

# Europe Trails Other Global Regions in Early-Stage Entrepreneurial Activity, According to GEM European Regional Report

*The new Global Entrepreneurship Monitor European Regional Report highlights how Europe compares to other regions in entrepreneurship.*

LONDON, UNITED KINGDOM, November 17, 2023 /EINPresswire.com/ -- Early-stage entrepreneurial activity rates in Europe are typically lower than in other global regions, especially North and South America. These are among the findings in the new Global Entrepreneurship Monitor (GEM) European Regional Report entitled Research Insights for Policymakers.

GEM tracks the percentage of adults that are starting or running a new business (referred to as Total early-stage Entrepreneurial Activity or TEA). On average, TEA levels in European countries are around two thirds of the levels in North America, and one third of the levels in many South American countries.

Entrepreneurial perceptions in Europe show much less deviation from entrepreneurial activity levels compared to other parts of the world. This raises the question of why perceptions are not translated into comparable entrepreneurial activity levels.

The team of report authors and contributors, comprising 12 academics representing 7 different GEM National Teams across Europe, noted the following in the report: "One explanation is that employment conditions and opportunities in Europe tend to be more favourable than elsewhere, so that the opportunity cost of starting a business may be much higher. This explanation is supported by the higher employee entrepreneurial activity (EEA) rates that GEM finds to be prevalent in Europe (especially in the North), meaning that some talented individuals can find outlets for their entrepreneurial ambitions within employment."

The report covered 226 European regions and 28 European countries. Over 2,000 individuals were interviewed in each country. Among the four largest European economies, the UK had the highest TEA rate of 12.9% of adults in 2022, with France at 9.2%, Germany at 9.1% and Spain with 6%. Eastern European economies typically have the highest TEA rates: 19.9% in Kazakhstan, 15.1% in Latvia, 13.5% in Belarus and 12.4% in Croatia. The exception was Poland at 2%.

Such findings raise important questions for policymakers as well as identify key areas for further research. For instance, why do TEA rates vary so much across Europe? Is it cultural factors, or do

the long-term impacts of policies on entrepreneurial mindsets or on development account for these substantial differences in entrepreneurial activity between Western and Eastern European countries?

Many of the richest subnational regions in Europe (often incorporating a major city) also have the highest levels of TEA, including Paris, Hamburg, London, Madrid, Barcelona and Milan. TEA rates tend to be higher in densely populated regions than in surrounding areas that are less populated (but not rural).

Careful mapping across European regions shows that early-stage entrepreneurial activity rates varied much more within some countries than others. For example, TEA rates ranged from 10% to 19% across Estonia, and from 7% to 17% across Romania, but only from 4% to 6% across Polish regions.

"This report shows that entrepreneurship is pervasive," said José Ernesto Amorós, Chair of the GEM-GERA Board of Directors. "However, it also shows that entrepreneurship manifests itself differently depending on the contexts, shaped by geographic, institutional, socio-demographic, and economic characteristics. Therefore, it is important – particularly for policymakers – to paint a picture of the local profile of entrepreneurship and its conditions."

"Incredible work goes into gathering input directly from the source – entrepreneurs," added GEM Executive Director Aileen Ionescu-Somers. "The results in this report can contribute to policy design that will improve the way the European Union supports its entrepreneurs, thus offering European citizens the promise of a positive and constructive perspective while creating wealth."

The report is a result of the collective efforts of GEM National Teams. The authorship team consists of:

- Niels Bosma, Utrecht University
- Stephen Hill
- Rolf Sternberg, Institute of Economic and Cultural Geography, Leibniz University of Hannover

Contributions were provided by:

- Mark Hart, Aston Business School
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- Iñaki Peña, University of Deusto
- Stephan Pohl, Cartographer
- Anna Tarnawa, Polish Agency for Enterprise Development
- Justine Valette, Montpellier Business School

The report is sponsored by Shopify, the e-commerce platform that helps small businesses build

an online store and sell online through one streamlined dashboard.

“At Shopify, we are dedicated to breaking down barriers to business ownership and making commerce better for all,” said Deann Evans, Shopify's Managing Director EMEA. “We believe in fostering an environment where entrepreneurs can truly thrive. The report emphasizes the importance of governments adopting supportive policies in Europe, recommending improvements in access to finance, regulatory barriers, and education. We welcome those measures as it would create a more supportive environment for aspiring entrepreneurs across Europe.”

[Access the report](#) and [join the launch report webinar](#) taking place on 6 December.

#### More Information

To explore future collaboration possibilities with GEM, contact GEM Executive Director Aileen Ionescu-Somers ([info@gemconsortium.org](mailto:info@gemconsortium.org)).

If you are a journalist and would like to interview a GEM representative, contact Kevin Anselmo (Tel: +1 919 260 0035 / [kanselmo@gemconsortium.org](mailto:kanselmo@gemconsortium.org)).

#### About GEM

Global Entrepreneurship Monitor (GEM) is a consortium of national country teams, primarily associated with top academic institutions, that carries out survey-based research on entrepreneurship around the world. GEM is the only global research source that collects data on entrepreneurship directly from individual entrepreneurs! GEM's Adult Population Survey (APS) provides analysis on the characteristics, motivations and ambitions of individuals starting businesses, as well as social attitudes towards entrepreneurship. The National Expert Survey (NES) looks at the national context in which individuals start businesses.

[www.gemconsortium.org](http://www.gemconsortium.org)

In numbers, GEM is:

- 24 years of data
- 150,000+ interviews a year
- 120+ economies
- 370+ specialists in entrepreneurship research
- 150+ academic and research institutions
- 150+ funding institutions

GEM began in 1999 as a joint project between Babson College (USA) and London Business School (UK). The consortium has become the richest resource of information on entrepreneurship, publishing a range of global, national and 'special topic' reports on an annual basis.

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