal component method).
National Team	GEM is a consortium of “National Teams”. Each Team is led by a local university or other institution with a strong interest in entrepreneurship. The team is the official national representative of the project: responsible for collecting GEM data in the country on an annual basis, producing a “National Report” on their findings, and acting as the point of contact for GEM enquiries.

GEM Income Classification

Group A Economies with a Gross Domestic Product (GDP) per capita of more than \$50,000.

Group B Economies with a GDP per capita of between \$25,000 and \$50,000.

Group C Economies with a GDP per capita of less than \$25,000.

Economies participating in GEM 2024 by income group

Group A >\$50,000	Group B \$25,000–\$50,000	Group C <\$25,000
Austria	Argentina	Armenia
Bahrain*	Belarus	Bosnia and Herzegovina
Canada	Chile	Brazil
Cyprus	Costa Rica	China
France	Croatia	Ecuador
Germany	Estonia	Egypt
Israel	Greece	Guatemala
Italy	Hungary	India
Japan*	Kazakhstan	Indonesia*
Lithuania	Latvia	Jordan
Luxembourg	Mexico	Morocco
Norway	Oman	South Africa*
Qatar	Poland	Thailand
Republic of Korea	Puerto Rico	Ukraine
Saudi Arabia	Romania	
Slovenia	Serbia	
Spain	Slovak Rep.	
Sweden	Uruguay*	
Switzerland	Venezuela	

* Participated only in the NES, not the APS

GEM Indicators

Knowing a Startup Entrepreneur	Percentage of adults aged 18–64 who personally know someone who has started a business in the past two years.
Perceived Opportunities	Percentage of adults aged 18–64 who agree that they see good opportunities to start a business within the next six months in the area in which they live.
Ease of Starting a Business	Percentage of adults aged 18–64 who agree that it is easy to start a business in their country.
Perceived Capabilities	Percentage of adults aged 18–64 who agree that they have the required knowledge, skills and experience to start a business.
Fear of Failure Rate	Percentage of adults aged 18–64 who agree that they see good opportunities but would not start a business for fear it might fail.
Nascent Entrepreneurship Rate	Percentage of adults aged 18–64 who are currently nascent entrepreneurs, i.e. are actively involved in setting up a business they will own or co-own; this business has not yet paid salaries, wages or made any other payments to the owners for more than three months.
New Business Ownership Rate	Percentage of adults aged 18–64 who are currently owner-managers of a new business, i.e. who own and manage a running business that has paid salaries, wages or made any other payments to the owners for more than three months, but not more than 42 months (3.5 years).
Total early-stage Entrepreneurial Activity (TEA)	Percentage of adults aged 18–64 who are either a nascent entrepreneurs or owner-managers of a new business, i.e. the proportion of the adult population who are either starting or running a new business.
Established Business Ownership Rate (EBO)	Percentage of adults aged 18–64 who are currently owner-managers of an established business, i.e. who are owning and managing a running business that has paid salaries, wages or made any other payments to the owners for over 42 months (3.5 years).
Business Services	Percentage of TEA respondents involved in business services.
Consumer Services	Percentage of TEA respondents involved in consumer services.
Motive for Starting a Business: “To make a difference in the world”	Percentage of TEA respondents who agree that a reason for starting their business is “to make a difference in the world”.
Motive for Starting a Business: “To build great wealth or very high income”	Percentage of TEA respondents who agree that a reason for starting their business is “to build great wealth or a very high income”.
Motive for Starting a Business: “To continue a family tradition”	Percentage of TEA respondents who agree that a reason for starting their business is “to continue a family tradition”.

Motive for Starting a Business: “To earn a living because jobs are scarce”	Percentage of TEA respondents who agree that a reason for starting their business is “to earn a living because jobs are scarce”.
High Growth Expectation Entrepreneurial Activity	Percentage of adults aged 18–64 involved in TEA who expect to employ another six or more people five years from now.
Internationally Oriented Entrepreneurial Activity	Percentage of adults aged 18–64 involved in TEA who anticipate 25% or more revenue coming from outside their country.
Scope (local/national/international)	Percentage of adults aged 18–64 involved in TEA having customers only within their local area, only within their country, or those having international customers.
Product/Services Impact (local/national/global)	Percentage adults aged 18–64 involved in TEA having products or services that are either new to the area, new to their country or new to the world.
Technology/Procedures Impact (local/national/global)	Percentage of adults aged 18–64 involved in TEA having technology or procedures that are either new to the area, new to their country or new to the world.
Informal Investment	Percentage of adults aged 18–64 investing in someone else’s new business in the last three years.
Business Exit Rate	Percentage of adults aged 18–64 who have exited a business in the past 12 months, either by selling, shutting down or otherwise discontinuing an owner/management relationship with that business.
Exit, Business Continues	Percentage of adults aged 18–64 who have exited a business in the past 12 months and that business has continued.
Exit, Business Does Not Continue	Percentage of adults aged 18–64 who have exited a business in the past 12 months and that business has not continued.
Household Income Change	Percentage of adults aged 18–64 who reported that their household income had somewhat or strongly decreased.
Digital Technology Rate (TEA)	Percentage of adults involved in TEA who expect to use more digital technology to sell their products or services in the next six months.
Digital Technology Rate (EBO)	Percentage of adults who own an established business and who expect to use more digital technology to sell their products or services in the next six months.
Email Communications	Percentage of adults involved in TEA who consider email communications as very important to their day-to-day operations.
Email Marketing	Percentage of adults involved in TEA who consider email marketing as very important to their day-to-day operations.
Company Website	Percentage of adults involved in TEA who consider the company website as very important to their day-to-day operations.
Social Media	Percentage of adults involved in TEA who consider social media as very important to their day-to-day operations.
Artificial Intelligence	Percentage of adults involved in TEA who anticipate that artificial intelligence will be very important to implementing their business model and strategy in the next three years.

Table A1. Changes in household income in 2024 (% of adults aged 18–64)

	Income group	Strongly decrease	Somewhat decrease	No substantial change
Argentina	B	48.8	34.7	9.7
Armenia	C	19.0	16.7	47.9
Austria	A	4.8	15.2	46.1
Belarus	B	11.2	21.2	35.8
Bosnia and Herzegovina	C	6.7	16.4	45.6
Brazil	C	16.8	17.8	38.4
Canada	A	10.4	17.2	46.7
Chile	B	16.8	23.2	35.2
China	C	6.3	37.2	45.9
Costa Rica	B	19.5	17.2	45.6
Croatia	B	4.1	8.2	20.7
Cyprus	A	12.6	15.2	49.0
Ecuador	C	22.4	29.2	38.0
Egypt	C	28.9	21.9	32.4
Estonia	B	13.5	18.8	44.0
France	A	10.3	20.1	44.9
Germany	A	8.0	16.9	41.8
Greece	B	21.6	25.6	43.6
Guatemala	C	8.8	26.2	36.4
Hungary	B	5.3	18.1	48.8
India	C	9.4	29.3	42.9
Israel	A	10.7	21.0	52.6
Italy	A	8.8	19.0	50.9
Jordan	C	28.5	21.5	44.4
Kazakhstan	B	8.3	17.5	47.8
Latvia	B	7.5	15.4	49.4
Lithuania	A	8.4	17.3	44.1
Luxembourg	A	8.5	17.9	43.6
Mexico	B	10.1	24.9	36.6

Somewhat increase	Strongly increase
5.6	1.2
13.6	2.8
31.9	2.0
28.6	3.2
28.0	3.3
23.6	3.4
22.0	3.7
21.1	3.6
10.2	0.4
12.5	5.1
58.1	8.8
19.4	3.8
9.2	1.2
13.0	3.7
21.8	1.9
21.3	3.6
30.9	2.4
8.3	1.0
21.9	6.7
25.5	2.4
17.0	1.4
13.6	2.1
18.4	2.8
5.1	0.4
20.8	5.7
23.9	3.8
27.4	2.8
27.8	2.2
21.8	6.6

Table A1 (continued)

	Income group	Strongly decrease	Somewhat decrease	No substantial change
Morocco	C	10.0	20.4	57.8
Norway	A	3.4	15.2	41.4
Oman	B	21.2	18.3	43.4
Poland	B	11.2	34.6	35.5
Puerto Rico	B	21.4	28.4	30.8
Qatar	A	7.6	14.9	58.4
Republic of Korea	A	0.8	33.0	44.0
Romania	B	9.8	10.2	55.4
Saudi Arabia	A	4.7	12.5	46.8
Serbia	B	14.7	25.3	49.2
Slovak Republic	B	12.7	23.3	45.4
Slovenia	A	3.4	11.5	58.3
Spain	A	9.6	19.0	47.5
Sweden	A	7.7	16.7	37.8
Switzerland	A	7.4	21.0	44.5
Taiwan	A	6.3	11.3	61.1
Thailand	C	10.8	31.5	43.7
Ukraine	C	24.1	34.6	30.4
United Arab Emirates	A	8.8	16.7	48.6
United Kingdom	A	7.7	16.3	46.5
United States	A	9.3	17.4	44.7
Venezuela	B	20.3	29.3	29.5

Somewhat increase	Strongly increase
10.4	1.4
34.4	5.7
15.1	2.0
16.6	2.1
15.5	3.9
15.5	3.6
21.8	0.4
22.7	2.0
28.9	7.1
9.3	1.5
16.8	1.8
24.1	2.7
21.3	2.7
34.2	3.5
24.4	2.7
18.8	2.5
13.1	0.9
9.4	1.4
19.3	6.7
24.8	4.7
23.8	4.7
16.8	4.1

Table A2. Public attitudes and perceptions (% of adults aged 18–64 somewhat or strongly agree)

	Knowing someone who has started a business in the past two years	“In the next six months, there will be good opportunities to start a business in my area”	“In my country, it is easy to start a business”
Argentina	54.6	57.0	35.0
Armenia	48.8	51.4	47.0
Austria	52.3	46.0	46.8
Belarus	—*	47.0	48.1
Bosnia and Herzegovina	81.3	55.1	31.9
Brazil	74.1	64.5	46.1
Canada	58.1	61.3	53.2
Chile	70.4	60.2	49.3
China	46.4	54.8	19.3
Costa Rica	71.5	61.9	36.1
Croatia	73.6	67.3	44.1
Cyprus	68.3	40.2	47.8
Ecuador	68.9	54.4	42.2
Egypt.	26.8	61.1	65.4
Estonia	43.8	45.8	72.6
France	55.6	42.8	48.8
Germany	40.3	42.7	32.9
Greece	31.5	38.7	30.4
Guatemala	71.6	75.1	48.4
Hungary	46.7	32.3	43.2
India	51.5	83.6	85.1
Israel	67.0	38.4	15.7
Italy	49.5	35.2	21.9
Jordan	54.7	52.7	39.9
Kazakhstan	73.0	64.4	42.0
Latvia	48.2	40.5	34.2

* Belarus data not included as they had a data collection error.

"I have the knowledge, skills and experience required to start my own business"	"There are good opportunities, but I would not start a business for fear it might fail" (% of those adults seeing good opportunities)	Expecting to start a business in the next three years[†]	"I have personally provided funds for a new business started by someone else"
74.8	18.8	17.4	5.8
59.6	38.4	36.2	4.3
55.4	44.8	5.4	4.7
52.1	48.2	32.4	3.7
73.3	46.8	29.9	5.3
67.4	51.5	49.9	11.0
58.9	48.0	22.0	6.7
69.9	46.6	38.5	22.3
48.5	62.2	4.0	3.0
75.4	36.1	44.9	6.5
73.8	46.0	24.7	3.8
59.9	50.8	24.1	3.6
83.9	40.1	34.3	5.4
60.5	52.8	39.2	1.3
44.7	45.1	15.5	4.5
45.0	42.7	14.3	5.6
41.1	45.3	10.6	4.1
53.4	54.1	7.7	2.3
79.3	42.5	44.3	6.8
35.8	36.4	8.7	1.5
85.4	71.8	27.8	1.8
34.5	49.7	15.2	1.6
55.1	49.5	18.7	3.1
72.3	45.6	52.5	7.9
40.6	52.6	13.4	1.6
54.0	47.9	21.7	5.2

[†] Strictly, this is the percentage of adults excluding those already engaged in entrepreneurial activity.

Table A2 (continued)

	Knowing someone who has started a business in the past two years	"In the next six months, there will be good opportunities to start a business in my area"	"In my country, it is easy to start a business"
Lithuania	71.1	50.6	40.9
Luxembourg	47.6	47.7	61.0
Mexico	57.7	59.1	47.3
Morocco	78.2	62.6	42.2
Norway	47.5	62.0	74.1
Oman	56.3	73.8	50.6
Poland	46.8	73.7	83.4
Puerto Rico	76.8	62.0	30.8
Qatar	46.9	66.4	59.5
Republic of Korea	36.9	40.1	40.2
Romania	46.7	60.0	34.6
Saudi Arabia	94.4	95.0	93.2
Serbia	64.6	44.3	37.0
Slovak Republic	62.3	38.8	32.6
Slovenia	57.6	56.2	71.6
Spain	46.6	29.3	26.9
Sweden	53.3	66.2	78.4
Switzerland	56.2	48.7	66.1
Taiwan	32.0	52.8	43.3
Thailand	31.8	78.2	71.7
Ukraine	54.6	36.2	39.3
United Arab Emirates	64.5	71.9	76.0
United Kingdom	53.1	49.5	58.6
United States	53.0	59.3	57.2
Venezuela	44.8	60.4	44.4

"I have the knowledge, skills and experience required to start my own business"	"There are good opportunities, but I would not start a business for fear it might fail" (% of those adults seeing good opportunities)	Expecting to start a business in the next three years[†]	"I have personally provided funds for a new business started by someone else"
55.6	48.1	20.2	3.2
48.8	41.4	15.8	5.1
66.6	45.6	21.0	3.5
74.6	52.3	15.1	3.3
49.9	40.5	8.8	6.1
70.1	33.2	41.6	4.5
47.7	51.8	3.1	2.5
76.1	46.6	35.9	5.6
64.3	43.7	60.8	7.4
57.0	29.2	22.7	1.6
53.1	67.4	6.0	0.5
92.6	58.0	35.9	20.7
62.7	40.3	18.0	2.4
52.4	44.1	11.7	2.5
66.4	46.1	17.5	4.4
48.1	44.4	9.4	2.7
46.3	45.5	10.3	3.8
44.4	37.3	10.0	8.0
37.9	42.0	13.3	4.3
78.3	48.6	29.3	8.7
53.0	55.7	23.7	3.0
67.8	48.6	40.9	4.5
54.5	57.0	14.3	5.4
55.7	44.4	13.4	6.7
82.1	36.2	17.0	1.0

[†] Strictly, this is the percentage of adults excluding those already engaged in entrepreneurial activity.

Table A3. Entrepreneurial activity (% of adults aged 18–64)

An equals sign (=) indicates that the ranking position is tied with another economy or economies

	Total early-stage Entrepreneurial Activity (TEA)		Established Business Ownership (EBO)		Business-oriented services (% TEA)
	Score	Rank/51	Score	Rank/51	
Argentina	23.4	7	6.4	23	15.9
Armenia	17.6	13	10.8	9	11.6
Austria	6.6	44	7.9	16	31.3
Belarus	16.6	14	5.2	29	18.8
Bosnia and Herzegovina	22.7	8	5.9	27	22.1
Brazil	20.3	10	13.2	6	17.4
Canada	25.4	4	5.8	28	21.3
Chile	27.2	2	8.1	15	23.5
China	5.4	47	4.5	35=	10.4
Costa Rica	5.2	48=	2.0	50	10.2
Croatia	13.1	19	4.4	37=	42.1
Cyprus	9.7	33	8.4	13	32.4
Ecuador	33.4	1	13.3	5	3.7
Egypt	5.2	48=	3.3	43=	11.8
Estonia	13.4	18	6.5	22	30.3
France	8.7	37	4.5	35=	31.4
Germany	9.8	32	6.0	25=	39.9
Greece	5.5	46	14.8	3	13.5
Guatemala	23.7	6	14.2	4	7.4
Hungary	6.7	43	6.9	18=	23.5
India	12.2	22	6.0	25=	3.7
Israel	8.4	39=	3.6	42	37.7
Italy	9.6	34=	6.9	18=	25.9
Jordan	21.1	9	4.8	32=	9.2
Kazakhstan	9.6	34=	2.6	49	6.6
Latvia	12.1	23	8.9	11	21.4
Lithuania	11.6	27	3.2	46	18.4
Luxembourg	9.9	30=	4.4	37=	40.4

Consumer-oriented services (% TEA)	"I consider it more difficult to start a business than a year ago" (% TEA)
59.0	62.0
41.1	41.7
58.5	34.6
42.4	37.5
46.3	38.2
51.7	44.7
58.0	50.0
47.7	65.6
71.1	78.3
73.8	69.9
26.3	28.0
43.3	44.4
81.3	62.8
60.3	51.7
37.9	33.6
44.0	38.3
40.7	40.7
53.3	44.5
70.9	58.7
37.8	36.7
55.6	35.3
48.5	65.0
50.3	42.6
61.5	58.0
68.7	46.9
42.9	22.6
53.7	43.2
43.7	45.6

Table A3 (continued)

	Total early-stage Entrepreneurial Activity (TEA)		Established Business Ownership (EBO)		Business-oriented services (% TEA)
	Score	Rank/51	Score	Rank/51	
Mexico	15.0	15	3.3	43=	7.0
Morocco	12.5	21	2.7	48	6.9
Norway	10.0	29	6.1	24	38.0
Oman	9.2	36	4.4	37=	19.3
Poland	2.5	51	12.8	7	25.5
Puerto Rico	24.3	5	4.6	34	20.2
Qatar	7.7	41	3.3	43=	30.5
Republic of Korea	11.7	24=	22.3	1	11.7
Romania	5.0	50	4.2	40=	11.8
Saudi Arabia	26.4	3	19.4	2	6.0
Serbia	11.7	24=	4.2	40=	19.8
Slovak Republic	11.5	28	5.0	31	29.2
Slovenia	8.6	38	8.7	12	43.9
Spain	7.2	42	6.8	20	31.4
Sweden	8.4	39=	5.1	30	34.4
Switzerland	9.9	30=	7.2	17	28.1
Taiwan	5.6	45	8.2	14	16.6
Thailand	19.7	11	11.8	8	4.6
Ukraine	12.8	20	4.8	32=	14.4
United Arab Emirates	13.6	17	3.1	47	18.9
United Kingdom	14.2	16	9.8	10	25.1
United States	19.3	12	6.6	21	23.9
Venezuela	11.7	24=	1.8	51	4.2

Consumer-oriented services (% TEA)	"I consider it more difficult to start a business than a year ago" (% TEA)
83.6	44.4
75.9	64.1
35.4	35.1
63.6	42.3
49.5	29.3
62.4	49.7
51.0	44.1
64.4	55.6
54.7	56.3
79.9	20.7
48.9	21.0
53.8	63.2
31.2	22.5
50.4	47.8
44.2	23.9
57.0	33.6
64.1	42.1
78.1	58.7
54.3	50.9
62.4	23.5
55.5	45.6
55.2	47.9
70.8	47.4

Table A4. Diversity in entrepreneurial activity by gender, age, education, job expectations and innovation

	Total early-stage Entrepreneurial Activity (TEA) by gender		Established Business Ownership (EBO) by gender		Total early-stage Entrepreneurial Activity (TEA) by age group	
	% women	% men	% women	% men	% 18–34	% 35–64
Argentina	22.5	24.2	5.1	7.7	23.0	23.6
Armenia	13.3	22.4	7.9	14.1	25.6	13.3
Austria	6.3	6.8	5.6	10.0	6.5	6.6
Belarus	16.1	17.1	3.6	6.8	18.9	15.5
Bosnia and Herzegovina	19.7	25.7	4.2	7.5	27.7	20.0
Brazil	18.5	22.3	9.8	16.8	21.4	19.6
Canada	21.8	29.0	3.8	7.9	35.9	19.7
Chile	26.5	28.0	5.1	11.2	25.4	28.4
China	4.9	5.9	4.2	4.7	7.9	4.1
Costa Rica	5.1	5.3	1.5	2.5	5.9	4.6
Croatia	11.0	15.2	3.2	5.5	19.4	10.5
Cyprus	6.0	13.4	6.1	10.6	11.7	8.5
Ecuador	32.0	34.8	12.9	13.7	34.5	32.4
Egypt	2.6	7.6	0.6	5.9	6.0	4.0
Estonia	11.0	15.7	3.6	9.3	16.5	11.9
France	7.4	10.0	3.0	5.9	12.0	7.0
Germany	8.5	11.0	4.6	7.3	15.2	7.3
Greece	5.2	5.9	11.3	18.4	5.9	5.3
Guatemala	21.4	26.2	10.0	18.7	24.4	22.9
Hungary	4.9	8.5	4.5	9.2	7.6	6.3
India	10.3	14.0	4.1	7.9	10.3	14.2
Israel	6.5	10.3	3.2	4.1	9.7	7.4
Italy	6.6	12.7	5.1	8.6	11.8	8.8
Jordan	19.5	22.5	2.5	6.8	23.2	18.6
Kazakhstan	9.0	10.3	2.5	2.8	9.4	9.8
Latvia	10.0	14.2	5.6	12.2	20.4	8.6

Established Business Ownership (EBO) by age group		Total early-stage Entrepreneurial Activity (TEA) for graduates and for non-graduates		Job creation expectations (% TEA)		Those starting or running new businesses with products that are new to their area, new to their country or new to the world (% TEA)		
% 18–34	% 35–64	% graduates	% non-graduates	0 jobs	6+ jobs	New to area	New to country	New to world
4.5	7.8	39.7	19.5	54.3	14.8	23.3	3.3	1.2
7.1	12.7	19.8	16.7	37.2	27.7	18.3	10.1	2.6
4.9	9.3	10.4	5.9	62.7	8.3	17.8	9.9	4.7
2.9	6.1	20.0	15.2	49.2	29.6	15.0	5.7	2.9
3.6	7.1	29.8	17.1	41.1	26.3	23.8	8.6	2.2
7.1	17.2	20.2	20.4	28.1	35.3	9.7	2.3	0.2
6.7	5.3	26.7	20.5	54.1	20.8	21.0	10.0	4.2
4.5	10.6	28.1	24.8	21.2	32.1	25.7	8.9	5.1
3.6	4.9	7.0	3.6	50.4	14.4	6.1	5.3	2.2
1.7	2.2	6.2	4.6	59.9	5.0	28.3	3.2	4.5
2.6	5.1	16.6	9.9	47.2	20.4	17.1	10.8	1.8
3.9	11.0	11.2	7.6	14.2	38.3	10.1	15.2	10.4
8.5	17.3	33.9	33.3	39.7	6.4	21.0	2.4	0.3
2.8	3.9	4.4	5.8	39.1	30.7	18.4	5.7	2.6
3.0	8.1	14.6	11.8	43.0	18.4	9.9	7.8	8.6
3.2	5.1	10.4	5.6	41.0	18.2	22.9	8.5	5.5
4.1	6.9	11.7	8.3	64.5	14.6	20.2	12.0	5.0
11.2	17.4	5.3	5.8	48.5	18.9	19.0	10.6	2.0
9.0	20.2	32.7	22.9	11.1	29.0	38.6	3.1	0.3
1.7	9.3	9.0	5.3	45.8	25.8	16.2	6.7	2.7
4.0	8.2	19.9	9.8	55.5	8.7	27.6	2.5	1.1
1.3	5.3	8.4	7.5	66.7	13.0	8.3	8.3	1.8
3.3	8.3	15.7	9.1	56.0	22.8	19.2	21.0	10.8
2.7	7.3	23.7	20.4	39.3	16.5	20.9	4.4	1.5
1.9	3.0	10.0	6.9	64.6	13.2	11.4	5.4	0.5
4.7	10.7	14.4	9.7	31.9	29.1	11.8	10.1	5.7

Table A4 (continued)

	Total early-stage Entrepreneurial Activity (TEA) by gender		Established Business Ownership (EBO) by gender		Total early-stage Entrepreneurial Activity (TEA) by age group	
	% women	% men	% women	% men	% 18–34	% 35–64
Lithuania	11.6	11.6	2.0	4.4	14.1	10.6
Luxembourg	6.4	13.2	3.6	5.1	10.3	9.6
Mexico	15.5	14.4	2.9	3.8	17.5	13.0
Morocco	12.5	12.5	2.6	2.8	10.7	14.8
Norway	6.1	13.7	4.5	7.7	11.3	9.2
Oman	6.5	11.9	3.3	5.5	9.6	8.7
Poland	2.3	2.6	12.4	13.3	3.1	2.2
Puerto Rico	22.3	26.4	3.7	5.7	25.9	23.3
Qatar	7.0	7.9	0.9	4.0	7.9	7.3
Republic of Korea	8.9	14.4	18.5	26.0	9.2	12.8
Romania	3.7	6.2	3.6	4.9	6.0	4.5
Saudi Arabia	23.2	28.4	14.5	22.5	25.9	26.8
Serbia	8.7	14.7	3.3	5.1	14.1	10.6
Slovak Republic	9.8	13.2	3.6	6.4	14.6	10.2
Slovenia	5.5	11.4	5.7	11.4	11.5	7.4
Spain	6.8	7.7	5.3	8.2	7.5	7.1
Sweden	6.2	10.5	3.7	6.4	11.2	6.8
Switzerland	8.8	10.8	5.8	8.5	10.1	9.8
Taiwan	5.1	5.9	5.3	11.0	6.7	5.0
Thailand	20.7	18.6	12.0	11.5	18.6	20.2
Ukraine	12.5	13.1	3.9	5.9	13.2	12.5
United Arab Emirates	14.7	13.1	3.0	3.1	15.1	11.6
United Kingdom	11.6	16.9	6.6	13.0	20.9	10.5
United States	17.8	20.8	5.3	7.9	25.4	15.8
Venezuela	11.3	12.1	0.9	2.7	11.9	11.6

Established Business Ownership (EBO) by age group		Total early-stage Entrepreneurial Activity (TEA) for graduates and for non-graduates		Job creation expectations (% TEA)		Those starting or running new businesses with products that are new to their area, new to their country or new to the world (% TEA)		
% 18–34	% 35–64	% graduates	% non-graduates	0 jobs	6+ jobs	New to area	New to country	New to world
2.1	3.7	11.3	12.3	55.0	21.8	12.3	8.6	2.2
3.6	4.8	11.9	7.9	29.0	25.5	9.5	20.7	9.2
2.5	4.0	19.5	12.6	28.0	22.7	30.1	5.4	1.3
2.4	3.1	13.2	11.7	34.9	24.7	17.5	13.3	0.6
2.6	8.1	10.4	9.2	35.4	29.6	8.6	5.7	12.3
2.6	6.8	10.9	7.1	62.9	12.2	16.6	4.0	2.1
6.2	15.7	2.9	2.0	37.3	5.1	27.0	4.1	0.0
4.0	5.0	25.9	19.9	41.5	18.7	18.2	7.9	5.5
1.8	4.7	8.0	6.4	28.4	60.7	20.9	14.7	2.3
9.2	28.1	12.2	10.9	11.5	14.6	8.9	9.0	0.8
4.9	3.9	6.0	1.8	37.8	13.9	7.5	3.1	0.0
11.0	27.4	27.4	21.8	6.1	63.7	14.0	6.2	3.7
2.3	5.0	16.4	9.8	42.4	11.5	15.4	5.1	0.4
3.7	5.6	15.2	8.5	38.7	19.0	21.8	7.9	0.5
4.2	10.5	9.0	8.1	34.2	25.5	6.2	6.9	9.7
2.8	8.4	8.0	6.3	69.9	9.2	26.8	14.9	7.0
2.3	6.7	9.1	7.5	67.4	12.3	15.4	8.7	7.7
3.0	9.3	11.4	6.9	44.8	13.8	22.4	13.7	8.6
2.5	10.7	6.4	3.6	38.9	36.7	9.0	6.7	16.3
7.5	14.0	27.7	11.7	25.2	34.6	39.1	7.1	1.5
3.2	5.7	13.1	10.2	53.1	30.0	15.1	5.9	1.6
2.7	3.7	14.2	10.1	12.2	73.5	22.3	11.0	4.1
9.4	10.0	17.0	7.5	50.3	22.0	25.3	6.5	6.6
5.2	7.4	19.5	19.0	31.1	34.1	28.6	8.7	6.4
1.2	2.3	14.8	10.5	22.9	9.7	15.0	1.0	0.5

Table A5. Motivations, business exits and resilience

	The motivation to start a business (% of Total early-stage Entrepreneurial Activity [TEA] who somewhat or strongly agree)			
	"To make a difference in the world"	"To build great wealth or very high income"	"To continue a family tradition"	"To earn a living because jobs are scarce"
Argentina	24.3	42.1	25.3	88.0
Armenia	21.8	63.2	43.3	79.3
Austria	38.0	43.9	22.2	53.6
Belarus	36.1	76.4	20.8	53.3
Bosnia and H.	44.3	41.3	39.1	77.7
Brazil	74.6	69.3	35.4	73.9
Canada	63.1	70.0	35.8	71.9
Chile	54.1	59.5	30.3	76.8
China	32.5	46.6	31.8	75.2
Costa Rica	53.3	51.3	41.9	88.8
Croatia	28.6	61.3	24.4	66.2
Cyprus	47.5	87.8	21.1	57.1
Ecuador	55.1	60.3	37.1	90.6
Egypt	58.5	69.2	41.5	84.3
Estonia	34.6	39.9	16.6	54.0
France	24.9	43.4	25.8	53.4
Germany	45.3	64.4	26.3	52.5
Greece	32.8	53.1	31.8	75.3
Guatemala	83.7	83.9	55.4	91.5
Hungary	68.6	38.9	11.4	51.1
India	77.6	88.1	70.3	90.0
Israel	39.0	67.7	19.9	52.3
Italy	36.7	58.5	34.6	59.1
Jordan	28.3	70.7	21.6	91.5
Kazakhstan	44.9	88.7	35.2	80.9
Latvia	33.5	45.5	30.1	57.0

The percentage of adults who have exited a business in the past 12 months and whether that business continued		Reason for exit (% adults)		Those expecting to start a business in the next three years and whether they have exited a business in the last 12 months or not	
Exit, business continued	Exit, business did not continue	Negative	Positive	Exited a business and expect to start (% of those exiting)	Did not exit a business and expect to start (% of those not exiting)
2.5	4.2	4.4	2.1	64.2	19.3
1.3	4.0	4.0	0.9	64.8	41.0
1.6	2.6	1.8	1.9	23.3	6.7
2.7	5.4	5.6	1.9	55.9	37.2
2.8	2.4	2.8	2.0	69.7	37.3
3.6	7.4	8.6	2.0	63.7	49.4
4.2	6.2	5.4	4.4	65.9	27.8
3.7	6.4	6.7	2.6	68.9	40.2
0.7	2.0	2.0	0.6	53.6	6.6
1.9	4.8	5.3	0.9	69.8	43.6
1.6	2.1	2.4	1.2	48.2	29.1
0.9	2.7	2.5	1.0	31.7	25.5
4.0	9.5	8.3	3.3	54.0	35.3
0.8	5.1	4.9	0.3	71.8	39.5
1.0	3.8	3.2	1.2	36.6	17.7
1.7	2.6	2.3	1.8	51.5	15.6
2.1	3.4	3.0	2.1	52.9	13.1
0.6	1.1	1.0	0.6	24.2	8.2
1.7	5.6	5.7	0.6	62.6	45.1
0.5	1.7	1.8	0.4	21.0	9.7
0.9	2.0	2.0	0.6	64.4	28.4
1.1	3.0	2.7	0.7	59.8	17.0
1.7	3.4	2.6	1.4	40.1	21.8
2.3	9.1	9.1	1.3	74.4	54.5
1.4	4.2	3.0	2.2	57.1	16.1
0.7	2.6	2.7	0.5	47.4	25.2

Table A5 (continued)

	The motivation to start a business (% of Total early-stage Entrepreneurial Activity [TEA] who somewhat or strongly agree)			
	"To make a difference in the world"	"To build great wealth or very high income"	"To continue a family tradition"	"To earn a living because jobs are scarce"
Lithuania	48.0	57.0	32.4	71.0
Luxembourg	57.9	51.8	21.6	37.9
Mexico	59.2	66.1	49.8	81.0
Morocco	25.7	58.0	30.2	87.2
Norway	39.9	36.5	22.6	31.9
Oman	39.5	43.3	49.7	42.6
Poland	16.4	38.3	11.2	71.4
Puerto Rico	72.8	51.2	34.9	77.5
Qatar	49.4	82.6	27.5	58.5
Republic of Korea	10.2	79.6	8.5	34.0
Romania	55.4	55.0	30.7	84.2
Saudi Arabia	66.5	87.2	64.1	81.4
Serbia	23.3	47.5	22.6	76.9
Slovak Republic	38.7	39.1	31.6	71.6
Slovenia	49.9	51.4	22.3	51.1
Spain	40.1	39.0	18.0	52.4
Sweden	46.1	56.3	25.0	32.5
Switzerland	52.3	39.4	15.6	44.0
Taiwan	44.0	59.4	15.6	30.4
Thailand	57.8	79.8	64.8	90.3
Ukraine	44.5	58.8	25.0	73.8
U. Arab Emirates	62.0	78.6	47.7	65.6
United Kingdom	56.6	65.3	27.2	65.3
United States	65.8	72.2	36.6	67.4
Venezuela	40.5	39.9	32.8	93.6

The percentage of adults who have exited a business in the past 12 months and whether that business continued		Reason for exit (% adults)		Those expecting to start a business in the next three years and whether they have exited a business in the last 12 months or not	
Exit, business continued	Exit, business did not continue	Negative	Positive	Exited a business and expect to start (% of those exiting)	Did not exit a business and expect to start (% of those not exiting)
3.2	7.1	5.6	4.2	60.2	21.3
1.9	3.2	2.9	1.7	56.0	18.8
2.5	5.5	6.3	1.6	59.1	25.0
1.9	3.3	3.6	1.4	59.0	14.3
1.1	2.2	2.2	0.6	23.5	12.4
3.1	7.4	7.2	2.4	76.8	37.4
0.9	2.4	2.6	0.7	7.0	3.1
4.9	5.7	6.1	3.5	75.4	42.9
1.8	6.7	7.3	0.5	73.4	61.0
0.5	2.4	2.8	0.1	49.5	32.5
0.1	1.5	1.4	0.3	36.8	7.6
4.8	4.4	6.2	3.0	70.9	33.1
2.3	2.0	2.3	1.9	69.2	22.6
1.7	3.1	3.0	1.5	39.6	15.2
1.0	3.1	1.8	2.0	27.9	18.2
1.3	2.2	2.0	1.4	36.4	10.3
1.3	2.6	2.1	1.2	45.2	11.6
1.3	1.4	1.4	1.0	33.6	14.6
0.9	1.6	1.7	0.7	52.2	14.2
6.4	4.6	6.6	4.2	82.5	30.7
3.3	5.4	5.9	1.8	76.6	24.7
4.3	5.2	6.8	2.0	72.6	43.2
4.3	4.2	5.3	2.9	68.9	17.4
3.4	4.5	4.5	3.1	65.6	19.0
0.3	3.3	2.3	0.1	59.8	20.4

Table A6. Attitudes and perceptions of entrepreneurs: % Total early-stage Entrepreneurial Activity (TEA)

	The share of early-stage entrepreneurs who report they have taken steps to minimise the environmental impact of their business	The share of early-stage entrepreneurs who report they have taken steps to maximise the social impact of their business	The share of early-stage entrepreneurs who report they always consider social implications when making decisions about the future of their business
Argentina	68.0	46.0	86.9
Armenia	45.7	54.6	85.2
Austria	46.3	50.8	64.6
Belarus	50.1	41.5	61.5
Bosnia and Herzegovina	65.2	55.2	82.3
Brazil	90.2	83.0	91.8
Canada	63.6	60.1	75.0
Chile	61.4	52.1	85.7
China	81.7	74.4	85.7
Costa Rica	74.9	77.4	88.1
Croatia	61.2	46.3	76.1
Cyprus	47.4	37.7	44.1
Ecuador	44.5	35.4	78.2
Egypt	48.6	58.6	86.3
Estonia	39.9	24.4	57.6
France	44.5	37.5	69.7
Germany	56.5	52.3	69.7
Greece	50.6	42.3	86.0
Guatemala	64.2	62.0	91.5
Hungary	50.8	44.6	69.9
India	18.0	14.8	95.2
Israel	33.5	38.6	60.5
Italy	54.3	43.2	78.0
Jordan	36.4	35.3	78.6
Kazakhstan	50.0	54.1	76.2
Latvia	45.9	25.7	77.6

The share of early-stage entrepreneurs who report they always consider environmental implications when making decisions about the future of their business	The share of early-stage entrepreneurs who report they prioritise social and/or environmental impact above profitability or growth		Early-stage entrepreneurs with the motive of making a difference, with sustainable actions and sustainability built into strategies and who prioritise sustainability over profits
	% TEA women	% TEA men	
88.9	58.3	46.3	16.5
88.4	67.2	62.2	12.5
60.6	64.3	56.3	19.7
69.7	43.8	41.8	15.8
79.5	71.6	62.5	27.0
91.1	88.6	84.0	57.0
76.3	73.3	67.2	41.1
85.5	77.8	70.5	34.0
90.3	79.4	81.8	25.7
83.2	75.7	75.1	38.1
69.5	62.2	54.6	19.7
41.1	36.6	36.6	10.5
75.8	54.8	61.3	22.1
86.0	86.2	72.1	35.8
60.2	32.8	34.8	12.1
70.0	63.6	57.6	12.5
67.1	64.1	53.5	24.8
87.7	57.0	49.6	11.1
92.6	86.9	86.5	54.6
78.0	47.9	41.1	23.5
80.1	84.7	89.1	14.1
56.6	37.1	42.2	9.4
79.2	74.0	76.3	20.4
78.5	68.3	69.3	10.0
72.6	56.9	60.7	24.0
77.5	48.1	36.7	8.7

Table A6 (continued)

	The share of early-stage entrepreneurs who report they have taken steps to minimise the environmental impact of their business	The share of early-stage entrepreneurs who report they have taken steps to maximise the social impact of their business	The share of early-stage entrepreneurs who report they always consider social implications when making decisions about the future of their business
Lithuania	51.7	44.8	75.7
Luxembourg	60.6	56.3	79.7
Mexico	56.0	54.0	87.4
Morocco	38.9	27.0	49.3
Norway	47.4	36.1	57.1
Oman	30.4	34.3	69.5
Poland	56.9	45.1	87.2
Puerto Rico	75.1	72.3	86.3
Qatar	57.8	72.4	85.8
Republic of Korea	56.3	35.2	62.3
Romania	62.3	51.2	84.5
Saudi Arabia	74.9	72.2	87.7
Serbia	47.7	33.6	70.7
Slovak Republic	57.6	40.0	82.6
Slovenia	37.8	27.1	88.3
Spain	51.4	44.0	62.8
Sweden	52.1	40.4	57.6
Switzerland	61.4	37.6	81.5
Taiwan	68.5	62.0	67.9
Thailand	74.6	76.2	87.3
Ukraine	68.7	53.8	65.6
United Arab Emirates	50.8	61.8	87.5
United Kingdom	58.2	53.7	76.3
United States	62.1	59.2	73.9
Venezuela	29.2	30.7	72.4

The share of early-stage entrepreneurs who report they always consider environmental implications when making decisions about the future of their business	The share of early-stage entrepreneurs who report they prioritise social and/or environmental impact above profitability or growth		Early-stage entrepreneurs with the motive of making a difference, with sustainable actions and sustainability built into strategies and who prioritise sustainability over profits
	% TEA women	% TEA men	
66.5	54.0	47.2	22.5
82.4	53.1	54.3	25.5
85.3	74.4	73.5	34.8
39.4	42.8	45.4	11.3
75.0	59.1	52.4	16.6
71.9	67.5	61.8	6.3
91.8	23.7	24.5	2.6
88.7	74.2	75.2	46.0
84.9	61.6	62.2	26.8
50.3	45.2	34.6	2.1
82.8	78.1	79.5	35.3
84.0	83.6	82.4	48.0
66.5	57.7	53.2	13.0
79.8	77.5	65.7	20.4
88.2	82.9	58.6	23.7
57.1	45.4	41.6	16.6
54.6	56.6	36.6	17.2
73.6	57.9	48.7	24.1
74.0	62.4	52.3	27.6
88.0	78.0	81.6	47.4
69.2	70.2	60.8	22.4
83.3	82.1	77.0	41.6
69.0	57.4	62.8	30.0
67.8	59.7	61.0	37.9
76.1	60.9	55.8	11.6

Table A7. Digital marketing and artificial intelligence: percentage of Total early-stage Entrepreneurial Activity (TEA) and percentage of Established Business Ownership (EBO)

	Percentage of TEA expecting to use more digital technologies to sell their products or services in the next six months	Percentage of TEA who perceive each digital marketing tool as very important			
		Social media	Email communications	Email marketing	Website
Argentina	51.6	79.3	48.7	40.2	50.4
Armenia	48.3	53.1	26.4	26.8	43.7
Austria	31.2	36.3	52.1	25.8	44.9
Belarus	44.2	63.8	46.1	27.3	52.8
Bosnia and H.	53.1	69.8	63.3	42.1	66.0
Brazil	79.6	89.4	54.4	46.2	75.9
Canada	58.1	60.8	61.1	43.0	54.8
Chile	69.9	79.2	64.9	50.3	72.3
China	32.2	43.6	14.9	9.0	27.7
Costa Rica	67.2	87.3	63.4	61.3	70.4
Croatia	50.8	59.7	64.9	38.7	55.8
Cyprus	56.9	68.6	66.0	41.9	66.2
Ecuador	63.1	73.5	34.6	30.7	49.2
Egypt	68.4	61.7	52.9	52.9	51.3
Estonia	38.1	54.4	62.4	22.0	43.0
France	51.4	51.8	48.5	29.3	49.8
Germany	50.5	20.3	58.1	36.5	48.3
Greece	44.3	57.8	60.7	57.0	73.9
Guatemala	77.0	72.2	47.6	42.2	51.8
Hungary	42.2	58.5	56.9	30.6	52.7
India	33.2	40.1	45.4	22.9	29.4
Israel	39.3	54.4	54.7	41.3	53.7
Italy	60.5	50.6	42.9	35.2	50.1
Jordan	49.7	71.9	32.5	29.1	41.8
Kazakhstan	43.6	65.5	38.3	33.5	45.4
Latvia	59.0	65.4	54.9	34.0	57.7

Percentage of EBO who perceive each digital marketing tool as very important				Percentage of TEA and EBO who anticipate artificial intelligence becoming very important to their business in the next three years	
Social media	Email communications	Email marketing	Website	TEA	EBO
74.7	59.1	35.6	44.5	37.7	35.5
27.8	18.9	13.4	18.2	22.8	17.5
23.9	62.9	20.7	37.4	10.8	9.4
48.0	49.2	33.0	50.2	17.7	13.9
49.9	45.3	32.5	38.9	24.5	20.8
81.5	52.7	37.0	49.2	20.6	24.0
48.5	59.9	32.5	51.1	30.1	28.9
63.9	66.6	43.7	54.6	52.8	47.1
38.1	11.3	17.1	32.4	17.6	11.1
68.5	72.0	58.4	72.4	42.0	46.0
39.9	77.0	37.5	42.5	19.3	23.3
47.4	64.1	32.7	47.1	36.5	29.4
65.4	32.5	27.8	40.8	33.0	30.4
57.2	67.0	52.2	56.7	46.1	45.3
23.3	56.3	12.6	23.4	20.2	8.5
36.3	41.5	25.9	39.9	22.0	18.5
19.5	59.9	31.0	38.3	39.4	24.4
43.3	47.8	37.0	54.8	33.2	24.9
50.9	37.4	27.3	32.7	44.7	40.1
37.9	65.0	23.7	38.6	22.2	20.8
33.6	46.5	23.1	31.4	15.1	29.9
40.1	52.1	38.1	40.1	25.0	16.4
34.1	47.8	29.7	35.8	19.1	20.3
58.4	26.0	23.6	32.5	25.3	21.3
70.9	56.3	59.2	58.7	20.6	43.9
36.2	54.9	16.2	35.2	20.1	13.9

Table A7 (continued)

	Percentage of TEA expecting to use more digital technologies to sell their products or services in the next six months	Percentage of TEA who perceive each digital marketing tool as very important			
		Social media	Email communications	Email marketing	Website
Lithuania	37.3	50.3	53.4	21.6	42.7
Luxembourg	72.4	60.2	70.2	44.2	62.1
Mexico	70.6	67.9	50.1	39.2	55.9
Morocco	40.9	58.9	32.1	24.2	34.9
Norway	47.9	45.3	61.4	14.5	44.8
Oman	61.0	69.2	37.7	32.6	47.0
Poland	43.9	40.8	41.9	25.5	34.2
Puerto Rico	68.0	76.3	56.7	43.4	62.3
Qatar	81.0	85.4	64.1	47.7	73.9
Republic of Korea	19.1	—*	—*	—*	—*
Romania	44.4	54.3	44.0	32.1	38.2
Saudi Arabia	68.3	71.6	57.0	63.3	66.3
Serbia	39.0	52.4	55.6	35.1	42.5
Slovak Republic	53.7	60.3	62.9	33.5	57.8
Slovenia	54.1	48.1	68.4	31.4	56.2
Spain	50.7	52.7	54.6	34.8	55.3
Sweden	45.7	49.3	50.5	21.5	39.4
Switzerland	42.2	36.1	59.3	22.0	50.7
Taiwan	59.1	65.8	30.9	15.4	53.5
Thailand	63.1	70.9	43.8	34.7	46.6
Ukraine	46.6	46.7	32.7	28.0	42.0
U. Arab Emirates	83.2	86.0	71.6	56.1	83.3
United Kingdom	62.3	60.5	53.0	39.0	50.4
United States	60.0	62.3	57.8	41.1	51.7
Venezuela	68.2	72.5	44.7	44.5	52.8

* Republic of Korea excluded (error during data collection).

Percentage of EBO who perceive each digital marketing tool as very important				Percentage of TEA and EBO who anticipate artificial intelligence becoming very important to their business in the next three years	
Social media	Email communications	Email marketing	Website	TEA	EBO
32.3	54.8	22.3	29.6	17.9	20.7
31.2	54.1	22.9	31.2	37.5	17.0
66.7	54.6	54.1	55.3	29.2	40.3
55.3	37.6	18.8	36.3	26.1	26.6
26.6	63.2	13.5	31.1	23.4	13.4
69.0	43.9	37.2	54.5	44.9	35.9
37.6	58.4	49.1	41.7	8.2	15.3
65.5	57.5	37.7	59.5	43.4	52.3
80.2	59.8	46.7	65.9	39.5	22.2
—*	—*	—*	—*	—*	—*
33.8	44.5	22.9	39.5	15.9	11.2
77.6	70.4	60.9	74.5	37.5	35.7
32.5	48.7	22.6	24.1	9.5	7.2
34.9	71.5	31.8	50.7	25.3	30.0
30.6	73.4	21.8	40.7	27.2	26.7
33.9	58.1	25.6	40.7	28.6	22.5
28.1	45.6	12.2	28.4	23.2	16.1
20.9	69.3	19.4	39.1	14.4	12.0
42.2	31.9	17.5	44.4	36.2	21.4
65.0	36.6	26.7	47.2	48.8	42.4
47.4	37.8	35.2	43.7	20.2	22.5
72.5	73.2	45.8	82.0	56.6	46.8
35.3	57.3	24.8	36.9	28.4	29.1
42.0	57.2	31.9	43.0	32.4	29.6
73.0	37.1	35.9	47.3	45.0	47.1

About GEM

Entrepreneurship matters! It drives societal health and economic growth. Innovation is unleashed. Jobs are created. New opportunities come to fruition. Some of society's greatest challenges are addressed (such as the United Nations Sustainable Development Goals).

During its 25+ years of existence, Global Entrepreneurship Monitor (GEM) has repeatedly provided valuable insights on how best to foster entrepreneurship to propel prosperity. GEM is a networked consortium of national country teams, primarily associated with top academic institutions, that carries out survey-based research on entrepreneurship and entrepreneurship ecosystems around the world. It is the **only global research** source that collects data directly from **entrepreneurs**. Based on these entrepreneurs' insights, GEM publishes its annual Global Report as well as a range of national and special-topic reports.

The go-to source for policymakers

Governments increasingly need credible data to make key decisions that stimulate sustainable forms of entrepreneurship. Official statistics, like the number of registered businesses, capture a very small part of the picture. Stakeholders need to understand on-the-ground perceptions directly from entrepreneurs. Thus, by using GEM research, government officials make better-informed decisions to help entrepreneurs and entrepreneurial ecosystems thrive.

Many other stakeholders also benefit:

- **Academics** are able to apply unique methodological approaches to studying entrepreneurship at the national level.
- **Sponsors** advance their organisational interests and gain a higher profile.
- **International organisations** incorporate or integrate GEM indicators to their own data sets and/or use GEM data as a benchmark for their own analyses.
- **Entrepreneurs** have better knowledge on where to invest and how to influence key stakeholders.

25+ years of impact

GEM has been generating impact for more than a quarter century!

- 25+ years of data, allowing longitudinal analysis in and across geographies on multiple levels;
- Up to 170,000+ interviews annually with experts and adult populations including entrepreneurs of all ages;
- Data from 120 economies across five continents;
- Collaboration with 370+ specialists in entrepreneurship research;
- Involvement of 150+ academic and research institutions;
- Support from 150+ funding institutions.

In the world of university research, where the norm is a short-lived project dictated by the longevity of a PhD thesis, 25+ years is a very long time! GEM has created both immediate and generational benefits — few research projects can make such a claim!

The beginning

Professors Bill Bygrave of Babson College and Michael Hay of London Business School co-created GEM in the late 1990s. Did they dare to imagine that this “light bulb” research idea would last so long? They were particularly visionary academics, so the answer is a resounding “Yes!”

GEM's first annual study covered 10 countries. Since then, some 120 countries have participated in the research. This has enabled GEM to become the richest source of reliable information on the state of entrepreneurship and entrepreneurial ecosystems across the globe.

Moving forward

GEM has become much more than a project: it is a networked organisation. Currently, there are 60+ National Teams comprised of hundreds of passionate researchers.

GEM aims for a long-term future. The data generated will never lose relevance as economies seek to grow and thrive, and as the world seeks innovative solutions to some of its greatest threats. GEM will undoubtedly continue to be a fundamental study for generating knowledge about new ventures and their subsequent economic and social impacts around the world.

Join us on the journey!

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Sponsor GEM

Most stakeholders want to advance entrepreneurial activity. But it is difficult to make informed decisions without having the right data. Global Entrepreneurship Monitor fills this void. Watch this short video to learn why many organisations — such as Babson College, Cartier Women's Initiative, Fribourg School of Management, Shopify and the Women Entrepreneurs Finance Initiative — sponsor GEM, the world's longest-running study of entrepreneurship. (Click on the image or go to <https://www.youtube.com/watch?v=UAFWuMSUxJE>.)

Entrepreneurship fuels economic growth, drives innovation, creates jobs and tackles global challenges. Global Entrepreneurship Monitor (GEM) has repeatedly provided valuable insights on how best to foster entrepreneurship to propel prosperity.

GEM is a networked consortium of national country teams, primarily associated with top academic institutions, that carries out survey-based research on entrepreneurship and entrepreneurship ecosystems around the world. It is the only global research source that collects data directly from entrepreneurs.

Why GEM?

- **Government officials** make better-informed decisions to help entrepreneurs and entrepreneurial ecosystems thrive.
- **Academics** are able to apply unique methodological approaches to studying entrepreneurship.
- **Sponsors** advance their organisational interests.
- **International organisations** incorporate GEM indicators to their own data sets and/or use GEM data as a benchmark for their own analyses.
- **Entrepreneurs** have better knowledge on where to invest.

25+ Years of Data and Impact

- Allows for longitudinal analysis in and across geographies on multiple levels
- Up to 170,000+ interviews annually with experts and adult populations including entrepreneurs of all ages
- Data from 120 economies across five continents
- Collaboration with 370+ specialists in entrepreneurship research
- Involvement of 150+ academic and research institutions
- Support from 150+ funding institutions

GEM began in 1999 as a joint project between Babson College and London Business School. Today there are 60+ national teams. Join us on the journey of shaping entrepreneurship worldwide!