

# How Entrepreneurial is the UK?

## *GEM UK 2014 Results*

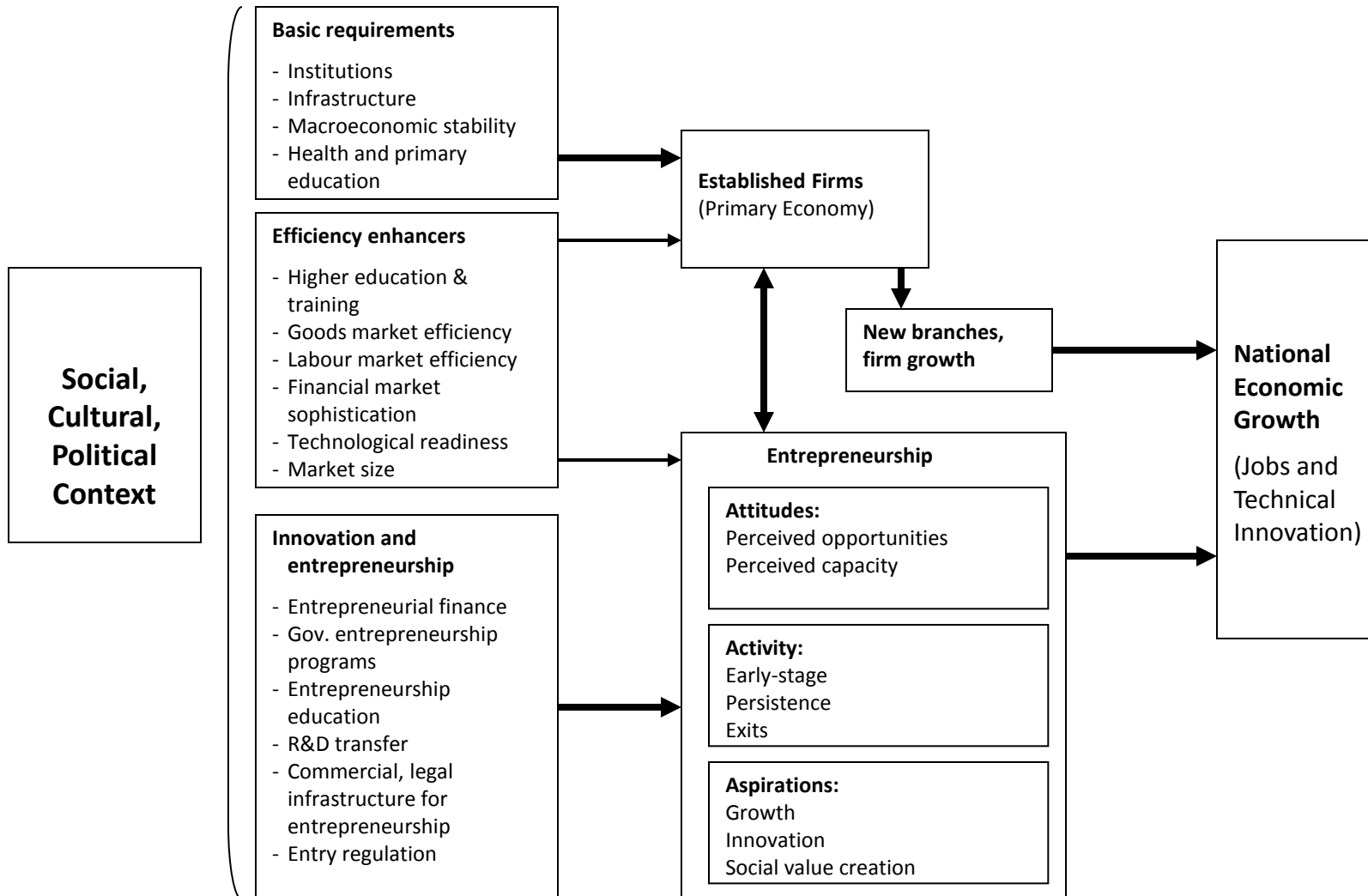
Mark Hart, Jonathan Levie, Karen Bonner and Cord Christian-Drews

**GEM UK 2014 Launch Event**  
**BIS Research Conference**  
**London, 3<sup>rd</sup> March 2015**



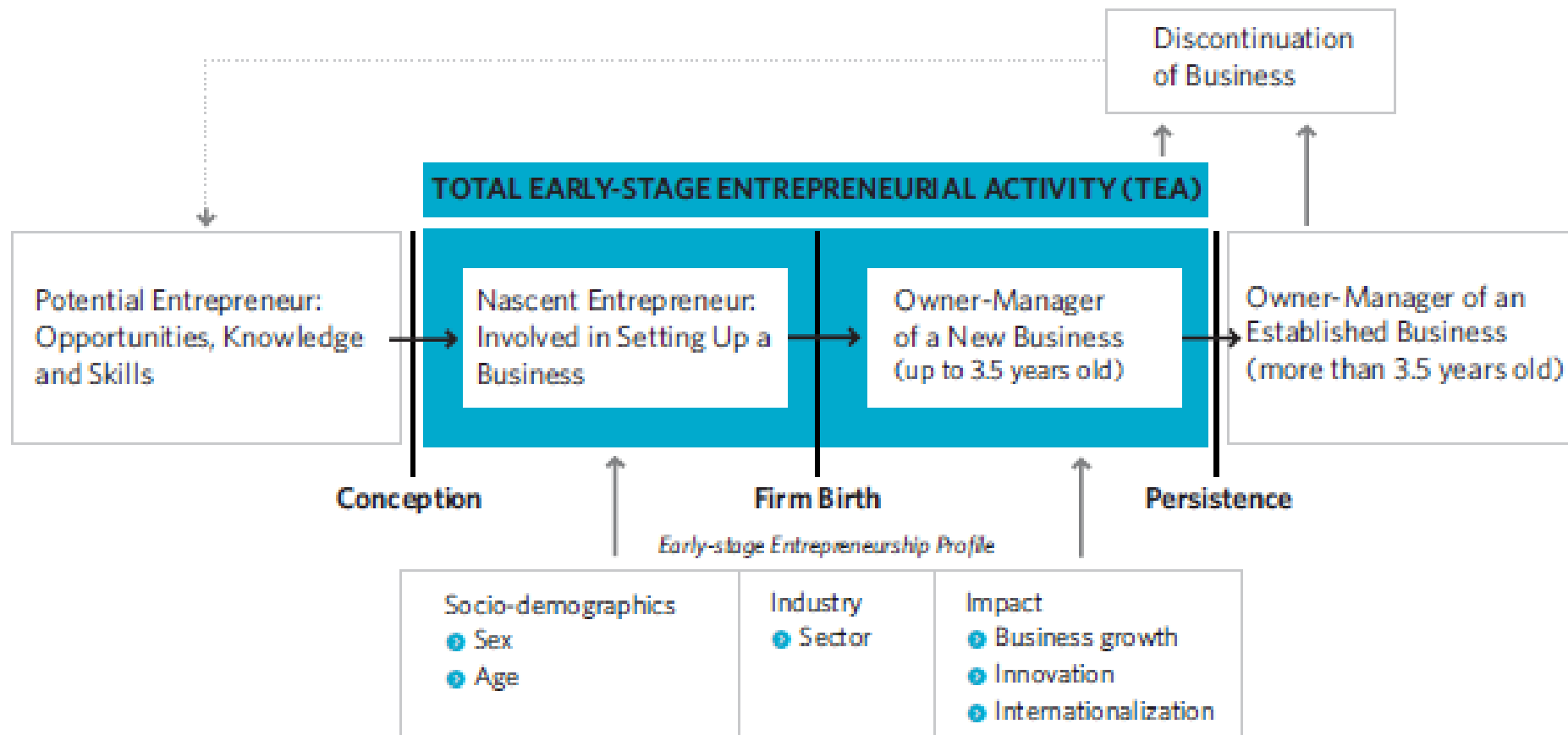
[http://youtu.be/ ZfLFDgEP-U](http://youtu.be/ZfLFDgEP-U)

# GEM Conceptual Model



# GEM Entrepreneurial Pipeline

**FIGURE 1.1 THE ENTREPRENEURSHIP PROCESS AND GEM OPERATIONAL DEFINITIONS**



# Key Messages from GEM Global 2014

- African economies showed the highest ability to perceive and pursue entrepreneurial opportunities with little fear of failure.
- In contrast, European Union nations are less optimistic, see fewer opportunities and are more uncertain about their skills in acting entrepreneurially.
- Total early-stage Entrepreneurial Activity (TEA) is highest among factor-driven economies and declines in economies with higher Gross Domestic Product per capita (GDP pc).
- The lowest TEA rates overall are in European economies (7.8% in EU economies and 6.0% in non-EU economies).

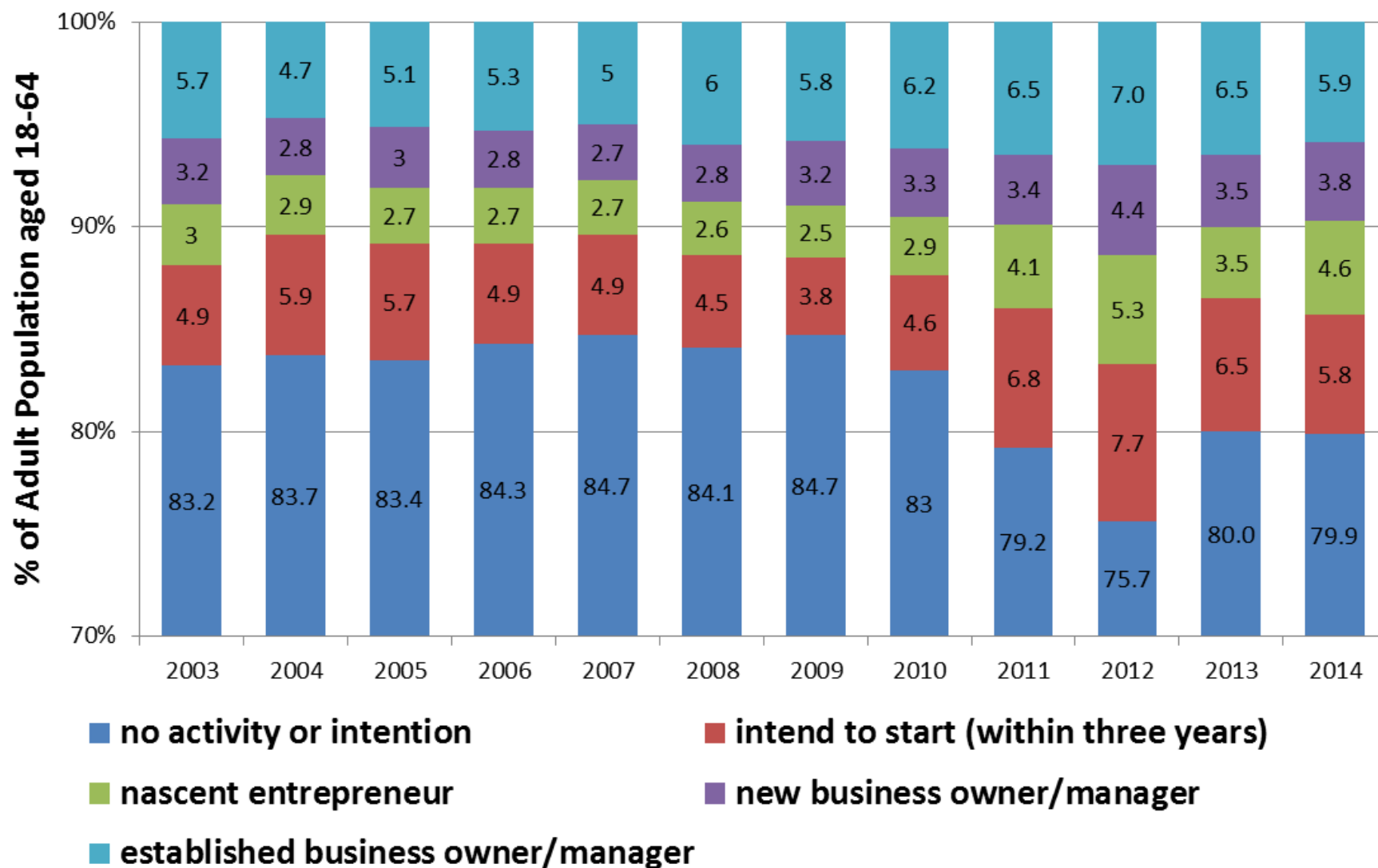
# GEM UK 2014

- In 2014, 10,750 adults aged 16-80 were sampled for GEM UK (just over 200,000 worldwide).
- Supported by BIS, Welsh Government, Hunter Centre for Entrepreneurship, Invest NI and PRIME.
- UK pooled dataset (2003-14) for ~300,000 adults (16-80yr olds).

# GEM UK Datasets – underpins a range of unique analyses

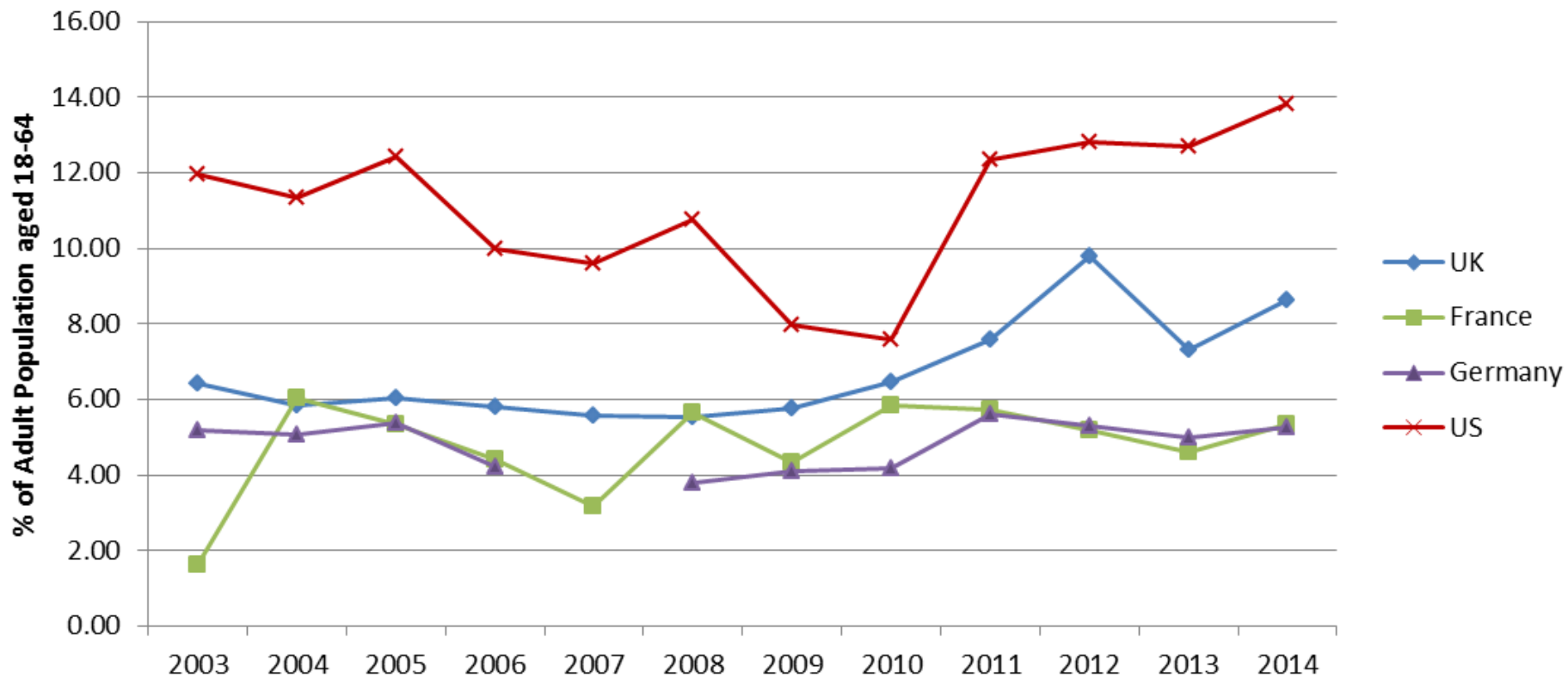
- International benchmarks and comparative analysis – tracking entrepreneurial attitudes, aspiration and activity over time of the adult population
- Only source of data on key groups of individuals - e.g., women, young people and ethnic minority groups
- Sub-national analysis with the pooled dataset – Home Nations, city-regions/LEPs – multi-level analytical techniques
- Input into wider conceptual frameworks – GEDI
- Opportunities for longitudinal analysis - PSED

# Participation in Entrepreneurship

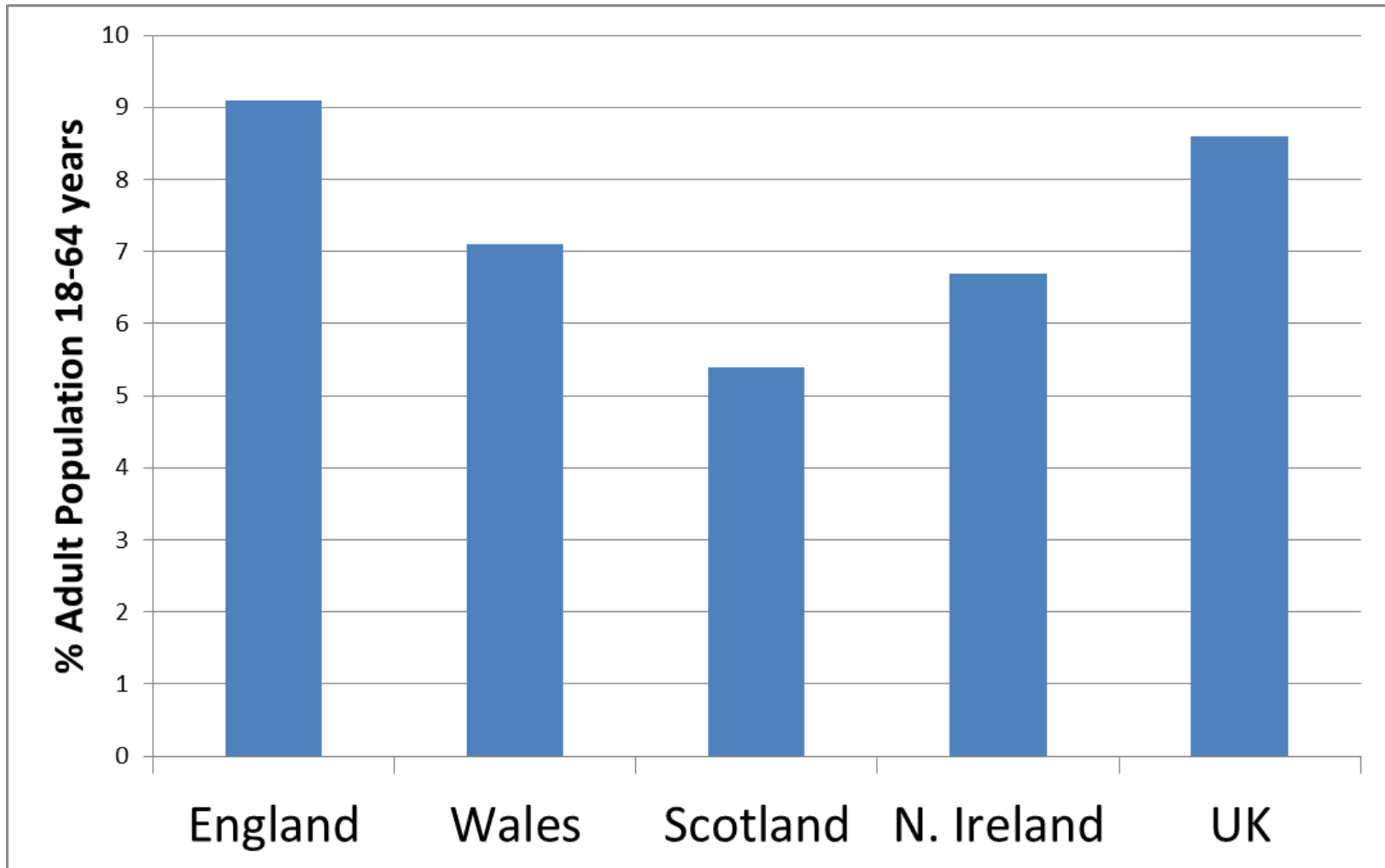




# Early-Stage Entrepreneurial Activity (TEA)

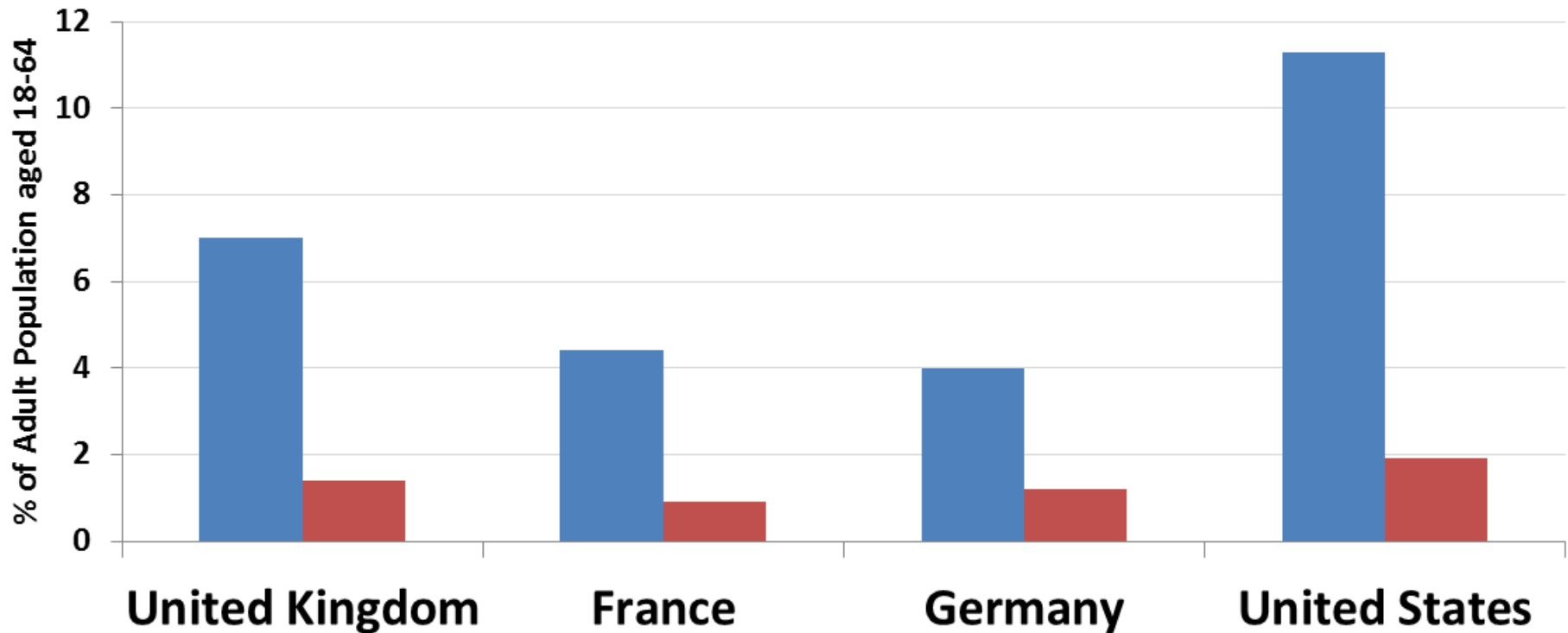


# Early-Stage Entrepreneurial Activity – UK Home Nations

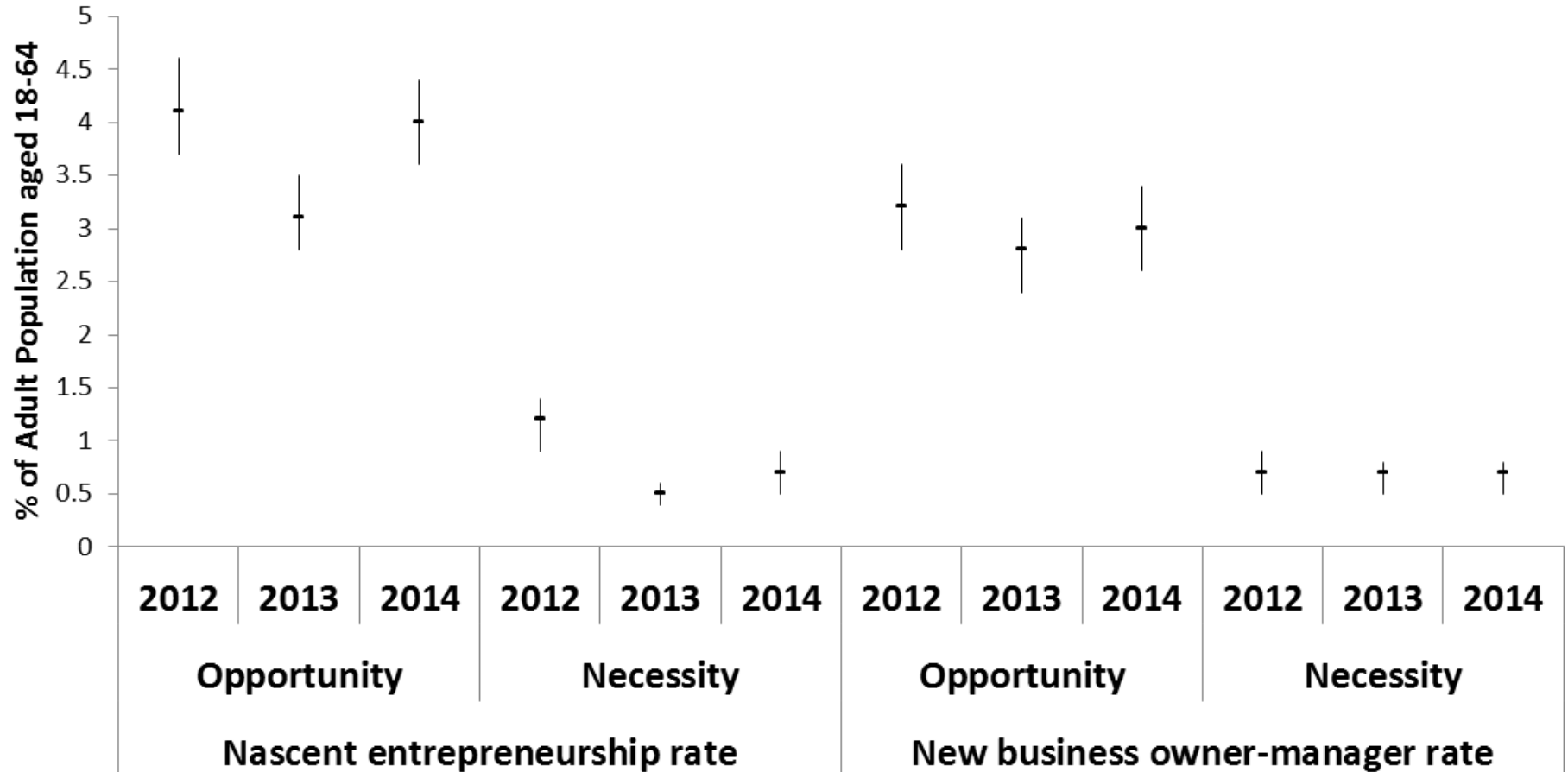


# Opportunity and Necessity Entrepreneurship

■ Opportunity TEA    ■ Necessity TEA



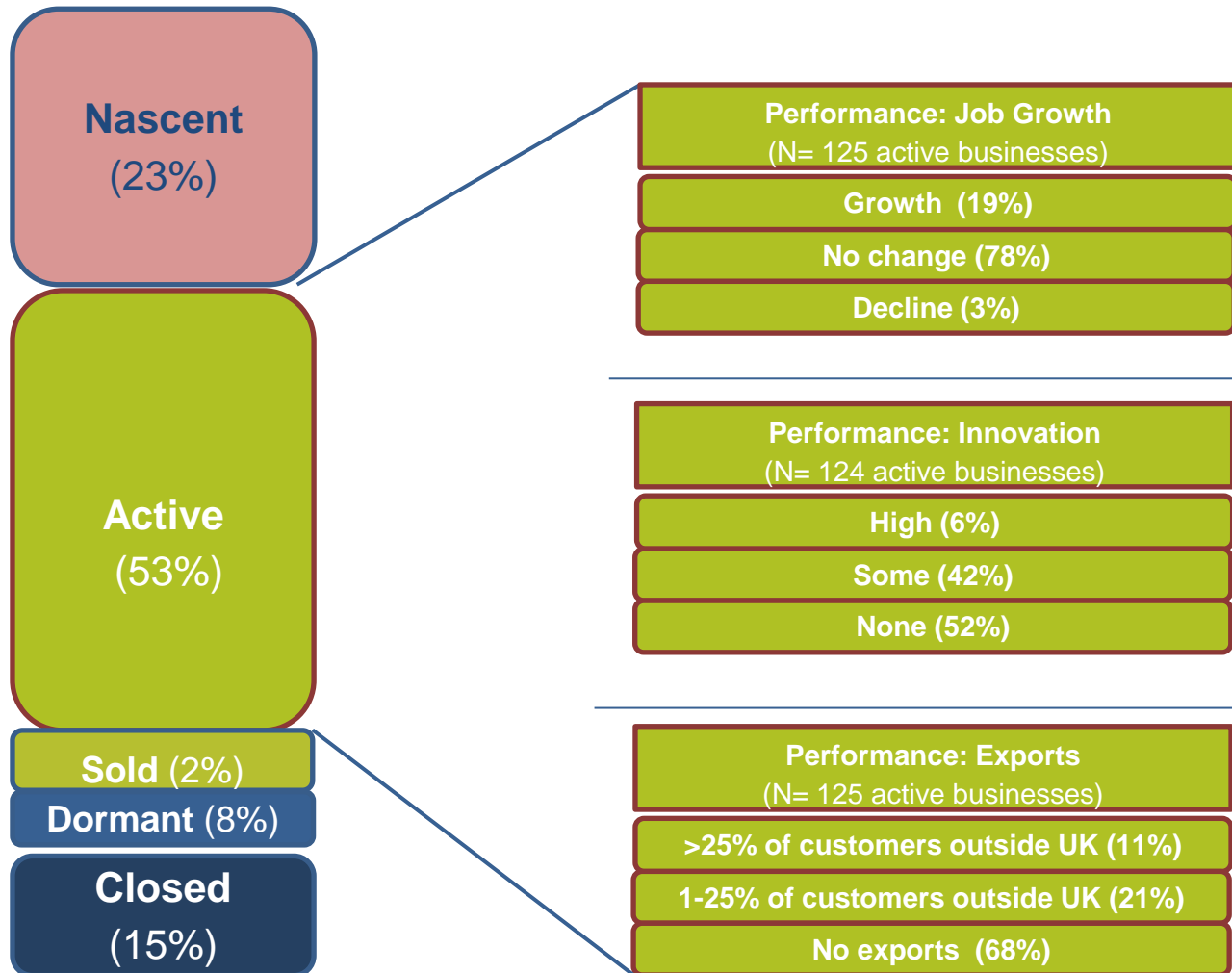
# Rising Nascent Opportunity in 2014



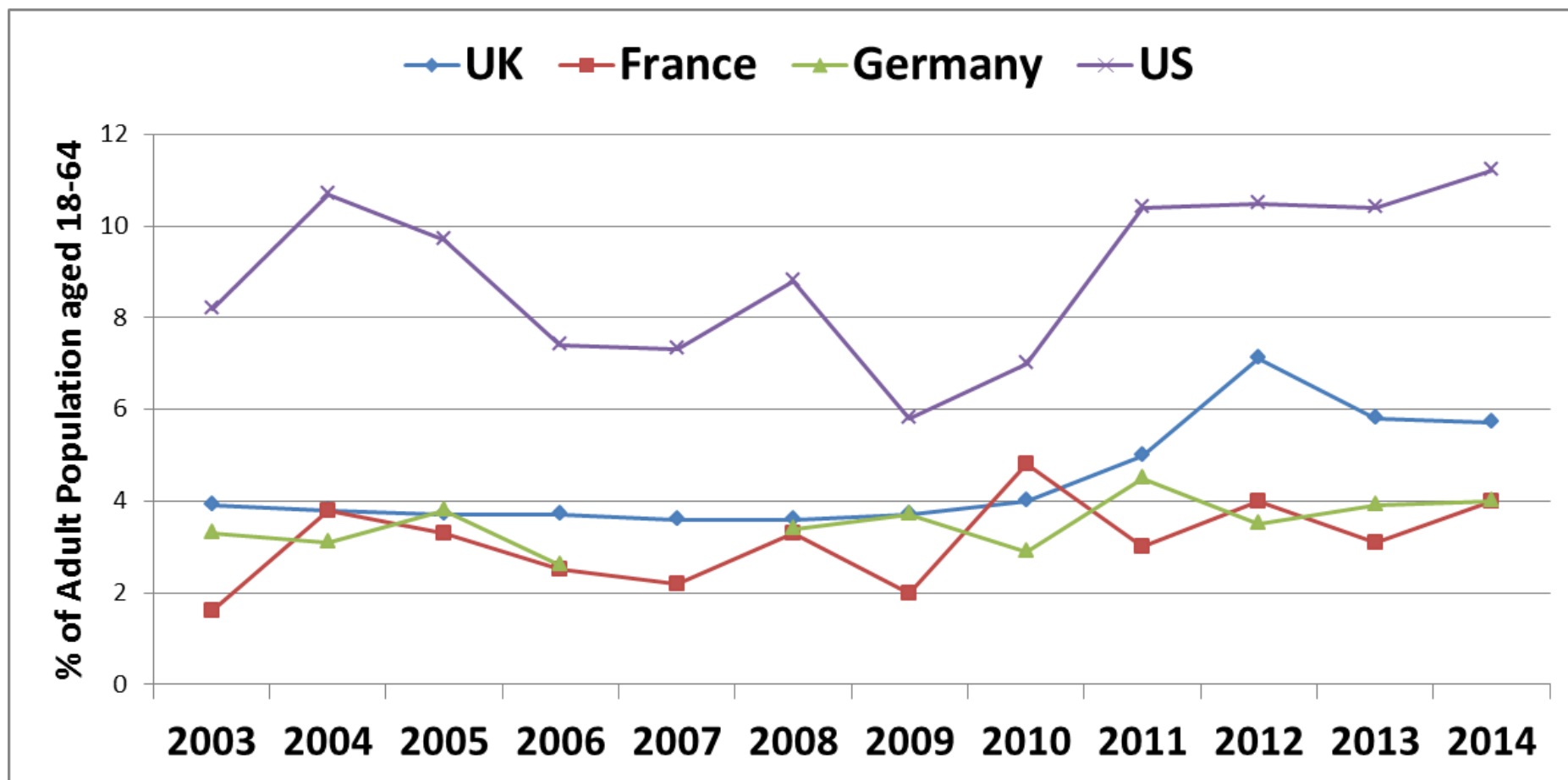
# Digging Deeper

- A deeper understanding of entrepreneurial motivation – beyond simplistic opportunity and necessity motives – is important
- .....especially when it comes to predicting entrepreneurs' expectations about growing their business and hiring employees
- Which were one key link to subsequent business performance (in terms of job growth, innovation and exporting)

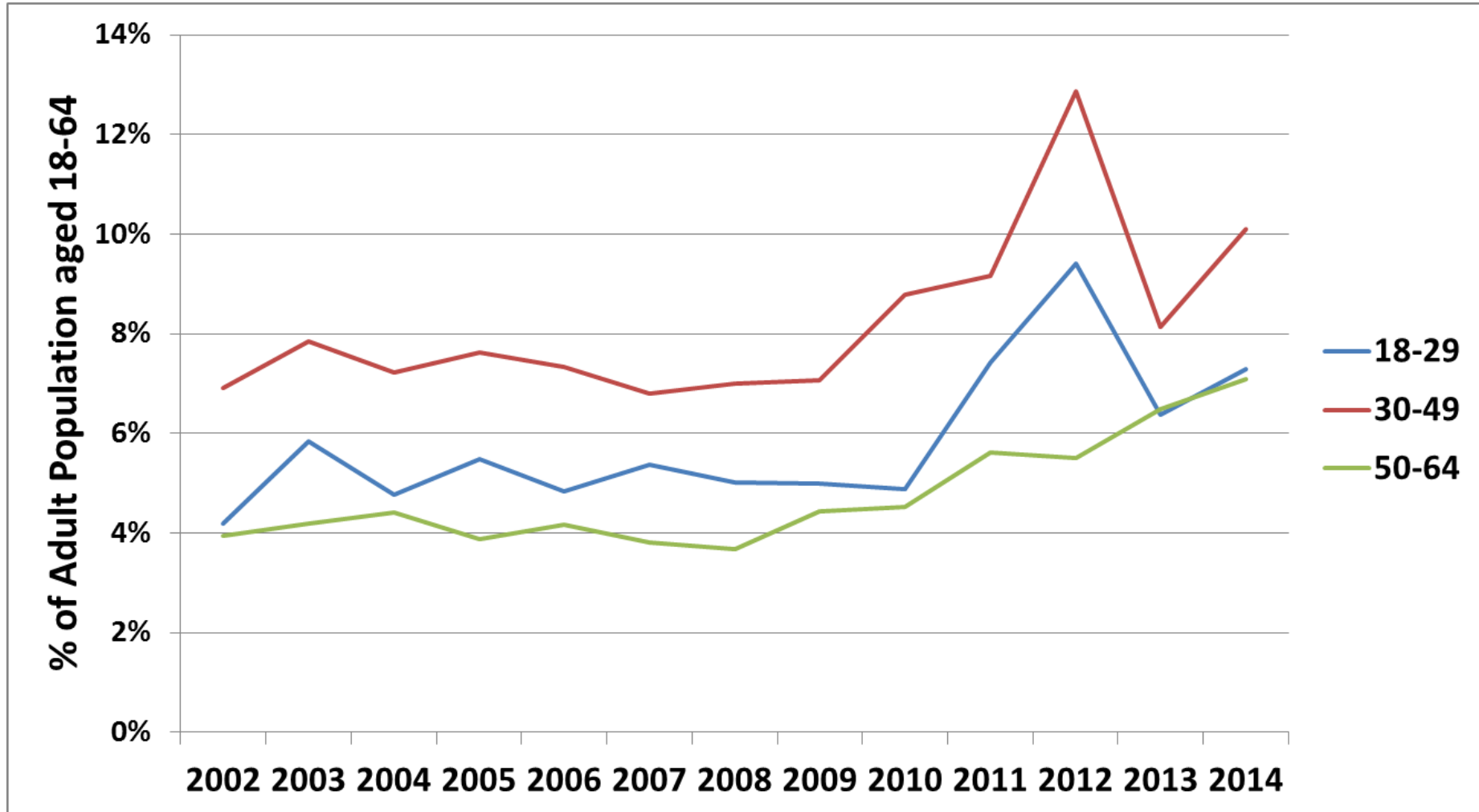
# “Entrepreneurial Journey” of Necessity-motivated Entrepreneurs



# Female Early-Stage Entrepreneurial Activity 2003-14

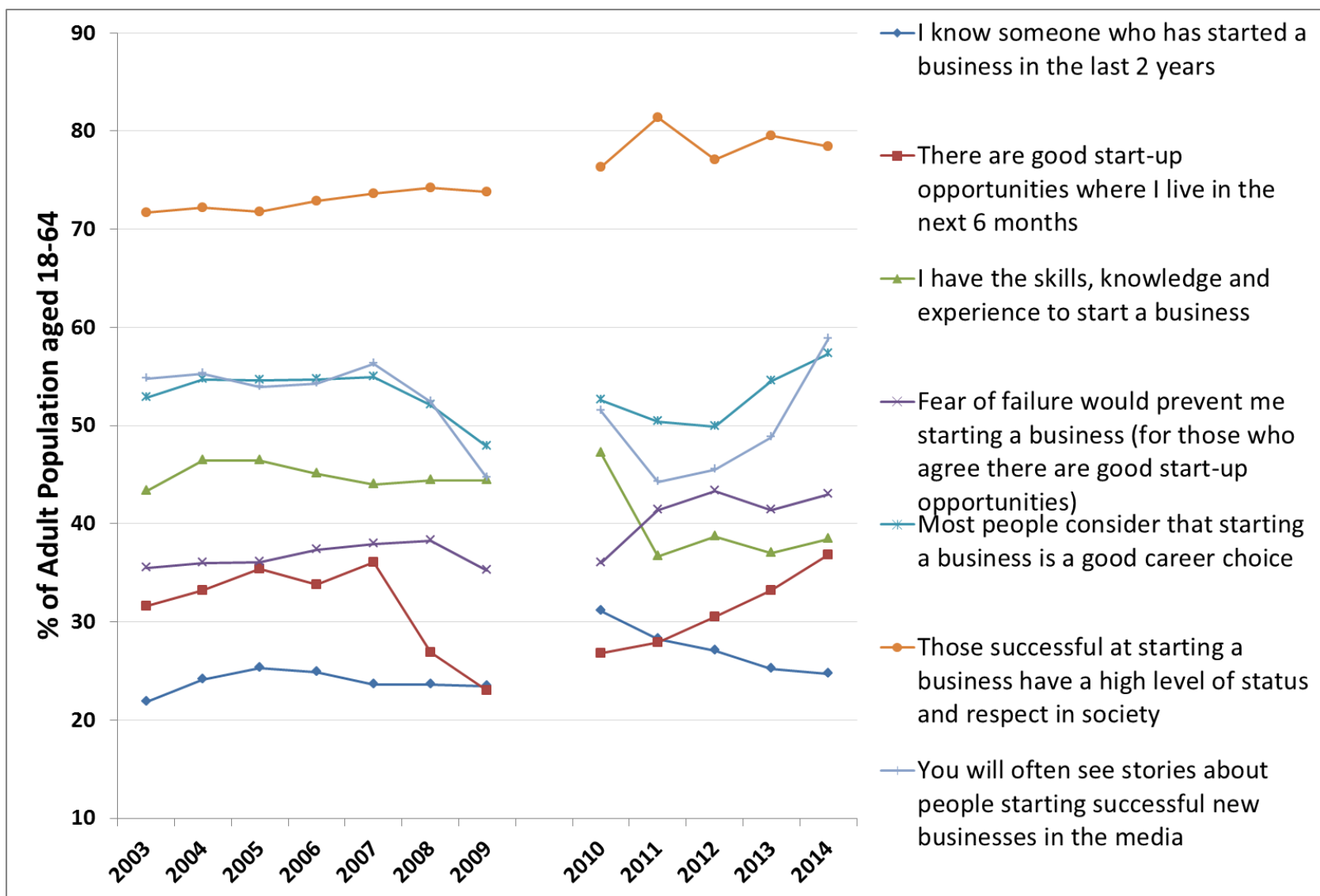


# Senior Entrepreneurship (50-64 years old)





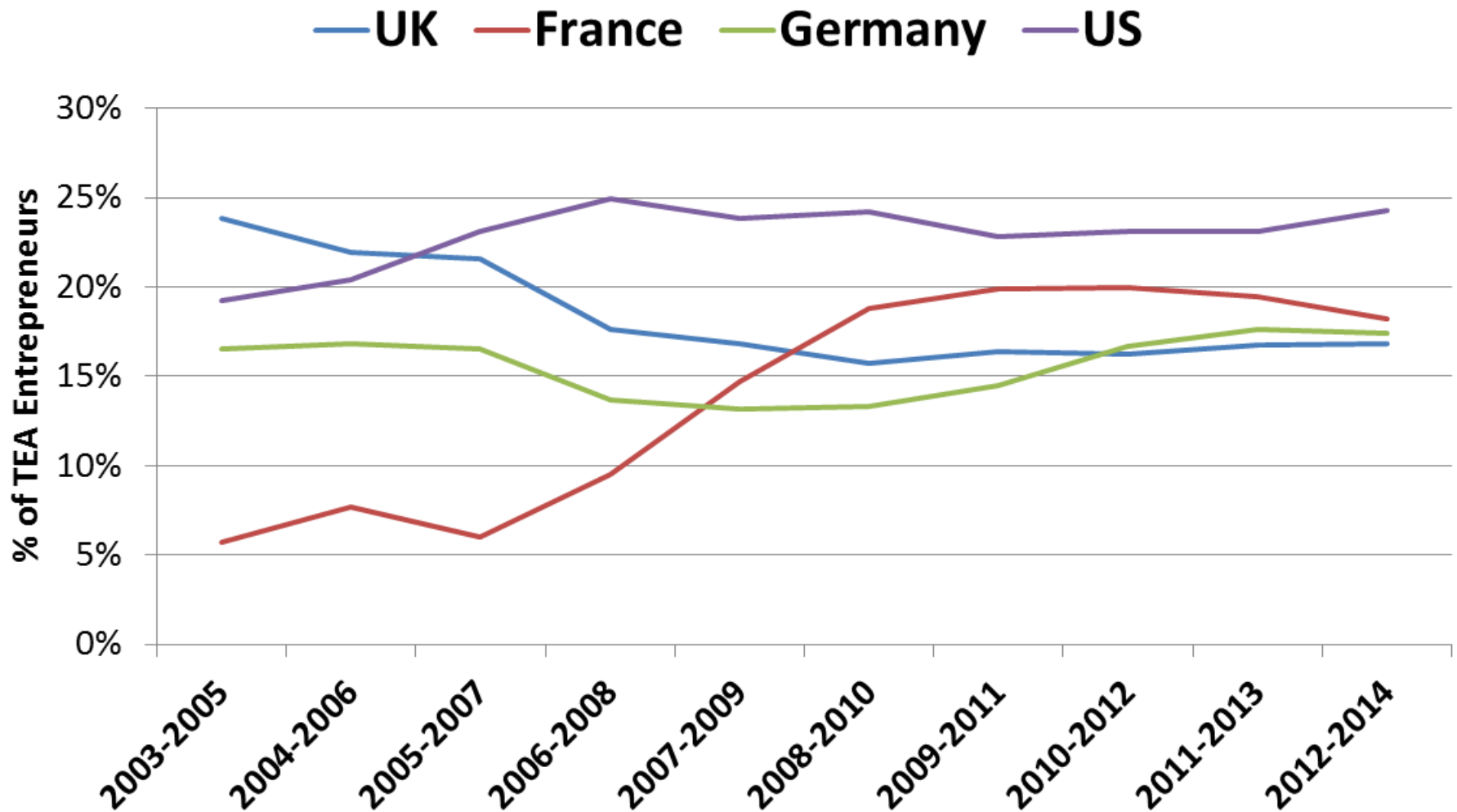
# UK Entrepreneurial Attitudes



# Measures of Entrepreneurial Aspiration – 2014

(% of TEA or EBO entrepreneurs)	High Job Expectation: More than ten jobs and growth more than 50%		New Product-Market		High or Medium tech sectors		Exporting: More than 25% of customers outside the country	
	TEA	EBO	TEA	EBO	TEA	EBO	TEA	EBO
<b>UK</b>	17.6	3.6	24.7	13.8	8.4	9.4	15.9	9.9
<b>France</b>	16.9	1.6	40.1	10.6	11.3	0	21.7	12.3
<b>Germany</b>	14.1	3.5	24.0	14.3	6.8	10.4	21.1	11.8
<b>US</b>	27.3	4.2	36.7	18.4	9.4	6.5	14.5	7.5

# High Job Expectation



# Headline Findings from 2014

- The TEA rate in 2014 of 8.6% further confirms the higher long-term trend in early-stage entrepreneurial activity in the UK.
- UK has pulled ahead of France and Germany in the entrepreneurship stakes - for the last four years it has significantly outperformed both of these countries in the number of early-stage entrepreneurs
- In 2014 one in five working age individuals in the UK intended to start a business within the next three years, were actively trying to start a business, or were running their own business.

# Headline Findings from 2014 (2)

- Growth in early-stage entrepreneurial activity in the UK is mainly because more men, especially those aged between 50 and 64 years old, are taking the first steps to running their own business.
- While this means that the “gender gap” in early-stage entrepreneurship has risen this year, a longer term view reveals that the TEA rate of 5.7 per cent for women in 2014 has almost doubled in ten years.

# Headline Findings from 2014 (3)

- **Entrepreneurial attitudes:** the percentage of non-entrepreneurs of working-age in the UK who agreed there were good opportunities for starting a business in their local area in the next six months has now risen to 37 per cent in 2014.
- This marks a return to pre-recession levels of 2007 and suggests a growing sense of optimism among the wider population for business start-up.

# Deepening Analysis and New Directions

- Work has commenced in 2013 & 2014 to develop a pilot ‘Panel Study of Entrepreneurial Dynamics’ (PSED) in the UK – led by Professor Paul Reynolds (Marie Curie Research Fellow at Aston))
- GEM UK core dataset will feed into the work of the Enterprise Research Centre (ERC) on ‘High Aspiration Entrepreneurs’; ‘Diversity and Small Firm Growth’; ‘Understanding Motivations for Entrepreneurship’; ‘Sociology of Enterprise’; ‘Evaluation of SULCo’ for the BBB.  
([www.enterpriseresearch.ac.uk](http://www.enterpriseresearch.ac.uk))

# Contact us:

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More details about the activities of GEM can be found at:

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

