



GEM



A Global View of Entrepreneurship

Global Entrepreneurship Monitor 2012

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REITI Workshop

Tokyo Japan

January 21, 2001

In 2012, its 14th year, GEM surveyed 198,000 adults in 69 economies

74% of the world's population

In 1999, GEM launched its survey
on entrepreneurship in 10
developed economies

87% of the world's GDP



GEM Regions



European Union

<u>Efficiency-Driven</u>	<u>Innovation-Driven</u>
Estonia, Hungary, Latvia, Lithuania, Poland, Romania	Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Slovakia, Slovenia, Spain, Sweden, UK

Non-European Union

<u>Efficiency-Driven</u>	<u>Innovation-Driven</u>
Bosnia and Herzegovina, Croatia, Macedonia, Russia, Turkey	Norway, Switzerland

United States

Latin America & Caribbean

Efficiency-Driven
 Argentina, Barbados, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Mexico, Panama, Peru, Trinidad & Tobago, Uruguay

Middle East & North Africa

<u>Factor-Driven</u>	<u>Efficiency-Driven</u>	<u>Innovation-Driven</u>
Algeria, Egypt, Iran, Palestine	Tunisia	Israel

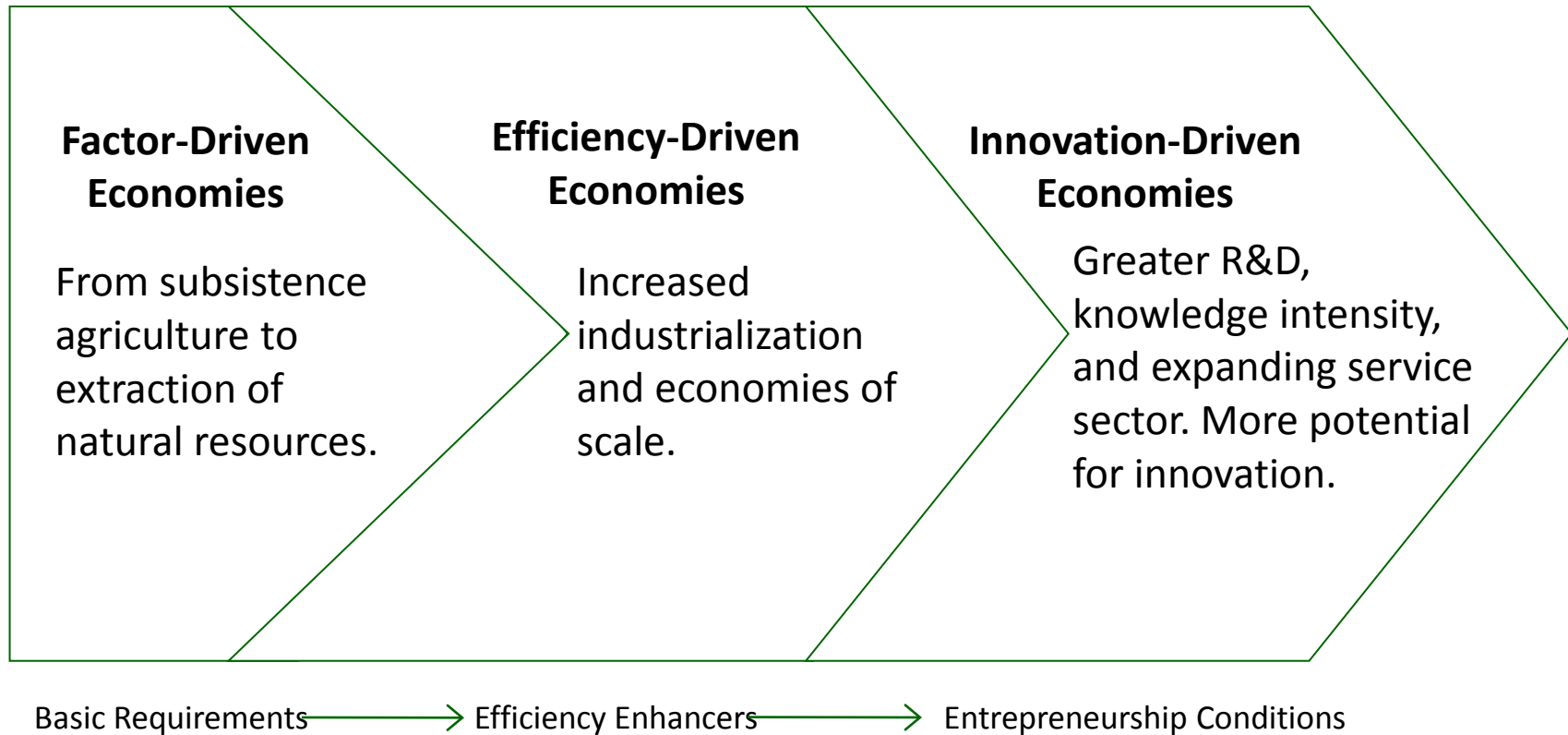
Asia Pacific & South Asia

<u>Factor-Driven</u>	<u>Innovation-Driven:</u>
Pakistan	Japan, Republic of Korea, Singapore, Taiwan
<u>Efficiency-Driven:</u>	
China, Malaysia, Thailand	

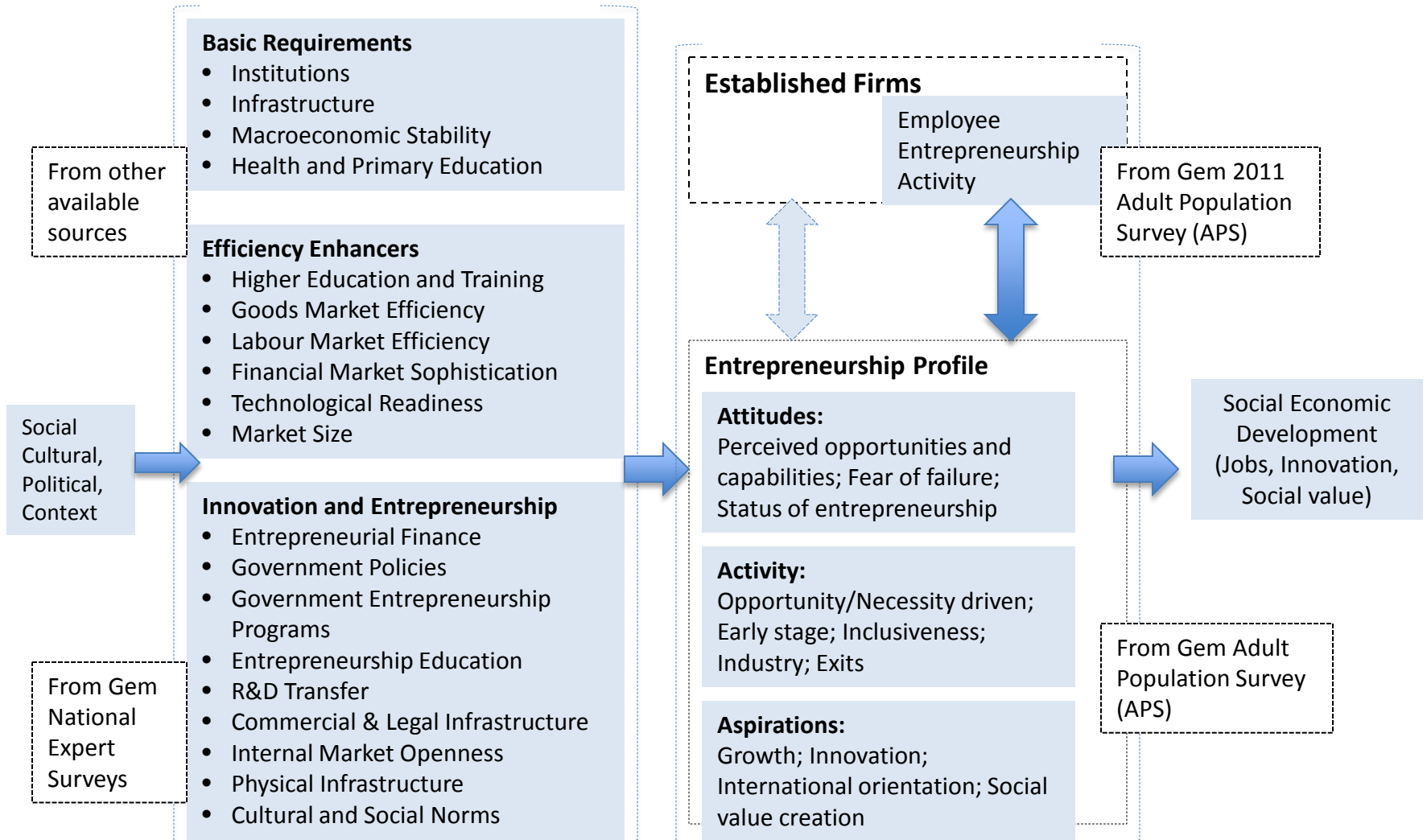
Sub-Saharan Africa

<u>Factor-Driven</u>	<u>Efficiency-Driven</u>
Angola, Botswana, Ethiopia, Ghana, Malawi, Nigeria, Uganda, Zambia	Namibia, South Africa

Economic Development Levels



The GEM Model



GEM Global Report: 2012

- Entrepreneurial Attitudes
- Entrepreneurship Activity
- Regional Studies
 - United States
 - Asia Pacific and Southeast Asia
- Special Topic: Immigrant Entrepreneurship

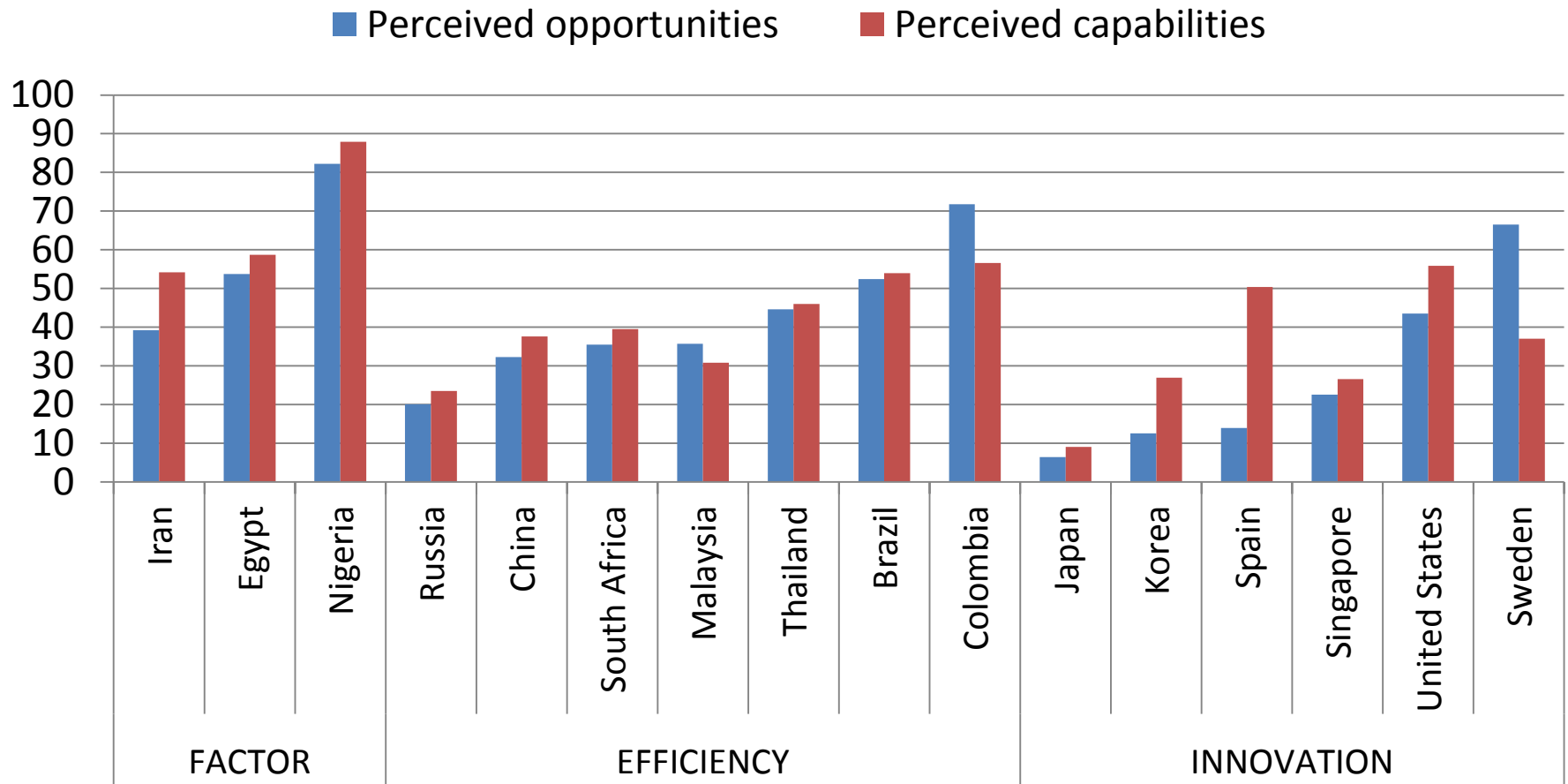


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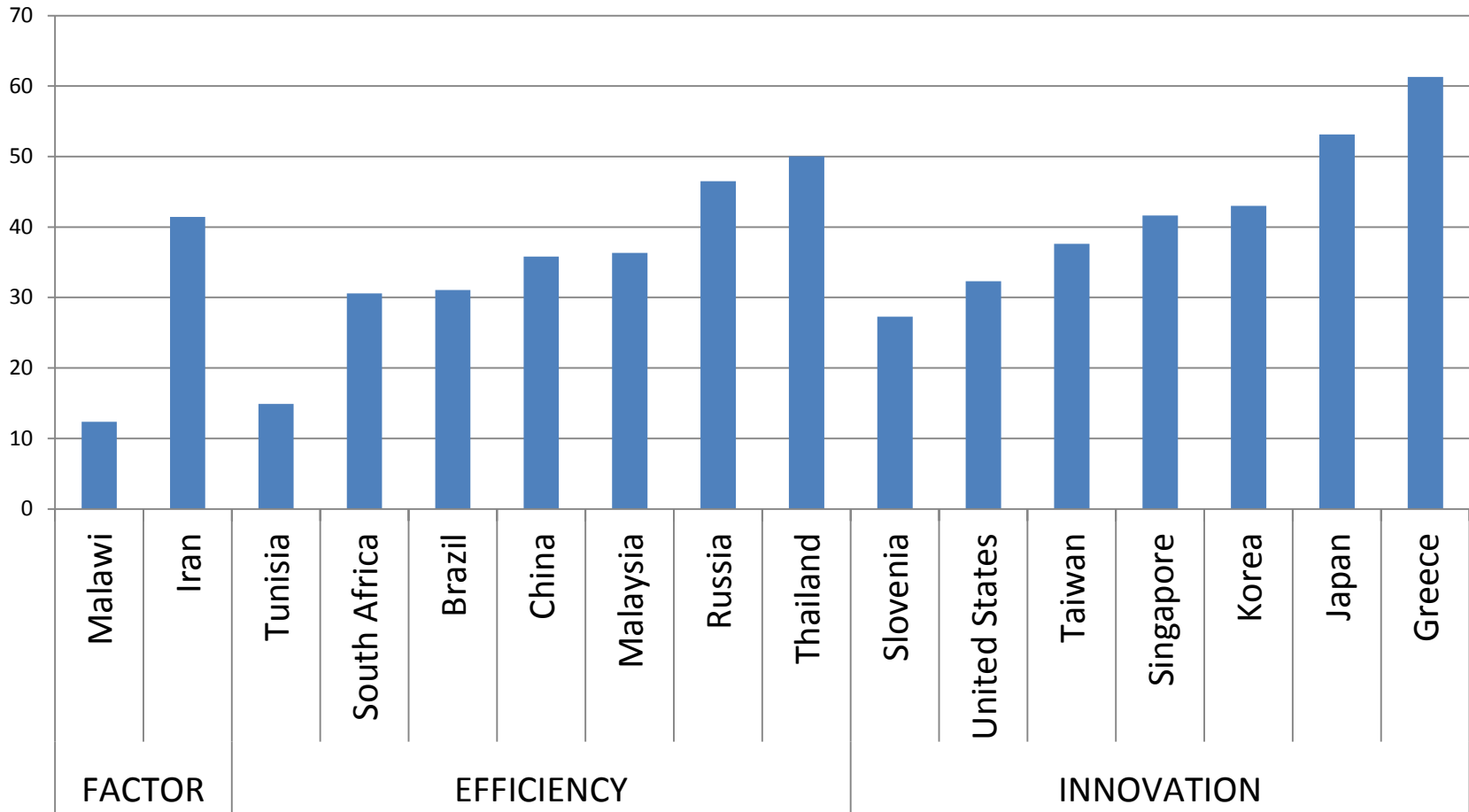
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Perceived Opportunities and Capabilities in Select GEM Economies, 2012



Fear of Failure Rates in Select GEM Economies, 2012



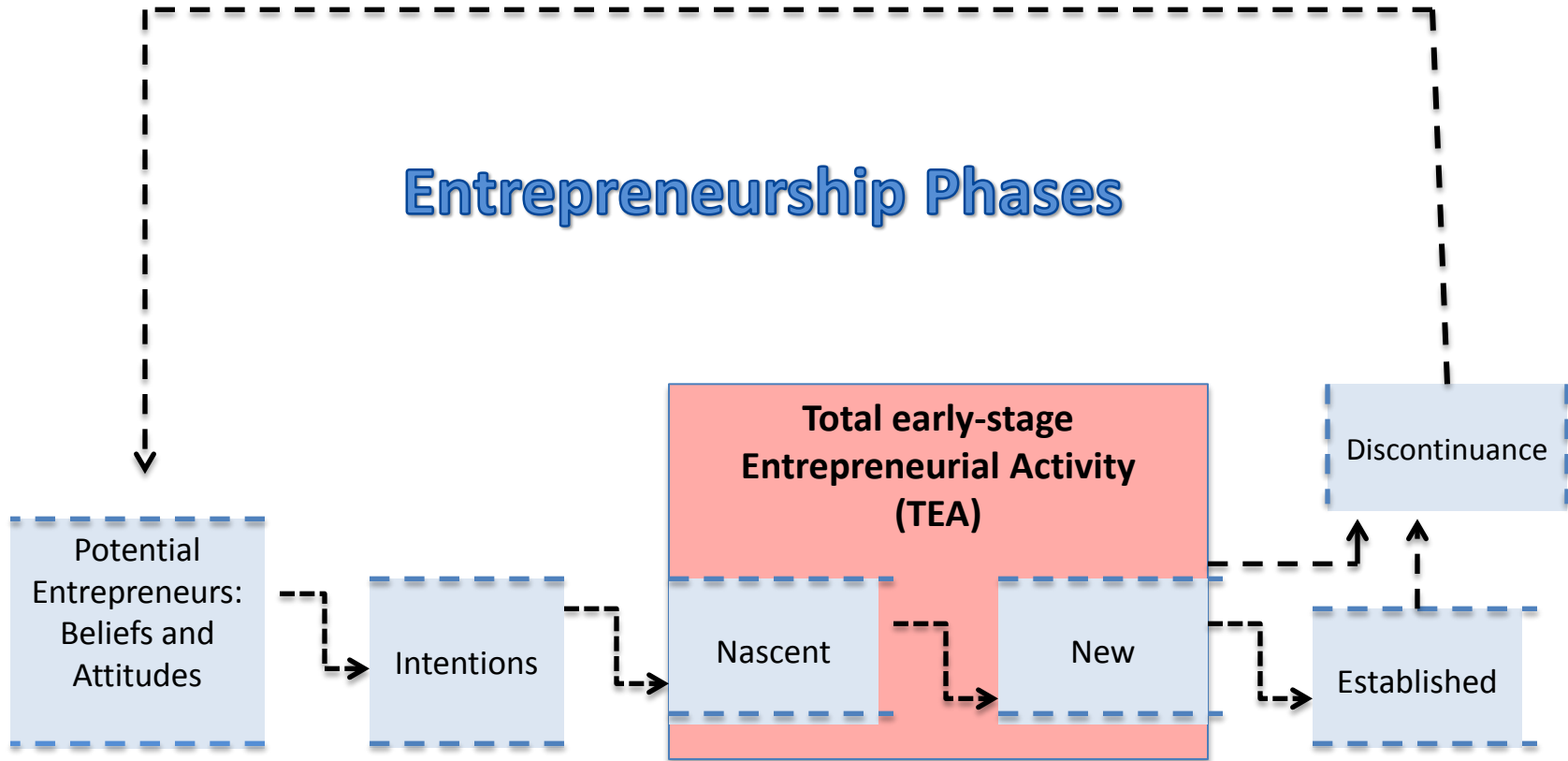
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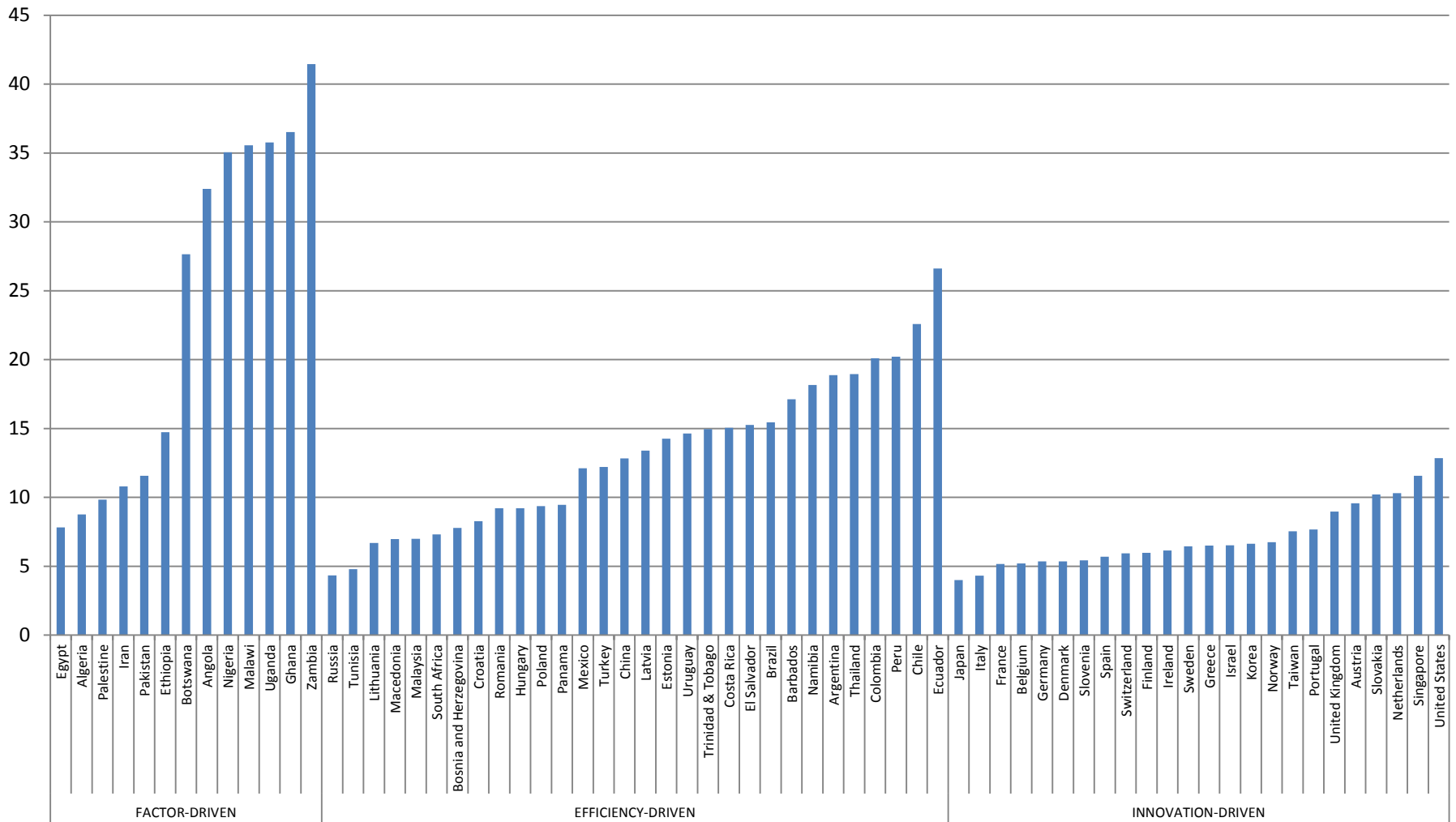


The Entrepreneurship Process

Entrepreneurship Phases

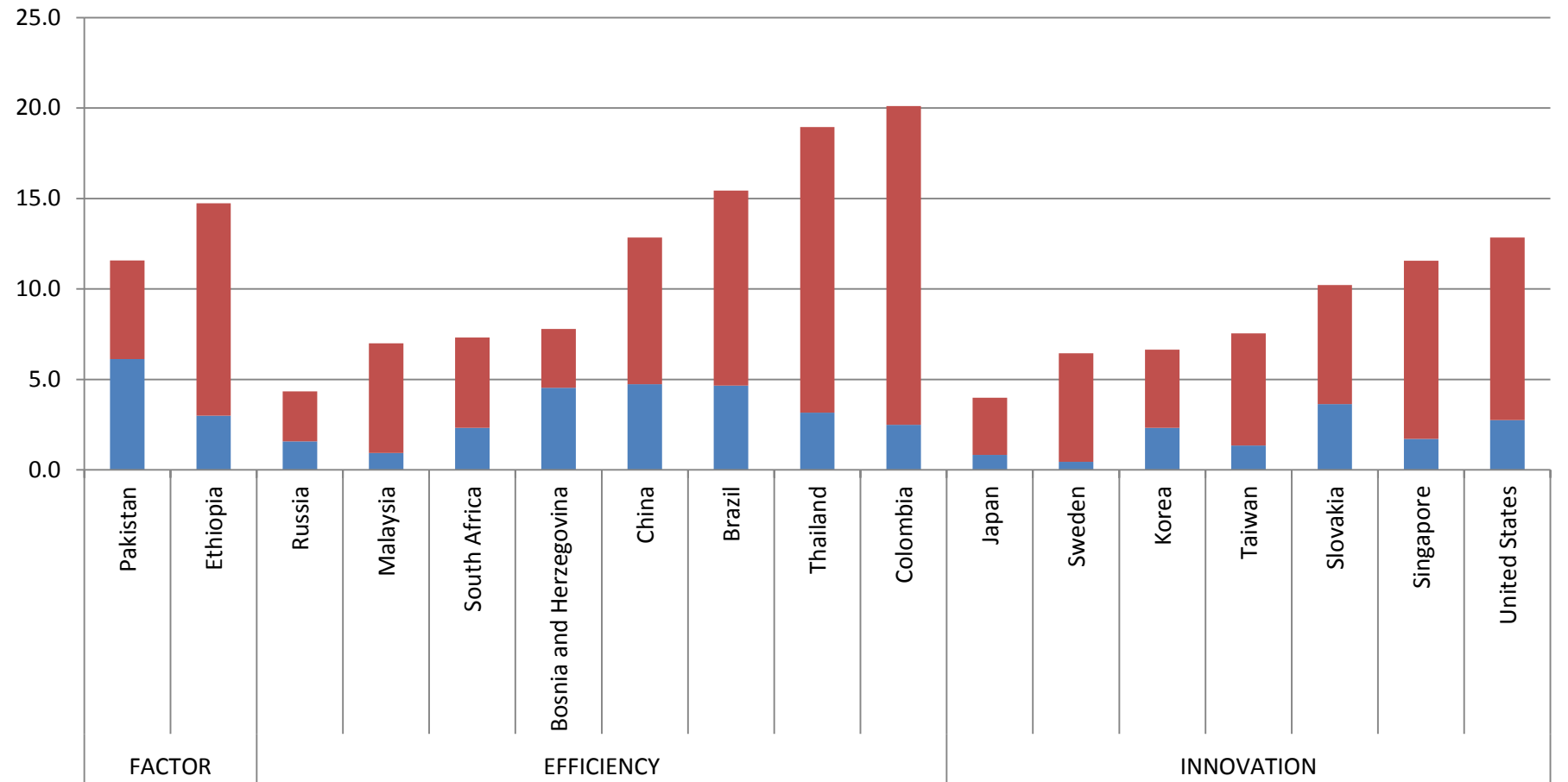


Total Entrepreneurship Activity (TEA) in the Adult Population (18-64 years of age) in 69 economies, 2012

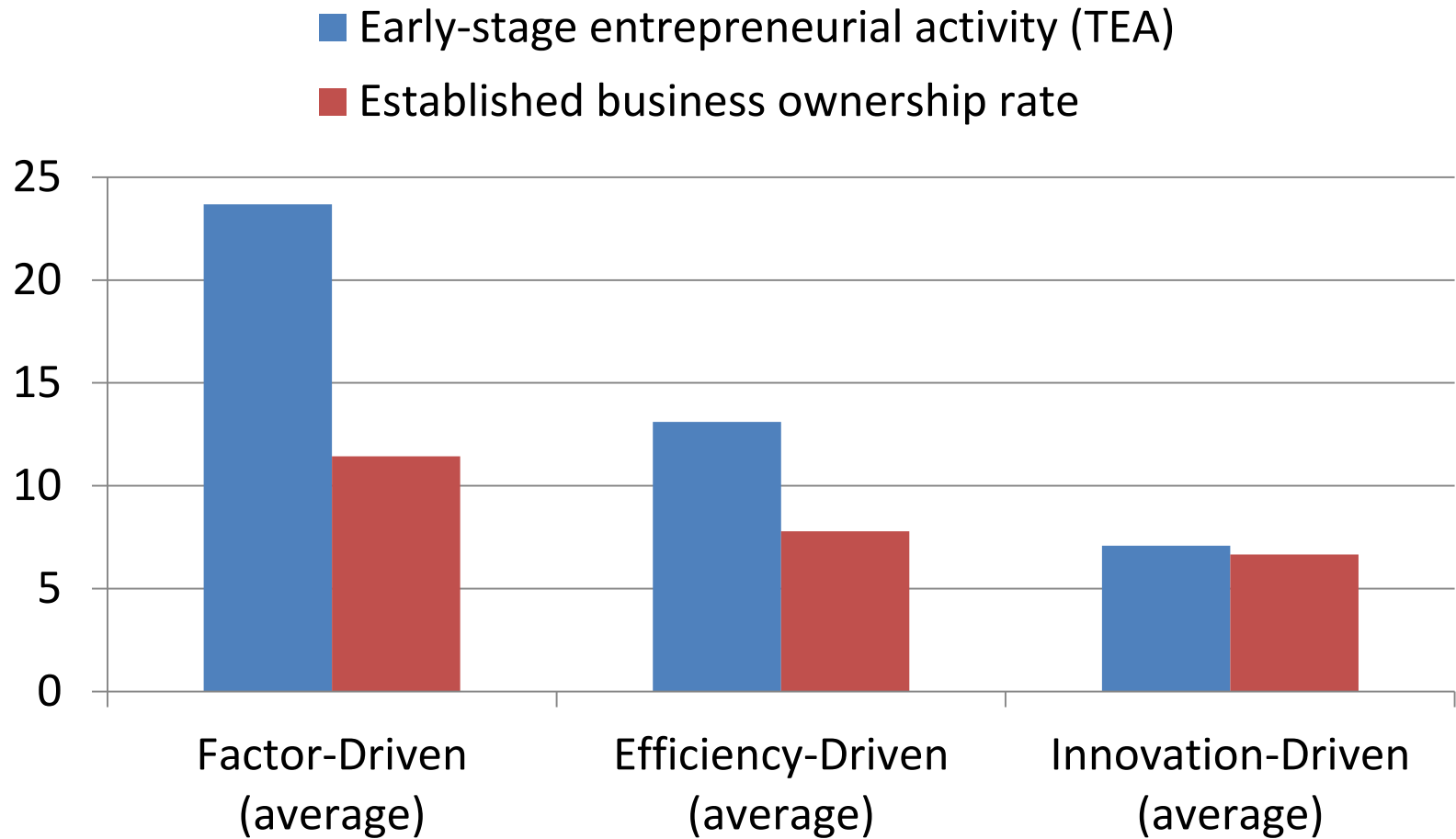


Necessity-Driven Portion of TEA in Select GEM Economies, 2012

■ Necessity Portion of TEA ■ Non-necessity Portion of TEA



Comparison of TEA and Established Business Ownership Rates by Economic Development Level



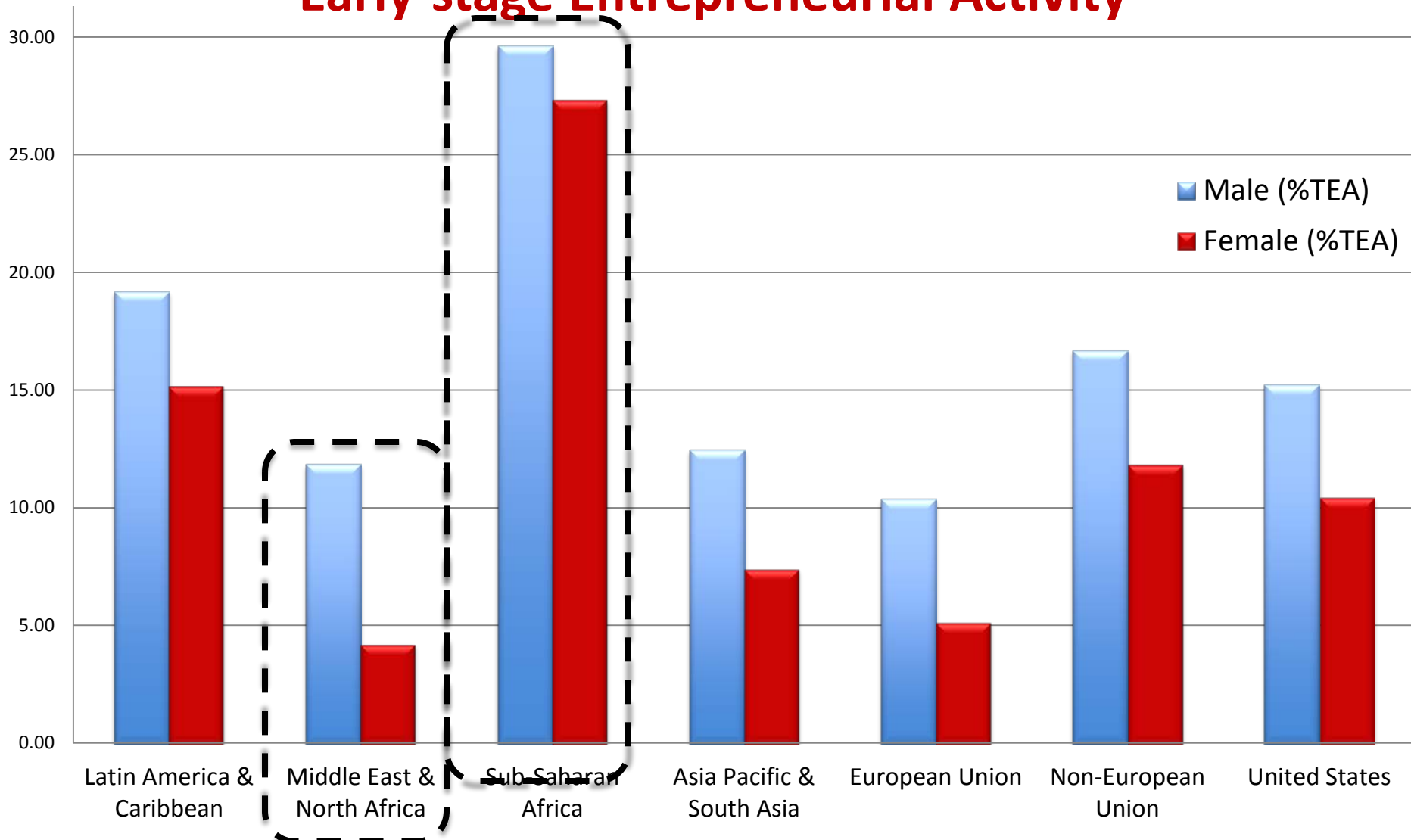
Reasons for Business Discontinuance

- 52% of those discontinuing businesses in sub-Saharan Africa cited lack of finance or unprofitability
 - 39% in Asia Pacific/South Asia cited these reasons
- 20% of those discontinuing businesses in the EU did so because they sold the business, retired, or pursued another opportunity
 - 10% in MENA cited these reasons

Age Distribution of Entrepreneurs

- In general, a bell shaped curve with participation most frequent at 25-34 years of age
 - 35-44 year olds most prominent in Chile, Korea Rep., Singapore Netherlands, UK, USA
- More older entrepreneurs in Latin America/Caribbean and sub-Saharan Africa
 - 1/3 of entrepreneurs are 45-64 years old
- Youth more prevalent in the non-EU
 - ½ between 18-34 years of age

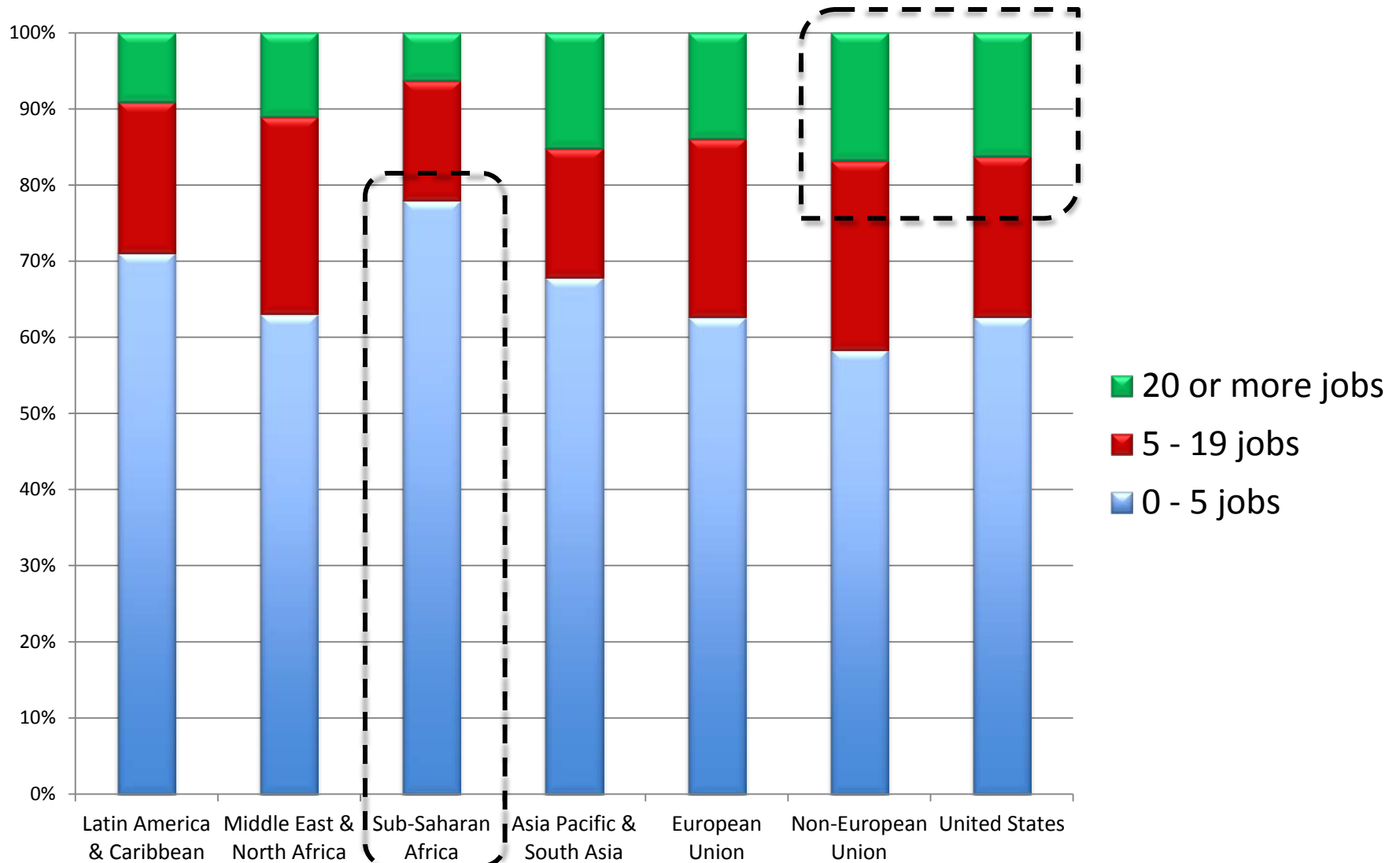
Male To Female Participation In Early-stage Entrepreneurial Activity



Economies with at Least Equal Participation by Women in Entrepreneurship, Compared with Men, GEM 2012



Growth Expectations

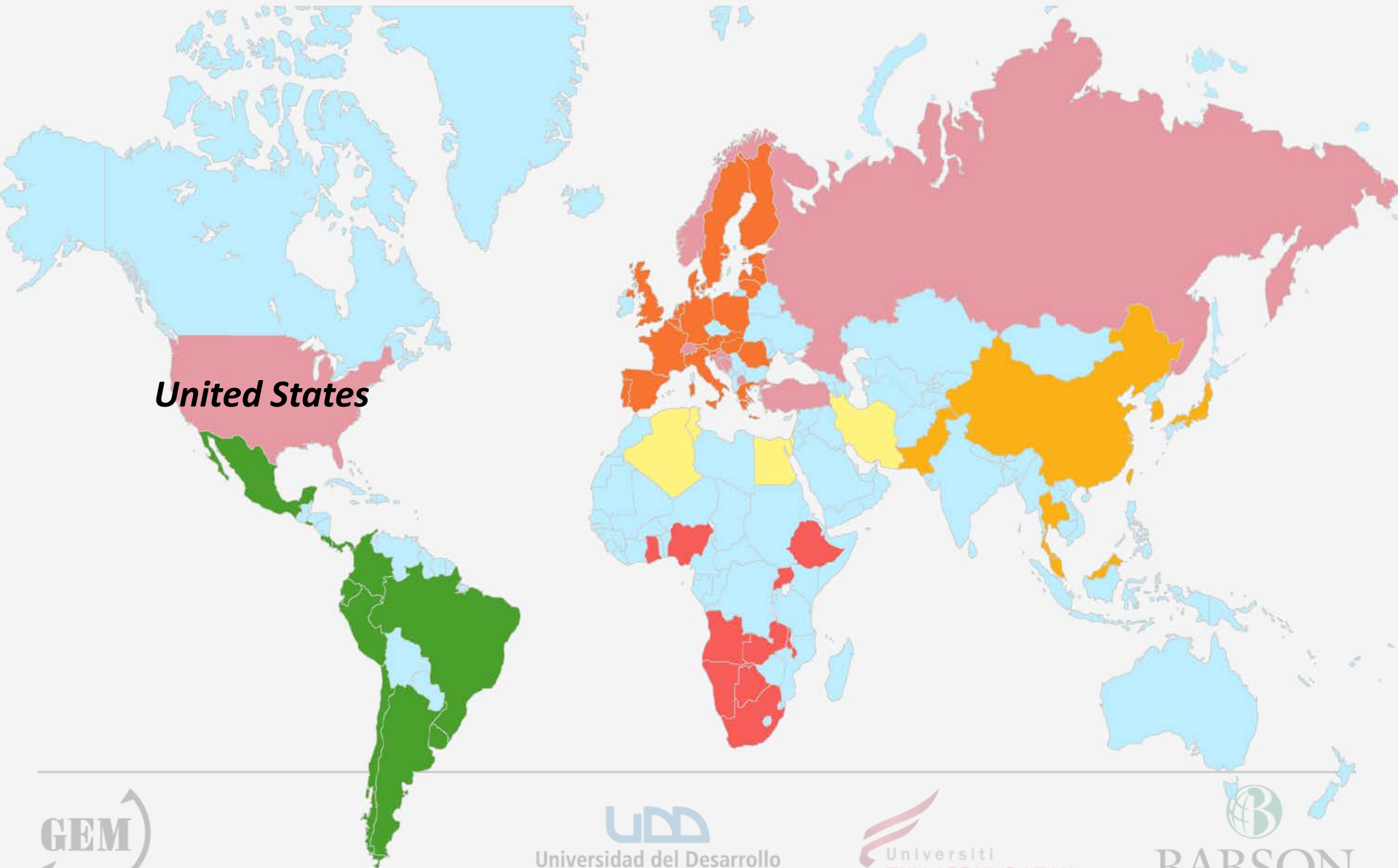


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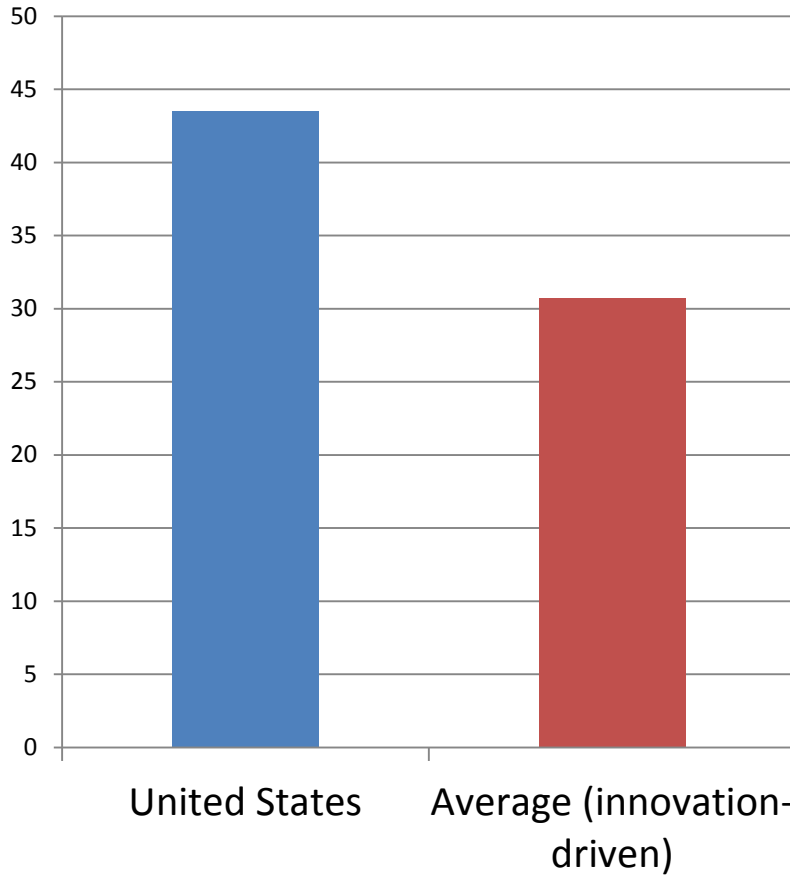


GEM Regions

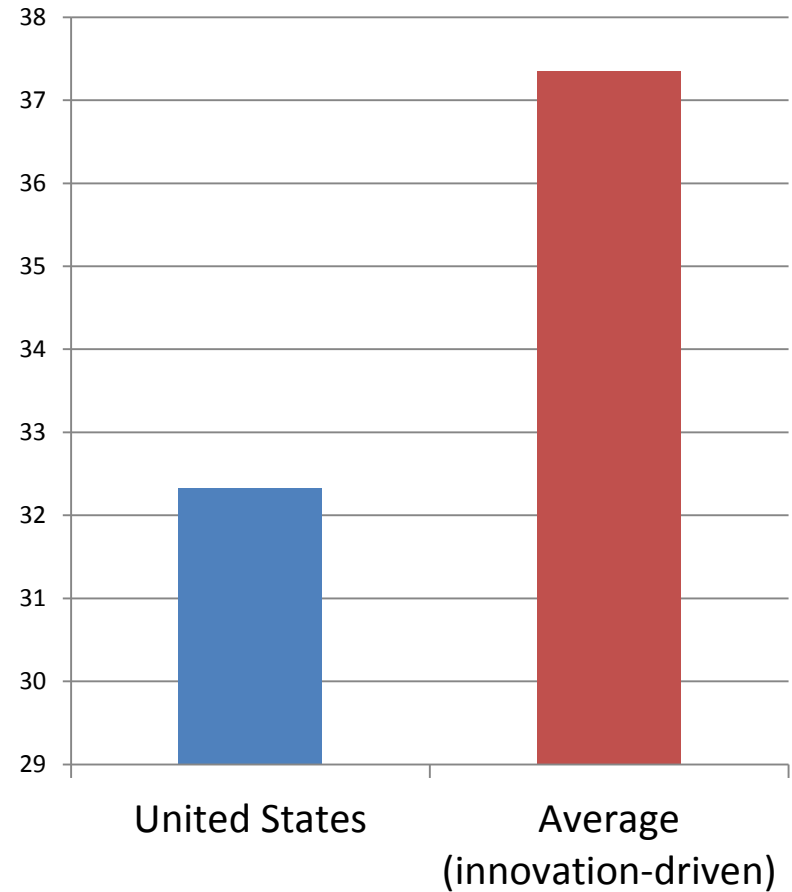


Attitudes

Perceived opportunities



Fear of failure*

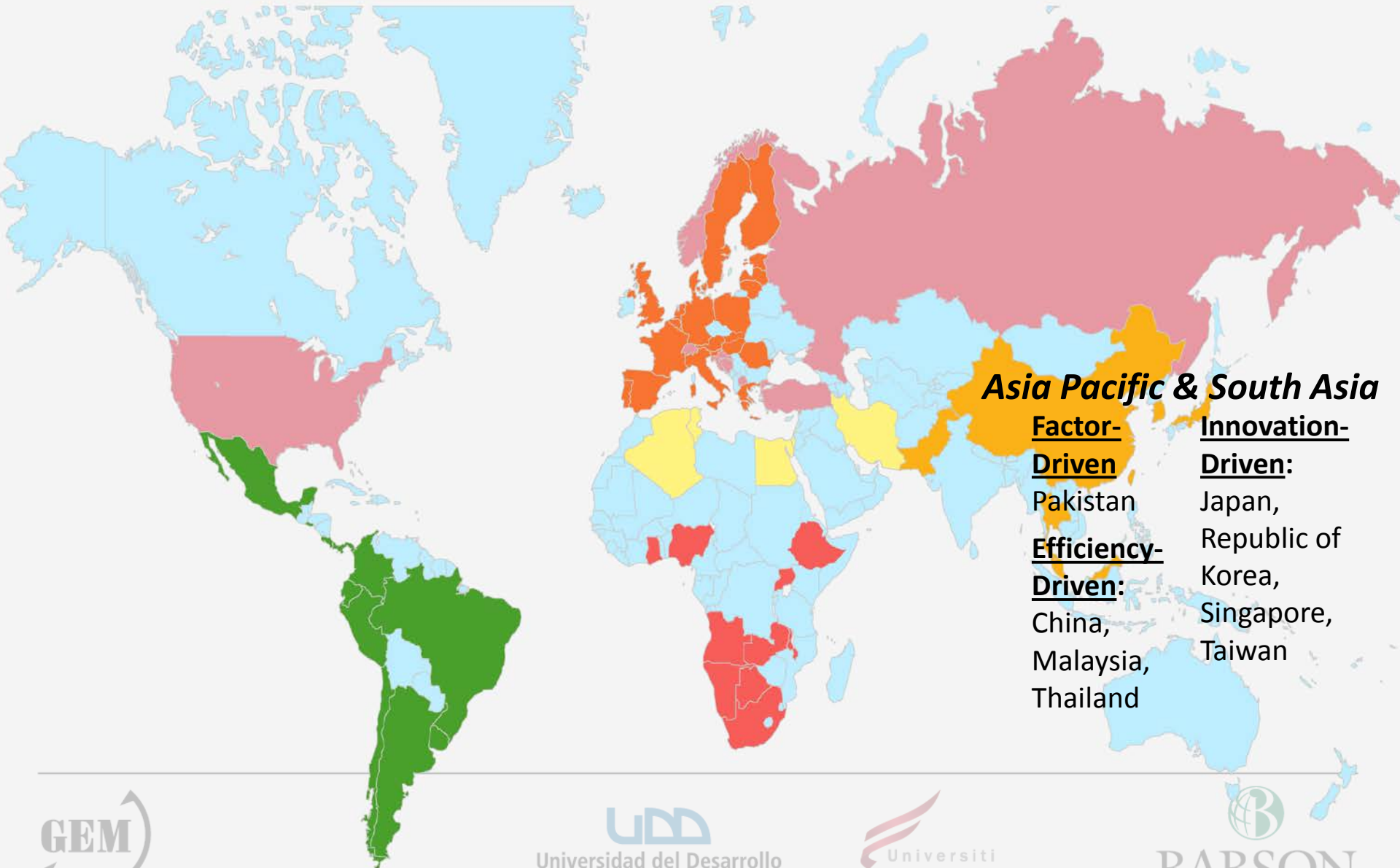


GEM Regions

United States

- Average TEA level (13%) compared to regions
 - But highest among innovation-driven economies
- Low level of necessity motives (21%) in regional comparison
 - But above average for an innovation-driven economy
- Seven women for every 10 male entrepreneurs in the U.S.
 - Higher than the innovation-driven group average (6:10 ratio)
- High growth expectations
 - Average for innovation-driven

GEM Regions



Asia Pacific & South Asia

Factor-Driven

Pakistan

Efficiency-Driven

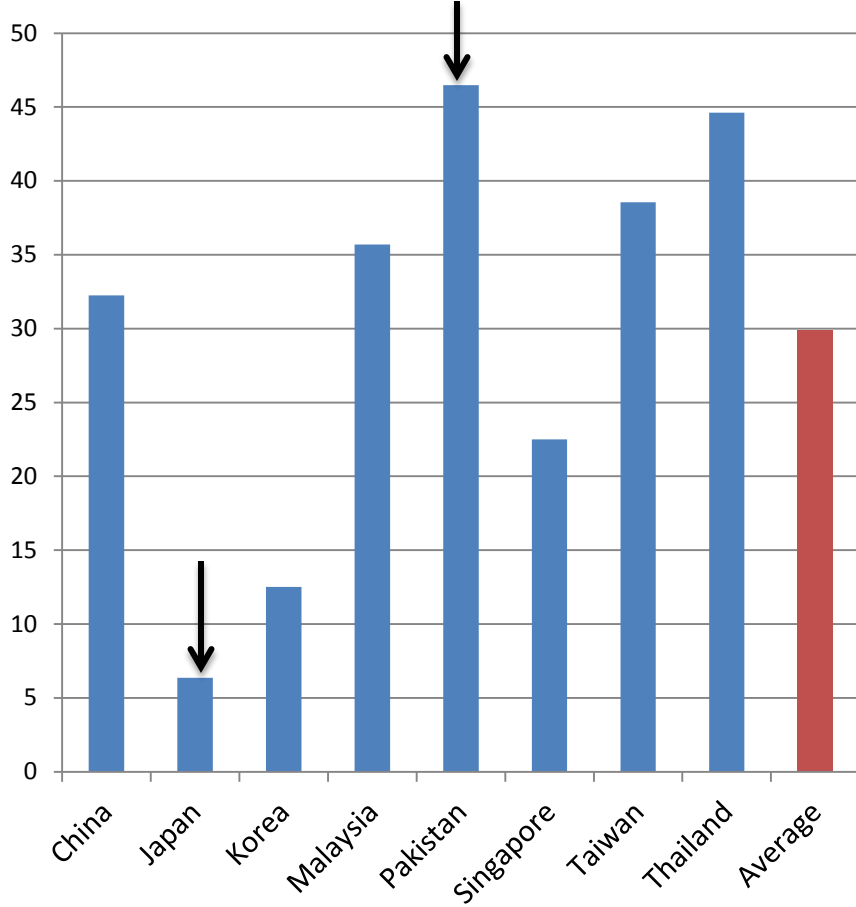
China,
Malaysia,
Thailand

Innovation-Driven

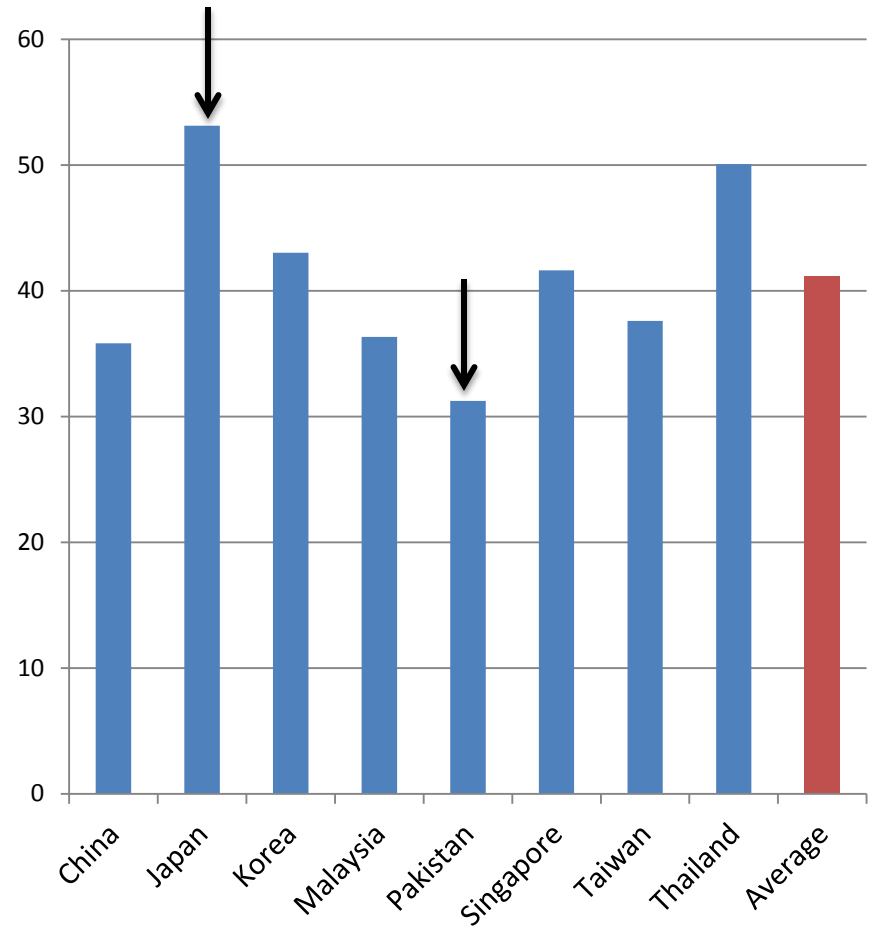
Japan,
Republic of
Korea,
Singapore,
Taiwan

Attitudes

Perceived opportunities



Fear of failure*



GEM Regions

- 15% or less of the entrepreneurs in Malaysia and Singapore have necessity motives
- Over half the entrepreneurs in Pakistan are necessity-driven

- TEA rates range from 4% in Japan to 19% in Thailand

Asia Pacific & South Asia Regional Averages

- Falling around the middle of the regional averages for the four measures, but exhibiting diversity within the regions

- Thailand reports one of the highest ratios of women to men participation (12:10)
- Pakistan shows the lowest ratio of the entire sample (.6:10)

- Despite Thailand's high TEA rate, only 17% of entrepreneurs anticipate growth
- Taiwan's TEA rate is lower than the regional average but more than half project growth

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Migrant Entrepreneurs

- More likely to be entrepreneurs than nonmigrants in factor and innovation-driven economies
 - Less likely in efficiency-driven
- Migrant entrepreneurs are more likely to pursue growth (10 or more jobs) than nonmigrant entrepreneurs across all economic development levels
- Equal level of innovativeness
- More likely to sell to international customers in efficiency and innovation-driven economies



Implications and Recommendations

- Inclusiveness may imply different training, support, resources for different groups
- Migrant entrepreneurship adds jobs and enhances international trade
- Former entrepreneurs can provide ongoing value (whether successful or not)
- Legal framework can promote internal and international entrepreneurship efforts
- Promote entrepreneurship education in schools



“Entrepreneurship creates employment and adds economic value to all societies;

However, it needs to be addressed in tandem with inclusiveness for all sections of society, as it is an effective way to promote prosperity and peace”

