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An Overview of Entrepreneurship

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ENTREPRENEURSHIP AS AN ENGINE FOR CHANGE

The 2019/20 GEM Global Report has provided a wealth of detail on entrepreneurial attitudes, perceptions and activities across 50 economies in 2019. This detail is the product of over 150,000 survey responses, each within a large, nationally representative sample of respondents, all answering a common, carefully structured questionnaire.

New questions introduced in 2019 have delivered rich and fresh detail on the motivations of new entrepreneurs, including the emergence of “purpose-driven” entrepreneurship alongside more traditional motivations of generating income or wealth, or just making a living because jobs are scarce. Other new questions have enquired about self-perceptions, including opportunism and proactivity, as well as long-term plans and whether individuals consider themselves to be seen by others as innovative. The association between these self-perceptions and the various dimensions of entrepreneurial activity will provide fertile ground for new research.

ECONOMIC IMPACT AND SOCIAL DEVELOPMENT

This 2019/20 GEM Global Report also introduced new questions designed to assess the potential impacts of the new entrepreneur, enquiring about the local, national and international market scope of customers, as well as the relative novelty of new products or processes on local, national and global stages. Not surprisingly, the entrepreneur with new products or processes on a global stage is a rare phenomenon. Introducing products or services that are new to the local area, or to the country as a whole, was much more frequent.

The Executive Summary to this 2019/20 GEM Global Report has already described notable results from the Adult Population Survey (APS) and the National Expert Survey (NES). These results will not be repeated here, other than to note that these findings have multiple important policy implications, not least to the achievement of the United Nations Sustainable Development Goals as set out in Chapter 1.

Entrepreneurship is a uniquely powerful mechanism for economic and social development, generating incomes and jobs while enabling and enriching individuals and communities. Truly, an engine for change.

Table 10.1 provides a summary of different dimensions of entrepreneurship, and highlights the strength of the role of each (high or low prevalence) in different economies, as well as overall findings.

	Role	High in . . .	Low in . . .	Overall finding
Early-stage Entrepreneurship	Create own job, incomes	Chile, Ecuador, Madagascar, Brazil	Italy, Pakistan, Japan, Belarus, Poland	Rates highest in Latin America & Caribbean. Low in many high-income economies.
Established Business Ownership	Social and economic stability, local anchors	Madagascar, Brazil, Guatemala, Ecuador	Puerto Rico, Egypt, Oman, Mexico	Imbalance with TEA suggests an unfavourable entrepreneurial environment overall.
Entrepreneurial employee activity	Innovation inside organizations	United Arab Emirates, Australia, United Kingdom	China, India, Mexico, Egypt	Developed economies value employee entrepreneurship.
Female entrepreneurship relative to male	Gender equality, local incomes	Saudi Arabia, Madagascar, Qatar, Brazil	Pakistan, Japan, North Macedonia, Norway	High potential for new businesses and increased empowerment.
Motivated “to make a difference in the world”	Social/community/personal objectives	South Africa, India, Pakistan, Panama	Republic of Korea, Italy, Madagascar, Jordan	Rise of “purpose-driven” entrepreneurship.
Independent entrepreneurship	Realized autonomy	Ecuador, Chile, Guatemala, Brazil	Oman, Egypt, Japan, Taiwan	Highly variable globally, but dominant in Latin America & Caribbean.
High job-growth-oriented entrepreneurship	Anticipated scaling	Chile, Qatar, United Arab Emirates, Saudi Arabia	Italy, Spain, Pakistan, Jordan	High TEA and high job growth ambitions are ideal conditions for generating employment.
National scope	Ambition beyond local area	Qatar, Cyprus, Panama, Luxembourg	Brazil, Pakistan, Morocco, Saudi Arabia	In many economies, few entrepreneurs trade beyond their local areas.
Products/services new to world	Innovation, product development	Israel, Ireland, United States, Puerto Rico	Brazil, India, Oman, Morocco	High potential for high-impact entrepreneurship.

TABLE 10.1
Entrepreneurship
of all kinds

About the Author:



The Global Entrepreneurship Monitor (GEM) has been keeping its finger on the pulse of the state 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. In this, GEM’s “coming of age” 21st year, entrepreneurship is in the spotlight as never before, with multiple governments increasingly focused on putting into place policy frameworks and mechanisms to drive and promote entrepreneurship. Fifty economies participated in the GEM 2019 Adult Population Survey (APS), including 11 from the Middle East & Africa, eight from Asia & Pacific, eight from Latin America & Caribbean, and 23 from Europe & North America. Five of these economies are classified as low-income level, 12 as middle-income and the rest as high-income. Over 150,000 individuals participated in extended interviews as part of the GEM research in 2019. This is the solid evidence base for the GEM findings that are presented in this report...[Read the full report here](#)



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Skye Blanks

Editor, ICSB Gazette

Skye is the Junior Project Manager at the International Council for Small Business (ICSB) in Washington, D.C. and an Editor of the ICSB Gazette.

ICSB Executive Director

Comment:

This ICSB Gazette issue is featuring an article from The Global Entrepreneurship Monitor (GEM) 2019-2020 Report

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