

New Government, New Opportunities for the UK's Entrepreneurs?

- **UK a significantly more entrepreneurial society yet challenges remain**
- **Remarkable increase in the level of early-stage entrepreneurial activity by women**
- **Immigrant and non-white ethnic populations continue to be the most entrepreneurial groups in the UK.**

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Established in 1999 by Babson College and London Business School, and with the UK being one of the founding participating national teams, we now have the opportunity in this report to reflect on the development of the UK's entrepreneurial journey over the last 25 years. [GEM](#) is now the world's largest survey of entrepreneurship and is the only global research source that collects data on entrepreneurship directly from individual entrepreneurs. It measures various rates of entrepreneurship in 49 countries in 2023.

The last 25 years has included events such as the World Trade Centre disaster in September 2001 and subsequent turmoil in international finance markets and the collapse of the 'high-tech boom', the Great Financial Crisis, exit from the EU, the COVID pandemic, war in Ukraine and now the Middle East, rocketing inflation fuelling a cost of living crisis, stagnant growth bordering on recession and not forgetting the UK's own political soap opera since 2022.

Against this background the latest [Global Entrepreneurship Team \(GEM\) UK report](#), in partnership with NatWest, asks "how have attitudes to entrepreneurship evolved and what have been the key trends in entrepreneurial activity and aspirations since 1999?"

The headlines are as follows:

- Despite the constant rise in the perception that the fear of failure would prevent people from starting their own business, as well as the poor growth record of the economy, the UK is a significantly more entrepreneurial society than it was at the start of the millennium.
- For the first time since GEM records began, just under 30% of working age individuals in 2023 either intended to start a business within the next three years, were actively trying to start a business, or running their own business.
- There has been a remarkable increase in the level of early-stage entrepreneurial activity by women in the UK since 2002 from just over 3.5% to 10% - a three-fold increase.
- Despite changes in the demographic composition of migration, one statistic has remained relatively constant, immigrant and non-white ethnic populations continue to be the most entrepreneurial groups in the UK.

- In the 25 years that the GEM UK team have been collecting the views of our national experts the most disturbing conclusion to be drawn is that many of the deficiencies they have identified with the entrepreneurial ecosystem at the start of the millennium remain today.

[Mark Hart](#), Professor of Small Business and Entrepreneurship at [Aston Business School](#), who leads the GEM UK team, said:

“The new Labour government has inherited a more entrepreneurial society than when it left office in 2010 but still faces challenges to fully realise the potential of UK’s entrepreneurs in achieving its aim of stimulating growth in the UK economy.”

“Prime Minister Starmer on taking office stated, “*Our work is urgent, and we begin it today*” and the findings of our report provide some indication of the work that lies ahead across his whole ministerial team and not just for Gareth Thomas the new Small Business Minister.”

“The conditions that allow entrepreneurs to sustain and grow their businesses have been weakening for a number of years now and urgent action is needed in the areas of entrepreneurial finance, business support and physical infrastructure to ensure the UK can facilitate the growth ambitions of thousands of small business leaders – the majority of whom are outside London.”

“Entrepreneurial education at all levels continues to remain a relative weakness in the UK compared to many international comparators despite numerous public and private initiatives over many decades - the practice of teaching basic business skills is still insufficiently widespread.”

Darren Pirie, NatWest Head of Accelerator said:

“As the UK’s biggest bank for startups, we recognise that entrepreneurs make a huge contribution to business in the UK. They create a wide range of employment opportunities and are often the first to innovate, spotting trends and pivoting their ideas.”

“It’s pleasing to see that early-stage business activity is on the rise across all regions of the UK and that the motivations for starting a business are becoming multifaceted. Entrepreneurs are moving away from just opportunity or necessity as the key driver, with female founders especially valuing social considerations”.

“At NatWest in 2023 50% of support from our enterprise programmes went to women and 34% went to people from ethnic minority backgrounds, which backs up the GEM finding that non-white ethnic groups have become a cornerstone of the UK’s entrepreneurial activity”.

The full GEM UK report, along with individual reports for Scotland, Wales and Northern Ireland, in partnership with NatWest, Ulster Bank and RBS, are available for download [here](#).

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Notes to Editors

About Aston University

Founded in 1895 and a university since 1966, Aston is a long established university led by its three main beneficiary groups – students, business and the professions, and the West Midlands region and wider society. Located in Birmingham at the heart of a vibrant city, the campus houses all the University's academic, social and accommodation facilities for our students. Professor Aleks Subic is the Vice-Chancellor & Chief Executive.

Aston Business School (ABS) is part of an elite group of global business schools that hold the gold standard of 'triple-crown' accreditation from AACSB (Association to Advance Collegiate Schools of Business), AMBA (Association of MBAs) and EQUIS (EFMD Quality Improvement System). It also holds the Small Business Charter awarded by the Chartered Association of Business Schools for its work with small businesses.

ABS was ranked 66th in the world for business and management studies (QS World University Rankings by Subject 2024). Aston Executive MBA ranked 87th in world in 2024 QS Executive MBA Rankings. It also ranked 24th in world for career outcomes, measured by average salary increase or percentage of class receiving promotions after graduation

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