

PRESS RELEASE:

More Than Half of All Entrepreneurs Expect to Create Jobs in the Next Five Years

The 2016/17 Global Entrepreneurship Monitor (GEM) reports that entrepreneurship is on the rise globally and that building a positive global entrepreneurial ecosystem is key for job creation.

Fifty-five percent of entrepreneurs worldwide expect to create at least one job in the next five years - this according to the Global Entrepreneurship Monitor (GEM) 2016/17 Global Report released today with sponsors Babson College, Universidad Del Desarrollo, Universiti Tun Abdul Razak, and Tecnológico de Monterrey.

Yet globally, many factors are in play that could hinder such entrepreneurial growth. These include sophisticated technologies and communications that may enable entrepreneurs to operate on their own, rigid labour regulations, poor availability of skilled or educated labour, limited access to entrepreneurial finance, and the decision to stay small to avoid the complexities of formalisation.

“The power of entrepreneurship to create jobs demonstrates its crucial importance to economic growth and stability around the world,” said Babson College Professor and GEM US Team Lead [Donna Kelley](#). “Whether this means alleviating regulatory burdens or offering specialised financial support, policy makers and private stakeholders will need to direct their attention toward policies and practices that can together strengthen the ecosystem that supports the efforts and ambitions of entrepreneurs.”

GEM countries in the 2016 survey cover 69.2 per cent of the world’s population and 84.9 per cent of the world’s GDP. In its 18th consecutive year, the report continues to serve as the largest single study of entrepreneurs in the world.

Key findings of the latest GEM report

Over the past year, entrepreneurial activity remained stable or increased in approximately two-thirds of all economies surveyed in both 2015 and 2016. Average Total Early Stage Entrepreneurial Activity (TEA) rates (measured as the percentage of individuals aged 18-64 who are either a nascent entrepreneur or owner-manager of a new business) tend to be highest in factor-driven economies, decreasing with higher levels of economic development (17 per cent in factor-driven and 9 per cent in innovation-driven).

Regionally, TEA rates are highest in Latin America and the Caribbean and in Africa. In both regions, roughly one-fifth of adults are engaged in early-stage entrepreneurial activity. Europe reports the lowest regional TEA rates, with three of the four lowest rates in this region. Italy, Germany, Malaysia, and Bulgaria all fall below 5 per cent.

Innovation levels in an economy also tend to track the level of economic development. Regionally, innovation intensity is highest in North America at 39 per cent and lowest in Africa at 20 per cent.

However, several economies show an encouraging trend of high TEA rates coupled with robust levels of innovation. Chile is a leader in this respect, where 24 per cent of the adult population are starting or running a new business and of these, 57 per cent stated that they are introducing innovative products or services.

The report finds a strong link between levels of entrepreneurship and perceptions of entrepreneurship as being a positive career choice – also that this is affected by the type and frequency of media coverage of entrepreneurs. Sixty per cent of entrepreneurs in all regions believe entrepreneurs receive positive media

attention. Among the highest levels reported are in China, Thailand, and Indonesia, where more than three-fourths of adults see positive media attention for entrepreneurs, Greece, India, and Mexico report around half this level. In India and Mexico, this is consistent with low beliefs about entrepreneurship as a good career choice and high status for entrepreneurs (less than 50 per cent for both indicators).

Jamaica reports the highest levels of media attention (87 per cent), consistent with its strongly positive perceptions about entrepreneurship (85 per cent).

According to Mike Herrington, Executive Director of GEM, the GEM Global Report aims to provide academics, educators, policy makers, and practitioners with key insights into the interdependency between entrepreneurship and economic development, by

- Uncovering factors that encourage or hinder entrepreneurial activity, especially related to societal values, personal attributes, and the entrepreneurship ecosystem;
- Providing a platform for assessing the extent to which entrepreneurial activity influences economic growth within individual economies; and
- Uncovering policy implications for the purpose of enhancing entrepreneurial capacity in an economy.

“There is little doubt that evidence-based policy decisions can help to create a nourishing entrepreneurial environment that benefits entrepreneurs in all phases of their businesses that will ultimately help build more resilient economies,” said Herrington.

He adds that GEM recognises that there is no one-size-fits-all solution for promoting entrepreneurship across the globe. However, the report offers some suggestions that could serve as a basis for discussion about policies and practices that might support entrepreneurs and promote greater impact on their societies. As part of its commitment to distilling the lessons of entrepreneurship for individual countries, GEM also launched a series of policy briefs today that focus on specific policy influences on entrepreneurship in 37 economies featured in the report.

- **GEM 2016/2017 Global Report:** <http://gemconsortium.org/report/49812>
- **GEM 2017 Policy Briefs:** <http://gemconsortium.org/report/49813>

Preview links:

- **GEM 2016/2017 Global Report:**
<https://drive.google.com/open?id=0BygGNJ8wazFmVzRSSEw2RGVZbWc>
- **GEM 2017 Policy Briefs:**
<https://drive.google.com/open?id=0BygGNJ8wazFmem1xdVI6RVdzT0k>

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About the Global Entrepreneurship Monitor (GEM)

[The Global Entrepreneurship Monitor \(GEM\)](#) was initiated in 1999 as a joint venture of Babson College and the London Business School. Starting with 10 participating economies, the project expanded to include 73 economies in its 2014 survey. The latest survey spans 62 economies. GEM is the largest and most developed research program on entrepreneurship in the world. GEM is unique because, unlike most entrepreneurship data sets that measure newer and smaller firms, GEM studies the behaviour of

individuals with respect to starting and managing businesses. GEM academic teams in each participating economy are members of an exclusive research project that provides access to the collective knowledge of some of the world's most renowned researchers and institutions involved in entrepreneurship research. At a time in history when individual entrepreneurial activity may hold the key to transforming the global economy and discouraging ingrained economic disparity in countries with minimal economic opportunity, GEM data has influenced national economic policies and continues to expand its collaborative role. Global sponsors of the research include Babson College (lead sponsor) in the United States, Universidad Del Desarrollo in Chile, Universiti Tun Abdul Razak in Malaysia, and Tecnológico de Monterrey in Mexico. For more information, follow GEM on [Twitter](#).

About United Arab Emirates University (UAEU)

The United Arab Emirates University (UAEU) is a comprehensive, research-intensive university enrolling more than 13,000 students, with more than 900 faculty and more than 65000 alumni, holding key positions in the Government, industry, commerce, and all business areas throughout the region. International students and faculty representing more than 65 countries enrich and enliven the campus and the classrooms and provide stimulating cultural diversity. As the country's flagship university, UAEU offers a full range of internationally accredited high-quality graduate and undergraduate programs through its nine Colleges in almost all major disciplines. Since its inception in 1976, UAEU has evolved from an undergraduate teaching institution to a comprehensive university with much greater emphasis on a research mission. As a research-intensive university, UAEU works with its partners in industry to provide research solutions to challenges facing the nation and the region. Nine research centers of strategic importance to the country and the region are advancing knowledge in critical areas. In addition, the "Science & Innovation Park," through its business incubators, serves as a hub for innovation, entrepreneurship and leadership to foster the transitioning of the UAE economy towards a knowledge economy. With its distinguished faculty, state-of-the art campus, and full range of student support services, UAEU offers a living-learning environment that is unmatched in the region. In summary, UAEU is a mature university with significant accomplishments and a clear trajectory for continuous improvement with a goal to be recognized internationally as one of the world's best universities.