



ENTREPRENEURSHIP IN IRELAND 2019

Global Entrepreneurship Monitor (GEM)





A SURVEY OF ENTREPRENEURSHIP IN IRELAND

GLOBAL ENTREPRENEURSHIP MONITOR (GEM)
THE 2019 SURVEY OF ENTREPRENEURSHIP IN IRELAND

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The Global Entrepreneurship Monitor (GEM) is the world's foremost study of entrepreneurship.

GEM is unique.

- GEM collects primary data on entrepreneurship.
- GEM focuses on the individual entrepreneur.
- GEM allows for international comparisons as data is collected in the same format across the world.

GEM is a trusted resource of data, analysis and expert opinion on entrepreneurship for key organisations such as the United Nations, World Economic Forum, World Bank, and the Organisation for Economic Co-operation and Development.

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The findings of this independent report do not necessarily represent the views of Enterprise Ireland or the Department of Business, Enterprise and Innovation. Although data used in this report is collected by the Global Entrepreneurship Monitor consortium, its analysis and interpretation is the sole responsibility of the authors. The authors, for their part, have attempted to ensure accuracy and completeness of the information contained in this publication. No responsibility can be accepted, however, for any errors and inaccuracies that occur.

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FOREWORD



The Global Entrepreneurship Monitor (GEM) has been keeping its finger on the pulse of entrepreneurship since 1999, both in terms of the state of the entrepreneurial mind-set, motivations, activities and ambition, and the national framework conditions required to allow entrepreneurship to flourish in an economy. Thanks to Enterprise Ireland, with the support of the Department of Business, Enterprise and Innovation, Ireland has been a part of the GEM global consortium since 2000 and the Irish team report annually on entrepreneurship indicators within Ireland and across countries.

In 2019, fifty economies across the world participated in the research by collecting representative surveys among the adult population, as well as surveys among each economy's experts in entrepreneurship. As the research is carried out in the same way in each country, cross country comparisons can be made. In addition, as Ireland has participated in GEM research for almost twenty years, trends over time can also be observed.

The latest GEM research was carried out in mid-2019, with the results coordinated by the GEM consortium team, led by Dr Aileen Ionescu-Somers, Executive Director, and Dr Niels Bosma, Chair of the Governance Board.

We live in strange times. With many businesses closed around us and contemplating an uncertain future, the results of the latest GEM research for Ireland can give some cause for optimism.

Over 3,000 people started a new business every month in Ireland in 2019 and the rate of early stage entrepreneurial activity observed was the highest it has ever been since we began to track rates. This was driven by an increase in the rate at which both men and women were early stage entrepreneurs. The rate for men increased more strongly than it did for women.

Across the OECD Ireland ranks 10th in terms of early stage entrepreneurs and 4th in Europe.

The entrepreneurial funnel in Ireland would also appear to be strong

“WE LIVE IN STRANGE TIMES. WITH MANY BUSINESSES CLOSED AROUND US AND CONTEMPLATING AN UNCERTAIN FUTURE, THE RESULTS OF THE LATEST GEM RESEARCH FOR IRELAND CAN GIVE SOME CAUSE FOR OPTIMISM.”

with one in five aspiring or planning to start a business in the next three years. Men and women are well represented among those that aspire to be entrepreneurs in the future. However, they are planning and starting quite different types of businesses. Women are more focused on consumer services.

An observation across countries is that levels of early stage entrepreneurship increase with age and then decline. In Ireland, we have noted for many years a relatively low rate of involvement by young people as early stage entrepreneurs. In 2019, however, there was a significant increase in young people planning and starting a business. The rate of early stage entrepreneurs among those aged 55+ continued to strengthen in Ireland, placing Ireland to the fore in Europe in this regard and 6th across the OECD.

Entrepreneurs are valued for a myriad of reasons including their job creation potential. However, in many countries, such as Norway and Sweden for example, a considerable proportion does not expect to become employers. In Ireland, however, 79% of early stage entrepreneurs expect to become employers and a significant proportion expect to grow their employment numbers considerably over time. Ireland is ranked first across the OECD in terms of jobs growth expectation.

In 2019 with the continued growth of the economy and strong consumer demand, more entrepreneurs were focused exclusively on the domestic market than in recent years.



For many years the level of informal investors in Ireland remained low. 2019 saw a welcome increase in the rate of informal investment in a new business started by someone else. The majority of such investors were investing in a business started by someone known to them. In the past three years, the total value of this investment is approximately €600 million.

Commissioned by the Department of Enterprise, Trade and Innovation, in October 2019 the OECD published a review of SME and Entrepreneurship Policy in Ireland. It assessed the challenges for SMEs and entrepreneurship development and offered recommendations for future policy. The report showed that Ireland's SME and entrepreneurs operate in a broadly favourable environment and that Ireland has a solid and comprehensive set of programmes targeted at SMEs and entrepreneurs. It identified a need to lift the productivity rate among SMEs, increase the start-up rate, spreading entrepreneurship across all segments of the population, scaling up micro and small enterprises, increasing SME exports and strengthening local entrepreneurship ecosystems.

The results of GEM research in Ireland in 2019 indicate that the start-up rate increased year on year and that all age groups were actively involved with an increase of entrepreneurial activity among those under thirty. The level of those that aspire to be an entrepreneur in the next three years is high for both men and women. An expectation of employment growth by entrepreneurs in Ireland is also very significant relative to other countries across the OECD. The focus has decreased,

“THE GEM GLOBAL REPORT NOTES THAT ENTREPRENEURSHIP IS A UNIQUELY POWERFUL MECHANISM FOR ECONOMIC AND SOCIAL DEVELOPMENT, GENERATING INCOMES AND JOBS WHILE ENABLING AND ENRICHING INDIVIDUALS AND COMMUNITIES.”

however, on attracting international customers.

The GEM global report notes that entrepreneurship is a uniquely powerful mechanism for economic and social development, generating incomes and jobs while enabling and enriching individuals and communities. It is not surprising that policy makers wish to harness the entrepreneurial potential to its maximum extent of men and women, regardless of age, whether they were born in the country or not, and whether they live in an urban or rural environment. By reporting annually on the state of entrepreneurial activity in detail, GEM informs policy making and measures its effectiveness over time.

While the results of the latest GEM research show many positives for entrepreneurship in Ireland, we finish with a note of caution.

How will Covid-19 impact entrepreneurship? The financial crisis of 2008 may provide clues as to the likely impact of Covid-19. While the current situation has different causes, the immediate effects on the economy are similar– higher unemployment, suppressed consumer demand, reduced business and investor confidence, and a decline in global trade. In the immediate aftermath of the 2008 financial crisis there was a reduction in the number of entrepreneurs (new business owners). Approximately 800 people started a new business each month in 2010. This was a significant decline on previous levels. In the years up to 2008, just before the financial crisis happened, 2,800 individuals were setting up new businesses each month. GEM data also showed that post the financial crisis there was a lowering of ambition, in terms of expected employment, among entrepreneurs.

The number of new business owners starting each month remained depressed for up to 8 years after 2008. It took to 2016 before the monthly number of entrepreneurs (2,900) reached those reported prior to 2008. The rate of Total Early Stage Entrepreneurship Activity (TEA) recovered faster, though it remained depressed for at least 4 years after 2008.

This suggests that the negative impact of Covid-19 could last a



“THIS SUGGESTS THAT THE NEGATIVE IMPACT OF COVID-19 COULD LAST A NUMBER OF YEARS. HOWEVER, NOT ALL ENTREPRENEURS WILL EXPERIENCE THE CRISIS IN THE SAME WAY”.

number of years. However, not all entrepreneurs will experience the crisis in the same way. As this report outlines, there are many ‘faces to entrepreneurship’, and entrepreneurship occurs across all sectors of the economy. It differs in terms of the market served (local, national, international) and in the level of growth ambition. As is already evident in 2020, entrepreneurs are altering their business models – adapting to the changed circumstances, in an effort to meet the challenges they face.

However, in the aggregate, the effect of Covid-19 is likely to be an increase in exits of established businesses. Nascent entrepreneurs may have to abandon the business ideas they were working on, particularly those in specific consumer service sectors, which is where much entrepreneurial activity occurs. In B2B markets the impact may differ and it may be more difficult to predict. In some sectors demand will be suppressed as investment and purchasing decisions are deferred, making entrepreneurship much more challenging. For other entrepreneurs, investment funding may be harder to attract, making it harder to hit key milestones in the development of early stage businesses wishing to scale.

For some entrepreneurs the Covid-19 period of disruption will manifest as an opportunity, and such stories may provide optimism during this period of economic disruption. However, for many of the new businesses started in recent years, Covid-19 represents a real threat to their survival, and the new economic circumstances may reduce entrepreneurial activity for some time to come.



GLOBAL ENTREPRENEURSHIP MONITOR : SURVEY OF ENTREPRENEURSHIP IN IRELAND 2019

THE PHASES OF ENTREPRENEURSHIP



Almost one in five people in Ireland aspires to start a business in the next 3 years

The rate of both nascent entrepreneurs and new business owners increased year on year

One in eight people living in Ireland are early stage entrepreneurs

Ireland ranks 4th in Europe and 10th across the OECD for early stage entrepreneurs

ASPIRING ENTREPRENEURS

The Global Entrepreneurship Monitor (GEM) research indicates that Ireland has a relatively strong pipeline of *latent* entrepreneurs among the population with almost one in five aspiring to start a business in the next three years.

While not all of these will follow through on their aspiration, it reflects a high level of potential entrepreneurs. In this regard, Ireland is ranked fourth in Europe (of 15) and 10th across the OECD (of 24).

EARLY STAGE ENTREPRENEURS

GEM's annual Total Early Stage Entrepreneurs Activity (TEA) Index of early stage entrepreneurs indicates that the rate increased in 2019 by almost 30% year on year. The rate in 2019 was 12.4%

The TEA Index consists of two groups of early stage entrepreneurs: **nascent entrepreneurs** and **new business owners**. The increase observed reflects an increase in both.

Nascent entrepreneurs are at an early stage on their entrepreneurial journey. For example, they may be planning the start-up, be organising the start-up team, be saving money for the start-up. Also included in this category are those who have progressed further and recently started the new business but have not paid salaries for more than three months. The rate in 2019 was 8.4%.

New business owners are those who have started a new business since January 2016 and have paid salaries for at least three months. These entrepreneurs at least part own and manage the new business. The rate in 2019 was 4.3%.

Ireland is ranked 8th across the OECD in terms of the rate of nascent entrepreneurs and 9th in respect of new business owners. As has been the case for many years, Canada and the United States are ranked particularly high in both respects. Australia has a lower rate of nascent entrepreneurs than Ireland, but a slightly higher rate of new business owners. Chile is to the fore across both categories.

NEW BUSINESS OWNERS

Between January 2016 and June 2019, over 127,100 individuals started a business in Ireland. This is the equivalent of an average of just over 3,000 people starting a new business in Ireland every month in 2019. This rate has significantly increased year on year.

In terms of new business owners, Ireland is on a par with the Netherlands and Israel and is at the norm across the OECD. More details on New Business Owners may be found on page 28 and 29.

EXITS

The rate at which entrepreneurs are exiting their businesses, and the business is then closed, increased in Ireland in 2019. It is now at the norm across the OECD. The recent OECD report on SME and Entrepreneurship Policy notes that the Irish economy has had relatively low business entry and exit rates and a relatively high survival rate. They argued that this could hold back productivity growth, particularly if innovative start-ups are few in number.¹

¹ SME and Entrepreneurship Policy in Ireland, OECD, Page 48



It is interesting to observe that Chile, the country with the highest TEA rate of early stage entrepreneurs across the OECD, has the highest rate of entrepreneurs exiting their businesses, which are then closed. Canada and the United States also have relatively high closure rates.

OWNER MANAGERS OF ESTABLISHED BUSINESSES

Not all businesses that are started, survive for three and a half years or more. Those that continue to own and manage a business that they were involved in starting more than three and a half years ago, are referred to as owner managers of established businesses. They have made the transition from early stage entrepreneurs to established business owner managers.

In 2019, there were about 193,000 owner managers in Ireland, aged between 18 and 64. The rate of owner managers has remained stable year on year. It is lower than the norm across the OECD (6.6% compared to 8.2%).

Owner managers in Ireland are an aging group with one in three aged between 55 and 64 years.

INTRAPRENEURS

Intrapreneurs are those that report that they have been involved in the development of new activities for their employer in the last three years. A range of activities are covered by intrapreneurship including developing or launching new goods or services, setting up a business unit, a new establishment or subsidiary.

Ireland has a relatively high level of intrapreneurship among those employed, ranking 4th across the OECD.

Over 3,000 people started a new business every month in 2019

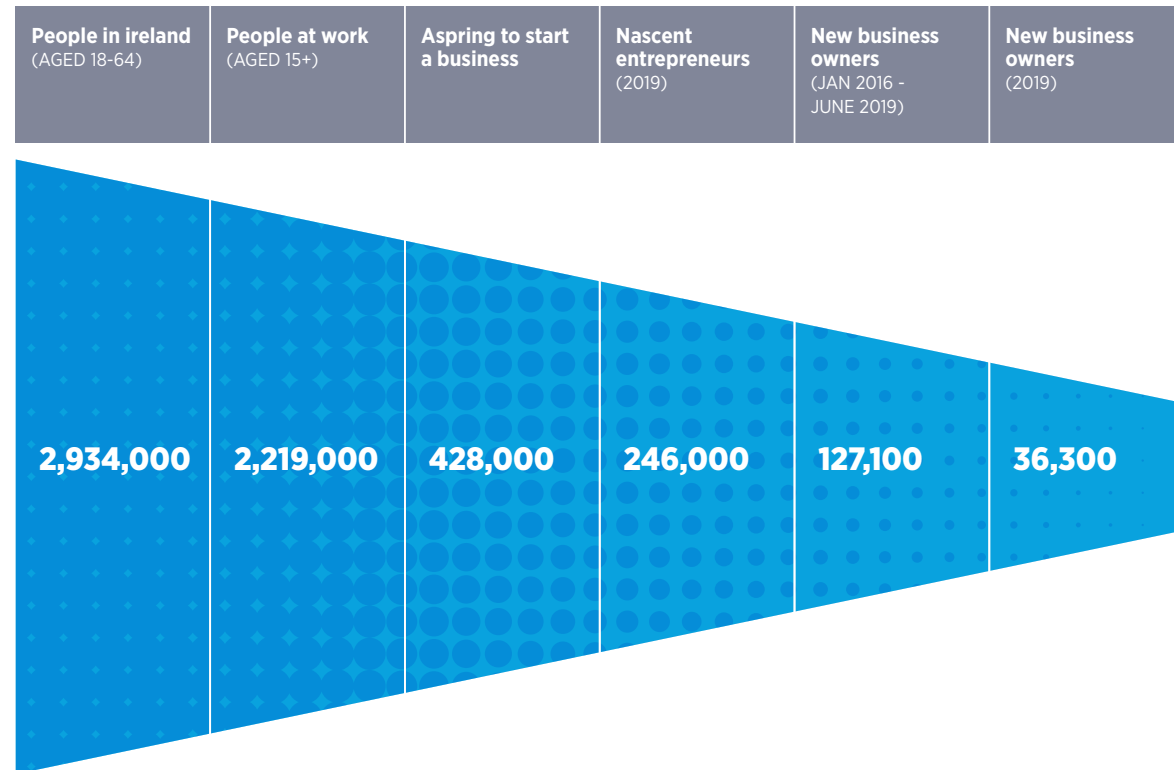
The rate of closure by early stage entrepreneurs has increased to the OECD norm

One third of established business owner managers are aged over 55

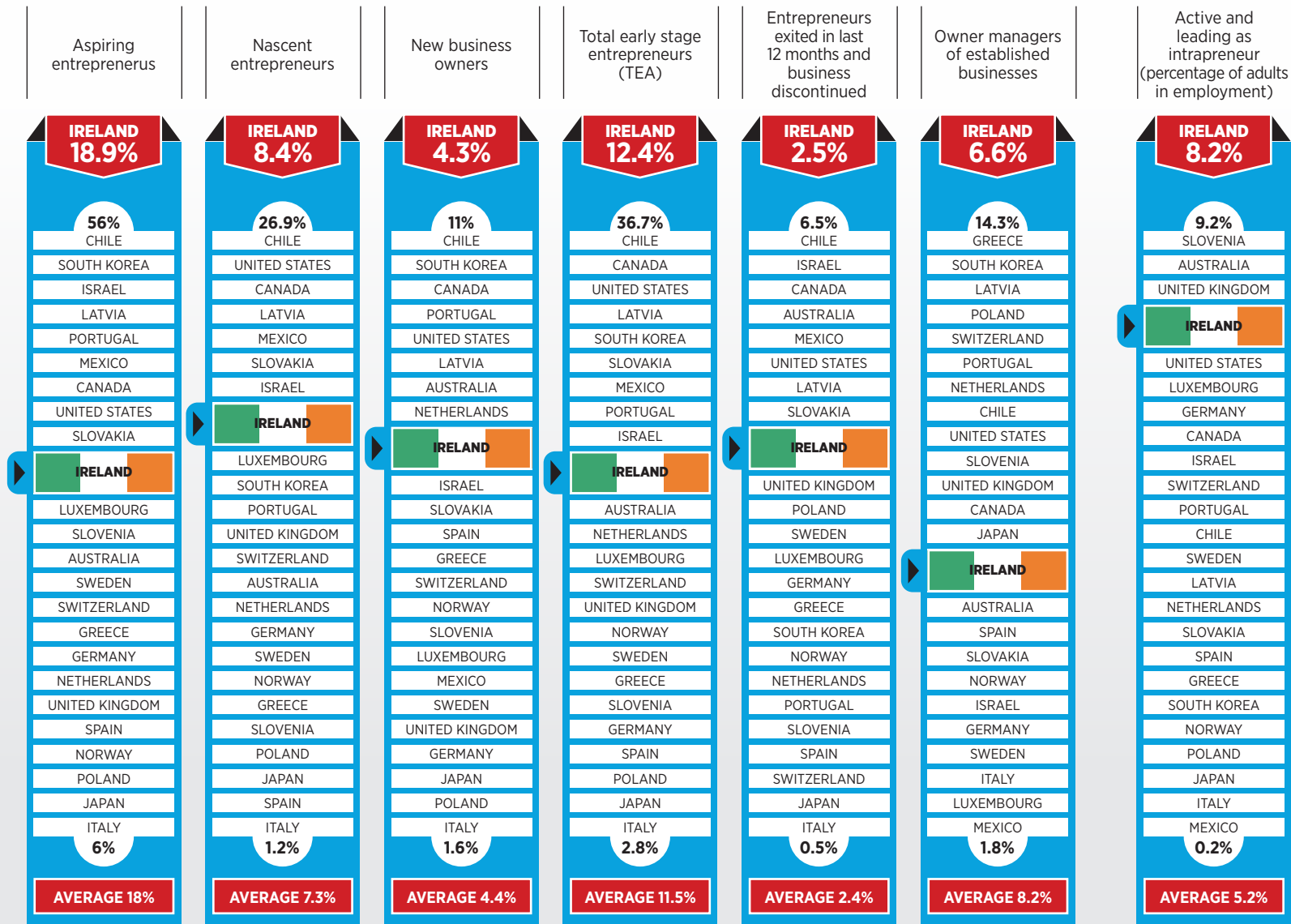
Ireland ranks 4th across the OECD in the rate of intrapreneurs among those employed



THE ENTREPRENEURIAL FUNNEL



PHASES OF ENTREPRENEURSHIP IN ADULT POPULATION





GLOBAL ENTREPRENEURSHIP MONITOR : SURVEY OF ENTREPRENEURSHIP IN IRELAND 2019

THE FACES OF ENTREPRENEURSHIP



There was an increased rate of early stage entrepreneurship for both men and women in Ireland in 2019

The gender gap widened slightly year on year, as the rate of increase among men was more pronounced than that among women

The aspiration among men and women to start a business continued relatively strong

Men and women start different types of businesses, with women more focused on Consumer Services

The rate at which men were informal investors increased significantly

THE GENDER DIMENSION

There has been an increased spotlight at European and national level for almost 20 years now on the relatively untapped potential of women as entrepreneurs, resulting in the introduction of initiatives to encourage a higher involvement of women in the area.

In the Irish context, Enterprise Ireland has recently launched an Action Plan for Women in Business. The Action plan has four key objectives:

- (i) Increasing the number of women-led established companies growing internationally.
- (ii) Increasing the number of women in middle and senior management and leadership roles in Irish companies.
- (iii) Increasing the number of women that are becoming entrepreneurs.
- (iv) Increasing the number of women led start-ups with high growth potential.

The UK Treasury commissioned Alison Rose of RBS to lead an independent review of female entrepreneurship. The Review found that only one in three UK entrepreneurs were women and argued that addressing this could boost the UK economy by €250 billion. The review also shed renewed light on the barriers faced by women starting and growing businesses and identified ways of unlocking this untapped talent. In response, the UK government announced an ambition to increase the number of female entrepreneurs by half by 2030, equivalent to nearly

600,000 additional female entrepreneurs.²

The rate of early stage entrepreneurship in Ireland grew significantly in 2019. This was driven by an increase in the rate at which both men and women were early stage entrepreneurs. The rate for men, however increased more significantly than it did for women.

In most countries across the OECD, more men than women are starting businesses.³ In Ireland, there are 1.8 men for every woman who is an early stage entrepreneur. This is well above the average across the OECD.

Among businesses established for more than three and a half years that are managed by the person who founded them, the rate increased among men and decreased among women year on year, widening the gender gap among established business owners to 2.4:1.

The rate at which women aspire to start a business (15%), while still less than that for men (23%), when expressed as a ratio (1.6:1) bodes well for the future.

Underlying the difference at the rate at which they start new business, men and women differ in their perceptions of entrepreneurial opportunities and their self-belief that they have the skills and knowledge to start a business.

There are also marked differences in the sectoral focus of men and women in terms of their entrepreneurial activity. They are clearly starting quite different businesses. The great majority of businesses being started by women continue to be focused on the consumer services sector (60%).⁴ One in four women are in business services (24%),⁵ while

² The Alison Rose Review on Female Entrepreneurship and the UK Government's response may be viewed here <https://www.gov.uk/government/publications/the-alison-rose-review-of-female-entrepreneurship>

³ Mexico, Poland, Spain and the US are the exceptions with virtually equal rates of men and women early stage entrepreneurs.

⁴ Compared to 43% of men



relatively few are in the transformative sector (16%).⁶ Very few women report that they are involved in medium or high-tech businesses compared to their male counterparts (4% compared to 12%).

It is not just about the numbers of men and women that are starting a business that is important. That is only one part of the challenge. The other challenge relates to the potential impact of the entrepreneurial effort of men and women, not only in the early days but over the life of the business.

The great majority of early stage entrepreneurs in Ireland expect to become employers (79%). This is true for both men and women. While high for both, the percentage of male entrepreneurs that expect to become employers (81%), however, is higher than it is for female entrepreneurs (74%).

In 2018, it was observed that there was an increase in the rate of female entrepreneurs with growth expectations.⁷ In 2019, one in every four early stage entrepreneurs that were women expected to have 10 or more jobs in five years and to increase jobs by 50%. While this is lower than the rate observed among men (39%), it represents a step change in terms of growth aspirations among female entrepreneurs and has been sustained for two years.⁸

The focus of early stage entrepreneurs on the domestic

market significantly increased in 2019, with more than half exclusively focused on the domestic customers. Only 41% of early stage entrepreneurs in Ireland expected to have international customers. A much stronger focus on international customers was reported by male (30%) than female entrepreneurs (15%) who expected more than 25% of their revenues from international customers.

⁵ 31% of men are focused on Business Services.

⁶ Includes manufacturing and construction. One in four male early stage entrepreneurs are focused on this sector (26%)

⁷ That is those that expect to create ten or more jobs in five years and to increase jobs by 50%.

⁸ For example, for every female entrepreneur with growth expectations in the three years 2017 to 2019, there were 3.7 male entrepreneurs with growth expectations. However, the difference between men and women was even greater previously. For example, back in 2006 to 2008, for every female entrepreneur with growth expectations, there were nearly 5 male entrepreneurs with growth expectations. (The reason for taking a three-year average is that there is often a slight year-on-year variation in growth expectations. The three-year averages smooth out these year-on-year variations). By comparing these three-year averages, the data shows an increase in recent years in growth expectations, particularly for women.



The average age for an early stage entrepreneur in Ireland is **38**. This is broadly true for both men and women

A significant increase in young people planning and starting businesses was observed in 2019

Ireland is ranked highest in Europe in the rate of those aged 55 and over who are early stage entrepreneurs

Irish entrepreneurs tend to be relatively well educated, with two in every three being educated beyond Leaving Certificate

AGE

Entrepreneurs in Ireland tend to be in the 25-44 age groups, with 38 being the average age of an early stage entrepreneur in 2019.

In previous GEM annual reports for Ireland, it was noted that there was a very low level of entrepreneurial activity among young people.⁹ In 2019, a marked change could be noted. Over 14% of those aged between 18 and 25 were early stage entrepreneurs, and 16% of all entrepreneurs were in this age category.

There is quite a spread in the rates at which young people are active as entrepreneurs across the OECD. Chile (31%) and Canada (26%), for example, have particularly strong levels of entrepreneurial activity among young people, while Italy (2%) and Poland (3%) have the lowest levels of young entrepreneurs.

The rate of early stage entrepreneurs among those aged 55+ continued to strengthen in Ireland to 8.6%, placing Ireland yet again to the fore in Europe in this respect and 6th across the OECD.



LEVEL OF EDUCATION

Education beyond secondary school level characterises two in three early stage entrepreneurs in Ireland (67%). In this characteristic, Ireland is ranked well above the OECD norm and second in Europe to Luxembourg.

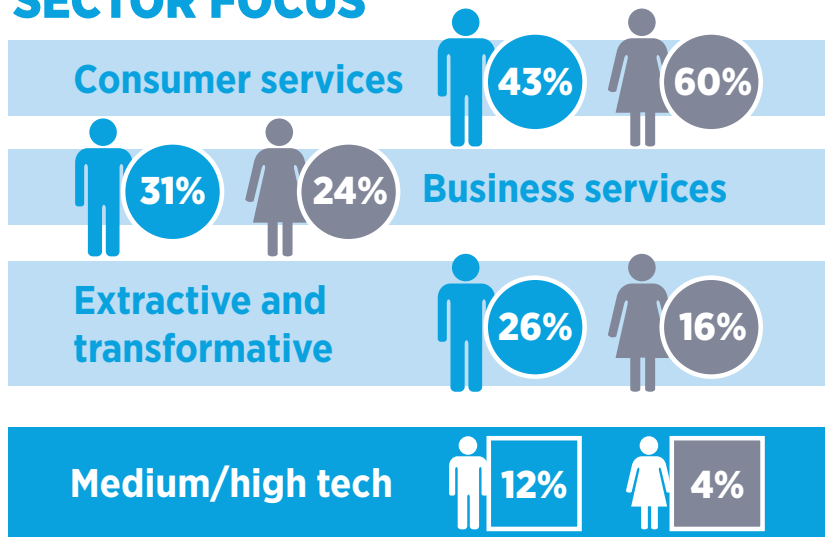
When the measure is the rate of entrepreneurship for those with graduate education, however, Ireland fares less well, with just one in nine in this category (11.2%). This is well below the norm across the OECD (16.2%).

⁹ For example, in 2018 those aged under 25 represented just 9% of all entrepreneurs and less than 7% of those in this age category were entrepreneurs.



RATES OF ACTIVITY IN POPULATION

		
Nascent entrepreneurs	10.5%	6.3%
New business owners	6%	2.7%
Early stage entrepreneurs (TEA)	15.9%	9%
Established owner managers	9.3%	3.9%
Exited a business (not continued)	3.6%	1.4%
Intrapreneurs	6.7%	4.7%

SECTOR FOCUS

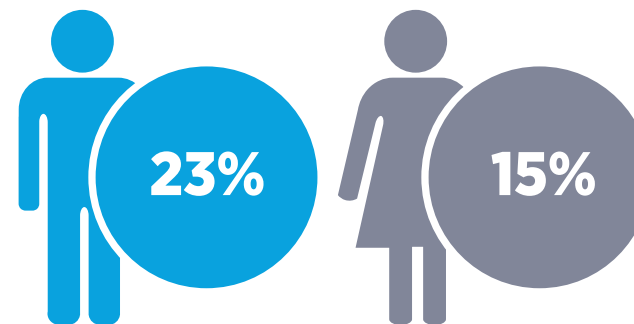


IMPACT OF EARLY STAGE ENTREPRENEURS

		
Any jobs now or expected in 5 years	81%	74%
Expect to have 10 or more jobs in 5 years and to increase jobs by 50%	39%	24%
No revenues from customers outside country	52%	70%
Born global - more than 25% revenues from customers outside country	30%	15%

ASPIRATIONS

Aspire to start a business





GLOBAL ENTREPRENEURSHIP MONITOR : SURVEY OF ENTREPRENEURSHIP IN IRELAND 2019

THE IMPACT OF ENTREPRENEURS



Most Irish entrepreneurs expect to become employers

Irish entrepreneurs are ranked first across the OECD in terms of jobs growth expectation

One in ten entrepreneurs in Ireland are engaged in medium/high technology sectors

Half of all Irish entrepreneurs are in the consumer services sector

More Irish entrepreneurs are focused exclusively on domestic customers than in previous years

JOBS IMPACT

With the emerging trend of self-employment and the gig economy across the OECD, a proportion of early stage entrepreneurs do not expect to be employers. For example, over 40% of early stage entrepreneurs in Sweden and Norway do not expect to develop their new businesses beyond creating a job just for themselves.

Most early stage entrepreneurs in Ireland, however, expect to become employers (79%). As in previous years this is above the European norm and is on a par with the United States. GEM uses employment expectation rather than projected revenue turnover as a proxy for growth to facilitate comparisons across countries in different economic contexts.

What is particularly noteworthy about early stage entrepreneurs in Ireland is the significant proportion that have high growth expectations. One third expect to employ ten or more and one in five expect to create twenty or more jobs within five years. This is a characteristic frequently reported about Irish early stage entrepreneurs. In this respect they are ranked highest across the OECD in 2019, as in 2018.

SECTOR

The great majority of entrepreneurs are starting relatively low-tech businesses in Ireland as in other countries. A relatively high proportion of Irish entrepreneurs, however, report that they are focused on medium or high technology sectors (9%). This is almost three times the rate of entrepreneurs in the UK, Poland and Canada.

Ireland is very much a services economy. This is reflected in the focus of those starting new businesses. Almost half of all Irish entrepreneurs (49%) are starting businesses in the consumer services sectors. Next in importance are business service sectors (29%). The transformative sector, including manufacturing and construction, is slightly below the OECD average (20%). Within Europe, the focus on the transformative sector tends to be most pronounced in Eastern Europe, Latvia being to the fore (36%).

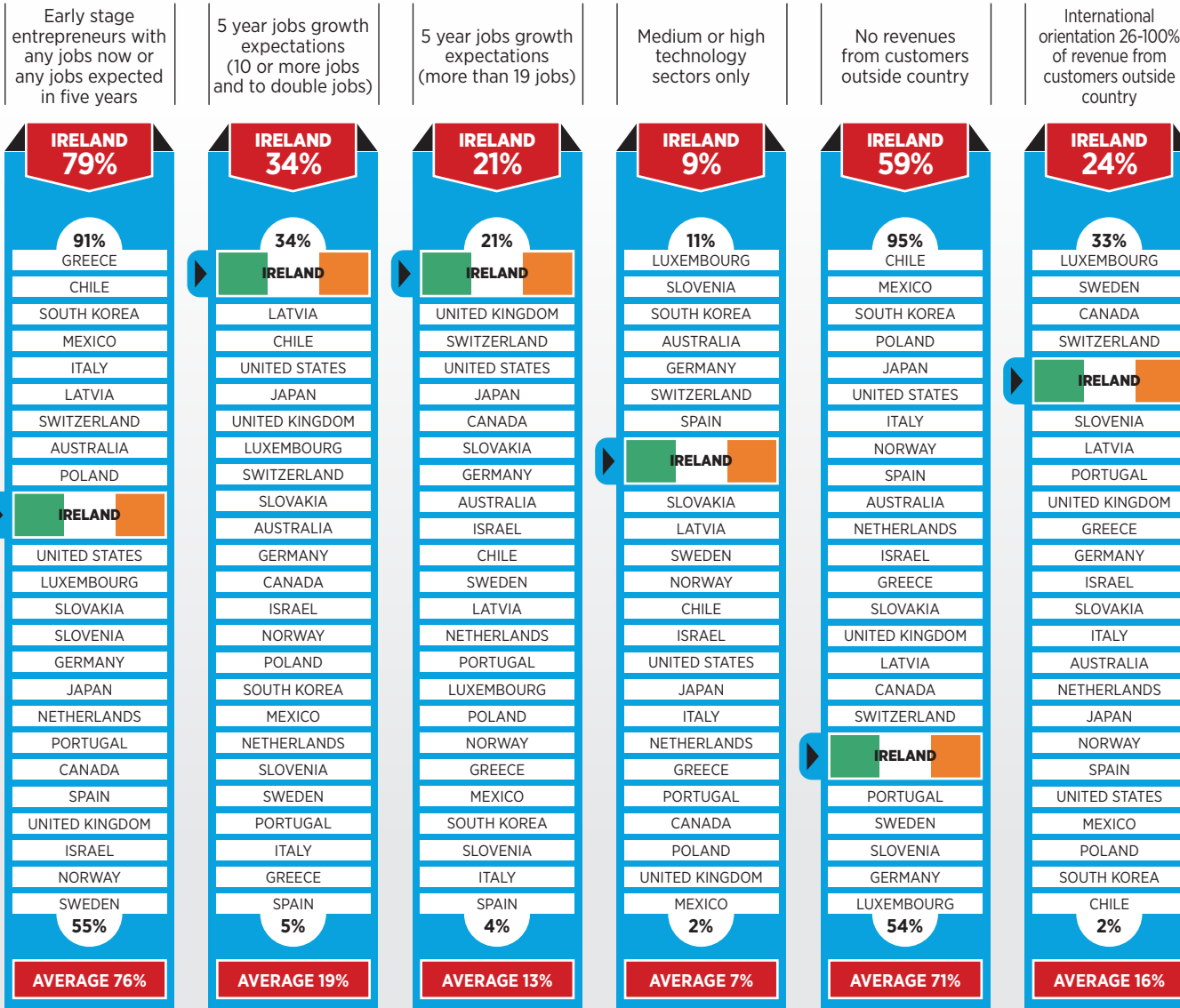
INTERNATIONAL ORIENTATION

At the time of the Celtic Tiger when the economy was very buoyant, the majority of Irish entrepreneurs were focused on domestic customers.¹⁰ Similarly with a strong consumer demand and a growing economy, the focus on domestic customers in 2019 was very pronounced (59%) and considerably more so than in previous years.¹¹

¹⁰ In 2006, for example, 56% of all early stage entrepreneurs were selling or expected to sell only to Irish customers.

¹¹ In contrast in 2018, only 26% of Irish entrepreneurs reported that they were exclusively focused on Irish customers.

IMPACT OF EARLY STAGE ENTREPRENEURS





GLOBAL ENTREPRENEURSHIP MONITOR : SURVEY OF ENTREPRENEURSHIP IN IRELAND 2019

NEW BUSINESS OWNERS



The number of new business owners increased in Ireland

The rate of new business owners in Ireland is at the average across the OECD

Men now account for over two thirds of new business owners

There was a significant increase in young new business owners

Virtually all expect to be employers and jobs growth expectations are high

Half of new business owners only have customers in Ireland

Four in every ten new business owners are part of a start-up team

NEW BUSINESS OWNERS

New business owners are those who have started a new business between January 2016 and June 2019 and have paid salaries for at least three months. These entrepreneurs at least part own and continue to manage the new business. Over this period there were approximately 127,100 new business owners in Ireland.

The rate of new business owners in Ireland is 4.3% of the adult population. This is at the mid-point across the OECD, as some countries outside Europe have very high rates of new business owners e.g. Chile 11%, South Korea 8.2%, and Canada 8%. The highest in Europe is Portugal (6%).

In Ireland, the number of new business owners increased significantly in 2019. The rate equates to 36,300 new business owners.

Men made up a greater proportion of the new business owners in 2019 (68% compared to 61% in 2018). As a result, the gender ratio widened to 2.2:1.

Almost one in three of the new business owners were in the youngest age group (18 -29). This was a significant increase on the previous year (30% in 2019 compared to 20% in 2018). It was mirrored in a decline in the proportion of new business owners that were in the 40-49 age group (20.5 % in 2019 compared to 34% in 2018).

The great majority are or expect to be employers (90%). The proportion of those who expect to be employers was very high in recent years, but 2019 saw a further increase. The proportion of new business owners expecting to grow their employment numbers to ten or more is now 30%. This continues an upward trend.

The focus is almost equally spread across consumer services, extractive and transformative, including construction and manufacturing, and business services. This differs in emphasis from the focus of early stage entrepreneurs, where consumer sectors are even more important. One in ten report that they are engaged in medium or high tech sectors.

The great majority are serving customers nationally rather than in their local area only. Half already have revenues from customers outside of Ireland. However, the international orientation of this group of new business owners is considerably less than in recent years.

While the proportion of new business owners that are starting their enterprise alone continues to dominate, in 2019, more are starting as part of a team.

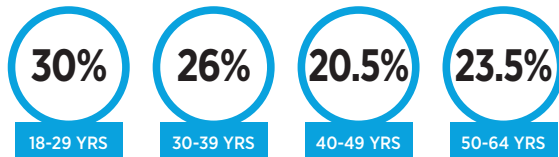
WHO ARE THEY?

EDUCATION

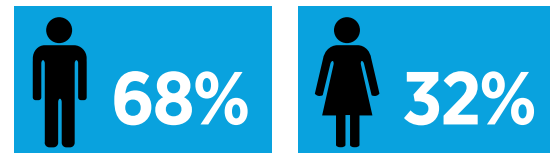
70% HAVE POST SECONDARY EDUCATION



AGE



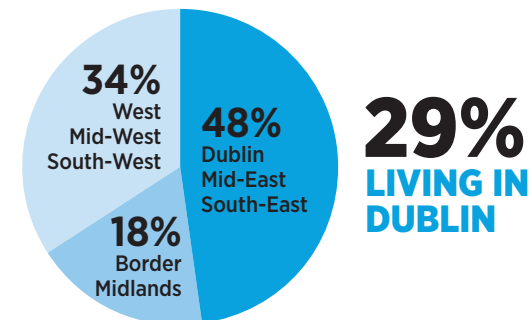
GENDER



START-UP TEAMS



REGION OF RESIDENCE



36,300
NEW BUSINESS OWNERS IN 2019

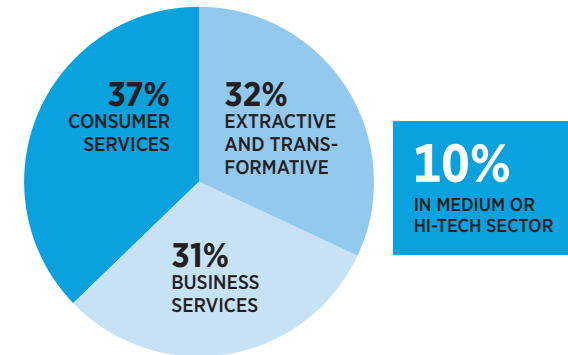
3,000
PER MONTH

127,100
BETWEEN JANUARY 2016
AND JUNE 2019

DOMESTIC ORIENTATION

49% NO REVENUES FROM CUSTOMERS OUTSIDE IRELAND

SECTORS



EMPLOYEES NOW	0 JOBS	1 JOB	2-9 JOBS	10+ JOBS
	28%	22%	26%	24%

JOBS IMPACT

90% IS AN EMPLOYER NOW OR WILL BE WITHIN 5 YEARS OF STARTING

JOBS EXPECTATIONS

30% EXPECT TO HAVE 10 OR MORE JOBS IN 5 YEARS AND TO INCREASE JOBS BY 50%

INTERNATIONAL ORIENTATION

24% ARE BORN GLOBAL (>25% REVENUES FROM CUSTOMERS OUTSIDE IRELAND)



GLOBAL ENTREPRENEURSHIP MONITOR : SURVEY OF ENTREPRENEURSHIP IN IRELAND 2019

INVESTORS AND BUSINESS ANGELS



The number of informal investors and business angels increased in 2019

The average amount invested by an individual business angel declined slightly, the total amount invested increased as there were more informal investors

The total invested in the last three years was €600 million

Men are much more likely to be investors than are women and the amount that they invest is higher

Informal investors are more likely to invest in a new business being started by someone they know rather than in a stranger's business.

Female informal investors tend to invest primarily in a business started by a family member.

INVESTORS AND BUSINESS ANGELS

Informal investors and business angels are those who provide funds in the last three years to others that are starting a business. While the rate of these informal investors and business angels among the population in Ireland has always been relatively low, the rate increased in 2019. They are a significant source of funds to those starting businesses, yet their contribution often goes under the radar. Informal investors are estimated to have provided €600 million to entrepreneurs in Ireland in the past three years. This is an increase in the estimated amount invested in recent years.

While the rate of informal investors in the population increased in Ireland in 2019 (5.6%), it is still below the OECD average (6.3%). In countries like Chile (22.3%), Canada (12.2%), Sweden (11.9%) and Switzerland (10.2%) the rate of investors is considerably higher than it is in Ireland. Comparing the average amount invested by informal investors across the OECD in the last three years, the average amount invested by an informal investor in Ireland is slightly higher (€29,200 compared to €26,800). The average informal investor in Luxembourg invested over €50,000.

Men are more likely to be an informal investor than are women and the increase in investors in 2019 is entirely attributable to more men investing. One in twelve men invested in a new business being started by someone

else in the past three years in Ireland. The trend reported previously that men invest considerably more than women was evident again in 2019.

The great majority of men and women invest in a business being started by someone known to them, with only 10% investing in a stranger's new business. We have reported for many years that women tend to invest primarily in businesses being started by a close family member or relative. This is the case also in 2019. The research indicates, however, that women are beginning to invest to a greater extent than previously in new businesses outside the immediate family circle.

INFORMAL INVESTORS: RATES AND AMOUNTS

Informal investors
(as % of adult population)

Total invested in past 3 years
(mean)



55,000

INFORMAL INVESTORS AND BUSINESS ANGELS IN 2019

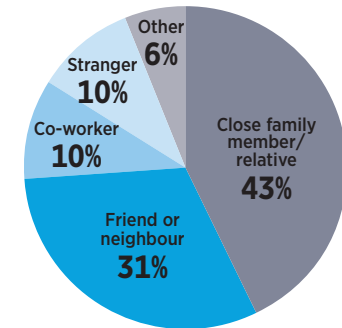
TOTAL INVESTMENTS
(3 YEARS)

€600 MILLION

HOW MUCH

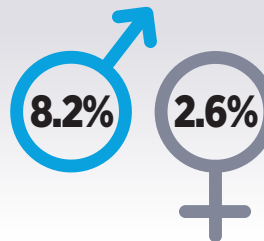
€29,200 (MEAN)
€5,000 (MEDIAN)

WHO THEY INVEST IN

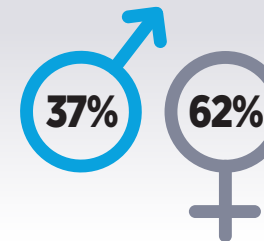


INFORMAL INVESTORS BY GENDER

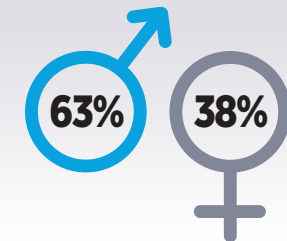
INFORMAL INVESTOR RATE IN POPULATION



INVEST IN... CLOSE FAMILY / RELATIVE



IN... WORK COLLEAGUE, FRIEND, STRANGER



INVESTMENT (MEAN)

♂ MALE €36,000

♀ FEMALE €11,000



GLOBAL ENTREPRENEURSHIP MONITOR : SURVEY OF ENTREPRENEURSHIP IN IRELAND 2019

ENTREPRENEURIAL ECO-SYSTEMS AND INTERNATIONAL COMPARISONS: IRELAND, THE NETHERLANDS, NORWAY AND THE UK



ENTREPRENEURIAL ECO-SYSTEMS

GEM assesses the environment for enterprise by defining a number of specific National Entrepreneurship Framework Conditions, as set out below. These conditions taken together specify a local environment for enterprise that, for the person trying to start a new venture, will be supportive in some ways and constraining in others. Individually and collectively, these conditions influence how easy, or how difficult, it is to start a new business and then develop the new venture into a sustainable established business.

GEM teams survey at least 36 relevant experts, including entrepreneurs, in their country. These experts evaluate statements about the Framework Conditions indicating the extent to which they agree on a nine-point Likert scale. Each expert also provides an importance score for each statement, representing the extent this aspect plays a key role in stimulating and supporting entrepreneurship in their country in the current year.

GEM reports on the relative strength of the national context for entrepreneurship as a National Entrepreneurship Content Index (NECI). Ireland is ranked joined 14th across the OECD and 10th across European countries. Switzerland, the Netherlands and Norway are ranked the top three across the OECD. The US is the highest ranked non-European country (see page 40).

Given the relatively high NECI rating accorded to Norway and the Netherlands by the entrepreneurship experts in their respective countries, we thought it interesting to compare entrepreneurial activity and the impact of early stage entrepreneurs in those countries with Ireland and the UK, which are closely but less favourably ranked.

At first sight, Ireland stands out from the other countries in terms of the relative high rate of those within the country that aspire to be an

entrepreneur in the next three years and nascent entrepreneurs, those at the earliest stage of their entrepreneurial journey.

When one considers new business owners, those who have started a business in the last three and a half years, there is a much greater degree of similarity across the four countries, with the Netherlands and Ireland slightly ahead of Norway and the UK.

Looking at early stage entrepreneurs as a whole (TEA) Ireland is ahead of the other three countries due to the exceptional high rate that men are early stage entrepreneurs in Ireland (15.9%). In the three other countries, the TEA rate among men is broadly the same (11.5%).

Ireland and the Netherlands have similar early stage entrepreneurship activity rates among women (9.0%), ahead of the UK (7.0%) and well ahead of Norway (5.1%). The relatively low level of entrepreneurial activity among women in Norway give rise to a wide TEA gender ratio in that country between men and women (2.3:1).

Those who started a business and are still involved in its management at least three and a half years later, are referred to as owner managers of established businesses. The rate of owner managers is by far the most pronounced in the Netherlands (10.8%). The rate in Ireland has declined in recent years and is currently 6.6%. The UK has by far the lowest rate of owner managers (3.4%).

The rate of entrepreneurs exiting their business and that business being discontinued is similar in the UK and Ireland (2.5%) and higher than Norway and the Netherlands, which have broadly similar lower rates.

GEM asks of identified early stage entrepreneurs what their sectoral focus is and whether they consider their new business to be a low/medium/high tech sector. These are indicative of the degree of relative positive impact.



A lower proportion of entrepreneurs in Ireland (29%) are focused on the business services sectors than is the case in the three other countries, where more than one in three has this focus. Ireland (9%) is similar to Norway (8%), however, in having a higher proportion engaged in medium or high tech sectors. The UK has the lowest rate of entrepreneurs engaged in these sectors (3%).

The rate of activity of early stage entrepreneurs is only part of the story. The relative impact of their activity is particularly important. GEM research facilitates our consideration of the impact of early stage entrepreneurs in terms of new job creation and exports.

There is a great variation across the countries in respect of those early stage entrepreneurs who are or expect to be employers. Ireland is very much to the fore in this respect (79%), followed by the Netherlands (70%). A significant proportion of entrepreneurs in Norway (41%) and the UK (36%), on the other hand, do not expect to create any jobs.

Most new business will remain as micro-businesses over the years and will only ever employ less than ten. A significant proportion of entrepreneurs in Ireland, however, expect to create employment for 10 or more people (34%). This is a much higher rate of projected growth than prevails among entrepreneurs in the next closest country (UK at 25%). Employment growth aspirations to create ten or more jobs is considerably lower among early stage entrepreneurs in the Netherlands (15%) and Norway (17%).

In the commentary elsewhere in this report, it was noted that the rate of entrepreneurs in Ireland that were focused exclusively on domestic customers has considerably increased and is at a much higher rate than was the case previously. Notwithstanding, this greater focus on domestic customers, there is a lower rate of entrepreneurs in this country that are exclusively focused on the domestic market (59%) than is the case in the UK (66%), the Netherlands (73%) or Norway (78%). Following from this, it is not surprising that the rate of early

stage entrepreneurs in Ireland, with overseas customers accounting for 25% or more of their revenue, is considerably higher than is the case in the UK (19%), the Netherlands (12%) or Norway (9%).

Drawing from the above, Ireland has a broadly similar National Entrepreneurship Context Index to the UK, and lower than that in either the Netherlands or Norway. Notwithstanding, Ireland has a higher rate of aspiring and early stage entrepreneurs than any of these countries. Early stage entrepreneurs in Ireland are also to the fore in the important metrics of employment growth expectations and international orientation.

The rate of owner managers who have sustained a business beyond its first three and a half years is most pronounced in the Netherlands (10.8%) and lowest in the UK (3.4%). Moreover, the closure rate of businesses by entrepreneurs is lower in the Netherlands (1.6%) and Norway (1.8%) compared to the UK and Ireland (2.5%). When asked the reason that they exit and closed the business, in Ireland one in three entrepreneurs report that the business was closed because it was not profitable. In the Netherlands and Norway this was less frequently cited and a positive reason given most often i.e. the entrepreneur had found another job or business opportunity.

Compared to Ireland, it may be that the relatively positive framework conditions in the Netherlands and Norway are supportive of the sustainability of businesses rather than impacting on the relative rate of early stage entrepreneurship or on the impact of that activity.

ENTREPRENEURIAL ECO-SYSTEM

National Entrepreneurship Context Index (NECI) (score out of 10)

IRELAND
4.7

6.1

SWITZERLAND - 6.1

NETHERLANDS - 6.0

NORWAY - 5.5

UNITED STATES - 5.3

SPAIN - 5.3

LUXEMBOURG - 5.2

CANADA - 5.2

SOUTH KOREA - 5.1

GERMANY - 5.0

SWEDEN - 4.9

LATVIA - 4.9

UNITED KINGDOM - 4.8

ISRAEL - 4.8

MEXICO - 4.7

IRELAND

JAPAN - 4.7

AUSTRALIA - 4.7

CHILE - 4.6

SLOVENIA - 4.5

ITALY - 4.3

POLAND - 4.2

PORTUGAL - 4.2

GREECE - 4.1

SLOVAKIA - 4.0

4.0





AVERAGE 4.0

NATIONAL ENTREPRENEURSHIP FRAMEWORK CONDITIONS

1. **ACCESS TO ENTREPRENEURIAL FINANCE.** Are there sufficient funds available to new startups, from informal investment and bank loans to government grants and venture capital?
2. a) **GOVERNMENT POLICY: SUPPORT AND RELEVANCE.** Do government policies promote entrepreneurship and support those starting a new business venture?
b) **GOVERNMENT POLICY: TAXES AND BUREAUCRACY.** Are business taxes and fees affordable for the new enterprise? Are rules and regulations easy to manage, or an undue burden on the new business?
3. **GOVERNMENT ENTREPRENEURSHIP PROGRAMMES.** Are quality support programmes available to the new entrepreneur at local, regional and national levels?
4. a) **ENTREPRENEURSHIP EDUCATION AT SCHOOL.** Are schools introducing ideas of entrepreneurship, and instilling students with entrepreneurial values such as enquiry, opportunity recognition and creativity?
b) **ENTREPRENEURSHIP EDUCATION POST-SCHOOL.** Do colleges, universities and business schools offer effective courses in entrepreneurial subjects, alongside practical training in how to start a business?
5. **RESEARCH AND DEVELOPMENT TRANSFERS.** To what extent can research findings, including from universities and research centres, be translated into commercial ventures?
6. **COMMERCIAL AND PROFESSIONAL INFRASTRUCTURE.** Does access to affordable professional services such as lawyers and accountants support the new venture, within a framework of property rights?
7. a) **EASE OF ENTRY: MARKET DYNAMICS.** Are there free, open and growing markets where no large businesses control entry or prices?
b) **EASE OF ENTRY: MARKET BURDENS AND REGULATIONS.** Do regulations facilitate, rather than restrict, entry?
8. **PHYSICAL INFRASTRUCTURE.** To what extent are physical infrastructures, such as roads, Internet access and speed, the cost and availability of physical spaces and such like, adequate and accessible to entrepreneurs?
9. **SOCIAL AND CULTURAL NORMS.** Does national culture stifle or encourage and celebrate entrepreneurship, including through the provision of role models and mentors, as well as social support for risk-taking?

Source: GEM Global Report 2019/20, p 69.



	IRELAND	UK	NETHERLANDS	NORWAY
				
ACTIVITY	% Adults	% Adults	% Adults	% Adults
Aspiring entrepreneurs	18.9	9.9	12.2	7.8
Total early stage entrepreneurship (TEA)	12.4	9.3	10.4	8.4
- Nascent	8.4	6.5	5.6	4.9
- New business owners	4.3	3.1	4.8	3.6
TEA men	15.9	11.7	11.5	11.5
TEA women	9.0	7.0	9.2	5.1
TEA gender ratio (male: female)	1.8:1	1.7:1	1.3:1	2.3:1
Owner managers of established businesses	6.6	3.4	10.8	5.6
Exit and business closed	2.5	2.5	1.6	1.8
IMPACT	% of Early Stage Entrepreneurs	% of Early Stage Entrepreneurs	% of Early Stage Entrepreneurs	% of Early Stage Entrepreneurs
Focused on business services sectors	29	36	34	36
Medium or high tech sectors only	9	3	5	8
Expects to become an employer	79	64	70	59
Expects to employ 10 or more	34	25	15	17
Exclusively focused on domestic customers	59	66	73	78
With overseas customers (25%+ revenue)	25	19	12	9



GLOBAL ENTREPRENEURSHIP MONITOR : SURVEY OF ENTREPRENEURSHIP IN IRELAND 2019

COMPARATIVE INTERNATIONAL DATA



TABLE A - ENTREPRENEURSHIP ACTIVITY

	Aspiring entrepreneurs % of adults	Aspiring entrepreneurs % of adults that excludes those active as entrepreneurs	Nascent entrepreneurs % of adults	New business owners % of adults	Early stage entrepreneurs (TEA) % of adults	Owner managers of established businesses % of adults
<i>OECD comparator countries</i>						
Australia	16.2	13.0	5.8	5.1	10.5	6.5
Canada	21.3	11.9	10.8	8.0	18.2	7.4
Chile	55.9	57.6	26.9	11.0	36.7	10.6
Germany	12.5	9.1	5.3	2.6	7.6	5.2
Greece	14.4	12.4	4.6	3.8	8.2	14.3
Ireland	18.9	14.6	8.4	4.3	12.4	6.6
Israel	30.4	21.2	8.8	4.2	12.7	5.4
Italy	6.3	5.4	1.2	1.6	2.8	4.7
Japan	7.3	4.3	3.3	2.1	5.4	7.0
Latvia	28.0	23.2	10.5	5.3	15.4	12.9
Luxembourg	18.4	12.9	7.2	3.4	10.2	4.7
Mexico	23.0	16.3	9.8	3.4	13.0	1.8
Netherlands	12.2	9.2	5.6	4.8	10.4	10.8
Norway	7.8	5.7	4.9	3.6	8.4	5.6
Poland	7.6	6.0	3.6	1.8	5.4	12.8
Portugal	24.4	19.8	6.9	6.0	12.9	11.0
Slovakia	19.8	13.6	9.2	4.2	13.3	5.9
Slovenia	16.6	15.0	4.4	3.6	7.8	8.5
South Korea	33.0	25.6	7.0	8.2	14.9	13.0
Spain	8.1	7.4	2.4	3.8	6.1	6.3
Sweden	15.3	10.9	5.1	3.3	8.2	4.9
Switzerland	15.1	10.7	6.2	3.7	9.8	11.6
United Kingdom	9.9	7.6	6.5	3.1	9.3	8.2
United States	20.4	13.7	11.8	5.9	17.4	10.6
OECD - 24 country average	18.4	14.5	7.3	4.4	11.5	8.2



TABLE B - INTRAPRENEURSHIP ACTIVITY

	Active and leading as intrapreneur in past 3 years % of adults	Active and leading as intrapreneur in past 3 years % of adults in employment	Active and leading as intrapreneur now % of adults	Active and leading as intrapreneur now % of adults in employment
<i>OECD comparator countries</i>				
Australia	8.3	11.7	6.3	8.9
Canada	5.4	8.0	4.6	6.7
Chile	3.6	6.1	3.2	5.5
Germany	6.3	9.2	4.7	6.9
Greece	1.9	3.6	1.5	2.9
Ireland	7.5	10.8	5.7	8.2
Israel	5.7	8.0	4.7	6.5
Italy	0.7	1.4	0.6	1.2
Japan	1.9	2.8	1.7	2.4
Latvia	4.3	6.2	3.5	4.9
Luxembourg	6.7	9.6	5.0	7.3
Mexico	0.1	0.3	0.1	0.2
Netherlands	6.0	7.4	3.9	4.8
Norway	2.6	3.2	2.1	2.5
Poland	1.7	2.8	1.4	2.4
Portugal	4.1	6.7	3.7	6.0
Slovakia	3.1	4.9	2.6	4.1
Slovenia	7.0	11.0	5.8	9.2
South Korea	1.4	2.9	1.3	2.8
Spain	1.7	3.5	1.5	3.0
Sweden	5.2	6.9	4.0	5.2
Switzerland	5.4	7.6	4.6	6.5
United Kingdom	8.1	11.3	6.0	8.4
United States	6.5	9.7	5.0	7.5
OECD - 24 country average	4.4	6.5	3.5	5.2

TABLE C - BUSINESS EXITS: RATES AND REASONS

	Entrepreneurs exited in last 12 months and business CONTINUED % of adults	Entrepreneurs exited in last 12 months and business DISCONTINUED % of adults	Opportunity to sell the business % of exits	Business was not profitable % of exits	Problems getting finance % of exits	Found another job or business opportunity % of exits	Exit was planned in advance % of exits	Retirement % of exits	Family or personal reasons % of exits	Consequence of single incident % of exits	Government/ tax policy/ bureaucracy % of exits
<i>OECD comparator countries</i>											
Australia	1.3	3.2	7	35	11	12	7	3	12	6	7
Canada	4.7	3.6	18	24	20	15	4	6	12	1	1
Chile	1.8	6.5	1	30	12	11	2	0	37	4	3
Germany	1.2	2.2	6	14	29	1	0	12	28	1	8
Greece	0.5	2.0	2	38	12	5	2	13	11	0	16
Ireland	1.5	2.5	17	33	5	10	3	4	21	0	7
Israel	1.5	3.8	10	32	6	22	6	1	12	4	8
Italy	0.3	0.5	15	9	0	5	0	16	35	0	20
Japan	0.5	0.6	21	24	11	0	0	5	28	11	0
Latvia	0.8	2.7	3	31	10	12	9	0	5	0	30
Luxembourg	2.3	2.3	7	22	8	13	13	8	15	6	6
Mexico	1.2	3.1	10	28	20	13	0	0	23	3	3
Netherlands	1.0	1.6	13	23	9	24	5	6	15	0	5
Norway	0.7	1.8	13	23	5	36	5	3	10	2	3
Poland	0.7	2.4	6	21	10	10	3	7	14	17	13
Portugal	1.6	1.5	3	31	5	8	3	4	31	0	16
Slovakia	1.3	2.7	1	21	13	26	4	6	22	0	7
Slovenia	0.5	1.4	4	15	7	19	4	18	18	4	11
South Korea	1.3	1.9	3	55	13	5	3	0	11	7	3
Spain	0.4	1.2	6	41	5	7	4	9	21	1	7
Sweden	2.6	2.3	33	17	9	9	8	6	11	2	5
Switzerland	1.8	1.2	15	9	0	7	6	21	24	19	0
United Kingdom	0.9	2.5	1	15	5	28	5	12	24	0	10
United States	2.2	2.9	10	27	6	16	4	6	24	2	4
OECD - 24 country average	1.3	2.4	9	26	10	13	4	7	19	4	8



TABLE D - ENTREPRENEURIAL ACTIVITY BY GENDER

	EARLY STAGE ENTREPRENEURS			OWNER MANAGERS OF ESTABLISHED BUSINESSES		
	Rate for men %	Rate for women %	Rate as a ratio Men:Women	Rate for men %	Rate for women %	Rate as a ratio Men:Women
<i>OECD comparator countries</i>						
Australia	12.3	8.8	1.4 : 1	7.3	5.8	1.3 : 1
Canada	21.4	15.1	1.4 : 1	9.1	5.8	1.6 : 1
Chile	41.1	32.4	1.3 : 1	11.8	9.4	1.3 : 1
Germany	9.5	5.7	1.7 : 1	6.6	3.8	1.7 : 1
Greece	8.8	7.6	1.2 : 1	18.4	10.2	1.8 : 1
Ireland	15.9	9.0	1.8 : 1	9.3	3.9	2.4 : 1
Israel	15.1	10.4	1.5 : 1	7.3	3.6	2.0 : 1
Italy	3.5	2.1	1.7 : 1	6.9	2.6	2.7 : 1
Japan	7.8	2.9	2.7 : 1	9.8	4.0	2.4 : 1
Latvia	19.6	11.3	1.7 : 1	16.7	9.2	1.8 : 1
Luxembourg	12.0	8.3	1.4 : 1	5.9	3.3	1.8 : 1
Mexico	13.6	12.4	1.1 : 1	2.3	1.4	1.6 : 1
Netherlands	11.5	9.2	1.3 : 1	13.6	8.0	1.7 : 1
Norway	11.5	5.1	2.3 : 1	8.0	3.1	2.6 : 1
Poland	5.7	5.1	1.1 : 1	13.0	12.5	1.0 : 1
Portugal	16.0	9.9	1.6 : 1	14.2	7.9	1.8 : 1
Slovakia	16.4	10.2	1.6 : 1	7.6	4.1	1.8 : 1
Slovenia	9.9	5.6	1.8 : 1	11.1	5.6	2.0 : 1
South Korea	18.3	11.4	1.6 : 1	17.2	8.7	2.0 : 1
Spain	6.3	6.0	1.1 : 1	7.0	5.6	1.3 : 1
Sweden	10.6	5.8	1.8 : 1	7.9	1.8	4.5 : 1
Switzerland	12.2	7.2	1.7 : 1	14.1	9.0	1.6 : 1
United Kingdom	11.7	7.0	1.7 : 1	13.0	3.4	3.8 : 1
United States	18.2	16.6	1.1 : 1	11.9	9.3	1.3 : 1
OECD - 24 country average	13.7	9.4	1.5 : 1	10.4	5.9	1.8 : 1

TABLE E - WHEN TO START? AGE OF EARLY STAGE ENTREPRENEURS

	RATES OF ENTREPRENEURSHIP WITHIN EACH AGE GROUP					ENTREPRENEURS BY AGE				
	Age 18-24 (YOUTH)	Age 25-34	Age 35-44	Age 45-54	Age 55-64 (SENIOR)	Age 18-24 (YOUTH)	Age 25-34	Age 35-44	Age 45-54	Age 55-64 (SENIOR)
	%	%	%	%	%	%	%	%	%	%
<i>OECD comparator countries</i>										
Australia	5.5	13.4	13.5	10.0	8.0	8	31	27	20	14
Canada	25.7	29.9	19.1	12.5	7.4	20	34	22	16	9
Chile	31.6	40.0	43.7	35.2	30.0	14	27	25	20	14
Germany	10.1	11.8	7.3	6.2	4.4	16	32	19	19	14
Greece	13.2	6.3	6.5	9.8	6.7	26	19	18	24	14
Ireland	14.2	14.9	12.6	11.6	8.6	16	26	26	20	12
Israel	9.3	16.2	13.8	12.8	9.2	13	32	25	19	11
Italy	1.9	7.6	2.6	1.8	0.7	8	49	21	17	6
Japan	4.1	7.1	8.0	4.6	2.6	9	24	35	22	11
Latvia	18.9	22.5	19.9	12.2	5.1	12	34	29	17	7
Luxembourg	7.7	13.4	11.4	12.1	4.0	10	30	26	27	7
Mexico	12.2	14.1	14.3	12.7	9.3	21	29	26	17	8
Netherlands	14.2	15.6	11.6	6.7	5.9	19	30	22	16	12
Norway	8.6	9.0	9.2	8.7	6.0	15	24	24	24	14
Poland	3.0	11.1	5.2	3.7	2.3	6	47	24	13	9
Portugal	16.7	18.7	14.1	9.4	6.8	16	31	26	16	10
Slovakia	18.6	18.9	15.8	9.7	4.7	16	32	30	15	7
Slovenia	3.6	13.8	9.5	8.6	2.1	5	35	29	26	6
South Korea	4.3	13.4	19.3	15.1	17.9	4	16	28	25	27
Spain	5.0	8.5	6.9	5.7	4.2	9	25	29	23	14
Sweden	13.2	10.8	8.3	5.9	4.4	22	31	21	16	10
Switzerland	12.1	10.8	9.9	9.1	7.8	15	24	22	23	16
United Kingdom	12.2	10.0	10.9	9.8	4.2	18	24	24	24	9
United States	15.8	22.1	22.1	13.3	13.4	14	27	27	18	14
OECD - 24 country average	11.7	15.0	13.2	10.3	7.3	14	30	25	20	11

TABLE F - WHO STARTS? EDUCATION LEVELS AND INCOME LEVELS

	RATES OF EARLY STAGE ENTREPRENEURSHIP BY HIGHEST LEVEL OF EDUCATION				EARLY STAGE ENTREPRENEURS	RATES OF EARLY STAGE ENTREPRENEURSHIP WITHIN EACH INCOME LEVEL		
	Some secondary education	Secondary school completed	Post-secondary	Graduate education	Post-secondary and graduate education	Lowest household 33 percentile	Middle household 33 percentile	Highest household 33 percentile
	%	%	%	%	%	%	%	%
<i>OECD comparator countries</i>								
Australia	6.5	6.9	12.5	10.3	78	9	11	13
Canada	25.5	16.3	17.7	22.0	79	20	18	20
Chile	30.2	34.7	38.4	42.7	64	29	38	45
Germany	4.7	5.8	12.5	n/a	55	7	7	11
Greece	6.8	9.5	9.4	n/a	49	9	5	11
Ireland	14.8	11.4	12.3	11.2	67	13	11	13
Israel	8.6	15.3	14.1	n/a	50	8	15	15
Italy	1.2	2.0	8.4	n/a	52	1	2	8
Japan	6.7	3.2	6.4	8.8	71	5	6	7
Latvia	13.6	13.7	17.6	17.0	52	9	13	22
Luxembourg	5.0	5.4	18.4	12.8	71	10	10	12
Mexico	10.7	14.6	20.3	47.0	16	13	14	14
Netherlands	8.6	10.3	12.4	10.6	37	9	9	14
Norway	9.7	9.3	6.8	9.1	62	8	6	13
Poland	2.0	5.8	6.4	5.9	53	3	4	7
Portugal	8.6	13.7	15.9	17.3	44	12	13	16
Slovakia	8.4	12.7	16.2	15.9	49	10	18	n/a
Slovenia	3.7	5.8	10.9	14.8	62	3	7	12
South Korea	14.0	13.4	15.7	15.4	60	13	13	18
Spain	3.8	6.1	7.5	8.5	46	4	5	12
Sweden	12.2	7.3	8.7	11.9	51	9	9	9
Switzerland	4.8	8.0	12.1	12.2	62	14	7	10
United Kingdom	6.6	7.8	10.7	12.5	63	7	6	14
United States	14.0	14.7	18.5	17.5	80	15	18	20
OECD - 24 country average	9.6	10.6	13.7	16.2	57	10	11	15



TABLE G - WHY EARLY STAGE ENTREPRENEURS START A NEW BUSINESS

**MOTIVATION: THE REASONS FOR STARTING THE BUSINESS
(Multiple Responses Allowed)**

	To make a difference in the world %	To build great wealth or a very high income %	To continue a family tradition %	To earn a living because jobs are scarce %
<i>OECD comparator countries</i>				
Australia	52	65	23	41
Canada	67	64	44	63
Chile	45	41	25	69
Germany	44	32	69	43
Greece	32	48	35	52
Ireland	27	28	69	41
Israel	43	72	19	54
Italy	11	95	27	89
Japan	44	48	33	33
Latvia	33	38	26	68
Luxembourg	60	41	30	38
Mexico	65	52	48	85
Netherlands	32	22	18	24
Norway	37	20	15	26
Poland	65	13	82	16
Portugal	42	44	31	54
Slovakia	41	34	28	63
Slovenia	48	47	23	60
South Korea	9	67	6	35
Spain	49	60	13	42
Sweden	50	55	33	39
Switzerland	43	38	17	50
United Kingdom	49	52	6	64
United States	66	69	31	41
OECD - 24 country average	44	48	31	50



TABLE H - IMPACT: JOBS AND JOBS GROWTH EXPECTATIONS (EARLY STAGE ENTREPRENEURS)

	Any jobs now or any jobs expected in 5 years %	5 year jobs growth expectations (10 or more jobs and to increase jobs by 50%) %	5 year jobs growth expectations (20 or more jobs) %
<i>OECD comparator countries</i>			
Australia	80	21	13
Canada	67	18	16
Chile	89	27	13
Germany	72	21	14
Greece	91	9	8
Ireland	79	34	21
Israel	60	18	13
Italy	83	10	5
Japan	72	27	17
Latvia	80	28	12
Luxembourg	78	24	10
Mexico	85	16	8
Netherlands	70	15	11
Norway	59	17	9
Poland	79	16	10
Portugal	70	13	10
Slovakia	76	21	14
Slovenia	74	15	5
South Korea	88	16	7
Spain	67	5	4
Sweden	55	13	12
Switzerland	80	22	18
United Kingdom	64	25	19
United States	79	27	17
OECD - 24 country average	76	19	13



TABLE I - IMPACT: INTERNATIONAL ORIENTATION AND INNOVATIVENESS (EARLY STAGE ENTREPRENEURS)

	No revenues from customers outside country	1-25% of revenue from customers outside country	26-75% of revenue from customers outside country	76-100% of revenue from customers outside country	At least national scope for market and at least national scope for new product or new process	At least international scope for market and at least international scope for new product or new process
	%	%	%	%	%	%
<i>OECD comparator countries</i>						
Australia	73	14	8	5	16	5
Canada	63	10	15	12	17	5
Chile	95	3	1	1	7	1
Germany	54	27	14	5	27	12
Greece	70	12	9	10	15	7
Ireland	59	17	15	10	20	8
Israel	70	12	10	8	19	8
Italy	78	8	11	3	7	4
Japan	85	5	8	2	25	4
Latvia	66	14	11	10	14	6
Luxembourg	54	14	16	17	34	10
Mexico	93	3	3	1	5	1
Netherlands	73	15	8	4	16	4
Norway	78	13	4	5	21	7
Poland	91	6	3	1	4	1
Portugal	56	23	13	7	16	4
Slovakia	68	16	9	8	18	5
Slovenia	55	22	12	11	28	10
South Korea	91	6	2	1	12	2
Spain	76	17	5	3	15	3
Sweden	56	16	16	12	27	9
Switzerland	60	13	19	8	33	5
United Kingdom	66	14	12	7	20	5
United States	79	14	6	1	15	6
OECD - 24 country average	71	13	9	6	17	5



TABLE J - IMPACT: SECTORS (EARLY STAGE ENTREPRENEURS)

	Extractive sectors	Transformative sectors	Business service sectors	Consumer service sectors	Medium or high technology sectors only
	%	%	%	%	%
<i>OECD comparator countries</i>					
Australia	5	25	27	43	10
Canada	6	13	22	58	4
Chile	5	24	20	51	8
Germany	4	10	26	60	10
Greece	6	27	18	49	4
Ireland	4	18	29	49	9
Israel	0	16	27	57	8
Italy	9	19	21	51	5
Japan	8	18	21	53	7
Latvia	8	36	24	33	9
Luxembourg	7	16	40	38	11
Mexico	1	16	6	77	2
Netherlands	4	20	34	43	5
Norway	8	22	36	34	8
Poland	5	28	21	46	3
Portugal	4	21	25	51	4
Slovakia	3	16	27	53	9
Slovenia	3	29	34	35	11
South Korea	3	24	17	55	10
Spain	5	20	34	41	10
Sweden	9	19	29	43	9
Switzerland	2	10	30	58	10
United Kingdom	0	19	36	46	3
United States	4	22	32	42	7
OECD - 24 country average	5	20	26	48	7



TABLE K - IMPACT: JOB EXPECTATIONS, INTERNATIONAL ORIENTATION AND INNOVATIVENESS (INTRAPRENEURS)

	High growth expectation (expects 20 or more jobs in 5 years) %	Significant export intensity (>10% turnover) %	At least national scope for market and at least national scope for new product or service %	At least international scope for market and at least international scope for new product or service %
<i>OECD comparator countries</i>				
Australia	29	17	38	13
Canada	25	30	30	14
Chile	47	11	22	3
Germany	40	28	34	17
Greece	0	4	0	0
Ireland	45	32	46	23
Israel	28	25	47	21
Italy	58	43	37	9
Japan	32	23	72	22
Latvia	38	43	34	14
Luxembourg	28	40	43	19
Mexico	37	9	17	9
Netherlands	30	17	32	13
Norway	33	15	26	12
Poland	24	14	50	2
Portugal	26	34	37	12
Slovakia	30	28	35	9
Slovenia	34	35	44	23
South Korea	31	19	46	19
Spain	25	20	25	10
Sweden	40	24	30	15
Switzerland	31	33	49	26
United Kingdom	33	28	41	22
United States	45	23	27	11
OECD - 24 country average	33	27	37	16

TABLE L - NEW BUSINESS OWNERS

	New business owners % of adult population	New business owners % of adult men	New business owners % of adult women	Customers in the area where you live % of new business owners	Customers elsewhere in your country % of new business owners	Customers outside your country % of new business owners	Start-up team size Average
<i>OECD comparator countries</i>							
Australia	5.1	5.6	4.7	83	68	28	1.8
Canada	8.0	9.5	6.6	91	64	44	1.9
Chile	11.0	12.9	9.1	95	37	5	1.6
Germany	2.6	3.5	1.6	93	64	48	1.9
Greece	3.8	4.0	3.5	89	52	28	1.7
Ireland	4.3	6.0	2.7	81	76	53	2.2
Israel	4.2	5.7	2.8	88	86	34	2.8
Italy	1.6	2.0	1.3	100	59	20	1.8
Japan	2.1	2.8	1.4	82	89	13	2.6
Latvia	5.3	5.8	4.8	85	69	39	1.4
Luxembourg	3.4	5.3	1.3	77	85	58	2.0
Mexico	3.4	3.8	3.0	82	47	10	1.7
Netherlands	4.8	6.3	3.4	89	73	36	1.7
Norway	3.6	4.6	2.5	90	50	30	1.9
Poland	1.8	1.9	1.6	90	35	12	1.3
Portugal	6.0	7.5	4.5	83	76	48	1.8
Slovakia	4.2	5.6	2.8	83	63	41	1.5
Slovenia	3.6	4.8	2.3	87	78	50	1.5
South Korea	8.2	10.0	6.3	92	78	9	1.4
Spain	3.8	3.9	3.7	95	55	25	1.5
Sweden	3.3	4.9	1.7	82	80	47	2.3
Switzerland	3.7	4.7	2.6	92	69	40	1.9
United Kingdom	3.1	3.9	2.3	71	51	29	1.3
United States	5.9	5.8	5.9	91	62	23	2.1
OECD - 24 country average	4.4	5.4	3.4	87	65	32	1.8

TABLE M - OWNER MANAGERS OF ESTABLISHED BUSINESSES

	OWNER MANAGERS OF ESTABLISHED BUSINESSES BY AGE GROUP					MOTIVATION: THE REASONS FOR STARTING THE BUSINESS (Multiple Responses Allowed)				
	Owner managers of established businesses % of adults	Age 18-24 %	Age 25-34 %	Age 35-44 %	Age 45-54 %	Age 55-64 %	To make a difference in the world %	To build great wealth or a very high income %	To continue a family tradition %	To earn a living because jobs are scarce %
<i>OECD comparator countries</i>										
Australia	6.5	2	12	18	33	35	46	51	27	50
Canada	7.4	10	18	20	29	23	64	53	34	57
Chile	10.6	2	9	19	34	36	46	35	34	76
Germany	5.2	0	18	21	33	28	31	33	35	63
Greece	14.3	3	22	28	28	20	36	48	54	56
Ireland	6.6	3	14	22	27	34	36	38	60	30
Israel	5.4	8	12	26	33	22	24	67	21	59
Italy	4.7	2	15	34	32	16	19	94	39	80
Japan	7.0	n/a	9	23	34	34	20	28	38	25
Latvia	12.9	3	16	29	32	20	14	26	32	78
Luxembourg	4.7	8	7	41	28	15	43	52	35	45
Mexico	1.8	7	21	33	20	19	63	43	60	86
Netherlands	10.8	1	17	20	37	26	20	16	26	30
Norway	5.6	1	16	21	28	34	25	12	34	17
Poland	12.8	0	14	41	29	16	33	54	52	36
Portugal	11.0	3	14	27	31	25	34	42	31	70
Slovakia	5.9	4	18	26	27	25	32	31	40	73
Slovenia	8.5	1	18	23	35	24	39	31	34	71
South Korea	13.0	n/a	4	14	44	38	7	64	8	34
Spain	6.3	1	5	19	36	40	26	32	31	71
Sweden	4.9	14	26	20	22	18	51	53	45	43
Switzerland	11.6	4	9	31	29	27	27	31	35	58
United Kingdom	8.2	4	16	16	37	27	29	52	25	41
United States	10.6	4	11	25	31	29	58	59	39	47
OECD - 24 country average	8.2	4	14	25	31	26	34	43	36	54

TABLE N - IMPACT: SECTOR, JOB EXPECTATIONS, INTERNATIONAL ORIENTATION (OWNER MANAGERS OF ESTABLISHED BUSINESSES)

	SECTOR				TECHNOLOGY SECTORS	JOB GROWTH	INTERNATIONAL ORIENTATION			
	Extractive sectors %	Transformative sectors %	Business service sectors %	Consumer service sectors %	Medium or high technology sectors only %	Expect 10 or more jobs within the next 5 years ⁵ %	No revenues from customers outside country %	1-25% of revenues from customers outside country %	25-75% of revenues from customers outside country %	76-100% of revenues from customers outside country %
<i>OECD comparator countries</i>										
Australia	18	32	20	30	8.0	3.9	80	15	2	2
Canada	7	26	29	37	3.8	8.8	68	14	11	6
Chile	7	26	15	52	5.9	9.0	96	3	0	0
Germany	2	12	39	47	8.1	13.1	65	24	7	4
Greece	13	27	17	43	3.3	1.0	81	14	2	3
Ireland	17	25	31	28	16.7	6.3	53	25	16	6
Israel	4	23	32	41	6.3	3.7	70	22	7	1
Italy	8	21	25	46	6.1	3.0	88	10	2	0
Japan	6	32	30	32	7.7	7.7	90	8	2	0
Latvia	16	36	23	24	8.3	6.6	70	12	9	9
Luxembourg	6	11	46	38	21.1	10.4	31	35	19	15
Mexico	0	30	8	63	3.4	9.9	89	6	3	1
Netherlands	8	23	32	38	4.6	3.0	68	20	8	4
Norway	24	15	32	30	5.3	1.7	89	5	5	2
Poland	6	32	20	43	3.7	1.6	95	4	1	1
Portugal	9	27	22	43	5.1	3.2	60	25	10	5
Slovakia	1	18	24	57	6.2	6.2	58	19	11	11
Slovenia	10	32	28	31	13.7	3.9	54	31	9	5
South Korea	5	33	15	47	11.2	2.6	94	4	1	1
Spain	7	23	28	43	8.3	1.6	78	15	4	3
Sweden	10	21	34	35	8.1	8.6	46	20	19	15
Switzerland	11	27	24	38	12.3	3.0	67	20	6	7
United Kingdom	5	33	29	33	9.0	12.7	65	23	5	7
United States	9	21	37	34	7.6	8.9	77	17	4	1
OECD - 24 country average	9	25	27	40	8.1	5.8	72	16	7	5



TABLE O - INFORMAL INVESTORS: RATES AND AMOUNTS

	Informal investors % of adults	Total invested in past 3 years Average
<i>OECD comparator countries</i>		
Australia	5.1	€28,800
Canada	12.2	€31,100
Chile	22.3	€5,500
Germany	5.2	€31,400
Greece	5.2	€22,900
Ireland	5.6	€29,200
Israel	5.1	€22,600
Italy	0.8	€75,200
Japan	3.5	€25,300
Latvia	6.9	€15,100
Luxembourg	8.2	€50,300
Mexico	2.1	€1,600
Netherlands	4.3	€20,900
Norway	5.9	€20,300
Poland	3.6	€10,400
Portugal	2.9	€42,700
Slovakia	7.4	€15,000
Slovenia	5.4	€21,000
South Korea	2.5	€35,000
Spain	3.4	€14,500
Sweden	11.9	€25,200
Switzerland	10.2	€48,000
United Kingdom	4.2	€28,800
United States	8.2	€21,800
OECD - 24 country average	6.3	€26,800



GLOBAL ENTREPRENEURSHIP MONITOR : SURVEY OF ENTREPRENEURSHIP IN IRELAND 2019

GEM GLOBAL RESULTS



ENTREPRENEURIAL ACTIVITY BY COUNTRY

PERCENTAGE OF POPULATION AGED 18-64

Region	Country	Average Income Level	Nascent entrepreneurs	New business owners	Total early stage entrepreneurs (TEA)	Owner managers of established businesses	Intrapreneurs in past 3 years
			%	%	%	%	%
EUROPE AND NORTH AMERICA							
	Belarus	Middle	3.0	2.8	5.8	2.7	0.5
	Canada	High	10.8	8.0	18.2	7.4	5.4
	Croatia	High	7.0	3.5	10.5	3.6	5.9
	Cyprus	High	7.9	4.6	12.2	10.1	6.2
	Germany	High	5.3	2.6	7.6	5.2	6.3
	Greece	High	4.6	3.8	8.2	14.3	1.9
	Ireland	High	8.4	4.3	12.4	6.6	7.5
	Italy	High	1.2	1.6	2.8	4.7	0.7
	Latvia	High	10.5	5.3	15.4	12.9	4.3
	Luxembourg	High	7.2	3.4	10.2	4.7	6.7
	Netherlands	High	5.6	4.8	10.4	10.8	6.0
	North Macedonia	Middle	2.1	4.3	6.2	8.0	1.6
	Norway	High	4.9	3.6	8.4	5.6	2.6
	Poland	High	3.6	1.8	5.4	12.8	1.7
	Portugal	High	6.9	6.0	12.9	11.0	4.1
	Russian Federation	Middle	4.6	4.8	9.3	5.1	0.6
	Slovak Republic	High	9.2	4.2	13.3	5.9	3.1
	Slovenia	High	4.4	3.6	7.8	8.5	7.0
	Spain	High	2.4	3.8	6.2	6.3	1.7
	Sweden	High	5.1	3.3	8.3	4.9	5.2
	Switzerland	High	6.2	3.7	9.8	11.6	5.4
	United Kingdom	High	6.5	3.1	9.3	8.2	8.1
	United States	High	11.8	5.9	17.4	10.6	6.5



Region	Country	Average Income Level	Nascent entrepreneurs	New business owners	Total early stage entrepreneurs (TEA)	Owner managers of established businesses	Intrapreneurs in past 3 years
LATIN AMERICA AND THE CARIBBEAN			%	%	%	%	%
	Brazil	Middle	8.1	15.8	23.3	16.2	0.6
	Chile	High	26.9	11.0	36.7	10.6	3.6
	Colombia	Middle	15.3	7.3	22.3	4.3	0.9
	Ecuador	Middle	26.9	10.8	36.2	14.7	1.3
	Guatemala	Middle	11.2	14.6	25.1	14.8	1.4
	Mexico	Middle	9.8	3.4	13.0	1.8	0.2
	Panama	High	15.5	7.5	22.7	4.7	0.4
	Puerto Rico	High	11.3	2.2	13.4	1.3	2.1
MIDDLE EAST AND AFRICA			%	%	%	%	%
	Egypt	Low	5.0	1.8	6.7	1.5	0.2
	Iran	Middle	6.9	4.1	10.7	10.2	2.0
	Israel	High	8.8	4.2	12.7	5.5	5.8
	Jordan	Middle	5.7	3.5	9.1	6.6	0.7
	Madagascar	Low	8.4	11.4	19.5	20.2	0.6
	Morocco	Low	7.3	4.4	11.4	7.9	0.3
	Oman	High	3.9	3.1	6.9	2.0	1.2
	Qatar	High	10.9	4.1	14.7	3.0	3.6
	Saudi Arabia	High	5.4	8.6	14.0	5.4	3.2
	South Africa	Middle	7.3	3.7	10.8	3.5	0.4
	United Arab Emirates	High	9.8	7.1	16.4	7.0	8.2



Region	Country	Average Income Level	Nascent entrepreneurs	New business owners	Total early stage entrepreneurs (TEA)	Owner managers of established businesses	Intrapreneurs in past 3 years
EAST ASIA AND PACIFIC			%	%	%	%	%
	Armenia	Middle	14.1	7.4	21.0	7.8	0.6
	Australia	High	5.8	5.1	10.5	6.5	8.3
	China	Middle	5.3	3.6	8.7	9.3	0.2
	India	Low	9.4	5.9	15.0	11.9	0.2
	Japan	High	3.3	2.1	5.4	7.0	1.9
	Pakistan	Low	1.1	2.5	3.7	4.7	0.5
	Republic of Korea	High	7.1	8.2	14.9	13.0	1.4
	Taiwan	High	3.6	4.9	8.4	12.8	2.3



GLOBAL ENTREPRENEURSHIP MONITOR : SURVEY OF ENTREPRENEURSHIP IN IRELAND 2019

METHODOLOGY AND DEFINITIONS



METHODOLOGY AND DEFINITIONS

THE GLOBAL ENTREPRENEURSHIP MONITOR

The aim of the Global Entrepreneurship Monitor (GEM) is to consider why some countries are more “entrepreneurial” than others. GEM began in 1999 as a joint project between Babson College (USA) and London Business School (UK). 20 years on, GEM is the richest resource of information on the subject, publishing a range of global, national and “special topic” reports on an annual basis (www.gemconsortium.org).

In the 20 years since GEM conducted its inaugural survey of entrepreneurship in 10 developed economies, GEM has surveyed over 3 million adults in 112 economies. GEM’s research has produced 20 years of data on rates of entrepreneurship across multiple phases of the process, profiles of entrepreneurs, including demographics, motivations, and ambitions, as well as characteristics of their businesses, such as level of innovativeness and industry participation. Additionally, GEM uncovers a range of insights across the adult populations of the economies it has studied with multiple measures of societal attitudes, self-perceptions and affiliations relative to entrepreneurship.

In each economy, GEM looks at two elements:

- The entrepreneurial behaviour and attitudes of individuals
- The national context and how that impacts entrepreneurship.

The annual GEM research cycle involves an adult population survey and a key informant survey.

ADULT POPULATION SURVEY

The GEM model is primarily based on an adult population survey (APS). Professional survey research firms administer the adult population survey in each country. The survey is based on a random sample of at least 2,000 adults in each country.

The main questions in the APS are identical in each country. For the purposes of the research, GEM uses a very comprehensive definition of entrepreneurship, which encompasses any type of entrepreneurial initiative, including self-employment.

Sampling procedures vary somewhat, but all of the survey firms are able to provide samples that are, when properly weighted, representative of the adult population in each country in terms of key demographics and geographical coverage. In Ireland the survey is confined to those aged 18 to 64 inclusive. The margin of error is +/- 1.3%.

Telephone interviews are utilised in Ireland, as in most of the developed countries. In Ireland a random telephone survey was carried out in June 2019, involving calls to both landlines and mobile phones. As GEM concentrates on the entrepreneurs themselves rather than on their businesses the respondents are interviewed at home rather than in their workplace.

The manner of the running of APS across all countries is coordinated by Global Entrepreneurship Research Association (GERA) based in Babson College, USA. GERA also combines the outputs from the individual country surveys to produce a master dataset. The analysis and interpretation of this data at national level is the responsibility of the national team.



KEY INFORMANT SURVEY

Key informants are experts and entrepreneurs. In each country at least 25% of the key informants are entrepreneurs. In Ireland, over half of all key informants are entrepreneurs.

Expert informants are chosen by reputation and referrals to represent the nine entrepreneurial framework dimensions in the GEM model. These are Finance, Government Policies, Government Programmes, Education and Training, R&D Transfer, Commercial Infrastructure, Internal Market Openness, Physical Infrastructure and Culture and Social Norms.

The key informants are asked to complete a detailed questionnaire. The questionnaire used is identical in all countries involved in the survey. The questionnaire is similar to the adult population survey and also includes an additional range of topics relating to the entrepreneurial framework conditions, the entrepreneurial capacity and opportunity recognition perceptiveness of the adult population, as well as other socio-demographic items.

GEM DEFINITIONS

Aspiring entrepreneurs are those who expect to start a business in the next three years. The rate is for those in the adult population aged 18-64 years inclusive.

Nascent entrepreneurs are those actively planning a new venture. These entrepreneurs have done something during the previous twelve months to help start a new business, that he or she will at least part own. Activities such as organising the start-up team, looking for equipment, saving money for the start-up, or writing a business plan would all be considered as active commitments to starting a business. Wages or salaries will not have been paid for more than three months

in respect of the new business. Many of these people are still in fulltime employment. The rate is for those in the adult population aged 18-64 years inclusive.

New business owners are entrepreneurs who at least part own and manage a new business that is between 4 and 42 months old and have not paid salaries for longer than this period. These new ventures are in the first 42 months after the new venture has been set up. The rate is for those in the adult population aged 18-64 years inclusive.

Total early stage entrepreneurial activity rate (TEA rate) refers to the total rate of early stage entrepreneurial activity among the adult population aged 18-64 years inclusive. In some instances, this rate is less than the combined percentages for nascent and new business owners. This is because, in circumstances where respondents qualify as both a nascent and a new business owner, they are counted only once.

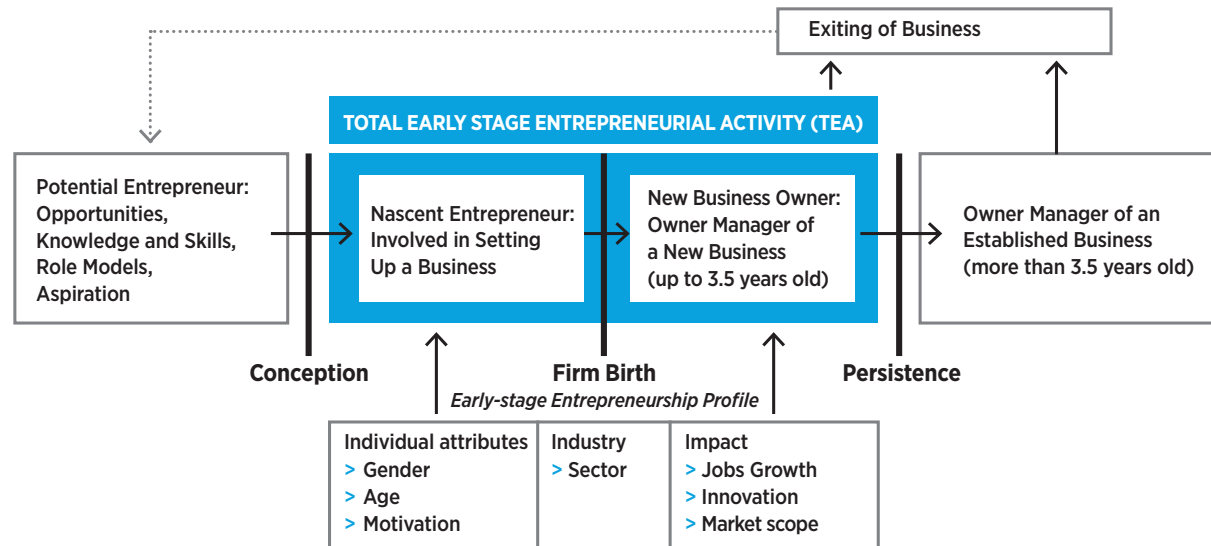
Owner managers of established businesses are those that have set up businesses that they have continued to own and manage and which has paid wages or salaries for more than 42 months. The rate is for those in the adult population aged 18-64 years inclusive.

Intrapreneurs (entrepreneurial employee activities) are employees that develop new products/services, or set up a new business entity, for their employer. It does not include, for example, work on optimising internal operations of a firm. The rate is for those in the adult population aged 18-64 years inclusive.



THE ENTREPRENEURSHIP PROCESS

GEM describes entrepreneurial activity as a process and measures different phases of this process from conception through firm birth to persistence. This is described graphically as follows.



Source: Adapted from Global Entrepreneurship Monitor 2019/20 Global Report

