



Global
Entrepreneurship
Monitor

In partnership with



Royal Bank
of Scotland

Scotland

2024/2025 Report



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ACKNOWLEDGEMENTS

We are pleased once again to have RBS and the NatWest Group sponsor the 2024 Global Entrepreneurship Monitor UK Reports. As the UK's biggest supporter of small businesses, they understand the important role that start-ups, scale-ups and high-growth businesses play in a strong and prosperous UK economy.

Participation in the GEM Global project in 2024 by the UK consortium was again made possible by funding from the Department for Business and Trade (DBT) Business Innovation Directorate, Hunter Centre for Entrepreneurship at the University of Strathclyde, the Welsh Government, Department for the Economy (NI) and NatWest. These funders have supported the GEM UK project for almost all of the last 26 years and we owe them an enormous debt.

Special thanks to the University of Edinburgh Business School for funding towards the Scotland 2024/2025 National Report.

The vendor for the Adult Population Survey (APS) was BMG Research Ltd and we would like to thank Dawn Hands, Roger Sant and Sharon Gowland for their role in the timely execution of the survey and the creation of the UK dataset. In particular, we would like to thank Roger Sant for his ongoing invaluable contribution to the weighting protocols designed to address the dual method used to obtain responses to the GEM APS survey – that is, CATI and CAWI (i.e. online).

Foreword

DARREN PIRIE, HEAD OF NATWEST ACCELERATOR

At NatWest, we are proud to once again sponsor the UK edition of the Global Entrepreneurship Monitor (GEM) report. As the UK's biggest supporter of small businesses, we believe that entrepreneurship is not only a driver of innovation and growth, but a vital force for resilience and regeneration in communities across the country.

Our Accelerator is aiming to be the biggest community of entrepreneurs in the UK, driven by our innovative new NatWest Accelerator app. A busy year has also been underpinned by the start of the NatWest Accelerator Pitch competition, where we are giving away a total of £1m to entrepreneurs via a series of amazing pitch nights over the next couple of years.

The findings in this report are striking: over one-third of working-age adults are engaged in or planning to start a business, the highest level since GEM began. This speaks to the enduring ambition and adaptability of the UK's entrepreneurs, even in the face of economic uncertainty.

We are particularly encouraged by the progress made in expanding access to entrepreneurship. The rise in activity among women, young people, ethnic minorities and immigrants is a testament to the power of inclusive opportunity. Yet, as the report makes clear, barriers remain – especially in access to finance and support for scaling businesses.

Artificial Intelligence, the special topic of this year's report, is reshaping the entrepreneurial landscape. While optimism is high among growth-oriented entrepreneurs, we must ensure that all business owners – regardless of background – can harness its potential.

At NatWest, we remain committed to helping businesses start, scale and thrive. We welcome the Government's renewed focus on SMEs and look forward to working with partners across the ecosystem to turn ambition into achievement.

This report is a call to action. Let's build an environment where every entrepreneur and growing business has the tools, confidence and support to succeed.

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Summary

The Global Entrepreneurship Monitor (GEM) is an Annual Population Survey (APS) undertaken in a number of participant countries globally. The survey is identical in each country and asks respondents about their attitudes and perceptions related to entrepreneurship and whether they are involved in some form of entrepreneurial activity. GEM surveys have been running annually for over 25 years and collecting insights on entrepreneurial activity from over four million entrepreneurs across the world. Since 2002, GEM UK has undertaken structured interviews with over 372,000 adults, with over 46,000 participants from Scotland. This report mainly focuses on Scotland, and draws from the 2024 sample that comprised 1,641 participants in the adult working-age bracket (18-64) from an overall sample of 1,955 adults (including those over 65).

KEY FINDINGS

- Total Early-stage Entrepreneurial Activity (TEA) in Scotland crossed a **significant milestone in 2024, with 10.4% working-age adults in the population estimated to be engaged in early-stage entrepreneurial activity**. In other words, one in ten adults was in the process of setting up a new business in 2024.
- A further 8% of Scots were Established Business Owners (EBOs), running a business older than 42 months and paying wages, suggesting, overall, **nearly one in five working-age adults in Scotland can be classed as entrepreneurs** in 2024.
- As a result of a significant bounce back in male TEA, with female TEA growth being muted in comparison, the **gender gap in TEA that had all but closed in 2023 in Scotland has reopened**, relegating Scotland to the bottom among the Home Nations in the female to male TEA ratio. Still, the long-term trend line shows positive growth in female TEA overall. Further, entrepreneurial motivations between men and women appear to be converging. However, we also find a significant gap (of 10 percentage points) in perception of business support in their region among women entrepreneurs relative to men.
- **Early-stage entrepreneurs in Scotland tend to be relatively young**, with significant proportions of adults aged 18-24 and 25-34 engaging in entrepreneurial activity. In contrast, Scots over 45 are much less likely to start a venture compared to their counterparts in other Home Nations. Overall, the average age of an early-stage entrepreneur in Scotland is two years lower than the UK average of 39 years. The greater prevalence of younger entrepreneurs might have implications for how overall early-stage entrepreneurial activity is resourced in Scotland.
- Consistent with previous reports, we also find that **TEA remains significantly higher among the Non-White subpopulation** compared to their White counterparts although no further growth was registered in 2024. This may suggest changes in the labour market in terms of employment opportunities, such that fewer minority ethnic adults are now looking to entrepreneurship for livelihoods and economic participation.
- Regional differences also remain a key concern for entrepreneurship in Scotland. The **North East of Scotland continues to show high volatility** in early-stage activity, with TEA halving between 2023 and 2024, and generally exhibits a weaker entrepreneurial ecosystem than regions like the Highlands and Islands, where enterprise culture is richer. A more comprehensive regional entrepreneurship policy framework is thus called for, to help address these contextual challenges with tailored measures.

1. National Overview

ENTREPRENEURIAL ACTIVITY IN SCOTLAND

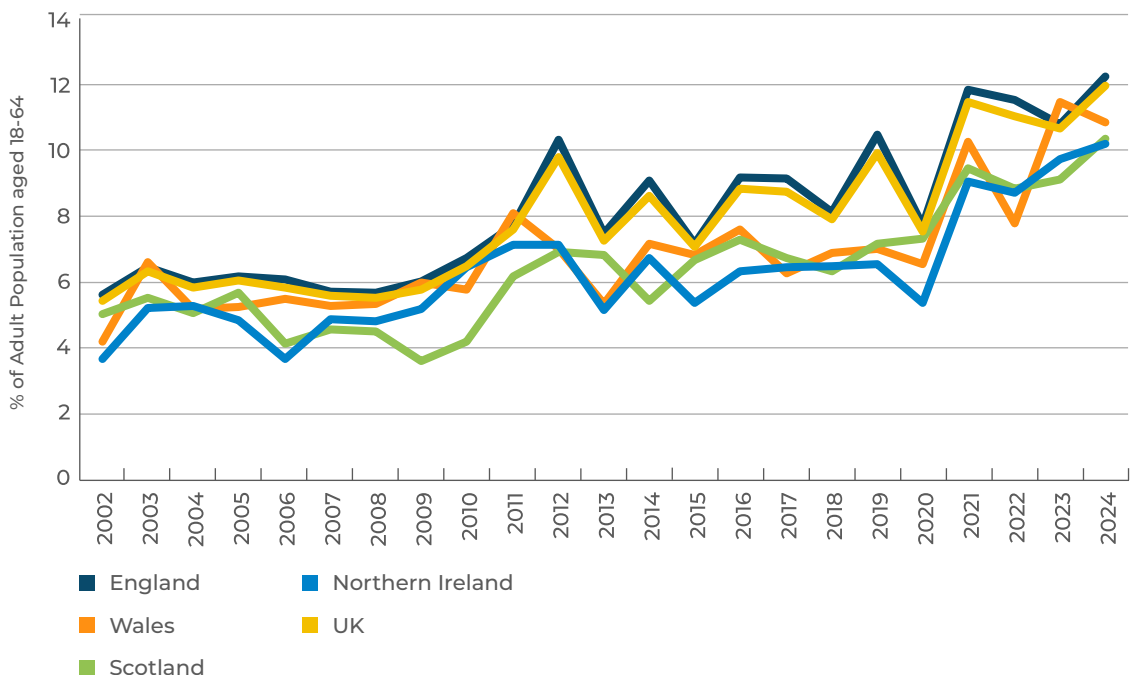
The main indicator of entrepreneurial activity within the Global Entrepreneurship Monitor is Total Early-stage Entrepreneurial Activity (TEA), which captures the sum of the nascent entrepreneurship activity rate and the new business owner-manager rate in the adult working-age population (without double-counting). Scotland set a new record in 2024, crossing the 10% mark for the first time since the GEM survey began in 2002.

Effectively, data suggests that in 2024, 10.4% of 18-64 year olds in Scotland were involved in early-stage entrepreneurial activity. This is more than double the rate observed in the initial years of GEM nearly two decades ago (Figure 1).

Extrapolating to the estimated mid-year sub-population of 3.4 million (of 18-64-year-olds) in 2024¹, over 350,000 Scots can be said to have undertaken early-stage entrepreneurial activity in 2024.

Further, between 2023 and 2024, Scotland registered a growth of 14% in TEA, the highest year-on-year growth among the Home Nations, and slightly ahead of the UK average growth of 12%. Improving from what was the lowest TEA rate among the Home Nations in 2023, this growth brought Scotland closer to other Home Nations although England remained nominally ahead with a total early-stage entrepreneurial activity rate of 12.2% working-age adults, the highest TEA on record in the UK (Figure 1).

FIGURE 1
TEA in Home Nations, 2002-2024
(Source: GEM UK APS 2002-24)

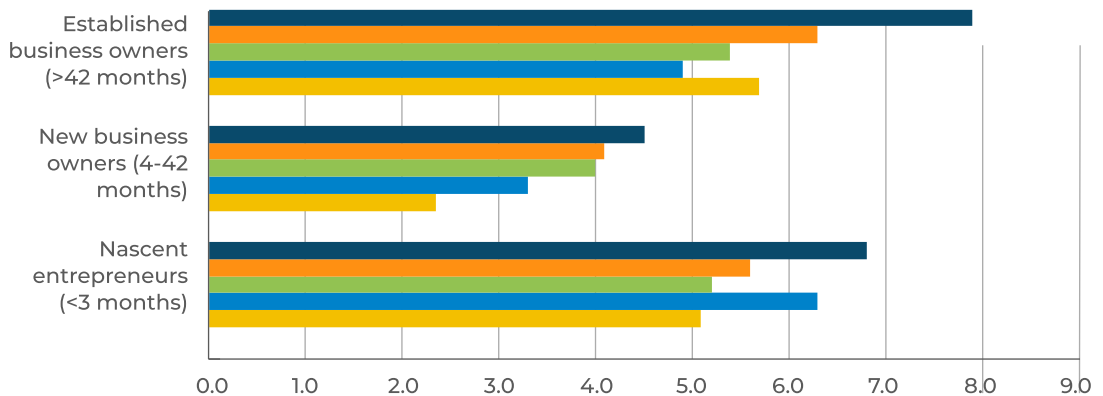


¹ <https://www.nrscotland.gov.uk/publications/mid-2024-population-estimates/>

Of the estimated 350,000 early-stage entrepreneurs, over 200,000 (~6%) were nascent entrepreneurs (those with businesses less than three months old), with around 150,000 (~4%) being new business owner-managers (those whose businesses have been paying salaries for more than three months but not more than 42 months). In addition, over 260,000 working-age adults, almost 8% of 18-64 year olds, were more established business owners, with businesses that are 42 months or older (Figure 2).

While GEM focuses on individual entrepreneurs, estimates drawing on official records from Companies House suggest a similar figure, reporting that Scotland had just under 270,000 active companies in 2024.²

FIGURE 2
Entrepreneurial activity rates by type, 2020-2024
(Source: GEM UK APS 2020-24)



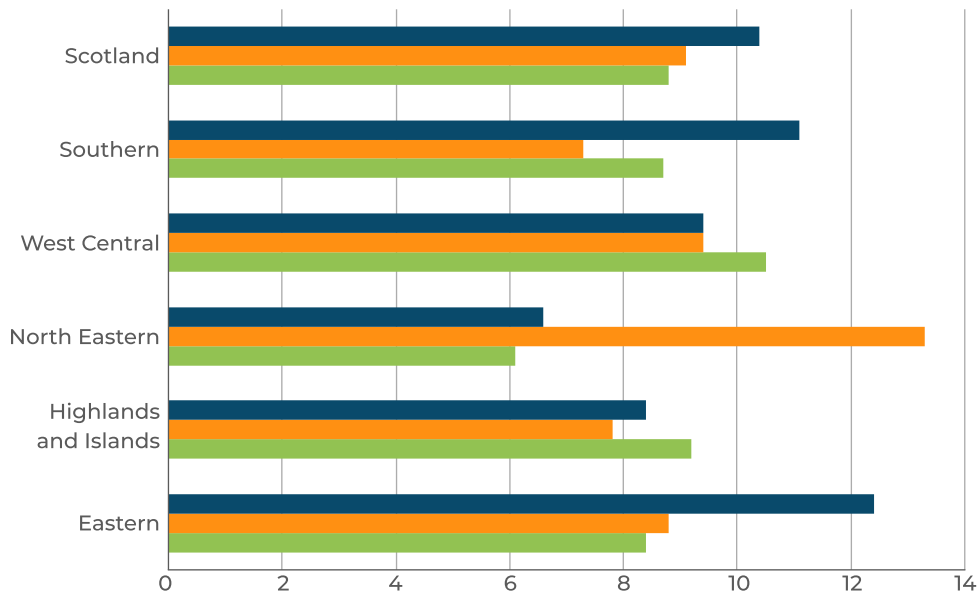
	Nascent entrepreneurs (<3 months)	New business owners (4-42 months)	Established business owners (>42 months)
2024	6.8	4.5	7.9
2023	5.6	4.1	6.3
2022	5.2	4.0	5.4
2021	6.3	3.3	4.9
2020	5.1	2.4	5.7

² <https://www.thegenderindex.co.uk/images/Narratives/2025/Scotland-Report-2025.pdf>

Although national TEA saw growth in 2024, the story within Scottish regions is mixed. As of 2025, Scotland is now divided into six ITL2 regions.³ However, as we use data from 2024, this report uses the old five ITL2 regions. We find that Eastern Scotland (which has since been divided into East Central Scotland and East Scotland regions) reported the highest TEA at just over 12% followed by Southern Scotland with a TEA of 11%, both above the national average rate of 10.4%. West Central held steady at 9.4% with the Highlands and Islands seeing a small uptick to 8.4%.

In contrast, North Eastern Scotland saw its TEA reduced by half, from 13.3% in 2023 to 6.6%, reverting to rates seen in 2022 (Figure 3). Although the usual caveats around small sample sizes increasing the margin of error in the estimates for the regions continue to apply, the North East has traditionally reported fairly volatile early-stage entrepreneurial activity rates. This suggests that there are likely to be deeper factors influencing early-stage entrepreneurial activity rates in the area that need to be unpacked more carefully.

FIGURE 3
TEA by Scottish ITL2 regions, 2022-2024
(Source: GEM UK APS 2022-24)



	Eastern	Highlands and Islands	North Eastern	West Central	Southern	Scotland
2024	12.4	8.4	6.6	9.4	11.1	10.4
2023	8.8	7.8	13.3	9.4	7.3	9.1
2022	8.4	9.2	6.1	10.5	8.7	8.8

³ <https://www.ons.gov.uk/methodology/geography/ukgeographies/eurostat>

2. Deep Dive

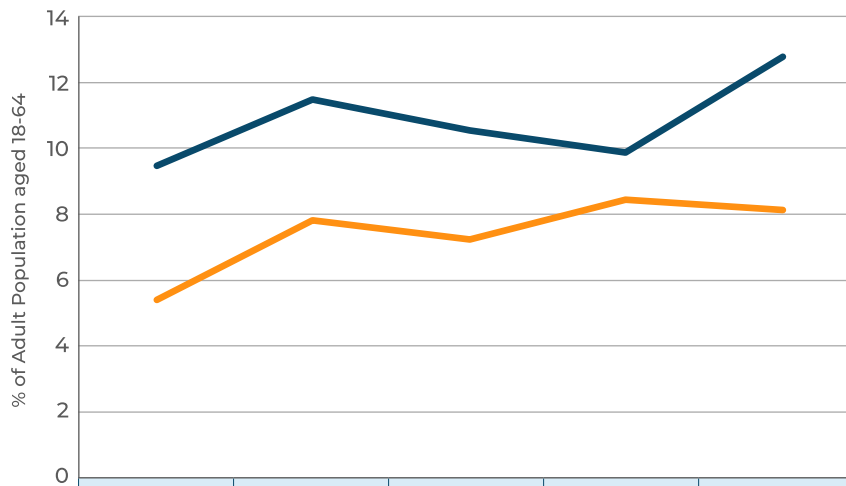
RECENT TRENDS IN GENDER AND ENTREPRENEURSHIP IN SCOTLAND

In 2023, GEM Scotland reported statistical parity in male and female TEA rates, suggesting that the gender gap in early-stage entrepreneurial activity had finally been closed. However, as Figure 4 shows, this milestone had been precipitated by a slide in male TEA in recent years, while female TEA inched up. Bucking the downward trend, male TEA grew significantly to 12.7% in 2024. In contrast, female TEA stalled, standing at 8.1% in 2024.

As a result, the growth in male TEA more than offset its recent decline and reopened the gender gap again. The implication is that within 12 months, Scotland shifted from celebrating gender parity in early-stage entrepreneurial activity to a female-to-male TEA ratio of 64%, the highest gender gap among the Home Nations in 2024. This points to the gendered vagaries of entrepreneurship and the work needed to sustain growth in female enterprise towards more substantive and stable parity.

FIGURE 4

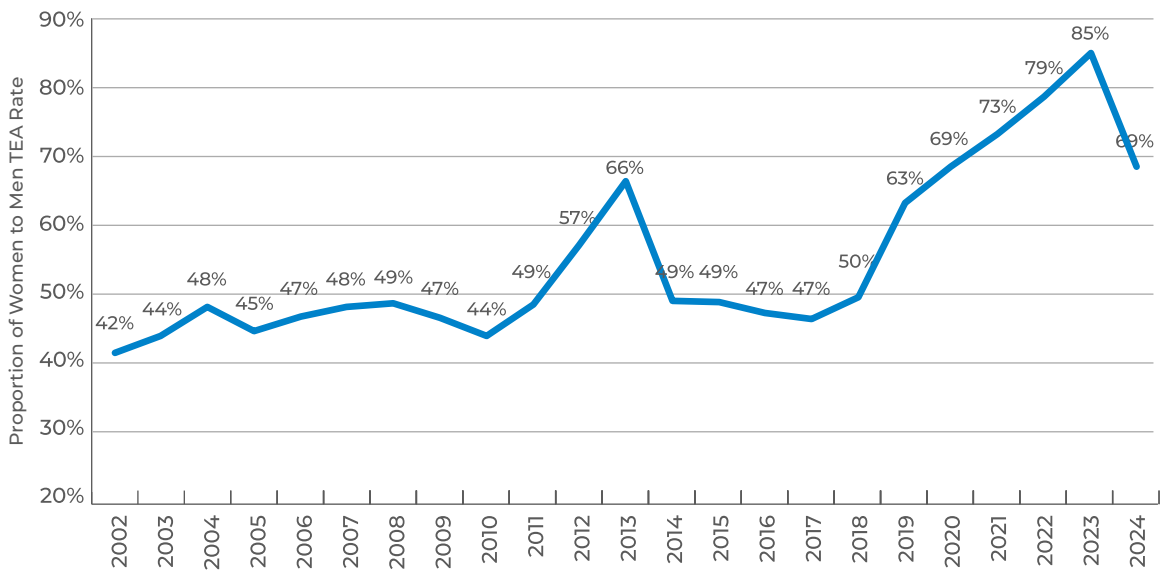
Scotland TEA by gender, 2020-2024
(Source: GEM UK APS 2020-24)



	2020	2021	2022	2023	2024
Male TEA Scotland	9.4	11.4	10.5	9.8	12.7
Female TEA Scotland	5.4	7.8	7.2	8.4	8.1

It must be noted, nevertheless, that the 2024 shift is a UK-wide phenomenon (Figure 5). While 2024 is a significant moment to monitor in the coming years, the gender gap has been closing fairly compellingly since 2017 across the UK.

FIGURE 5
UK gender gap trend, 2002-2024
(Source: GEM UK APS 2002-24)



That said, Scotland and the wider Home Nations show a strong long-term upward trend in female TEA (Figure 6). Female participation in early-stage enterprise is now more than three times higher than during the Global Financial Crisis and double the rate recorded when GEM began just over two decades ago.

In absolute terms, while only around 58,000 18-64-year-old women in Scotland would have been undertaking early-stage entrepreneurial activity in 2002, we estimate that this has gone up to around 140,000 women in 2024.

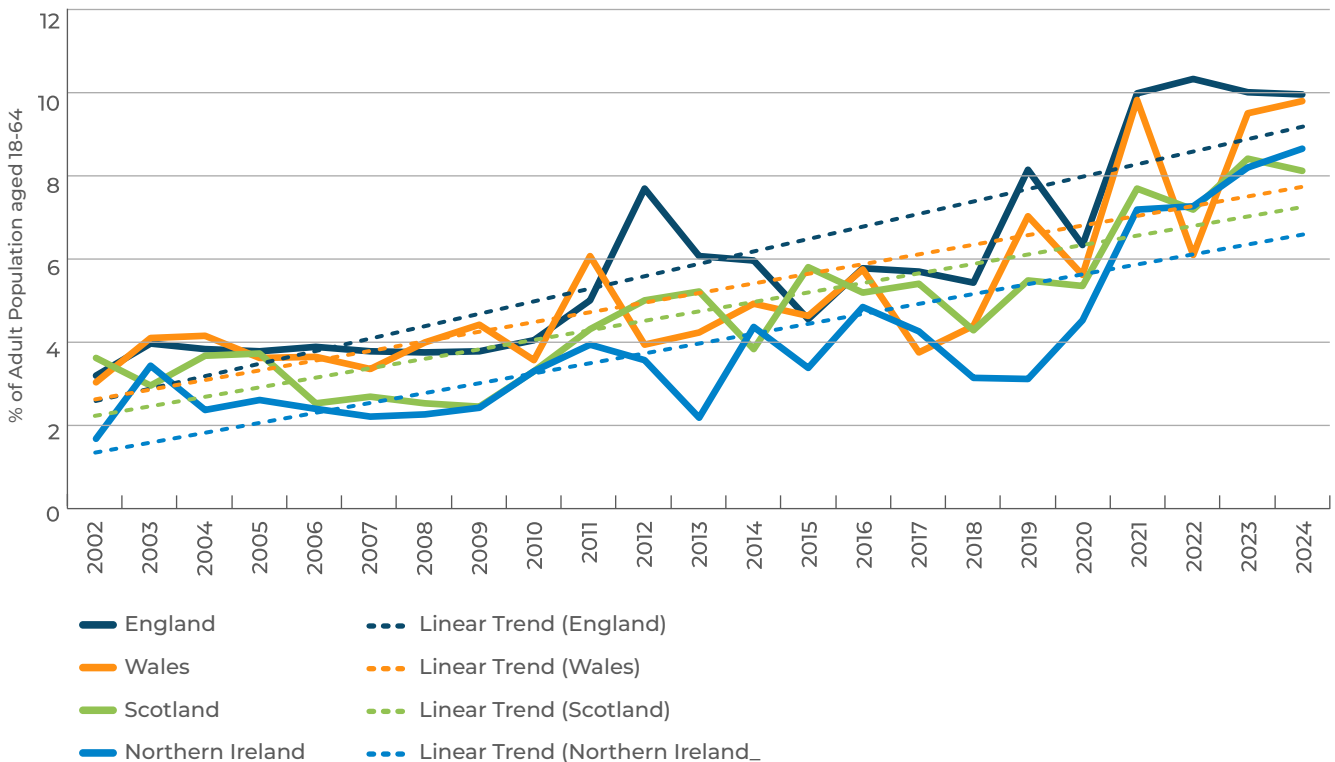
Additionally, over 80,000 women in Scotland were established business owners in 2024.

Still, while the long-term growth in female enterprise is noteworthy, growth rates in TEA appear to have gendered influences. Further, since achieving gender parity as a result of a decline in male entrepreneurial activity cannot be a cogent objective or outcome, how growth in female TEA rates can be accelerated and sustained is an area that requires greater attention from research and policy.

FIGURE 6

Home Nations
female TEA,
2002-2024

(Source: GEM UK
APS 2002-24)



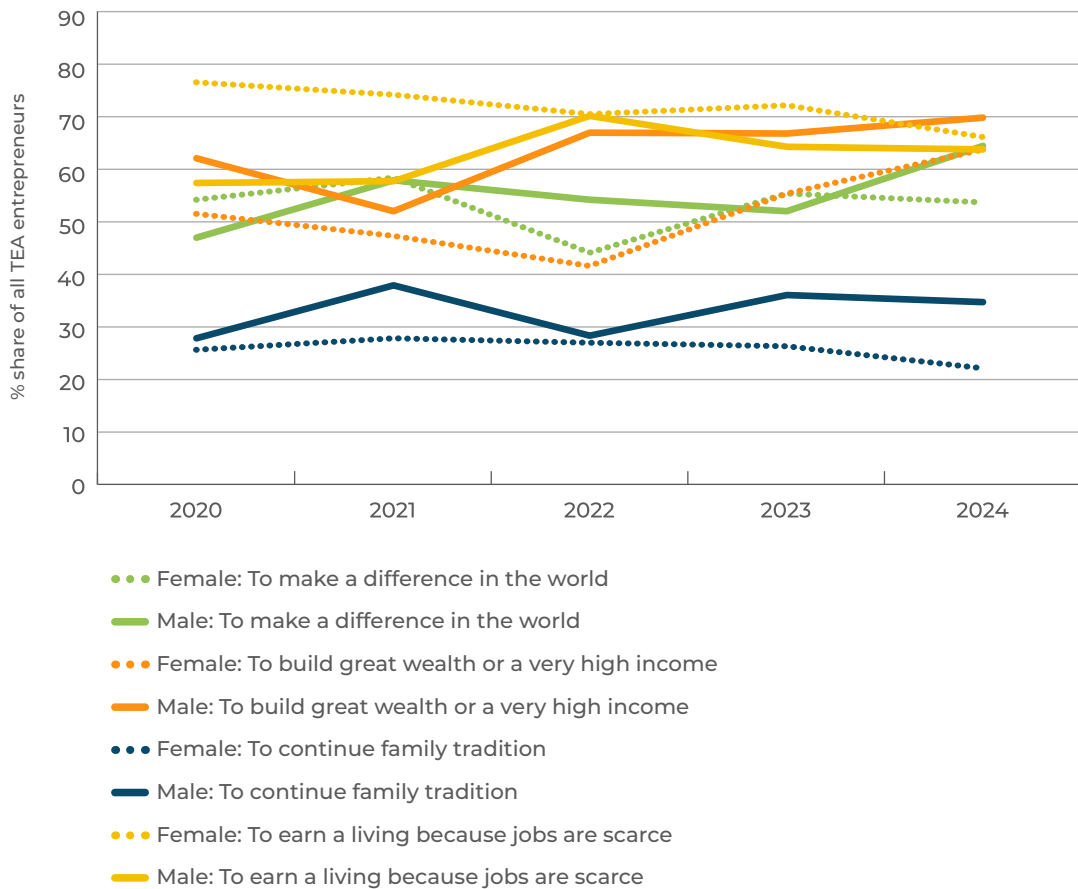
The motivations behind early-stage entrepreneurial activity have been an area where gender differences are often observed. As Figure 7 shows, women are more likely than men to be motivated to start a business by the need to earn a living because suitable jobs are scarce, although this gap has narrowed significantly since 2022.

Another notable dynamic is that more women are now also stating that they are motivated by the desire to “build great wealth or a very high income”, with the more traditionally gendered pro-social motive “to make a difference in the world” now cited by comparatively

fewer women entrepreneurs. If these shifting motivations are sustained, this will have implications on the type of enterprise women engage in going forward and the ambitions they might have for such businesses.

It is notable, nevertheless, that women remain less likely than men to start a business to continue a family tradition. This suggests that women entrepreneurs are less likely to draw on family role modelling influences, experience, networks and other resources. This means that women may have lower access to direct and indirect family resources to motivate and support their entrepreneurial pursuits.

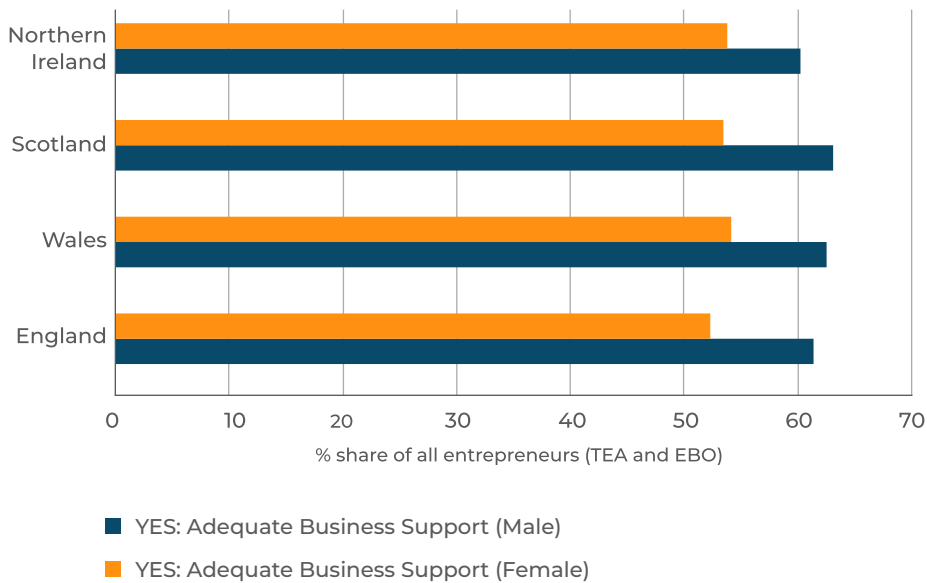
FIGURE 7
Scotland TEA motivations by gender, 2020-2024
(Source: GEM UK APS 2020-24)



In 2024, we also directly asked all early-stage and established entrepreneurs if they felt there were adequate sources of business support in their region. As Figure 8 shows, more than half of both men and women entrepreneurs were positive about the availability of adequate business support. However, across the Home Nations, women were significantly less likely than men to do so.

In particular, almost two-thirds of male entrepreneurs in Scotland felt available business support was adequate, the highest rate in the UK. In contrast, in what is the highest gender gap in this metric among the Home Nations, women entrepreneurs were almost ten percentage points less likely to make this observation. This points to significant gendered issues in how business support is designed and delivered, and therefore how it is perceived by women in Scotland, an issue that recent research by Women’s Enterprise Scotland has also highlighted.⁴

FIGURE 8
Perceived adequacy of business support, Home Nations, 2024
(Source: GEM UK APS 2024)



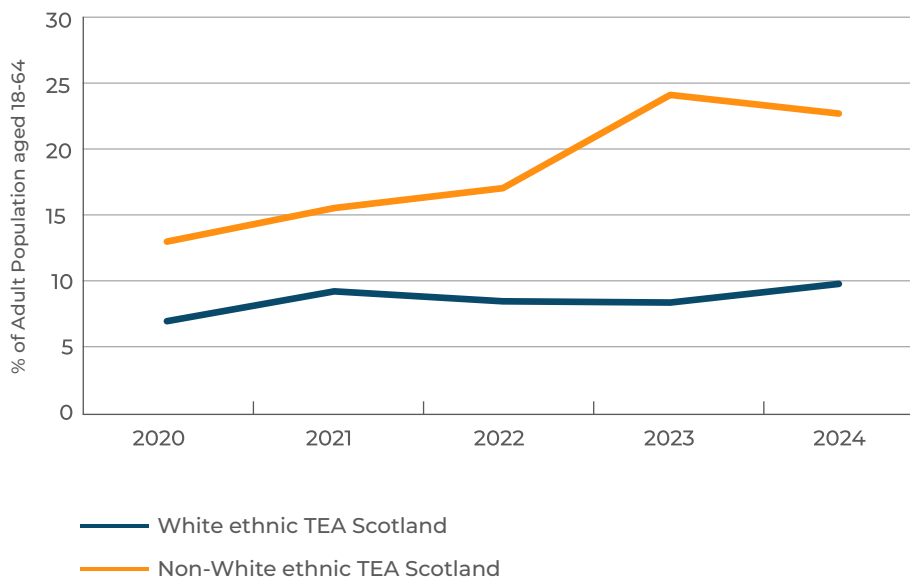
⁴ https://www.wescotland.co.uk/_files/ugd/52d82f_5f7ae39b597d4a479936671d1ea59580.pdf

3. Other Highlights

ETHNICITY

Traditionally, despite significant volatility that is sometimes driven by episodic events such as changes in immigration regulations, early-stage entrepreneurial activity rates in Scotland and the UK have been significantly higher among the minority ethnic sub-population. Non-White entrepreneurial activity rallied strongly in the post-pandemic years, having sustained a vast drop during COVID. In 2023, Non-White TEA in Scotland had risen to set a new record at 24%, suggesting that about one in four Non-White adults were engaged in early-stage entrepreneurial activity. In 2024, we report a slight drop in the Non-White TEA rate to 22.7% (Figure 9).

FIGURE 9
Scotland TEA
by ethnicity,
2020-2024
(Source: GEM UK
APS 2020-24)



AGE

In 2024, the average age of an early-stage entrepreneur in the UK is 39 years, while in Scotland, this average is two years lower at 37 years. Indeed, Scotland leads the way in the UK in having the largest share of individuals in the 18-24 age category engaged in early-stage enterprise at 15.1%, with a similar rate among the 25-34 category (Figure 10). While this suggests greater dynamism and future performance potential, we note that Scotland has relatively lower representation in the perhaps better-resourced over-45s categories.

This might have implications for the survival and growth of businesses thus founded. Essentially, younger entrepreneurs might require greater external support for their promise to be realised, while perhaps older entrepreneurs may bring a stronger internal resource profile. However, whether there are age-related differences in the transition of early-stage activity into more established business ownership requires further investigation.

FIGURE 10
TEA by
Home Nation
and age, 2024
(Source: GEM
UK APS 2024)



ENTREPRENEURIAL CAPACITY

As a population survey, GEM also explores whether those not presently undertaking entrepreneurial activity feel they have the requisite capacities to start a business, perceive entrepreneurial opportunities in their area, and the extent to which the fear of failure would stop them from acting on such opportunities. Of these, around 40% of 18-64 year-olds across the country report feeling that they have the skills, knowledge and experience to start a business. This is equivalent to over 1 million adult Scots. A similar number indicated that they perceived good start-up opportunities in their area in the next six months.

This is highest in the Highland and Islands region where more than half of working-age people not presently in business indicate they have the self-efficacy to be entrepreneurs (Figure 11). This suggests a rich enterprise culture in the region that may be attributable to the higher prevalence of self-employment and business ownership, as well as greater shares of employment in small businesses,⁵ allowing more people to observe entrepreneurship in action more closely.

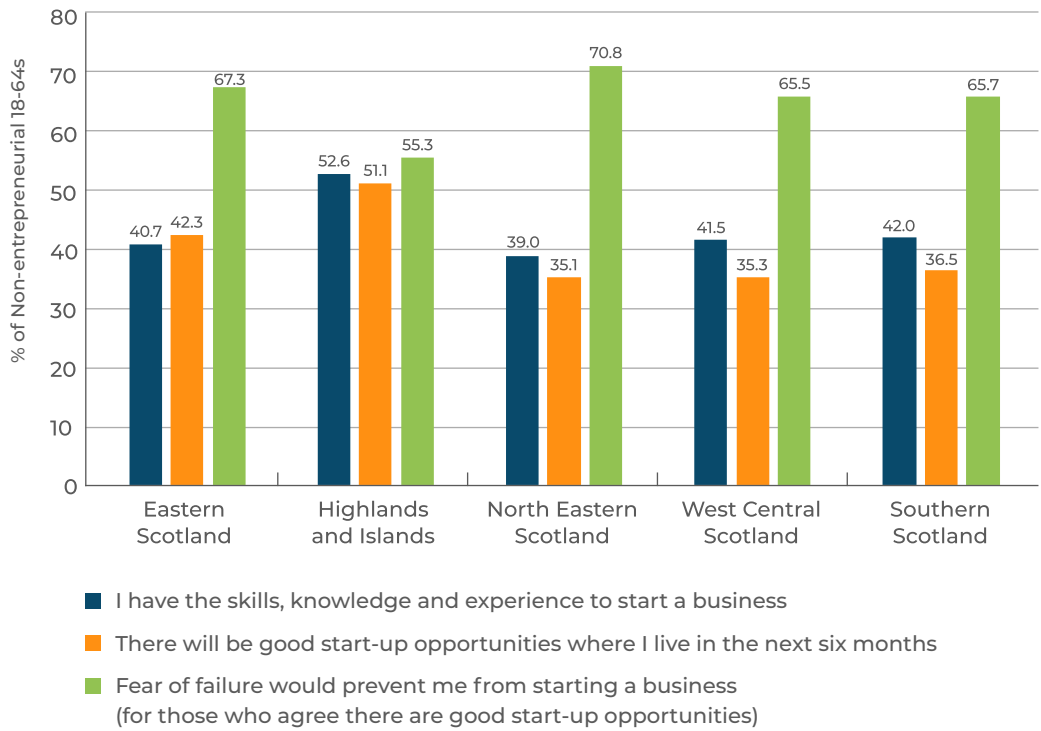
This stands in stark contrast to the North Eastern region, where we observe the lowest entrepreneurial capacity in Scotland. While West Central and Southern Scotland also fare relatively poorly in the perception of good start-up opportunities, the North East appears to have a particular entrepreneurial self-efficacy gap, with over 70% of individuals who perceive good start-up opportunities indicating that the fear of failure would prevent them from pursuing those opportunities. Recall from earlier that the region also reported a significant collapse in total early-stage entrepreneurial activity in 2024. This suggests that there are underlying factors that make entrepreneurship in the region susceptible to failure, and both entrepreneurs and non-entrepreneurs in the general population can perceive that.

The North Eastern region is undoubtedly a core pillar of the Scottish economy, contributing a significant amount to employment, Gross Value Added (GVA), and innovation activity. However, diversification beyond the highly volatile energy sector and large employers has been highlighted as key, with nascent entrepreneurial promise identified in life sciences, and digital and creative industries.⁶ Strengthening these will help improve entrepreneurial capacity in the region and the wider Scottish economy.

⁵ <https://highlandsandislandsrep.scot/media/ub0guoyh/hirep-strategy-2025-2035.pdf>

⁶ <https://edin.ac/4phwrK1>

FIGURE 11
 Entrepreneurial
 capacity, Scottish
 ITL2 regions, 2024
 (Source: GEM
 UK APS 2024)



WIDER CULTURE

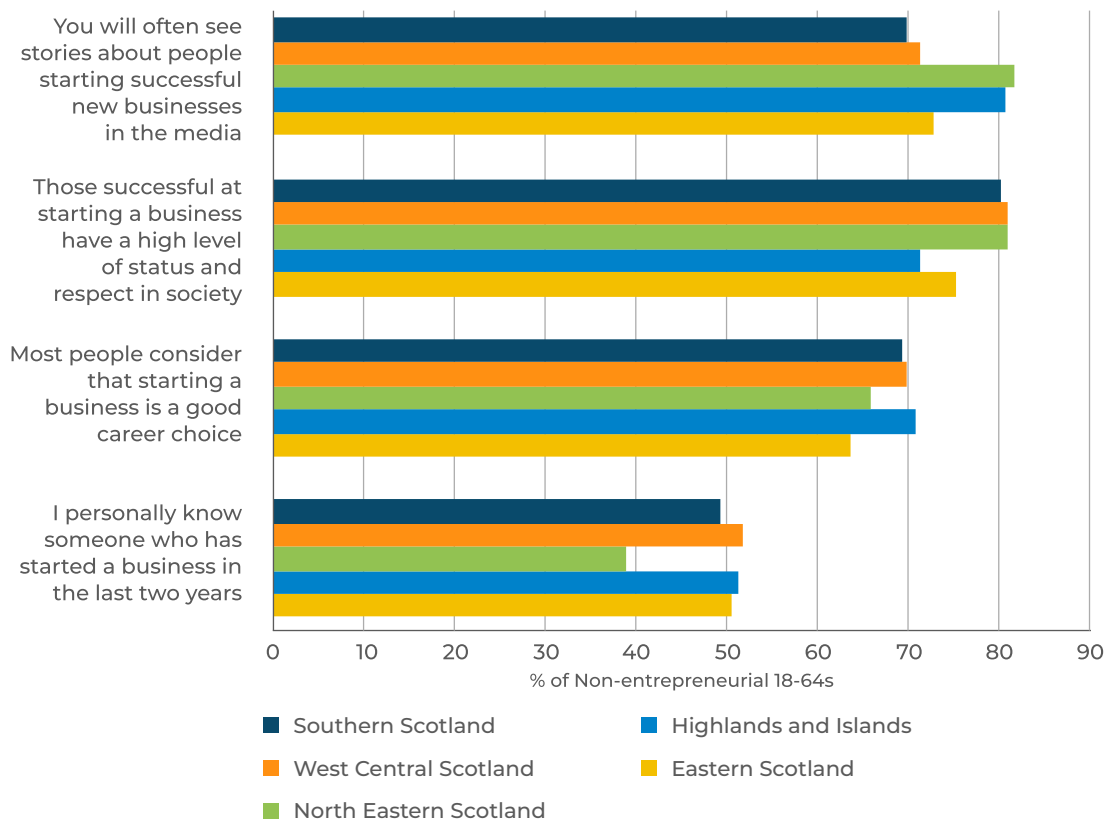
To further explore the wider cultural context that underpins entrepreneurial behaviour, GEM further asks the non-entrepreneurial adult population about perceptions and attitudes regarding entrepreneurship in general. In 2024, we see that entrepreneurship is very positively regarded in society, with over 70% of the adult non-entrepreneurial population indicating that start-up activity receives regular coverage in the media and successful entrepreneurship is well respected in society (Figure 12).

There are some notable regional differences, nevertheless. For example, in the Highlands and Islands, while new business activity is widely represented in the media, successful entrepreneurs appear less likely to attract as much social esteem in this region as they do elsewhere in Scotland. This is likely because of the much higher prevalence of business ownership and own-account work in the region, which makes entrepreneurial activity more or less commonplace.

Indeed, both the Highlands and Islands and Southern Scotland report greater endorsement of entrepreneurship as a career choice, compared to Eastern Scotland, for example, where perhaps corporate roles or the civil service are likely to provide gainful career options for many. Still, we see similar rates in people indicating that they personally know someone who has started a business in the last two years.

Notably, however, reinforcing the presence of idiosyncrasies in the North East that may be associated with a weaker entrepreneurship milieu, we find that a significantly lower proportion of the non-entrepreneurial population personally know someone that has engaged in early-stage entrepreneurial activity recently, and unsurprisingly, further, the endorsement of entrepreneurship as a good career choice is lower than that seen in much of the rest of the country.

FIGURE 12
Entrepreneurial attitudes, Scottish ITL2 regions, 2024 (Source: GEM UK APS 2024)



4. Interpretations and Implications

In Scotland and the wider UK, male TEA sustained a significant collapse in the pandemic period, while female TEA held steady and continued the strong trend in lowering the gender gap in entrepreneurship that had started back in 2017. In 2024, however, male TEA reported a significant jump. This contributed significantly to Scotland recording the highest TEA on record overall. The rate of Established Business Ownership also grew significantly to almost 8% of the adult population in Scotland, suggesting that a significant proportion of the Scottish labour force is engaged in entrepreneurship. That entrepreneurship, and the benefits it brings, is looking up in Scotland must thus be noted and celebrated.

Simultaneously, while the long-term trend in female TEA suggests a strong positive growth, the reopening of the gender gap in 2024 must be a matter of concern. The growth in male TEA with female TEA stalling in 2024 must therefore not be allowed to become an inflection point that portends the undoing of the gains towards gender parity in entrepreneurial activity that have been steadily building since 2017. Gender parity achieved through the decline of male TEA would be hollow, so concerted effort must be directed towards accelerating female TEA. However, the fact that female entrepreneurs are 10 points less likely than their male counterparts to perceive adequate sources of business support in their area suggests that gender gaps persist in the foundational inputs that drive and sustain entrepreneurial activity.

Thus, recent initiatives to promote gender and broader inclusivity in entrepreneurship through both national and local programmes, such as the Scotland-wide Pathways Fund⁷ and Glasgow City Council's Social Innovation Challenge Fund,⁸ should be commended and strengthened. Our findings also show that recent growth in Non-White TEA appears to have stalled and that Scotland has a greater prevalence of younger entrepreneurs. Both of these demographics are likely to require greater support, although a decline in Non-White TEA might also suggest improvements in employment prospects among minority ethnic communities.

Other inclusivity dynamics, such as the apparent gender convergence in motivations, also provide other considerations for entrepreneurship policy. Specifically, female entrepreneurs must be adequately supported in line with their emerging motivations of generating wealth, not limited to traditional ascriptions to pro-social enterprise or economic participation that is organised around gendered family roles.

Consistent with previous GEM Scotland reports, 2024 continues to highlight regional differences in actual entrepreneurial activity, latent entrepreneurial capacity, and the wider cultural conditions and social attitudes that may shape entrepreneurial behaviour and its social and economic outcomes. In particular, while the fear of failure remains a significant factor stymying the potential enactment of near-ripe start-up ideas nationally, we find this to be slightly more pronounced in the

⁷ <https://pathway.ecosystemfund.co.uk>

⁸ <https://www.glasgow.gov.uk/article/10779/The-Social-Innovation-Challenge-Fund>

North-Eastern region. Indeed, the entrepreneurship landscape in the North East appears relatively weaker in a number of areas. Other regions also demonstrate given idiosyncrasies that have implications for entrepreneurial activity in context.

The National Strategy for Economic Transformation (NSET) sets out Entrepreneurial People and Culture as a primary Programme of Action, thereby making it a priority agenda.⁹ However, while NSET further gives a prominent place to Regional Economic Partnerships in the Productive Businesses and Regions programme, the existing Entrepreneurial People and Culture Programme of Action is mostly national in its design and seemingly uncoupled from the regional agenda.

Our findings, however, suggest that there are several multi-layered issues around entrepreneurial culture, attitudes, opportunities and activity that are highly contextualised within the respective Scottish regions. These undoubtedly in turn have implications on regional business demographics, economic diversification, productivity and resilience. It is therefore proposed that greater consideration is given to empowering entrepreneurship policy in a deeper, more comprehensive, and tailored manner in the regions, to enable such policy to be more effectively responsive to the specific regional contexts in which entrepreneurial activity is seeded, rooted and sustained.

⁹ <https://edin.ac/4pib0Zj>



DISCLAIMER

This report is based on data collected by the GEM consortium and the GEM UK team; responsibility for analysis and interpretation of the data is the sole responsibility of the authors.

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