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 **UK continues to slip in quality of entrepreneurial environment, findings from Global Entrepreneurship Monitor**

*Tuesday, 13 February* – The United Kingdom’s score in the National Entrepreneurial Context Index (NECI) continues to fall, according to the Global Entrepreneurship Monitor (GEM) 2023/2024 Report, released today in Morocco.

As part of the research, national experts in the UK were asked to assess the country’s Entrepreneurship Framework Conditions (EFCs). These assessments are the basis for an economy’s GEM NECI score. In 2020, the overall quality of the UK entrepreneurial environment was rated as just satisfactory, with a score of 5.0. Since then, that overall quality score has declined slowly each year. The 2023 score of 4.6 places the United Kingdom 22nd of 49 economies.

Since the pandemic, the United Kingdom has been part of an increasing group of high-income economies with an assessed overall entrepreneurial environment that has slipped from sufficient to less than sufficient. There were declines in nine of the 13 EFCs. Most of these changes were small, but the net effect was an overall reduction. The scores for the two different entrepreneurial finance EFCs have fallen over the last three years, surely a major concern for a leading international finance centre.

Mark Hart, Professor of Small Business and Entrepreneurship, at Aston Business School and lead of GEM UK said “permanent non-borrowers remain a significant proportion of the SME population (31%) and small business leaders still complain that a lack of finance can hinder their growth ambitions and that they are still unsure of how to access appropriate finance. We need to work harder on improvements to the all-round financing ecosystem integrating leadership and management support with a full range of suitable financing along the finance escalator.”

The EFCs "Entrepreneurial Education at School" and "Entrepreneurial Education Post-School" continue to be assessed as poor by national entrepreneurship experts across all GEM-participating economies. The UK is no exception, ranking 22nd for Entrepreneurial Education at School and 33rd for Entrepreneurial Education Post-School.

Sreevas Sahasranamam, Professor at Adam Smith Business School, University of Glasgow, and one of the co-authors of the GEM Global Report 2023/24, said “There is an urgent need for entrepreneurship education to become more mainstream in schools and higher education institutions in the UK. Globally, it is important to realize that skills imparted through entrepreneurship education such as creativity, innovation, experimentation and growth mindset, and overcoming fear of failure are going to be fundamental in a world where disruptive technologies are evolving at a breakneck pace”.

As part of the Adult Population Survey, which draws responses from over 136,000 individuals worldwide, the United Kingdom has a reasonable profile for entrepreneurship. More than one in two adults considered that they had the skills and knowledge to start a business themselves. Just under half of adults saw good opportunities to start a business. However, more than half of these individuals who saw good opportunities would not start a business for fear it might fail, reflecting a continued decrease in recent years.

Mark, further added, “While start-up rates in the UK are at an historical high the proportion of businesses that are growing is declining and the weaknesses in some aspects of the entrepreneurial ecosystem may be part of the explanation.”

Nevertheless, the proportion of adults intending to start their own business in the next three years has also been growing slowly, from 8% in 2019 to 11% in 2023. Many new entrepreneurs in the United Kingdom are outward-looking, with two in five having customers beyond the borders and three in five expecting to use more digital technologies in the next six months.

Growth expectations are strong, with one in four new entrepreneurs anticipating to employ at least another six people over the next five years. To build great wealth or very high income is the dominant motivation among new entrepreneurs, agreed by more than two out of three.

Sreevas further added, “Globally, we are seeing a clear trend of entrepreneurship ecosystems in the East being rated much better compared to the West, with 4 of the top 5 countries coming from that geography. UAE and India are top 2 on the NECI score.”

**Note to editors**

**Professors Mark Hart and Sreevas Sahasranamam are available for an interview or follow-up information, to arrange please contact Mark -** **mark.hart@aston.ac.uk** **OR Sreevas – sreevas.sahasranamam@glasgow.ac.uk**

**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 an analysis of 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.

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. More information is at [**www.gemconsortium.org**](http://www.gemconsortium.org/).