



SPECIAL REPORT Women's Entrepreneurship

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GEM

SPECIAL REPORT

**Women's
Entrepreneurship**

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EXECUTIVE SUMMARY



Over the past decade and around the world, women have made substantial progress in health and education, as well as in political and economic arenas. This broad span of gender equity progress is most encouraging. It is occurring at a time when entrepreneurship is recognized as critical to economic development and sustainability worldwide. Given the global challenge of employment, it is imperative to enable women, who comprise half the global population, to participate constructively in the economic activities of their countries or regions. Entrepreneurship development is a key element in strategies that allow economies to benefit from the talents, energy and ideas – the productive potential – that women bring to the labor market.

In order to continue to inform the global discussion on the scale, scope, practice and impact of women's entrepreneurship, this special report presents a

comprehensive overview of women's entrepreneurship, drawing on current and longitudinal data captured through the work of the Global Entrepreneurship Monitor research consortium. This report covers 83 economies: 73 economies that participated in the 2014 GEM cycle, and 10 economies included in the survey of 2013 but not of 2014. Therefore, this report covers all economies participating in GEM since the last report, which was based on the 2012 cycle.

The *GEM Special Report: Women's Entrepreneurship* offers an in-depth view of women who start and run businesses around the world. It provides a broadly global and comprehensively detailed foundation to guide future research, policy decision-making and the design of initiatives and programs to enhance awareness and participation in women's entrepreneurship. The report facilitates understanding of women's

entrepreneurship by researchers, policy-makers, educators and practitioners. The ultimate aim is to foster an environment that: encourages women to see entrepreneurship as a viable career option; equips them with the tools to create the type and quality of business each wishes to build; and creates awareness among stakeholders who will support their efforts.

The report provides information on female entrepreneurship rates and gender gaps in the following key areas:

- Participation at multiple phases of activity
- Characteristics and motivations of women entrepreneurs
- Societal attitudes about entrepreneurship
- Impact indicators among entrepreneurs

Unique features of this report include: assessments of the percentage change in rates and gender gap for key indicators among 61 economies featured in reports for 2012 and 2014; and analyses of the relationship between gender gap indicators, measured by the World Economic Forum, and GEM entrepreneurship rates. The report also highlights comparisons across economic development levels and regional groups for multiple indicators on activity, attitudes, and impact. Additionally, the appendix offers an in-depth look at the entrepreneurship profile of each economy the report covers.

KEY FINDINGS

ENTREPRENEURSHIP ACTIVITY

Among 61 economies (out of 83) featured in this report and also in the previous report based on 2012 data, overall Total Early-Stage Entrepreneurship Activity (TEA) rates have increased by 7% since 2012, and the gender gap (ratio of women to men participating in entrepreneurship) has narrowed by 6%. TEA rates and gender gap ratios saw positive upward movement in three regions: factor- and efficiency-driven Asia, Latin America and the Caribbean and innovation-driven Europe.

The 83 economies examined in this report show substantial differences in women's TEA rates, ranging from a high of 41% in Nigeria and Zambia to a low of 2% in Suriname and Japan. In 10 economies, women are as likely as men, or more likely than men, to be entrepreneurs. These economies come from three regions: El Salvador and Brazil in Latin America and the Caribbean; Vietnam, Indonesia, Malaysia and the Philippines in Southeast Asia; and Zambia, Nigeria, Uganda and Ghana in Africa. In contrast, women in many efficiency-driven European and innovation-driven Asian economies exhibit TEA rates less than half those of men. These low female participation rates contribute to low overall TEA rates in these regions. The gender

gap is greatest in Turkey, where there are three female entrepreneurs for every 10 male entrepreneurs.

Africa's high female TEA rates are fuelled by a high proportion of women who intend to start a business in the near future. In a number of regions, women are approaching gender equity in entrepreneurial intentions, notably Latin America and the Caribbean, Africa, the Middle East, and Asia and Oceania (factor- and efficiency-driven). The Middle East however, despite high intentions, exhibits among the lowest regional averages for TEA and among the largest regional gender gaps.

The difference between TEA and established business rates is minimal for innovation-driven economies, while factor- and efficiency-driven economies show half the level of established business activity relative to TEA. This suggests greater demand for entrepreneurship in developing economies than in developed economies, with comparatively fewer enterprises making it to the mature stage. Innovation-driven economies exhibit less demand for entrepreneurship, but those who start are more likely to start sustainable businesses, and/or the environment enables this sustainability.

ENTREPRENEUR CHARACTERISTICS

The factor- and efficiency-driven regions tend toward younger entrepreneurs, with the 25-34 age groups having the highest rates. This is also the case in North America, while the remaining innovation-driven regions show the highest entrepreneurship rates among 35-44 year-olds.

The education level of entrepreneurs is approaching gender parity; 33% of women entrepreneurs in the economies studied have a secondary degree or higher level of education, versus 36% of men entrepreneurs. Among entrepreneurs in most economies of efficiency-driven Europe and innovation-driven regions, women are more likely than men to have this level of education.

The gender gap in the percentage of entrepreneurs with opportunity motivations is relatively low in every region. In the innovation-driven Middle East economies, women are proportionately more likely to have opportunity motives, but the TEA gender gap suggests that few start relative to men and rarely out of necessity.

This report adds evidence to research emphasizing the value of starting in teams. The GEM findings suggest that economies with a higher percentage of women entrepreneurs starting in teams of three or more also have a greater proportion of those with job creation ambitions. The highest prevalence of women entrepreneurs operating in teams was in the innovation-driven Middle East (27%) and innovation-driven Asia and Oceania (24%) regions. Teams were especially rare among women entrepreneurs in factor- and efficiency-driven Asia (7%), Africa (11%), and Latin America and the Caribbean (11%).

ATTITUDES

High female TEA rates in an economy are associated with the likelihood that women in society know an entrepreneur. It may be the case that where more entrepreneurs are present in an economy, women will commonly know one. However, affiliations with entrepreneurs can offer role models, advice, contacts and support, which may explain why economies with many women who know entrepreneurs are also likely to have high female startup rates. Many European economies exhibit an interesting finding, reporting low female entrepreneurship rates, but many women in society who know entrepreneurs.

Female TEA rates are also high where women hold strong perceptions about the presence of opportunities for starting a business. The gender difference for this indicator is relatively narrow (40% for women versus 45% for men), and in a number of factor- and efficiency-driven economies, women are slightly more likely than men to perceive good business opportunities. Among the 61 economies featured in both this report and the 2012 report, Europe, Israel and the United States saw increased female opportunity perceptions, but with less change to the gender ratio. In Asia, opportunity perceptions were noticeably lower, especially among innovation-driven economies.

This report shows a strong positive association between capability perceptions and TEA rates among women. The findings also reveal a noticeable gender gap in this indicator (46% for women versus 59% for men). Opportunity perceptions are reflective of the external environment; these often shift with changing conditions in an economy. Capability perceptions, on the other hand, are more reflective of one's self-perceptions, which are more stable or slowly changing. Evidence of this can be seen in the comparison of 61 economies that showed little change in capability perceptions from that reported in 2012.

Fear of failure among women is lowest in African economies, which, along with many Asian economies, shows fear of failure rates among women are often equal to or lower than that of men. Wider gender gaps appear in the majority of economies of efficiency-driven Europe and Latin America and the Caribbean. Fear of failure may be influenced by such factors as the perceived risks associated with the typical business one may start, or the extent to which women believe there will be negative consequences, or few other choices for income, if their businesses don't work out.

IMPACT

More than two-thirds of women entrepreneurs operate in the consumer-oriented sector, with around three-fourths of women entrepreneurs competing in these types of businesses in Africa, in factor- and efficiency-driven Asia, and in Latin America and the Caribbean. By comparison, 45% of men entrepreneurs compete in this sector. Distinct results can be seen in efficiency-driven Europe, which shows

a comparatively balanced distribution of sectors among women entrepreneurs. Among innovation-driven economies, North America and Europe exhibit a high prevalence (over one-fourth) of women entrepreneurs in the knowledge-intensive business services sector.

Job creation aspirations among women are high in efficiency-driven Europe, a region of relatively low TEA rates. This suggests that this region has fewer entrepreneurs who are, on average, more likely to grow and employ others. Although innovation-driven economies typically show a higher proportion of entrepreneurs with job creation aspirations, this report shows that women in factor- and efficiency-driven economies report less difference from innovation-driven economies on this measure, compared to other impact indicators.

Women entrepreneurs in nearly half of the economies in the GEM sample report equal or higher innovation levels than men entrepreneurs. In almost three-quarters of the economies in efficiency-driven Europe, female entrepreneurs report higher levels of innovation than male entrepreneurs; this may, in part, be attributed to the fact that there are proportionately more educated women (than men) entrepreneurs in this region. In Chile and India, more than half of women entrepreneurs believe they offer innovative products or services.

Since the 2012 report, the proportion of female entrepreneurs with 6+ job aspirations and innovative offerings has declined among 61 economies (by 9% from 2012 for job aspirations and 6% from 2012 for innovation). However, this decline was also seen in male entrepreneurs; as a result there was little or no change in the gender ratios overall for these indicators. In factor- and efficiency-driven Asia, and in efficiency-driven Europe and Israel, both the rates and the gender ratio around job expectations have declined. However, the rates and the gender ratio around innovation have improved, suggesting a focus towards innovation, but lower expectations for job creation. Innovation-driven Asia saw declines in both job aspirations and innovation, while the United States showed positive improvements in both indicators.

Factor- and efficiency-driven Asia, and also Africa, report low international orientation among women entrepreneurs in most economies. In contrast, women entrepreneurs across Europe display particularly high levels of internationalization.

Analyses of TEA rates with gender gap indicators measured by WEF, show that the rate of female entrepreneurship activity increases significantly with greater parity in economic participation, but decreases significantly with greater educational attainment. This indicates that the more women participate in the economy relative to men, the more likely they are to be entrepreneurs. However, where women achieve a higher level of education than men, they start businesses less frequently.

IMPLICATIONS

1. Women matter to economic development – they invest in their communities, educate their children, and pay back the benefits they receive by helping others. This report has revealed improvements in female entrepreneurship rates and gender gaps in 61 economies in no more than two years. Other results show gender equity in many regions and in indicators such as education and innovation levels. Greater awareness of the importance and nature of women's entrepreneurship and programs addressing these efforts may have already contributed to progress in this activity. Continued efforts are essential everywhere, while regional variations imply distinct needs and levels of emphasis in different parts of the world.
2. Environmental conditions and constraints weigh differently on the sexes. This continues to be the biggest challenge women face worldwide. Subtle biases exist in many societies that suggest women have lower ambitions or are less capable, or that running businesses is inappropriate for them. This can, for example, inhibit their ability to gain access to growth capital.¹ These biases need to be identified and eliminated so women entrepreneurs have the same opportunities as men to grow their businesses.
3. Higher TEA rates are often found in less developed economies, where women are highly likely to participate in the workforce. Many women in these economies pursue entrepreneurial endeavors to provide for their families, generally through basic types of consumer-focused businesses – both products and services. As such, they can be considered the basic engine of their local economies. However, they still face constraints in sustaining their businesses. Entrepreneurship is a multiphase endeavor that implies a need not only for facilitating women to start ventures, but also helping them maintain them into maturity.
4. Improvements in education provide quality career choices for women, whether it is work as an employee, or the launch of high impact entrepreneurial ventures. Education programs that equip women with the ability to start and grow businesses provide career options they can consider at any point in their lives.
5. The advantage of teams may depend on the type of business started, cultural/social norms and other conditions. However, given that women who start in teams are more likely to have higher impact with their businesses, it is imperative to provide opportunities for women entrepreneurs to start with co-founders.
6. While women are nearly equally likely as men to recognize the presence of opportunities around them, gender gaps are apparent in capability perceptions and

Women entrepreneurs in nearly half of the economies in the GEM sample report equal or higher innovation levels than men entrepreneurs.

fear of failure. Capabilities are rooted in both education and in social support. Economies with initiatives that increase visibility and access to role models are likely to encourage women entrepreneurs to start and grow businesses. Programs that enhance skills and competencies for women entrepreneurs, and other initiatives such as mentoring and advising, should include developing and assessing women's confidence to take advantage of opportunities and building their capacity for managing risk.

7. Access to financing at all stages of business development for women entrepreneurs is essential, but should also recognize progress in a business, and in society, that shift financing needs. For example, a challenge for women in moving from micro businesses to small and medium-sized businesses requires a change from financing sources such as micro-finance to normal banking conditions where there is often bias in the lending process.²
8. Women entrepreneurs participate heavily in the consumer-oriented sector, which is considered easier to enter, but more difficult to sustain because of low entry barriers and high competitiveness. But increasingly, businesses in foods, textiles and other areas are becoming more important, especially given the rise of challenges around food, clothing and other basic needs, as well as movements to buy local. To the extent women are starting businesses in sectors where greater social problems might exist, they are well positioned to grow and have impact.
9. Women in factor- and efficiency-driven economies report less difference from innovation-driven economies on job aspirations, compared to other impact indicators. This could reveal the growth opportunities existing in still-developing markets, which suggest the need to support high-impact female businesses in regions where environmental constraints may weigh heavily. At the same time, this finding might suggest that more traditional bureaucratic societies limit entrepreneurial aspirations in the developed world, implying a particular need to address these constraints.

1 <http://www.goldmansachs.com/citizenship/10000women/news-and-events/10kwprogressreport.html>.

2 <http://www.goldmansachs.com/citizenship/10000women/news-and-events/10kwprogressreport.html>.

INTRODUCTION



Over the past decade and around the world, women have made substantial progress in health and education, as well as in political and economic arenas. The *Global Gender Gap Report 2014* by the World Economic Forum shows that 35 countries have closed the gender gap in health and survival, while other countries have closed the gap in education.¹ Similarly, 37 countries have closed the political empowerment gender gap, including many in the Middle East, North Africa and Asia Pacific.²

Globally, women play a major role in driving the world economy, controlling about \$20 trillion in annual consumer spending, a number expected to rise to nearly \$28 trillion in the next five years.³ Women now make up 40% of the global workforce. They are earning professional degrees in record numbers, and companies have implemented programs to remove organization-structure biases in order to support women's full participation in leadership.⁴ In the United States, women

1 <http://reports.weforum.org/global-gender-gap-report-2014/part-1/the-global-gender-gap-index-results-in-2014/>.

2 Ibid.

3 <https://hbr.org/2009/09/the-female-economy>.

4 <http://www.catalystwomen.org>, Carter & Silva, 2010, HBRF.

hold almost 52% of all professional level jobs.⁵ In 2014, the number of women CEOs in Fortune 500 companies reached an all-time high, with 24 women leading some of America's top companies, up from 20 the previous year, and greater than at any time since *Fortune* magazine started compiling executive gender numbers in 1998, when only one woman led a Fortune 500 company.⁶

This progress toward gender equity is most encouraging. It is occurring at a time when entrepreneurship is recognized worldwide as critical to economic development and sustainability. Entrepreneurs create jobs for themselves and enrich stakeholders, including employees, investors, suppliers, and organizations they work with. They benefit their societies by creating solutions to social problems, introducing innovations that help people live better lives, and launching new industries and reviving mature ones.

Given the global challenge of employment, it is imperative to enable women, who comprise half the global population, to participate constructively in the economic activities of their countries or regions. Entrepreneurship development is a key element in strategies that allow economies to benefit from the talents, energy and ideas – the productive potential – that women bring to the labor market.

According to the *World Employment and Social Outlook: Trends 2015* report (the WESO report) by the ILO, gender gaps persist in the labor market. Overall, women compared to men continue to suffer from higher rates of unemployment, are less likely to participate in the labor force for economic and cultural reasons, and face higher risks of vulnerable employment, with conditions such as inadequate earnings, difficult work circumstances and lack of consideration for workers' rights. The WESO report highlights specific economic benefits of increased female participation in the labor force.⁷

- Economies with high female labor-force participation rates are more resilient and experience slowdowns of economic growth less often.

- Female labor-force participation is a powerful anti-poverty device: where household income derives from the paid work of more than one household member; particularly when these members work in different sectors or occupations, the risk for a household to lose all income due to an adverse macroeconomic event is lessened.

5 Warner, J. 2014. The Women's Leadership Gap, Center for American Progress.

6 <http://fortune.com/2014/06/03/number-of-fortune-500-women-ceos-reaches-historic-high/>.

7 *World Employment and Social Outlook: Trends 2015*, International Labour Organization, Geneva, Switzerland, 2015.

- Gender gaps in labor-force participation indicate substantial loss in income and economic development. Countries and regions with the largest gaps incur income losses of up to 30% of GDP per capita.⁸

Strong evidence demonstrates that women's entrepreneurship matters greatly for societal development and prosperity. The World Bank shows that female entrepreneurs contribute substantially to economic growth and poverty reduction around the world. Despite obstacles such as lack of capital and strict social constraints, women continue to launch and grow businesses.⁹

A recent analysis from the Goldman Sachs *10,000 Women* initiative shows that women entrepreneurs participating in the program from 43 developing countries dramatically expanded their businesses. The businesses grew employment an average of 50% within six months after program completion, and revenues increased by 480% within 18 months post-program. Eighty-seven percent of participants mentored other women entrepreneurs in their communities.¹⁰

Other studies support the Goldman Sachs approach to creating economic and social value by investing in women entrepreneurs. A recent study found that women are likely to invest 90 cents of every dollar they earn in *human resources*, meaning their family's education, health and nutrition, compared to 30 or 40 cents for men.¹¹ Women entrepreneurs are likely to contribute to family education and invest in their communities using profits from their businesses.¹²

This report presents a comprehensive overview of women's entrepreneurship, drawing on current and longitudinal data captured through the work of the Global Entrepreneurship Monitor research consortium. It continues the purpose embedded in prior GEM women's reports to inform the global discussion on the scale, scope, practice and impact of women's entrepreneurship.

8 *Global Employment Trends 2014: Risk of a jobless recovery?* International Labour Organization, Geneva, Switzerland, 2014.

9 <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTGENDER/0,,contentMDK:23392638~pagePK:210058~piPK:210062~theSitePK:336868,00.html>.

10 *Investing in the Power of Women; Progress Report on the Goldman Sachs 10,000 Women Initiative*, Developed by Babson College, Wellesley, MA, 2014.

11 Vanderbrug, J., *The Global Rise of Women Entrepreneurs*. Capital Acumen, Issue 25.

12 <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTGENDER/0,,contentMDK:23392638~pagePK:210058~piPK:210062~theSitePK:336868,00.html>.

THE GLOBAL ENTREPRENEURSHIP MONITOR AND OBJECTIVES OF THIS REPORT



Since its first survey in 1999, the Global Entrepreneurship Monitor (GEM) has gained widespread recognition as the most informative and authoritative longitudinal study of entrepreneurship in the world. In the 16 years since its inception, GEM has measured entrepreneurship in over 100 economies, covering all geographic regions and economic development levels. The 2014 survey alone assessed entrepreneurship across an estimated 72% of the world's population and 90% of the world's GDP.

GEM provides a comprehensive view of entrepreneurship around the globe by measuring the attitudes of a population, and also the motivations, characteristics, and ambitions of individuals involved in various phases and types of entrepreneurial activity. Data harmonization allows comparison of different economies and helps guide the formulation of effective and targeted policies aimed at stimulating entrepreneurship. Appendix B contains further information about the GEM Consortium and its methodology.

This *GEM Special Report: Women's Entrepreneurship* continues a biannual assessment of women's entrepreneurship by GEM researchers. The report covers 83 economies: 73 economies that participated in the 2014 GEM cycle and 10 economies included in the survey of 2013 but not of 2014. Therefore, the report covers all economies participating in GEM since the last report, which was based on the 2012 cycle. A list of these economies grouped by region and economic development level appears in Table 1.

GEM research recognizes that geography and culture, as well as level of economic development, may explain patterns in the rate and nature of entrepreneurship, as well as societal attitudes regarding this activity. The report groups economies by geographic location and economic development level, addressing culture throughout the discussion. With regard to the stages of economic development, GEM classifies economies as factor-driven, efficiency-driven or innovation-driven, categories used by the World Economic Forum

in its annual *Global Competitiveness Report*. This classification is based on the level of GDP per capita and the share of exports of primary goods to total exports (Schwab and Salari-Martin, 2014).¹

1 Factor-driven economies are countries in the early stages of economic development, typically with a large agricultural sector. The majority of the population tends to live in rural areas. Industrial activity often depends on extraction of natural resources. Migration from rural to peri-industrial areas may feed necessity-based entrepreneurship, as surplus workers are forced into self-employment to make a living. In efficiency-driven economies, as the industrial sector develops, higher productivity is achieved through economies of scale and development of financial institutions. Increasing productivity, combined with the opening up of an independent supply of financial capital from the emerging banking sector, expands opportunities for the development of small-scale and medium-sized manufacturing sectors. Innovation-driven economies are mature, characterized by a gradual shift to an expanding service sector catering to needs of an increasingly affluent population. The industrial sector evolves and experiences improvements in variety and sophistication. This is typically associated with increasing research and development, knowledge intensity and innovation.

Data in this report, collected in annual surveys administered by GEM National Teams, were analyzed with a focus on women's involvement in entrepreneurship. The report provides information on female rates and gender gaps in the following key areas:

- Participation at multiple phases of activity
- Characteristics and motivations of women entrepreneurs
- Societal attitudes about entrepreneurship
- Impact indicators among entrepreneurs

Unique features of the report include assessments of the percentage change in rates and gender gap for key indicators among 61 economies featured in this report and the 2012 report; and analyses of the relationship between gender gap indicators, measured by the World Economic Forum, and GEM entrepreneurship rates. The report compares indicators of activity, attitudes and impact across economic development levels and regional groups. Appendix A profiles entrepreneurship in each economy covered. Implications of the GEM data may help policy-makers produce more informed decisions about how to increase venture development among entrepreneurs.

Table 1: GEM Economies by Geographic Region and Economic Development Level

Africa	Algeria*, Angola, Botswana, Burkina Faso, Cameroon, Ghana*, Libya*, Malawi*, Nigeria*, South Africa, Uganda, Zambia*
Middle East: (Innovation-Driven)	Israel*, Kuwait, Qatar
Latin America & Caribbean	Argentina, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Jamaica, Mexico, Panama, Peru, Puerto Rico, Suriname, Trinidad & Tobago, Uruguay
Asia & Oceania: (Factor- and Efficiency-Driven)	China, India, Indonesia, Iran, Kazakhstan, Malaysia, Philippines, Thailand, Vietnam
Asia & Oceania: (Innovation-Driven)	Australia, Japan, Republic of Korea*, Singapore, Taiwan
Europe: (Efficiency-Driven)	Bosnia & Herzegovina, Croatia, Estonia, Georgia, Hungary, Kosovo, Latvia, Lithuania, Macedonia*, Poland, Romania, Russia, Turkey
Europe: (Innovation-Driven)	Austria, Belgium, Czech Republic*, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom
North America	Canada, United States

*Participated in GEM 2013 But Not in GEM 2014 Cycle

KEY:
 Factor-Driven Economies
 Efficiency-Driven Economies
 Innovation-Driven Economies

CHAPTER 1

Women's participation in entrepreneurship across multiple phases of activity



1.1 PHASES OF ENTREPRENEURSHIP

GEM examines entrepreneurial activity as a continuous process rather than a single event. The Adult Population Survey (APS) is designed to allow measurement and assessment of individual participation across a range of phases comprising entrepreneurial activity: entrepreneurial intentions, nascent and new business activity, established business ownership, and business discontinuance.

Potential entrepreneurs need to identify opportunities for starting a business and, to varying degrees, believe that they have the necessary skills, knowledge and experience to do so. However, perceiving an opportunity and having the skills to pursue it does not necessarily lead to intentions to start a business. Individuals will assess the opportunity costs, risks and rewards of starting a business versus the availability of employment preferences and options. GEM therefore acknowledges that entrepreneurs may be motivated by either necessity

(a lack of better job choices) or opportunity (choosing to pursue an entrepreneurial opportunity).

In addition, potential entrepreneurs will also consider the degree to which the environment for entrepreneurship is sufficiently enabling and supportive. In this manner, population-level attitudes signal not only the presence of potential entrepreneurs, but also the extent to which society will support their efforts. Chapter 3 assesses societal attitudes and their link to entrepreneurial activity.

1.1.1 ENTREPRENEURIAL INTENTIONS

GEM defines entrepreneurial intentions as the percentage of the adult population between 18-64 years (excluding individuals already engaged in any stage of entrepreneurial activity) who intend to start a business within the next three years. GEM consistently shows a close relationship between entrepreneurial intentions and actual startups. Therefore, if policy-makers and service providers are to stimulate and support new generations of women entrepreneurs, they will need to foster entrepreneurial intentions in their regions and identify and reduce factors that inhibit this phase of the cycle.

GEM defines entrepreneurial intentions as the percentage of the adult population between 18-64 years who intend to start a business within the next three years.

Female intentions are highest overall in African, Latin American and Middle Eastern economies (Table 1.2). These three regions, as well as Asia and Oceania (factor- and efficiency-driven), are the strongest performers in gender equity. Efficiency-driven European economies show the lowest female-to-male ratios.

Table 2: Entrepreneurial Intentions (Average) by Region and Gender

Region	Entrepreneurial Intentions (Female)	Entrepreneurial Intentions (Male)	Ratio Female/Male
Latin America & Caribbean	30	33	0.91
Africa	47	52	0.90
Asia & Oceania (Factor- and Efficiency-Driven)	22	26	0.85
Europe (Efficiency-Driven)	15	24	0.62
Middle East (Innovation-Driven)	41	46	0.89
Asia & Oceania (Innovation-Driven)	12	16	0.75
Europe (Innovation-Driven)	10	15	0.67
North America	13	20	0.65
GEM Average	22	29	0.76

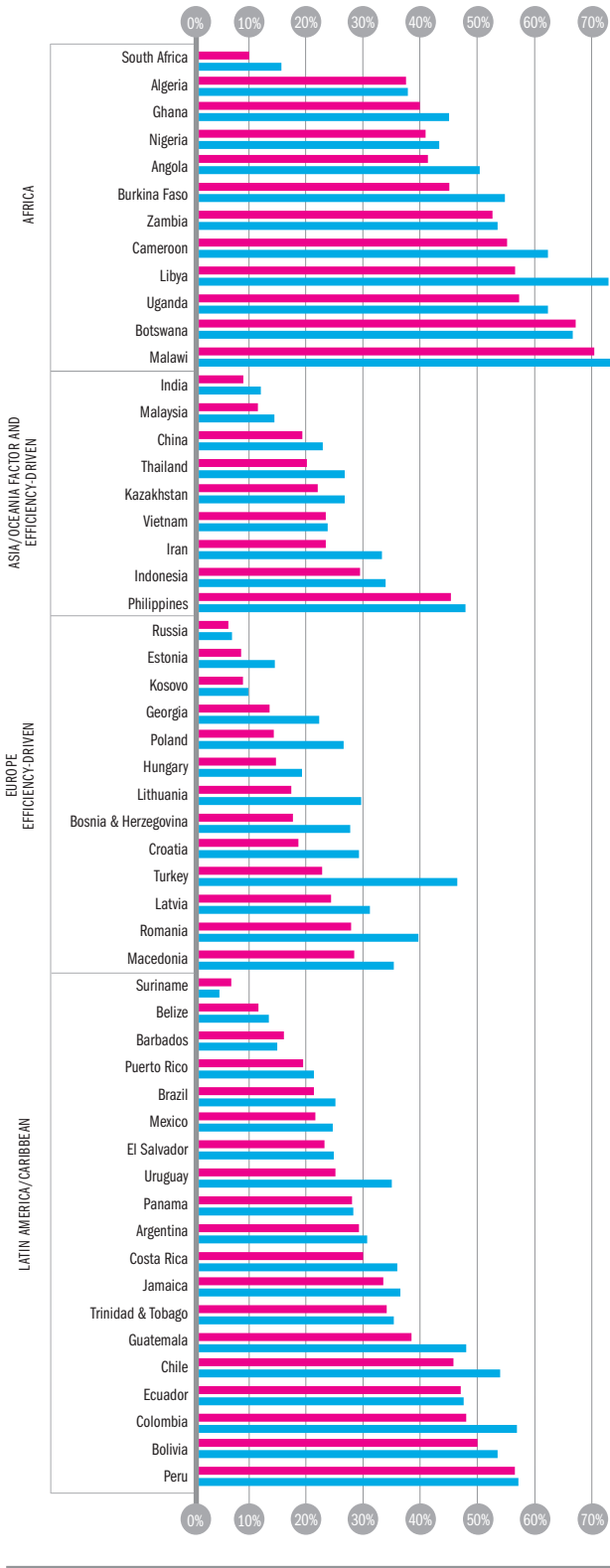


Figure 1: Percentage of Adults Intending to Start a Business in Factor- and Efficiency-Driven Economies, by Region and Gender

*With two exceptions: Puerto Rico and Trinidad and Tobago are Innovation-Driven (this holds for all other charts).

— Intentions Female
— Intentions Male

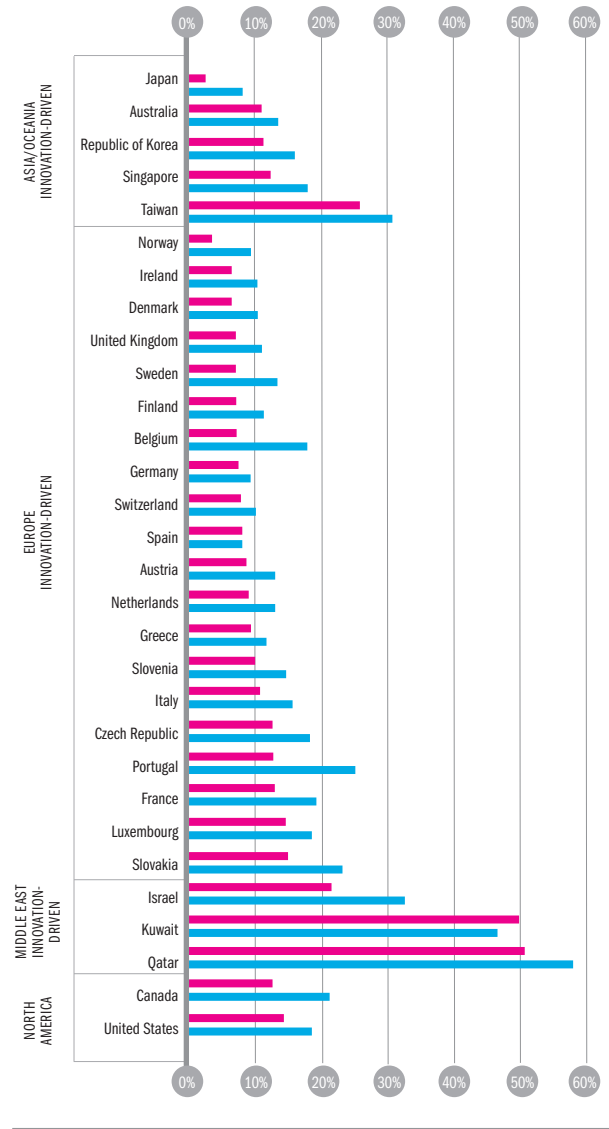


Figure 2: Percentage of Adults Intending to Start a Business in Innovation-Driven Economies, by Region and Gender

— Intentions Female
— Intentions Male

Within regions, individual economies vary considerably in female entrepreneurial intentions (Figures 1 and 2). Africa shows generally high intentions among women across the region, with the exception of South Africa. Latin America and the Caribbean show sizeable differences in female intentions among the economies. In Suriname, Barbados and Kuwait, women exhibit higher rates of entrepreneurial intention than men. In Turkey and Belgium, on the other hand, women are less than half as likely as men to express entrepreneurial intentions; in Norway and Japan, women are one-third as likely as men to intend to start a business. Given the importance of having a healthy supply of ready entrepreneurs in a society, these findings raise questions about the type of support and encouragement women need in order to develop entrepreneurial intentions.

1.1.2 EARLY-STAGE ENTREPRENEURSHIP ACTIVITY

A central indicator of GEM is the Total Early-stage Entrepreneurship Activity (TEA) rate, which measures the percentage of the adult population (18 to 64 years) in the process of starting a business and those who have recently started one. This indicator measures individuals at two phases of the entrepreneurship process: nascent entrepreneurs who have not paid salaries or wages for more than three months, and new business owners who have moved beyond the nascent stage and paid salaries and wages for more than three but fewer than 42 months.

TEA rates for women are highest in factor-driven economies where GDP per capita is low. Differences exist within this development phase however; for example, factor-driven African economies show both high rates of female entrepreneurship and high female-to-male ratios, while those in northern Africa exhibit low female rates and low female-to-male ratios.

Rates decrease in efficiency-driven economies as GDP per capita increases. This could be attributed to expanding industrialization. Large established firms play an increasingly important role in the economy, providing stable employment for a growing number of people as a viable alternative to self-employment, thus displacing potential entrepreneurial activity. Contrasting results appear at this level of development between Latin America, which shows higher female rates and gender parity, and efficiency-driven Europe, which exhibits lower rates and wider gender gaps.

Innovation-driven economies have greater availability of resources and more affluent markets, which may stimulate an increase in opportunity motivated entrepreneurship. At the same time, more jobs are available with existing organizations; and many people will prefer jobs as employees. Employment benefits such as health care, family leave, pensions, and job protection reduce preferences for entrepreneurship.

Another factor influencing TEA rates is the level of unemployment. Necessity-based entrepreneurship activity rises with higher levels of unemployment, as established companies and the formal economy are unable to meet demand for jobs. Opportunity-based entrepreneurship, on the other hand, often declines in times of high unemployment, as those with jobs hesitate to start businesses in an uncertain environment when conditions such as contractions in financial markets and reduced consumer spending pose additional risks. Four southern European economies offer an example where stalled recovery from recession affected jobs. Italy shows low female TEA rates compared to the regional average; and Spain, Portugal and Greece exhibit higher TEA levels, but a low proportion due to opportunity. Chapter 2 provides additional discussion on opportunity-based entrepreneurship.

The ratio of female-to-male participation in early-stage entrepreneurial activity reflects differences in culture and customs regarding women's participation in the economy. It also signals other factors such as the extent to which women need to generate income for their families, the availability of good job alternatives for women, and policies and

Table 3: TEA Rates (Average) by Region and Gender (Percentage of Adult Population for Each Gender Involved in TEA)

Region	Female TEA Rate	Male TEA Rate	Ratio Female/Male
Africa	25	26	0.96
Asia & Oceania (Factor- and Efficiency-Driven)	14	15	0.93
Latin America & Caribbean	15	19	0.79
Europe (Efficiency-Driven)	6	13	0.46
North America	11	16	0.69
Middle East (Innovation-Driven)	8	14	0.57
Europe (Innovation-Driven)	5	9	0.55
Asia & Oceania (Innovation-Driven)	6	11	0.54
GEM Average	11	16	0.69

practices that affect genders differently. Culturally, family roles and responsibilities may encourage or discourage women. Worldwide, women are expected to have primary responsibility for child care, two to 10 times more than men, and for elder care as well. Similarly, women devote one to three hours more per day to housework than do men.¹

Among factor- and efficiency-driven economies (Table 3 and Figure 3), Africa and Southeast Asia show the highest gender equality in TEA. Both regions have a number of economies where women are more likely to be involved in early-stage entrepreneurial activity than men. In Africa, high gender parity in TEA contributes to high overall TEA rates in the region. Zambia, Nigeria, Uganda and Ghana exhibit higher TEA rates among females than males.

Southeast Asia is remarkable for its high level of gender equity, although it has lower overall TEA rates than Africa. In four of the five Southeast Asian economies (Malaysia, Indonesia, Philippines and Vietnam), women are more likely than men to engage in early-stage entrepreneurial activity. In Thailand, women are almost as likely as men to be entrepreneurs. At the other end of the scale, in almost two-thirds of efficiency-driven European countries, women have TEA rates less than half those of men. Low female participation rates contribute to low overall TEA rates.

Innovation-driven economies display low gender parity for TEA, possibly resulting from factors such as availability of jobs and women's preference for work as employees, higher family incomes that allow some to stay out of the workforce, or unequal access to resources. And, as in other economic development phases, women bear responsibility for most dependent care of young and old. On the other hand, higher family incomes and availability of employment options may also suggest that women who start businesses are motivated by opportunity.

In stark contrast to factor- and efficiency-driven Asia and Oceania, innovation-driven Asian economies show markedly low rates of female participation. In three of the five Asian economies, women have TEA rates less than half those of men. In Japan, women are less than one-fourth as likely as men to be entrepreneurs.

Low female TEA rates and female-to-male ratios in innovation-driven Europe are consistent with many of the efficiency-driven European countries. This suggests that regional characteristics, rather than economic development level, are important factors contributing to the low level of entrepreneurial activity. A notable outlier in Europe is Switzerland, where women are slightly more likely than men to engage in entrepreneurship activity. In Israel, lower female than male participation reduces overall rates.

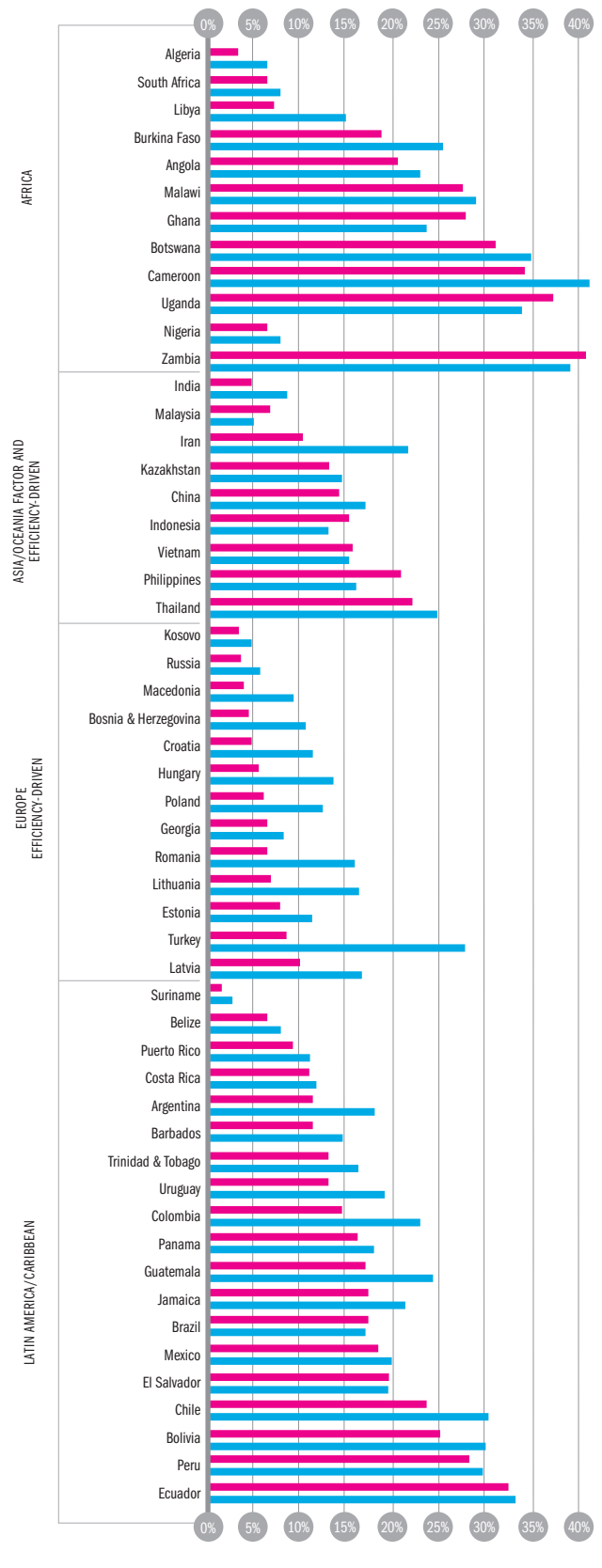


Figure 3: TEA Rates for Factor- and Efficiency-Driven Economies, by Region and Gender

Female TEA (% of Adult Female Population)
Male TEA (% of Adult Male Population)

1 Facts and Figures: Economic Empowerment. <http://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>.

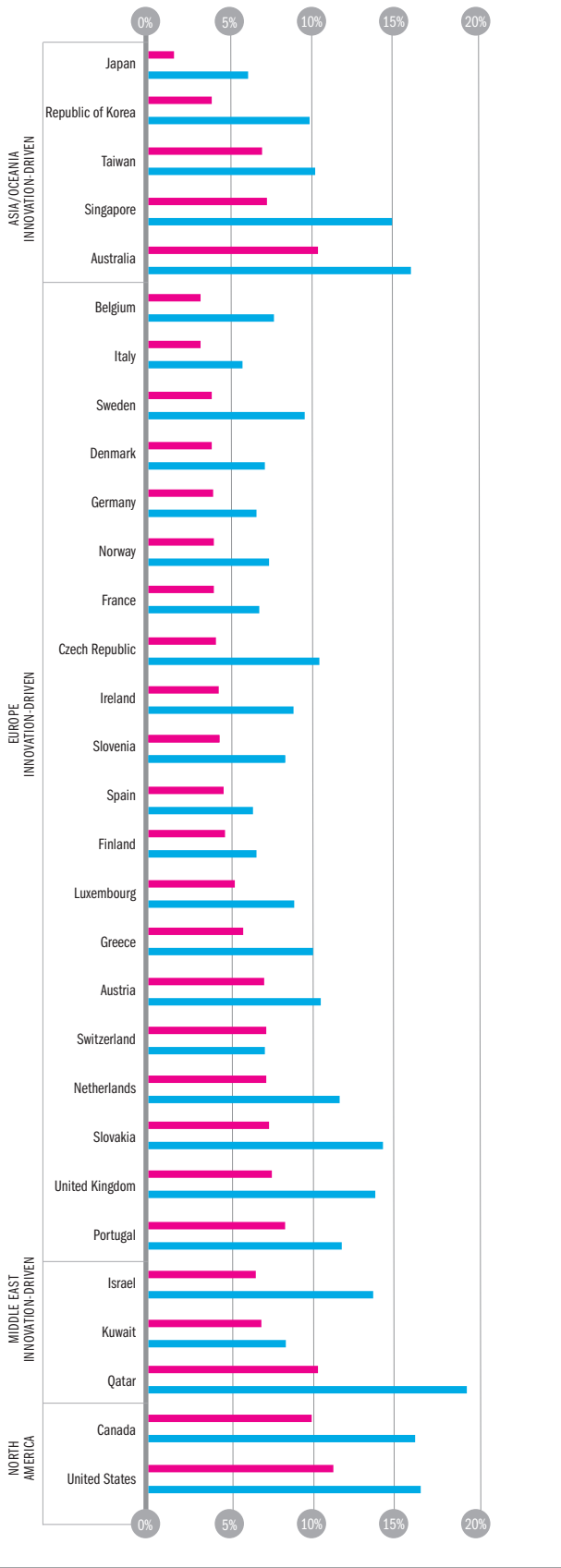


Figure 4: TEA Rates for Innovation-Driven Economies, by Region and Gender

█ Female TEA (% of Adult Female Population)
█ Male TEA (% of Adult Male Population)

1.1.3 CHANGES IN TEA RATES FROM 2012

Sixty-one economies featured in this report were also covered in the previous GEM 2012 Women’s Report.² For several key indicators, an analysis was made of the percentage change from 2012 in rates and in female-to-male ratios. On average, female TEA rates increased 7% over 2012 for these economies. In addition, the ratio of female-to-male TEA rates improved 6%. Impressive gains may be seen in the Asia in factor- and efficiency-driven region. TEA rates also moved up in innovation-driven Europe, as did the ratio of female-to-male TEA. Notably, many developed European countries have created initiatives and programs to stimulate startup activity among women, and researchers are publishing studies on women’s entrepreneurship in this region; both appear to be reflected in the positive changes noted. In contrast, innovation-driven Asia shows a decline in both female TEA rates and the gender ratio for TEA. This is of concern because this region already exhibits low female TEA rates and low gender equality.

2 Kelley, D., Brush, C., Greene, P., and Litovsky, Y. (2013). *Global Entrepreneurship Monitor (GEM) 2012 Women’s Report*, London: Global Entrepreneurship Research Association. See list of countries below.

Africa	Algeria,* Angola, Botswana, Ghana,* Malawi,* Nigeria,* South Africa, Uganda, Zambia*
Middle East	Israel*
Latin America & Caribbean	Argentina, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Jamaica, Mexico, Panama, Peru, Puerto Rico, Suriname, Trinidad & Tobago, Uruguay
Asia & Oceania:	China, Iran, Malaysia, Thailand
Asia & Oceania:	Japan, Republic of Korea,* Singapore, Taiwan
Europe:	Bosnia and Herzegovina, Croatia, Estonia, Hungary, Latvia, Lithuania, Macedonia,* Poland, Romania, Russia, Turkey
Europe:	Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom
North America	United States

*This Report uses 2013 Data for These Economies; Difference Measured is Therefore One Year

Table 4: Percentage Change in Female TEA Rates and Female/Male TEA Ratio from 2012

Region	Female TEA	TEA Ratio F/M
Africa	-5%	10%
Asia & Oceania (Factor- and Efficiency-Driven)	23%	14%
Europe (Efficiency-Driven)	5%	0%
Latin America & Caribbean	16%	4%
Asia & Oceania (Innovation-Driven)	-5%	-10%
Europe (Innovation-Driven)	13%	13%
Israel*	20%	-33%
United States	7%	-1%
Overall Average: All 61 Economies	7%	6%

1.1.4 ESTABLISHED BUSINESS ACTIVITY

The level of established business ownership indicates the sustainability of entrepreneurship efforts in an economy. Established businesses have moved beyond the *nascent* and *new* phases, and they contribute to a country's economy through ongoing introduction of new products and processes and a stable employment base. The *GEM 2010 Global Report* argues that advances in economic development require business activities exhibiting both dynamism and stability, i.e., nascent/new and established businesses. Dynamism ensures continuing renewal

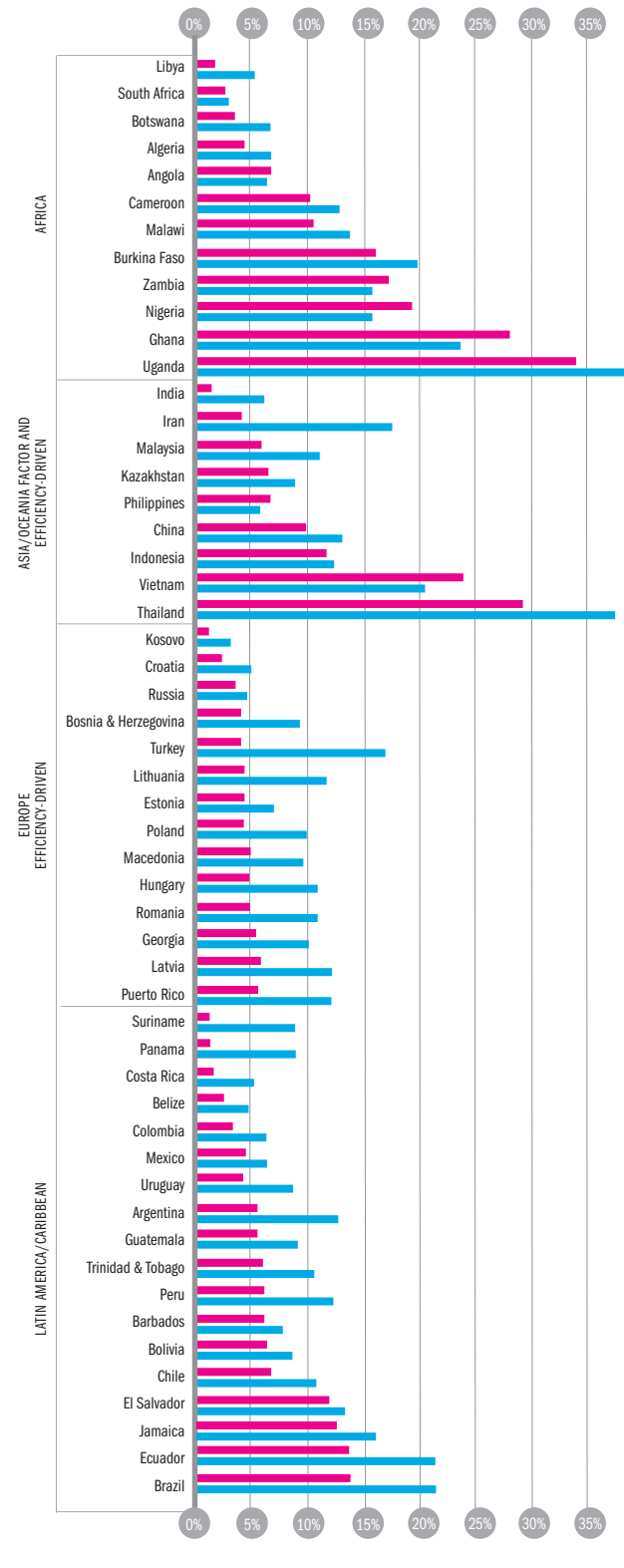


Figure 5: Established Business Ownership in Factor- and Efficiency-Driven Economies, by Region and Gender

*With Two Exceptions: Puerto Rico and Trinidad and Tobago are Innovation-Driven

Established Business Female
Established Business Male

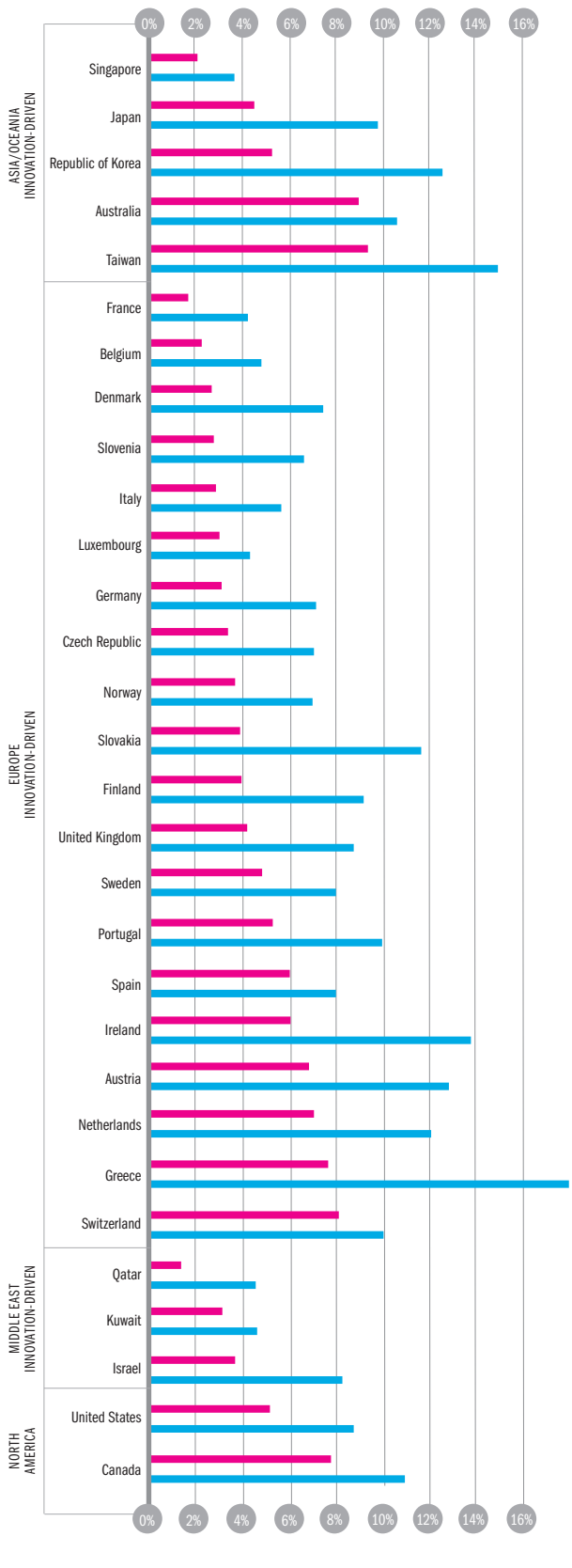


Figure 6: Established Business Ownership in Innovation-Driven Economies, by Region and Gender

Established Business Female
Established Business Male

of ideas in a society, while stability allows enterprises with the most promise to survive and grow. Thus, while early-stage entrepreneurship is important for creating dynamism in economic activity, established businesses are important for preserving stability.

The level of established business activity in factor- and efficiency-driven economies (Figure 5) is similar to TEA level, with Africa showing the highest rates and highest gender equality. This is in line with research by Bardasi *et al.* (2007), whose analysis of enterprise survey data in Africa found that businesses already operating show no significant difference in performance and productivity under male or female entrepreneurs. Bardasi *et al.* suggest that Africa has “considerable hidden growth potential in its women, and tapping into that potential ... can make a substantial difference for Africa’s growth and poverty reduction.”³

Thailand has the highest rate of established business activity in Asia for both women and men. Both genders show established business rates higher than TEA rates, an indication of business sustainability. In Vietnam, where TEA rates are the same for both genders, the rate of established women entrepreneurs is 1.2 times higher than for men.

In efficiency-driven Europe, established business rates among women are low, and women in almost two-thirds of economies have established business rates less than half those of men. Libya, Botswana, Panama, Costa Rica and Puerto Rico have low female established business rates and low female TEA rates. In economies where TEA rates are higher than established business rates, women may face substantial challenges to sustain their businesses. On the other hand, this could indicate that startup activity has recently increased, whether from need or opportunity (which will show up in future years as increased established business activity).

Among innovation-driven economies in Asia and Europe, low established business rates among women reflect low startup rates. Low TEA levels signal fewer nascent and new businesses to feed mature business activity in these economies. Of concern, however, in innovation-driven Europe, is that the gender gap for established business activity is substantially wider than for TEA activity. In more than half the economies in this region, female established business rates are less than half those for males. In terms of TEA, the same holds true for only one-fifth of economies in the region. Among Middle Eastern economies, Qatar’s established business rate for women is much lower than female TEA (1.4% compared to TEA of around 10%).

3 Bardasi, E., Blackden, M., and Guzman, J.C. “Gender, Entrepreneurship and Competitiveness in Africa,” *Africa Competitiveness Report 2007*, World Economic Forum, Geneva Switzerland.

1.1.5 BUSINESS CLOSURE

The rate of business closure may serve as another indicator of entrepreneurship sustainability in an economy. Reasons for business closure vary, including lack of profitability, problems accessing finance, running out of working capital, and change of mind or lifestyle by an owner on how she is earning income or spending time. Thus, closure may not necessarily equate to failure.

In most African economies, women report higher rates of business closure than men (Figure 7). Many African countries have strong cultural practices that traditionally impose restrictions on women and their behavior. Gender stereotyping places higher domestic burdens on women (household chores and family responsibilities), which may contribute to the higher rate of business closure among women in this region. Malawi has particularly high business closure rates for both genders – more women have closed a business in the last year than are starting or running a new business. Cameroon and the Philippines also have relatively high business closure rates, which in turn reflect their high startup rates.

Entrepreneurship is inherently risky, and a certain level of business closure is inevitable when there are numerous startups. However, an excessively high business closure rate could mean that few entrepreneurs are starting viable businesses, or that they are unable or do not intend to sustain these businesses. In addition, the entrepreneurship environment may not be sufficiently supportive or enabling. This is a particular concern in areas where there is high necessity. Necessity-based businesses are generally highly liquid, requiring low amounts of capital to start and being relatively easy to close. In regions characterized by high poverty and chronic underemployment, it is not unusual to find a self-employed person supporting a large family and enabling those around her/him to have a better life. The liquidity of the business supports that pathway. This could be a positive factor to the extent that women can easily get started or shift to better opportunities, but problematic to the extent that women are constrained in these efforts.

For innovation-driven economies, low business closure rates may reflect a lack of dynamism – there are few closures because there have been few startups (Figure 8). In such economies, fewer women than men are closing businesses, consistent with gender gaps in TEA. Kuwait has particularly high business closure rates for both genders; more entrepreneurs have closed a business in the last year than are starting or running a new business.

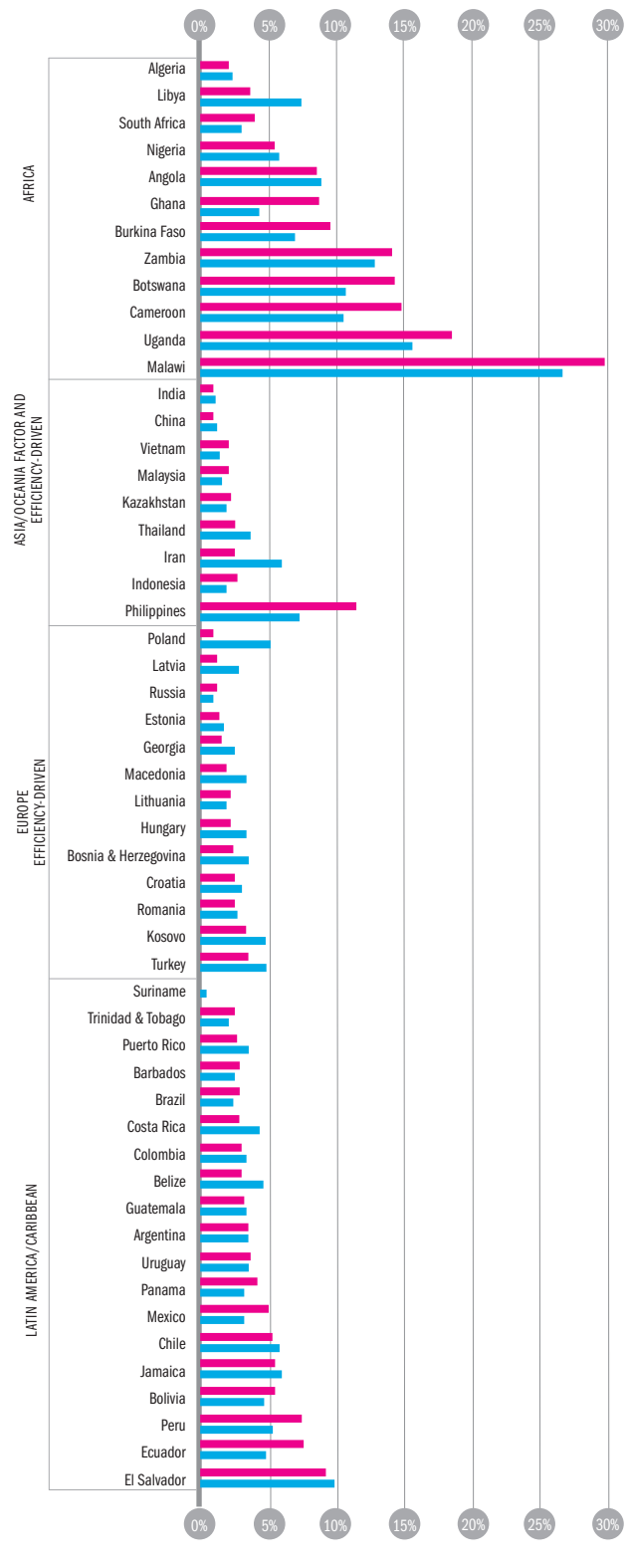


Figure 7: Business Closure in Factor- and Efficiency-Driven Economies, by Region and Gender

*With Two Exceptions: Puerto Rico and Trinidad and Tobago are Innovation-Driven

Business Closure Female
Business Closure Male



Figure 8: Business Closure in Innovation-Driven Economies, by Region and Gender

*With Two Exceptions: Puerto Rico and Trinidad and Tobago are Innovation-Driven

- Business Closure Female
- Business Closure Male

Entrepreneurship is inherently risky, and a certain level of business closure is inevitable when there are numerous startups.

1.2 A COMPARATIVE OVERVIEW OF FEMALE ENTREPRENEURIAL ACTIVITY

The spider diagrams below provide a multiphase analysis of women’s entrepreneurial activity, by development level and region.

Female entrepreneurship activity is lower, on average, for innovation-driven economies. The greatest difference appears in earliest stages of the entrepreneurship process, and the difference between rates for TEA and established business is minimal: TEA 6% versus established business 5%. For factor- and efficiency-driven economies, TEA at 15% is nearly twice the established business rate of 8%. This suggests greater demand for entrepreneurship in developing economies, with comparatively fewer enterprises having made it to a mature stage. Innovation-driven economies see less demand for entrepreneurship, but are more likely to start sustainable businesses, and/or the environment enables sustainability.

- Overall Average: Factor and Efficiency-Driven Regions (unweighted)
- Overall Average: Innovation-Driven Regions (unweighted)

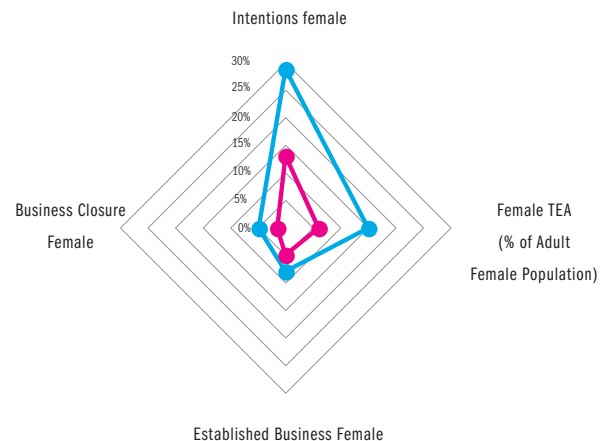


Figure 9: Multiphase Analysis of Activity, by Development Level

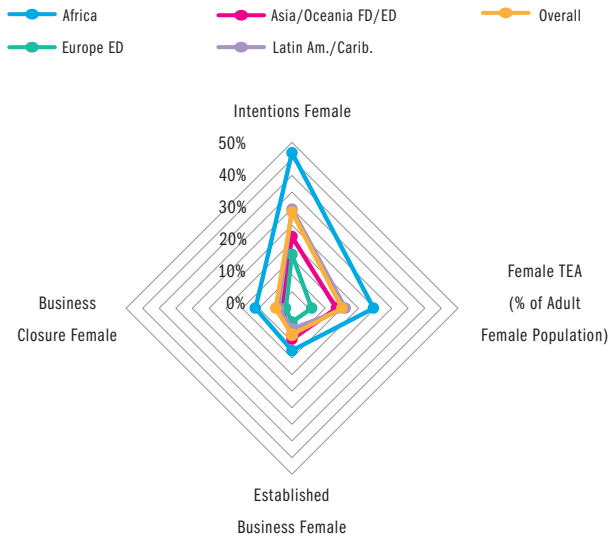


Figure 10: Multiphase Analysis of Activity, for Factor- and Efficiency-Driven Regions

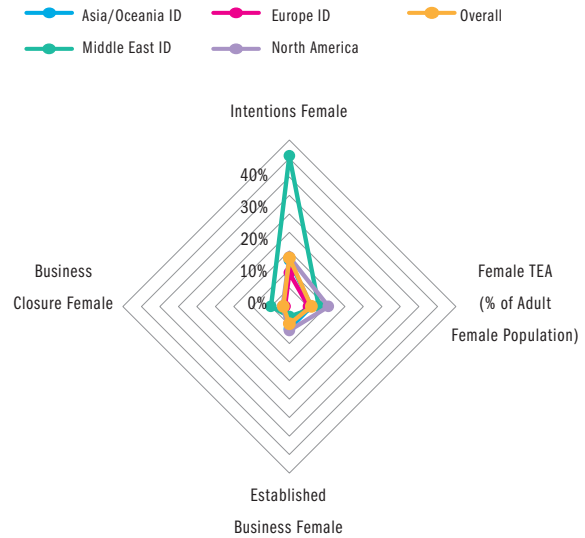


Figure 11: Multiphase Analysis of Activity, for Innovation-Driven Regions

The average TEA rate for efficiency-driven Europe lies around 40% of the average for the factor and efficiency development levels.

Africa reports higher overall female activity compared to other factor- and efficiency-driven regions. In particular, entrepreneurial intentions are much higher than for other economies at this development level. It must be noted that Africa differs from the other three regions in that it consists of predominantly factor-driven economies (South Africa is the only efficiency-driven economy in the region). Other regions are all or nearly all efficiency-driven.

Activity rates for women in Latin America are close to the overall average for less-developed economies. Asia/Oceania also exhibits results close to the overall average, except for lower intentions. This could imply either or both of the following: that few women want or need to start, relative to actual entrepreneurial activity; or that for every women who has intended to start a business, there is a high likelihood this has translated to action. Efficiency-driven Europe has low TEA rates, particularly compared to the average for economies at this development level. The average TEA rate for efficiency-driven Europe lies around 40% of the average for the factor and efficiency development levels.

Among innovation-driven regions, Asia and Europe show results close to the overall development-level average. Intentions, however, are especially low in Europe, which indicates a small base of potential women entrepreneurs. North America is also close to the averages for innovation-driven economies, except for higher than average TEA rates. The Middle East shows a very high level of intentions among women, suggesting a large base of potential future entrepreneurs. Startup activity among women in this region is slightly higher than average, but there is a low rate of established business activity and high levels of business closure. High current startup activity may not have translated to an increase in mature business ownership. Some initial efforts may not work out, so there will be more closures than typical.

ENTREPRENEURS' STORIES

Valrie Grant (Jamaica): GeoTechVision Enterprises Ltd



Valrie Grant has a Bachelor's Degree in Geology, a Master of Science Degree in GIS and Environment, and over 15 years' experience in the geospatial sciences. She has also pursued studies in entrepreneurship. In late 2008, Valrie established GeoTechVision, the only female-owned and operated geographic information systems (GIS) company in the Caribbean region. "I had worked for more eight years as a geospatial analyst, government employee and spatial technologies consultant for a wide range of public and private organisations in the Caribbean when I realised that spatial intelligence can offer tremendous benefits to governments and businesses alike, but was not being fully utilised," she says. Geospatial intelligence is the science of visually displaying geographic data that can provide substantial benefits to Caribbean businesses, agencies and government ministries by helping them to plan better and make more informed decisions. Solutions to the growing challenges of economic development, resource management, climate change and disaster management can all be enhanced with geospatial information.

Based in Jamaica, the company opened an additional office in Guyana in January 2012. The company also provides services through partner relationships established across the Caribbean, Canada and Israel. The GeoTechVision team is a cadre of qualified and experienced professionals providing clients with high-end IT and geospatial consultancy services, solutions and products. These include consulting and advisory services, GIS and ICT technical services, and human capital training and development. "GeoTechVision focuses on delivering value through innovative solutions!" says Valrie. "Our deep knowledge of the business market and the technologies, combined with unparalleled professional expertise, allows GeoTechVision to offer reliable, affordable and customised services and solutions."

Valrie's mother was self-employed and her father was a businessman, providing her with a strong foundation for her entrepreneurial journey. "I was strongly influenced by my mother when deciding to go the entrepreneurship route," she notes. "I try to model elements of my life after the spirit of my mother. The contributions of

Caribbean GIS champions like Jacqueline da Costa, Cecille Blake, Nadine Brown, Earl Edwards and Silburn Clarke have also inspired me.”

Valrie has faced numerous challenges during her entrepreneurial journey. “As female business owners, we have the disadvantage that many in the business community look at tradition and cultural norms. Men are seen as business leaders, bigger risk takers than women, and so sometimes there is hesitation to give females equal opportunities,” she notes. She has had to work harder and put in extra effort to ensure that she is able to offer an edge in order to stand out, especially in her male-dominated field. The competition is tough for a woman in her industry. She believes that overcoming these hurdles has strengthened her character. “Through persistence, you can get your foot in the door and thereafter the work recommends itself,” she says. However, sometimes being a woman works to your advantage, she believes, as there are now more networking programmes for women, people promoting women in business, workshops targeting women and more recognition programmes. These help to level the playing field.

There are now more networking programmes for women, people promoting women in business, workshops targeting women and more recognition programmes.

She has also faced a significant personal challenge during her startup. Just four months after starting GeoTechVision, with no staff and operating from a virtual office, she underwent a major medical procedure. Her business was on hold for six months. Funds earmarked for her business had to be diverted to her medical expenses. She spent her recovery time writing proposals, building relationships and forming alliances and was back in the Caribbean building GeoTechVision by September 2009.

“Our major business success to date was probably expanding GeoTechVision in the Caribbean despite the harsh economic climate by establishing GeoTechVision Guyana Inc. as an external company registered in Guyana in January 2012,” she says. “Another success was being selected as one of four companies to provide tablets and services in the eLearning Jamaica Tablet in Schools Project. This particular project stands out as

being important, because although we were the smallest company involved in the project, we executed and delivered months ahead of all the other companies.”

Valrie and her business have been recipients of several recognition awards. These include the University of West Indies (UWI) Première Leadership Award (2000), the Jamaica GIS Entrepreneur Award (2012), and the NCB Nation Builder Award for the Woman in Business Category (2013). The latter is presented to an innovative female business owner with a track record of leadership and social responsibility. GeoTechVision also received the NCB Nation Builder Award for Region 1 in the category of Innovation (2013). GeoTechVision won the Technology Innovation Centre Client of the Year in 2013 and 2014 and also copped the Top Client Award for 2014. Valrie was awarded the Business Excellence Forum (BEF) Americas 2014 Female Entrepreneur of the Year and GeoTechVision won the Caribbean Exporter of the Year Special Award for Excellence in Services Export 2014. She was also the Jamaica Chamber of Commerce (JCC) Young Entrepreneur of the Year in 2014.

As an entrepreneur, Valrie believes in helping other entrepreneurs. Having been selected as a business enabler for the Infodev World Bank Business Incubator Clinic, she is currently forming a non-profit organisation that will provide business incubator services in Guyana. Valrie is also an accredited facilitator with the World Bank’s Infodev Women Innovators in the Caribbean Network (WINC), empowered to deliver the accelerator programme in the Caribbean. She is the current president of the Women Entrepreneurs Network Caribbean (WENC) Guyana Chapter. She is also the Women’s Entrepreneurship Day Ambassador for Guyana 2015.

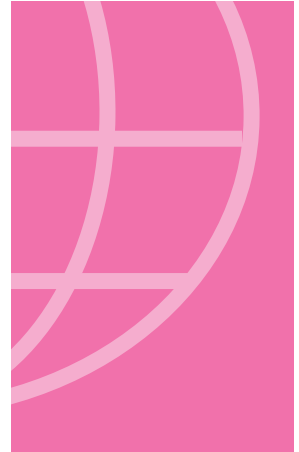
Valrie is not one to rest on her laurels and a number of plans for the future are already in the pipeline. The company is in the process of expanding. In the short term, this includes more geospatial applications for everyday use, exploring innovative uses of Unmanned Aerial Vehicles in the Caribbean, providing more engineering-type service offerings and establishing new strategic partnerships, while at the same time augmenting their own internal governance models to better manage their growth. Longer term plans include obtaining financing for further expansion, entering new markets, introducing new delivery channels (such as online training) and diversifying their offerings, including potential ventures in renewable energy and agro-industry.

Valrie’s advice for potential entrepreneurs: “Having the right educational background and experience is sometimes not enough. Female business owners have to offer an edge to stand out. Competition builds strength of character as you recognise that with persistence, you can get your foot in the door. Never believe you can do it alone, though. It is important to collaborate to innovate!”

www.geotechvision.com

ENTREPRENEURS' STORIES

Georgia Beattie (Melbourne, Australia): Lupe Wines and Single Service Packaging



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Georgia's entrepreneurial journey started in 2008 while she was on a one-year exchange from RMIT Australia to Babson College, USA. One morning, in her first week of classes, the stock market crashed. "I was wondering why there weren't any students in class," she says. "It turned out that most of my classmates were already running businesses and were far more commercially advanced than my peers in Australia. It was here that I realised that I could make an impact and change the world. I could achieve anything if I put my mind to it and created a plan."

Professor Michael Caslin taught the Babson Social Enterprise course and it was here that she learned that starting a business is so much more than just making money. "The businesses we create will shape the next generation," she notes. "We have an obligation to be contributing to our city, country and ultimately create a better world."

Her affluent female peers from high school have gone on to be lawyers, doctors and bankers. These are conservative and respected/paid professions. However, she feels that it is very difficult to have a voice in a large company and rarely does this career path lead to extraordinary things.

Georgia's business idea came to her while she was standing in a drink queue for 30 minutes at a music festival in Australia. When she finally got to the front of the line, she was frustrated when she was told that she could not order a wine because of glass safety laws. So they legally couldn't serve wine because it had not yet been innovated. She realized that the rest of the alcohol industry had done a great job keeping up with consumer trends and demands. Beer, which also started out in 750ml bottles, is now packaged in single-serving sized

cans and bottles. Bars and liquor stores are filled with hundreds of varieties of ready-to-drink premixed spirits in both cans and bottles. Why not wine?

Her business produces single serve wine in a plastic 'glass'. They have offices in Japan, Korea and Taiwan and service sports stadiums, many hotel minibars and airlines in Australia. "In the stadium scenario, we reduce the carbon footprint for these events by removing the glass bottle from the equation. It is a legal requirement that beverages are served in plastic receptacles for safety so we are fast-tracking that. It's my way of contributing to a better future," she adds.

Early next year (2016), her company will be launching a world first – a single-serving sparkling wine glass. They have partnered with packaging companies in Australia, Argentina, the USA, Europe and Japan in order to have a global wine offering.

She believes that she is fortunate to have had an education and upbringing where equality is expected from the world. "My hard-working mother taught me

this," she says. "Sexism doesn't exist in our family – if a male doesn't want to do business with me, it's because of my product, not my gender. However equality doesn't matter if females aren't participating. When women aren't sitting at the table there is an imbalance. A masculine and feminine approach to any industry is different and complimentary. Chinese philosophers describe it as yin and yang."

Her affluent female peers from high school have gone on to be lawyers, doctors and bankers. These are conservative and respected/paid professions. However, she feels that it is very difficult to have a voice in a large company and rarely does this career path lead to extraordinary things. "I believe that if you have come from the luxury of a good education, it is your responsibility to go out and use this platform to create a better world," she asserts. "We need to convince women that entrepreneurship is not only a worthy career, but a place that desperately needs female participation to foster growth and innovation."

www.beattiewines.com

CHAPTER 2

Characteristics of women entrepreneurs



GEM's focus on individual-level participation enables the examination of a range of demographic and other characteristics about entrepreneurs. With this information, it is possible to assess the level of inclusiveness in an economy — in other words, the extent to which various groups (for example, those categorized by age, gender or education) engage in entrepreneurial activity. With regard to the focus of this report, assessment of such characteristics may enhance knowledge and identify gaps in women's entrepreneurship. This information can help policy-makers target effective interventions to increase women's participation and productivity in the economy.

2.1 AGE

Age-related patterns of entrepreneurship activity are relatively consistent around the world for both genders. The prevalence of early-stage entrepreneurship tends to be relatively low in the 18-24 year-old cohort. It peaks among 25-34 year-olds, and then declines as age increases. Figure 12 indicates that this pattern holds true on average for female entrepreneurs in all factor- and efficiency-driven regions, as well as in North America. The remaining innovation-driven regions do not show this marked upward spike in the 25-34 year-old age group. In innovation-driven Asia and Oceania, the highest prevalence of female TEA is among the 35-44 year-olds.

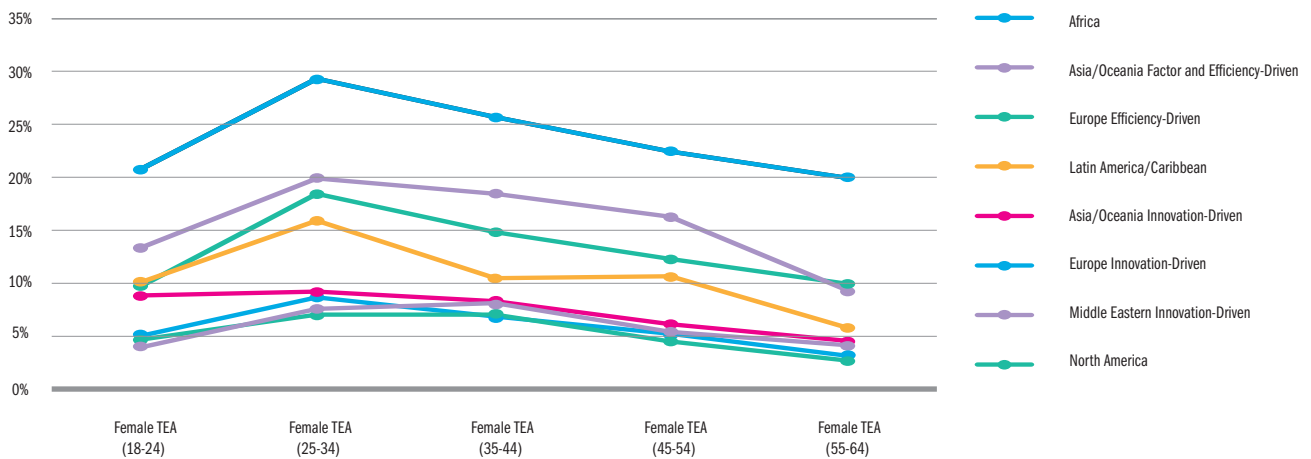


Figure 12: Female TEA Rates, by Age Cohort and Region

Age is particularly interesting to consider within the context of other societal attributes, such as youth unemployment and cultural mores surrounding working mothers and provision of income for elders. The lowest female youth TEA rates can be seen in four innovation-driven economies: Japan and Korea in Asia, and Norway and Finland in Europe. These countries report TEA rates of less than 1% among 18-24 year-olds. This could be due to high rates of women in college at this age. However, many European countries show higher female youth rates relative to average TEA rates across all age groups. In Slovakia and Greece, for example, the female youth TEA rate is more than 70% higher than the average TEA rate.

Senior entrepreneurship may be reduced by factors that include retirement, poor health or cultural expectations such as caring for grandchildren. On the other hand, a lack of work options or pensions and a need for income could spur entrepreneurship among the older population, as well as enterprising seniors with experience, resources and networks that enable them to launch viable businesses. In two innovation-driven European countries, Portugal and Belgium, older women entrepreneurs (55-64 years old) are rare – less than 1% of the female population. The Philippines, on the other hand, has a high senior entrepreneurship rate among women – 30% versus an overall TEA rate of 21%.

2.2 EDUCATION LEVEL

An educated workforce, appropriately skilled and with the capacity for innovation, is vital to an economy's competitiveness, productivity and growth. It is reasonable to believe that education will have a positive influence on individual self-efficacy and self-confidence, thereby increasing the chances these individuals will not only start businesses, but also have the ability to navigate competitive and changing business environments. Of course, not all education is directly relevant to entrepreneurship, but GEM reports

consistently show that entrepreneurs have higher levels of education than non-entrepreneurs. This is consistent with findings from the Goldman Sachs *10,000 Women's* project, which shows that training and education do make a difference for women in less developed economies. Education and training are likely to result in business growth in sales and employees, as well as stronger self-confidence and leadership skills.⁴

Across the sample as a whole, there is encouraging gender parity in terms of the proportion of entrepreneurs with a post-secondary or higher level of education. A third of female and male entrepreneurs (33% and 36% respectively) fall into this category. In many developing economies, particularly efficiency-driven Europe, there are proportionately more educated women entrepreneurs than men. This is even more so for innovation-driven economies, where the majority show higher proportions of female entrepreneurs with post-secondary or higher levels of education than males. Some economies with high levels of education among female entrepreneurs also have low TEA rates, for example Libya, Malaysia, Russia and Puerto Rico. This suggests that in some economies, entrepreneurship is undertaken by the educated, but is less available or attractive to those with lower education levels.

2.3 MOTIVATION

The relative prevalence of opportunity motivated versus necessity-motivated entrepreneurship activity provides useful insights into why women enter entrepreneurship. Necessity-based, early-stage entrepreneurship activity is defined as the percentage of those driven by having no better choice for work. Opportunity-based early-stage

⁴ Investing in the Power of Women; Progress Report on the Goldman Sachs 10,000 Women Initiative, Babson College, Wellesley, MA, 2014.

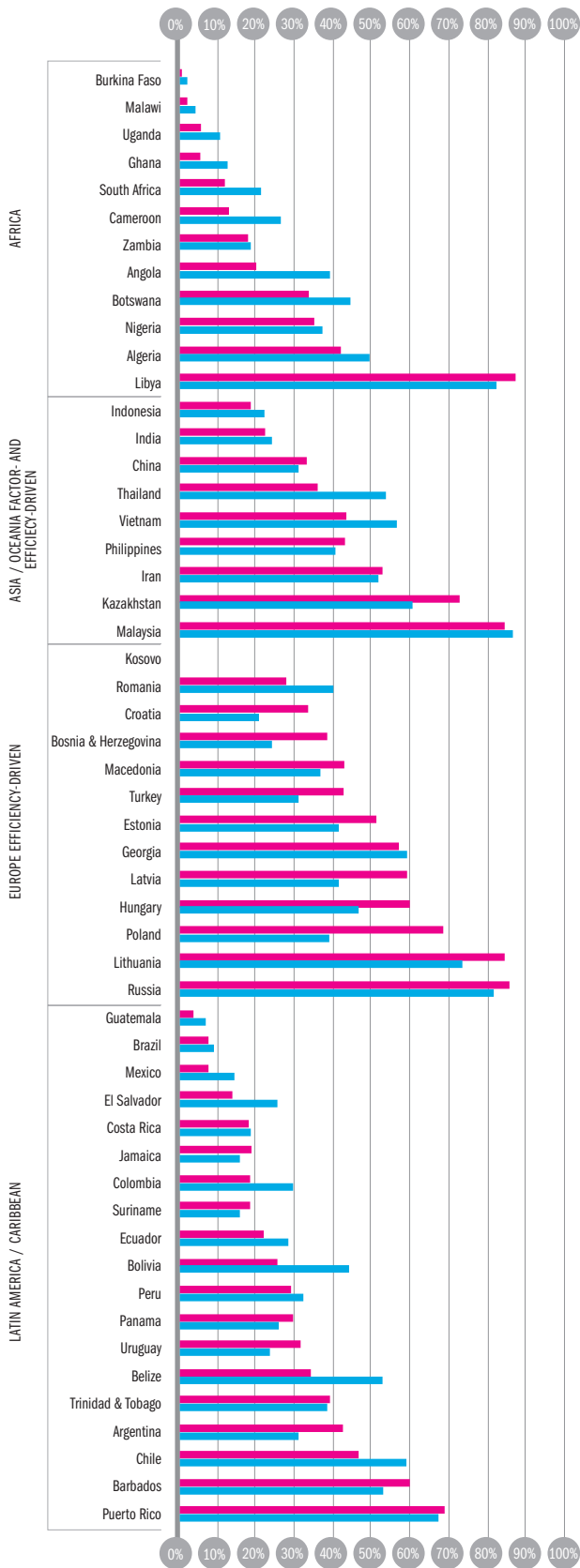


Figure 13: Proportion of Entrepreneurs with Post-Secondary Degree or Higher Level of Education for Factor- and Efficiency-Driven Economies, by Region and Gender

Female
Male

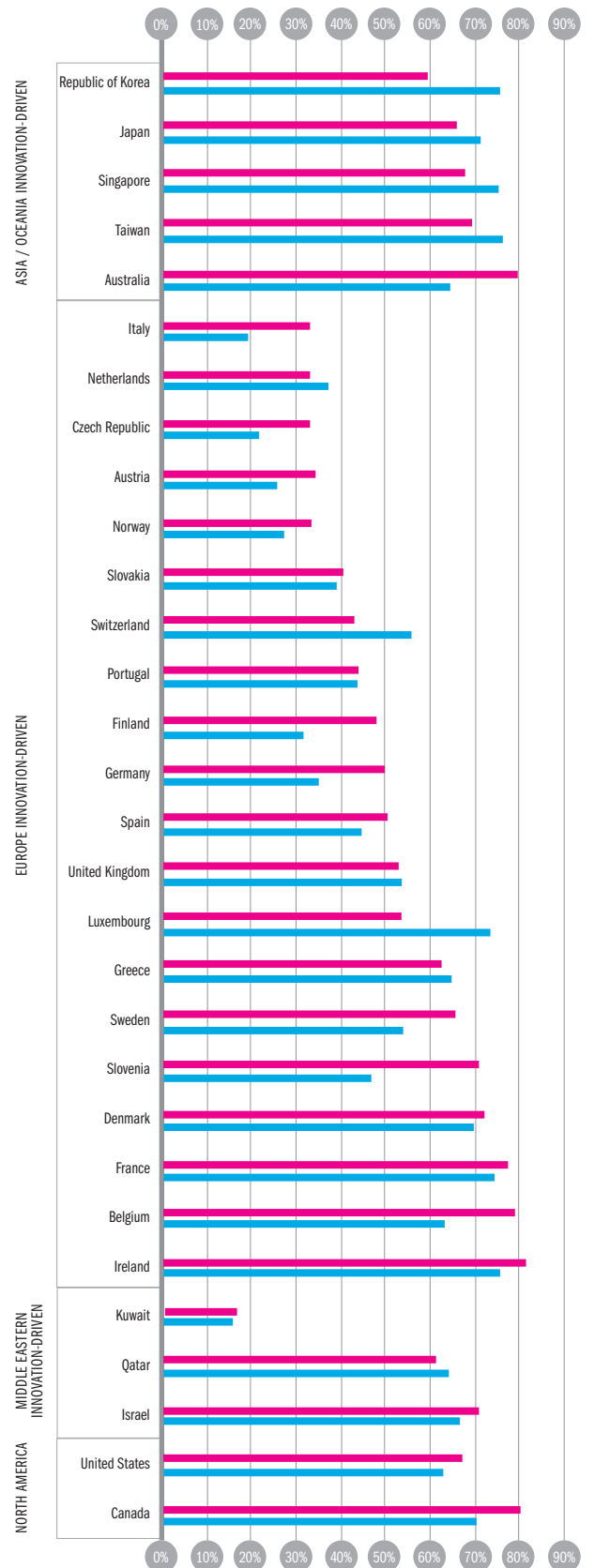


Figure 14: Proportion of Female Entrepreneurs with Post-Secondary Degree or Higher Level of Education for Factor- and Efficiency-Driven Economies, by Region and Gender

Female
Male

Table 5: Average Rates for Opportunity Motivated TEA, by Region and Gender

Region	Female Opportunity Motivated TEA (%)	Male Opportunity Motivated TEA (%)	Ratio Female/ Male
Africa	69	73	0.95
Asia & Oceania (Factor- and Efficiency-Driven)	69	73	0.95
Latin America & Caribbean	70	78	0.90
Europe (Efficiency-Driven)	57	63	0.90
Middle East (Innovation-Driven)	83	77	1.08
Asia & Oceania (Innovation-Driven)	77	78	0.99
Europe (Innovation-Driven)	73	78	0.94
North America	74	82	0.90
GEM Average	68	73	0.93

entrepreneurship activity describes the percentage of those who are motivated to pursue opportunity. This includes taking advantage of a business opportunity or having a job, but seeking a better opportunity. Although necessity entrepreneurship is important in enabling women to create income-generating businesses when needed, opportunity-driven entrepreneurs are important to an economy for their greater potential impact on dimensions such as job creation aspirations.

In general, opportunity motivations among female entrepreneurs are encouragingly high in all regions except efficiency-driven Europe. In this region, the opportunity motivated proportion of female TEA is more than 10 percentage points below the overall average for the sample. Although female entrepreneurs in the GEM sample are less likely than male entrepreneurs to be motivated by opportunity, the gender differential is small across all regions (Table 5). In the Middle East, women are more likely than men to be motivated by opportunity, while in innovation-driven Asia, women are as likely as men to be engaged in opportunity motivated entrepreneurship. Generally, economies in these regions have low gender parity in TEA. Combined with the high rate of opportunity-based entrepreneurship, this suggests that women have a low likelihood of starting businesses compared to men; and when they do, it's because they choose to pursue an opportunity, rather than being pushed into it out of need.

Within the regions, individual economies show variation in the proportion of opportunity motivations among women entrepreneurs (Figures 15 and 16). Among factor- and efficiency-driven economies, Nigeria and Uganda have high female opportunity motivations combined with high female TEA rates (higher than male rates), showing that women are highly motivated to act on opportunities. In Libya, although there are high proportions of opportunity motivations among women entrepreneurs, women start at less than half the rate for men.

A contrast may be seen in low opportunity motives among women entrepreneurs in Bosnia and Herzegovina, Macedonia and Kosovo. These economies exhibit low female TEA rates, suggesting that women rarely engage in startups, and when they do, it is generally out of necessity. The Philippines, on the other hand, shows high levels of female entrepreneurship activity, over 30% higher than that of males. However, there is a considerable gender gap in motivation. Women entrepreneurs in this country are over one-fourth less likely than men to be motivated by opportunity. The Philippines is a factor-driven country with one of the highest unemployment rates in Southeast Asia. High competition for low level job opportunities in the formal sector means that women, especially in poorer communities, are often forced into necessity-based entrepreneurship because they lack options for sustainable livelihoods.

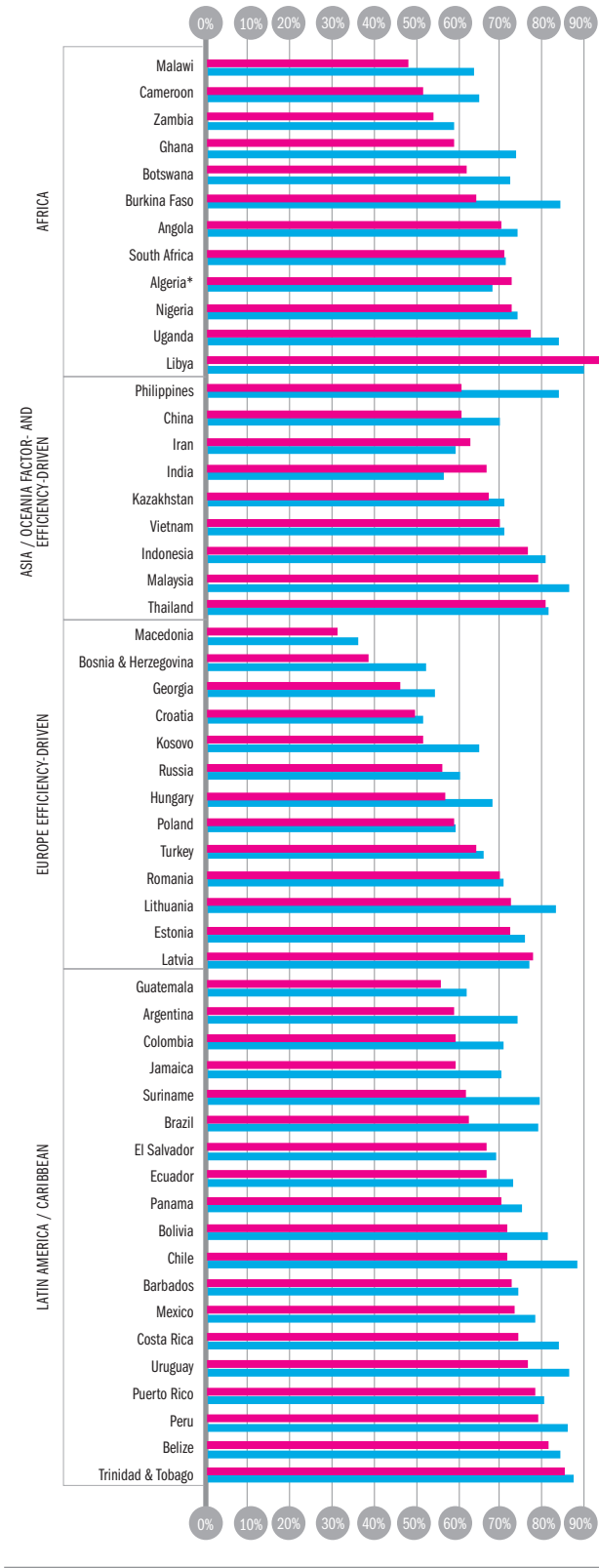


Figure 15: Percentage of Entrepreneurs with Opportunity Motive for Factor- and Efficiency-Driven Economies, by Region and Gender

*With Two Exceptions: Puerto Rico and Trinidad and Tobago are Innovation-Driven

- █ Female TEA Opportunity (% TEA Females)
- █ Male TEA Opportunity (% TEA Males)

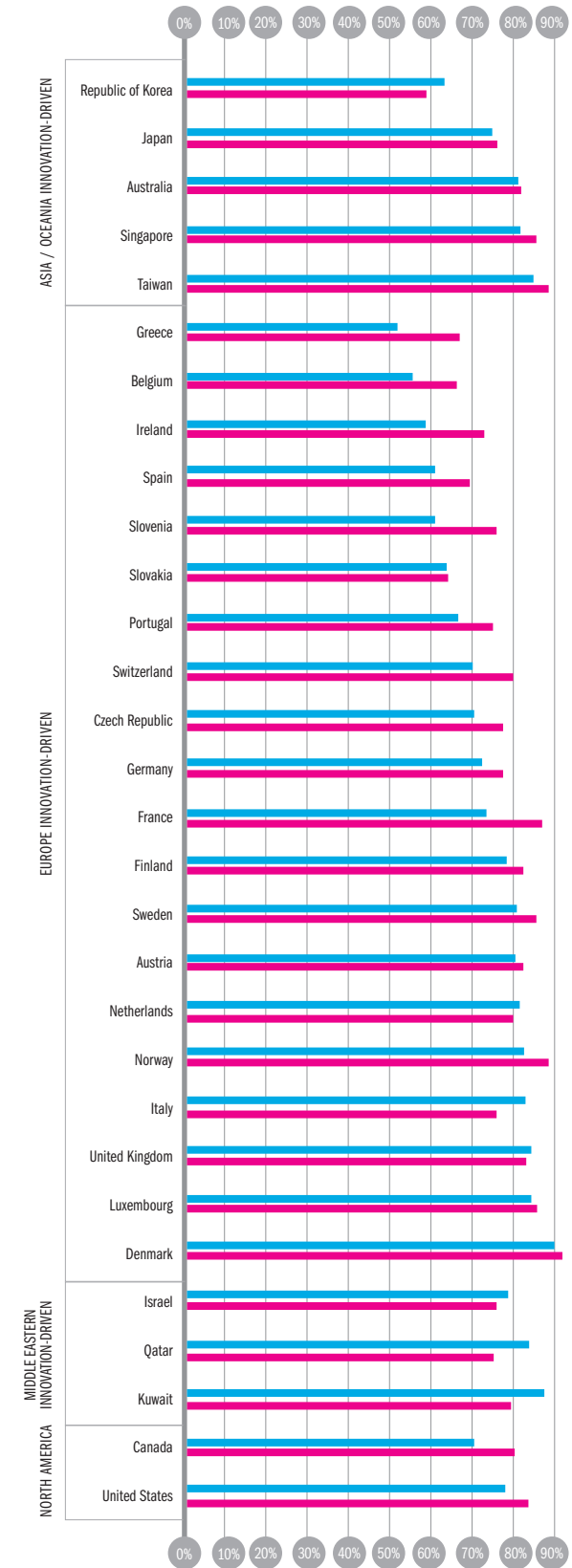


Figure 16: Percentage of Entrepreneurs with Opportunity Motive for Innovation-Driven Economies, by Region and Gender

- █ Female TEA Opportunity (% TEA Females)
- █ Male TEA Opportunity (% TEA Males)

Across the GEM sample, about two-thirds of entrepreneurs own one-person businesses. Women entrepreneurs are slightly more likely, overall, to display single-person ownership (68%, compared to 62% for men).

Among innovation-driven economies, gender differences in opportunity motivation are generally low. Greece is an exception – only half of women entrepreneurs in this economy are opportunity motivated, compared to two-thirds of male entrepreneurs, and women are less likely than men to start businesses than men. Similarly, Belgium reports low opportunity motivation (55%) among women entrepreneurs, and also has the lowest female TEA rates among the innovation-driven European economies. This suggests that women in both Greece and Belgium are only apt to start a business when they need income and have few other options. On the other hand, the three Middle East economies all report female opportunity-motivation rates higher than those of their male counterparts.

Figure 17 shows distinct regional patterns in the relationship between TEA rates and opportunity motives among women. Low TEA rates may be seen in several European economies, with economic development level dividing them based on opportunity motives. High opportunity drives high TEA rates in Thailand, while necessity drives high rates in Malawi.

	Low TEA	High TEA
High Opportunity	Italy, Sweden, Denmark, Norway	Thailand
Low Opportunity	Macedonia, Bosnia & Herzegovina, Croatia	Malawi

Figure 17: Regional Patterns in Relationship Between TEA Rates and Opportunity-Motivation

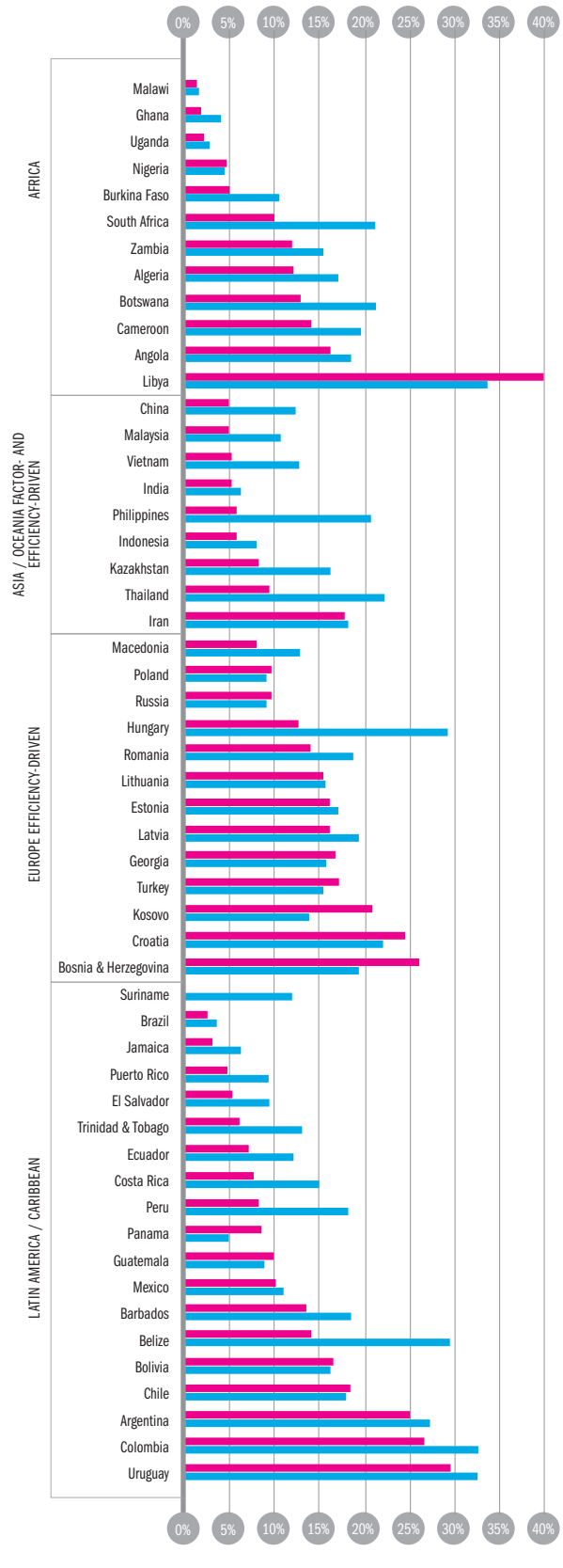


Figure 18: Percentage of Entrepreneurs Starting in Teams of Three or More for Factor- and Efficiency-Driven Countries, by Region and Gender

3+ Founders Female
 3+ Founders Male

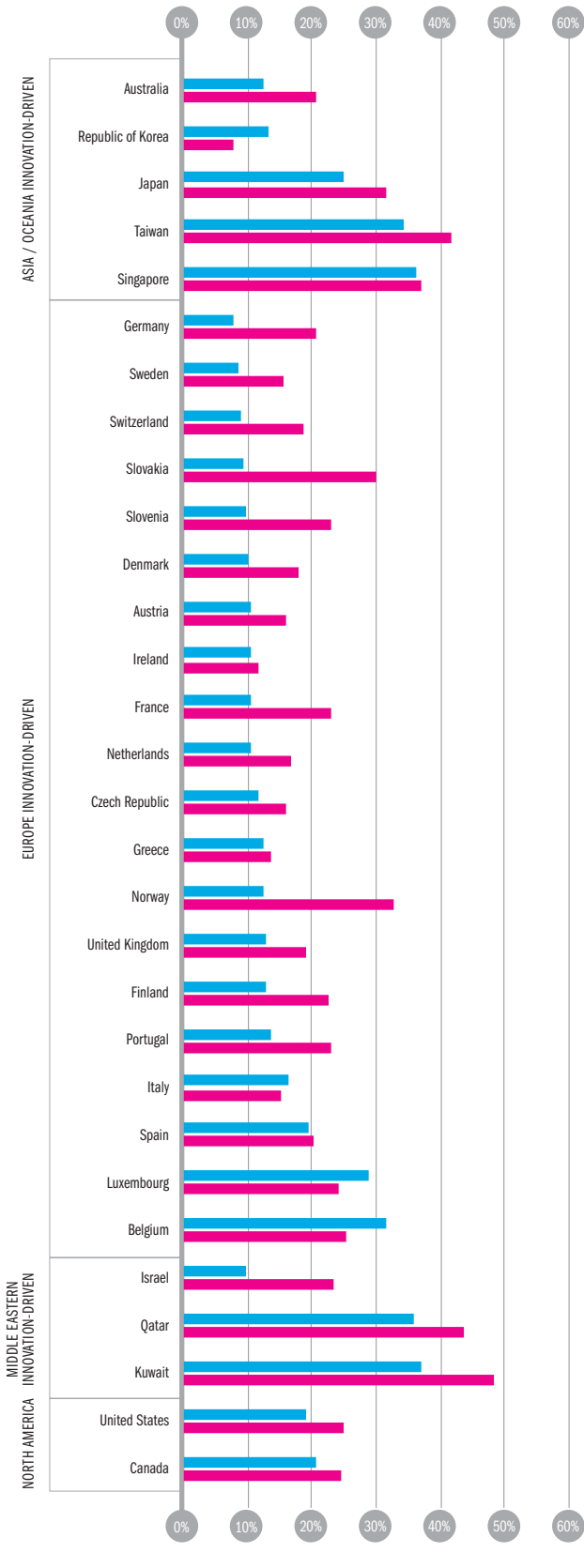


Figure 19: Percentage of Entrepreneurs Starting in Teams of Three or More for Innovation-Driven Countries, by Region and Gender

■ 3+ Founders Female
■ 3+ Founders Male

2.4 TEAMS

Most businesses start with one owner. Across the GEM sample, about two-thirds of entrepreneurs own one-person businesses. Women entrepreneurs are slightly more likely, overall, to display single-person ownership (68%, compared to 62% for men). Although there is no gender discrepancy in the percentage for two owners, women are over 20% less likely than men to have businesses with three or more founders.

Africa and factor- and efficiency-driven Asia have the highest percentage of female single-owner entrepreneurs (three-quarters), as well as the highest gender disparity in this respect.

Ownership characteristics vary considerably across regions. In efficiency-driven Europe, women exhibit characteristics similar to those of men in the percentage of entrepreneurs having one, two, three or more owners. In many of the remaining regions, however, women are more likely to be running single-founder businesses, indicating a tendency to operate on their own. Africa and factor- and efficiency-driven Asia have the highest percentage of female single-owner entrepreneurs (three-quarters), as well as the highest gender disparity in this respect. In the Middle East, just under half (49%) of female entrepreneurs have single-owner businesses.

The highest average prevalence of teams of three or more women entrepreneurs was in the Middle East (27%) and innovation-driven Asia (24%), double the overall average. High levels of teamwork among women (as well as high levels relative to men) are seen in a number of economies (Figures 18 and 19): Libya, Iran, Kosovo, Croatia and Bosnia and Herzegovina among factor- and efficiency-driven economies; and Singapore, Luxembourg and Belgium among innovation-driven economies. On the other hand, teams of three or more were rare among women entrepreneurs in factor- and efficiency-driven Asia (7%), as well as in Africa and Latin America and the Caribbean (11%).

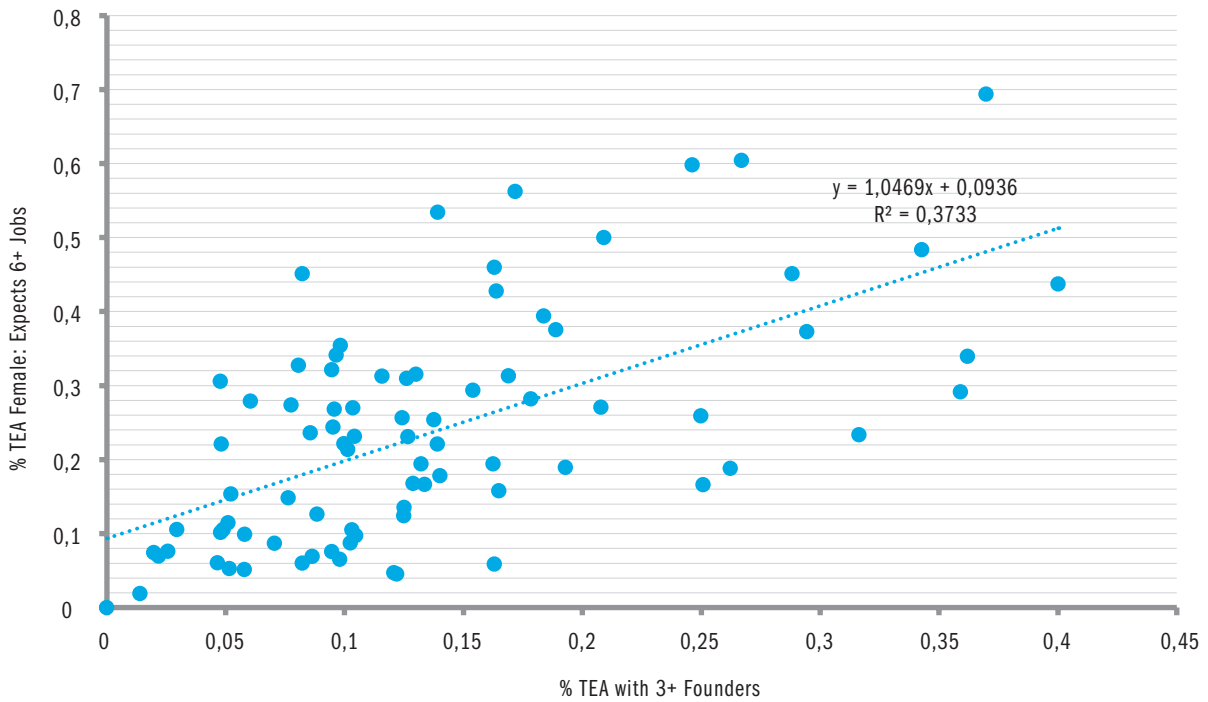


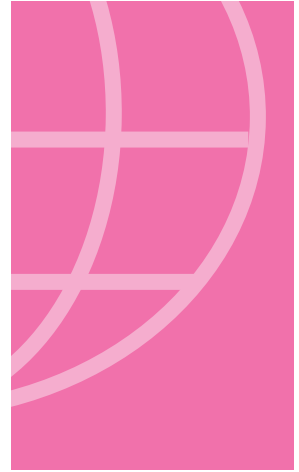
Figure 20: Relationship Between Team Size and Job Aspirations

Figure 20 suggests a positive relationship between team size and job creation, highlighting the value of businesses with three or more owners. This is consistent with evidence from entrepreneurship literature indicating that businesses with teams of three to five owners are more likely to grow and succeed than businesses with only one or two owners.⁵

5 Beckman, C.M., Burton, M.D. and O'Reilly, C., 2007. "Early Teams: The Impact of Team Demography on VC Financing and Going Public," *Journal of Business Venturing*, 22:2, 147-173.

ENTREPRENEURS' STORIES

Ninh Thi Ty (Vietnam): Ho Guom Garments and Chien Thang Garments



Mrs Ninh Thi Ty, president of two companies, is recognised as a highly successful business woman in the garment field in Vietnam. She started her career with the Ho Guom Garment Joint Stock Company. The company was established in 1992 and Mrs Ty initially had only a small and old workshop with around 220 employees and 120 machines. “Working time was divided into two shifts, since the area of the workshop was only 400m². The workshop was always unprofitable and sometimes the workers were not paid their salaries on time,” she recalls.

This situation improved when she officially became director of the enterprise. With a combination of enormous effort, as well as her skill and abilities, she brought a new vitality to the factory. By the time Ho Guom Company was equitised in 2000, the situation had changed markedly. By then, Ho Guom Co had a total of 10 factories located in different provinces in the north of Vietnam. The area of these factories currently ranges from 30,000m² to 60,000m² and Mrs Ty manages nearly 6 000 people (of which 80% are women). “Over the past 10 years, Ho Guom Garment Company has been regarded by government and other organisations as a big and

fast-growing company in the garment field,” she notes. Her success was crowned when she was awarded the highest medal by the Vietnamese National President – the only woman in the garment industry to receive such an honour.

Under the leadership of Mrs Ty, Ho Guom Company achieved a consistently high growth rate each year. As a result VINATEX (The Vietnam National Textile and Garment Corporation) requested that she take over Chien Thang Garment Joint Stock Company in 2006. Chien Thang Company was a garment company with a 40-year history and had been one of the strongest factories belonging to VINATEX. However, the company had fallen into dire straits, burdened by a large loan. At least four strong directors from VINATEX had been sent to take over the company, but the situation had not improved, and the company faced imminent bankruptcy.

“There were many difficulties that that I faced when taking on this new mission,” says Mrs Ty. But armed with her innate determination, she step-by-step began to resolve the situation. After three years, the Chien Thang Company was able to repay a substantial loan to the bank and had started to register a small profit. Currently, under her management, the company’s production is stable and they continue to expand their number of factories.

In addition to her involvement in the garment industry, Mrs Ty is starting to invest in real estate. A 29-floor

I believe that the secret of success as an entrepreneur is to always keep trying and not to drop out. Especially, don’t be afraid to face up to difficulties.

building named ‘Ho Guom Plaza’ – which includes offices, apartments and a shopping centre – has already been completed.

“I believe that the secret of success as an entrepreneur is to always keep trying and not to drop out. Especially, don’t be afraid to face up to difficulties,” she says. Mrs Ty always encourages and provides opportunities for young people to help them develop their abilities. “I’ve always trained and employed a lot of young people and many of them are now in key positions in my companies,” she says. “Some have moved on to other companies, but may have opened their own successful businesses.”

www.mayhoguom.com.vn and www.chigamex.com.vn

CHAPTER 3

Societal attitudes and their influence on women's entrepreneurship behavior



The GEM model recognizes entrepreneurial attitudes, activity and aspiration as dynamic, interactive components of national entrepreneurial environments. Entrepreneurship activity does not take place in a vacuum, and entrepreneurial attitudes and perceptions play an important part in creating an entrepreneurial culture. People with positive attitudes may become future entrepreneurs. Existing entrepreneurs rely on encouragement and support from people in their societies who regard their efforts positively, and who will participate in making their activities successful.

GEM measures individuals' perceptions of their entrepreneurial ability, whether they believe there are many startup opportunities around them, whether those

seeing opportunities feel constrained to start by fear of failure, and the extent to which their social networks include entrepreneurs.

"The entrepreneurship process is a complex endeavor carried out by people living in specific cultural and social conditions. For this reason, the positive or negative perceptions that society has about entrepreneurship can strongly influence the motivations of people to enter entrepreneurship. If the economy in general has a positive attitude toward entrepreneurship, this can generate cultural and social support, financial and business assistance, and networking benefits that will encourage and facilitate potential and existing entrepreneurs." (*GEM 2012 Global Report*, page 18)

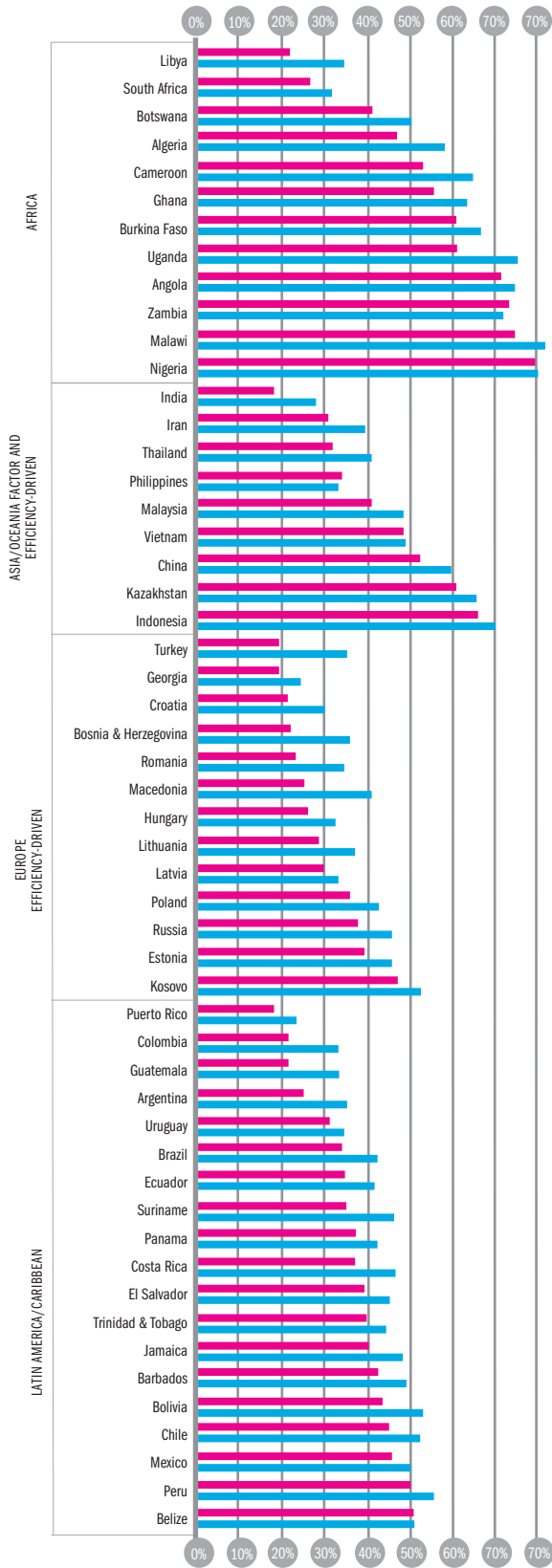


Figure 21: Percentage of Adults Who Personally Know an Entrepreneur in Factor and Efficiency-Driven Economies, by Region and Gender

Know a Female Entrepreneur
Know a Male Entrepreneur

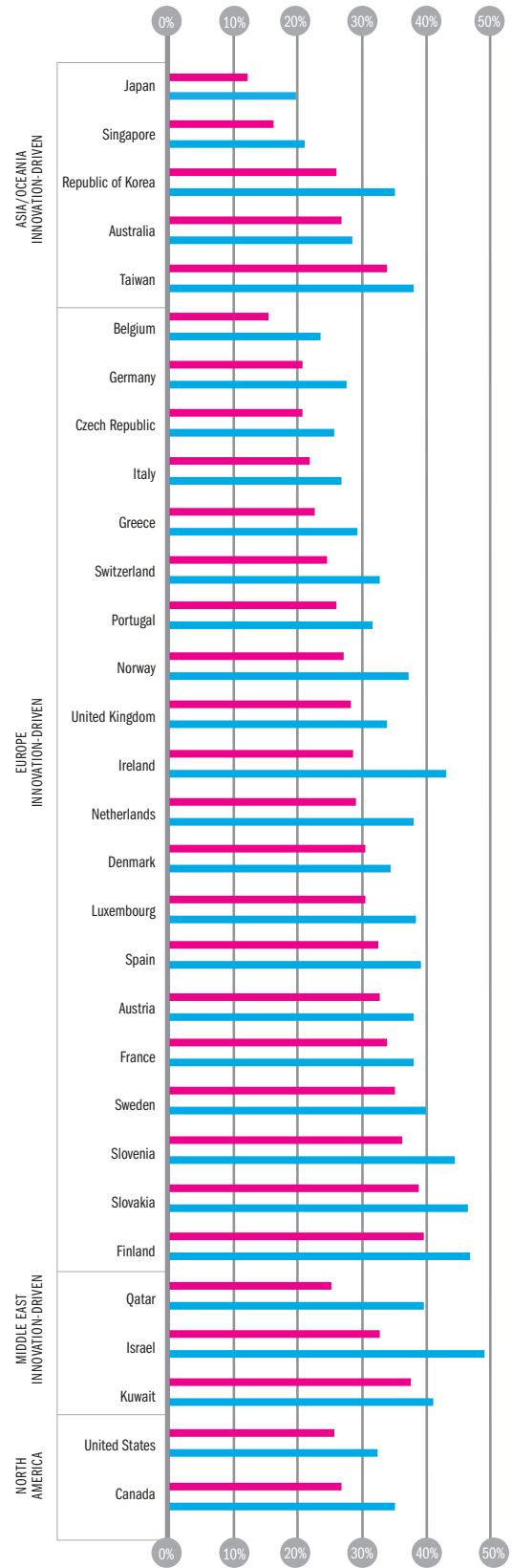


Figure 22: Percentage of Adults Who Personally Know an Entrepreneur in Innovation-Driven Economies, by Region and Gender

Know a Female Entrepreneur
Know a Male Entrepreneur

Although the rise of interest in female entrepreneurship is a recognized trend around the world, the rate of participation in entrepreneurship by women still varies considerably among economies and geographic regions. According to the OECD (2004), women have lower participation rates in entrepreneurship as they face more social and cultural constraints than men. These obstacles include higher levels of domestic responsibility, lower levels of education (particularly in developing countries), lack of female role models in the business sector, fewer business-oriented networks in their communities, lack of capital and assets, lower status in society and a culturally-induced lack of assertiveness and confidence in their ability to succeed in business. These factors may prevent women from perceiving, as well as acting on, entrepreneurial opportunities.

3.1 KNOWING AN ENTREPRENEUR

In many African and Asia and Oceania (factor and efficiency-driven) economies, more than half the women in these societies know an entrepreneur personally (Figure 21). In the Philippines and Zambia, women are slightly more likely to know an entrepreneur compared to men, while in Vietnam, Nigeria and Belize women are almost as likely as men to know an entrepreneur. Japan (12%) and Belgium (15%) have the lowest prevalence of women knowing an entrepreneur (Figure 22). These two economies also have the lowest female TEA rates in their respective regions (Figure 4).

Contact with entrepreneurs can also provide people with motivation, advice, contacts and other benefits, leading to higher interest and success in entrepreneurship.

In economies with high TEA rates, more individuals know an entrepreneur, as Figure 23 shows. In these cases, where there are more entrepreneurs, it is likely that individuals will have personal contact with one. But contact with entrepreneurs can also provide people with motivation, advice, contacts and other benefits, leading to higher interest and success in entrepreneurship. Women's lower rates of knowing an entrepreneur mean that they are potentially disadvantaged from the start of the entrepreneurship process, having fewer inspirational role models (which could affect their willingness to engage in entrepreneurship activity), as well as limited access to relevant networks, mentorship opportunities and advice.

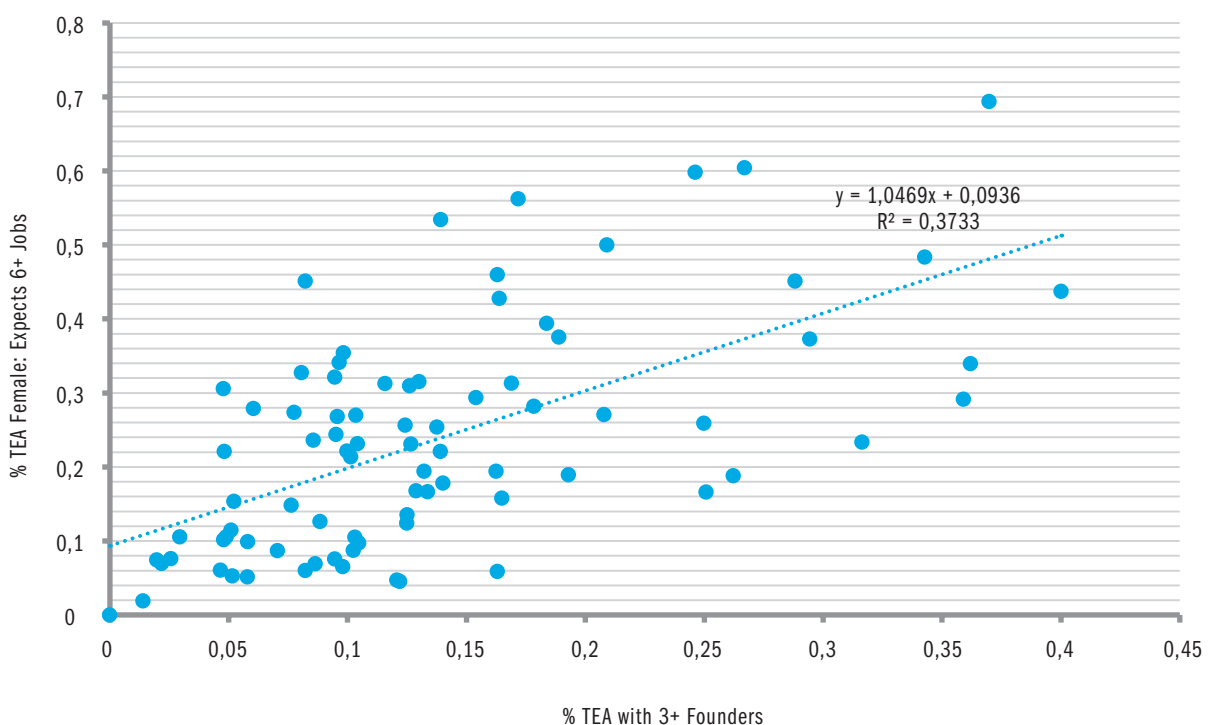


Figure 23: Relationship Between Knowing an Entrepreneur and Female TEA Rates

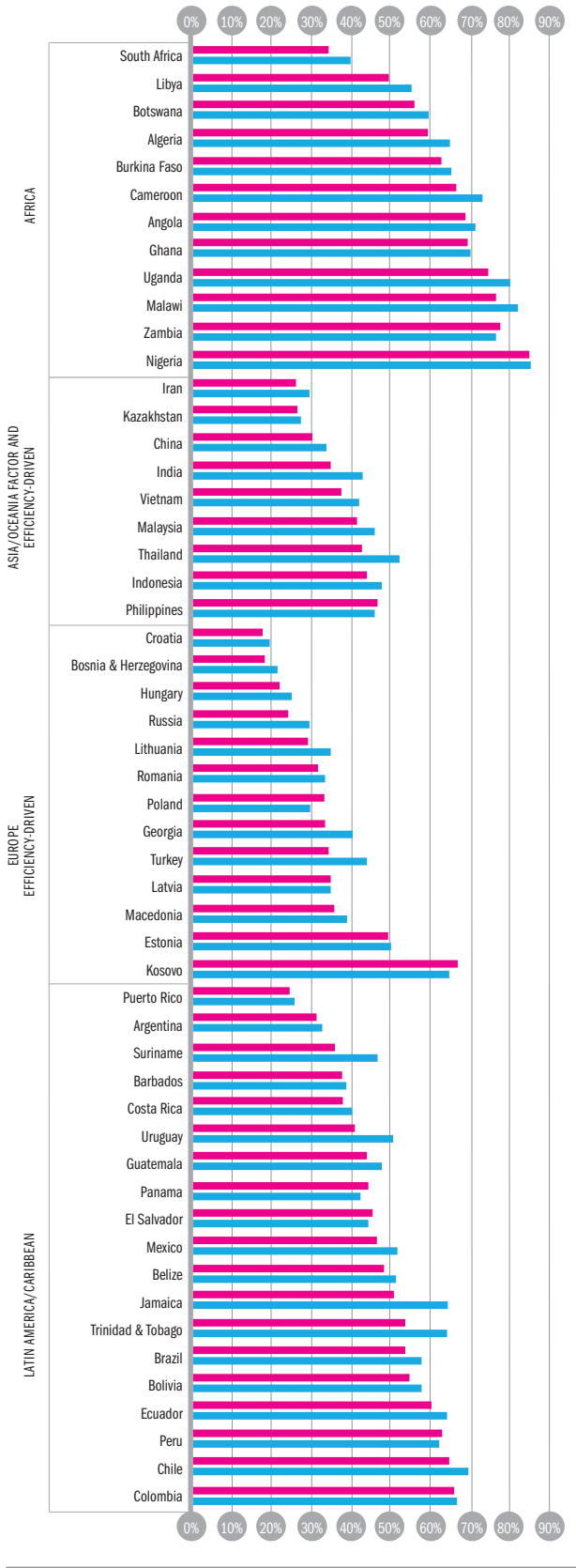


Figure 24: Percentage of Adults Who Perceive Opportunities in Factor- and Efficiency-Driven Economies, by Region and Gender

Opportunity Perceptions Female
Opportunity Perceptions Male

In a number of factor- and efficiency-driven economies, women are slightly more likely to perceive good business opportunities in their area.

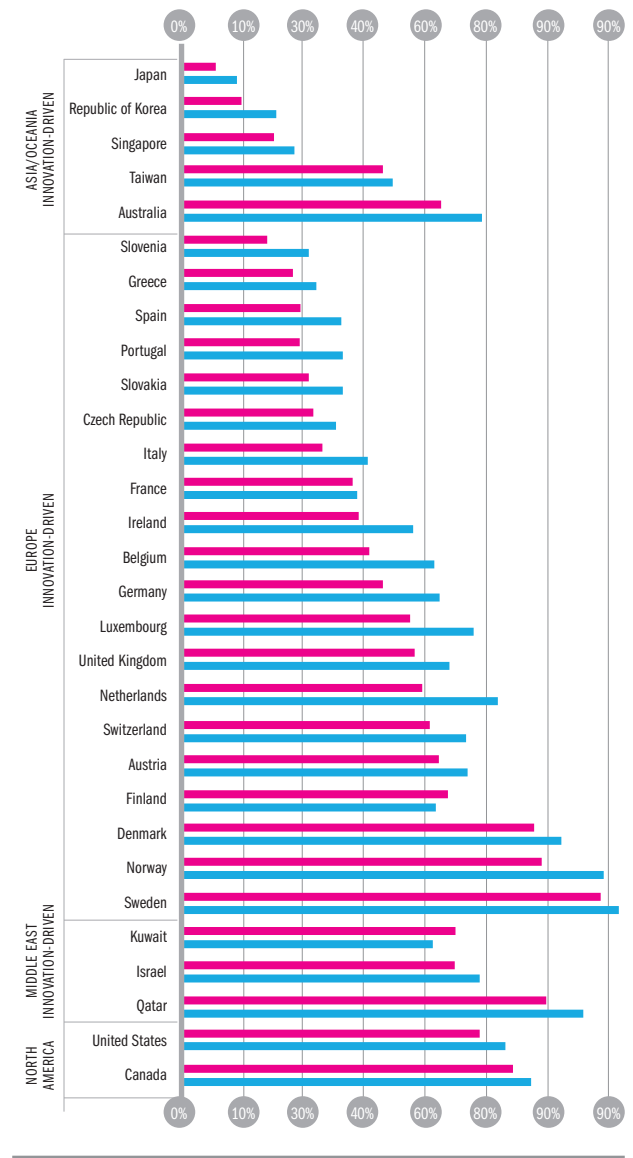


Figure 25: Percentage of Adults Who Perceive Opportunities in Innovation-Driven Economies, by Region and Gender

Opportunity Perceptions Female
Opportunity Perceptions Male

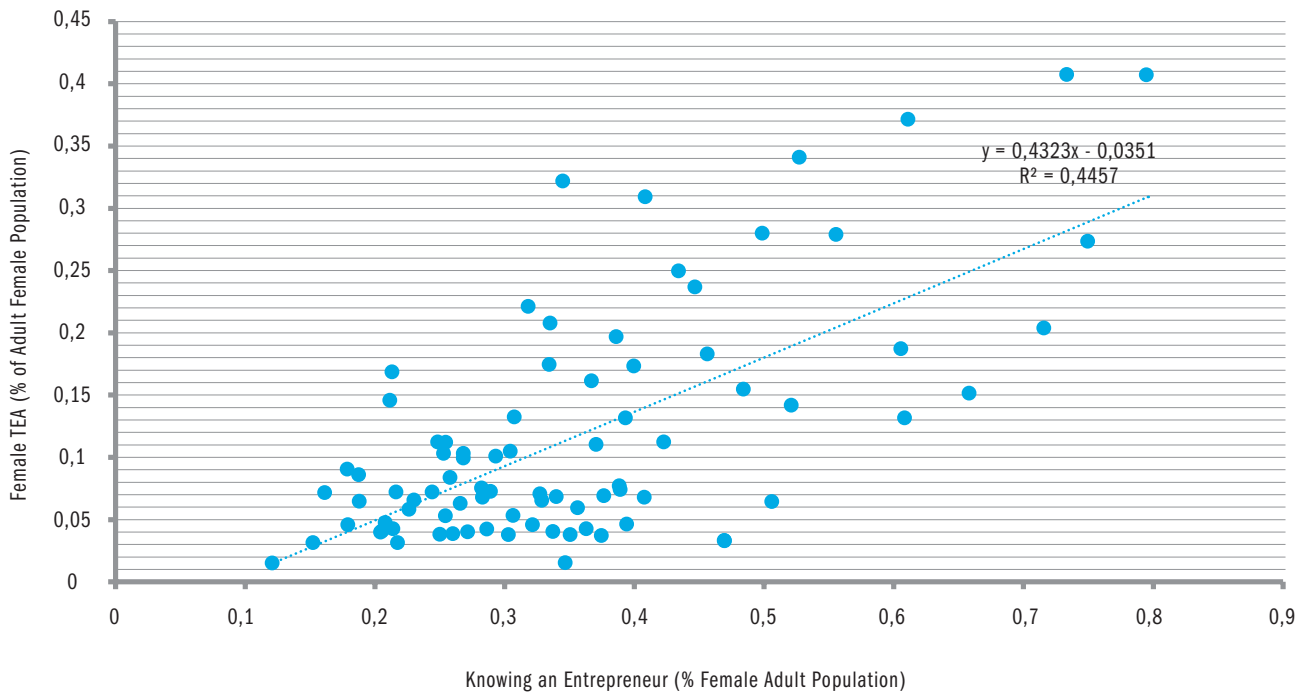


Figure 26: Relationship Between Female Opportunity Perception and TEA Rates

Beliefs about capabilities are more reflective of self-perceptions. They indicate individuals' confidence that they have the knowledge, skills and experience required to start a new business.

3.2 OPPORTUNITY PERCEPTION

In general, there is little difference between the genders in the rate of perceived opportunities (the average for females is 40%, compared to 45% for males: Figures 24 and 25). In a number of factor- and efficiency-driven economies, women are slightly more likely to perceive good business opportunities in their area: Zambia, the Philippines, Latvia, Kosovo, Panama, El Salvador and Peru. Among the innovation-driven economies, Kuwait shows higher rates of perceived opportunity among women compared to men. Notably high rates of female

opportunity perceptions may be seen in Denmark (57%), Norway (58%) and Sweden (68%); these results are at odds with their low female TEA rates (a mere 4%, as shown in Figure 4).

The scatterplot (Figure 26) shows the relationship between opportunity perceptions in society and TEA rates among women. The positive relationship between these indicators highlights the importance of positive attitudes in stimulating entrepreneurship activity.

3.3 CAPABILITIES PERCEPTIONS

While opportunity perceptions demonstrate people's views of the environment around them, beliefs about capabilities are more reflective of self-perceptions. They indicate individuals' confidence that they have the knowledge, skills and experience required to start a new business. As Figure 27 shows, over half of women in nearly every economy in Africa and Latin America believe they have the ability to start a business.

In general, capabilities perceptions show a greater gender difference than opportunity perceptions. In the GEM sample as a whole, 46% of women believe they have the required skills and knowledge to start a business, compared to 59% of men. At the regional level, the results show marked divergence (Figures 27 and 28). Among factor- and efficiency-driven regions, many economies show female capability rates that are equal or nearly equal to those of men: in particular, Nigeria and Ghana. A number of Latin American and Caribbean economies also show low gender differentials

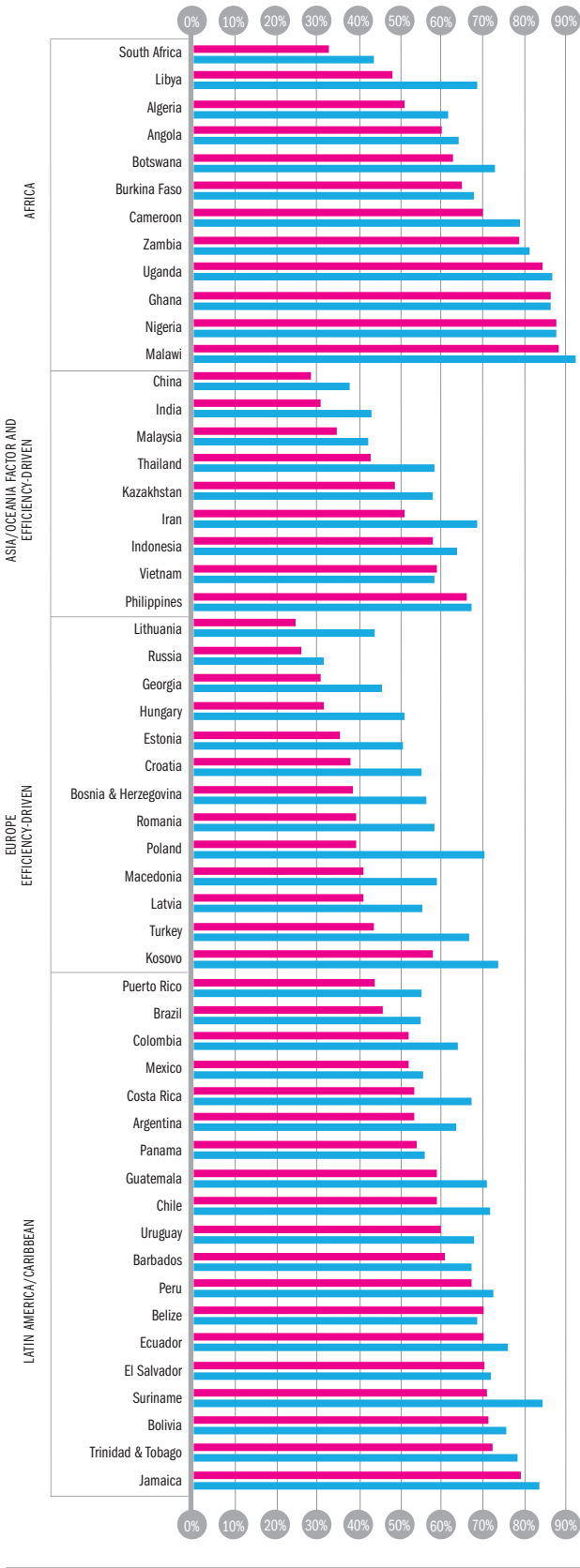


Figure 27: Percentage of Adults Who Perceive They Have Capabilities to Start a Business in Factor- and Efficiency-Driven Economies, by Region and Gender

Opportunity Perceptions Female
Opportunity Perceptions Male

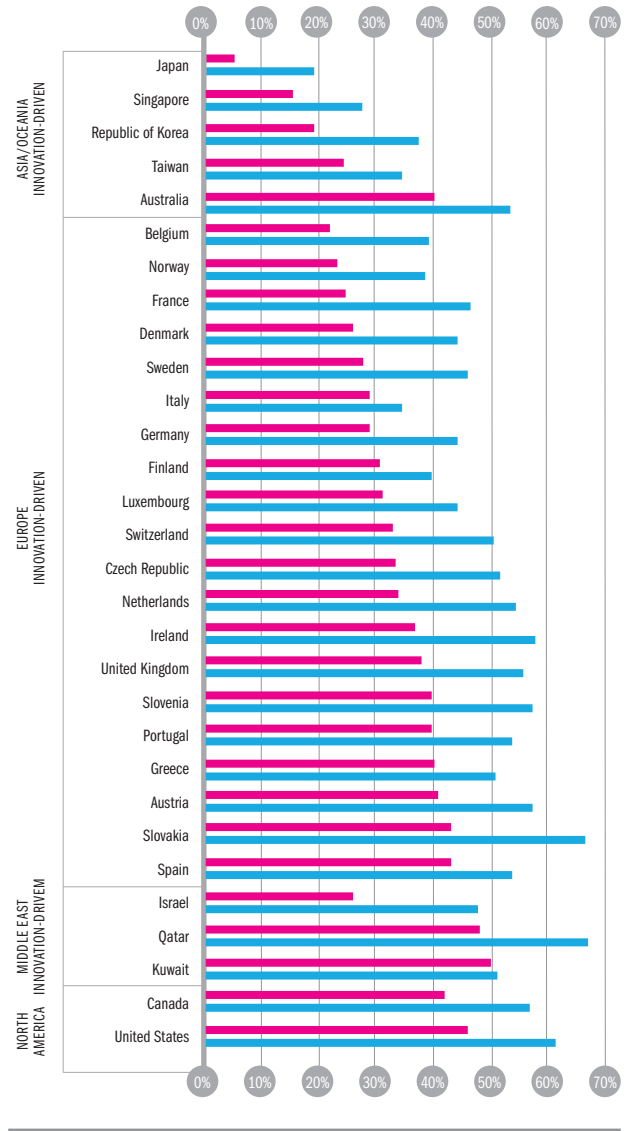


Figure 28: Percentage of Adults Who Perceive They Have Capabilities to Start a Business in Innovation-Driven Economies, by Region and Gender

Capability Perceptions Female
Capability Perceptions Male

(most notably, Belize and El Salvador) as well as the Philippines, Vietnam and Indonesia in Southeast Asia.

Gender gaps appear across the innovation-driven economies. Japan has low capabilities perceptions among women, scarcely more than a quarter of the level of men, while women in Korea, France, and Israel have just over half the level of capabilities perceptions compared to men.

The scatterplot (Figure 29) shows the strong relationship between capabilities perceptions and TEA. This relationship is even stronger than for opportunity perceptions and TEA. This re-enforces the importance of assessing capabilities, particularly in light of the gender gap revealed in many economies.

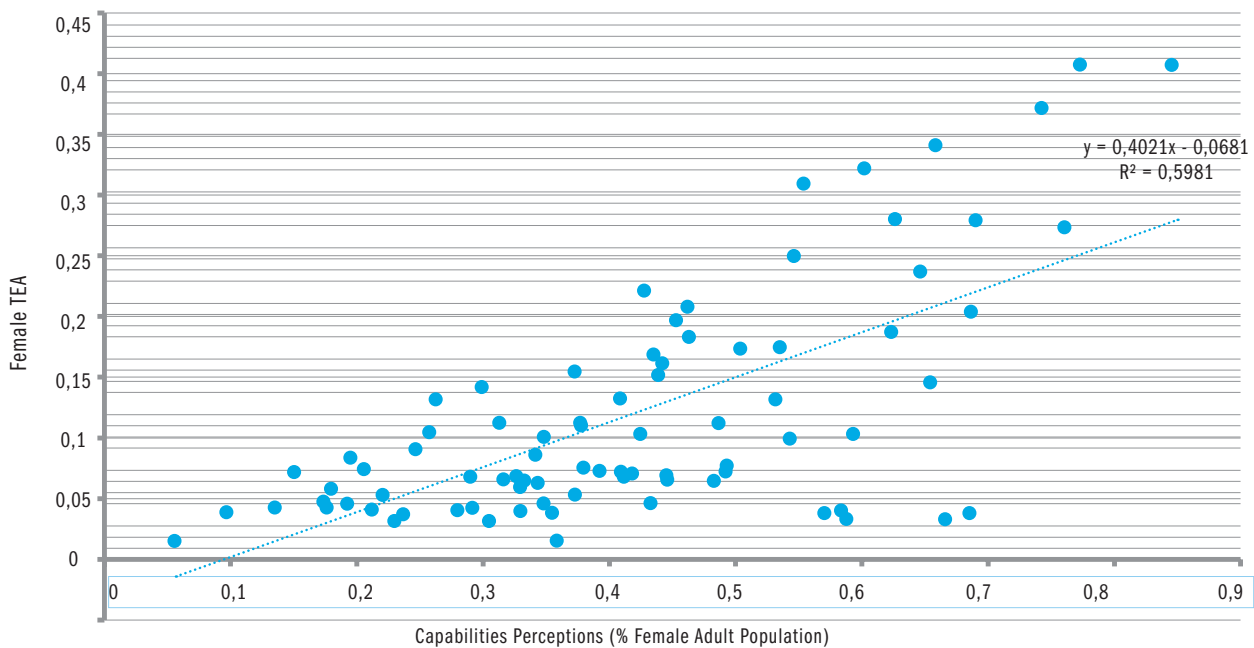


Figure 29: Relationship Between Female Capabilities Perception and TEA Rates

3.4 CHANGES IN OPPORTUNITY AND CAPABILITIES PERCEPTIONS FROM 2012

Across the 61 economies featured in this report and the 2012 report, perceptions about opportunities and capabilities changed little overall from 2012 (Table 6). Europe, Israel and the United States saw increased female opportunity perceptions, but with less change to the gender ratio. In Asia, opportunity perceptions were noticeably lower, especially among innovation-driven economies in this region.

For the most part, capability perceptions changed little at the regional level. To some extent, capability perceptions are more reflective of one's belief about one's self, and this may change little over time. On the other hand, whether some see opportunities around them may depend more on the environment, with shifts over time that can vary among regions.

3.5 FEAR OF FAILURE

Fear of failure can be influenced by intrinsic personality traits, as well as by societal norms and regulations. For the risk-averse person, the downside risk of failure can outweigh the most promising opportunities or expectations, even if potential returns are considerably higher than the next best alternative. In some economies, the legal and social ramifications of business failure may act as a strong deterrent, increasing fear of failure and reducing the pool of potential entrepreneurs.

Women are more risk-averse than men in terms of entrepreneurial behavior. In the GEM sample as a whole, 41% of women who perceive opportunities would be prevented from starting a business due to fear of failure, compared to 34% of men.

In general, women are more risk-averse than men in terms of entrepreneurial behavior. In the GEM sample as a whole, 41% of women who perceive opportunities would be prevented from starting a business due to fear of failure, compared to 34% of men. Women's generally lower confidence in their own abilities is likely to contribute to their higher rates of fear of failure in a business context.

Table 6: Percentage Change in Female Rates and Female/Male Ratio from 2012 for Societal Perceptions About Opportunities and Capabilities

Region	Female Opportunity Perceptions	Opportunity Perceptions Ratio F/M	Female Capability Perceptions	Capability Perceptions Ratio F/M
Africa	0%	-1%	-2%	1%
Asia/Oceania (Factor- and Efficiency-Driven)	-2%	-2%	1%	-10%
Europe (Efficiency-Driven)	16%	1%	3%	1%
Latin America/ Caribbean	-1%	5%	4%	6%
Asia/Oceania (Innovation-Driven)	-17%	-10%	-1%	-6%
Europe (Innovation-Driven)	10%	0%	0%	2%
Israel*	50%	-2%	19%	-7%
United States	21%	6%	-2%	4%
Overall Average: All 61 Economies	4%	0%	1%	1%

Figure 30 shows fear of failure rates for factor- and efficiency-driven economies. In many Asian and African economies, women show a high degree of risk-willingness; fear of failure rates in these economies are often equal to or lower than for men. South Africa is an exception in the region with female fear of failure rates over a third higher than for males. In efficiency-driven Europe, and Latin America and the Caribbean, only two economies show equal fear of failure rates among women and men, Kosovo and Mexico. Otherwise, gender gaps exist in most economies throughout these regions. In Lithuania and Panama, women display up to 50% greater fear of failure levels. Coupled with low rates of perceived capabilities among women, the relatively high fear of failure rates among women in efficiency-driven Europe are cause for concern and likely contribute to the low female TEA rates in the region.

Among innovation-driven economies (Figure 31), Asia reports few gender gaps in fear of failure. Greater gaps are apparent in Europe, particularly Switzerland, Austria and Germany, countries with close borders. This may, in part, be attributable to the fact that fear of failure tends to be more common in developed economies, where the greater prevalence of alternative career options may create the impression that people have more to lose by forgoing these other opportunities.

In efficiency-driven Europe, and Latin America and the Caribbean, only two economies show equal fear of failure rates among women and men, Kosovo and Mexico.

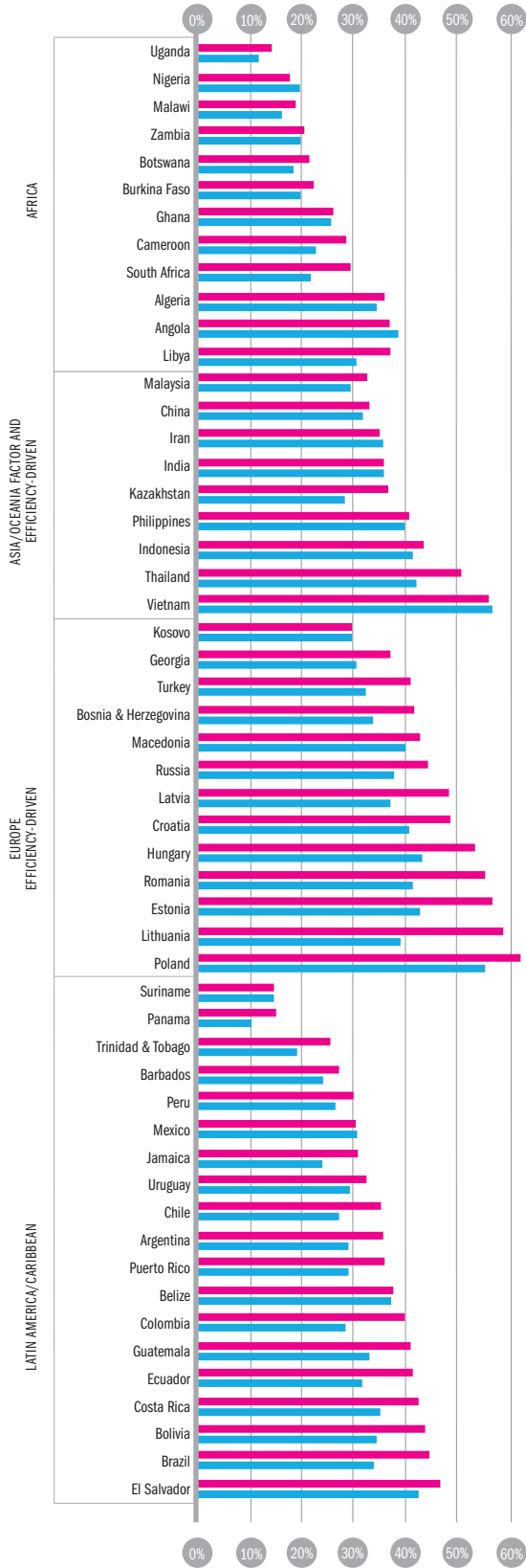


Figure 30: Fear of Failure Rates Among Those Seeing Opportunities in Factor- and Efficiency-Driven Economies, by Region and Gender

█ Fear of Failure Female
█ Fear of Failure Male

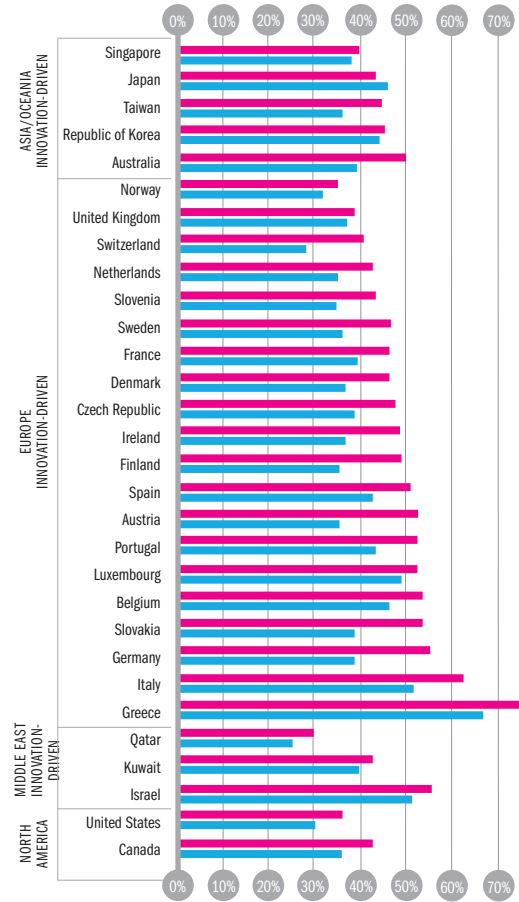


Figure 31: Fear of Failure Rates Among Those Seeing Opportunities in Innovation-Driven Economies, by Region and Gender

█ Fear of Failure Female
█ Fear of Failure Male
● Overall Average: Factor- and Efficiency-Driven Regions (unweighted)
● Overall Average: Innovation-Driven Regions (unweighted)

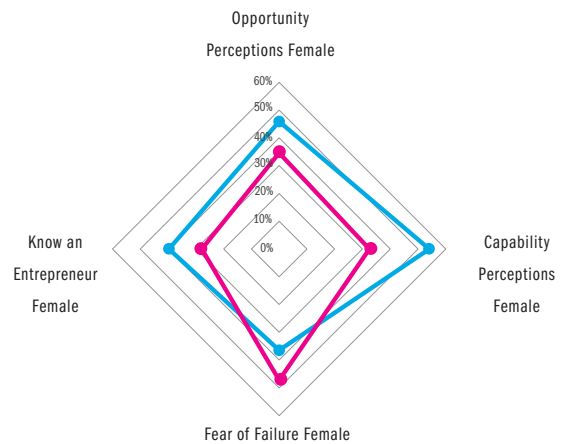


Figure 32: Analysis of Entrepreneurial Attitudes, by Development Level

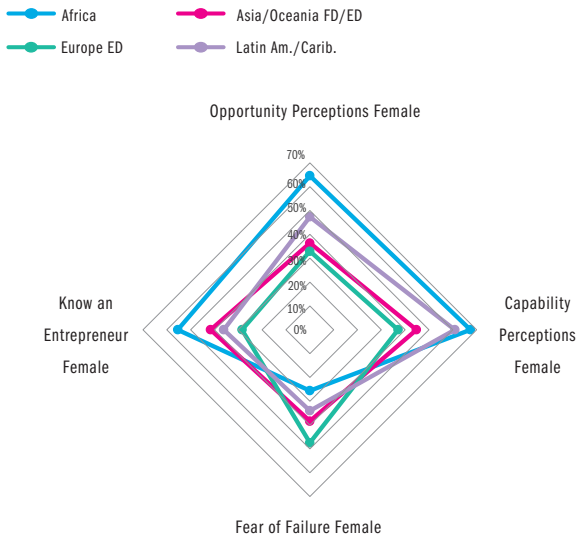


Figure 33: Analysis of Entrepreneurial Attitudes for Factor- and Efficiency-Driven Economies

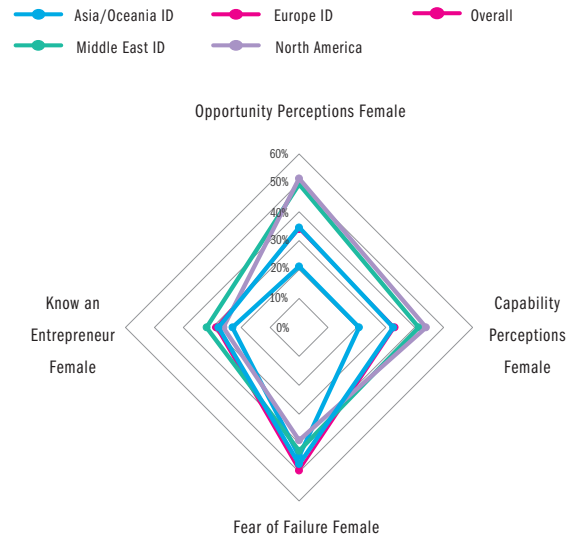


Figure 34: Analysis of Entrepreneurial Attitudes for Innovation-Driven Economies

3.6 A COMPARATIVE OVERVIEW OF FEMALE ENTREPRENEURIAL ATTITUDES

The spider diagrams above provide an analysis of women’s entrepreneurial attitudes, by development level and region.

Similar to the analysis of entrepreneurship activity, women in many less-developed economies have the most positive levels of perceived entrepreneurship capabilities, suggesting a higher level of confidence among women in less-developed regions. However, individuals in economies at different stages of development are likely to have different kinds of businesses in mind. This would suggest that the perception of what is considered an opportunity and the capabilities required to create and manage this entrepreneurial opportunity in factor- or efficiency-driven economies could differ substantially from these perceptions in innovation-driven economies. This is reinforced by the finding that the average innovation-driven entrepreneur registers higher potential impact, which would generally require a higher level of capabilities.

Across the four attitude measures (Figure 33), Africa and efficiency-driven Europe are on opposite sides of the overall average, with the former registering high perceptions and the latter showing low perceptions among women. Latin America is closest to the average, except for having slightly higher female capability perceptions. Asia is close to average on knowing an entrepreneur and fear of failure, but is low on opportunity and capability perceptions among women.

North America and the Middle East have higher than average opportunity and capability perceptions, indicating positive views of entrepreneurship among women. On the other hand, these indicators are low

for Asia and average for Europe. Fear of failure varies little among the regions, with the possible exception of low fear of failure in North America. Knowing an entrepreneur also shows relatively low variation, with slightly fewer women than average knowing an entrepreneur in Asia and slightly more reporting this in the Middle East.

ENTREPRENEURS' STORIES

Anja Staege-Thylmann (Germany): stylecats



One thing had always been clear to Anja: at some point, she would own a cat. Then the time came. Whilst visiting an animal shelter on a sudden impulse, she became a cat owner. “Fortunately,” she says, “otherwise I would probably not have had the idea to create a new collection of furniture and accessories for cats and humans – with stylecats®.”

The germ of the concept was born when she was looking for a scratching post and was shocked by what she describes as monstrosities among our modern furniture. “I started developing my own ideas,” she says. “Maybe a combination of furniture and function? Straightforward and high-quality? Could this be a business idea that would appeal to other pet owners, too?”

She outlined drafts, had prototypes produced, and spent time looking for strategic partners. Careful market analyses followed. In the five years since then, several collections of cat furniture and modern accessories have been created – featuring an innovative, modest design, ready for serial production and offered online.

Although today stylecats® is a successful developer, manufacturer and distributor, the business started off slowly and without any external capital. Sales grew consistently and increased by over 100% year by year. The careful development, the examination of adequate, certified materials (all made in Germany), and, moreover,

the focus on regional partners for production proved most favourable. Right in the middle of this process she gave birth to her son, who is now three years old. “Being an online retailer is a huge advantage in this regard.” She notes. “I can work and make decisions flexibly and I am not bound to a rigid working-hours model. In theory, I could operate from anywhere in the world. This knowledge gives me a sense of freedom.”

As an entrepreneur, she takes her business responsibilities seriously. “The service concept takes top priority for stylecats®,” she asserts. “I address my customers individually and in a professional manner, dealing with enquires and accommodating their desires. To me this is a matter of course – however, nowadays it is worth mentioning.”

Anja is satisfied if her customers – and, of course, this also includes the cats – are satisfied, because then she knows that she has a good product on her hands. Her complaint rate, amounting to a mere 0.02 %, speaks for itself.” The clear design language of our furniture, as well as the interchangeability of the materials used, is appealing as well as useful and practical,” she says. A clear indication of the success of the concept is that the number of orders from abroad – especially from Switzerland, Austria and Belgium – is constantly rising. Exclusive home and living magazines have also featured articles on her company. “I would like to thank hannoverimpuls GmbH for their support,” she adds.

What makes her particularly proud? At the end of last year, stylecats® received the Plus X Award 2015 in the category High Quality and Design for their first collection, as well as for the category Bestes Produkt 2015/2016 (Best Product 2015/2016). “My first reaction was that this was a contradiction in terms – a scratching post cannot win a design award! Yet it is possible – with stylecats®,” she recalls.

“It was about time a new face was put on cat furniture,” she concludes. “The merger of interior design for cats and humans had proved to be successful.” She feels that her dream of becoming the Europe-wide number one company for modern cat furniture is drawing closer. “After 20 years, I quit my job in a large corporation. And what will next year bring?”

www.stylecats.de

ENTREPRENEURS' STORIES

Veronica Molina (Ecuador): Eclipsoft



Veronica Molina, an IT system engineer with an MBA, is the owner of ECLIPSOFT. She worked for seven years for MACOSA, an Ecuadorian company developer and exporter of banking software for several Latin American countries. Veronica returned to Ecuador in 2001 with a new business idea: to develop an SMS service platform as a new communications channel for the banking industry. This was shortly after the Ecuadorian banking crisis, but in spite of this, in 2002 Veronica founded Eclipsoft, a company focused on mobile banking solutions, in the city of Guayaquil. Her partners in the new venture were her husband and a former classmate.

Veronica. “We offered an innovative platform that would allow them to regain the lost confidence. It was the best time to get into the market.”

Today, Eclipsoft has offices in Guayaquil and Quito, and 20 employees, of which 60% are women, mostly young professionals in management and finance. The remaining employees are young professionals in ICT. Eclipsoft serves mostly the domestic market: 56% corporate, 16% banking, and 28% education, in terms of the number of customers. The three cellular operators in the country (America Movil, Movistar and CNT) are among their strategic partners. They are starting internationalisation efforts, through building alliances with companies in Panama to explore the SMS platform market there.

We offered an innovative platform that would allow them to regain the lost confidence. It was the best time to get into the market.

“We are growing. Eclipsoft is not only a place to earn a salary, but a place to grow together,” she enthuses.

Eclipsoft combines passion defending new ideas, timing in developing them, but mostly seeing opportunities where others see barriers. Veronica believes that being a woman was an advantage, helping the company to develop better empathy with its clients. “Success as an entrepreneur lies in having the right balance between professional and family roles, relying on your family and, above all, trusting your intuition,” she says.

The beginning was not easy; there were no similar platforms in Latin America and with the '99 banking crisis still fresh in people's minds, it was impossible to get any type of funding. “It was very difficult to ask people to believe in something that didn't exist yet, and only our faith that this might work kept us moving forward,” she says. The initial investment of US\$15,000 came from the partners' own savings. That was enough to set up a computer centre, hire staff and survive for a year while they continued developing the platform.

“Some people thought we were crazy. Many had their bank accounts frozen or tried to get their money out of the country. For us, it was an opportunity. The financial sector was so depressed that banks needed to find solutions that would allow them to reactivate their business,” says

CHAPTER 4

WOMEN'S ENTREPRENEURSHIP IMPACT



GEM recognizes that entrepreneurs have differing impacts on their societies. Key to economic development and growth are the mix of industries, job creation potential, level of innovation and international competitiveness. This section focuses on these factors with respect to women entrepreneurs.

4.1 INDUSTRY SECTOR

Figure 35 shows the distribution of early-stage entrepreneurship activity according to industry sector and gender. The extractive sector is based

on natural resources and includes agriculture, forestry, fishing and mining; the transforming sector involves the manufacturing of goods and is generally capital-intensive, but it may also be labor-intensive, including construction, manufacturing, transportation, communication, utilities and wholesale distribution; business services target the business customer and generally rely on greater knowledge intensity, which includes finance, insurance and real estate; and the consumer sector serves customers directly through products and services that include retail, motor vehicles, lodging and restaurants, personal services, education and recreational services.

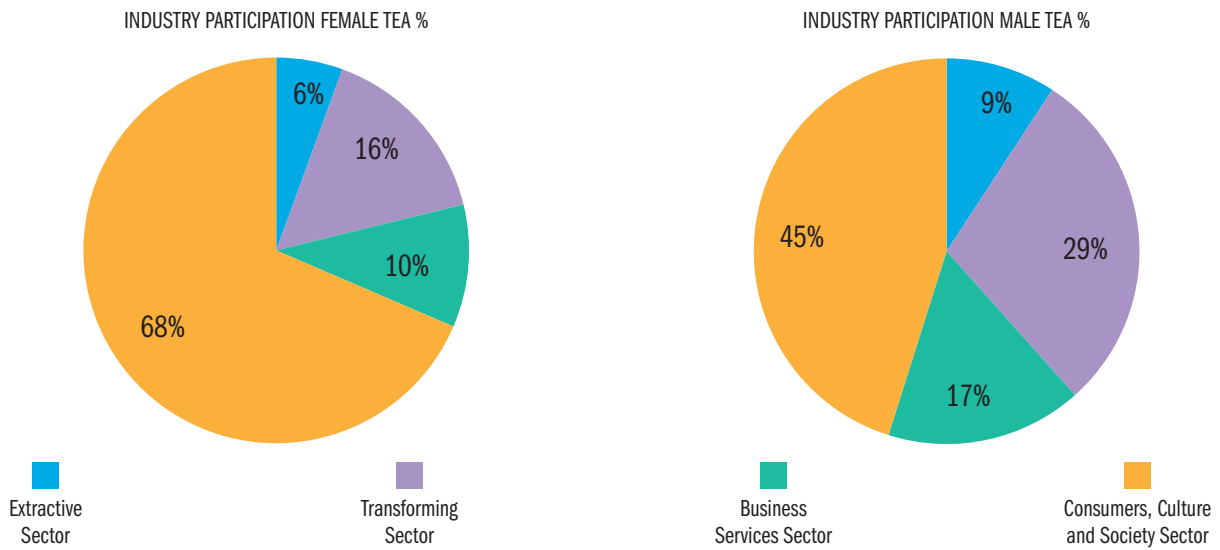


Figure 35: Early-Stage Entrepreneurship Activity, by Industry Sector and Gender

A substantial majority (more than two-thirds) of early-stage entrepreneurship activity by women is in the consumer services sector. Reasons for this range from differences in laws that restrict the types of jobs that women are permitted to engage in, to the fact that women have limited access to owning land or being able to engage in agricultural activities. In addition, women have less access to startup funding, which is a hindrance to launching an asset-based or manufacturing-based businesses.¹ Proportionately, women entrepreneurs are about half as likely as men entrepreneurs to be involved in the transforming sector and over 40% less likely to be active in the business services sector.

Barriers to entry into the consumer sector, including skills and capital required, tend to be lower. As a result, this is often an over-traded sector populated by low-profit-margin businesses; high levels of competition for limited markets can threaten the sustainability of these businesses. Additionally, the consumer sector may be particularly vulnerable in periods of economic slowdown. The fact that a high proportion of women-owned TEA entities are concentrated in such a vulnerable sector is likely to be a contributory factor in the generally lower rates of female established business ownership.

The distribution of women’s early-stage entrepreneurship activity according to industry sector varies considerably when disaggregated by geographic region and phase of economic development (Figures 36 and 37). Among factor- and efficiency-driven regions, Africa, Asia and Oceania, and

¹ Facts and Figures: Economic Empowerment. <http://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>.

Efficiency-driven Europe shows a markedly different pattern of industry sector participation. Although women in this region report low TEA rates, they demonstrate a more balanced profile with regard to industry sector.

Latin America show a similar pattern. In these regions, a considerable majority (around three-quarters) of women entrepreneurs are in the consumer-oriented services sector, with the transforming sector showing moderate participation. Women in Africa are most likely to report involvement in the extractive sector (at 9%, three times that of women in the other two regions).

Efficiency-driven Europe shows a markedly different pattern of industry sector participation. Although women in this region report low TEA rates, they demonstrate a more balanced profile with regard to industry sector. Less than half of women entrepreneurs in this region are in the consumer services sector, while a quarter are active in the transforming sector. In line with their access to more sophisticated markets, women in efficiency-driven Europe

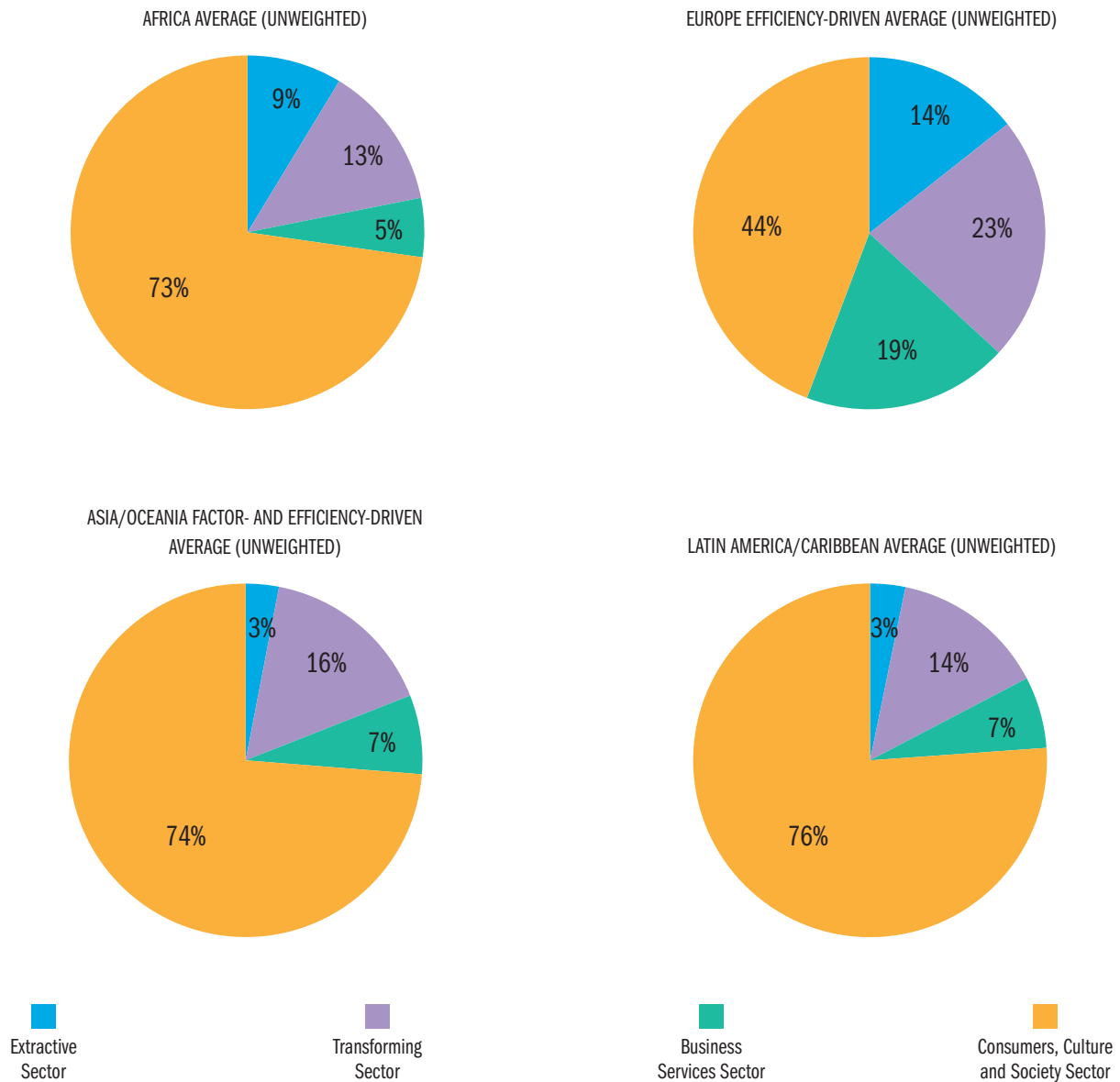


Figure 36: Female Early-Stage Entrepreneurship Activity Across Industry Sectors in Factor- and Efficiency-Driven Regions

show the highest rate of involvement in the business services sector by a substantial margin (around three times that of other factor- and efficiency driven regions). Conversely, two African economies (Malawi and Ghana) and two Latin American and Caribbean economies (El Salvador and Jamaica) report less than 1% of female entrepreneurs competing in the business services sector.

Among the innovation-driven regions, Europe and North America show a similar pattern, exhibiting diversity in sector participation by women entrepreneurs. These two regions have the highest prevalence of women-owned enterprises (more than a quarter) in the business services sector, as well as representation in the transforming sector. Northern European economies (Norway, Denmark and Sweden) and Germany report high participation in business services (around a third

of female entrepreneurs), while few participate in this sector in innovation-driven Asia and Oceania. Greece stands out for having many transforming entrepreneurs (over a third of female entrepreneurs).

4.2 JOB ASPIRATIONS

A key focus in the development strategies of most countries is to facilitate growth that is sustainable and inclusive for the purposes of generating widespread employment and reducing poverty. The job creation potential of entrepreneurs is thus a crucial factor. This report measures the proportion of early-stage entrepreneurs who expect to have six or more employees in the next five years. While many entrepreneurs may not achieve their expressed growth potential, several studies have found an association between these

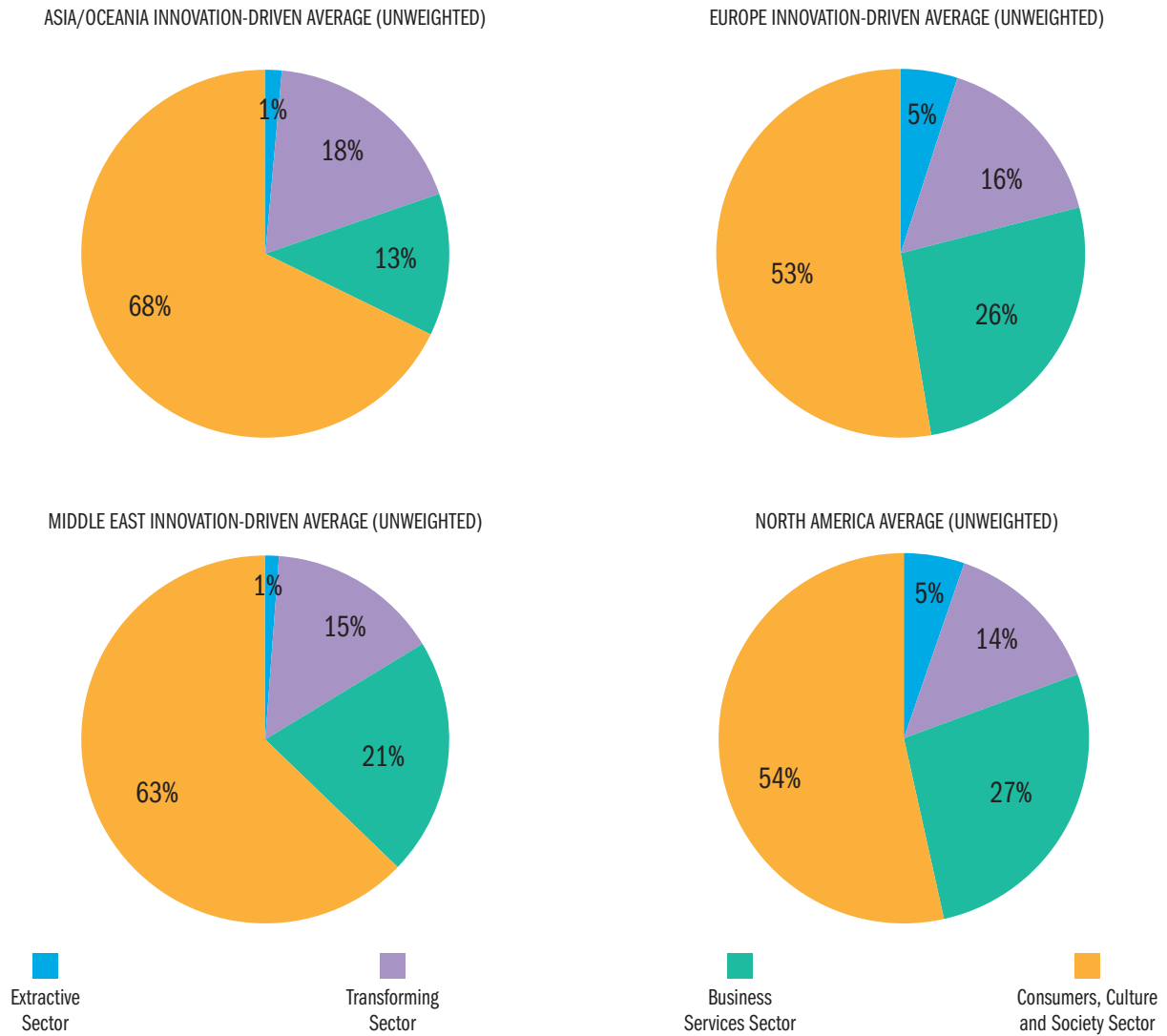


Figure 37: Female Early-Stage Entrepreneurship Activity Across Industry Sectors in Innovation-Driven Regions

projections and actual venture growth.² It should also be noted that entrepreneurs who do not aspire to grow their businesses are less likely to do so successfully. Figures 38 and 39 indicate the percentage of entrepreneurs, disaggregated by gender, with these growth aspirations within the designated regions.

Economies in Latin America and the Caribbean show considerable variation in female growth aspirations, ranging from no women entrepreneurs anticipating this

employment level in Suriname to 60% indicating this level in Colombia. Although efficiency-driven Europe has among the lowest TEA rates in the sample, this region in general reports higher proportions of female entrepreneurs with 6+ job aspirations. This suggests that entrepreneurship in this region is more selective, with fewer women starting businesses, but having a more positive outlook and greater ambition to grow their businesses.

The innovation-driven economies also show considerable variation in job creation aspirations. In Finland, women entrepreneurs are as likely as men to have growth aspirations. In addition, there are several innovation-driven countries where female entrepreneurs are more likely than male entrepreneurs to project creating six or more jobs: Belgium (1.5 times), Kuwait (1.4 times) and Luxembourg (1.25 times). For Belgium and Luxembourg, however, there are fewer women entrepreneurs relative to men, leading to a lower percentage of growth-oriented entrepreneurs relative to the overall population.

² Baum, J.R., Locke, E.A., & Smith, K.G. (2001). "A multidimensional model of venture growth," *Academy of Management Journal*, 44(2), 292-303.
 Wiklund, J., and Shepherd, D. (2003). "Aspiring for, and achieving growth: The moderating role of resources and opportunities," *Journal of Management Studies*, 40(8), 1919-1941.
 Stam, E., and Wennberg, K. (2009). "The roles of R&D in new firm growth," *Small Business Economics*, 33, 77-89.

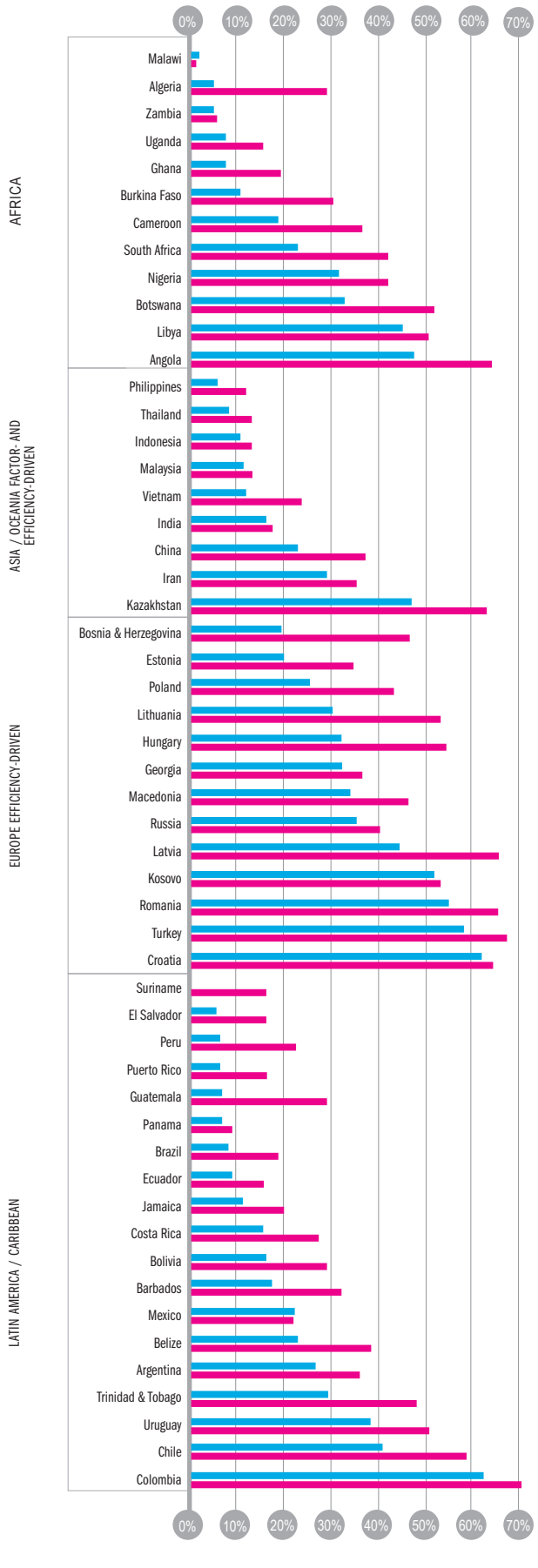


Figure 38: Percentage of Entrepreneurs With 6+ Job Projections in Factor- and Efficiency-Driven Economies, by Region and Gender

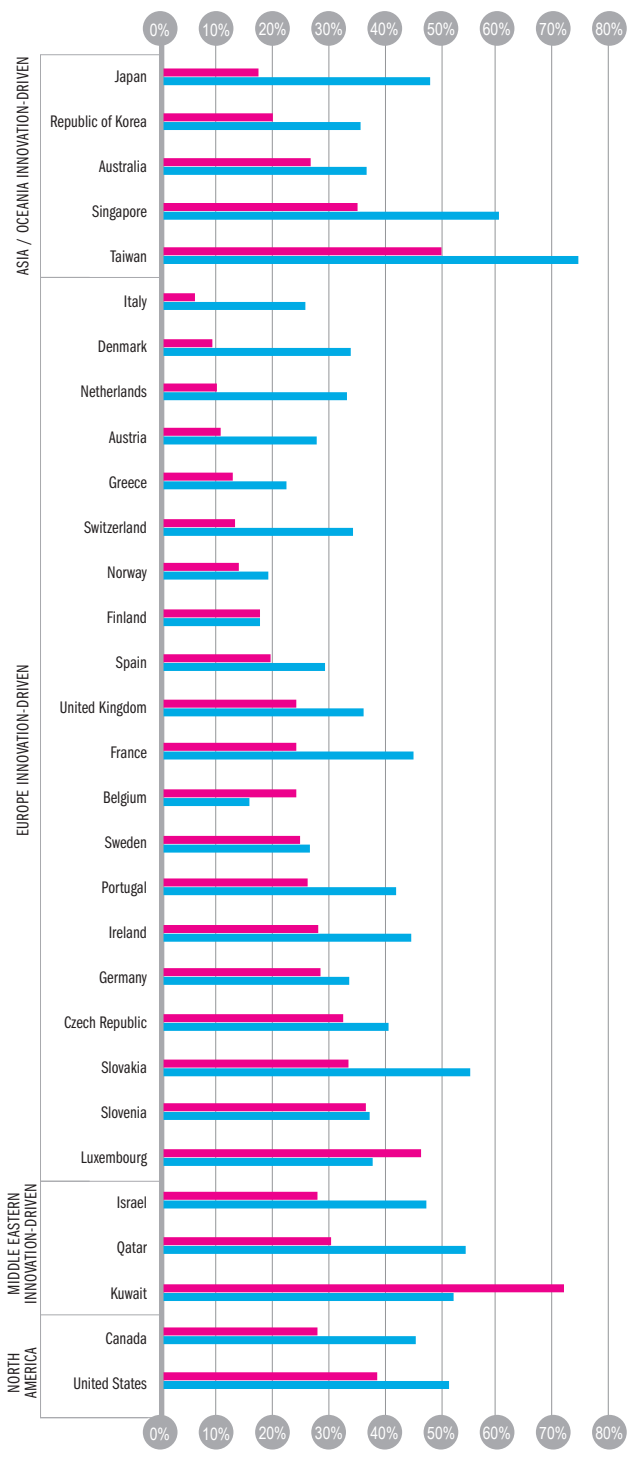


Figure 39: Percentage of Entrepreneurs With 6+ Job Projections in Innovation-Driven Economies, by Region and Gender

In Kuwait there is more gender parity, so women entrepreneurs are likely to have a higher number who are growth-oriented. However, the potential job-creation impact of these entrepreneurs must be evaluated in terms of Kuwait's particularly high business closure rates for both genders (Figure 8) – more entrepreneurs in Kuwait have closed a business in the last year than are starting or running a new business, suggesting a prevalence of high potential, but also of high risk.

4.3 INNOVATION

Innovation and entrepreneurship are closely connected concepts. Highly innovative entrepreneurs disrupt market equilibrium by introducing new product-market combinations that create new needs among customers and drive out less productive firms as their innovations advance the production frontier. Furthermore, innovation goes beyond merely creating novel products and services. To commercialize innovation, entrepreneurs need to identify new market niches and develop creative ways to offer, deliver and promote their products. All of this requires awareness of competitive offerings, as well as the ability to incorporate this knowledge into distinct products and services. Innovation capabilities are thus important to the ability of an economy to become competitive, particularly in higher-productivity sectors.

They report higher levels of innovation than male entrepreneurs in almost three-quarters of the economies in this region.

GEM assesses innovation among entrepreneurs by combining two main variables with respect to the entrepreneur's products or services: the degree of newness they represent to customers, and the extent to which competitors are not offering the same products or services. The high level of gender parity revealed in the results on innovation is encouraging. Women entrepreneurs in nearly half of the economies in the GEM sample report equal or higher innovation levels than men entrepreneurs. Chile and India have the highest levels of female innovation – in both of these economies, more than half the women entrepreneurs believe they offer innovative products or services. In India, low female TEA rates are to some extent offset by this high proportion of innovation. Chile, however, has both high female TEA rates and also the highest proportion of innovation among women entrepreneurs (58%).

From a regional perspective, women entrepreneurs in efficiency-driven Europe are particularly innovative (Figure 40). They report higher levels of innovation than male entrepreneurs in almost three-quarters of the economies in this region. These high innovation rates may, in part, be attributed to the fact that there are proportionately more educated women entrepreneurs in efficiency-driven European economies, compared to men entrepreneurs (as shown in Figure 13).

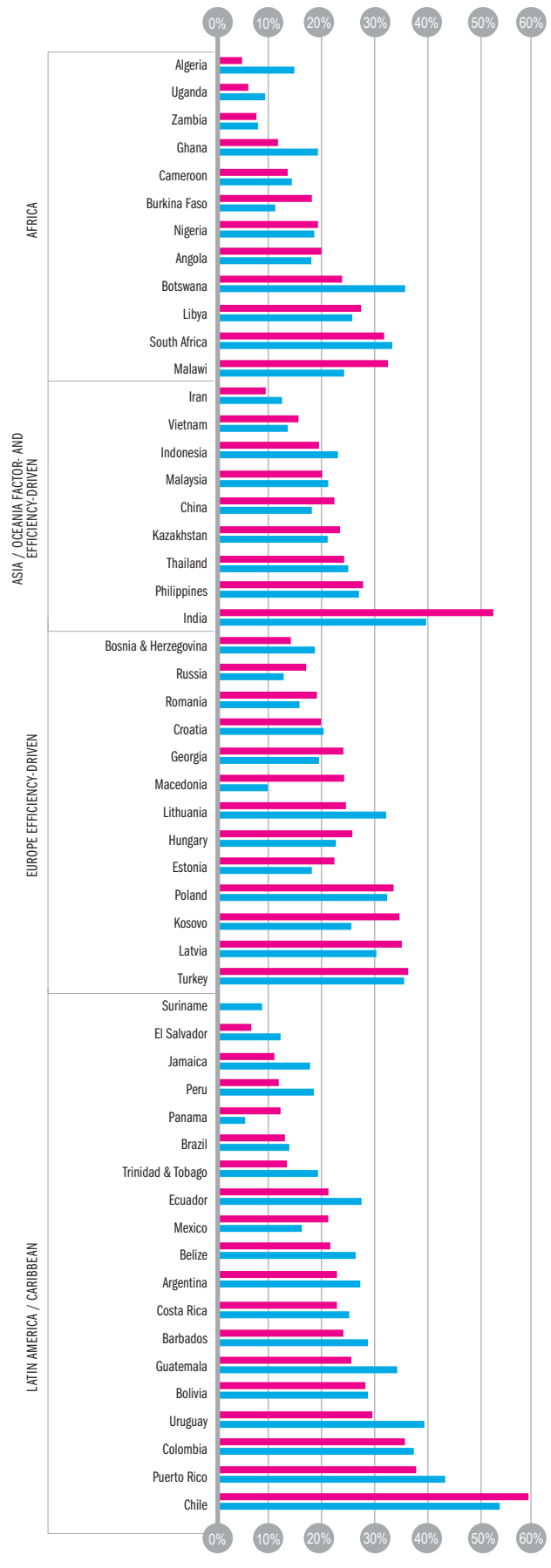


Figure 40: Percentage of Entrepreneurs with Innovative Products and Services in Factor- and Efficiency-Driven Economies, by Region and Gender

Innovation-driven Asia, which also experienced a decline in TEA rate and gender ratio, exhibited declines in rates and gender ratios for both job expectations and innovation.



Figure 41: Percentage of Entrepreneurs with Innovative Products/Services in Innovation-Driven Economies, by Region and Gender

4.4 CHANGES IN JOB EXPECTATIONS AND INNOVATION FROM 2012

With regard to changes from 2012 for 61 economies, Table 7 shows that the proportion of female entrepreneurs with 6+ job aspirations and innovative offerings has declined (by 9% for the former and 6% for the latter). However, this decline was also seen in male entrepreneurs; as a result there was little or no change in the overall gender ratios for these indicators. Factor- and efficiency-driven Asia, and also efficiency-driven Europe and Israel, show an interesting pattern where female rates and the gender ratio around job expectations have declined, but female rates and the gender ratio around innovation have improved. This suggests a shift toward innovation, but a diminishing emphasis on job creation.

Innovation-driven Asia, which also experienced a decline in TEA rate and gender ratio, exhibited declines in rates and gender ratios for both job expectations and innovation. The United States generally showed the opposite result, with positive improvements on both indicators.

4.5 INTERNATIONAL SALES

For many entrepreneurs, internationalization is a means to access larger and more diverse markets. In economies with large and relatively affluent internal markets, there may be less incentive for early-stage entrepreneurs to reach out to international markets. The ability to sell internationally is influenced by a range of factors: for example, the ability to conduct supply and distribution activities through the Internet, particularly to the extent that this facilitates international trade. Schott *et al.* (2015) found that only 35% of young women used the Internet to sell products and services, compared to 48% of young men.³

GEM regards entrepreneurs who aim to have more than 25% of customers from international markets as having a strong international orientation (Figures 42 and 43). The Latin American and Caribbean region shows high variation in this indicator among its economies. Very few female entrepreneurs in Brazil are internationally oriented, while nearly half in Suriname are. This, of course, reflects size differences among these countries, with Brazil having a much larger internal market than Suriname.

Less variation is exhibited in factor- and efficiency-driven Asia, where international orientation is low across the region for both genders. Africa also reports fairly low levels of international orientation, with the exception of

3 Schott, T., Kew, P., and Cheraghi, M. (2015). *Future Potential: a GEM Perspective on Youth Entrepreneurship 2015*. London: Global Entrepreneurship Research Organisation.

Table 7: Percentage Change in Female Rates and Female/Male Ratio From 2012 for Job Expectations and Innovation

Region	Percent female TEA with 6+ Job Expectations	6+ Job Expectation Ratio F/M	Percent Female TEA With Innovations	Innovation Ratio F/M
Africa	-12%	34%	-17%	4%
Asia & Oceania (Factor- and Efficiency-Driven)	-13%	-6%	29%	17%
Europe (Efficiency-Driven)	-18%	-15%	2%	13%
Latin America & Caribbean	4%	-2%	-10%	8%
Asia & Oceania (Innovation-Driven)	-8%	-12%	-27%	-40%
Europe (Innovation-Driven)	-3%	5%	-8%	-2%
Israel*	-38%	-28%	24%	12%
United States	21%	0%	12%	8%
Overall Average: All 61 Economies	-9%	0%	-6%	2%

South Africa. South African women entrepreneurs not only have high internationalization levels, but also are 30% more likely than men entrepreneurs to display strong international orientation.

Across the European region, women display particularly high levels of internationalization – most notably Kosovo, Luxembourg, Belgium and Hungary. Surprisingly, there are few internationally oriented female entrepreneurs relative to male entrepreneurs in the United Kingdom – female entrepreneurs are only one-fifth as likely as male entrepreneurs to display strong international orientation.

4.6 A COMPARATIVE OVERVIEW OF IMPACT CHARACTERISTICS AMONG WOMEN ENTREPRENEURS

The spider diagrams on the following pages provide an analysis of four impact characteristics among women entrepreneurs, by development level and region.

Although there are fewer female entrepreneurs in the innovation-driven economies, they exhibit, on average, greater impact than do female entrepreneurs in factor- and

efficiency-driven economies. There are large differences in terms of industry sector participation: 23% of women entrepreneurs in innovation-driven economies are active in the business services sector, compared to 9% for factor- and efficiency-driven economies. Women in innovation-driven economies are also more likely to be innovative and international. However, the factor- and efficiency-driven economies report job creation aspirations nearly equal to that of the innovation-driven economies, which could reveal the growth opportunities existing in markets that are still developing. At the same time, formal bureaucratic practices in developing economies may limit entrepreneurial aspirations.

In efficiency-driven Europe, despite fewer women entrepreneurs, these economies have entrepreneurs with higher potential impact, particularly in terms of job creation aspirations. Conversely, Africa reveals high female entrepreneurship activity, but scores lower than the overall average on all impact indicators. Other regions have strengths in certain impact variables. Asia shows a high level of innovation, but less international focus. Latin America is close to the average for international focus and innovation, but shows lower business services involvement and job expectations.

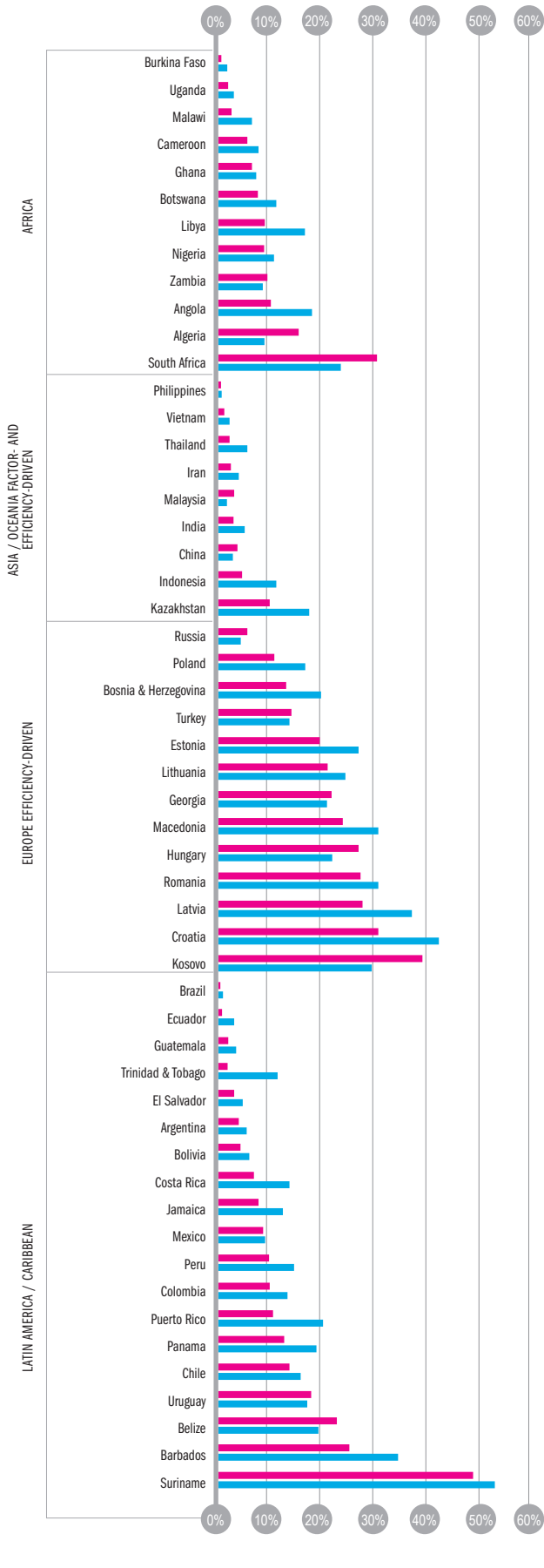


Figure 42: Percentage of Entrepreneurs with Strong International Orientation in Factor- and Efficiency-Driven Economies, by Region and Gender

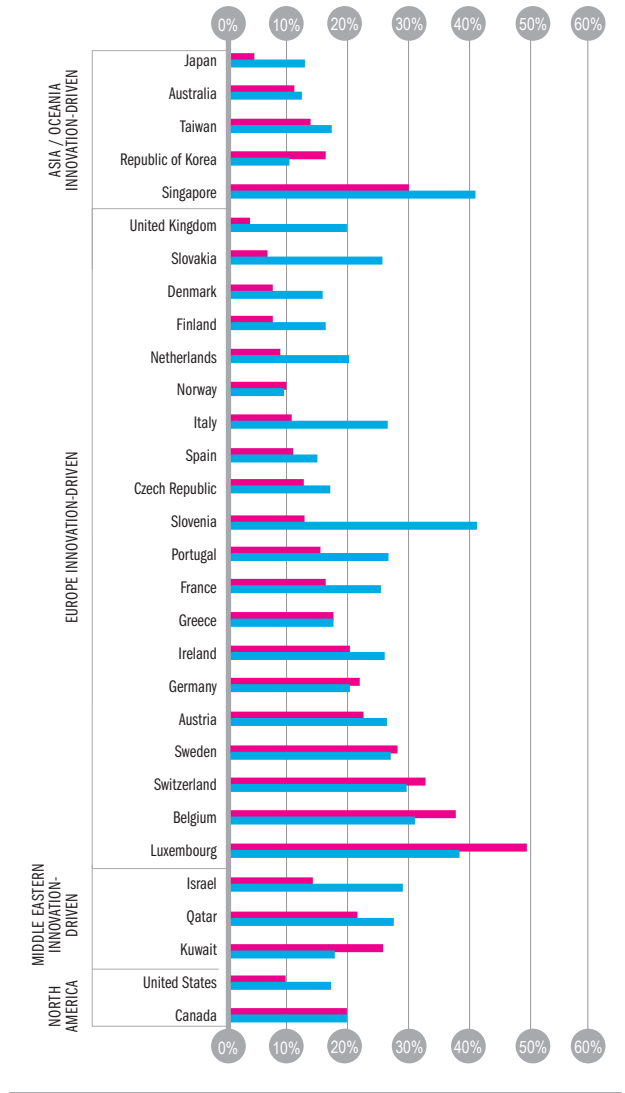


Figure 43: Percentage of Entrepreneurs With Strong International Orientation in Innovation-Driven Economies, by Region and Gender

- Overall Average: Factor and Efficiency-Driven Regions (Unweighted)
- Overall Average: Innovation-Driven Regions (Unweighted)

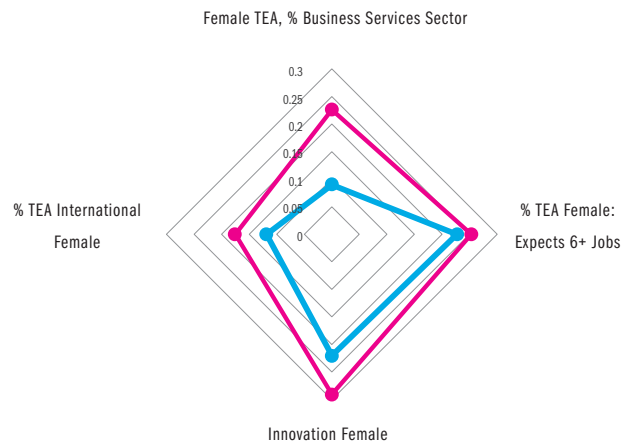


Figure 44: Analysis of Entrepreneurial Impact by Development Level

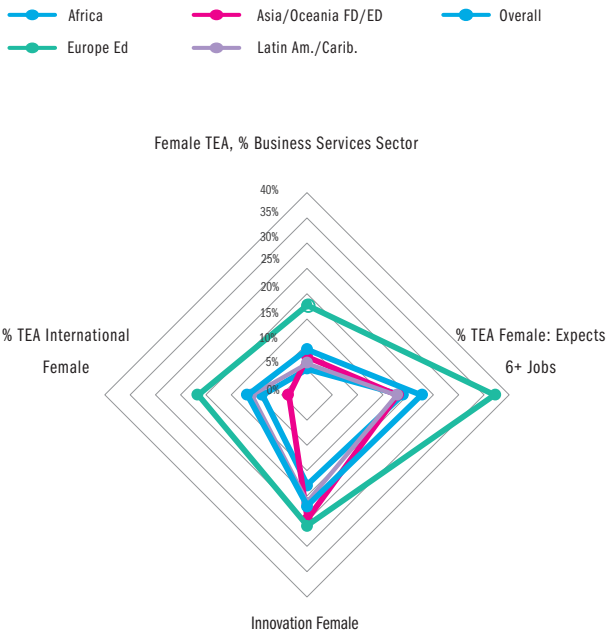


Figure 45: Analysis of Entrepreneurial Impact for Factor- and Efficiency-Driven Economies

Among the innovation-driven regions, North America shows high levels on all impact indicators except for internationalization, which is slightly lower than the overall average for this development level. Middle East economies have high internationalization levels, combined with very high job aspirations – twice the level in Europe. Asia and Oceania shows low participation among women entrepreneurs in the business services sector, as well as low innovation levels.

4.7 THE RELATIONSHIP BETWEEN GEM AND WEF GENDER GAP INDICATORS

Institutions and macro-economic factors exert important influence on entrepreneurship rates for both women and men. This section examines the gender gap relative to social, economic and political factors and women’s participation in entrepreneurship. Since 2006, the World Economic Forum (WEF) *Global Gender Gap Report* has assessed the magnitude of gender-based disparities across four categories: economic participation and opportunity, educational attainment, health and survival, and political empowerment. The report examines the gap in these outcome variables between men and women, rating economies according to gender equality. The highest score is 1 (equality), and the lowest possible score is 0 (inequality). As a rating approaches a value of 1, it means that parity has been achieved between women and men with respect to that variable.

GEM data were analyzed with data from the WEF 2013 and 2014 *Global Gender Gap Reports* for 75



Figure 46: Analysis of Entrepreneurial Impact for Innovation-Driven Economies

economies that were measured by both organizations. In order to facilitate a deeper understanding of how entrepreneurship is related to the four measures in the WEF *Gender Gap Report*, a hierarchical cluster analysis method was used to identify groups of economies that share similar entrepreneurship characteristics in the female population. The economies were grouped into homogenous segments based on several dimensions of entrepreneurship – entrepreneurial intentions, total entrepreneurship activity rate, established business rate, opportunity-driven entrepreneurship activity, entrepreneurship activity in the business services sector, hiring aspirations, international orientation, and innovation. The resultant clusters were then compared across the four empowerment variables assessed in the WEF reports.

The cluster analysis suggests four groupings among the 75 economies (see Figure 47 and Table 8):

1. Innovative. Low entrepreneurial intention economies with a high level of innovation and new ventures in the business service sector;
2. High activity. High rates of early-stage activity, and lower levels of job creation aspirations and innovation;
3. High aspiration. High job aspirations with predominantly average ratings on all other metrics; and
4. High impact. High international orientation, job creation aspirations and innovation with lower early-stage activity.

Table 8: Cluster members (grouping of 75 economies)

Cluster 1	Cluster 2	Cluster 3	Cluster 4
Algeria	Bolivia	Angola	Barbados
Australia	Botswana	Argentina	Belize
Austria	Brazil	Chile	Croatia
Belgium	Burkina Faso	China	Georgia
Canada	Ecuador	Columbia	Greece
Czech Republic	El Salvador	Costa Rica	Hungary
Denmark	Ghana	Iran	Latvia
Estonia	Guatemala	Kazakhstan	Luxembourg
Finland	Indonesia	Mexico	Macedonia
France	Jamaica	Panama	Qatar
Germany	Malawi	Trinidad & Tobago	Romania
India	Nigeria	Uruguay	Singapore
Ireland	Peru		South Africa
Israel	Philippines		Suriname
Italy	Thailand		
Japan	Uganda		
Republic of Korea	Vietnam		
Lithuania	Zambia		
Malaysia			
Netherlands			
Norway			
Poland			
Portugal			
Russia			
Slovakia			
Slovenia			
Spain			
Sweden			
Switzerland			
United Kingdom			
United States			

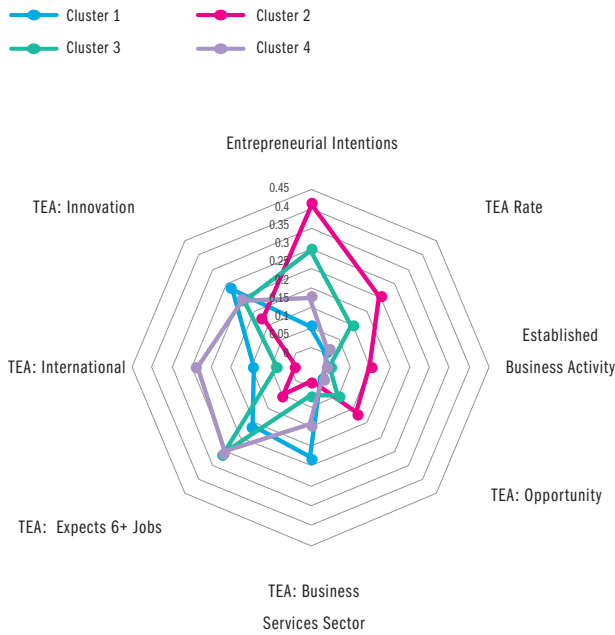


Figure 47: Diagram of Clusters Based on GEM Entrepreneurship Indicators

Table 9 shows averages by cluster on the WEF variables. Little difference can be seen among the clusters on educational attainment and health and survival, with high results overall on both. The innovative cluster #1 scores higher than others on political empowerment and, with cluster #4, has a slightly higher educational attainment score. The high-activity cluster #2 indicates high rates of entrepreneurship that, on average, has less impact than entrepreneurship in the other clusters; this cluster shows slightly lower educational attainment and health scores,

but higher economic participation, especially compared to cluster #2. This result suggests high participation in the economy, which includes entrepreneurship; but it also suggests some constraints that limit the ability for the average business to have high impact on society.

The high aspiration cluster exhibits a significantly lower score on economic participation. Where overall participation in the workforce is not common, entrepreneurship may provide an attractive alternative, and one generally expected to be worthwhile in offering growth opportunities and a chance to commercialize innovative solutions. The high impact cluster shows an even greater tendency toward selectivity, with its low rates, but high impact; here, women rarely participate in the political structure of their economies.

The relationship between gender gaps and entrepreneurship activity was further explored across the 75 economies using regression analysis. The results suggest that female entrepreneurship activity rate increases significantly with greater parity in economic participation, but at the same time decreases significantly with greater educational attainment. This indicates that the more women participate in the economy relative to men, the more likely they are to be entrepreneurs. However, where women achieve greater parity in education, they start businesses less frequently. This suggests that as women become more educated, they will have greater access to jobs, and likely in industries that were not previously available to them at lower education levels. Women in these economies therefore do not have to be entrepreneurs; they can be more selective and engage in higher impact activities when they choose this path. In other words, as economic participation improves, the quality of entrepreneurship activity among women improves, while the quantity decreases.

Table 9: Hierarchical Cluster Analysis

Discriminant Variables (Means of Each Discriminant Variable for Each Segment)					
Discriminant Variable/Cluster	Overall	Cluster 1	Cluster 2	Cluster 3	Cluster 4
Economic Participation	0.682	0.694	0.698	0.626	0.686
Educational Attainment	0.974	0.989	0.94	0.969	0.989
Health and Survival	0.973	0.973	0.972	0.975	0.974
Political Empowerment	0.209	0.266	0.17	0.193	0.146

ENTREPRENEURS' STORIES

Ameera Safter (South Africa): Ko Kreativ Projects



Starting a business is like “loading a gun with a passion bullet” says Raymond Ackerman Academy graduate and director of KO Kreativ Projects, Ameera Safter.

Ameera Safter (26 years old) describes herself as a passionate, vibrant, creative female entrepreneur. She owns and manages a furniture manufacturing business that specialises in custom-built free-standing and fitted furniture, a furniture transportation business and a workroom that makes up curtains and covers.

“In my mother’s businesses and through her inspirational life lessons as a single mother, I learned so much. An amazing lady with so much energy and passion for life, she unknowingly nurtured me into becoming an entrepreneur. I definitely picked up my

entrepreneurial flair from her and decided that starting and running my own business is what I want to do with my life,” she says.

Initially, from the age of 20, she worked on her businesses on a part-time basis. “I wanted to start a business and at the time the only skill I had was in beauty therapy. I started hosting pamper parties for various events, as well as on my own, on a part-time basis. While working for my dad, I started developing a different skillset and grew more interested in furniture manufacturing. I started exploring my own avenues through making and selling children’s furniture,” she says. However, she soon realised that in order to make a success of either one, she needed to focus and this meant having to choose between beauty and manufacturing.

There are not many young female entrepreneurs going into the furniture manufacturing sector. There is a huge gap for young female, creative furniture designers and artisans – I wanted to take the opportunity to fill this gap and do something different.

When she heard a radio insert advertising the entrepreneurial short course hosted by the Raymond Ackerman Academy (RAA) in Cape Town, she decided it was what she needed to help her redirect her business and take it to another level. Ameera says that the programme taught her valuable lessons, including how to “fine-tune loose ends” to make a business profitable and uphold social responsibilities at the same time. “After all, doing good is good business,” she says.

After completing the programme, she and her husband Tauriq moved to Johannesburg. Here a joint venture, Decorize Interiors, was born. “Tauriq is an artisan and there was no one better than him to come on board with me as my business partner and teach me what I needed to know about making quality furniture out of solid exotic woods,” she says. “There is a demand for custom-made versatile and functional furniture made to high quality standards and we were able to meet that demand. We did well in Johannesburg but creative Cape Town was calling us back,” she adds.

It was while they were in Gauteng that Ameera and Tauriq approached the Furniture Technology Centre Trust (Furntech), which is an established national business incubator and furniture training centre that offers innovative business incubation within South Africa in a bid to assist in job creation in SA's furniture and wood products sector. Furntech accepted their application and provided the husband and wife team with access to precision machinery, technical mentorship and a workspace in a Paarden Island workshop back in Cape Town. In the two years since their return to the Mother City, their business has grown at a good pace.

Ameera acknowledges that being a woman in the manufacturing sector has its challenges. “There are not many young female entrepreneurs going into the furniture manufacturing sector,” she says. “There is a huge gap for young female, creative furniture designers and artisans – I wanted to take the opportunity to fill this gap and do something different. When I graduated from the Raymond Ackerman Academy, I wanted to change my business model. I believed that my husband has a real skill and talent, and that instead of developing and growing someone else's business, he could be growing his own. We partnered up and started at the very bottom. I became his cabinet-making assistant – not such a good title to have as a female in my social culture.

It wasn't easy for people to accept seeing me using carpenters' power tools and dressed in an overall, as I was expected to be a professional with a good job, or a stay-at-home wife with a husband in a solid profession. I overcome this prejudice by showing people that I can and will do what I want to do without gender limitations, and that alone is powerful enough to gain respect and inspire other women, especially the younger generation.”

They have re-branded the company, now called Ko Kreativ Projects, to develop a professional platform on which furniture manufacturers can collaborate in an effort to strategically provide their services directly to the domestic, corporate and hospitality sectors. “As manufacturers, we are standing up and showcasing our creative talent, design and craftsman skill to a broader market, by conceptualising, designing and crafting unique furniture pieces for creative interior projects through client and staff collaboration,” she adds. They have also grown the business to two other divisions, TNA Furniture Transport as well as The Workroom of Curtain and Covers.

She makes a heartfelt plea to aspiring entrepreneurs, advising them to “believe in themselves and their abilities” and “just work smart”.

“Dream. Be brave. Never be afraid of failure and rejection. Never stop learning and developing yourself and your character. Take that risk. Starting a business is like loading a gun with a passion bullet: you aim, you shoot, you don't know if you are going to hit your target, but taking the chance is well worth it! You won't know unless you give it your best shot,” she says.

www.kokreativprojects.co.za

CONCLUSIONS



KEY FINDINGS

ENTREPRENEURSHIP ACTIVITY

Among 61 economies (out of 83) featured in this report and also in the previous report based on 2012 data, overall TEA rates have increased by 7% since 2012, and the gender gap (ratio of women to men participating in entrepreneurship) has narrowed by 6%. TEA rates and gender gap ratios saw positive upward movement in three regions: factor- and efficiency-driven Asia, Latin America and the Caribbean and innovation-driven Europe.

The 83 economies examined in this report show substantial differences in women's TEA rates, ranging from a high of 41% in Nigeria and Zambia to a low of 2% in Suriname and Japan. In 10 economies, women are as likely as men, or more likely than men, to be

entrepreneurs. These economies come from three regions: El Salvador and Brazil in Latin America and the Caribbean; Vietnam, Indonesia, Malaysia and the Philippines in Southeast Asia; and Zambia, Nigeria, Uganda and Ghana in Africa. In contrast, women in many efficiency-driven European and innovation-driven Asian economies exhibit TEA rates less than half those of men. These low female participation rates contribute to low overall TEA rates in these regions. The gender gap is greatest in Turkey, where there are three female entrepreneurs for every 10 male entrepreneurs.

Africa's high female TEA rates are fuelled by a high proportion of women who intend to start businesses in the near future. In a number of regions, women are approaching gender equity in entrepreneurial intentions, notably Latin America and the Caribbean, Africa, the Middle East, and Asia and Oceania (factor- and efficiency-driven).

The Middle East however, despite high intentions, exhibits among the lowest regional averages for TEA and among the largest regional gender gaps.

The difference between TEA and established business rates is minimal for innovation-driven economies, while factor- and efficiency-driven economies show half the level of established business activity relative to TEA. This suggests greater demand for entrepreneurship in developing economies than in developed economies, with comparatively fewer enterprises making it to the mature stage. Innovation-driven economies exhibit less demand for entrepreneurship, but those who start are more likely to start sustainable businesses, and/or the environment enables this sustainability.

ENTREPRENEUR CHARACTERISTICS

The factor- and efficiency-driven regions tend toward younger entrepreneurs, with the 25-34 age groups having the highest rates. This is also the case in North America, while the remaining innovation-driven regions show the highest entrepreneurship rates among 35-44 year-olds.

The education level of entrepreneurs is approaching gender parity; 33% of women entrepreneurs in the economies studied have a secondary degree or higher level of education versus 36% of men entrepreneurs. Among entrepreneurs in most economies of efficiency-

driven Europe and innovation-driven regions, women are more likely than men to have this level of education.

The gender gap in the percentage of entrepreneurs with opportunity motivations is relatively low in every region. In the innovation-driven Middle East economies, women are proportionately more likely to have opportunity motives, but the TEA gender gap suggests that few start relative to men and rarely out of necessity.

This report adds evidence to research emphasizing the value of starting in teams. The GEM findings suggest that economies with a higher percentage of women entrepreneurs starting in teams of three or more also have a greater proportion of those with job creation ambitions. The highest prevalence of women entrepreneurs operating in teams was in the innovation-driven Middle East (27%) and innovation-driven Asia and Oceania (24%) regions. Teams were especially rare among women entrepreneurs in factor- and efficiency-driven Asia (7%), Africa (11%), and Latin America and the Caribbean (11%).

ATTITUDES

High female TEA rates in an economy are associated with the likelihood that women in society know an entrepreneur. It may be the case that where more entrepreneurs are present in an economy, women



will commonly know one. However, affiliations with entrepreneurs can offer role models, advice, contacts, and support, which may explain why economies with many women who know entrepreneurs are also likely to have high female startup rates. Many European economies exhibit an interesting finding, reporting low female entrepreneurship rates, but many women in society who know entrepreneurs.

Female TEA rates are also high where women hold strong perceptions about the presence of opportunities for starting a business. The gender difference for this indicator is relatively narrow (40% for women versus 45% for men), and in a number of factor- and efficiency-driven economies, women are slightly more likely than men to perceive good business opportunities. Among the 61 economies featured in both this report and the 2012 report, Europe, Israel and the United States saw increased female opportunity perceptions, but with less change to the gender ratio. In Asia, opportunity perceptions were noticeably lower, especially among innovation-driven economies.

This report shows a strong positive association between capability perceptions and TEA rates among women. The findings also reveal a noticeable gender gap in this indicator (46% for women versus 59% for men). Opportunity perceptions are reflective of the external environment; these often shift with changing conditions in an economy. Capabilities perceptions, on the other hand, are more reflective of one's self-perceptions, which are more stable or slowly changing. Evidence of this can be seen in the comparison of 61 economies that showed little change in capabilities perceptions from that reported in 2012.

Fear of failure among women is lowest in African economies, which, along with many Asian economies, shows fear of failure rates among women that are often equal to or lower than for men. Wider gender gaps appear in the majority of economies of efficiency-driven Europe, and Latin America and the Caribbean. Fear of failure may be influenced by such factors as the perceived risks associated with the typical business one may start, or the extent women believe there will be negative consequences, or few other choices for income, if their businesses don't work out.

IMPACT

More than two-thirds of women entrepreneurs operate in the consumer-oriented sector, with around three-fourths of women entrepreneurs competing in these types of businesses in Africa, in factor- and efficiency-driven Asia, and in Latin America and the Caribbean. By comparison, 45% of men entrepreneurs compete in this sector. Distinct results can be seen in efficiency-driven Europe, which shows a comparatively balanced distribution of sectors among women entrepreneurs.

Among innovation-driven economies, North America and Europe exhibit a high prevalence (over one-fourth) of women entrepreneurs in the knowledge-intensive business services sector.

Job creation aspirations among women are high in efficiency-driven Europe, a region of relatively low TEA rates. This suggests that this region has fewer entrepreneurs who are, on average, more likely to grow and employ others. Although innovation-driven economies typically show a higher proportion of entrepreneurs with job creation aspirations, this report shows that women in factor- and efficiency-driven economies report less difference from innovation-driven economies on this measure, compared to other impact indicators.

Women entrepreneurs in nearly half of the economies in the GEM sample report equal or higher innovation levels than men entrepreneurs. In almost three-quarters of the economies in efficiency-driven Europe, female entrepreneurs report higher levels of innovation than male entrepreneurs; this may, in part, be attributed to the fact that there are proportionately more educated women (than men) entrepreneurs in this region. In Chile and India, more than half of women entrepreneurs believe they offer innovative products or services.

Since the 2012 report, the proportion of female entrepreneurs with 6+ job aspirations and innovative offerings has declined among 61 economies (by 9% from 2012 for job aspirations and 6% from 2012 for innovation). However, this decline was also seen in male entrepreneurs; as a result there was little or no change in the gender ratios overall for these indicators. In factor- and efficiency-driven Asia, and in efficiency-driven Europe and Israel, both the rates and the gender ratio around job expectations have declined. However, the rates and the gender ratio around innovation have improved, suggesting a focus toward innovation, but lower expectations for job creation. Innovation-driven Asia saw declines in both job aspirations and innovation, while the United States showed positive improvements in both indicators.

Factor- and efficiency-driven Asia, and also Africa, report low international orientation among women entrepreneurs in most economies. In contrast, women entrepreneurs across Europe display particularly high levels of internationalization.

Analyses of TEA rates with gender gap indicators measured by WEF, shows that the rate of female entrepreneurship activity increases significantly with greater parity in economic participation, but decreases significantly with greater educational attainment. This indicates that the more women participate in the economy relative to men, the more likely they are to be entrepreneurs. However, where women achieve a higher level of education than men, they start businesses less frequently.

IMPLICATIONS

1. Women matter to economic development – they invest in their communities, educate their children, and pay back the benefits they receive by helping others. This report has revealed improvements in female entrepreneurship rates and gender gaps in 61 economies in no more than two years. Other results show gender equity in many regions and in indicators such as education and innovation levels. Greater awareness of the importance and nature of women's entrepreneurship and programs addressing these efforts may have already contributed to progress in this activity. Continued efforts are essential everywhere, while regional variations imply distinct needs and levels of emphasis in different parts of the world.

2. Environmental conditions and constraints weigh differently on the sexes. This continues to be the biggest challenge women face worldwide. Subtle biases exist in many societies that suggest women have lower ambitions or are less capable, or that running businesses is inappropriate for them. This can, for example, inhibit their ability to gain access to growth capital.¹ These biases need to be identified and eliminated so women entrepreneurs have the same opportunities as men do to grow their businesses.

3. Higher TEA rates are often found in less developed economies, where women are highly likely to participate in the workforce. Many women in these economies pursue entrepreneurial endeavors to provide for their families, generally through basic types of consumer-focused businesses – both products and services. As such, they can be considered the basic engine of their local economies. However, they still face constraints in sustaining their businesses. Entrepreneurship is a multiphase endeavor that implies a need for not only facilitating women to start ventures, but also helping them maintain them into maturity.

4. Improvements in education provide quality career choices for women, whether it is work as an employee, or the launch of high impact entrepreneurial ventures. Education programs that equip women with the ability to start and grow businesses provide career options they can consider at any point in their lives.

5. The advantage of teams may depend on the type of business started, cultural/social norms and other conditions. However, given that women who start in teams are more likely to have higher impact with their businesses, it is imperative to provide opportunities for women entrepreneurs to start with co-founders.

6. While women are nearly equally likely as men are to recognize the presence of opportunities around them, gender gaps are apparent in capability perceptions and fear of failure. Capabilities are rooted in both education and in social support. Economies with initiatives that increase visibility and access to role models are likely to encourage women entrepreneurs to start and grow businesses. Programs that enhance skills and competencies for women entrepreneurs, and other initiatives such as mentoring and advising, should include developing and assessing women's confidence to take advantage of opportunities and building their capacity for managing risk.

7. Access to financing at all stages of business development for women entrepreneurs is essential, but should also recognize progress in a business, and in society, that shift financing needs. For example, a challenge for women in moving from micro businesses to small and medium-sized businesses requires a change from financing sources such as micro-finance to normal banking conditions, where there is often bias in the lending process.²

8. Women entrepreneurs participate heavily in the consumer-oriented sector, which is considered easier to enter, but more difficult to sustain because of low entry barriers and high competitiveness. But increasingly, businesses in foods, textiles and other areas are becoming more important, especially given the rise of challenges around food, clothing and other basic needs, as well as movements to buy local. To the extent women are starting businesses in sectors where greater social problems might exist, they are well positioned to grow and have impact.

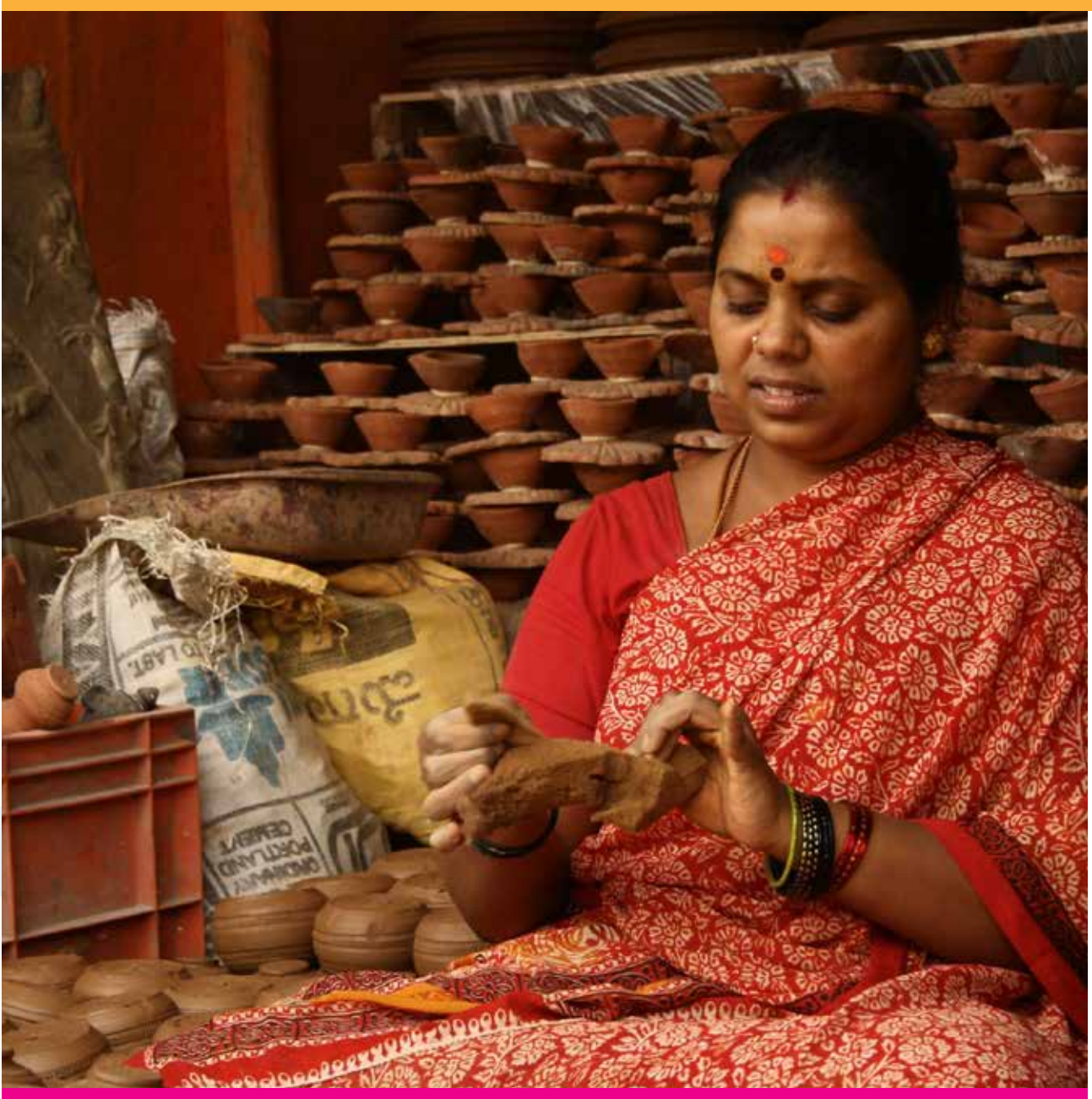
9. Women in factor and efficiency-driven economies report less difference from innovation-driven economies on job aspirations, compared to other impact indicators. This could reveal the growth opportunities existing in still-developing markets, which suggest the need to support high impact female businesses in regions where environmental constraints may weigh heavily. At the same time, this finding might suggest that more traditional bureaucratic societies limit entrepreneurial aspirations in the developed world, implying a particular need to address these constraints.

1 <http://www.goldmansachs.com/citizenship/10000women/news-and-events/10kwprogressreport.html>.

2 <http://www.goldmansachs.com/citizenship/10000women/news-and-events/10kwprogressreport.html>.

APPENDIX A:

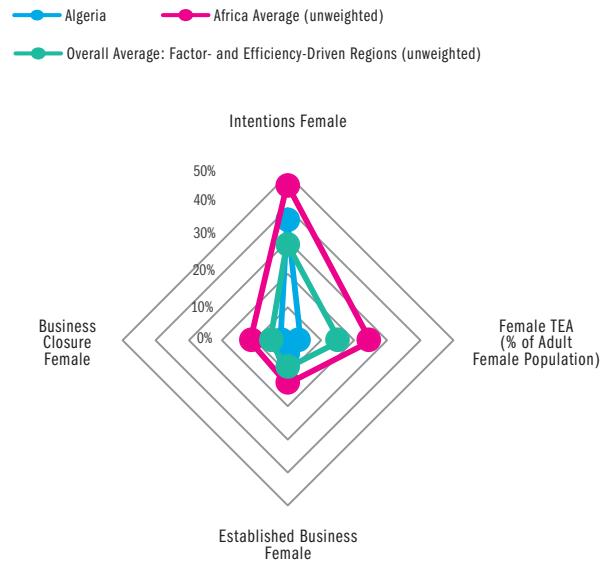
Entrepreneurship profiles of economies covered in the report, by region



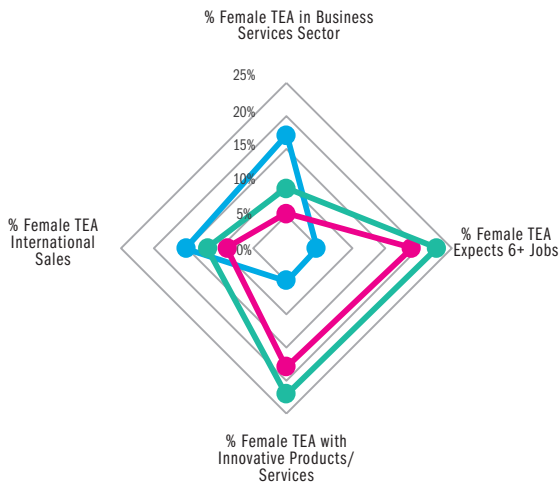
Africa

ALGERIA

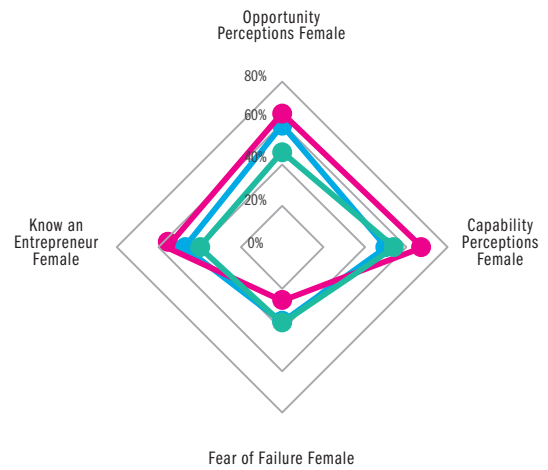
Algerian women shows a high level of intention that is characteristic of African economies and reflective of high opportunity perceptions exhibited in its society. However, this country exhibits low female startup and mature business activity. Perhaps some explanation lies in lower capability perceptions and higher fear of failure compared to the average for women in the Africa region. Women entrepreneurs are not likely to be major job creators nor innovators. Yet a high percentage compete in the business services sector and sell internationally.



Algeria Africa Average (unweighted) Overall Average: Factor- and Efficiency-Driven Regions (unweighted)

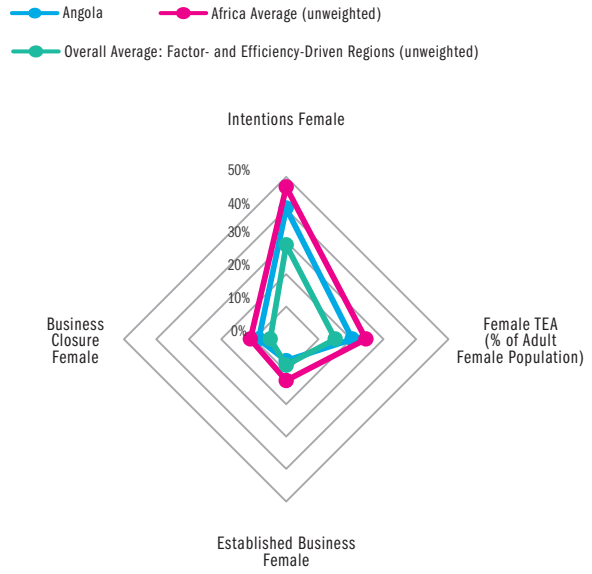


Algeria Africa Average (unweighted) Overall Average: Factor- and Efficiency-Driven Regions (unweighted)

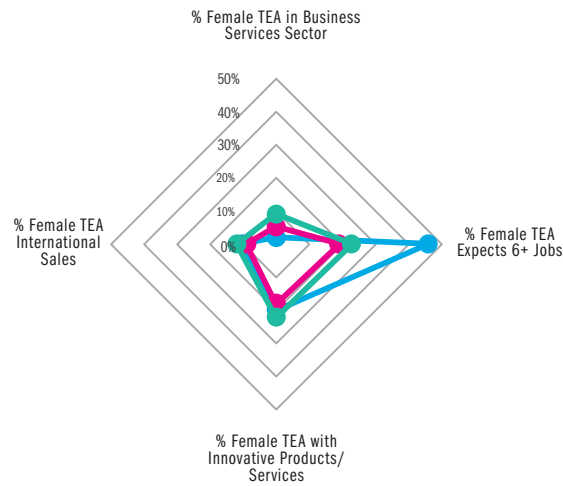


ANGOLA

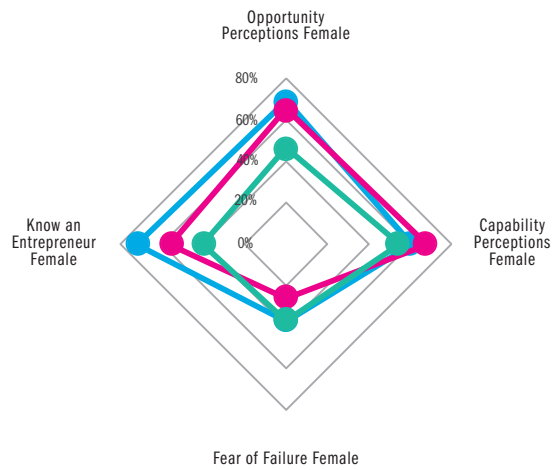
Angola exhibits slightly lower female activity levels than the Africa group average, and this is consistent with somewhat lower capability perceptions and higher fear of failure. However, women entrepreneurs are highly likely to have job ambitions, although few compete in the business services sector. Close to three fourths of the female population know an entrepreneur personally.



Legend: Angola (blue), Africa Average (unweighted) (pink), Overall Average: Factor- and Efficiency-Driven Regions (unweighted) (teal)

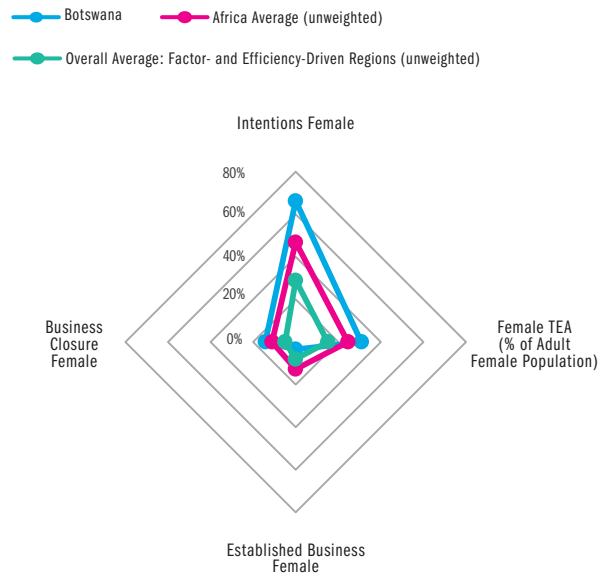


Legend: Angola (blue), Africa Average (unweighted) (pink), Overall Average: Factor- and Efficiency-Driven Regions (unweighted) (teal)

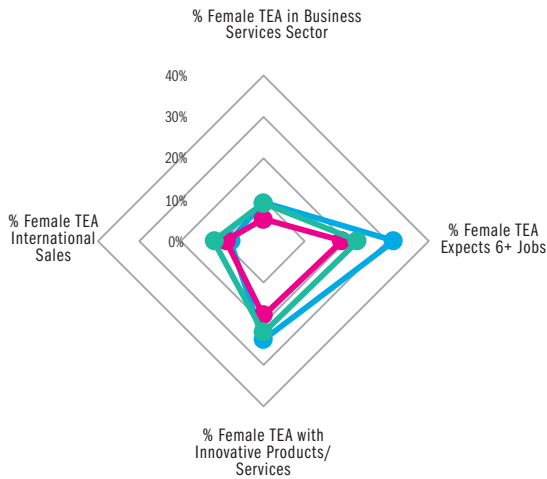


BOTSWANA

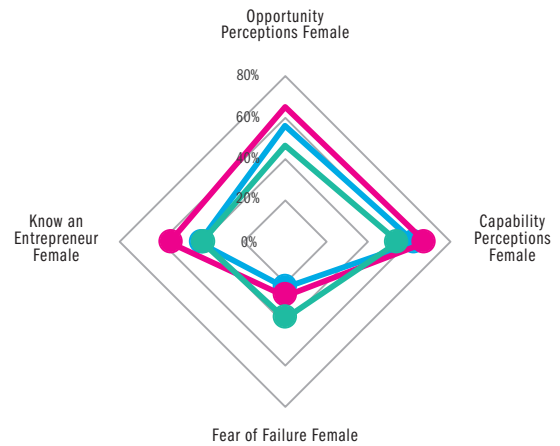
Botswana shows a high level of intentions and startup activity among women, but low established business activity and high closure relative to the average for Africa. This suggests a high need or opportunity to get started, but with few sustaining their businesses into maturity. Women in Botswana have lower opportunity and capability perceptions, and they are less likely to know an entrepreneur personally, compared to the average for this region. At the same time, they exhibit low fear of failure. Women entrepreneurs in Botswana, however, show higher impact relative to their African peers with a higher level of participation in the business services sector and higher innovation. Job creation ambitions are especially high compared to the African average, with over 2/3 more female entrepreneurs projecting 6+ jobs.



Botswana Africa Average (unweighted)
Overall Average: Factor- and Efficiency-Driven Regions (unweighted)

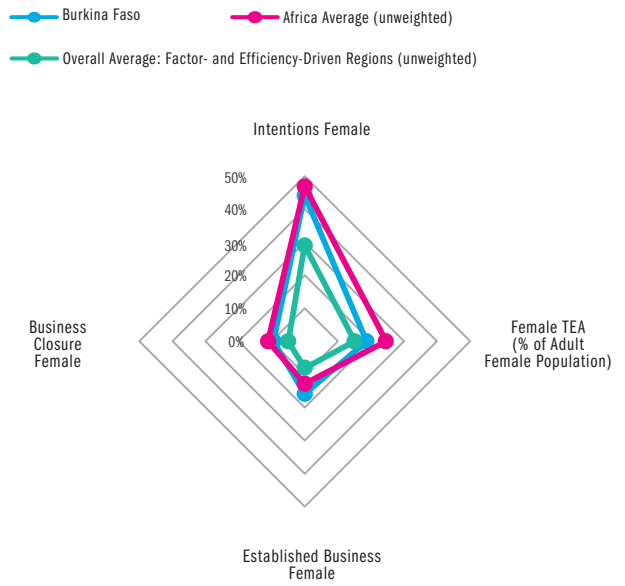


Botswana Africa Average (unweighted)
Overall Average: Factor- and Efficiency-Driven Regions (unweighted)



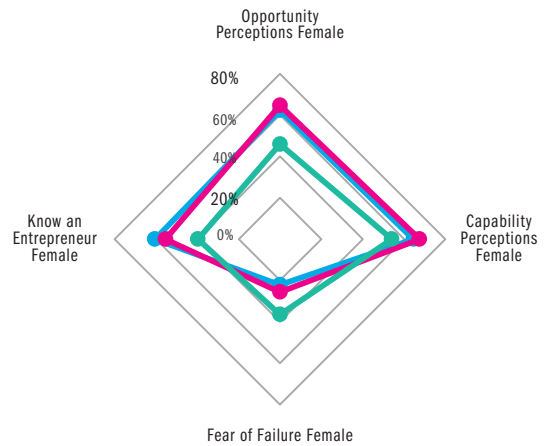
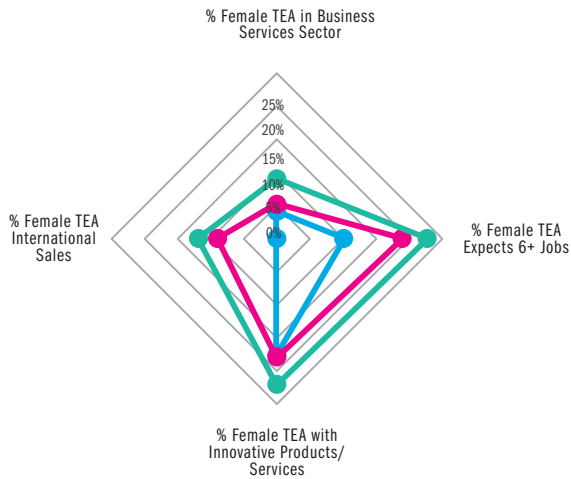
BURKINA FASO

Burkina Faso tracks fairly closely to the Africa average on activity, with slightly lower TEA rates but slightly higher established business rates, and just lower than average for the region on business closure. This suggests that many women have sustained their businesses into maturity. Similarly, societal attitudes among women are consistent with the average for Africa. The results indicate that women entrepreneurs serve only domestic markets and have a low likelihood of growing their businesses. Business service activity is low but characteristic of the African region. Innovation levels are also similar to the regional average.



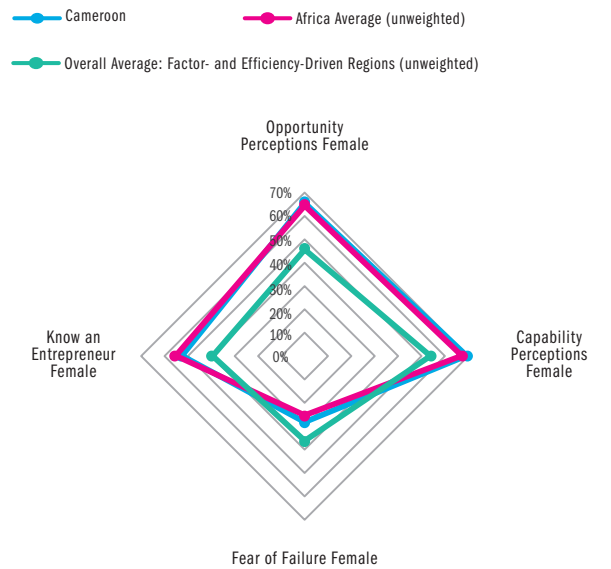
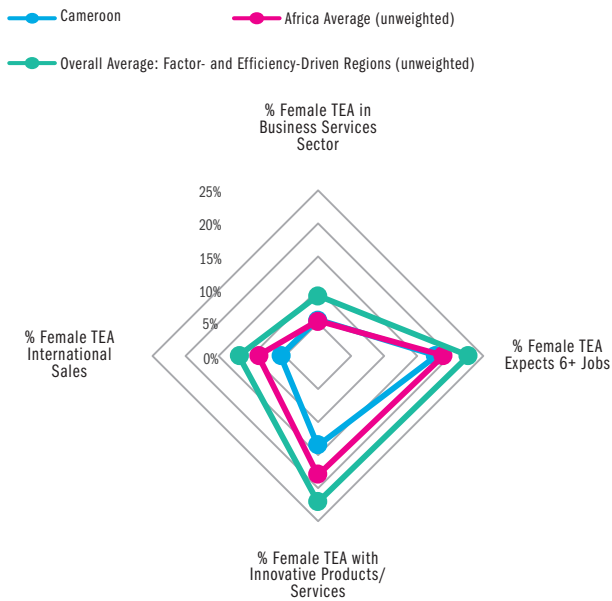
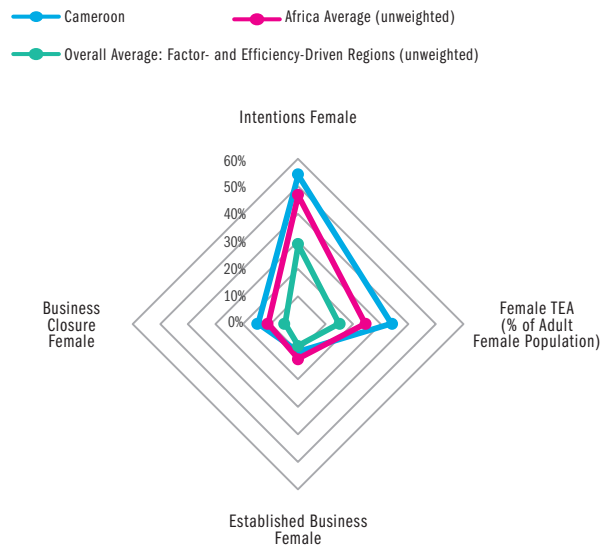
— Burkina Faso — Africa Average (unweighted)
— Overall Average: Factor- and Efficiency-Driven Regions (unweighted)

— Burkina Faso — Africa Average (unweighted)
— Overall Average: Factor- and Efficiency-Driven Regions (unweighted)



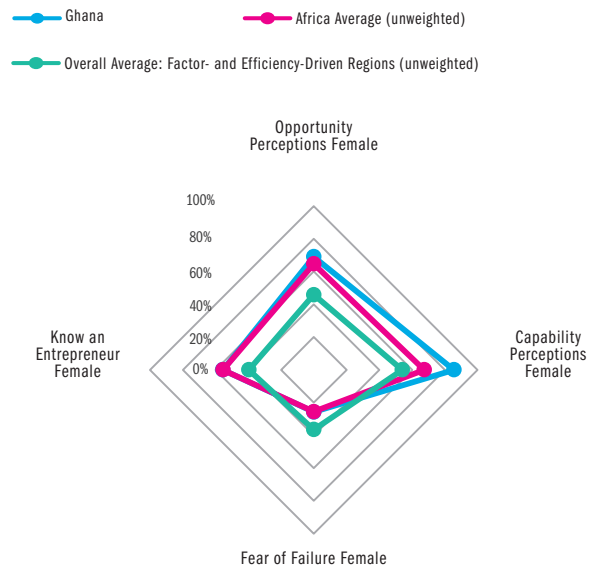
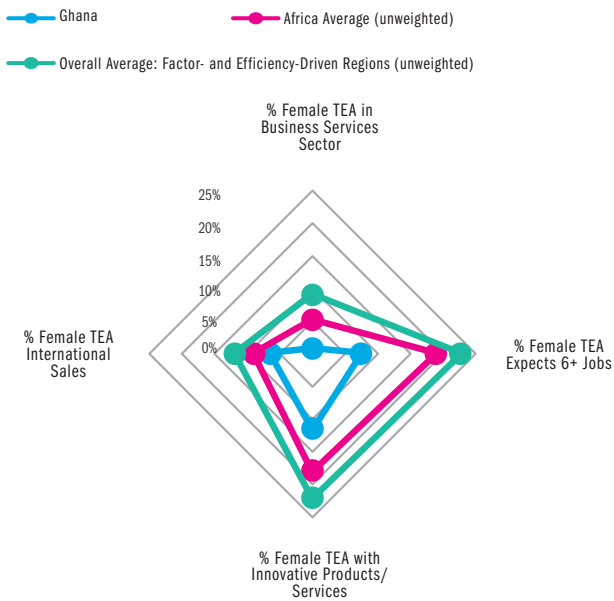
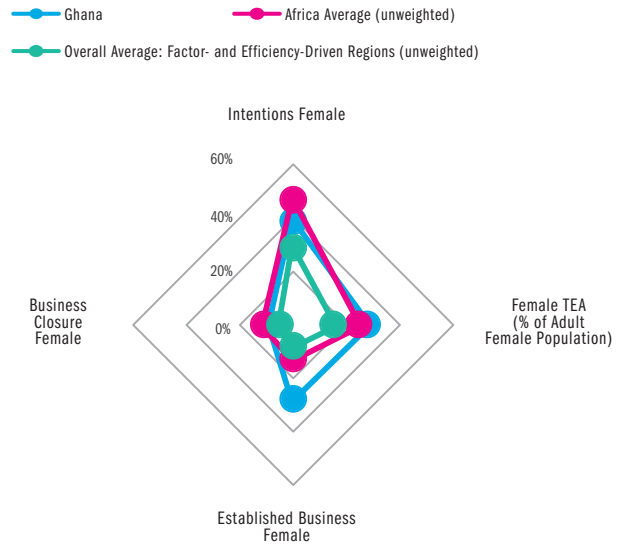
CAMEROON

Cameroon shows the greatest difference from the Africa average in its higher TEA rate. Intentions are somewhat higher. The slightly higher business closure rate may reflect the higher startup activity. Female attitudes are close to the Africa average. Although growth orientation and international markets are less prevalent, innovation levels and business services sector activity are on par with the Africa average.



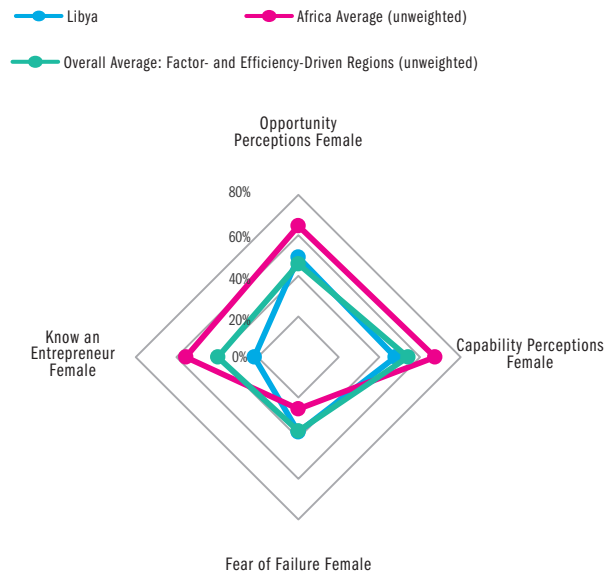
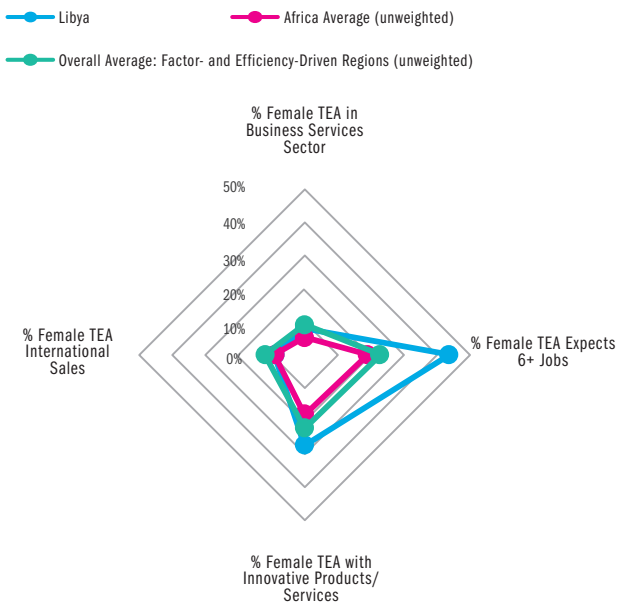
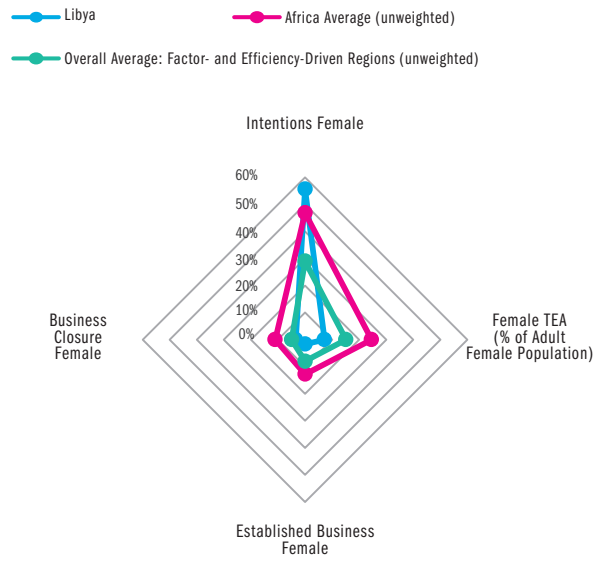
GHANA

Female entrepreneurship activity is slightly higher than the regional average, but what is most distinct relative to activity in Ghana is the high rate of established business ownership: over twice that of the Africa average. Business closure rate is just below the average. Overall this indicates a high level of activity and sustainability. These results are supported by positive attitudes, especially capabilities perceptions, which are ¼ higher than average, while the other attitudes are similar to the average. All of the impact factors, however, are low, particularly job expectations.



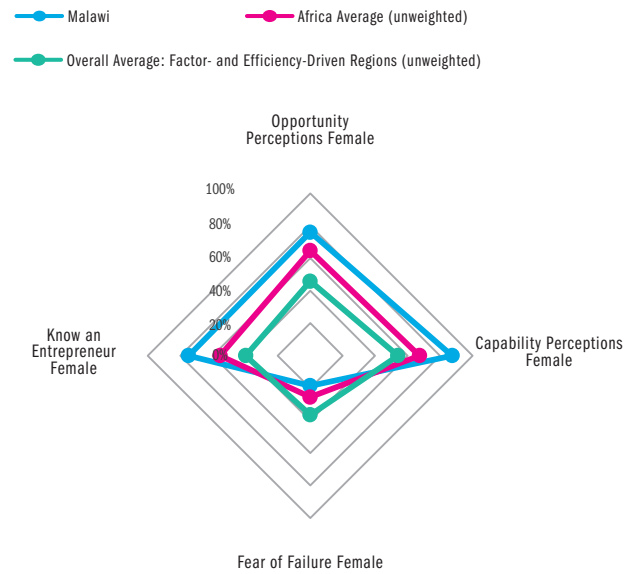
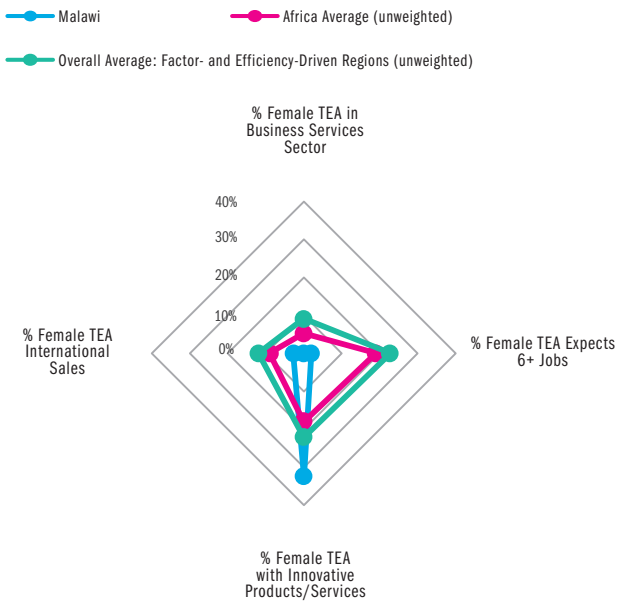
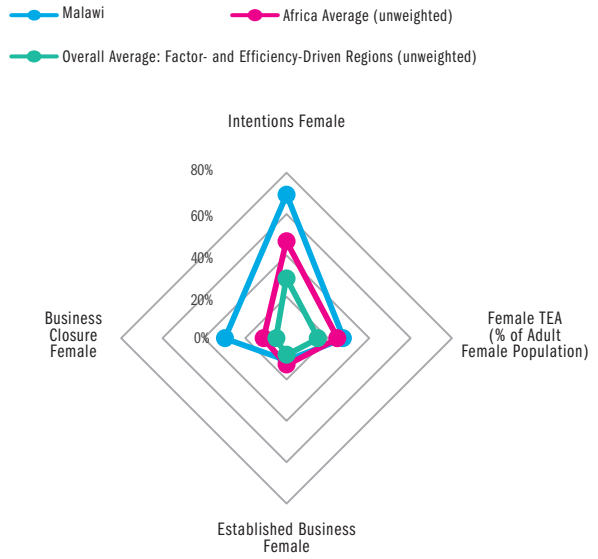
LIBYA

Women in Libya have high intentions to start businesses, but show little activity beyond this early phase. Attitudes are less positive compared to Africa averages; particularly low is the percentage of women who know an entrepreneur personally. Those starting businesses show high impact in greater levels of innovation and job creation, and business services participation and internationalization are on par with the Africa average.



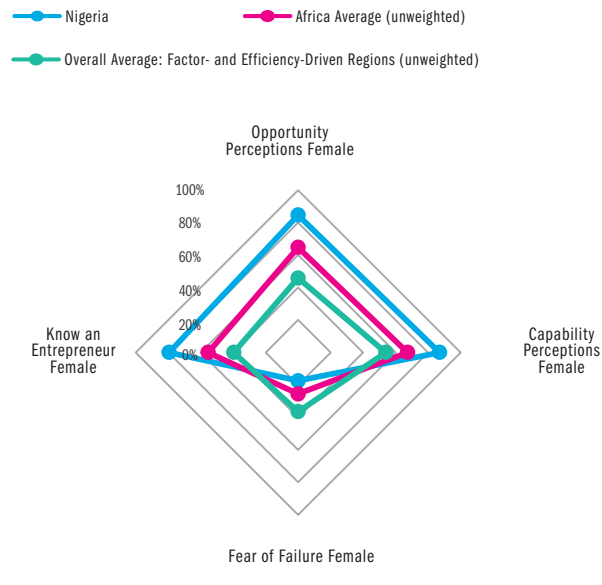
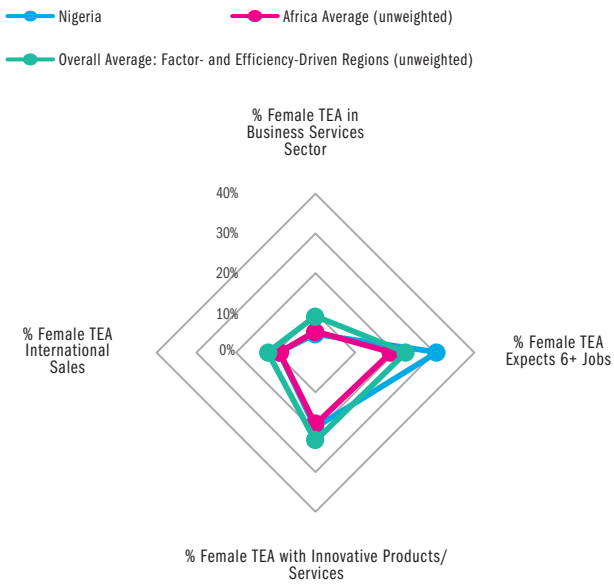
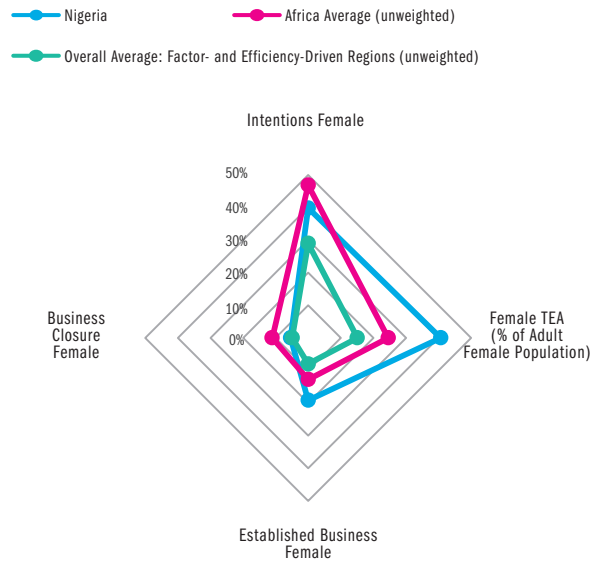
MALAWI

Women in Malawi have high intentions to start businesses, and TEA rates are just above the high average for Africa. However, closure rates are very high, almost three times the Africa average. High intentions and startup activity are likely fueled by positive attitudes that outshine Africa's averages. Women entrepreneurs are not likely to compete in business services nor do they anticipate creating jobs. They serve local markets, but at the same time believe they have innovative offerings.



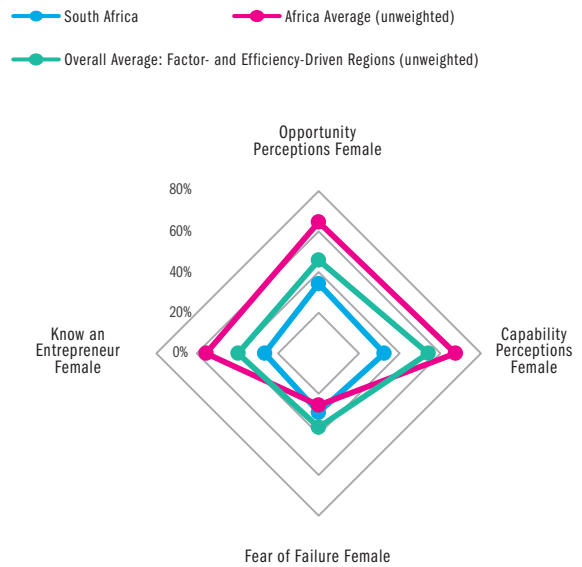
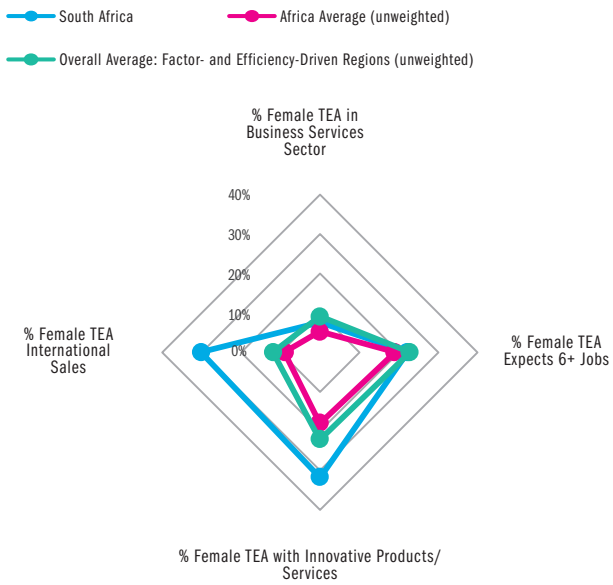
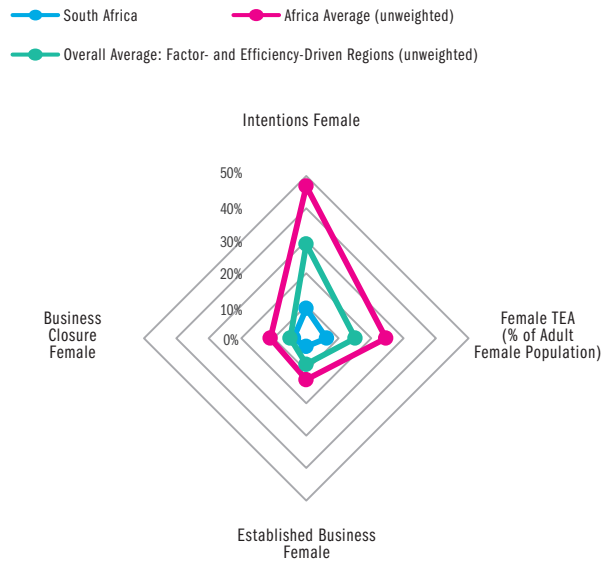
NIGERIA

Nigerian women exhibit high startup and mature business rates with low closure rates, and highly positive attitudes. Impact indicators are average for an African country, with the exception of job expectations, which are over 60% higher than the Africa average.



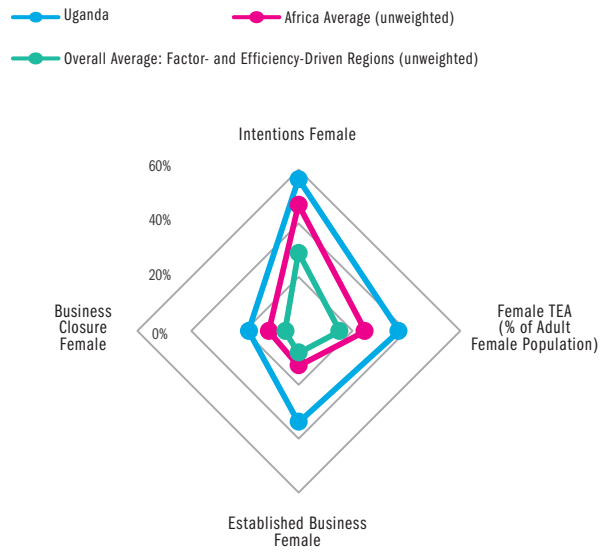
SOUTH AFRICA

South Africa has few women participating in entrepreneurship across all phases of activity, with low results on attitudes. Women entrepreneurs register just above the Africa average on business services activity and job expectations. But more notably, innovation is $\frac{3}{4}$ higher than average, and international sales levels are more than three times the regional average.

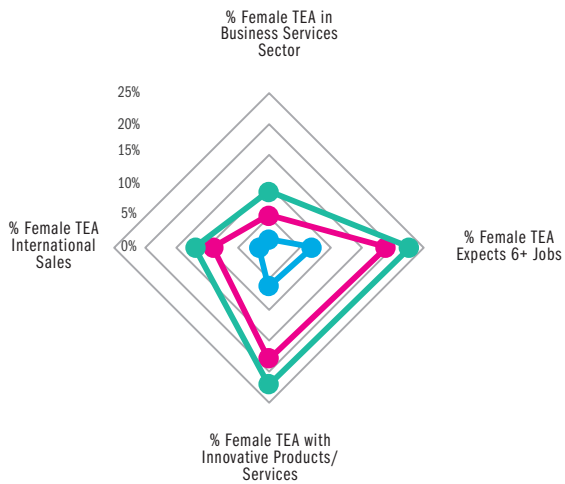


UGANDA

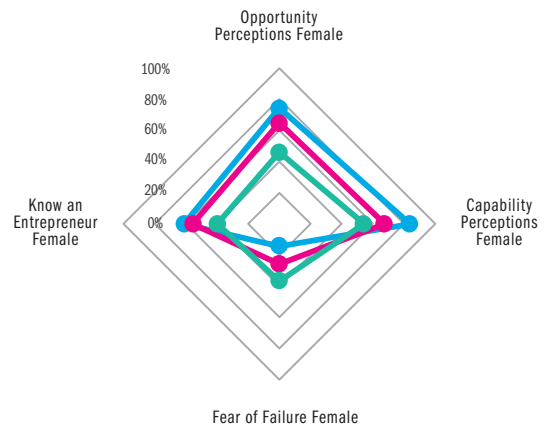
Women in Uganda participate in entrepreneurship at all phases, at a higher level than the Africa average. Particularly notable is the high rate of established business ownership, at over 1/3 the female population. These results are consistent with attitudes that are more positive than the Africa average. Impact indicators, however, reveal low levels on all those indicators.



Legend: Uganda (blue), Africa Average (unweighted) (pink), Overall Average: Factor- and Efficiency-Driven Regions (unweighted) (green)

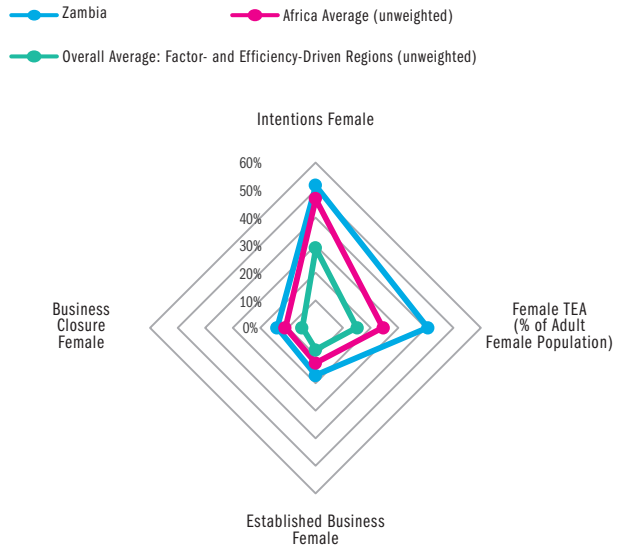


Legend: Uganda (blue), Africa Average (unweighted) (pink), Overall Average: Factor- and Efficiency-Driven Regions (unweighted) (green)

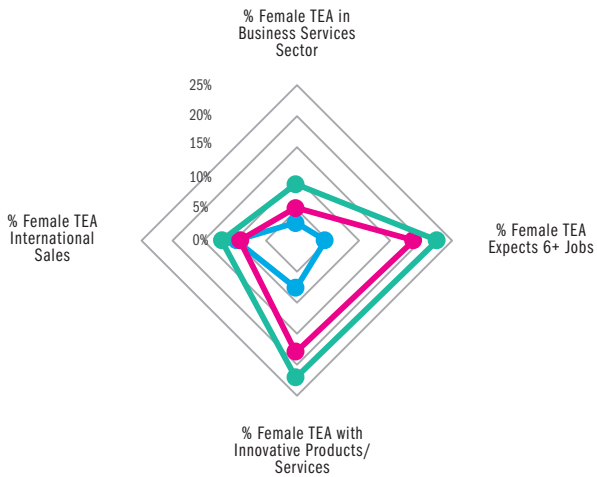


ZAMBIA

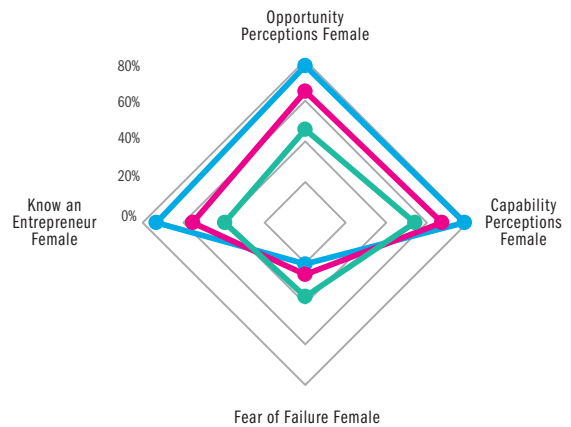
Female TEA rate is ¾ higher than the Africa average and the other activity indicators are just above average. Attitudes are highly positive compared to the average. Impact indicators are low except for internationalization, which is about average.



Legend: Zambia (blue), Africa Average (unweighted) (pink), Overall Average: Factor- and Efficiency-Driven Regions (unweighted) (green)



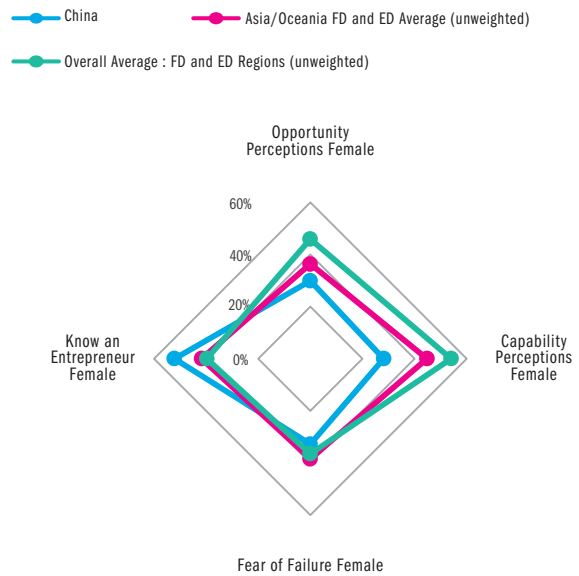
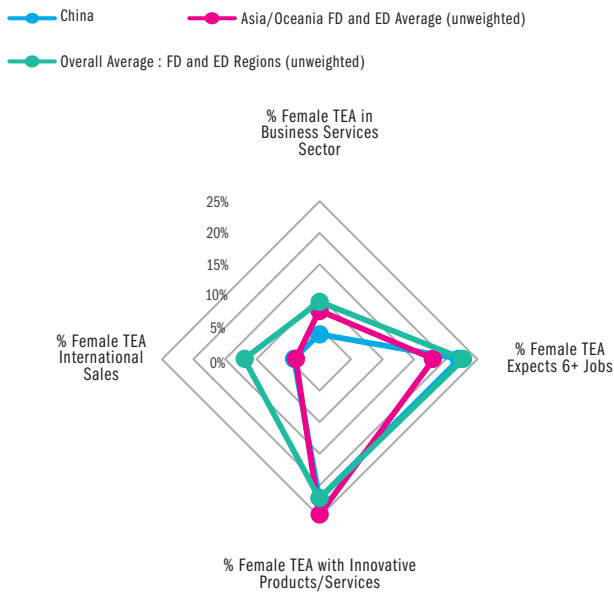
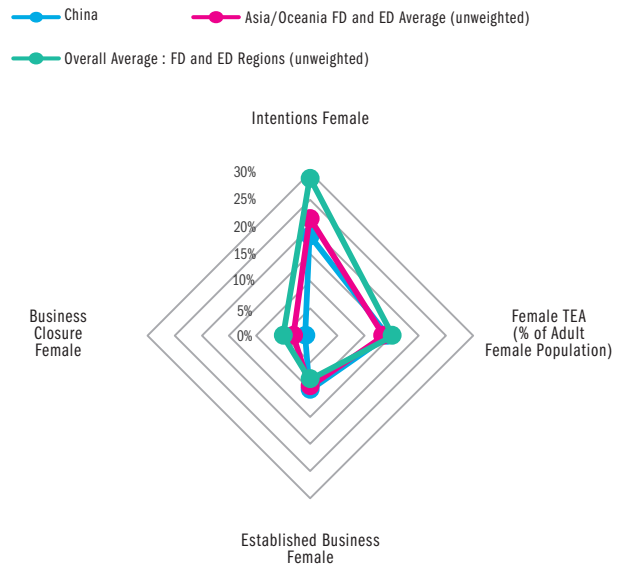
Legend: Zambia (blue), Africa Average (unweighted) (pink), Overall Average: Factor- and Efficiency-Driven Regions (unweighted) (green)



Asia/Oceania Factor- and Efficiency-Driven

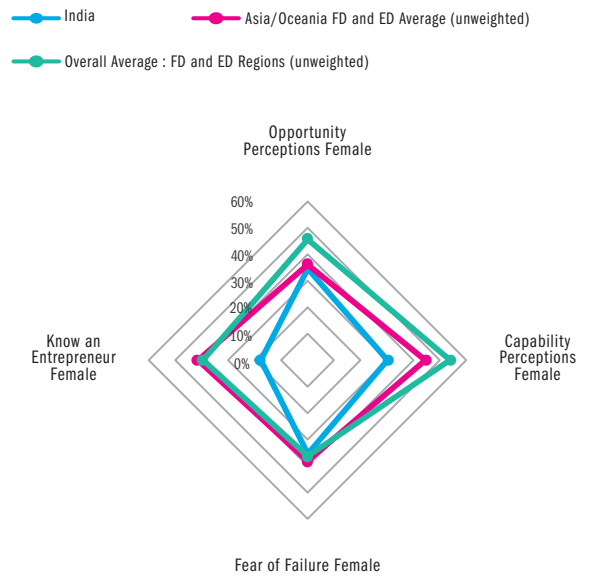
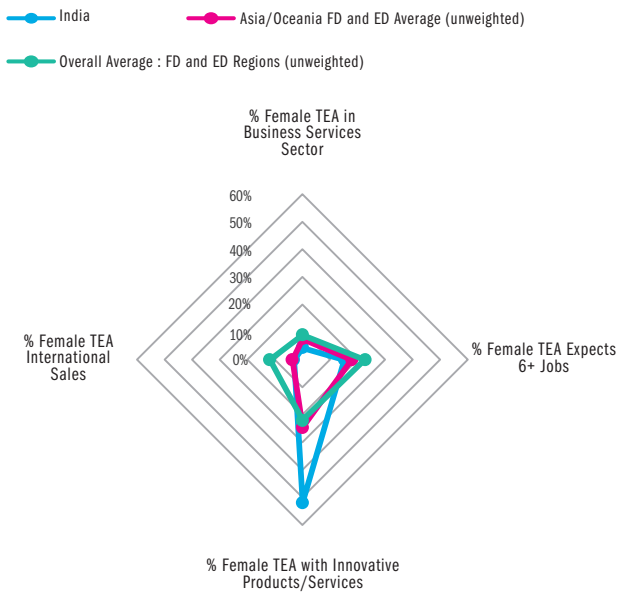
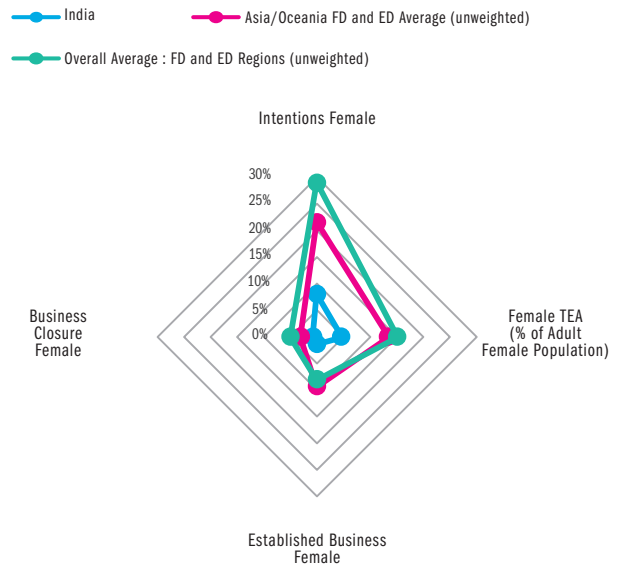
CHINA

Female activity in China is close to the average for the Asia/Oceania Factor and Efficiency-Driven region. Women in China are highly likely to know an entrepreneur and they are less likely than the regional average to be constrained by fear of failure. However, their capability perceptions are noticeably low and they are slightly less likely than average to see opportunities for starting a business. Few women entrepreneurs compete in business services or sell internationally; slightly less than average state they are innovative, but a little more than average project job expectations.



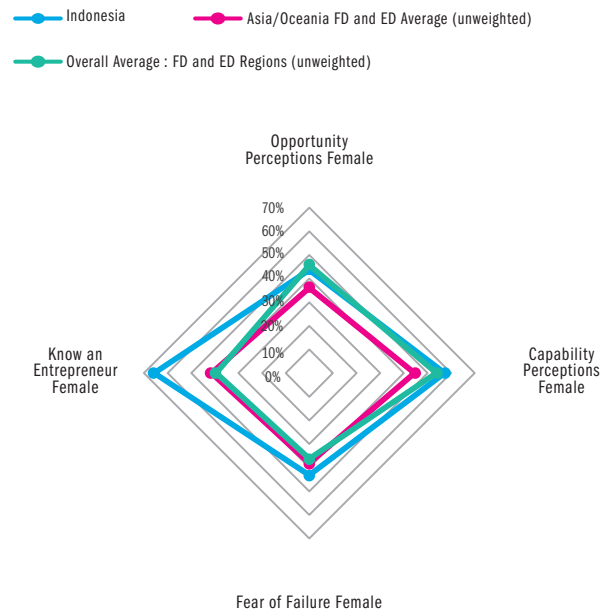
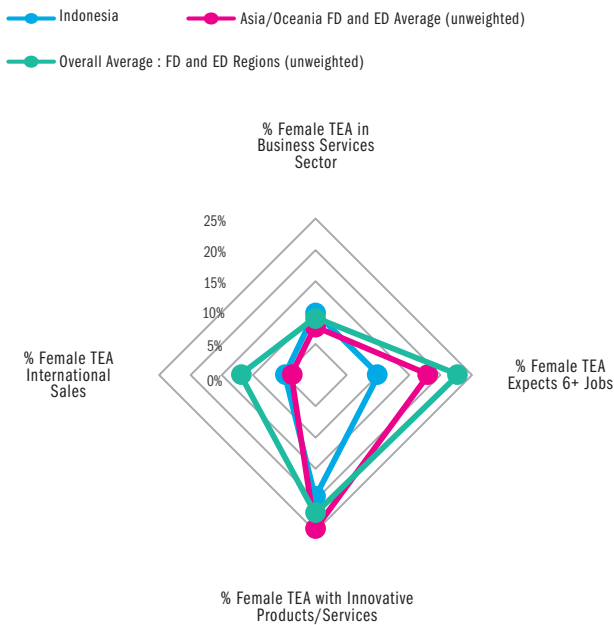
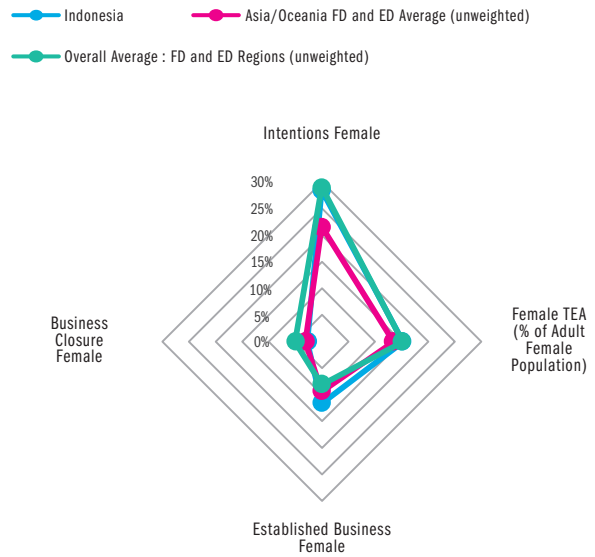
INDIA

Women in India register low activity across all phases, despite average opportunity perceptions and fear of failure. Few women know an entrepreneur personally compared to the regional average (less than 1/2) and capability perceptions are 1/3 lower than average. Participation in the business services sector is low, as is international sales, with job expectations just below average. However, there are many innovative women entrepreneurs: more than twice the average.



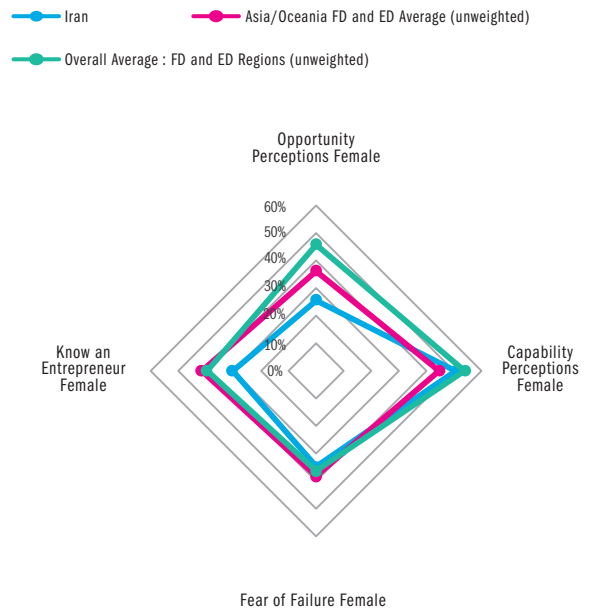
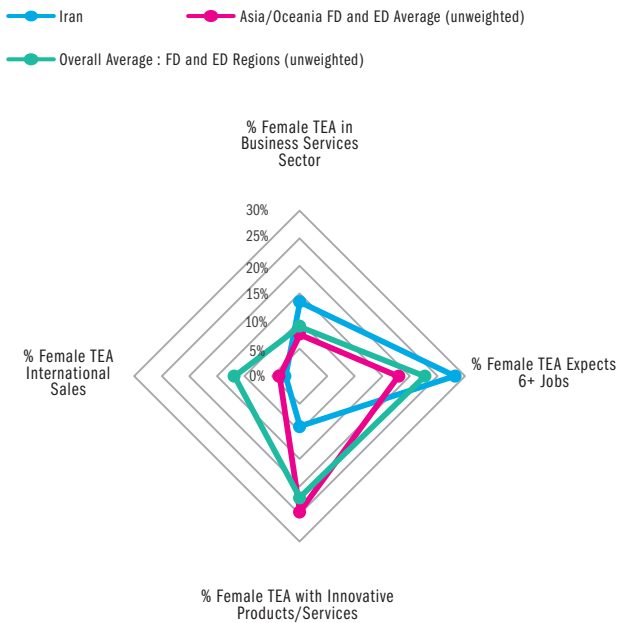
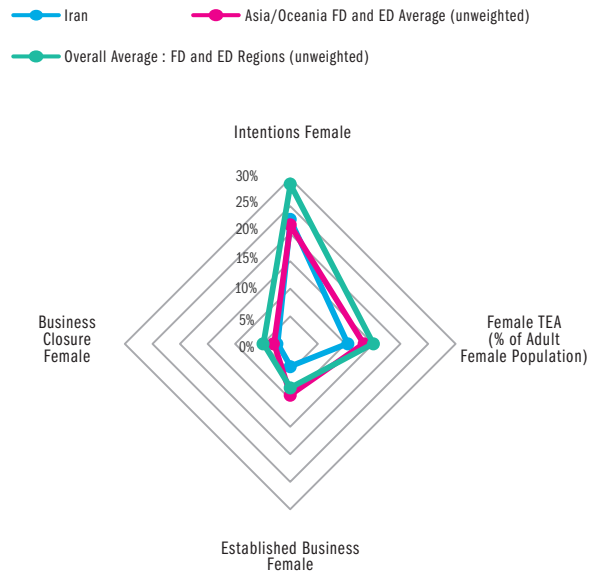
INDONESIA

Intentions, TEA and established business activity are slightly above average among Indonesian women. While fear of failure is slightly higher than the Asia/Oceania average, Indonesian women are confident about starting businesses, with 25% more than average perceiving they have the needed capabilities. Opportunity perceptions are 50% higher than average for the region. Two thirds of women know an entrepreneur personally. International sales among female entrepreneurs are low, but typical for the region. Business services activity is just above average, while innovation is below average. The biggest difference, from the regional average, however, lies in low job creation projections.



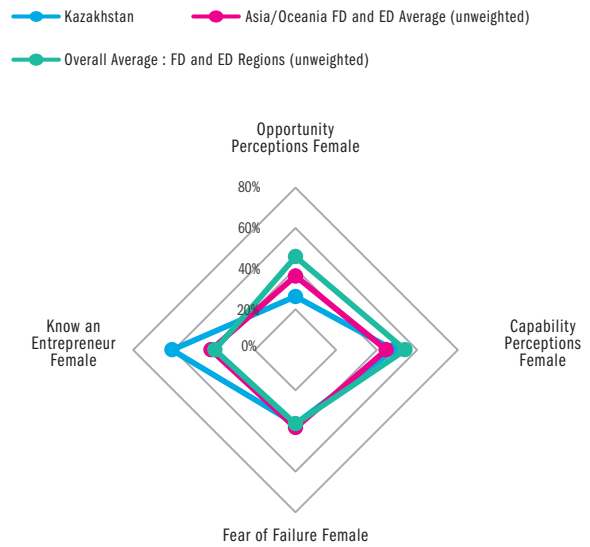
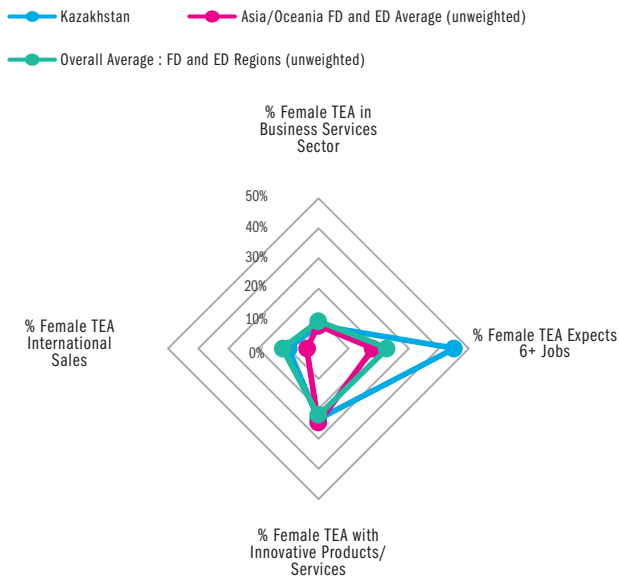
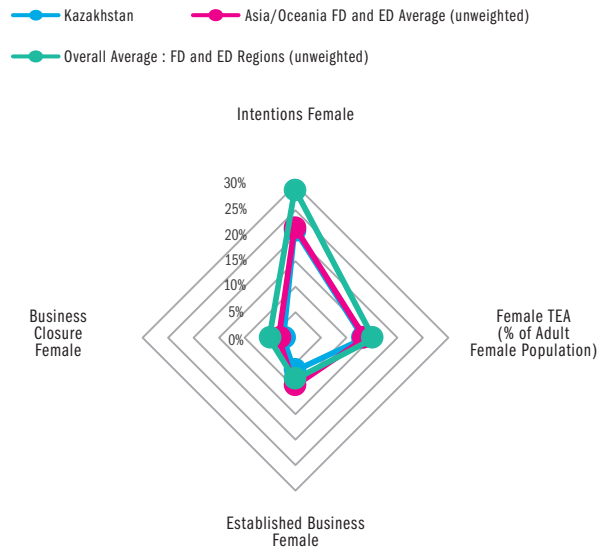
IRAN

Iran's TEA rate among women is slightly lower than average for the region, with established business activity registering less than half of the average. While Iranian women are less likely to see opportunities or to know an entrepreneur than is typical for Asia/Oceania, they are more confident about their capabilities and have a slightly lower fear of failure rate. International rates are low, but typical for the region, while innovation rates are a little more than 1/3 the average level for this region. Women entrepreneurs show a higher than average level of participation in business services, and reveal an over 55% higher level of job creation potential.



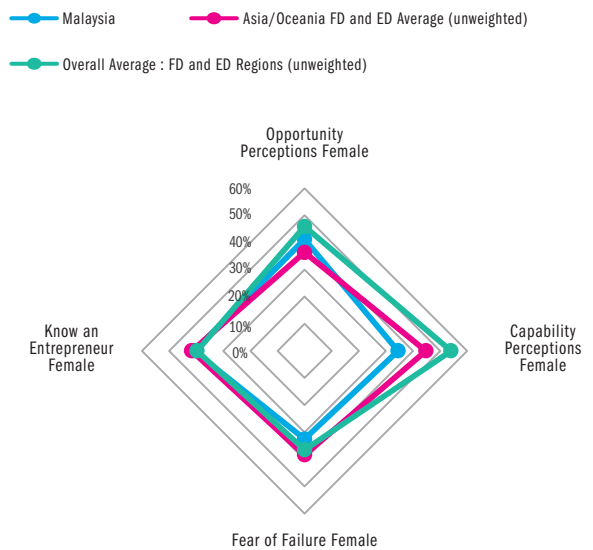
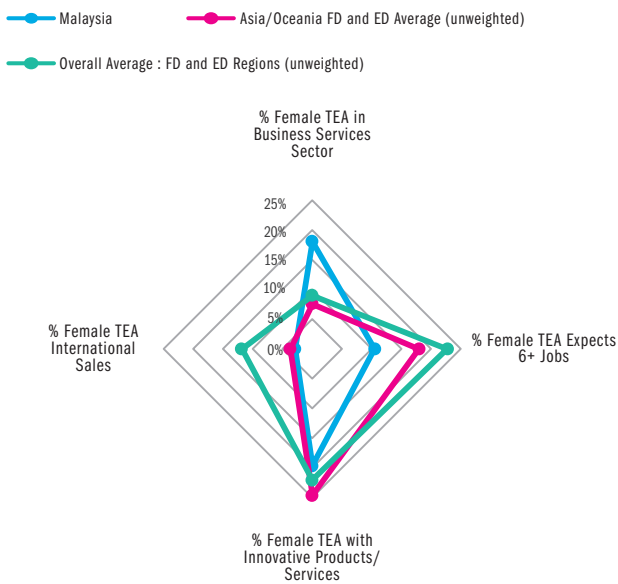
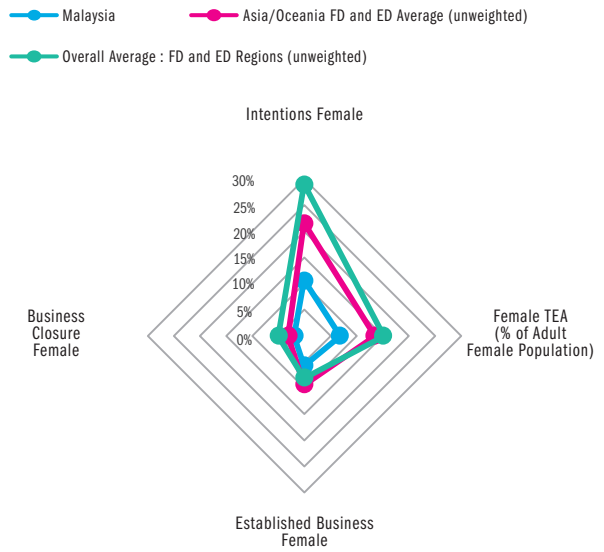
KAZAKHSTAN

Female activity rates are close to the regional average in Kazakhstan. Capabilities perceptions and fear of failure are about average, while opportunity perceptions are low, suggesting a readiness for entrepreneurship that is not matched with what is being observed in the environment. Over 60% of women know an entrepreneur. Those starting businesses show average levels of innovation and business services activity. Internationalization is 2 ½ times the typical low level for the region, while job expectations are 1 ½ times the average.



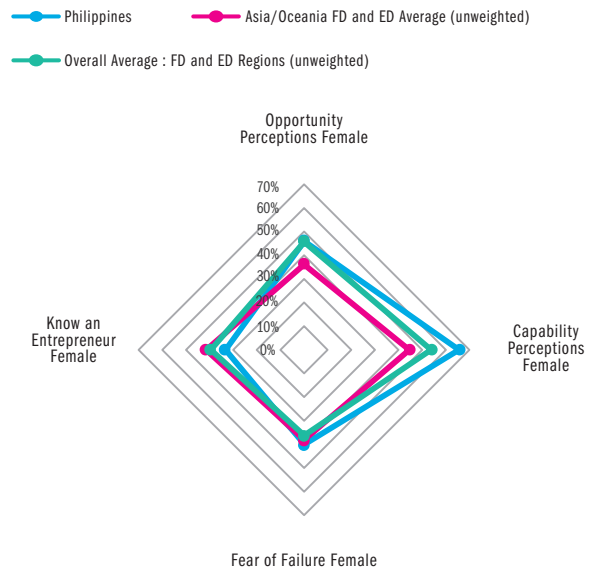
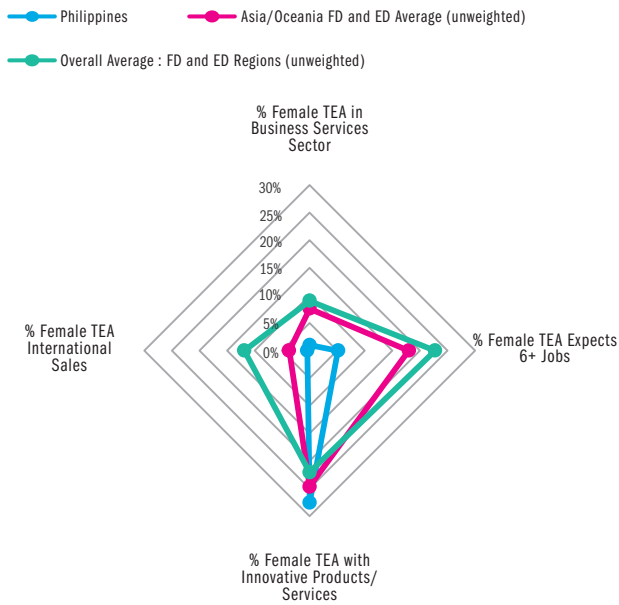
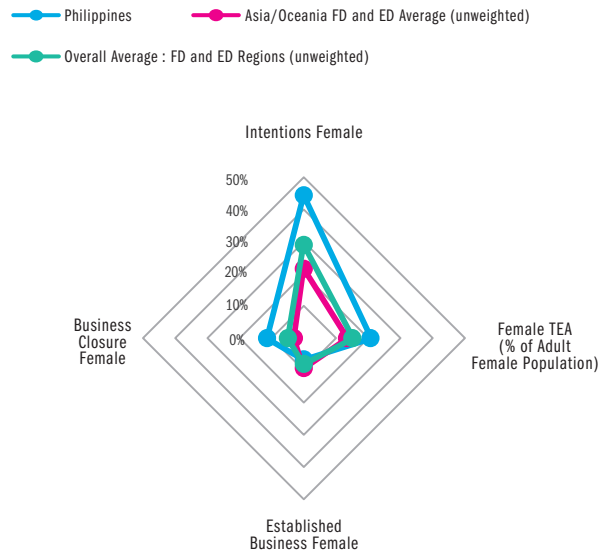
MALAYSIA

Malaysian women show low levels of activity, with about half the average level of intentions and TEA. Opportunity perceptions among the female population are above average and fear of failure is below average, yet fewer than average (20% less) think they have the capabilities to get started. Women entrepreneurs sell locally, as is typical for the region, and they show lower levels of innovation. A contrast can be seen in low job creation potential but relatively high participation in business services.



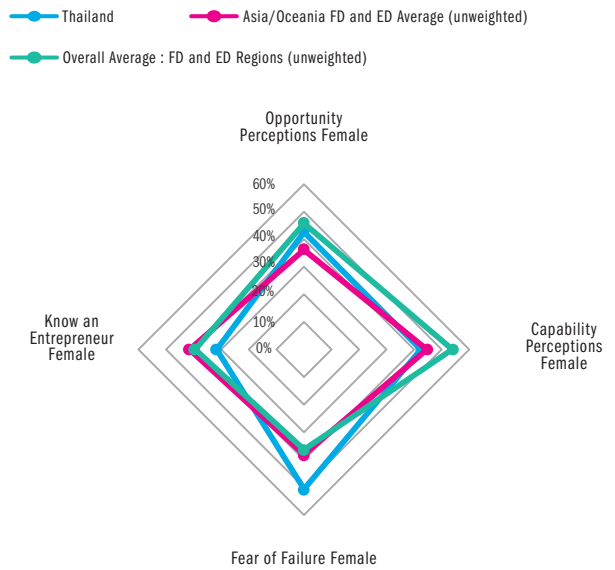
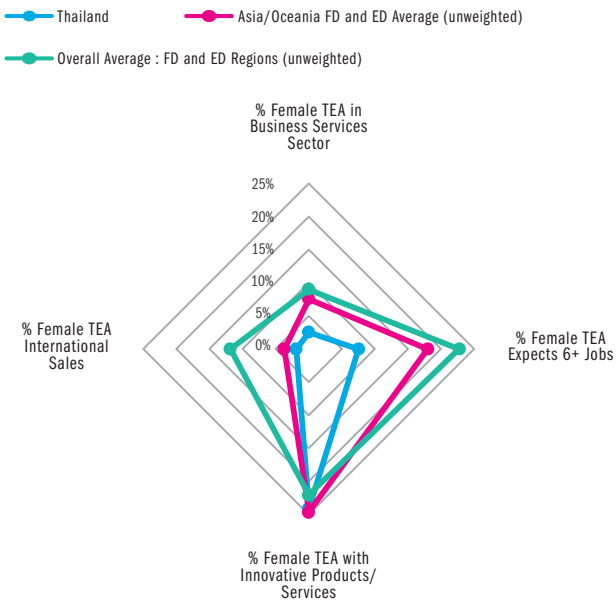
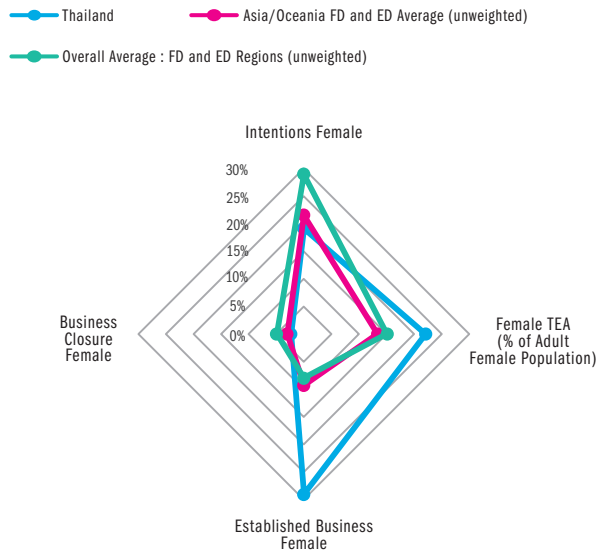
PHILIPPINES

Intentions and TEA activity are high among women in the Philippines, but this is accompanied by high levels of business closure and slightly lower established business activity. Opportunity perceptions are high, and capabilities perceptions even more so. Fear of failure is slightly above average and fewer women than average know an entrepreneur personally. Few female entrepreneurs compete in the business services sector and international sales is nearly nonexistent. Growth expectations are less than 1/3 the regional average, but innovations levels are a little higher than average.



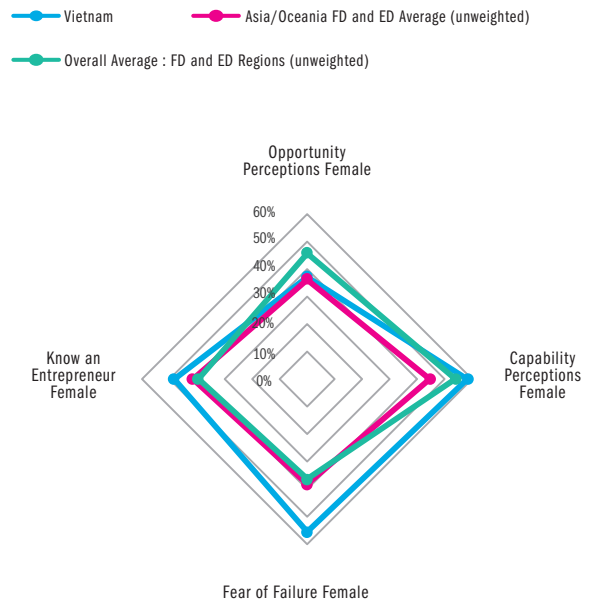
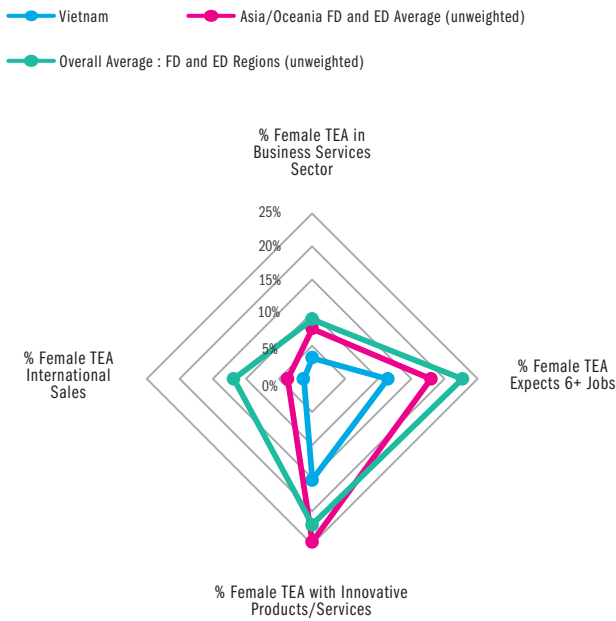
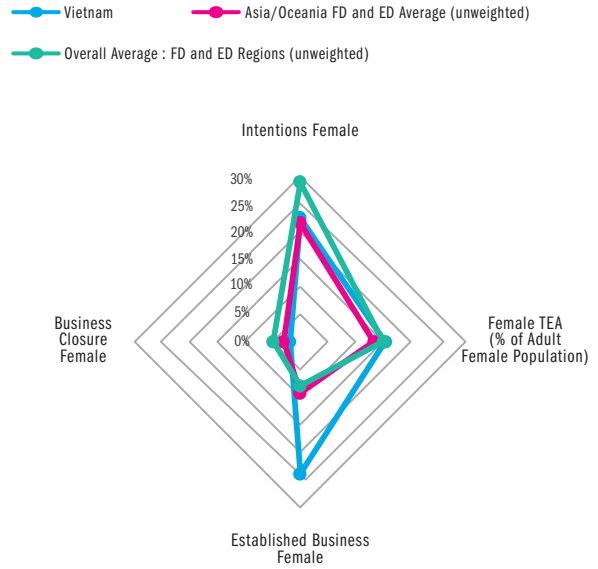
THAILAND

Thailand shows a high level of TEA and a very high level of established business activity (over 3 times the regional average) among women. This is consistent with higher than average opportunity perceptions, although capability perceptions are slightly below the regional average and fewer women know entrepreneurs. Additionally, fear of failure among women is over 1/3 higher than average. While innovation levels are average, job expectations, international sales and participation in the business services sector are low.



VIETNAM

Activity levels are average except for established business ownership, which is over 2 ½ times the regional average. While opportunity perceptions are average for the region, there is a contrast between high capability perceptions and high fear failure, suggesting women are confident about their abilities to start but fear consequences (real or imagined) if these efforts don't work out. All impact factors are lower than average.

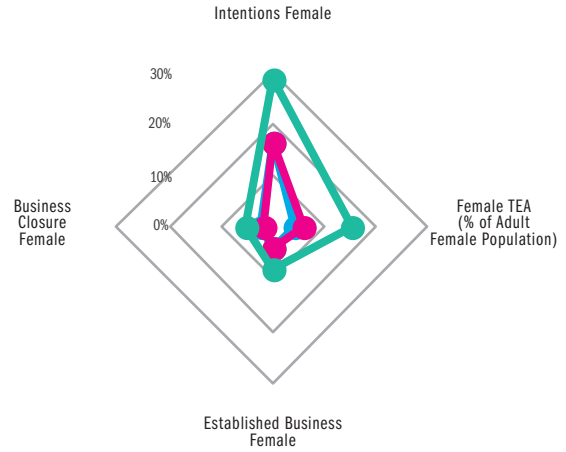


Europe Efficiency-Driven

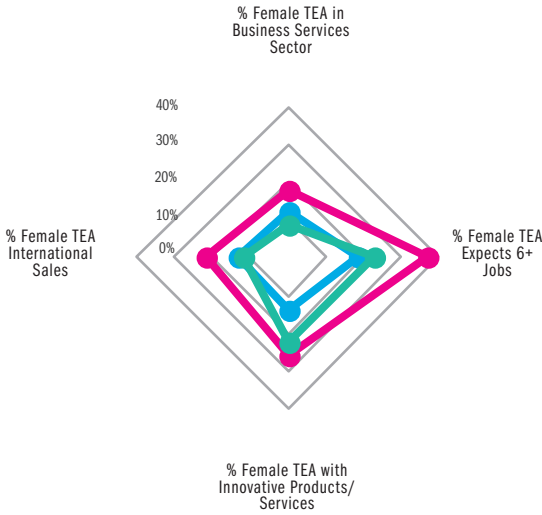
BOSNIA AND HERZEGOVINA

Activity in Bosnia and Herzegovina is low across all phases, but in line with averages for the Europe Efficiency-Driven region. Although women in this country exhibit an average level of capability perceptions and lower fear of failure compared to the region overall, they have low opportunity perceptions. Proportionately, Efficiency-Driven European entrepreneurs tend to exhibit high impact; however, Bosnia and Herzegovina shows low levels on all of these indicators.

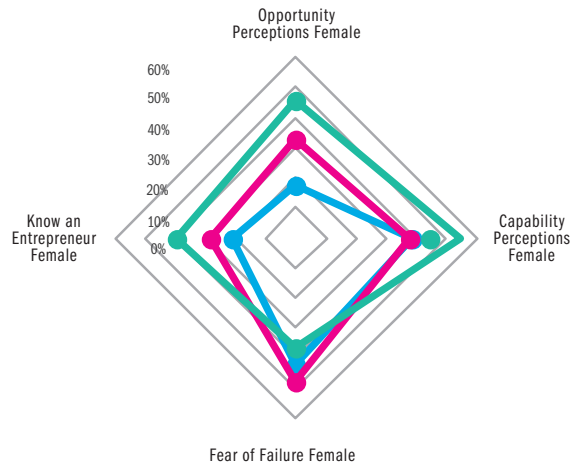
— Bosnia and Herzegovina — Europe ED Average (unweighted)
 — Europe Innovation-Driven Average (unweighted)



— Bosnia and Herzegovina — Europe ED Average (unweighted)
 — Europe Innovation-Driven Average (unweighted)

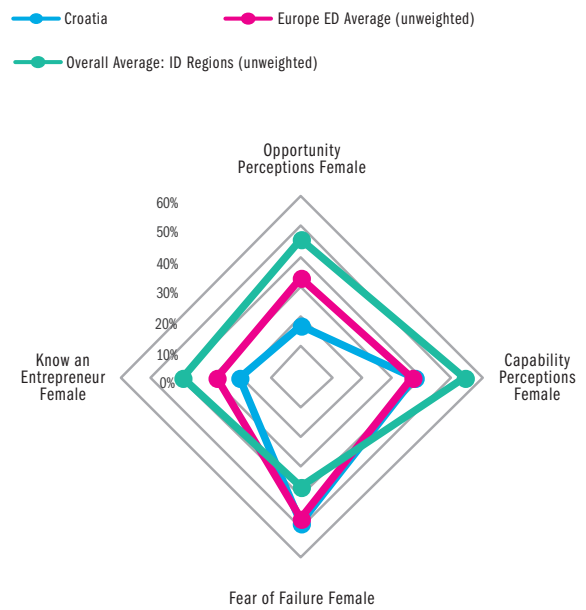
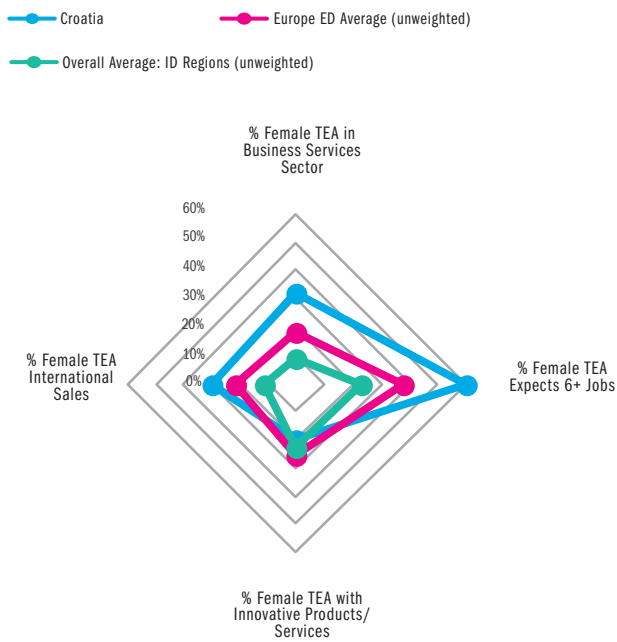
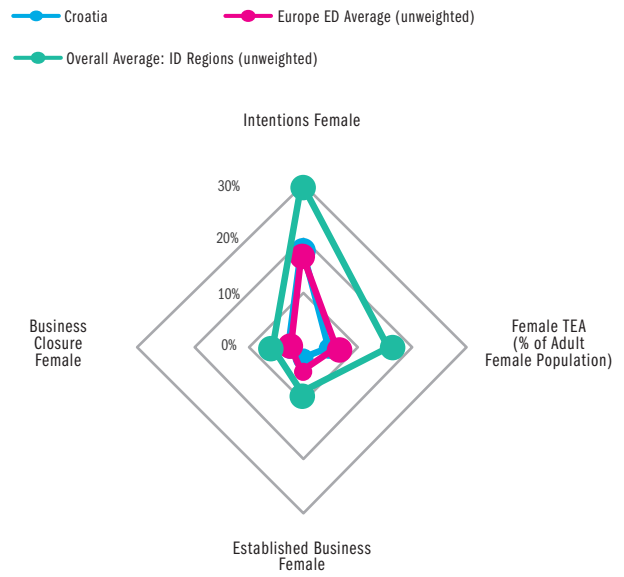


— Bosnia and Herzegovina — Europe ED Average (unweighted)
 — Europe Innovation-Driven Average (unweighted)



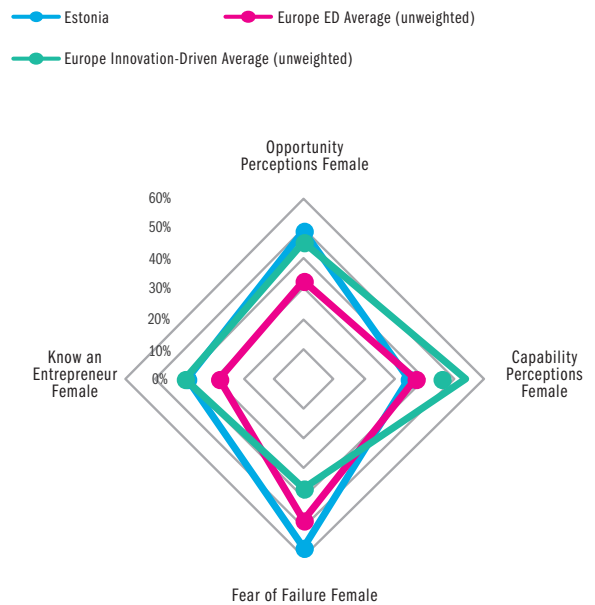
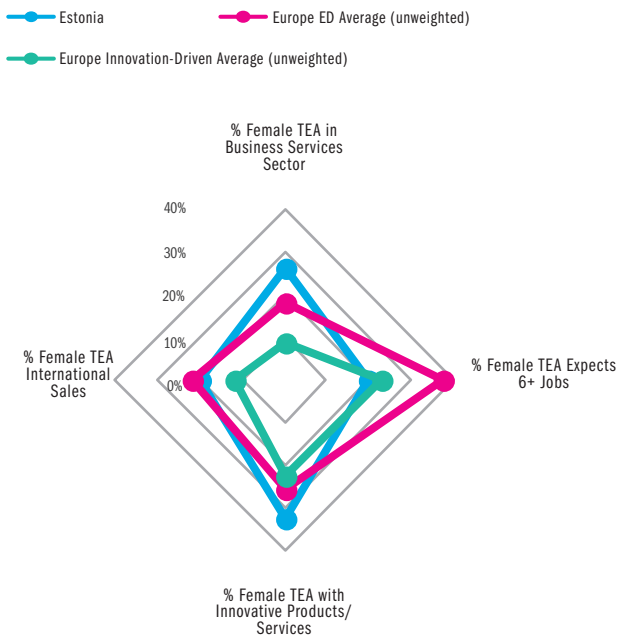
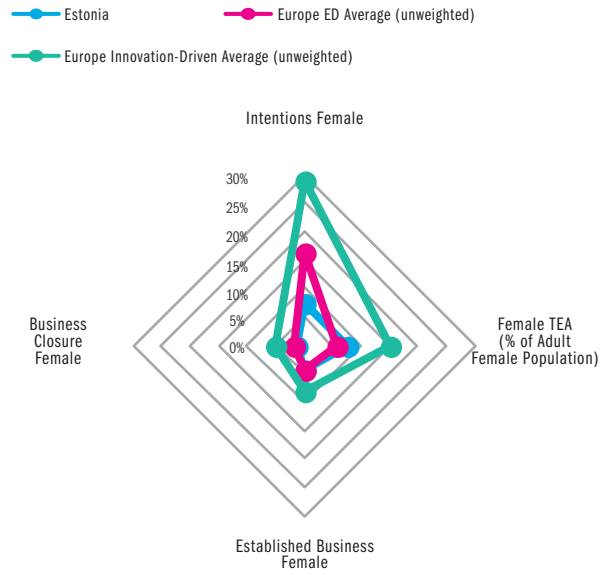
CROATIA

Croatia has low TEA and established business activity among women, but not much lower than the average for the region. Low opportunity perceptions may explain this – at little more than half the regional average. Where Croatian women entrepreneurs shine, however, is in their potential impact. While they are less likely to be innovative, they are internationally oriented and have high job expectations. Many compete in the business services sector.



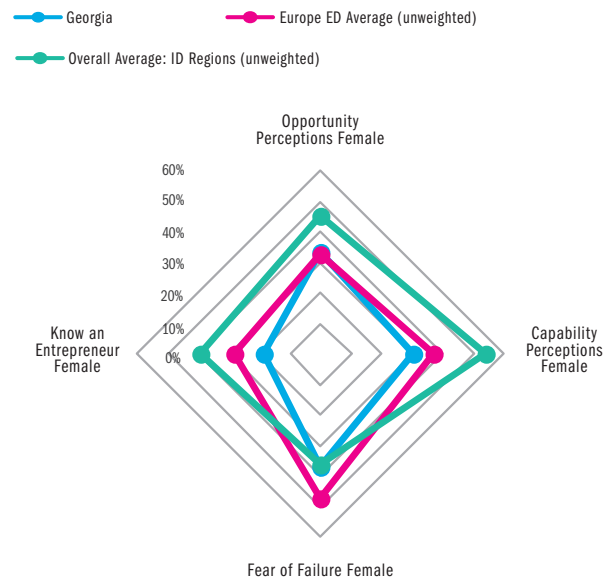
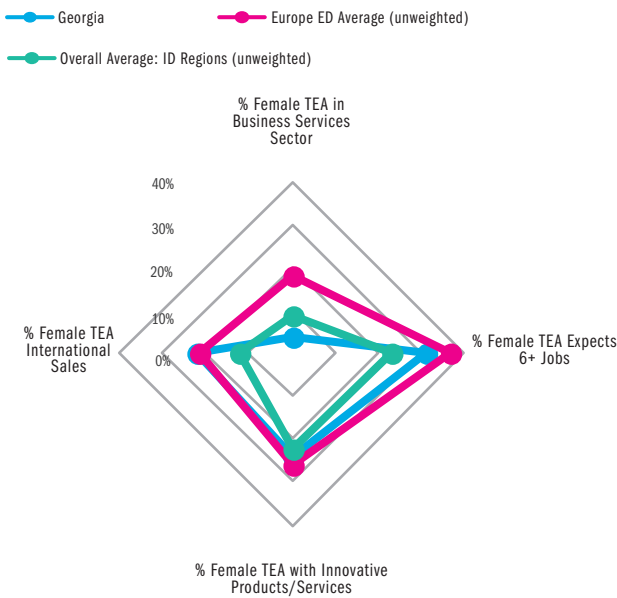
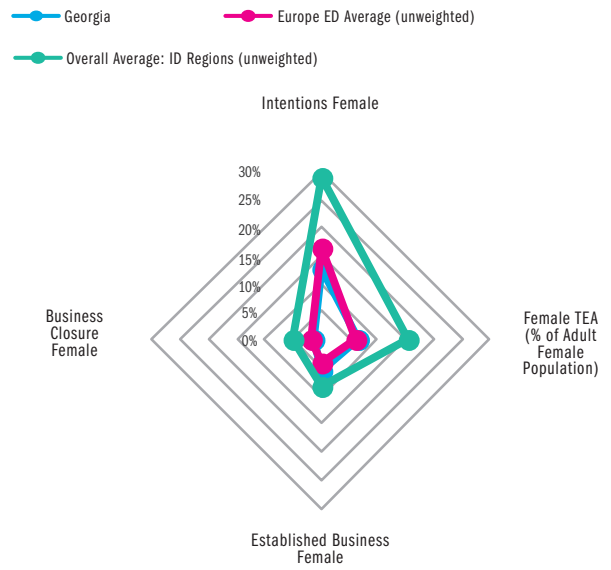
ESTONIA

Women in Estonia mostly show activity levels typical for the region, but intentions are only half the regional average, suggesting a low base of potential entrepreneurs. This is perhaps reflective of high fear of failure among women in this economy despite having high opportunity perceptions. Female entrepreneurs in Estonia are highly innovative and often compete in business services. Job expectations, however, are about half the regional average.



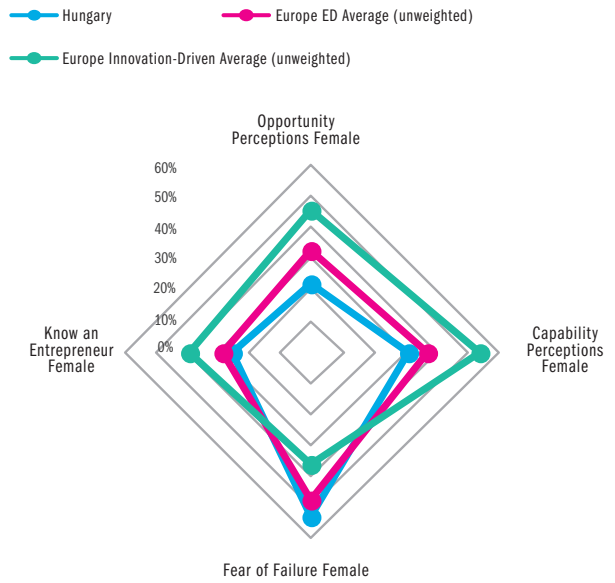
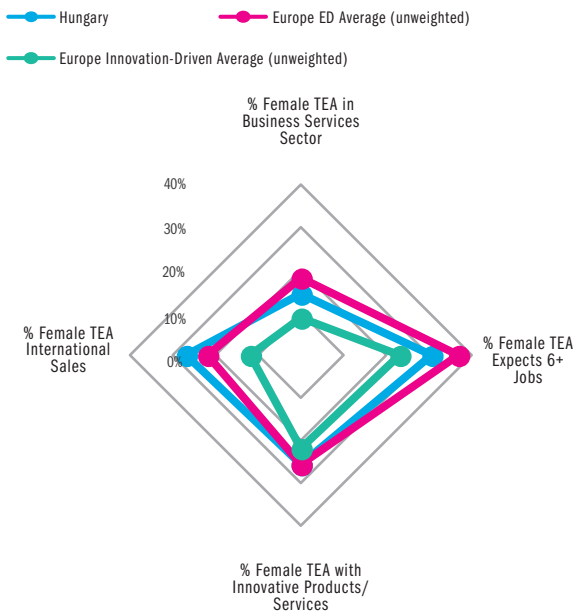
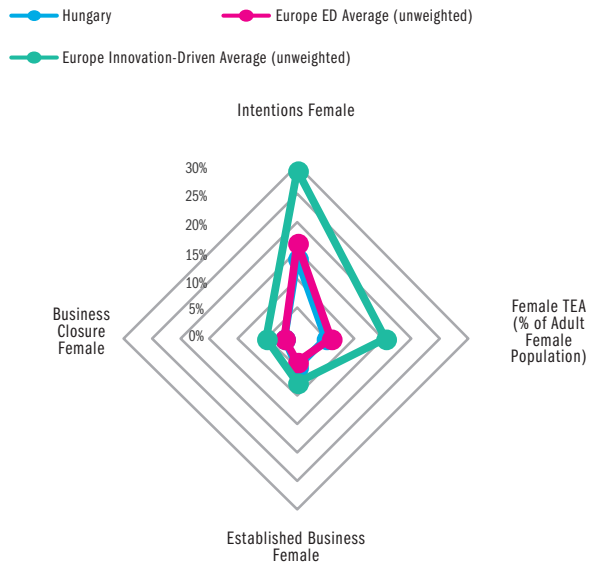
GEORGIA

Activity among women in Georgia closely follows the regional average, with intentions slightly lower than average. Opportunity perceptions are on par with the region, and fear of failure is relatively low, although capabilities perceptions are slightly lower than average. Few women entrepreneurs compete in the business services sector and they have lower job expectations. However, internationalization and innovation are close to the regional average.



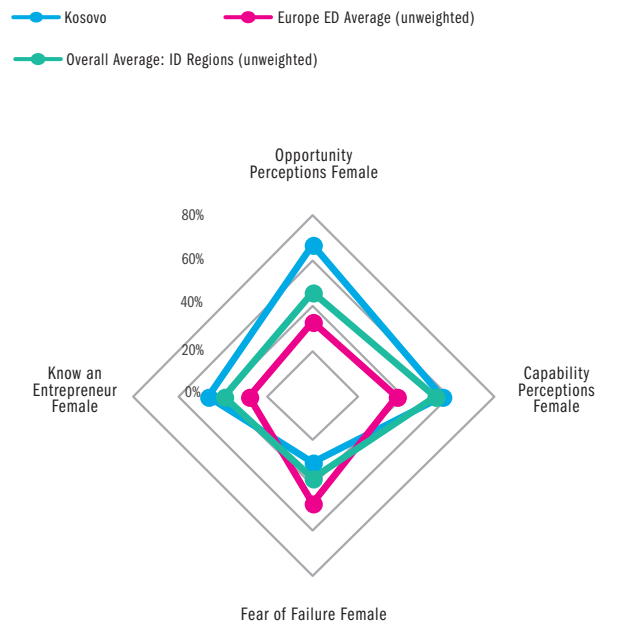
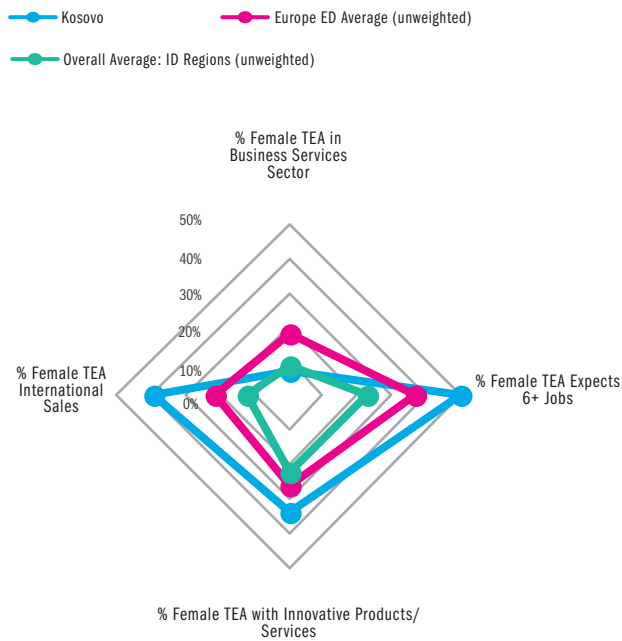
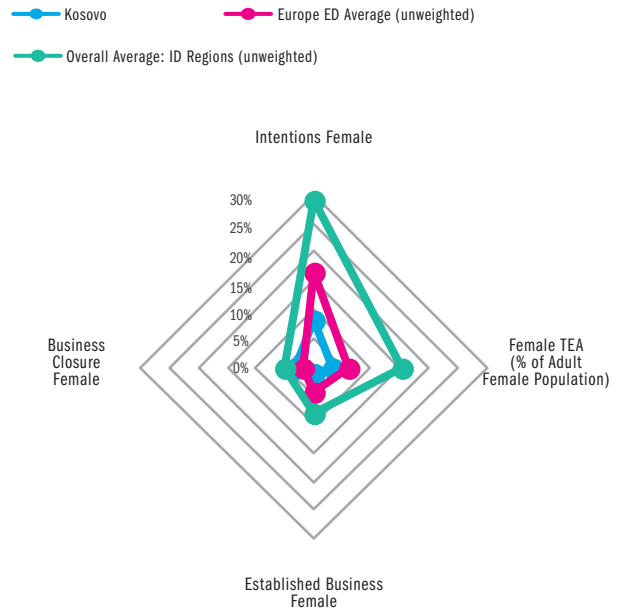
HUNGARY

In Hungary, female activity is similar to the regional averages. However, capability perceptions, and opportunity perceptions in particular, are low and fear of failure is high. Job expectations are somewhat lower than average, while international sales are high.



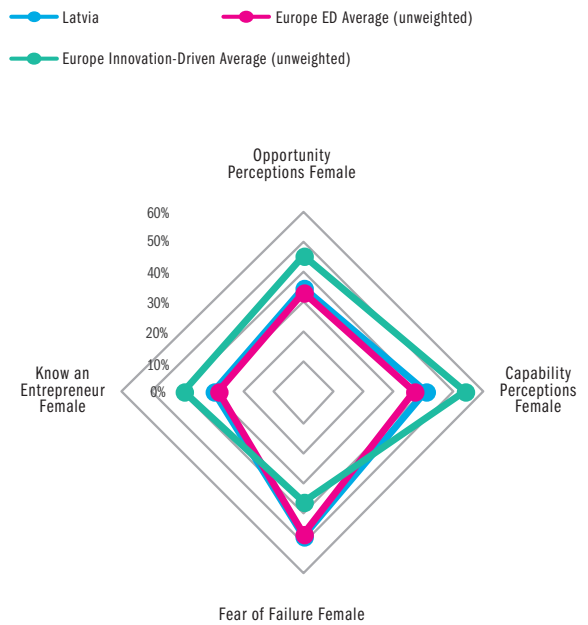
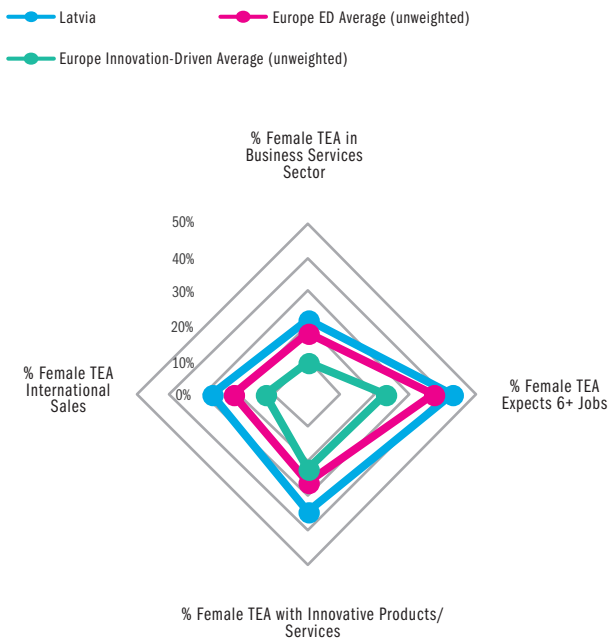
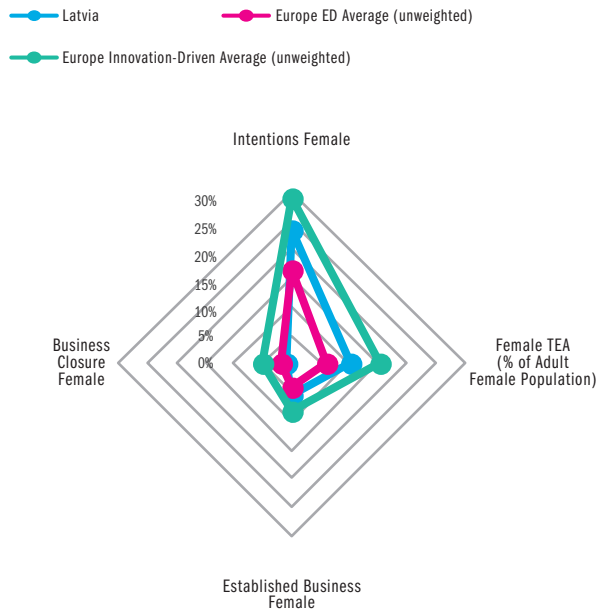
KOSOVO

Activity rates among women in Kosovo are low, including intentions, TEA and established business activity. This is despite opportunity perceptions registering twice the regional average, capability perceptions being 50% higher than average, and low fear of failure. Female entrepreneurs show low participation in business services, but job expectation, innovation, and international sales levels are among the highest in the factor and efficiency-driven group.



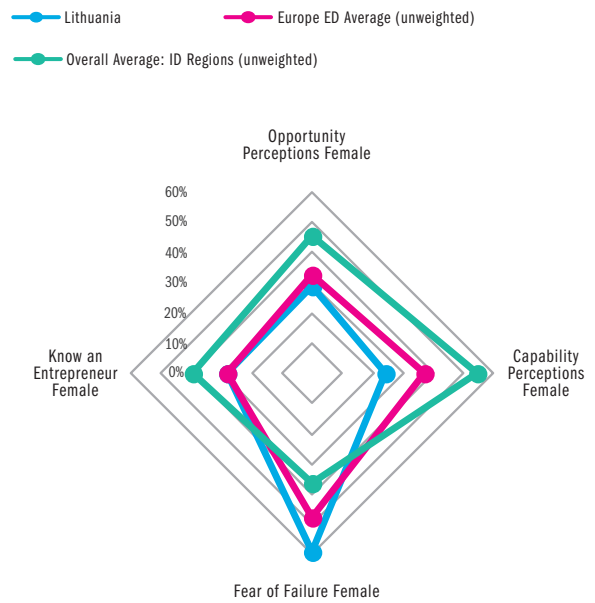
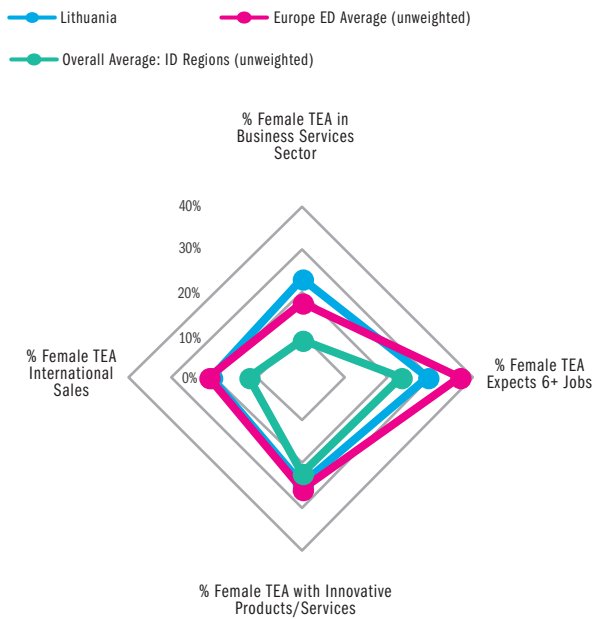
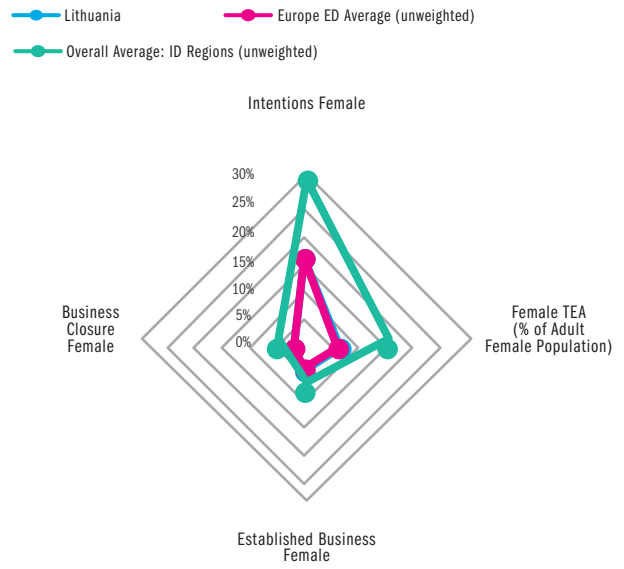
LATVIA

Female activity rates in Latvia are higher than average (intentions, TEA, established businesses), even though the attitude measures track close to the regional average. Impact factors are all higher than average.



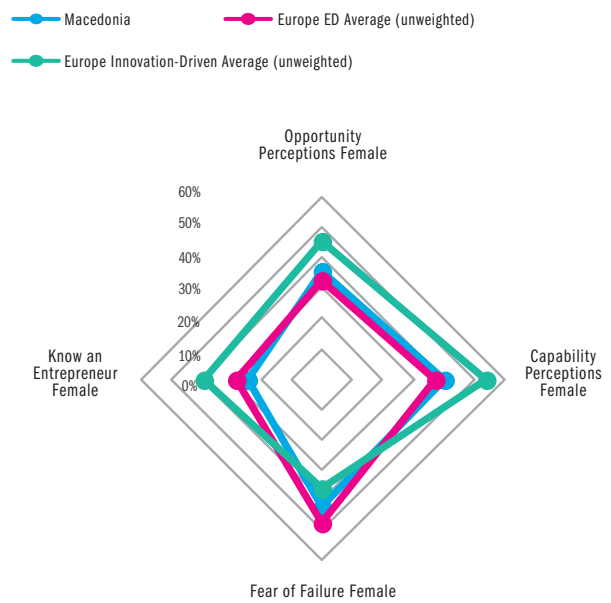
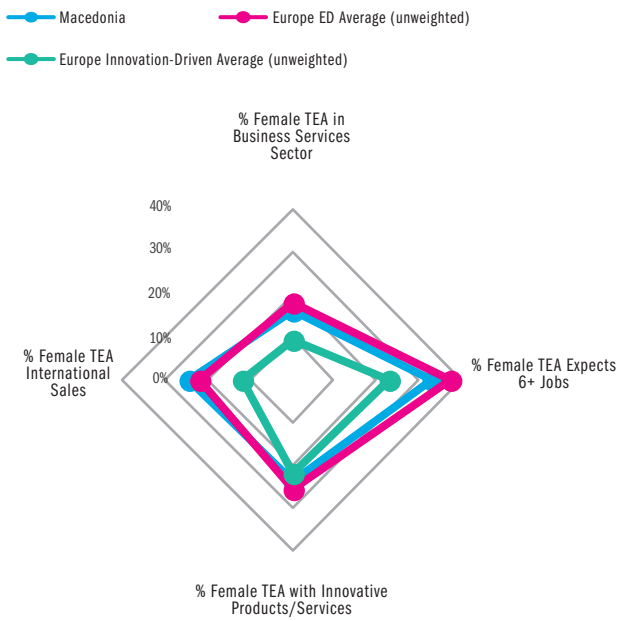
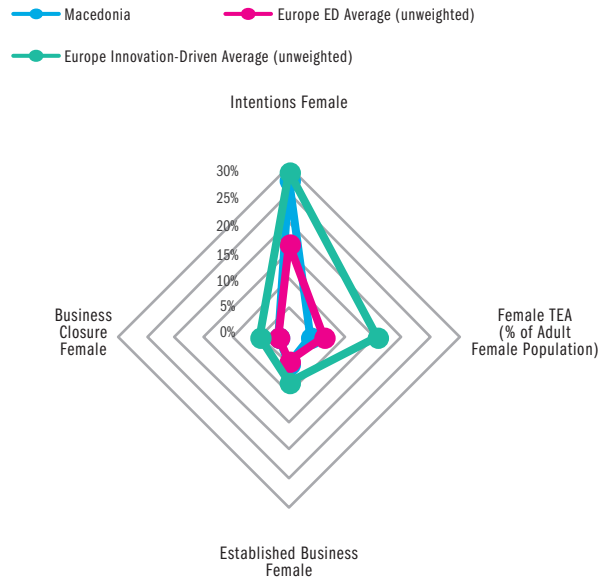
LITHUANIA

Female activity rates in Lithuania are nearly identical to the region's average, but women in this society have low capability perceptions and high fear of failure. While somewhat more women entrepreneurs are engaged in the business services sector compared to the average for the region, job expectations are lower.



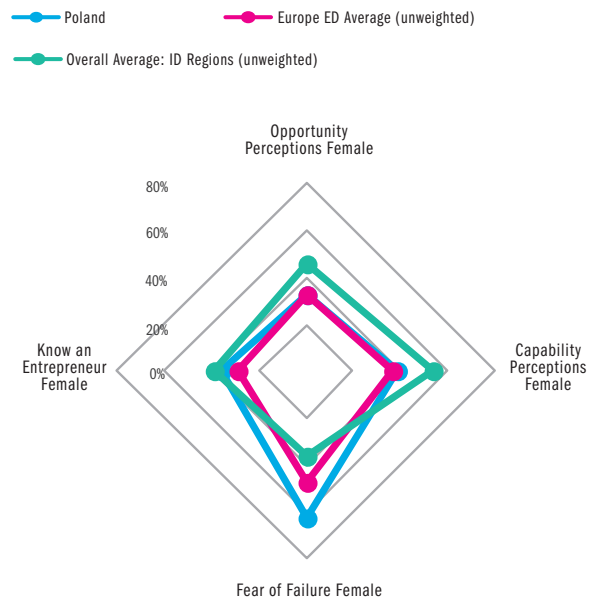
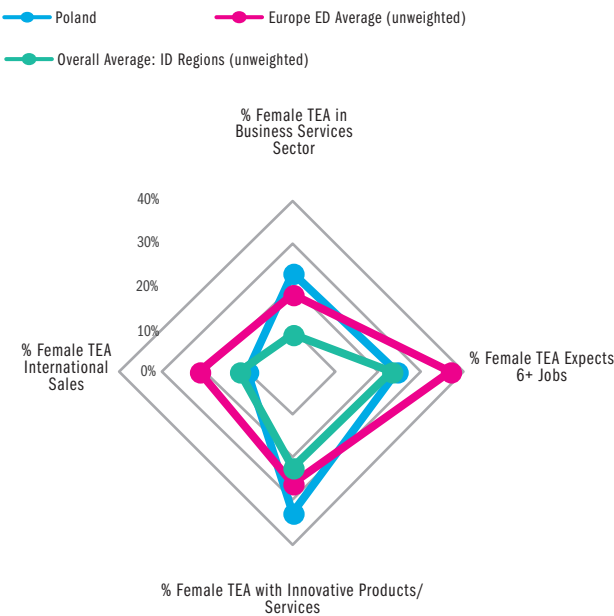
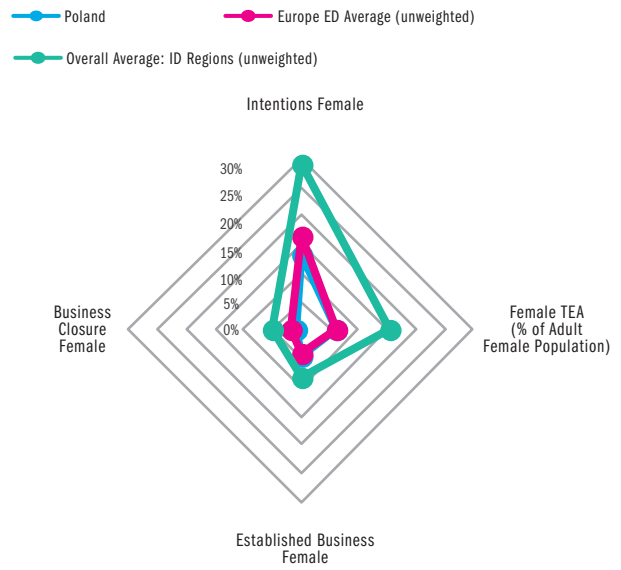
MACEDONIA

Female entrepreneurship in Macedonia tracks closely with regional averages on all indicators except for intentions, which are high, particularly relative to low TEA.



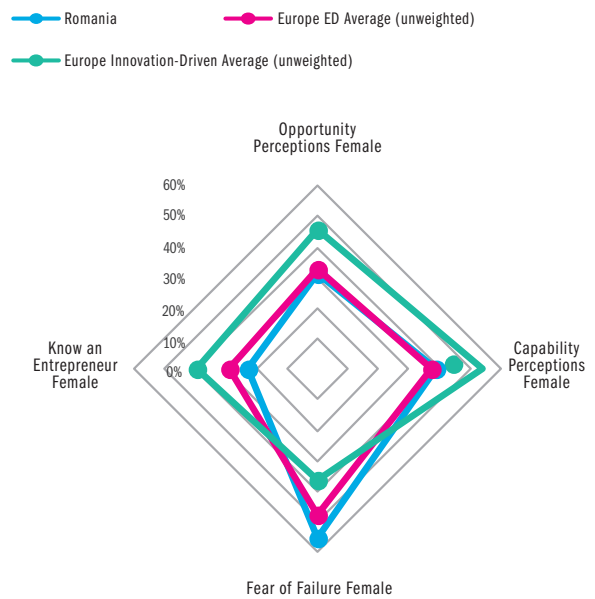
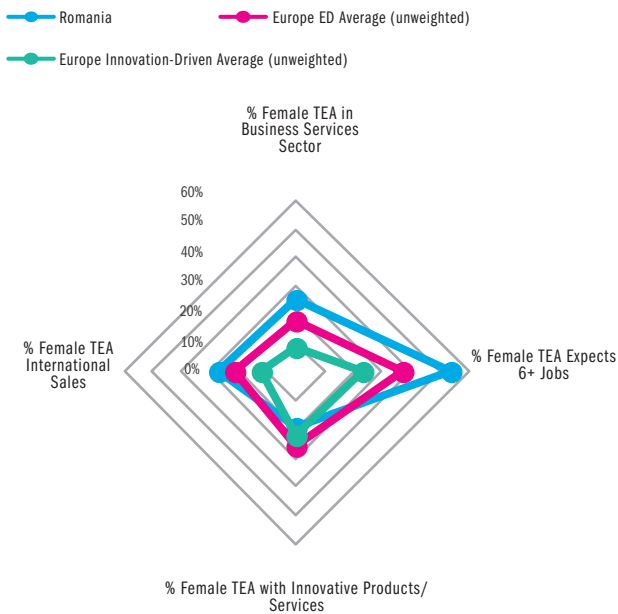
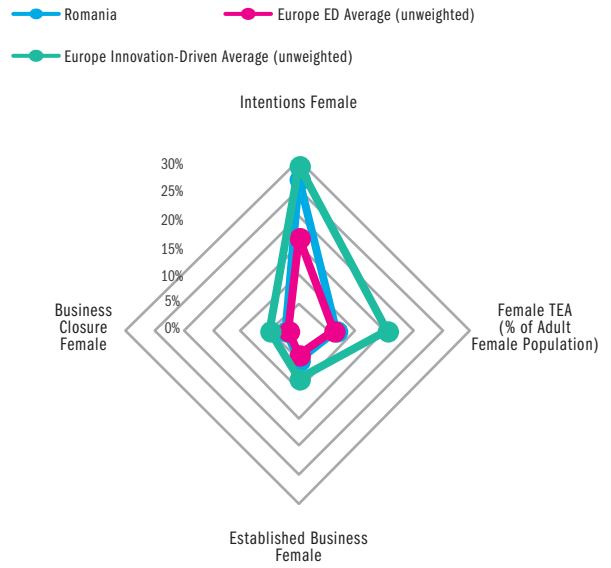
POLAND

Activity rates among women in Poland are close to regional averages. Fear of failure, however, is nearly one-third higher than typical for the region. Female entrepreneurs have lower than average job expectations and internationalization is less than half the regional average. But they are innovative and participate frequently in the business services sector.



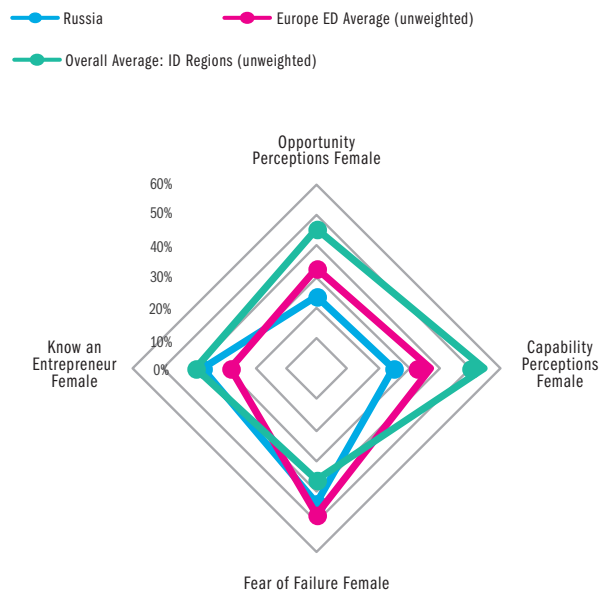
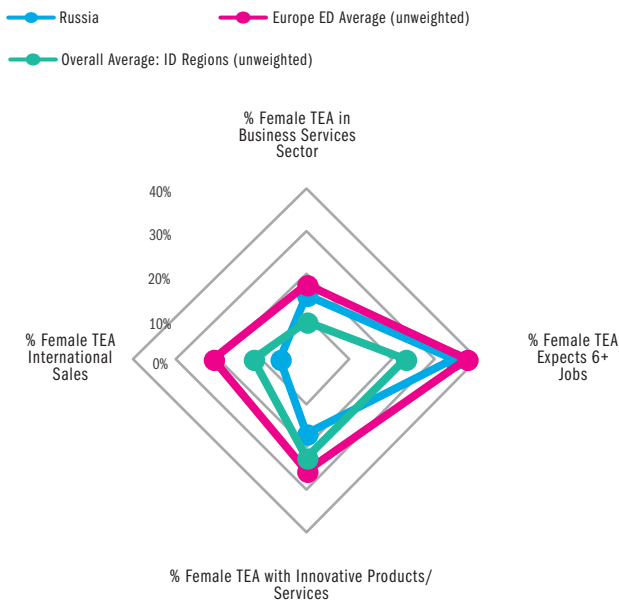
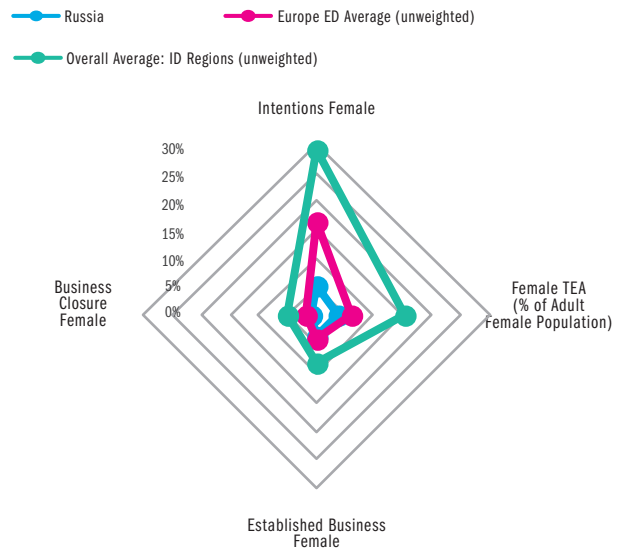
ROMANIA

Intentions to start are high among women in Romania, while other activity rates hover around the regional average. Fear of failure is high. A higher than average level of female entrepreneurs participate in business services, and although they are less innovative compared to what is typical for the region, they are 40% more likely to project job expectations of 6 or more employees. International sales are higher than average.



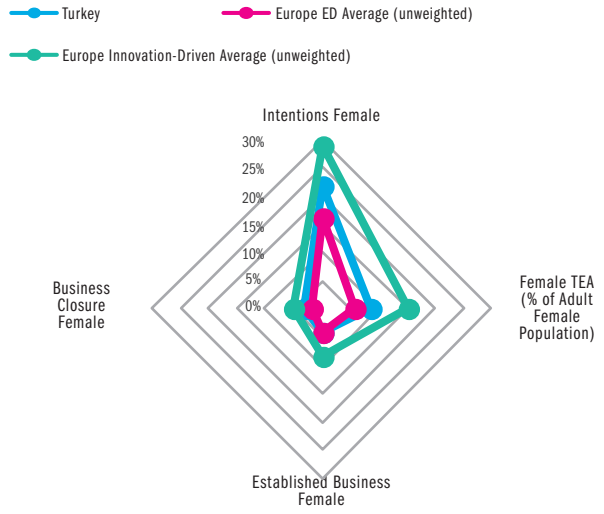
RUSSIA

Russia shows low female intentions and startup activity. Opportunity and capability perceptions are low among women, although they more often know entrepreneurs compared to the regional average. Women entrepreneurs are comparatively less likely to be innovative or international, but their participation in business services and growth orientation are nearly at the level of the regional average.

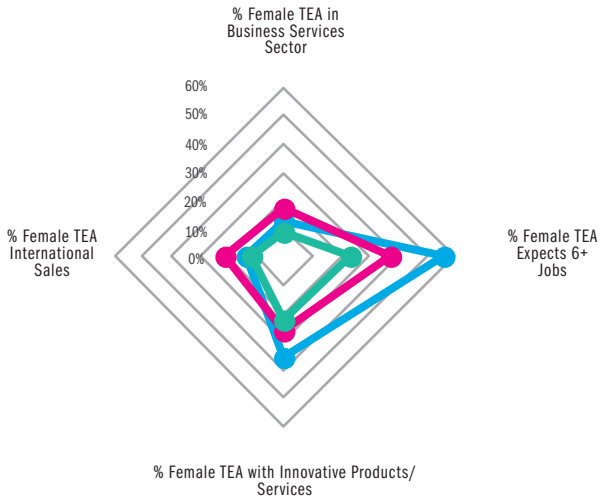


TURKEY

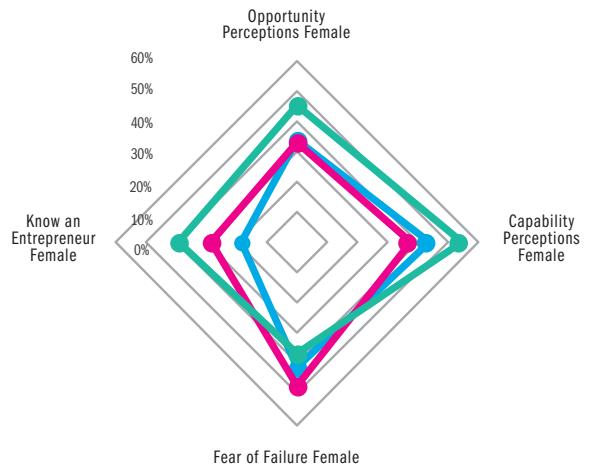
Intentions and TEA levels are above the regional average for women in Turkey. Women have higher than average capability perceptions and lower than average fear of failure. Innovation levels are high among women entrepreneurs and job expectations are 50% higher than average.



Legend:
 - Turkey (Blue line)
 - Europe ED Average (unweighted) (Pink line)
 - Europe Innovation-Driven Average (unweighted) (Green line)



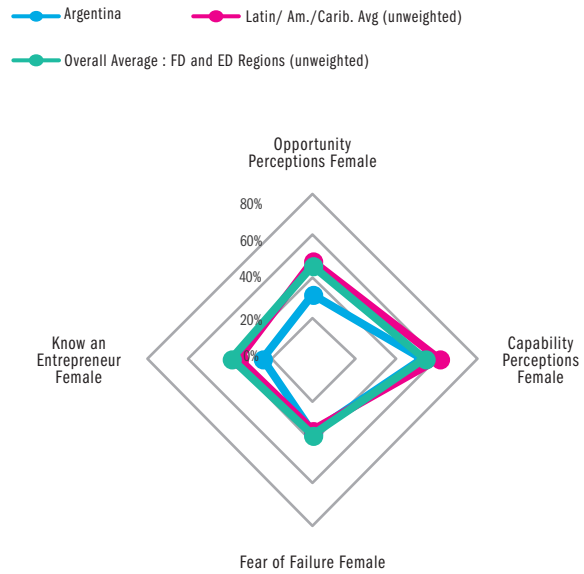
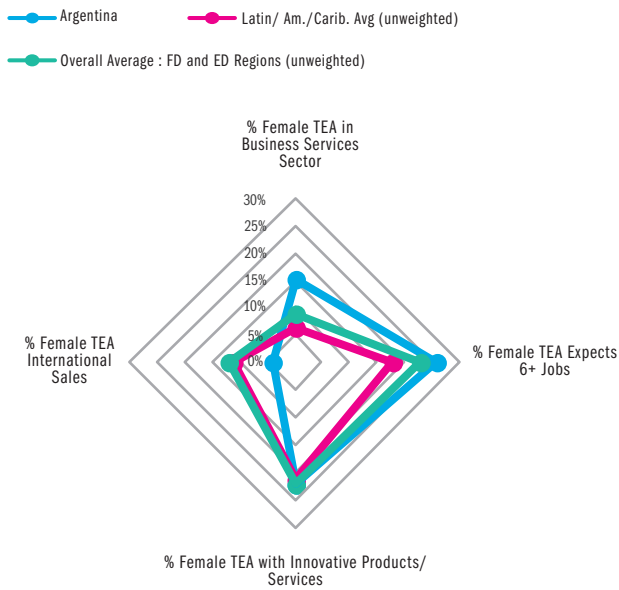
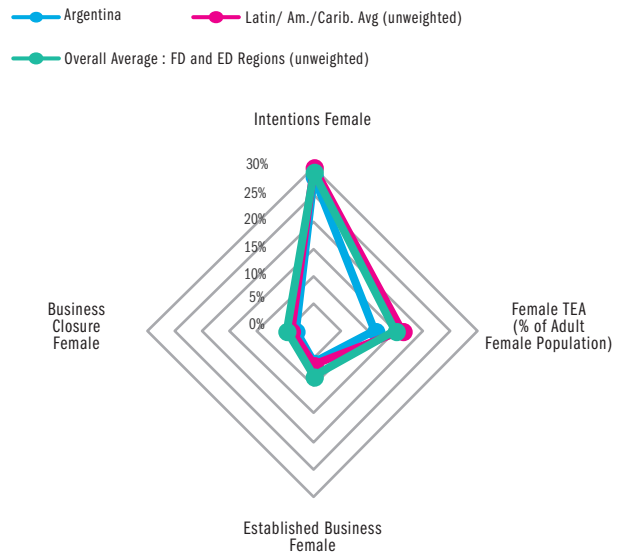
Legend:
 - Turkey (Blue line)
 - Europe ED Average (unweighted) (Pink line)
 - Europe Innovation-Driven Average (unweighted) (Green line)



Latin America/Caribbean

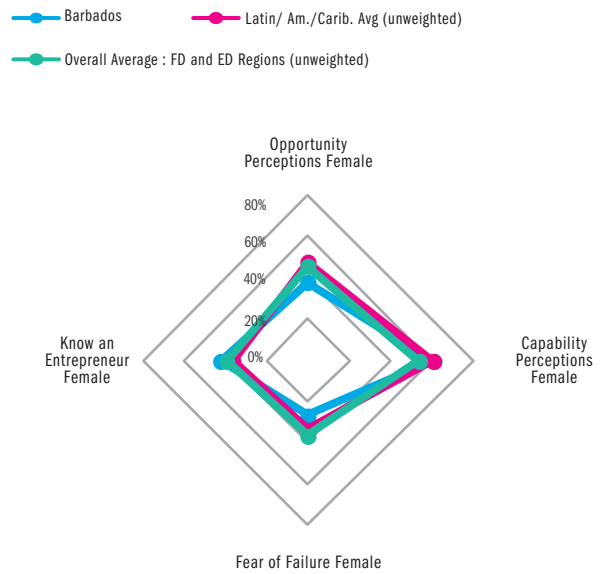
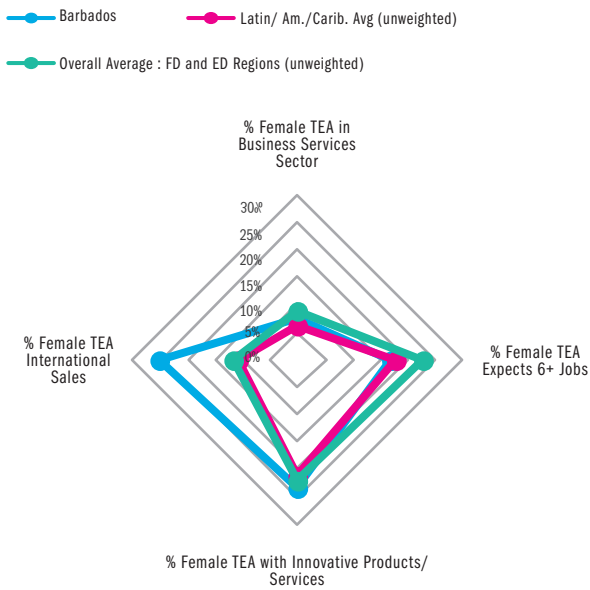
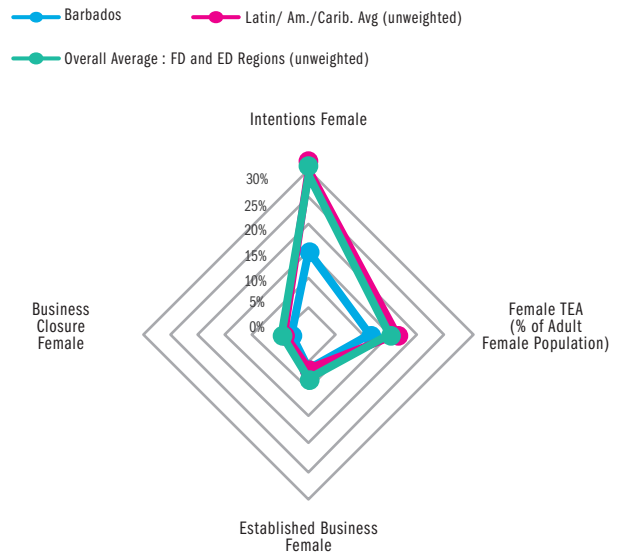
ARGENTINA

Argentina shows average activity levels for the Latin America/Caribbean region, with the exception of somewhat lower TEA rates. Opportunity perceptions are just 2/3 the average level, and capability perceptions are below average. Although few sell internationally, women in Argentina show a higher level of business services businesses and have relatively high growth ambitions.



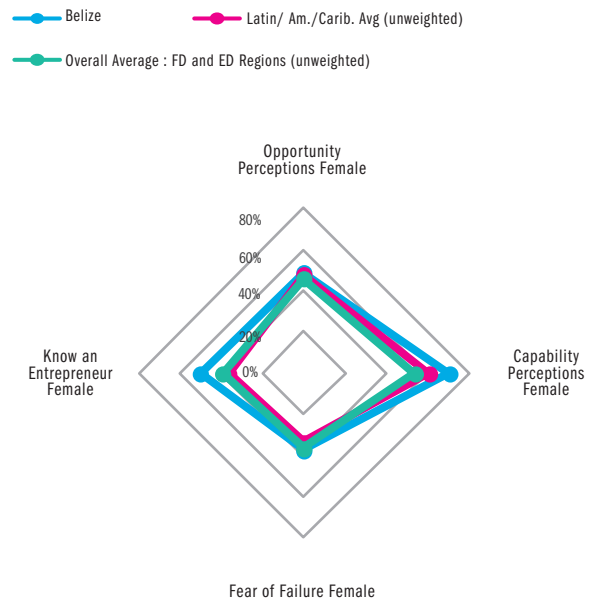
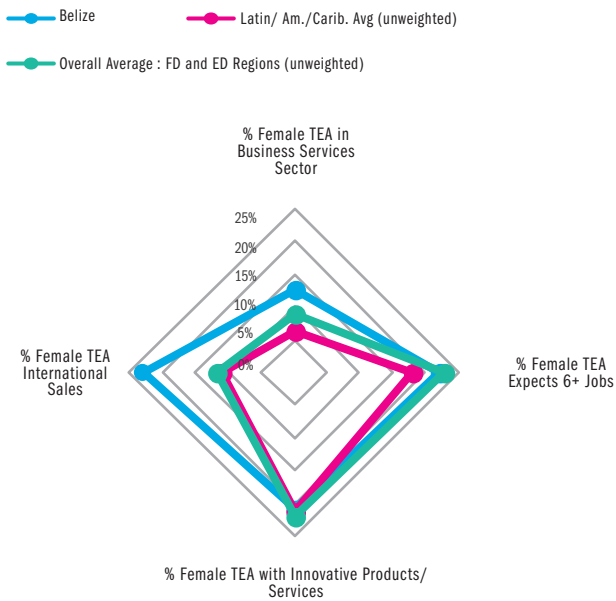
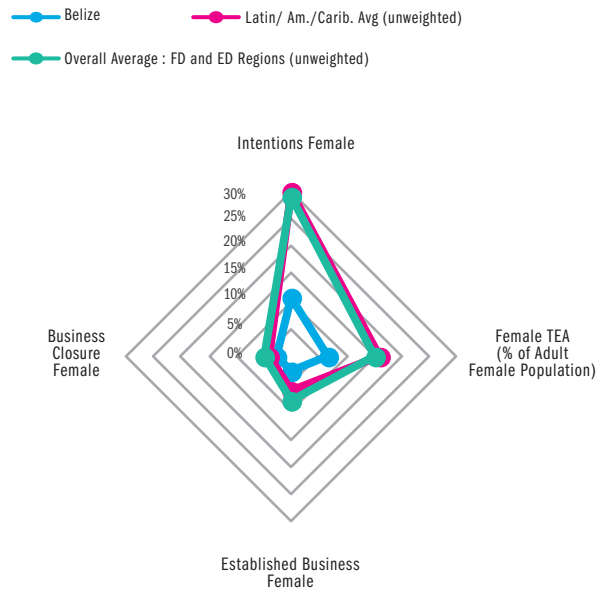
BARBADOS

Startup activity is lower than the regional average in Barbados, and intentions are half the regional average. Perhaps consistent with these levels is the lower opportunity motivations, despite capability perceptions coming in about average and fear of failure being low. Impact factors are close to average, except for sales to international customers, which is over twice the level reported for the region overall.



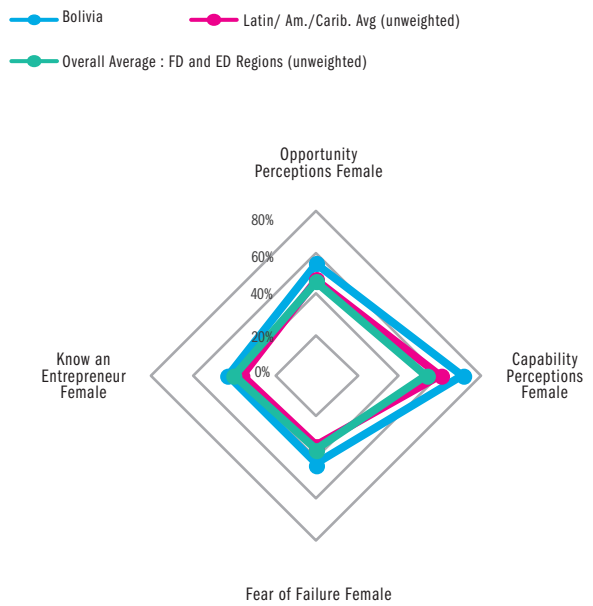
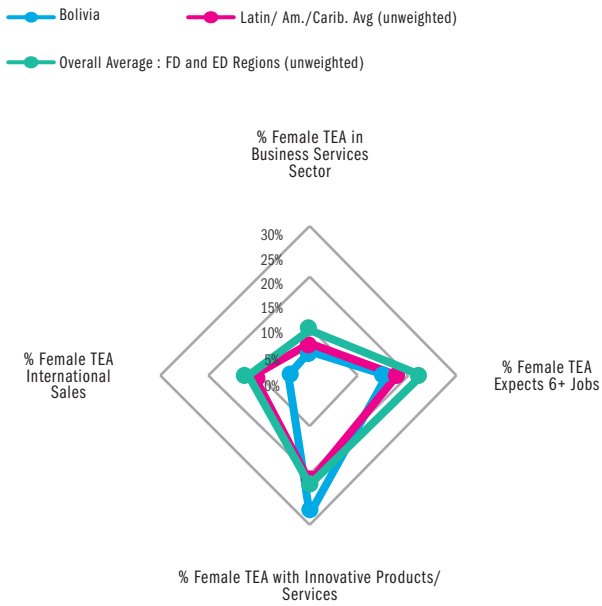
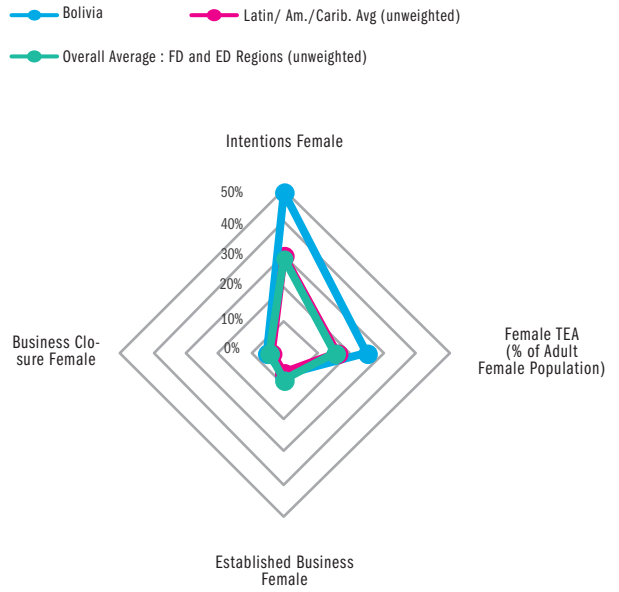
BELIZE

In Belize, intentions and TEA are a little more than 1/3 the regional average, while established business rates are half of the average. Capabilities perceptions, however, are higher than average among the female population. Women entrepreneurs are over twice as likely to compete in business services and sell to international customers than is typical for the region, and job expectations are slightly higher than average.



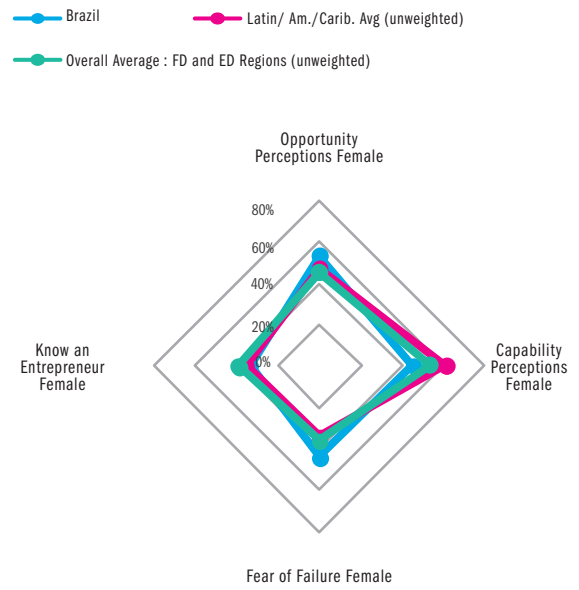
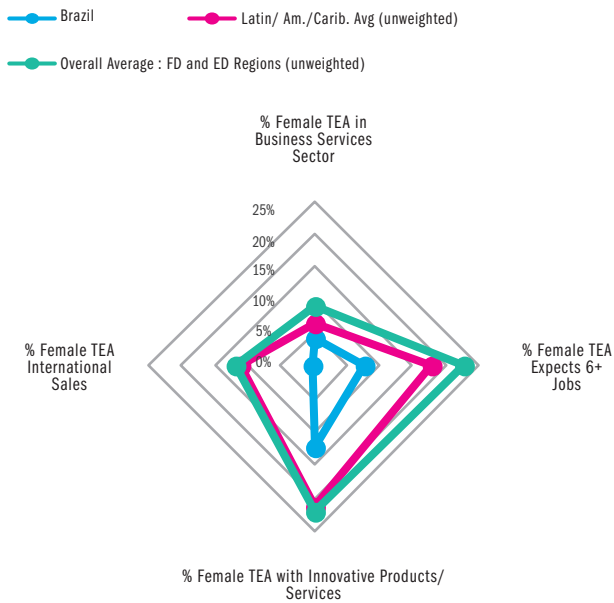
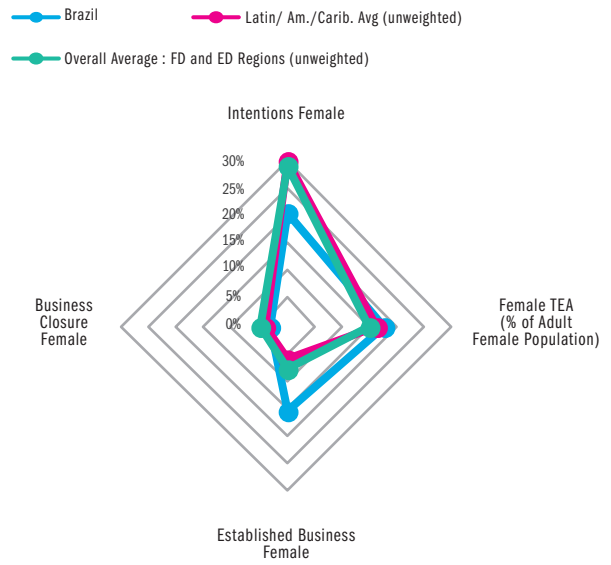
BOLIVIA

Women in Bolivia exhibit intentions and TEA rates at about 50% higher levels than the regional average. Opportunity and capability perceptions are higher than average, yet fear of failure is higher than typical for the region. Female entrepreneurs are not likely to sell internationally but they are more likely than average to say they sell innovative products or services.



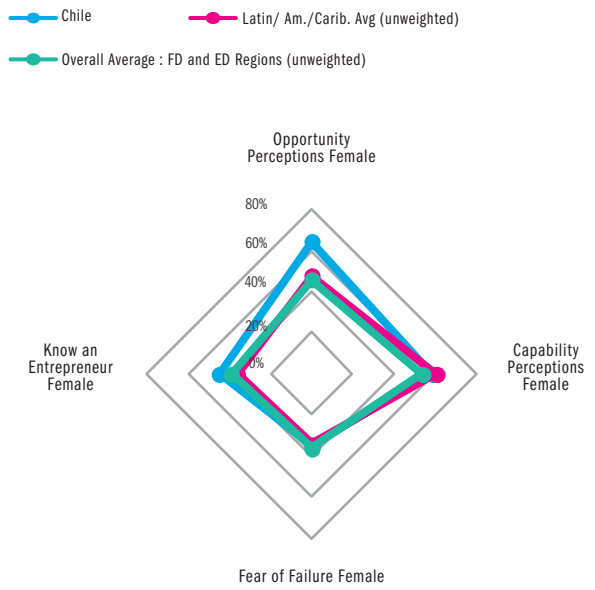
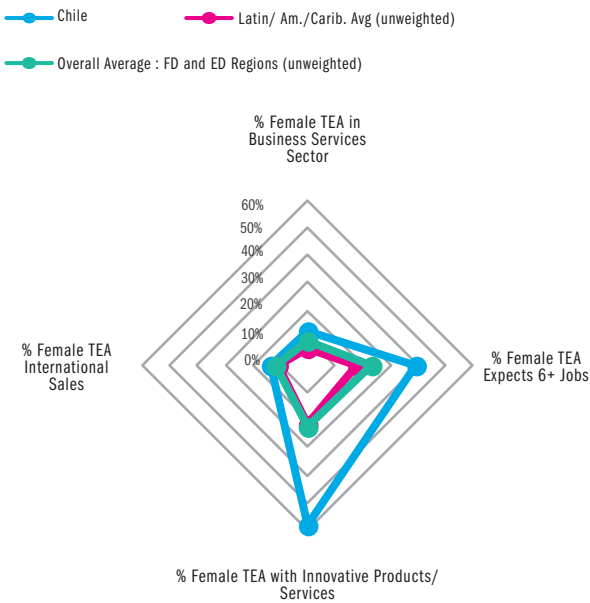
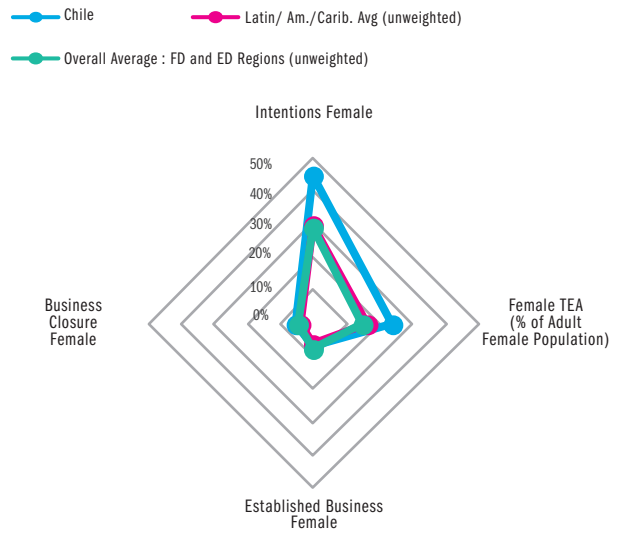
BRAZIL

Brazil exhibits average TEA rates despite lower than average intentions. However, established business rates are higher than typical. Opportunity perceptions are higher than average, but capability perceptions are 1/3 lower than the region overall and fear of failure is higher than average. Female entrepreneurs exhibit low levels on all the impact indicators.



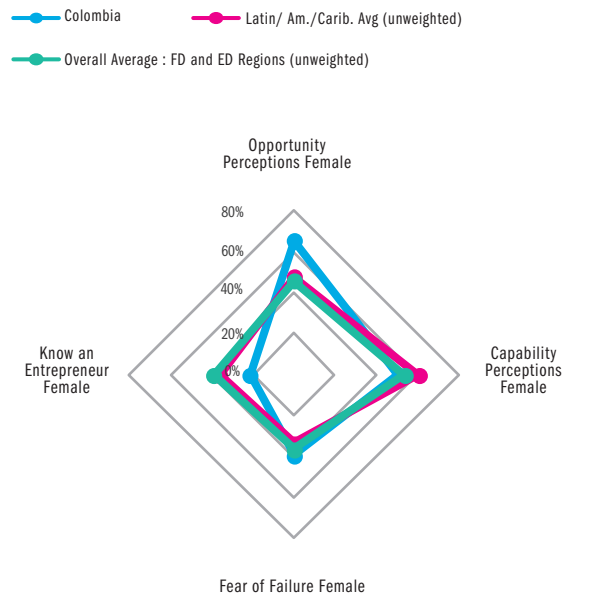
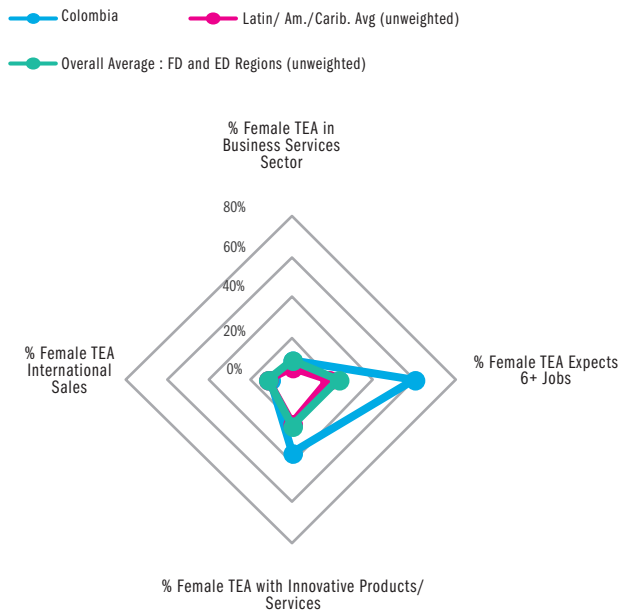
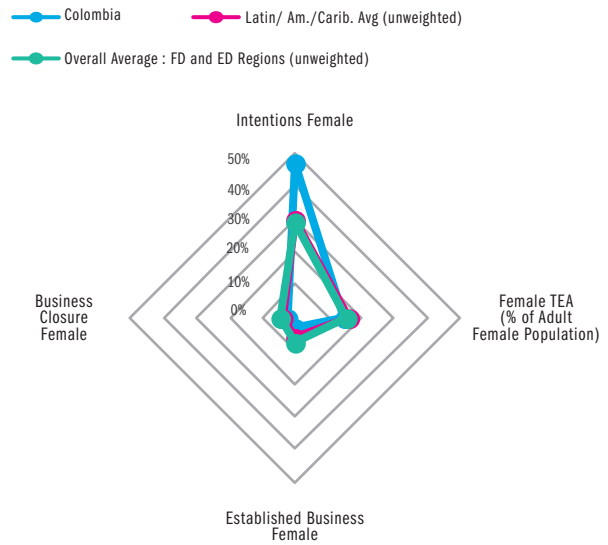
CHILE

Chile shows high levels of female activity; both intentions and TEA are 50% higher than the regional average. This activity is reinforced by high perceptions of opportunity in the environment, even with average levels on the other attitude indicators. Business services participation and job expectations are twice the regional average and innovation levels are over 2 ½ times the average.



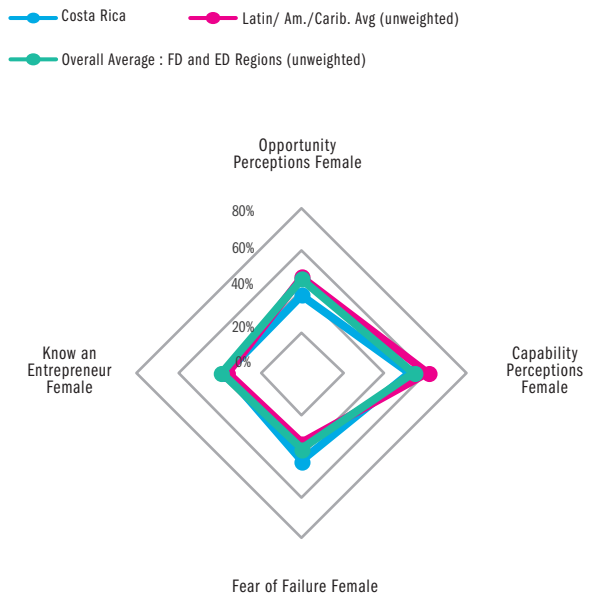
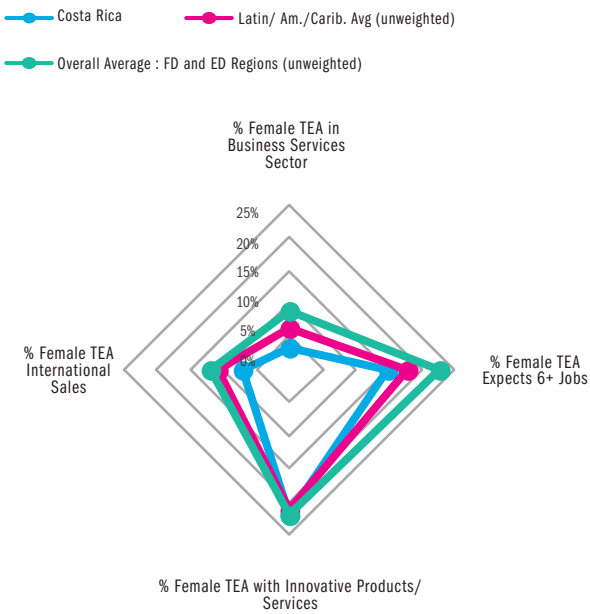
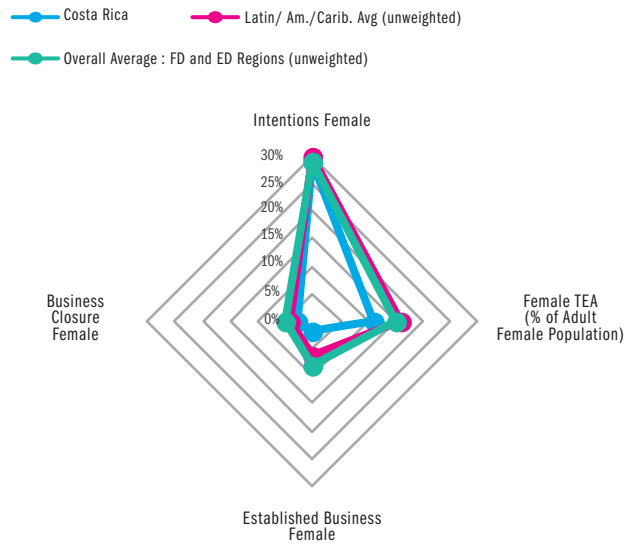
COLOMBIA

Female intentions in Colombia are more than 50% higher than the regional average, although TEA is around average and established business activity is half the typical level for the region. Opportunity perceptions are high, yet capabilities perceptions are lower than average and fear of failure is higher than average. Few women report knowing an entrepreneur. International sales are typical for the region, but the other impact indicators are higher than average, particularly job expectations, which are over three times the regional average.



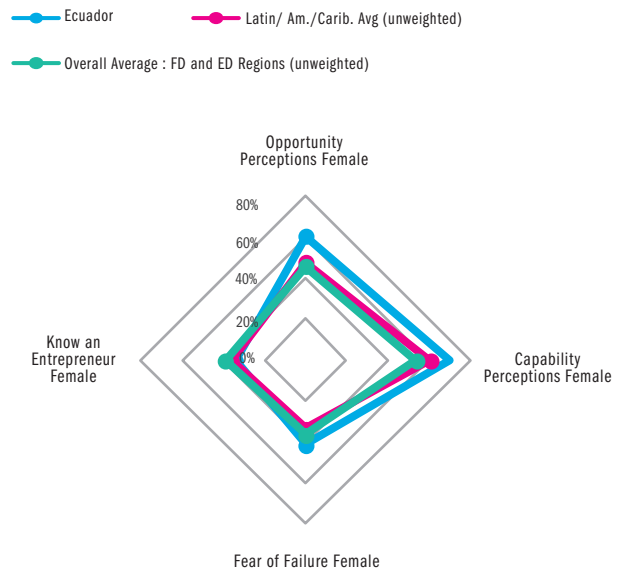
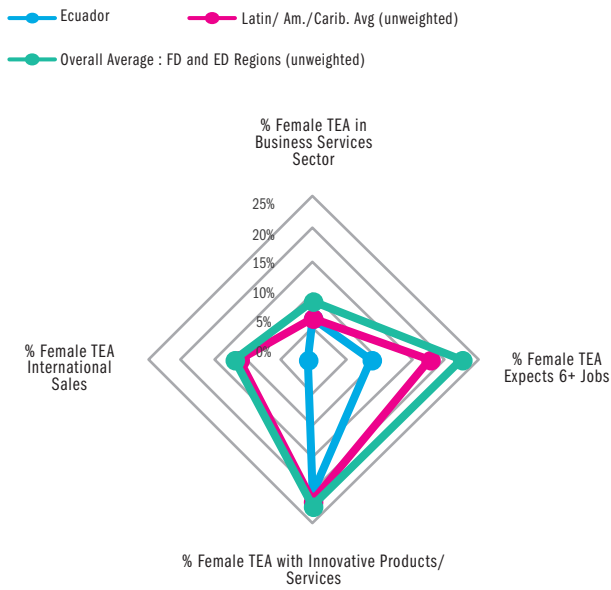
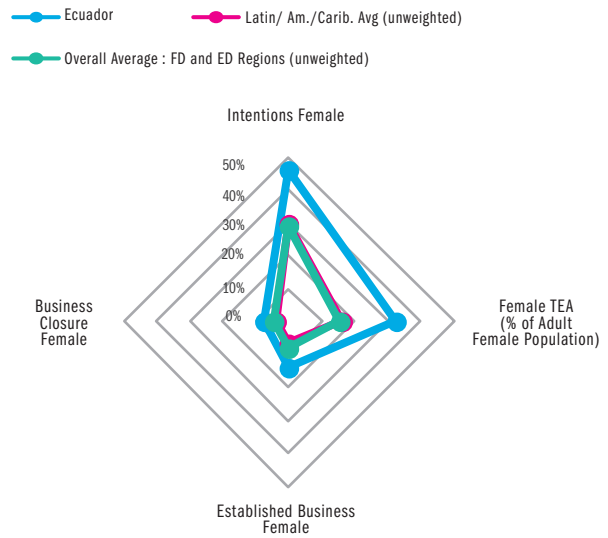
COSTA RICA

TEA activity is lower than average among women in Costa Rica, and established business rates are one third the typical level for the region. This is consistent with relatively low opportunity and capability perceptions and high fear of failure. Business services participation and job expectations are just below average, while innovation levels are average.



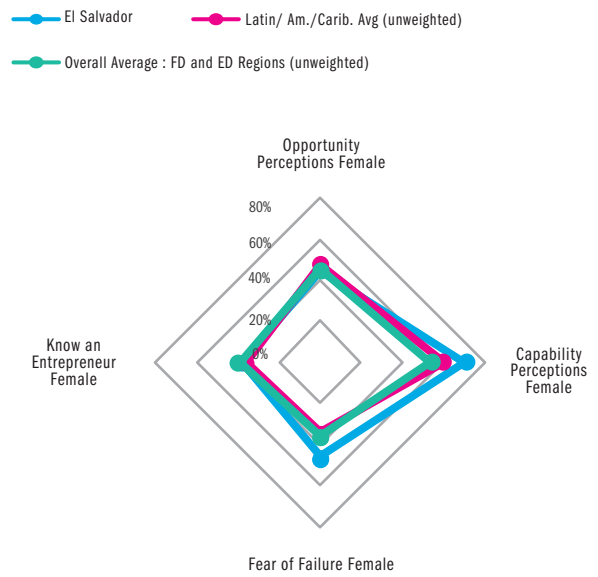
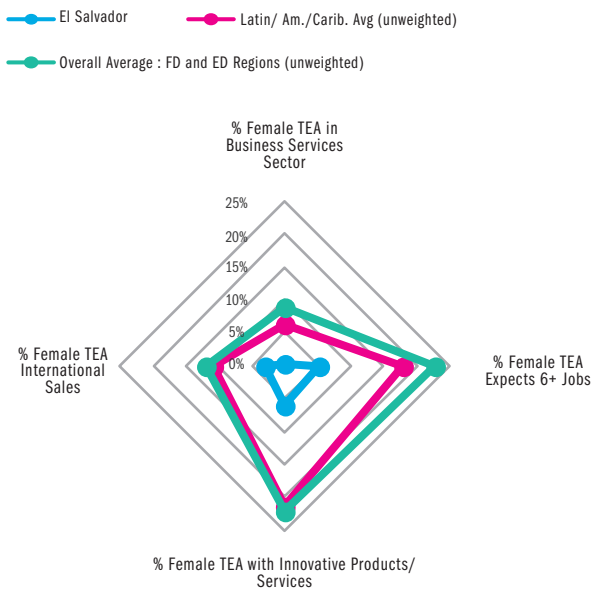
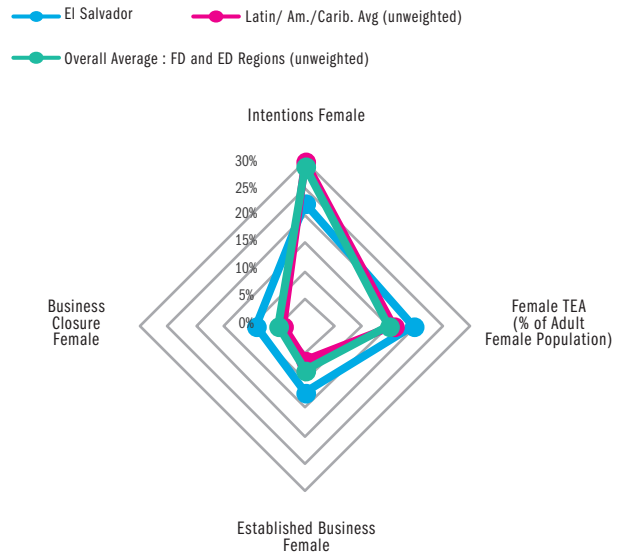
ECUADOR

Activity levels are high among women in Ecuador. Intentions are over 50% higher than average, and both TEA and established business rates are at least twice the regional average. Closure rates are above average but perhaps in line with high activity. This high activity is also consistent with high opportunity and capability perceptions, although fear of failure is above average. Few women sell internationally and job expectation are half the average level, while innovation and business service activity fall around the average.



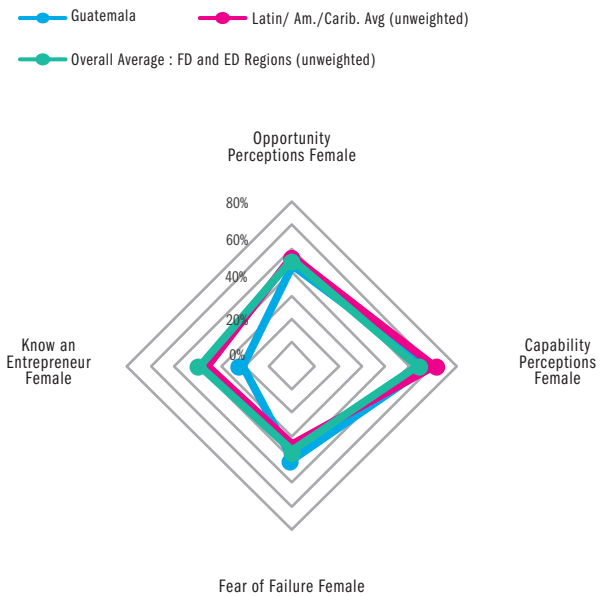
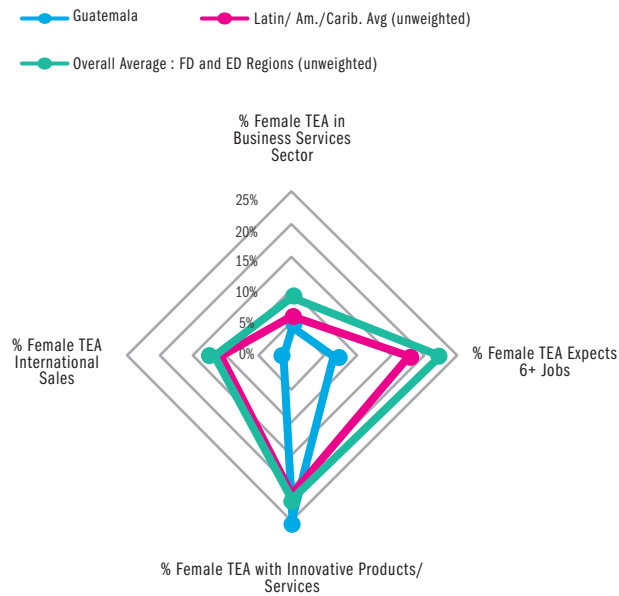
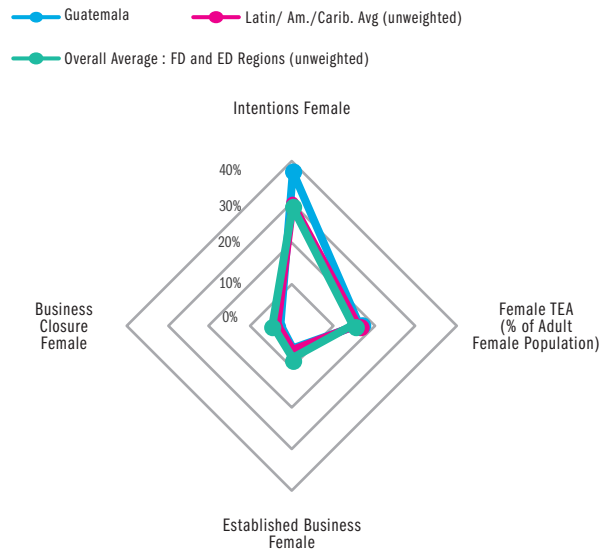
EL SALVADOR

Despite lower than average intentions, women in El Salvador show higher than average TEA rates and twice the average level of established business activity. Business closure rates, however, are over twice the average. Opportunity perceptions are average and capability perceptions are above average; however, fear of failure is over 1/3 higher than is typical for the region. All impact indicators are very low among women entrepreneurs.



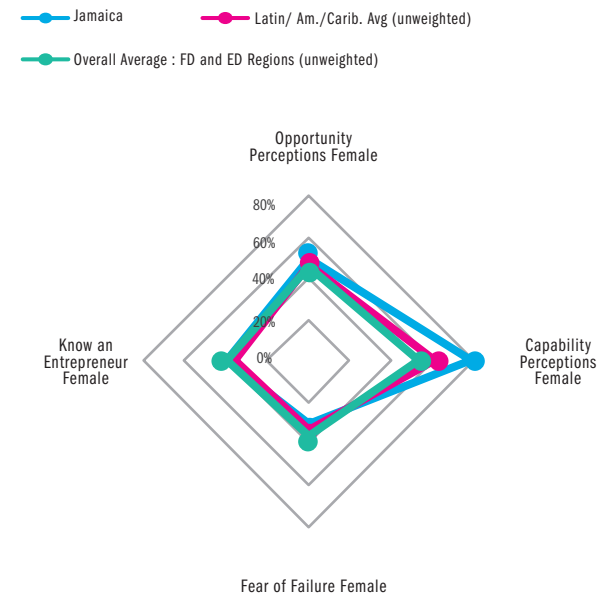
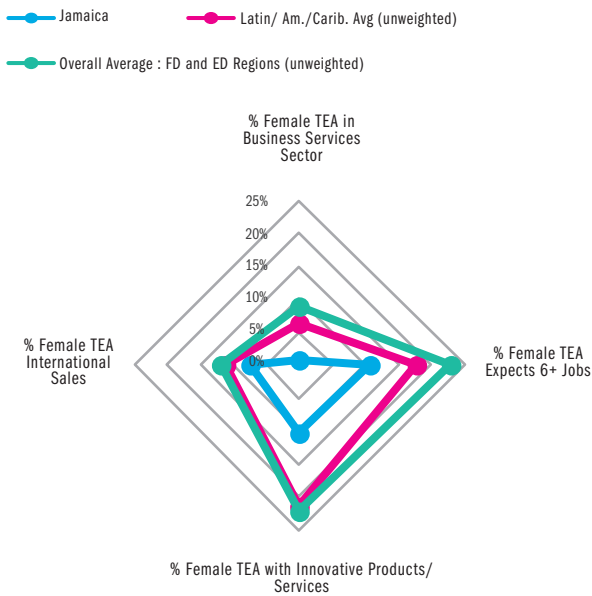
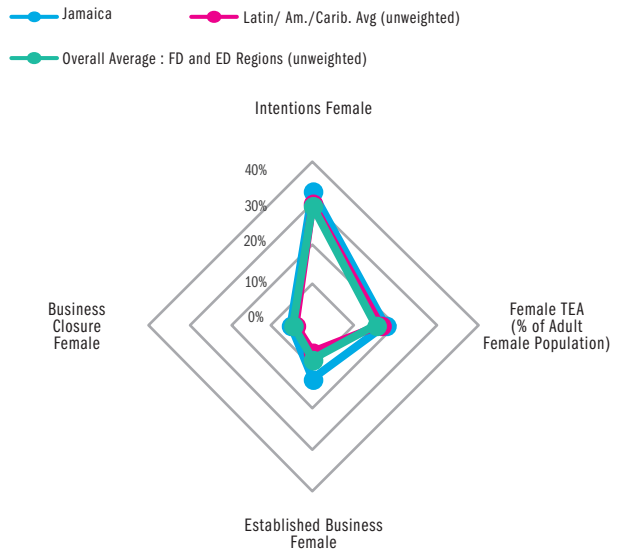
GUATEMALA

Women in Guatemala show average activity rates, with intentions higher than the regional average. Opportunity and capability perceptions fall around the regional average, although fear of failure is above average and fewer women know entrepreneurs. Internationalization and job expectations are below average, but women show higher than average innovation levels.



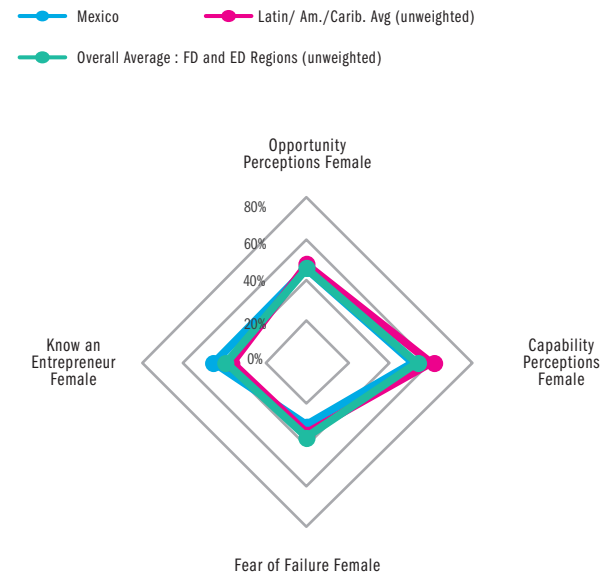
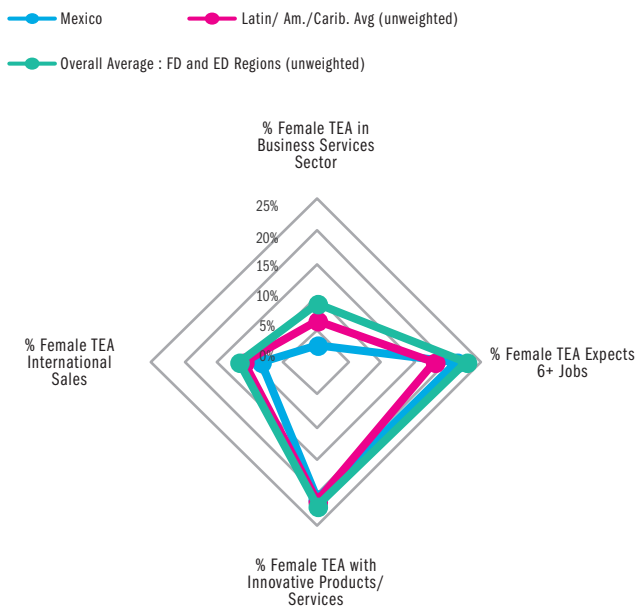
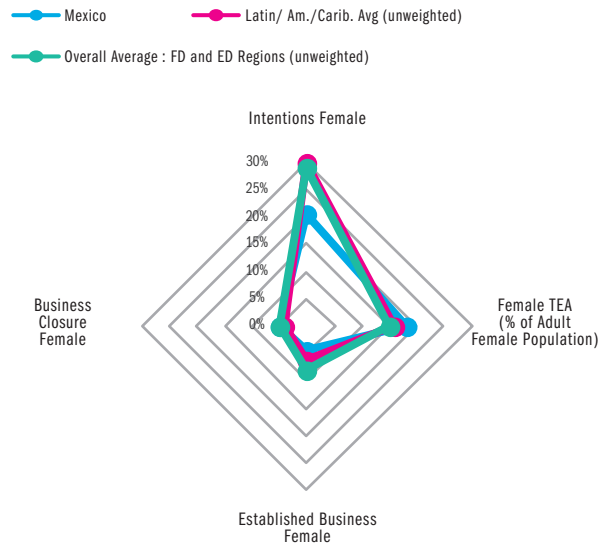
JAMAICA

In Jamaica, women exhibit average intentions and TEA rates, while established business rates are over twice the average. Attitudes are around average, with the exception of capability perceptions, which are 30% higher than the region overall. Impact indicators are below average.



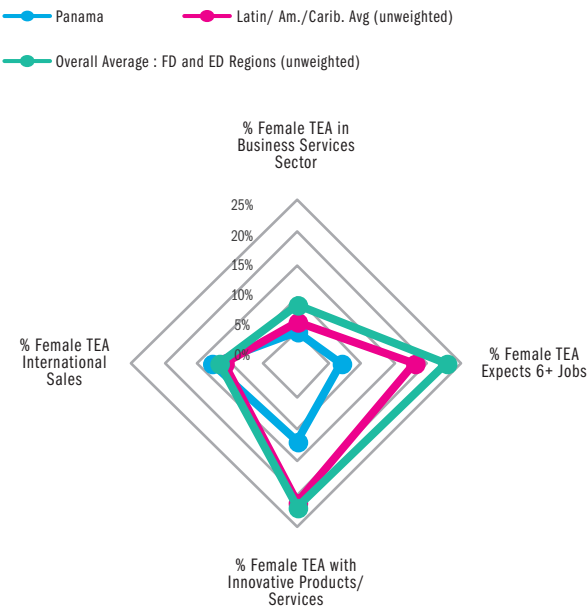
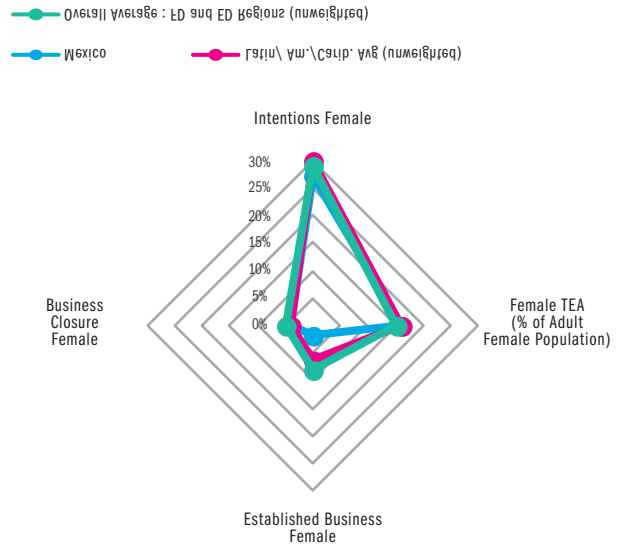
MEXICO

Although intentions among Mexican women are lower than the regional average, activity rates beyond this phase are close to the regional averages. Capability perceptions are lower than typical for the region. Fewer women entrepreneurs compete in business services but slightly more than average have job expectations and innovation levels are typical for the region.



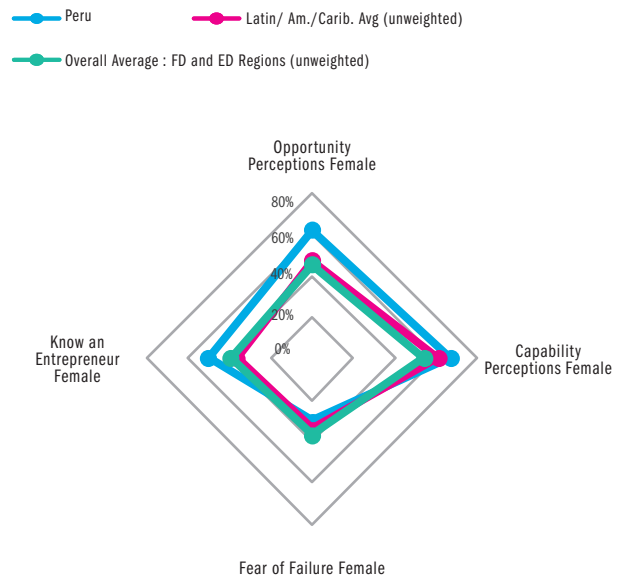
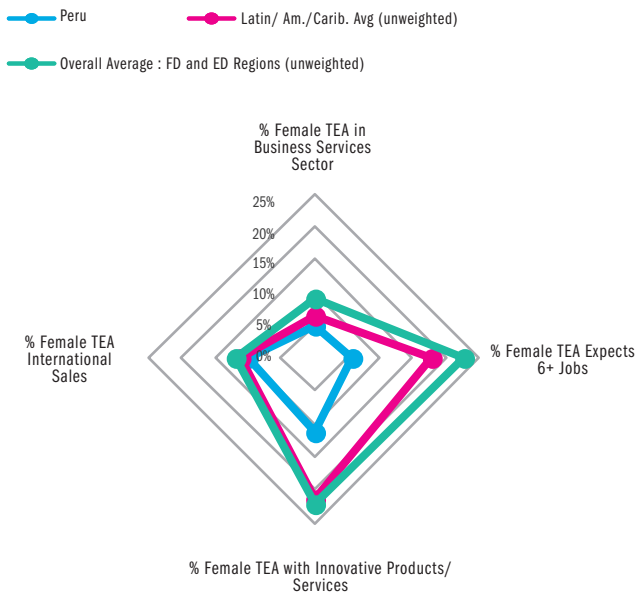
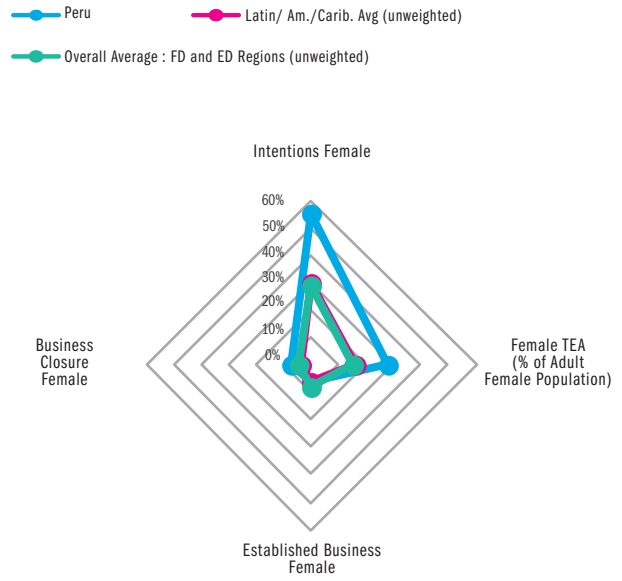
PANAMA

Intentions and TEA rates are average for women in Panama, but established business activity is low. Although women do not appear to be impacted by fear of failure, they also show lower than average confidence in their capabilities. Job expectations and innovation levels are below average; however, women in this country are slightly less likely to sell internationally compared to the regional average.



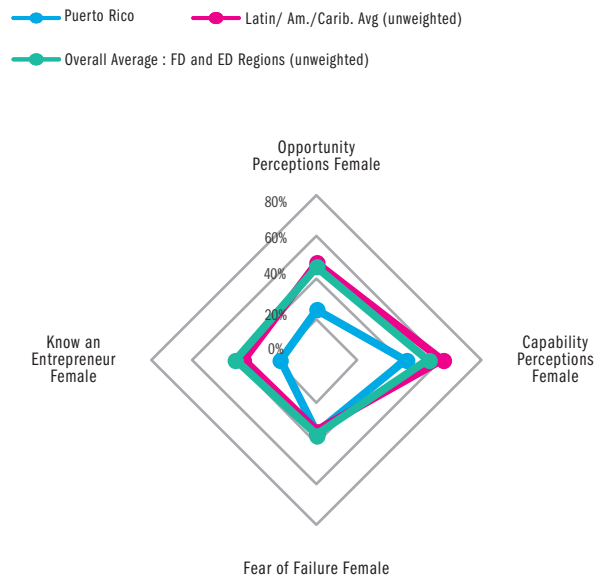
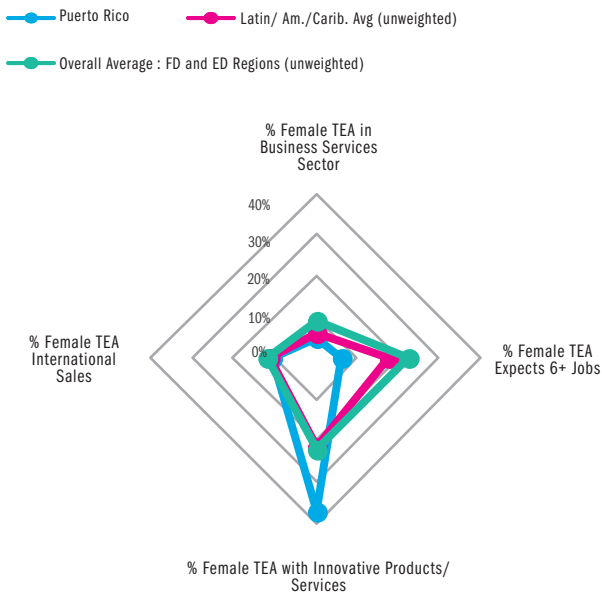
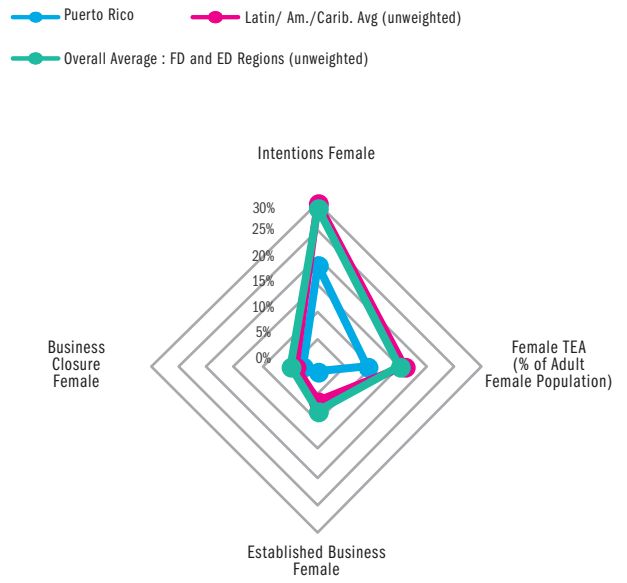
PERU

Intentions and TEA rates are high among women in Peru—at least ¾ higher than the region overall. Accompanying this result is higher than average closure rates. Attitudes are highly positive among women. Women entrepreneurs show low job expectations and lower than average innovation rates.



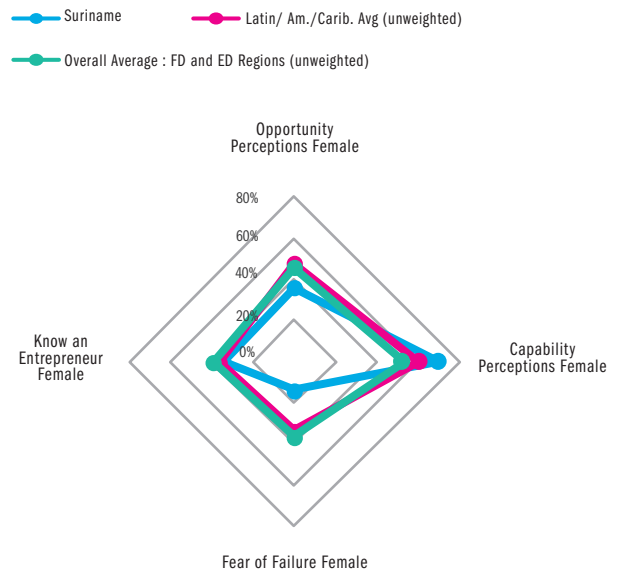
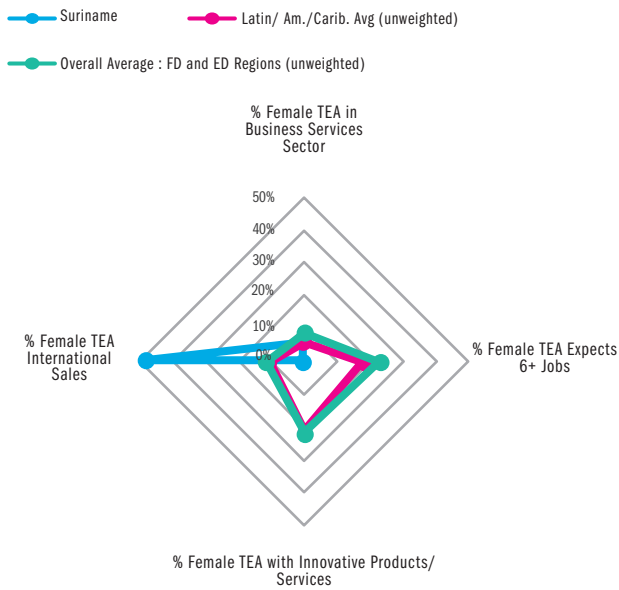
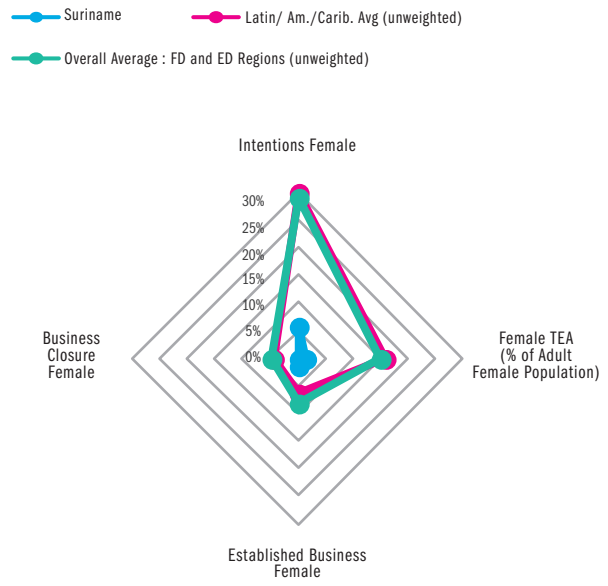
PUERTO RICO

Intentions and TEA rates among women in Puerto Rico are just above half the level for the Latin America/Caribbean region. Few women are running established businesses. Opportunity and capability perceptions are at low levels, while few women know entrepreneurs. Job expectations hover around 1/3 the regional level, but innovation levels are 75% higher than the average for the region.



SURINAME

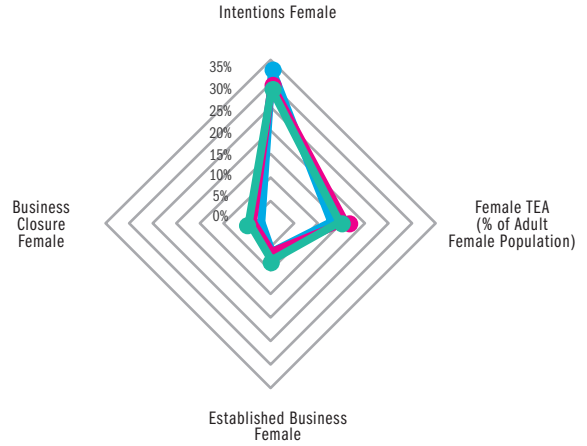
Female activity is very low across all phases in Suriname, even though women are confident in their abilities to start and have low fear of failure. However, consistent with this low activity are low opportunity perceptions. Impact indicators are very low except for high international sales.



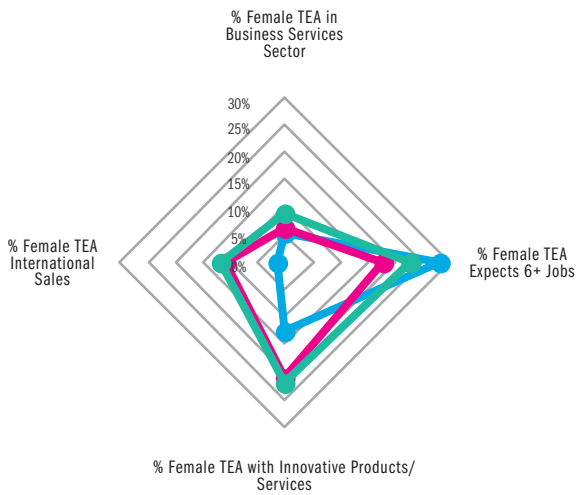
TRINIDAD AND TOBAGO

Female activity is generally close to the regional average in Trinidad and Tobago, while the female population expresses positive attitudes about entrepreneurship. Although female entrepreneurs show low innovation and internationalization, growth expectations are higher than average.

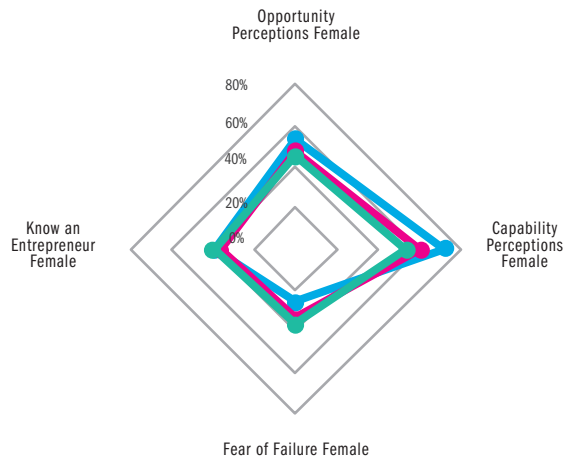
Trinidad and Tobago Latin/ Am./Carib. Avg (unweighted)
Overall Average : FD and ED Regions (unweighted)



Trinidad and Tobago Latin/ Am./Carib. Avg (unweighted)
Overall Average : FD and ED Regions (unweighted)

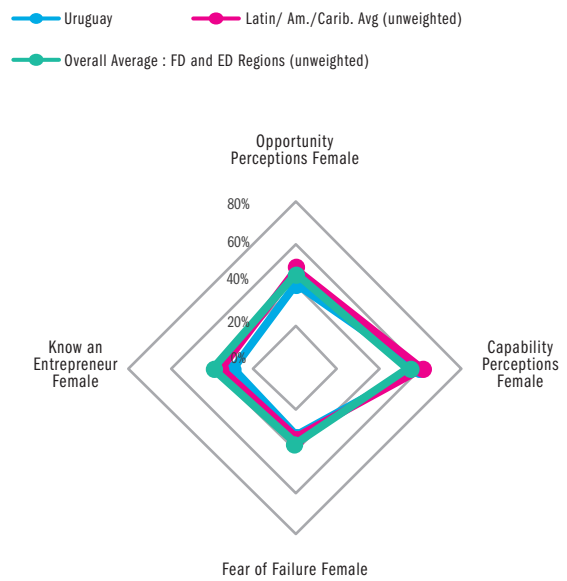
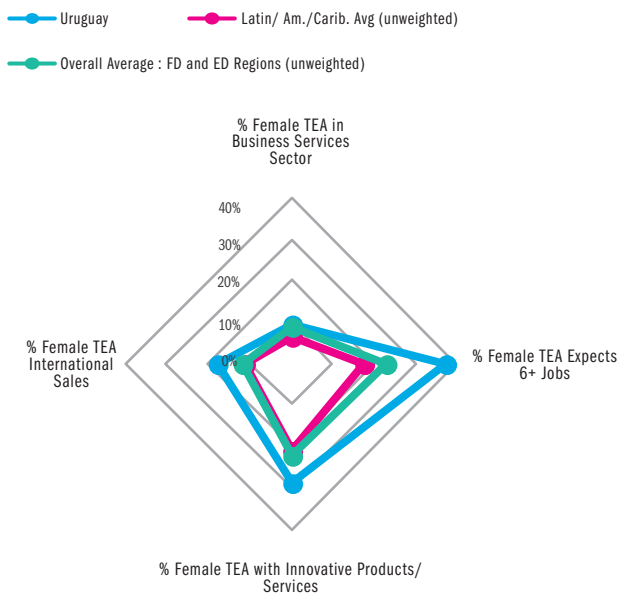
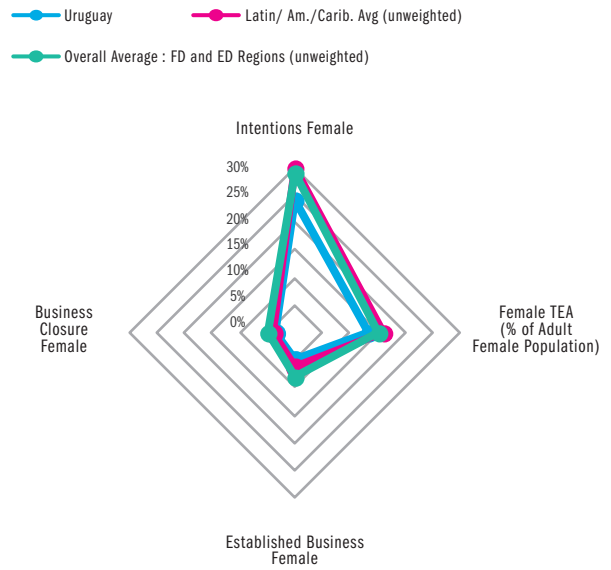


Trinidad and Tobago Latin/ Am./Carib. Avg (unweighted)
Overall Average : FD and ED Regions (unweighted)



URUGUAY

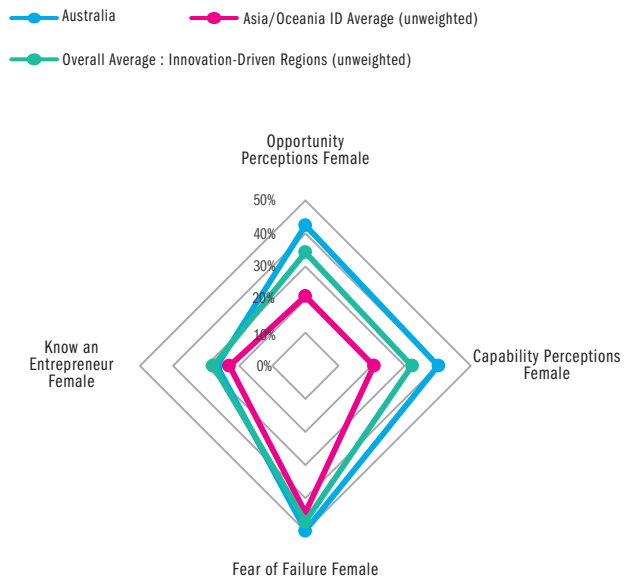
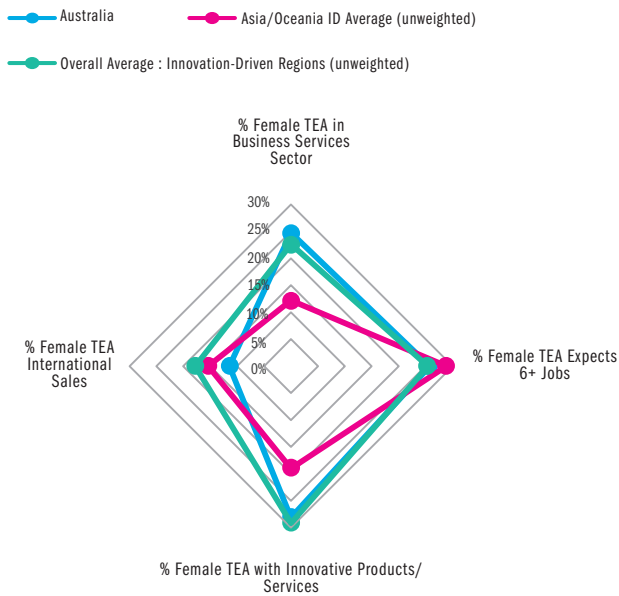
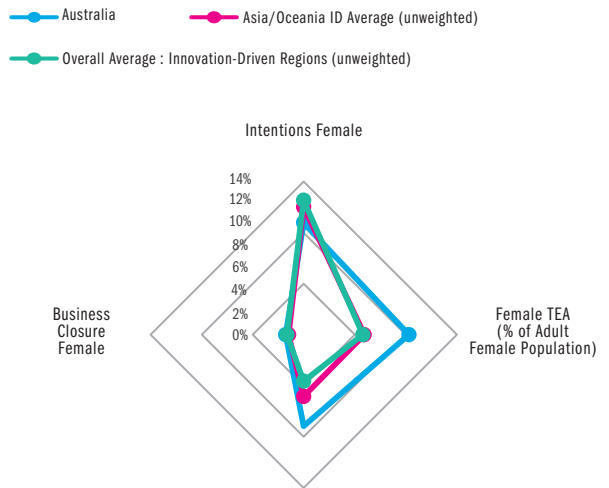
Female activity levels are somewhat below the regional average in Uruguay, likely reflected in lower than average opportunity perceptions, despite average capability perceptions and fear of failure. All impact indicators, however, are higher than average, particularly job expectations, which are more than twice as high as typically reported in Latin America/Caribbean.



Asia/Oceania Innovation-Driven

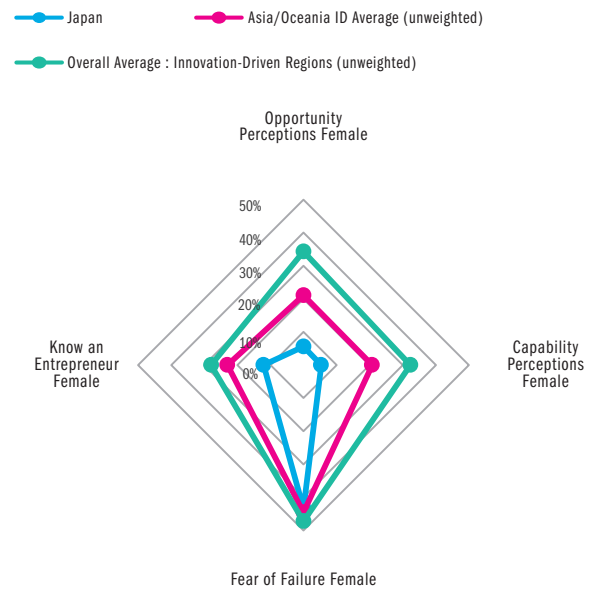
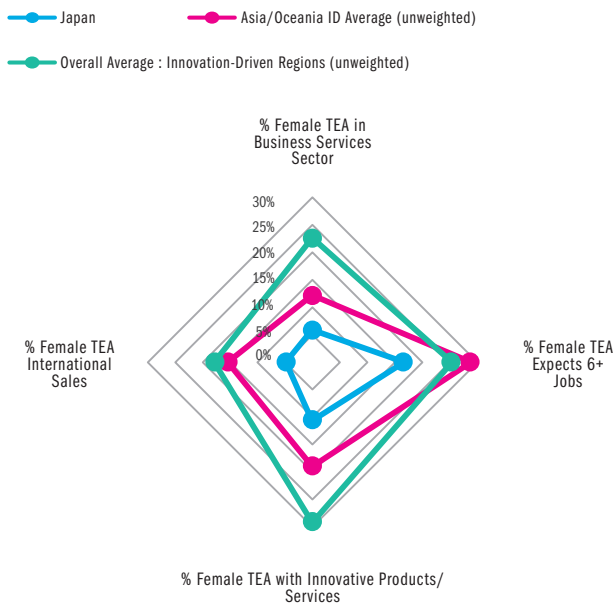
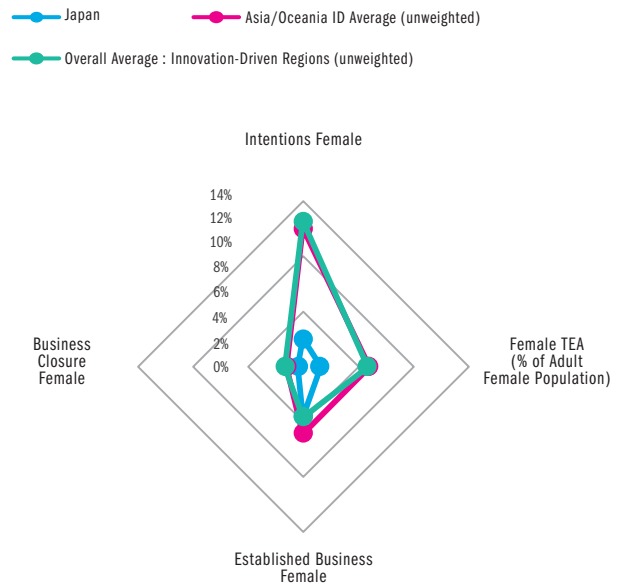
AUSTRALIA

Australia shows higher levels of TEA and established business activity than is typical for the Asia/Oceania innovation-driven region. Opportunity and capability perceptions are twice the regional average, while fear of failure is somewhat higher. Women entrepreneurs are over twice as likely to compete in business services compared to the average for the region and they exhibit high innovation levels.



JAPAN

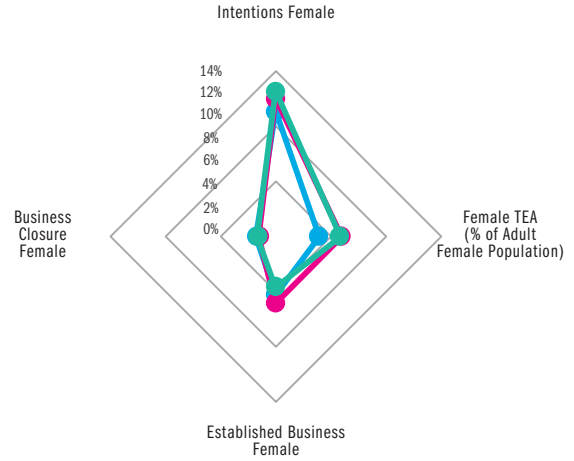
Few women are starting or intending to start businesses in Japan currently, but established business ownership levels are close to the regional average and few women report having closed a business in the past year. Opportunity and capability perceptions are low, although fear of failure levels are about normal for Asia/Oceania. Impact factors are all lower than average.



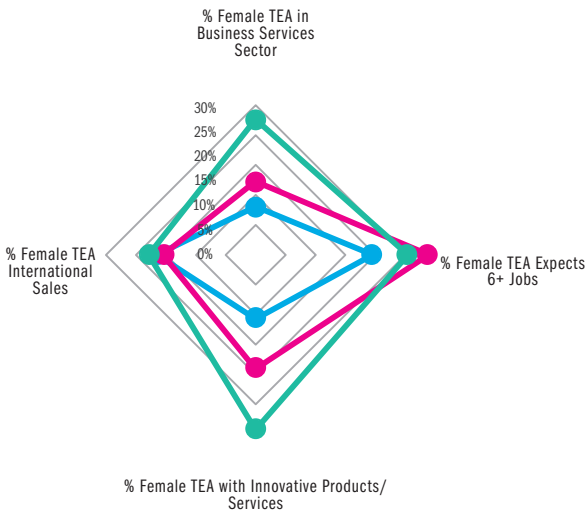
REPUBLIC OF KOREA

Korea shows slightly lower than average female TEA rates, consistent with opportunity perceptions that are less than half the regional average. Women entrepreneurs exhibit low levels on the impact factors, with the exception of an average level of internationalization.

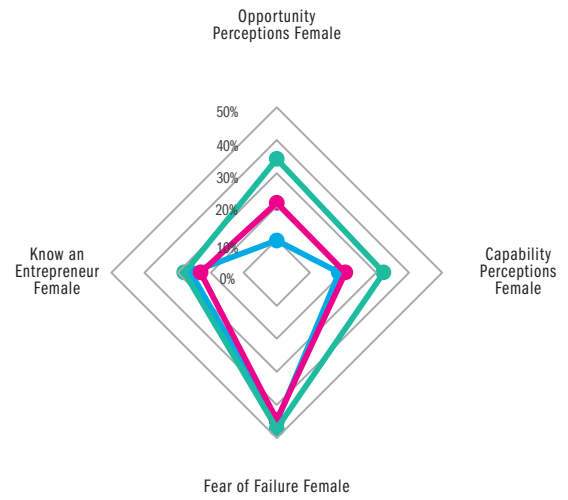
Republic of Korea Asia/Oceania ID Average (unweighted)
Overall Average : Innovation-Driven Regions (unweighted)



Republic of Korea Asia/Oceania ID Average (unweighted)
Overall Average : Innovation-Driven Regions (unweighted)

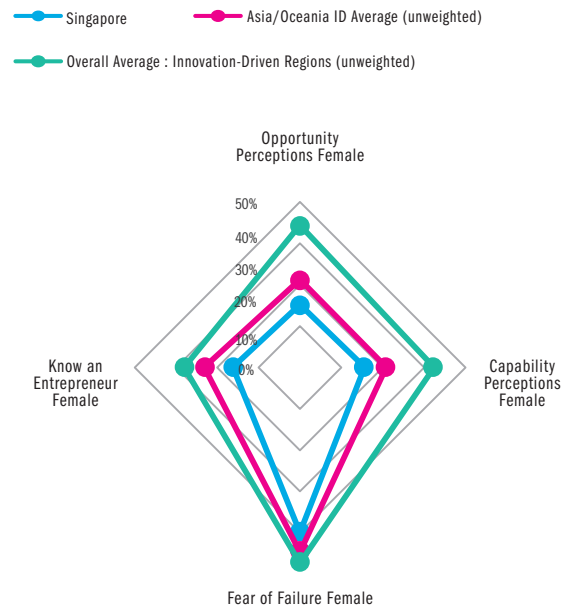
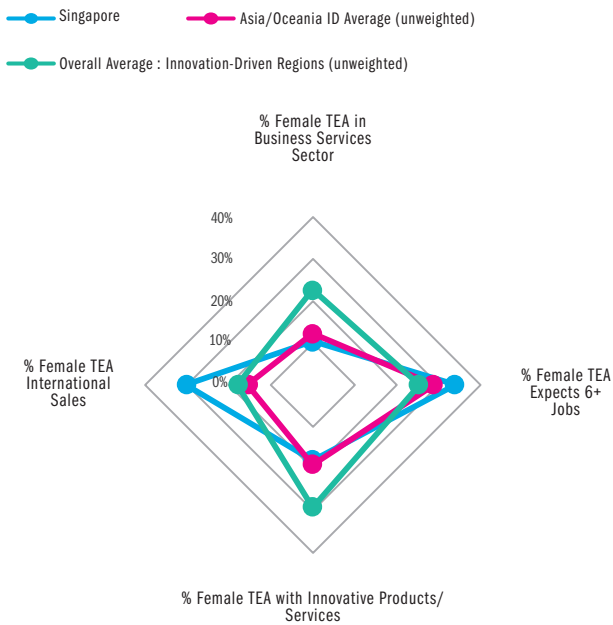
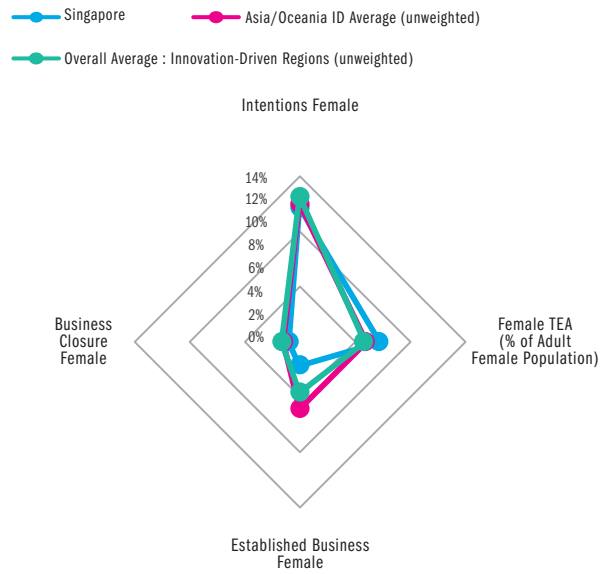


Republic of Korea Asia/Oceania ID Average (unweighted)
Overall Average : Innovation-Driven Regions (unweighted)



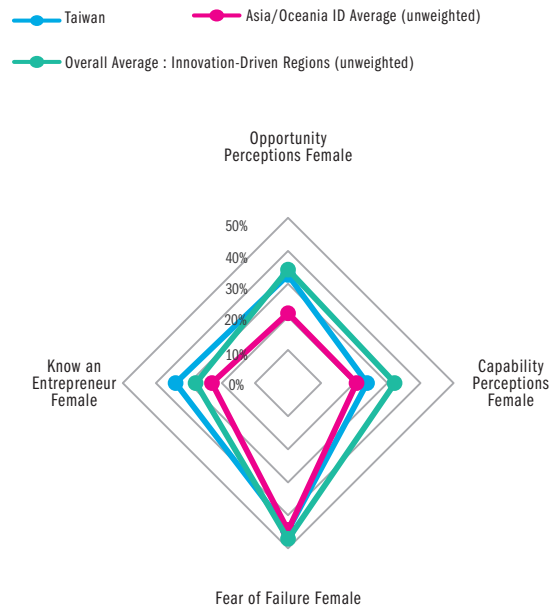
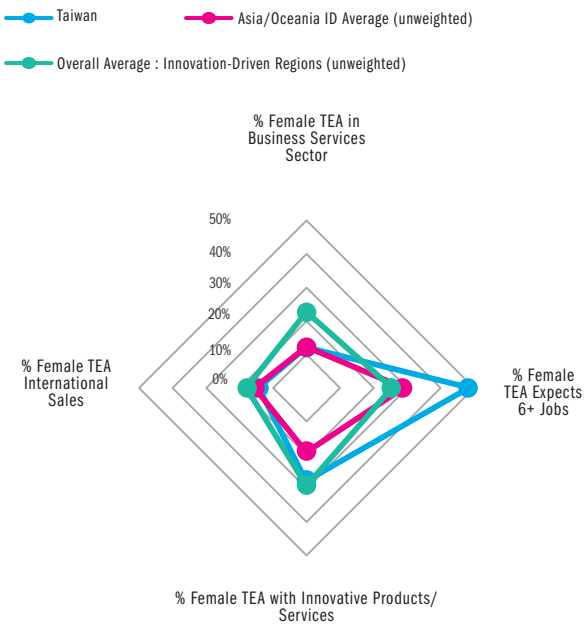
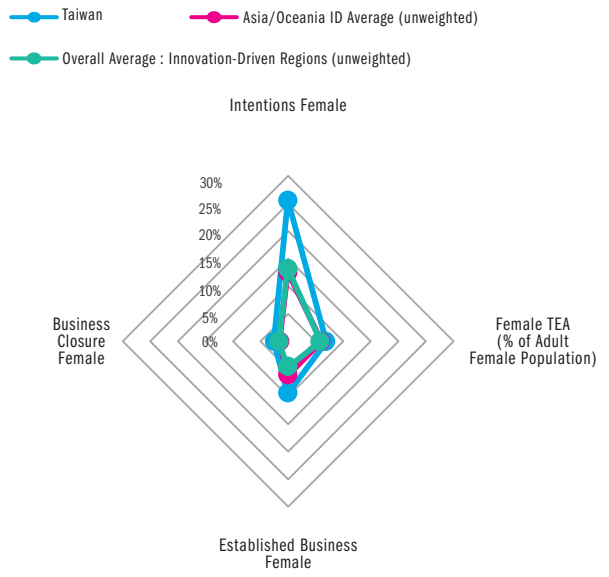
SINGAPORE

Singapore exhibits average levels of TEA and intentions, although established business activity is low. Opportunity and capability perceptions are lower than the regional average. Job expectations among women entrepreneurs are somewhat higher than average for the region. Not surprising, given the small economy, internationalization rates are twice the average for innovation-driven Asia/Oceania.



TAIWAN

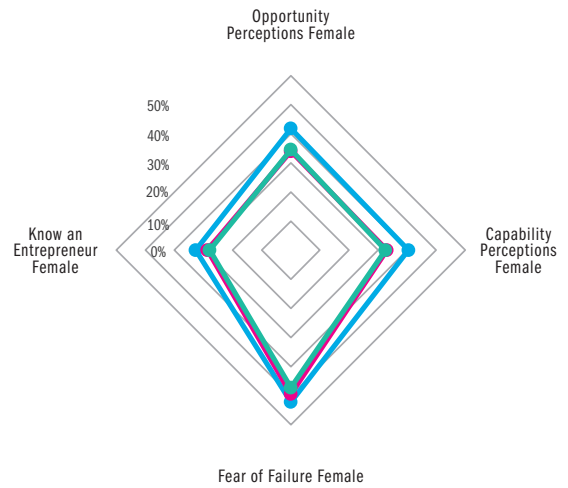
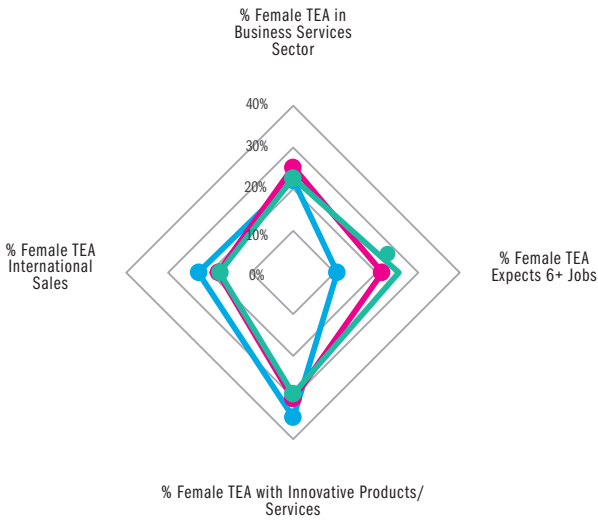
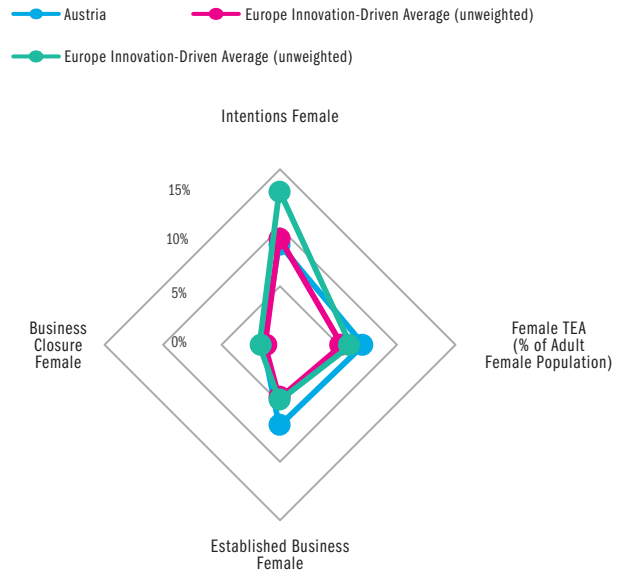
Activity levels among women in Taiwan are average or above average for the Asia/Oceania region. Opportunity perceptions are more than 50% higher than average. Innovation levels among women entrepreneurs are higher than average, but more impactful is the job expectations indicator, which is nearly 2/3 greater than the regional average.



Europe Innovation-Driven

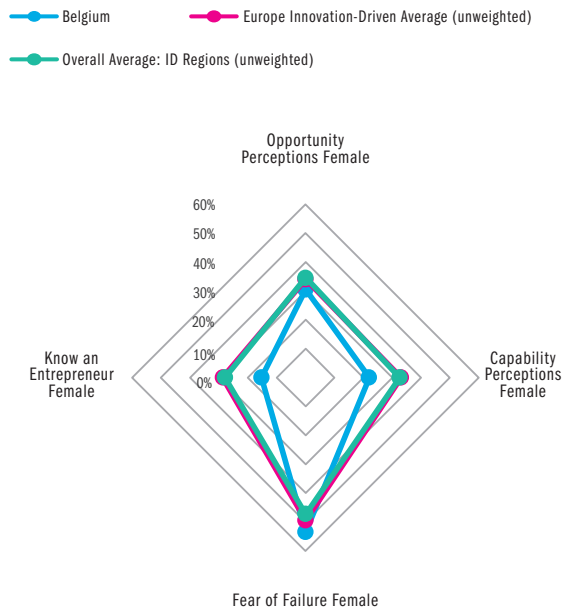
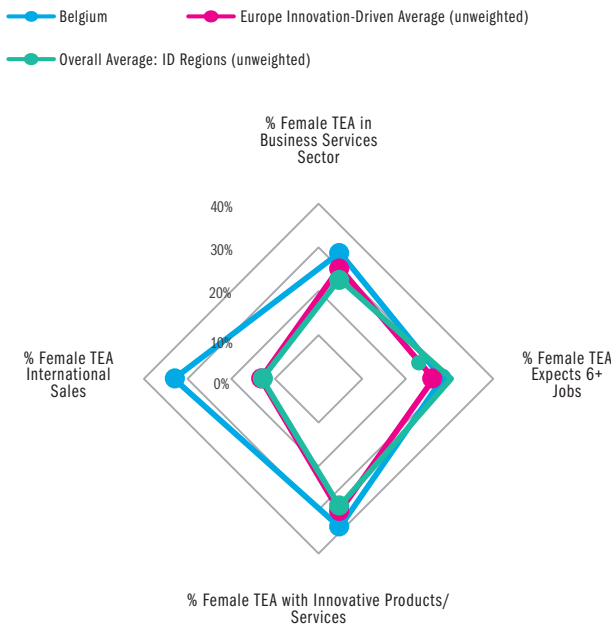
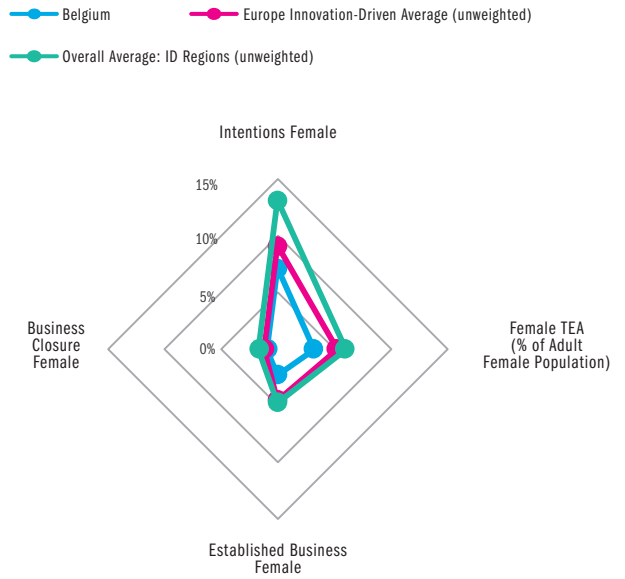
AUSTRIA

Female TEA and established business rates are slightly above average in Austria, and opportunity and capability perceptions are above average for an innovation-driven European economy. While job expectations are little more than half the level of a typical economy in this region, innovation and internationalization are higher than average.



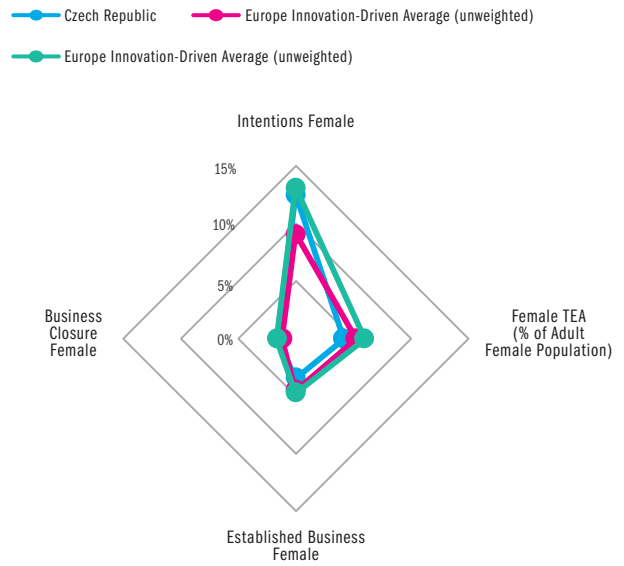
BELGIUM

Female activity rates are below average in Belgium, and this is reflective of less positive attitudes—particularly capabilities perceptions, which are 2/3 the average level for the region. In addition, little more than half the proportion of women know an entrepreneur compared to the regional average. Impact indicators among women entrepreneurship are high, however, particularly internationalization, which is more than twice the average level for innovation-driven Europe.

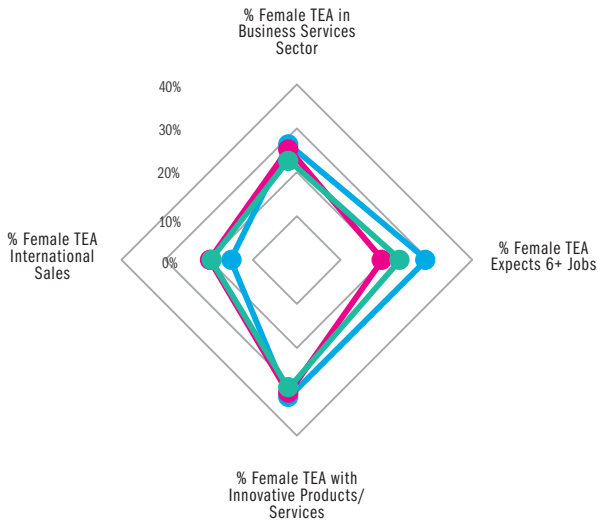


CZECH REPUBLIC

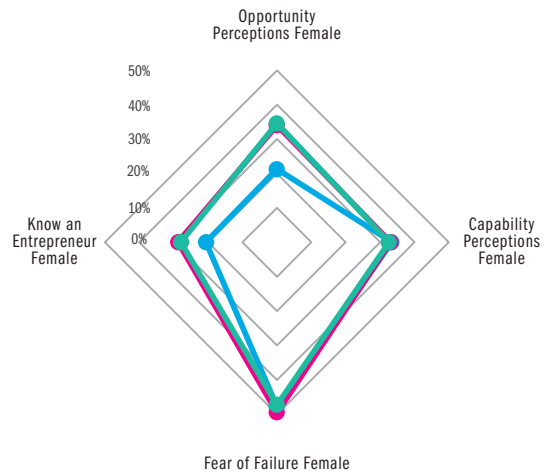
Female activity levels are close to average in the Czech Republic, although fewer than average women see opportunities or know entrepreneurs. Although women entrepreneurs are less international than their European peers, they are nearly 50% more likely to have job expectations of 6 or more employees in the next five years.



Legend: Czech Republic (blue), Europe Innovation-Driven Average (unweighted) (pink), Overall Average: ID Regions (unweighted) (green)

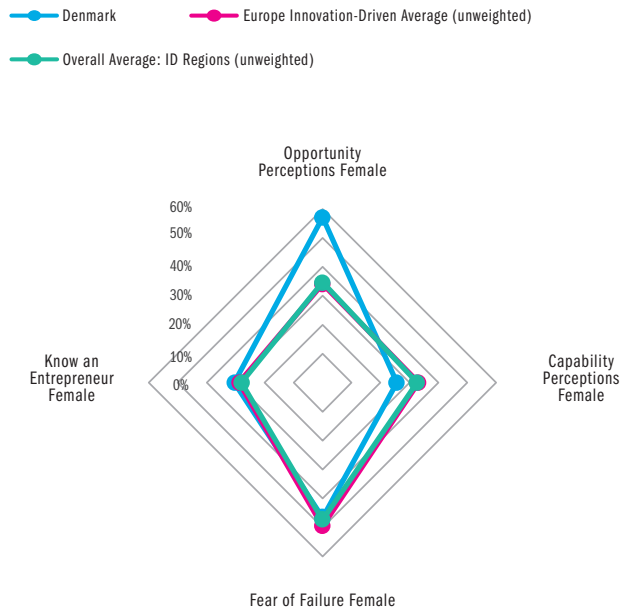
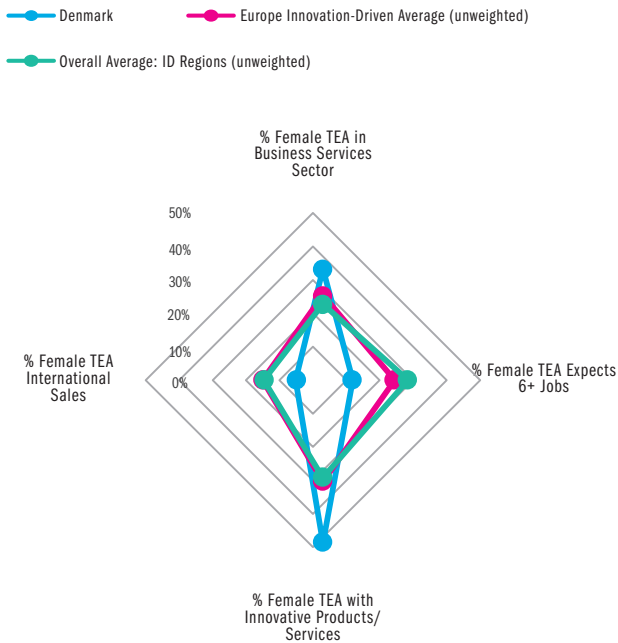
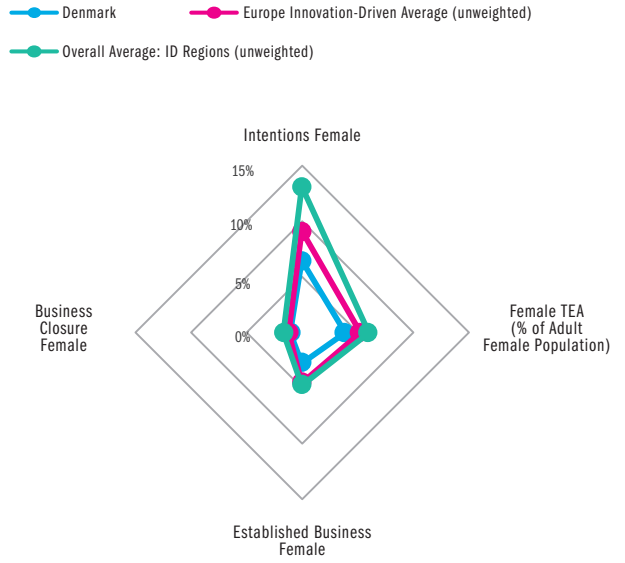


Legend: Czech Republic (blue), Europe Innovation-Driven Average (unweighted) (pink), Overall Average: ID Regions (unweighted) (green)



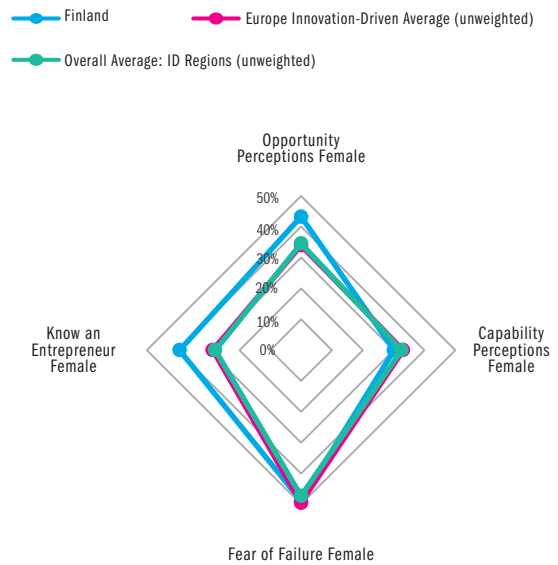
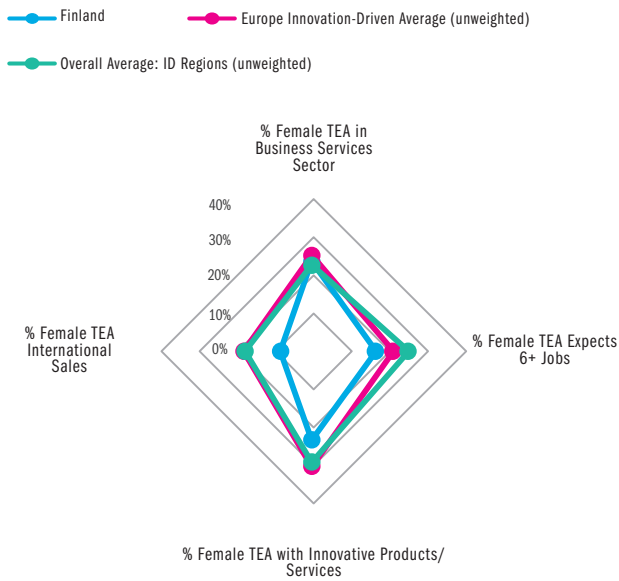
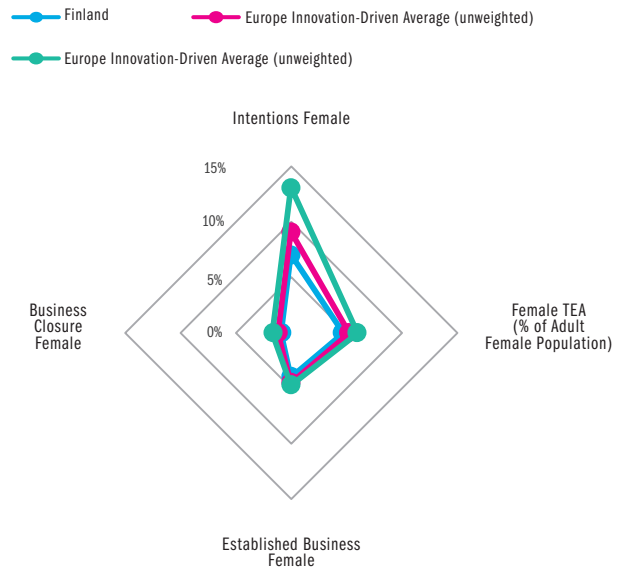
DENMARK

Denmark shows female activity rates that nearly reach the regional average. Women in this country are 2/3 more likely to see opportunities for starting a business, but are less likely to perceive they have the capabilities to do so, compared to the typical innovation-driven European economy. Although both job expectations and internationalization are less than half the regional average, women are more likely than average to participate in business services and nearly 50% more likely to have innovative products or services.



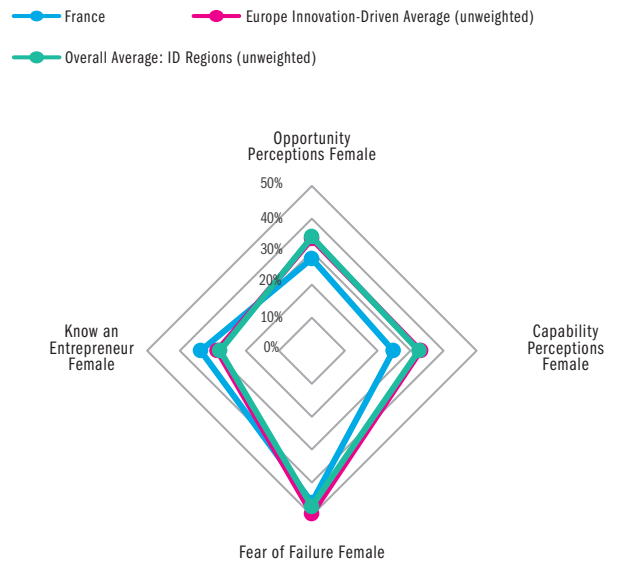
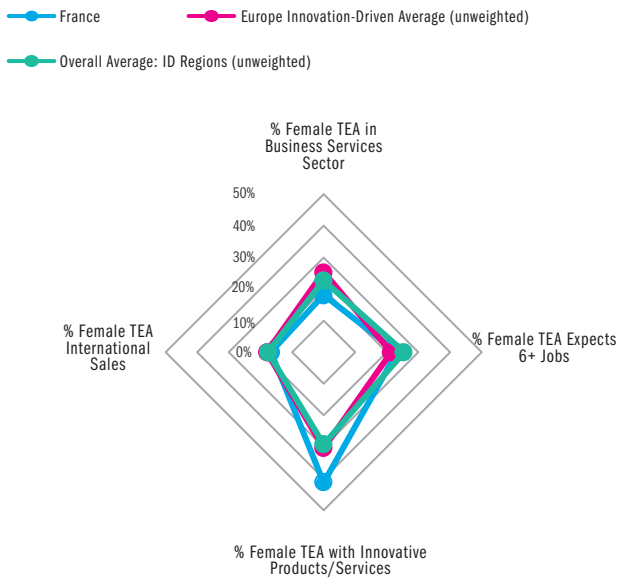
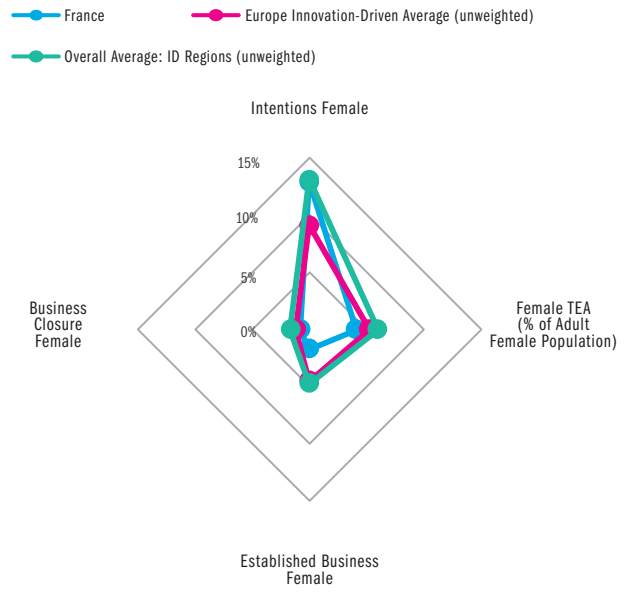
FINLAND

Female activity rates are close to average in Finland. Women are more likely than the average innovation-driven European economy to know an entrepreneur and to see opportunities for starting a business. Impact factors, however, are somewhat lower than the region average, particular internationalization, which is less than half the average level.



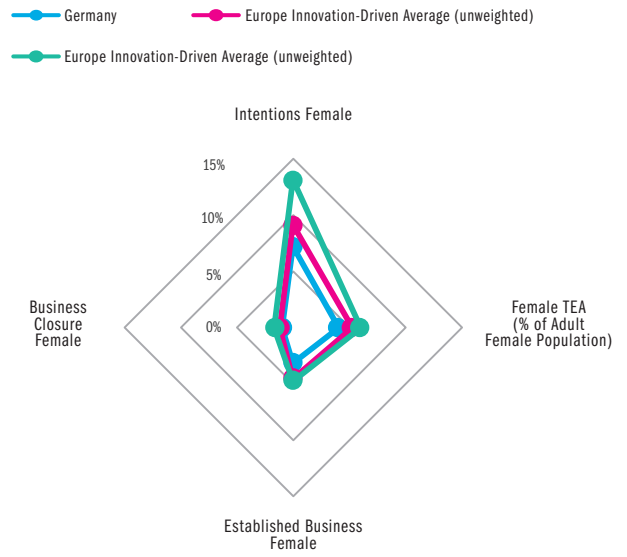
FRANCE

Female activity rates are slightly lower than average in France, and this is consistent with lower opportunity and capability perceptions than is typical for the region. Innovation levels among women entrepreneurs, however, are more than 1/3 higher than the innovation-driven Europe average.

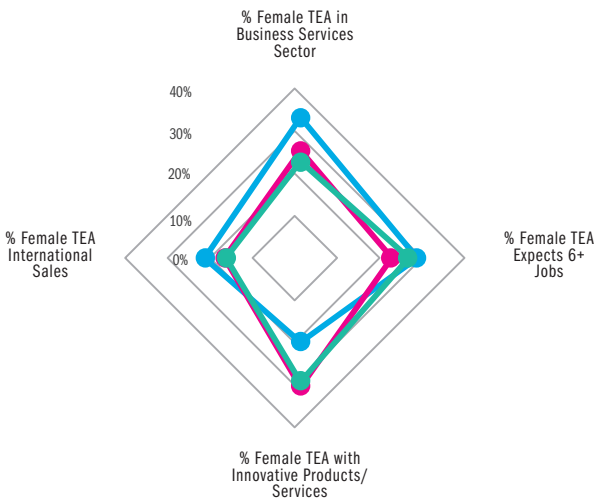


GERMANY

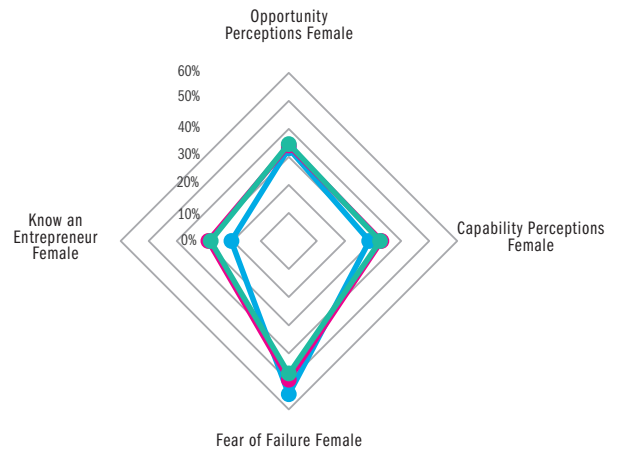
Female activity levels in Germany nearly reach the regional average. Capabilities perceptions among women are slightly below average, while fear of failure is higher than average. Among women entrepreneurs, innovation levels are 2/3 the average for the region, but the other impact indicators are above average.



Germany, Europe Innovation-Driven Average (unweighted), Overall Average: ID Regions (unweighted)

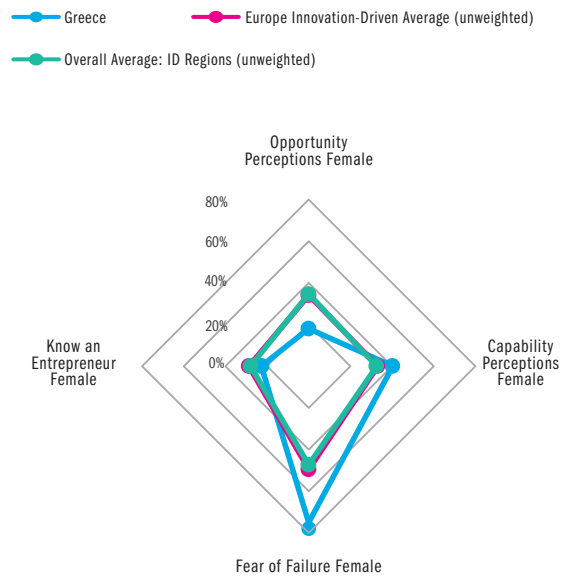
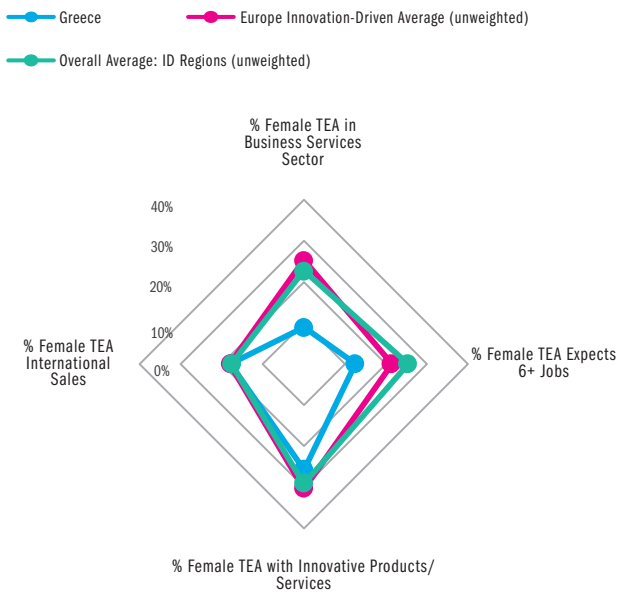
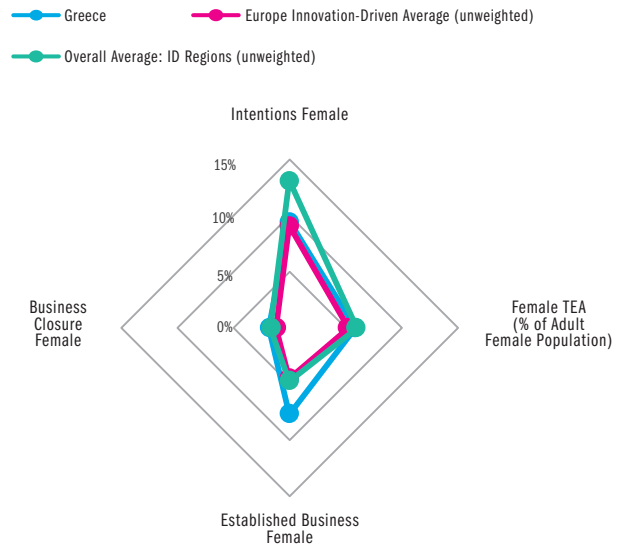


Germany, Europe Innovation-Driven Average (unweighted), Overall Average: ID Regions (unweighted)



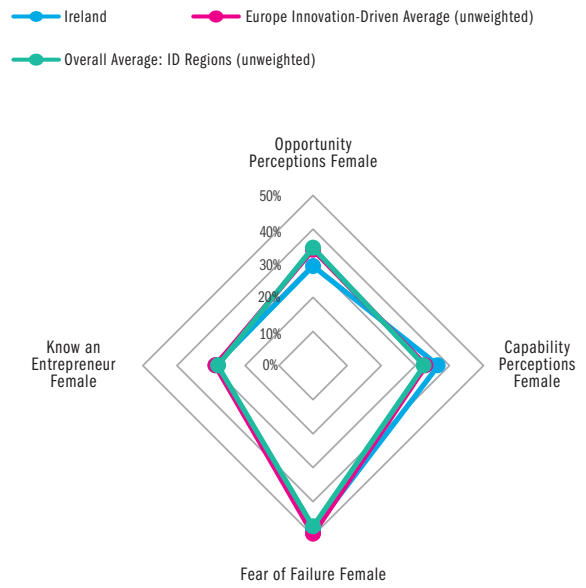
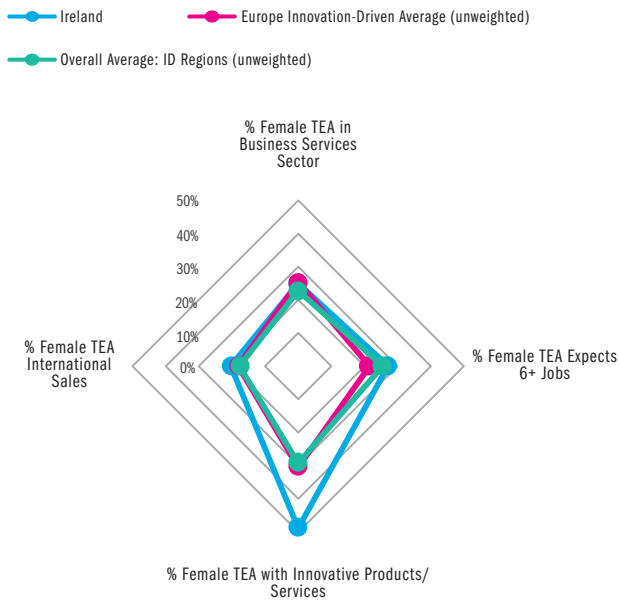
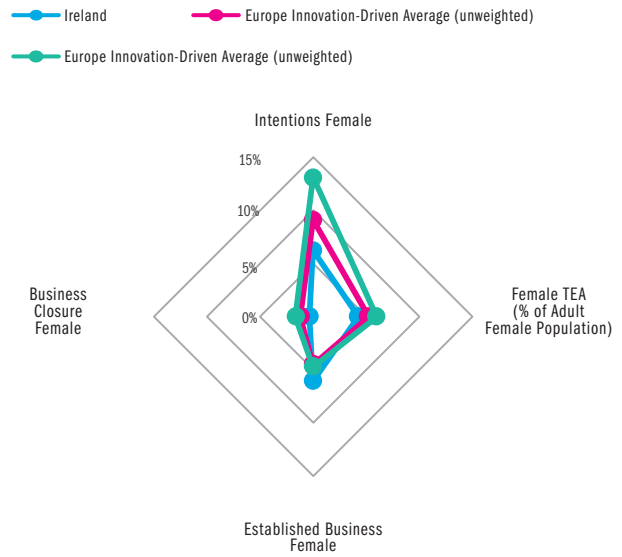
GREECE

Greece exhibits average levels of female intentions and TEA, while established business ownership is nearly twice the average for an innovation-driven European economy. Opportunity perceptions in the female population are little more than half the average level, while $\frac{3}{4}$ of women seeing opportunity state they would be constrained from starting due to fear of failure—over 50% higher than average. With the exception of average levels of internationalization, impact indicators are lower than average for women entrepreneurs in Greece.



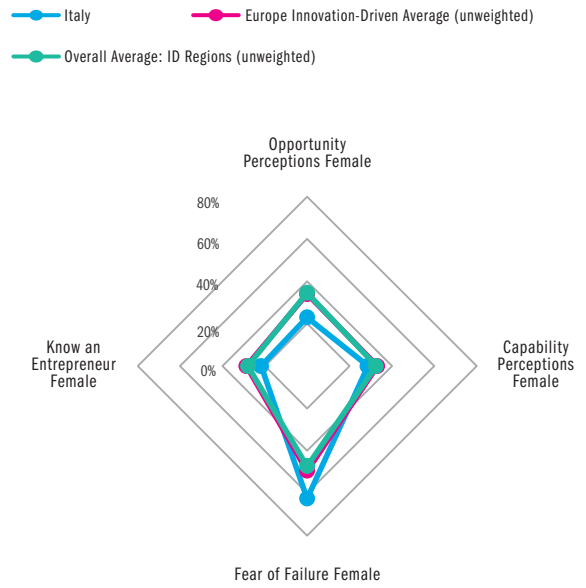
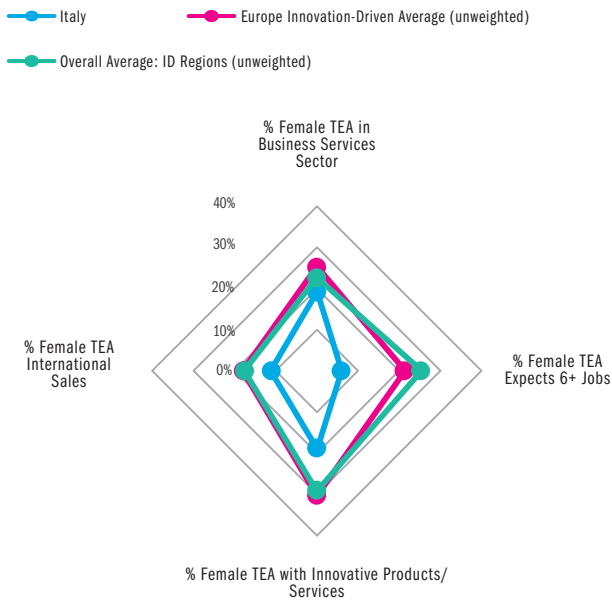
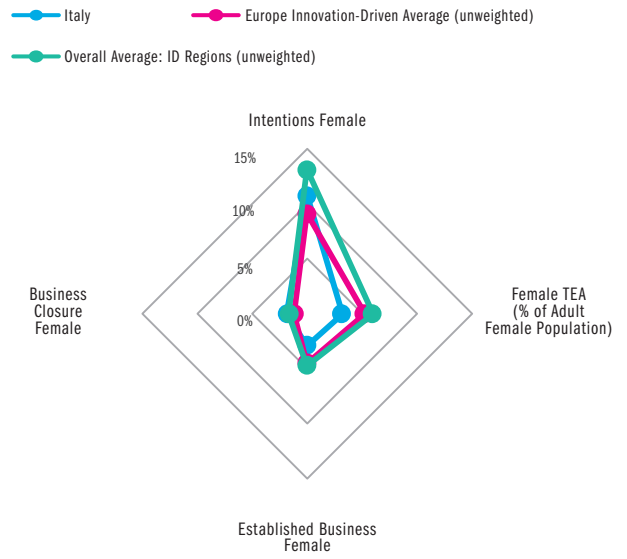
IRELAND

While TEA is nearly average, established business activity is slightly above average among women in Ireland. Attitudes also show mixed results, with opportunity perceptions slightly lower and capability perceptions slightly higher than is typical in innovation-driven Europe. Job expectation among women entrepreneurs are higher than the regional average and innovation levels are 50% higher than average.



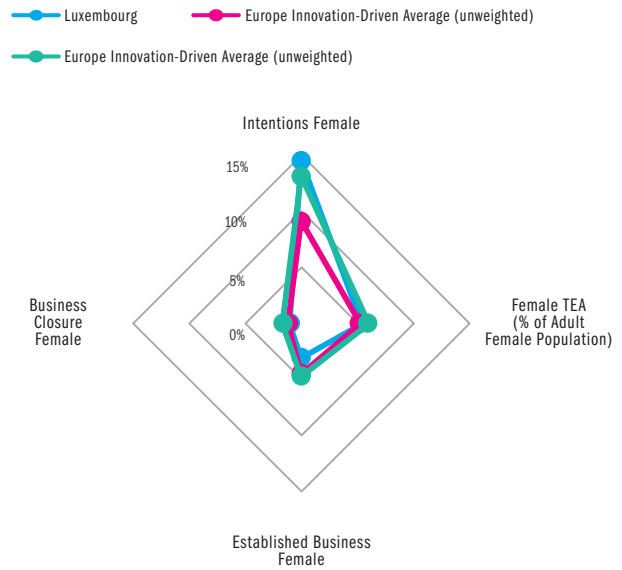
ITALY

TEA and established business rates are just below average in Italy, likely reflecting low opportunity and capability perceptions in the female population, as well as high fear of failure. Women entrepreneurs show lower than average levels on all impact indicators, particularly job expectations.

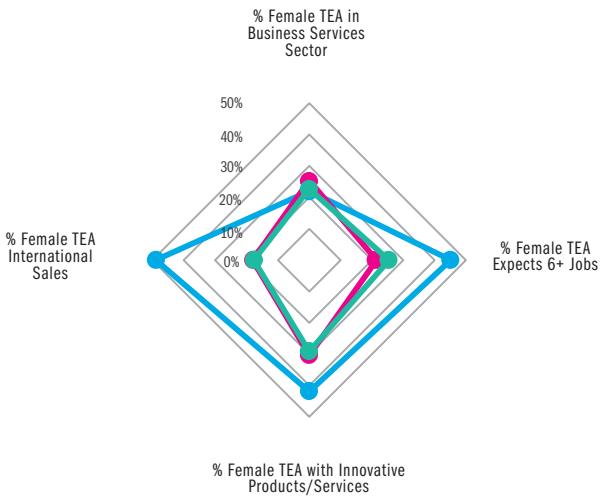


LUXEMBOURG

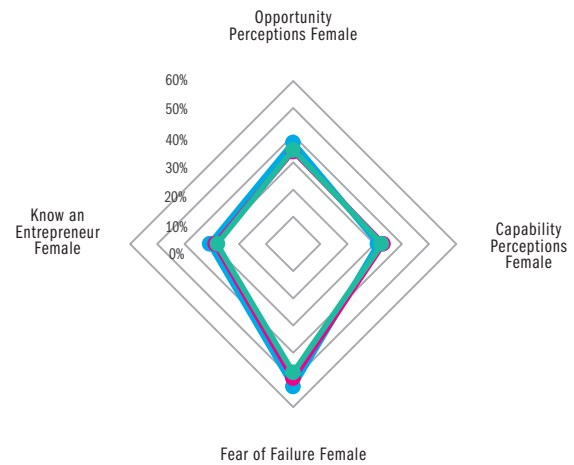
Luxembourg shows higher than average female intentions but average TEA and established business activity just below average. Attitude measures in the female population are close to the average for an innovation-driven European economy. Women entrepreneurs are more than twice as likely to have job expectations of 6 or more employees in five years compared to the average for the region, internationalization is over 2 ½ time the average, and innovation levels are high.



Legend: Luxembourg (blue), Europe Innovation-Driven Average (unweighted) (pink), Overall Average: ID Regions (unweighted) (green)

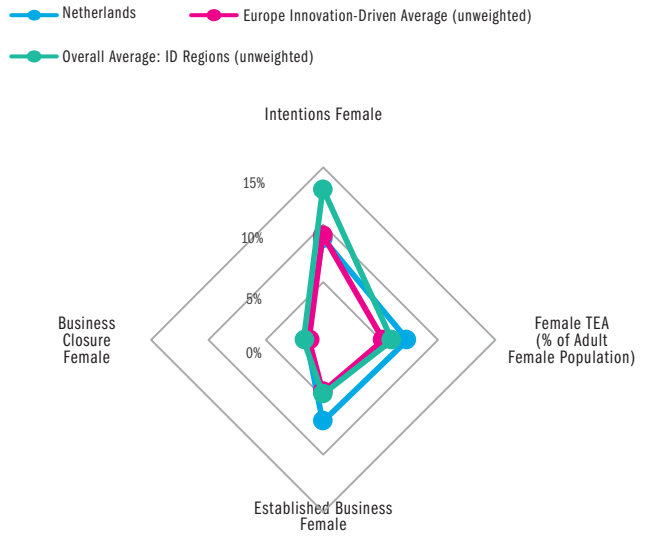


Legend: Luxembourg (blue), Europe Innovation-Driven Average (unweighted) (pink), Overall Average: ID Regions (unweighted) (green)



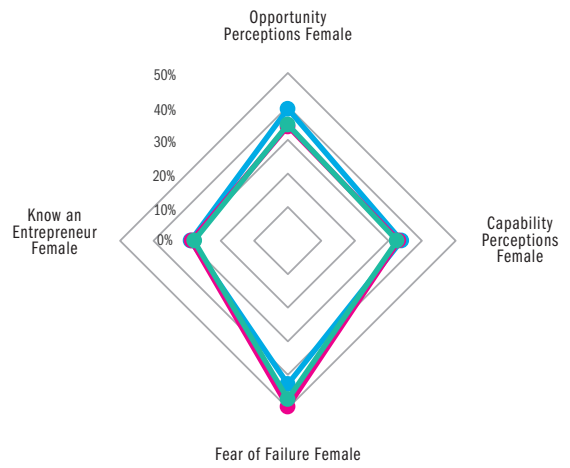
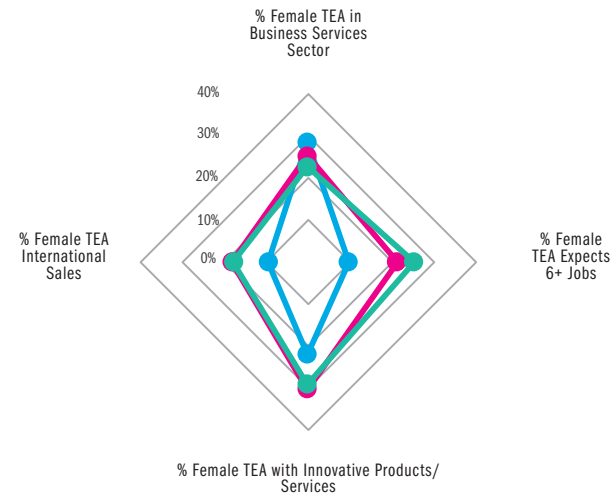
NETHERLANDS

Female TEA and established business rates are above average in the Netherlands, reflective of higher opportunity perceptions and lower fear of failure compared to the innovation-driven European average. Job expectations and internationalization show half the levels of the regional average, and innovation levels are also comparatively lower. Women entrepreneurs are more likely than average to participate in the business services sector.



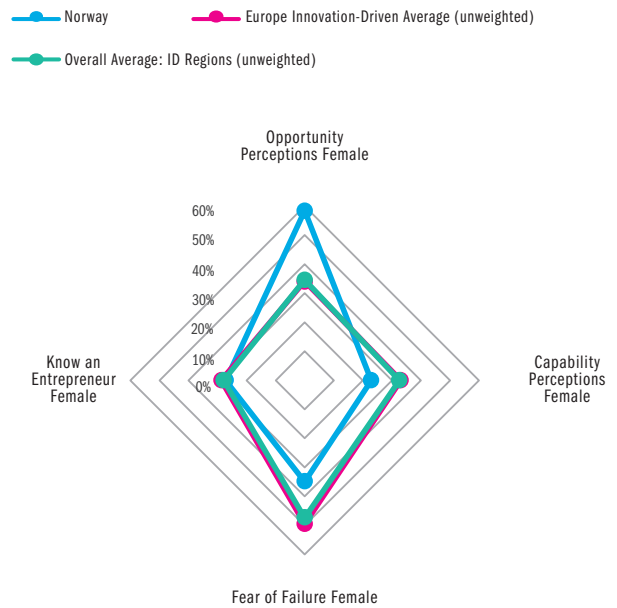
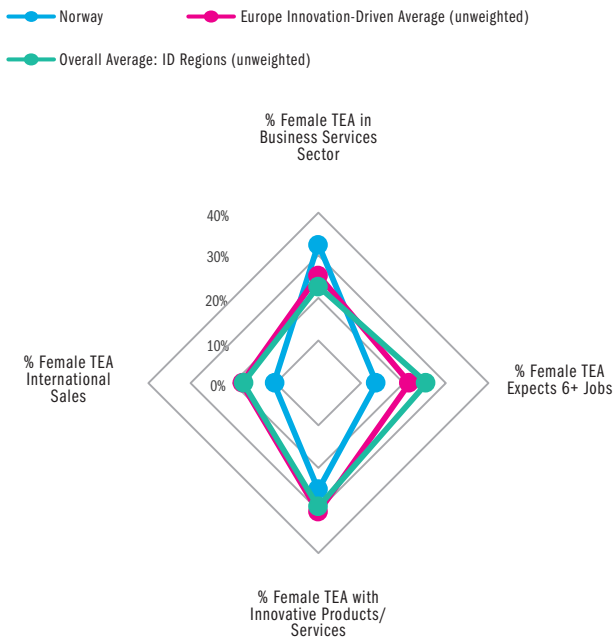
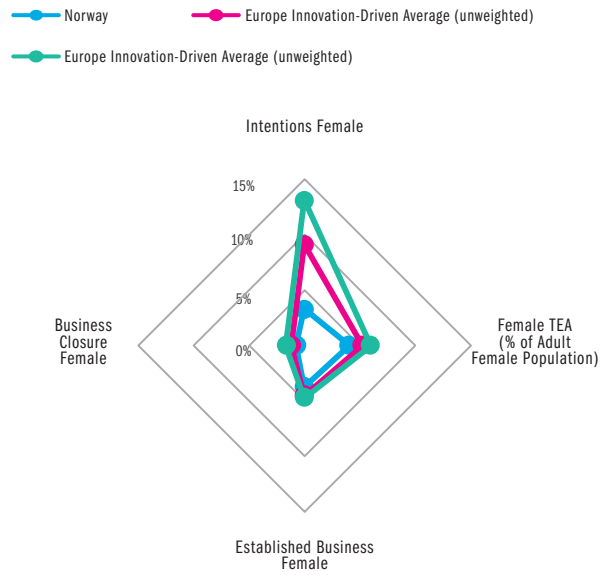
Legend: Netherlands (blue), Europe Innovation-Driven Average (unweighted) (pink), Overall Average: ID Regions (unweighted) (green)

Legend: Netherlands (blue), Europe Innovation-Driven Average (unweighted) (pink), Overall Average: ID Regions (unweighted) (green)



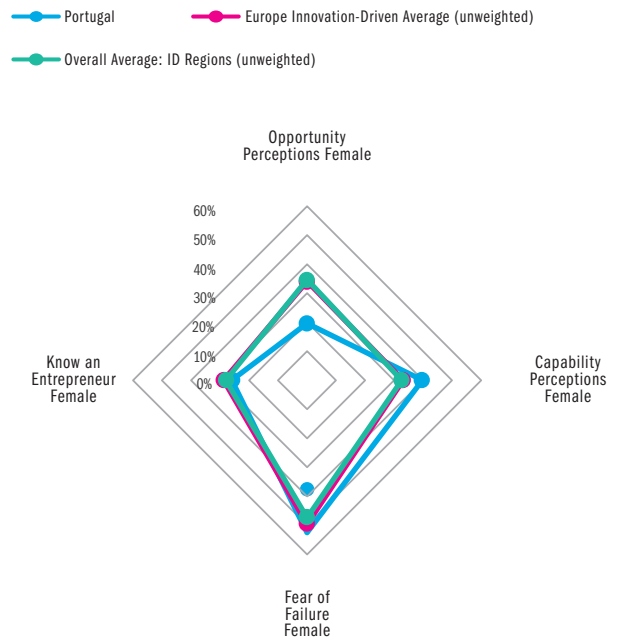
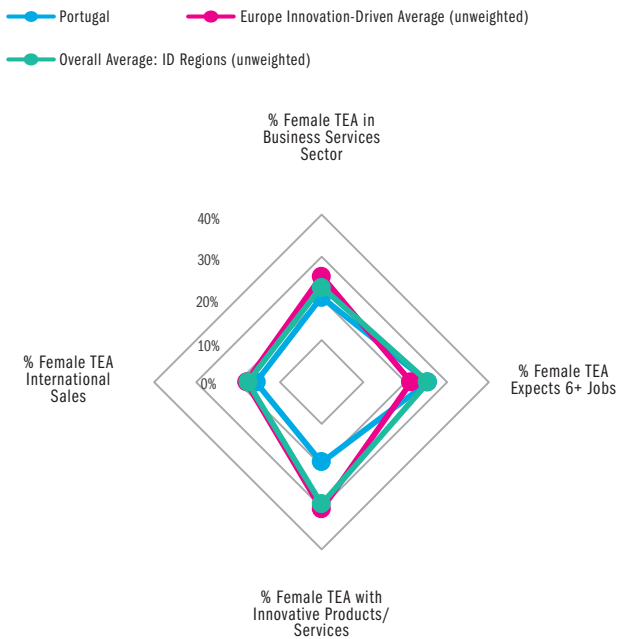
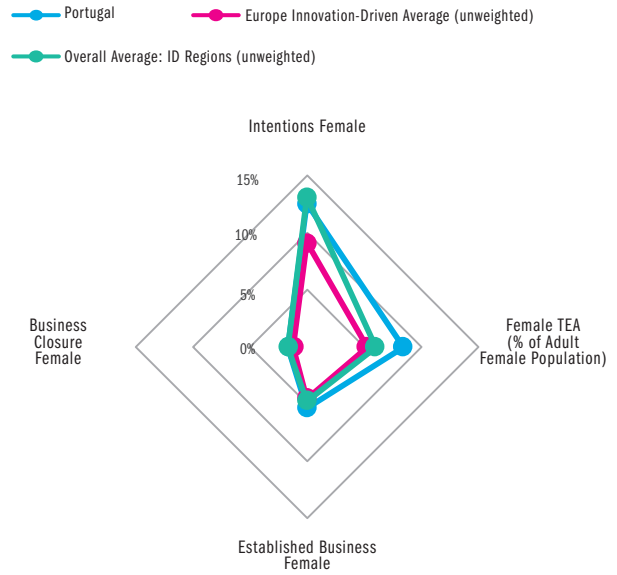
NORWAY

Despite low intentions, female activity rates are close to average in Norway. Opportunity perceptions are high among women and fear of failure is low; however, fewer women perceive they have the capabilities for entrepreneurship compared to the average innovation-driven European economy. Job expectations, innovation and internationalization are lower than the regional average among women entrepreneurs, although they show higher than typical levels of business services participation.



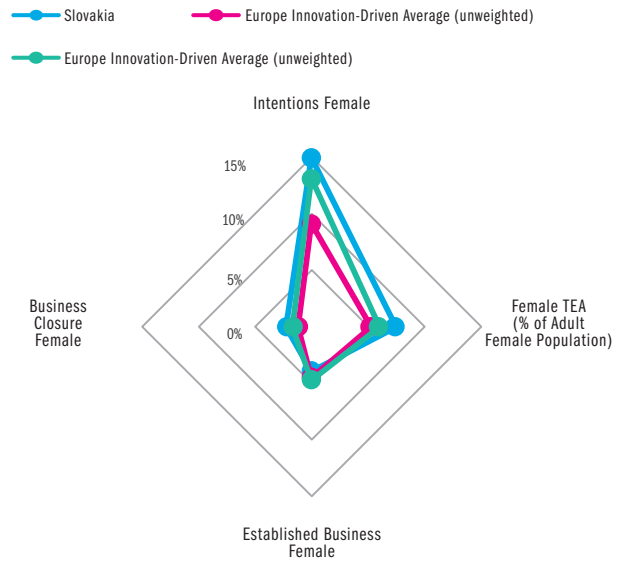
PORTUGAL

Women in Portugal show somewhat higher levels of activity despite low opportunity perceptions, although capabilities are higher than the regional average. Innovation rates among women entrepreneurs are less than 2/3 the average for the innovation-driven European economies and business services activity is lower than average. Growth ambitions, however, are above the average for the region.



SLOVAKIA

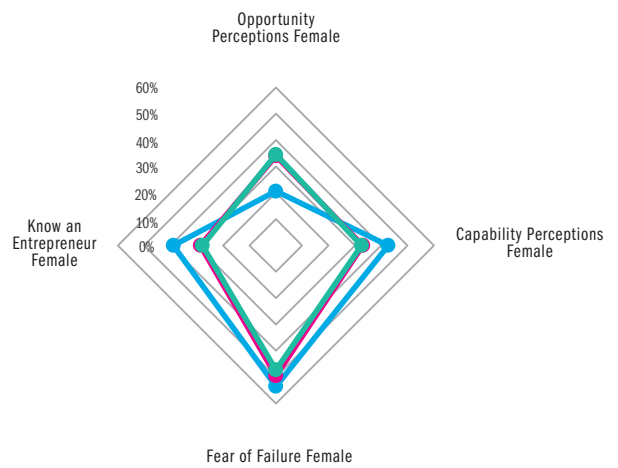
Female Intentions and TEA levels are above average in Slovakia while established business rates fall around the average level for the innovation-driven European economies. While more women know entrepreneurs and believe they have the capabilities to start a business compared to the regional average, opportunity perceptions are low and fear of failure is above average. Comparatively few women entrepreneurs sell internationally, yet many participate in the business services sector and 50% more have job expectations of 6 or more employees in the next 5 years compared to the regional average.



Legend: Slovakia (blue line), Europe Innovation-Driven Average (unweighted) (pink line), Overall Average: ID Regions (unweighted) (green line).

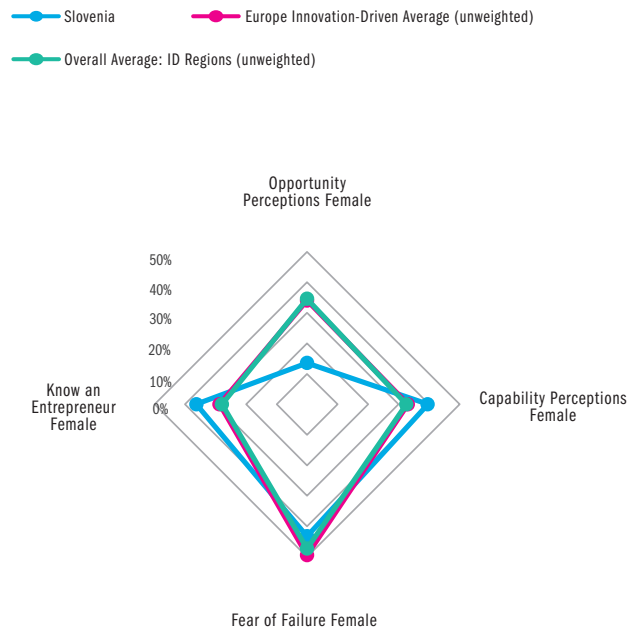
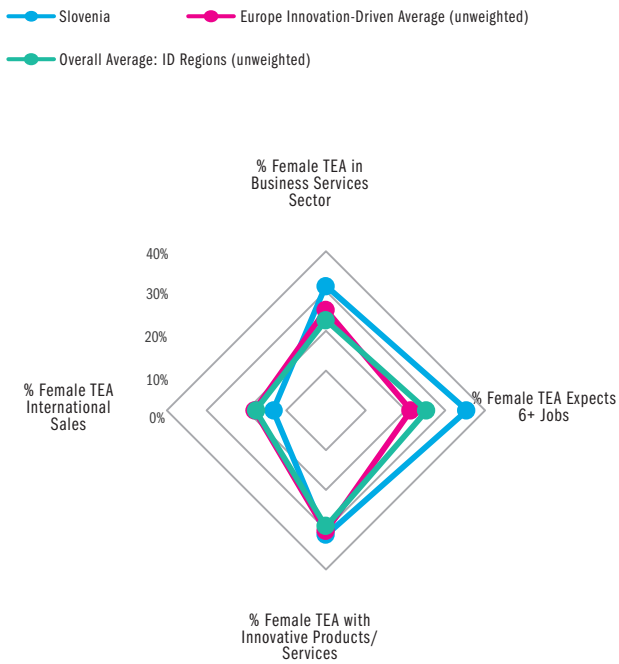
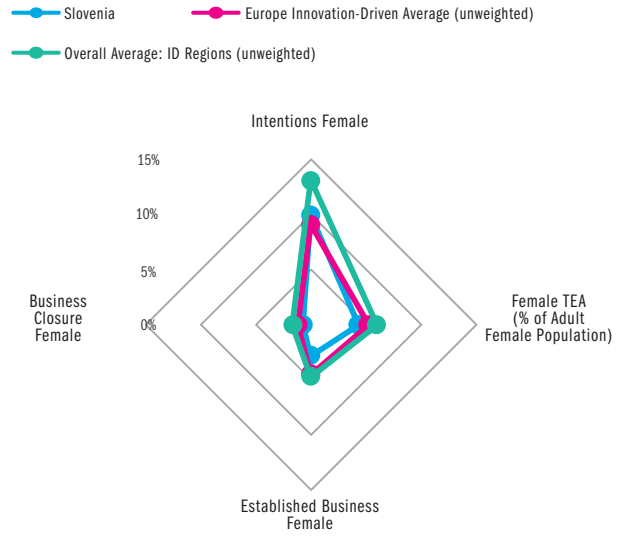


Legend: Slovakia (blue line), Europe Innovation-Driven Average (unweighted) (pink line), Overall Average: ID Regions (unweighted) (green line).



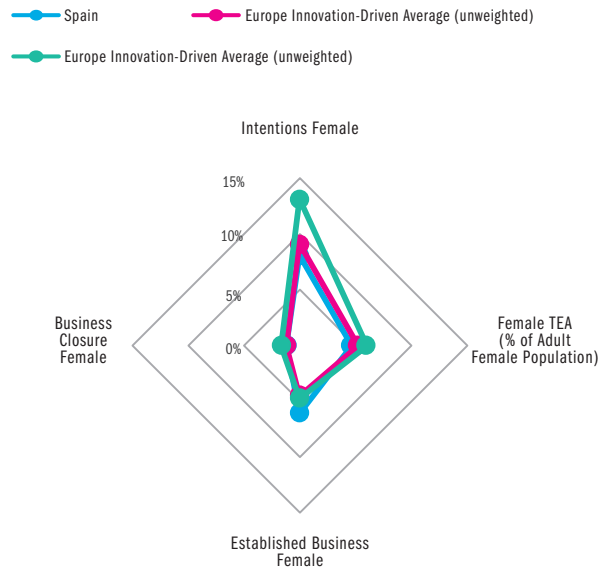
SLOVENIA

Female TEA and established business rates are just below the average for the innovation-driven European region. But while a higher level than average proportion of women in this country know an entrepreneur, believe they have the capabilities to start a business, and are undeterred by fear of failure, few believe there are good opportunities around them. Women entrepreneurs are less international than their European peers. But they are 2/3 more likely to project employing 6 or more people in the next 5 years.

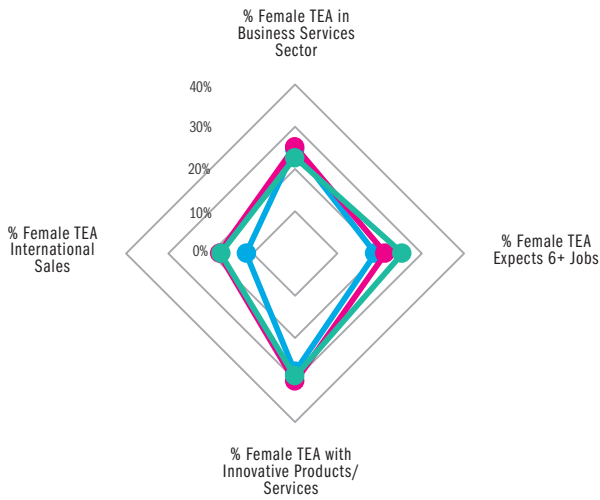


SPAIN

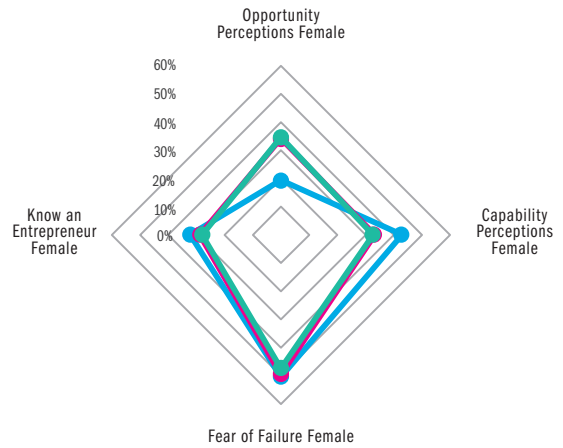
Female activity rates are about average in Spain. Women in this country, however, have low opportunity perceptions, despite having high beliefs about their capabilities compared to the average for innovation-driven Europe. Internationalization is lower than average, with levels on the other impact factors falling around the average for the region.



Spain, Europe Innovation-Driven Average (unweighted), Overall Average: ID Regions (unweighted)

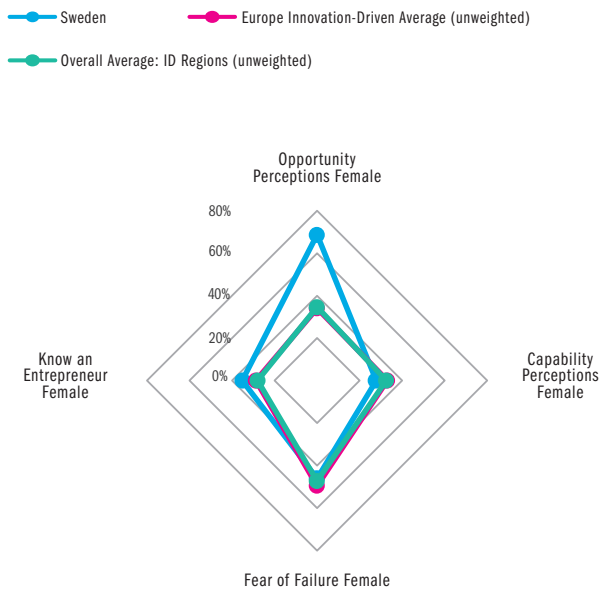
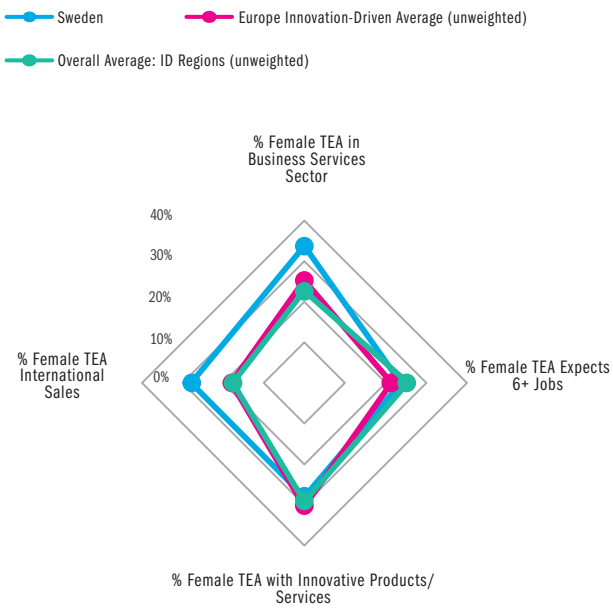
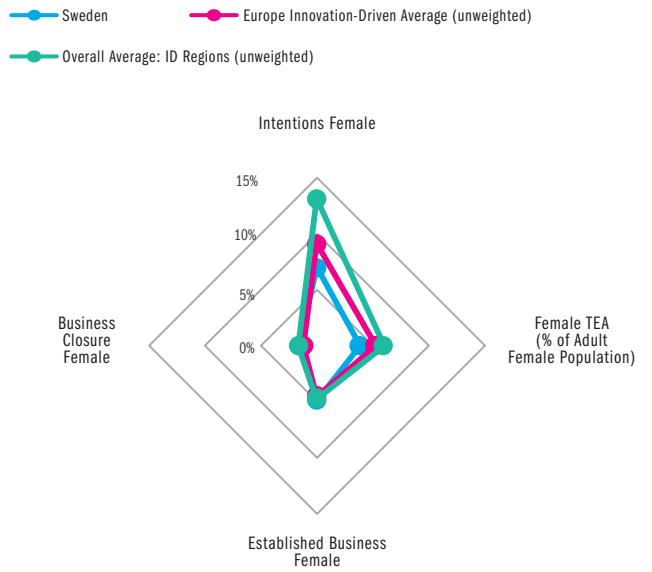


Spain, Europe Innovation-Driven Average (unweighted), Overall Average: ID Regions (unweighted)



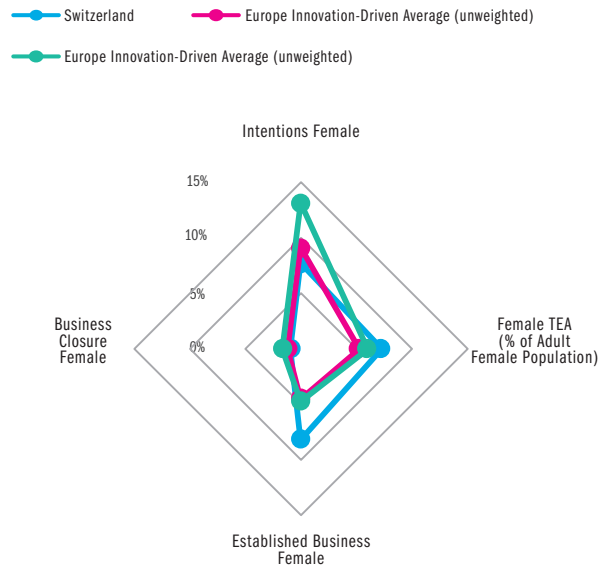
SWEDEN

In Sweden, female activity rates are close to the averages for the innovation-driven European region. Opportunity perceptions among women in this country are twice the regional average, while fear of failure is just below average. Capabilities perceptions, however, run somewhat lower than typical. Women entrepreneurs participate more often than their European peers in the business services sector, and they more often sell internationally.

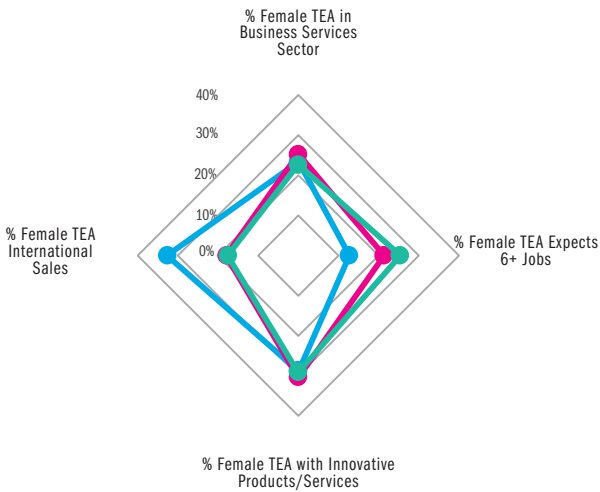


SWITZERLAND

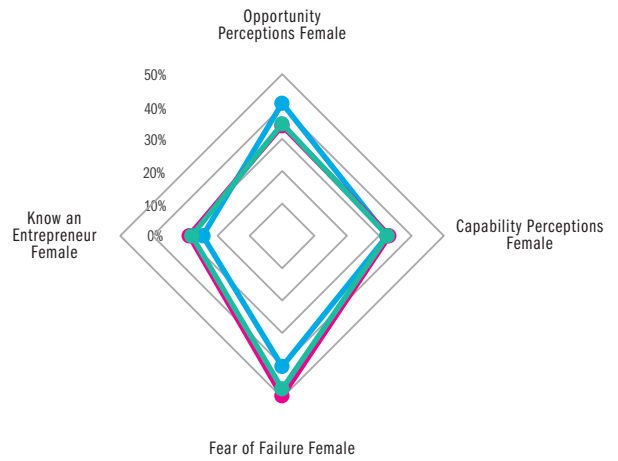
Switzerland shows slightly higher female activity rates compared to the innovation-driven European average. This is reflective of higher opportunity perceptions and lower fear of failure compared to the regional average. Although job expectations are lower than average in this country, women entrepreneurs are comparatively likely to sell internationally.



Legend: Switzerland (blue line), Europe Innovation-Driven Average (unweighted) (pink line), Overall Average: ID Regions (unweighted) (green line).

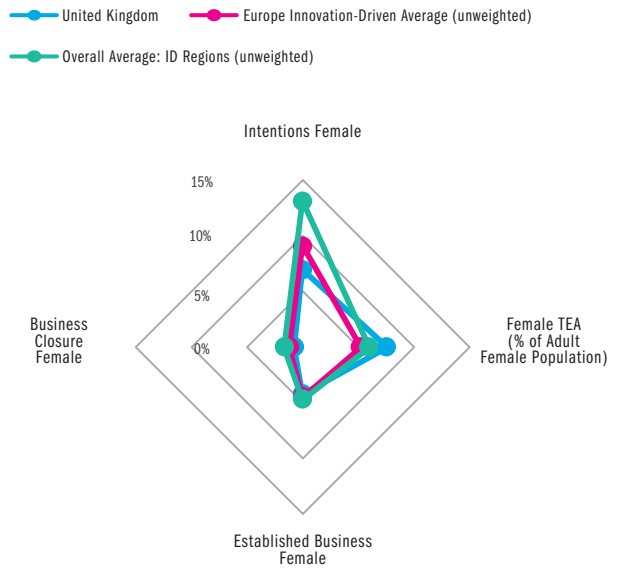


Legend: Switzerland (blue line), Europe Innovation-Driven Average (unweighted) (pink line), Overall Average: ID Regions (unweighted) (green line).



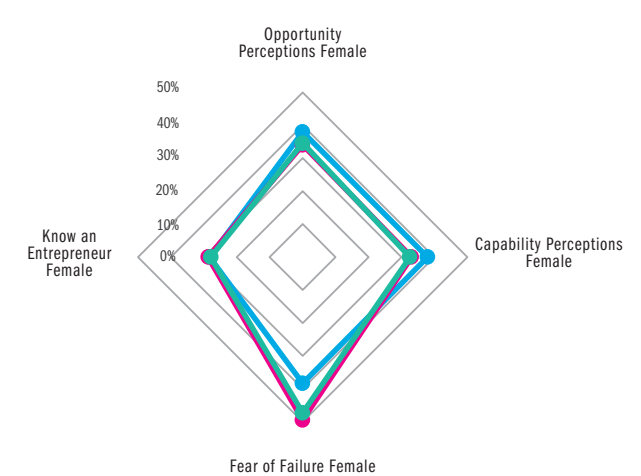
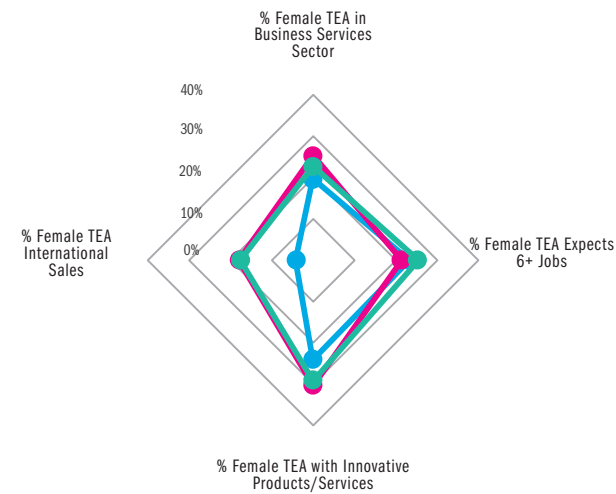
UNITED KINGDOM

Female TEA rates in the UK are somewhat higher than average, consistent with positive attitudes in the female population. Few women entrepreneurs sell internationally and innovation levels and business services participation are slightly below average.



United Kingdom Europe Innovation-Driven Average (unweighted)
Overall Average: ID Regions (unweighted)

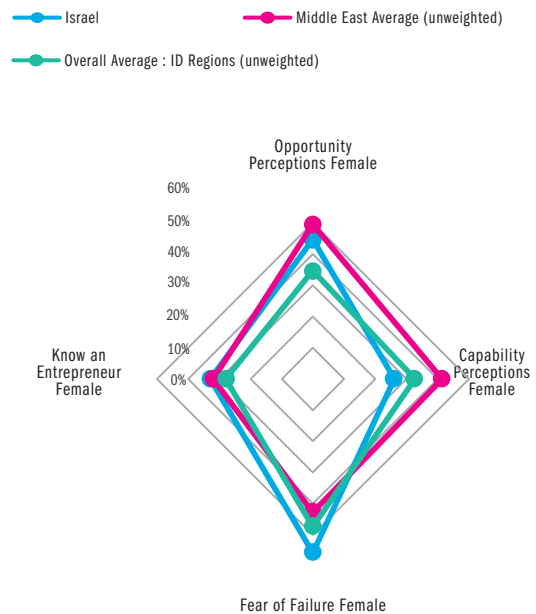
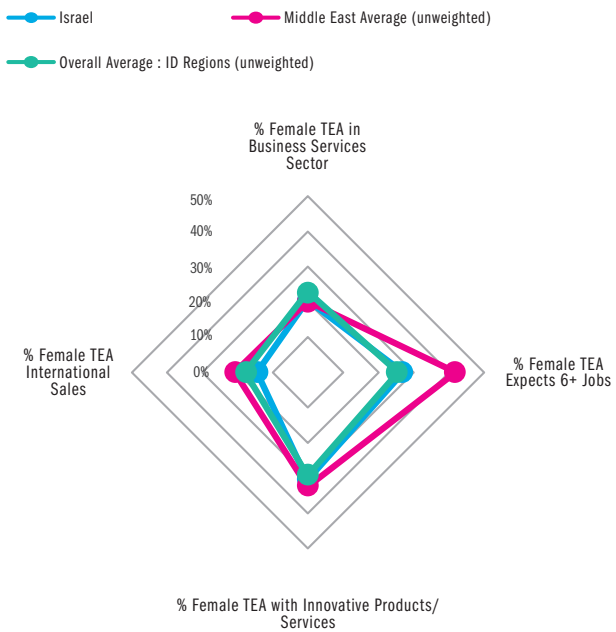
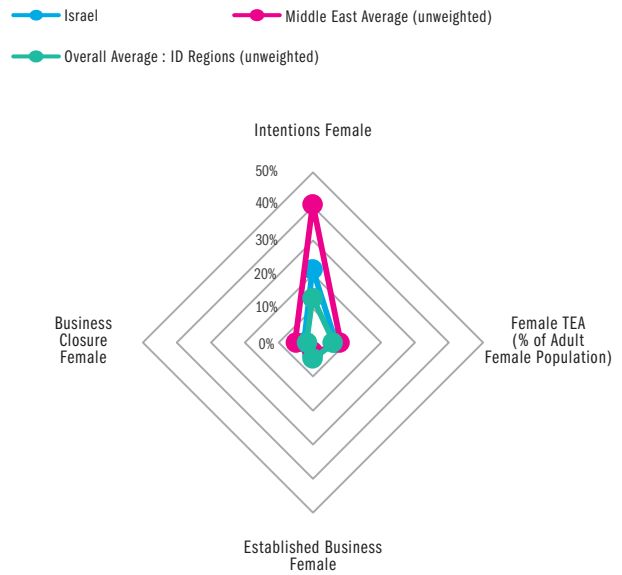
United Kingdom Europe Innovation-Driven Average (unweighted)
Overall Average: ID Regions (unweighted)



Middle East Innovation-Driven

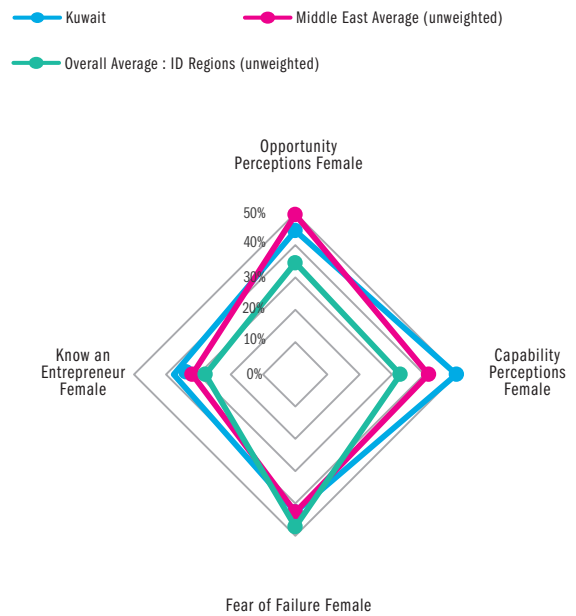
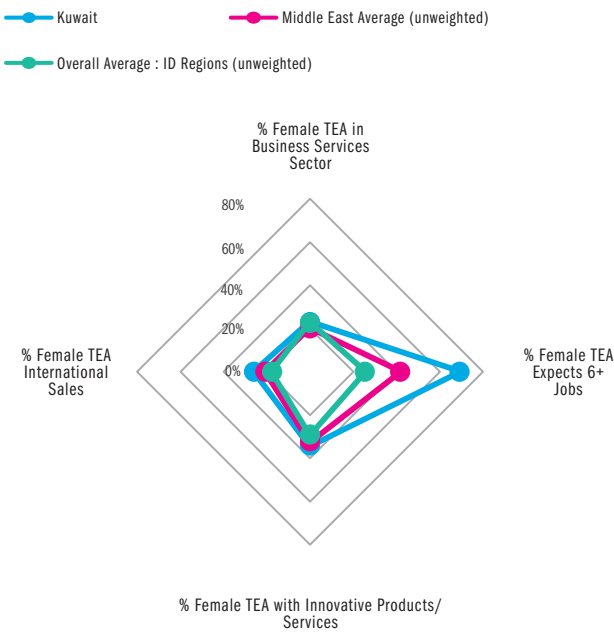
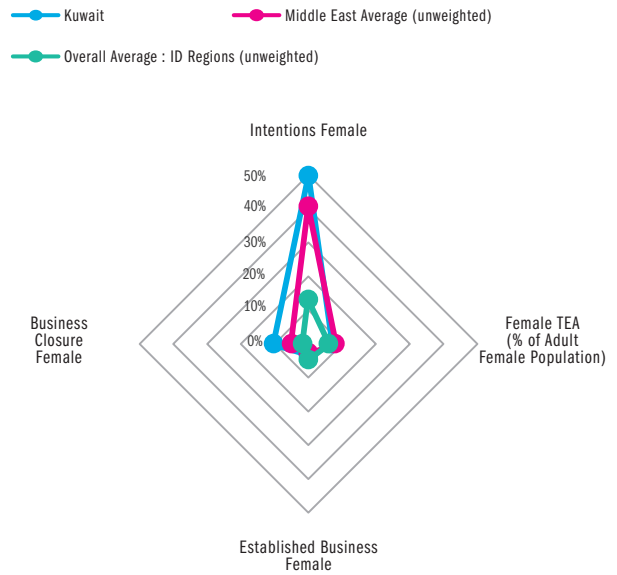
ISRAEL

Israel shows average TEA and established business rates, but low capability perceptions and high fear of failure. While opportunity perceptions are slightly lower than the average of the three Middle Eastern economies, they are still higher than the overall average for the innovation-driven economies. Job expectations are lower than Kuwait in the Middle East, but on par with the innovation-driven economies. Internationalization, however, is low whether making comparisons within the region or the broader development-level group.



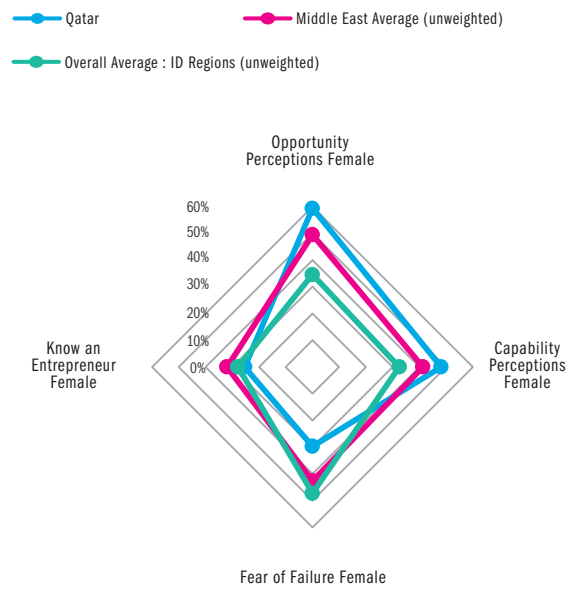
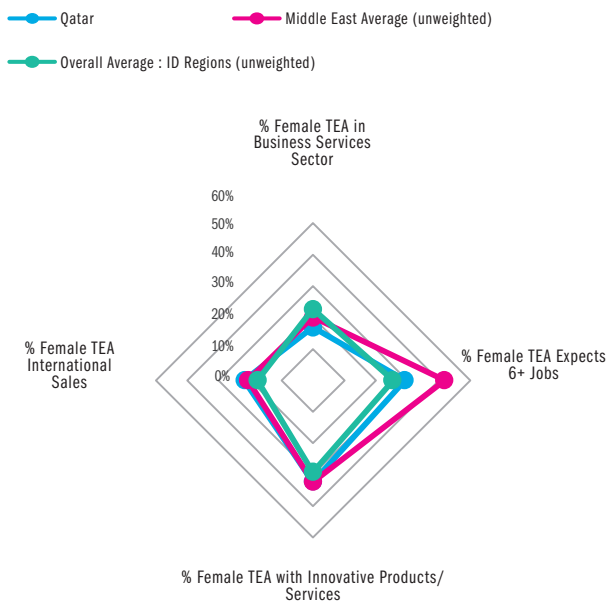
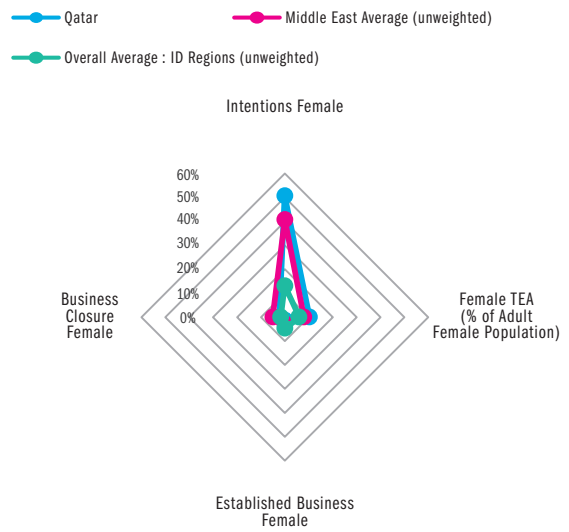
KUWAIT

Despite the fact that half of the female population in Kuwait intend to start a business, TEA and established business levels are average and one out of ten women has closed a business in the previous year. Compared to its Middle East and other developed peers, Kuwait shows high female capability perceptions. Over 2/3 women entrepreneurs have job expectations of 6 or more employees in the next five years, much higher than the regional and overall developed economy average. International sales are above average.



QATAR

Over half the female population in Qatar intend to start a business in the next three years. TEA rates are above average, but few women are running established businesses. Women exhibit high opportunity and capability perceptions and low fear of failure. Job expectations are lower than Kuwait, but just above the overall innovation-driven group average.



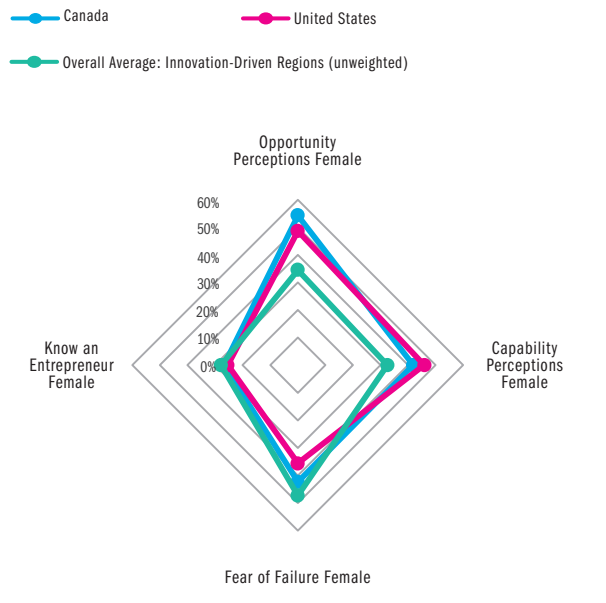
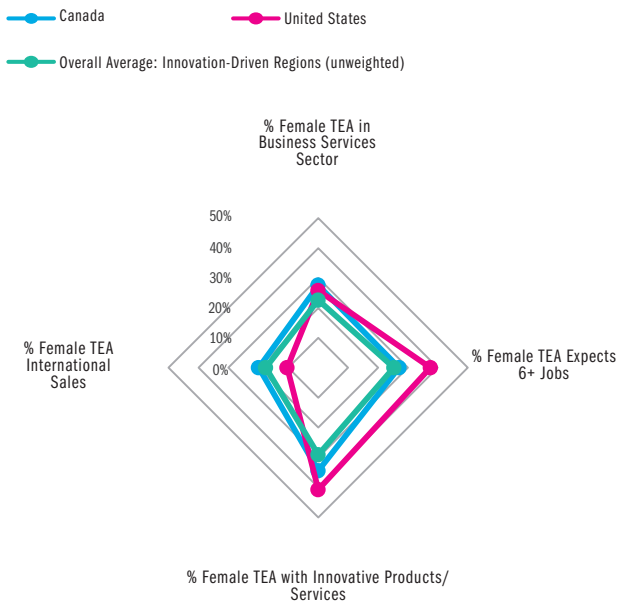
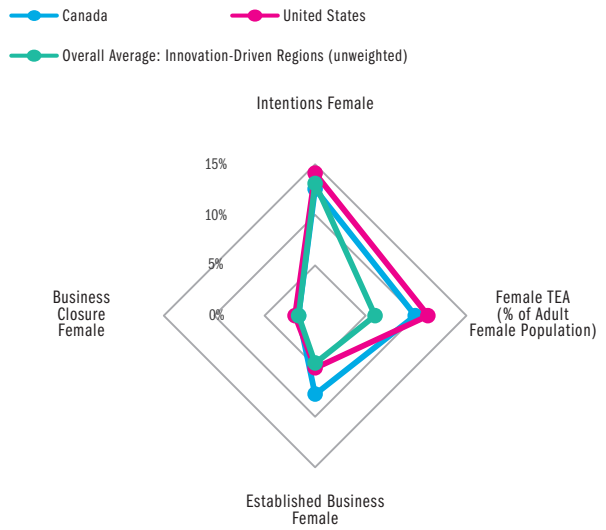
North America

CANADA

Canada exhibits higher female TEA and established business rates than the average innovation-driven economy. Opportunity and capability perceptions are over 50% higher than the innovation-driven average and fear of failure is lower. Business services activity and innovation levels are somewhat higher in Canada compared to its development-level peers.

UNITED STATES

The United States shows higher female TEA rates than the innovation-driven average, and slightly higher than Canada. However, established business activity is average for an innovation-driven economy, and this level is lower than in Canada. Capability perceptions are more than 2/3 higher than the innovation-driven average, and slightly higher than Canada reports. However, opportunity perceptions are slightly lower than Canada, although 40% higher than the innovation-driven average. Job expectations and innovation levels among women entrepreneurs are higher in the United States than in Canada or the average innovation-driven economy.



APPENDIX B:

THE GEM MODEL AND METHODOLOGY



Academics and policy makers agree that entrepreneurs, and the new businesses they establish, play a critical role in the development and well-being of their societies. As such, there is increased appreciation for and acknowledgement of the role played by new and small businesses in an economy. GEM contributes to this recognition with longitudinal studies and comprehensive analyses of entrepreneurial attitudes and activity across the globe. Since its inception in 1997 by scholars at Babson College and London Business School, GEM has developed into one of the world's leading research consortia concerned with improving our understanding of the relationships between entrepreneurship and national development.

GEM is a worldwide study on entrepreneurship that was first conceptualized in 1997 by two academics, one from

London Business School (Michael Hay) and the other from Babson College (Bill Bygrave) in the United States. In the late 1900s there was no recognized international research that focused on entrepreneurship and the word was not a household name as it is today. The first published reports came out in 1999 and involved just 10 countries, eight from the OECD, Japan and the United States. Since then, the consortium of GEM countries has grown substantially to where over 100 economies are participating from all levels of economic development and in almost all geographic regions. The GEM study now represents between 70% and 75% of the world's population and approximately 90% of the world's GDP. It can now claim to be truly global and to be the most authoritative and informative study on entrepreneurship in the world today. Only a few areas of the globe are not represented such as certain countries in mid/central Asia, a few countries in Southeast Asia and some from West and Central Africa.

THE GEM CONCEPTUAL FRAMEWORK

Since its inception, the GEM survey was conceptualized to explore the interdependency between entrepreneurship and economic development. During the last 16 years, this conceptual framework and the basic definitions have evolved gradually without compromising the comparability of the collected information, but bringing more clarity to assumed relationships. This process was supported by the work of a number of researchers who, using GEM data, contributed to building an entrepreneurship paradigm (Alvarez et al., 2014, Bosma, 2013, Levie and Autio, 2008, Reynolds et al, 2015).

The GEM survey was conceptualized to explore the interdependency between entrepreneurship and economic development.

The starting definition for entrepreneurship still remains valid, being:

“any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business” (Reynolds, P. et al, 1999, p. 3).

The three questions which originally opened the way to the GEM survey (Reynolds, P. et al, 1999, p. 3) were formulated as follows:

- Does the level of entrepreneurship activity vary between countries, and if so, to what extent?
- Does the level of entrepreneurship activity affect a country’s rate of economic growth and prosperity?
- What makes a country entrepreneurial and what factors influence entrepreneurship activity?

In order to answer these questions, GEM had to depart from the conventional approach of thinking about national economic growth. This led to the development of a new conceptual framework, which has been through a series of adjustments since its inception in 1999.

The GEM conceptual framework, as identified in 1999 (Figure 49), in contrast to conventional model of

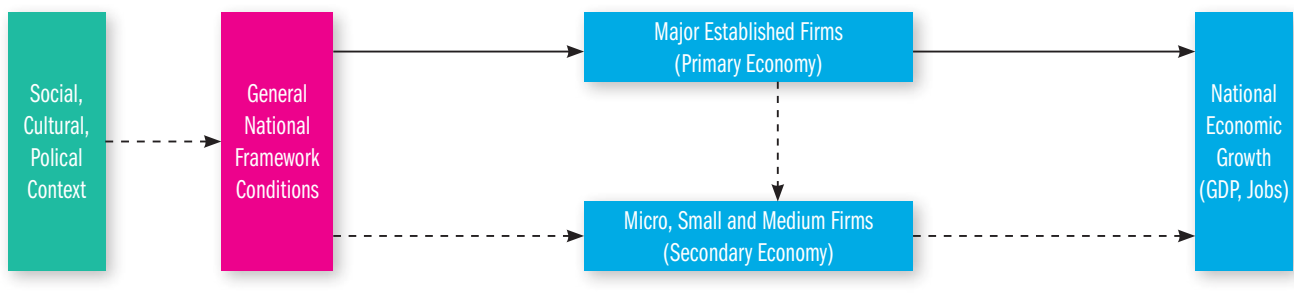


Figure 48: Conventional model of national economic growth
Source: Reynolds, P. D., M. Hay, S.M. Camp, Global Entrepreneurship Monitor, 1999 Executive Report, p. 9

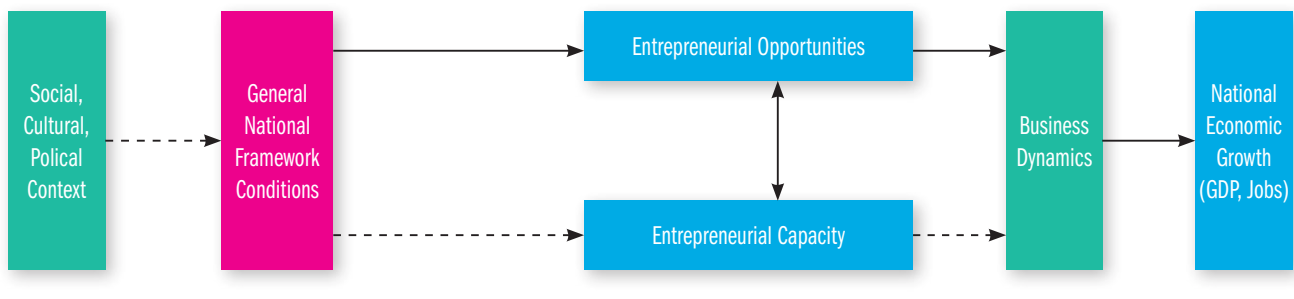


Figure 49: Model of entrepreneurship processes affecting national economic growth
Source: Reynolds, P. D., M. Hay, S.M. Camp, Global Entrepreneurship Monitor, 1999 Executive Report, p. 10

This starting framework (Figure 49) subsequently incorporated the findings and insights derived from numerous GEM surveys and years of GEM research, evolving into the GEM Conceptual Framework as presented in Figure 50.

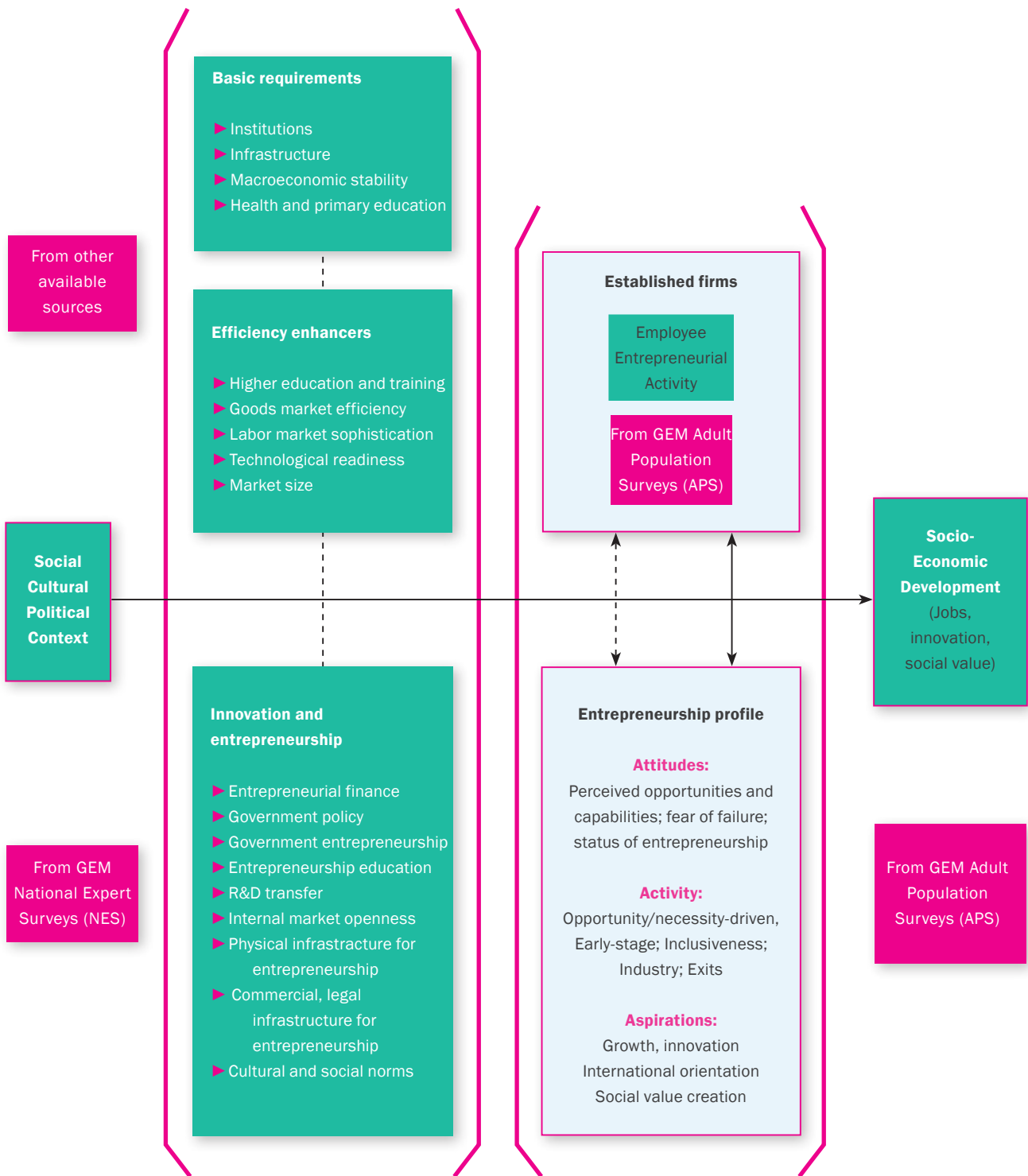


Figure 50: The GEM Conceptual Framework used in GEM surveys up to 2014

national economic growth (Figure 48), depicted the basic assumption that national economic growth is the result of the personal capabilities of individuals, wherever they are located (regardless of the size of businesses or if they are self-employed), to identify and seize opportunities, and that this process takes place in interaction with the environment (social, cultural and political) in which these individuals are located.

This starting framework (Figure 49) subsequently incorporated the findings and insights derived from numerous GEM surveys and years of GEM research, evolving into the GEM Conceptual Framework as presented in Figure 50.

The most recent revision of the GEM conceptual framework entailed opening the “black box” entitled

“Entrepreneurship Profile” (as presented in Figure 50). From the beginning of conducting GEM surveys the implicit assumption of mutual relationships between attitudes, aspirations and activities was built into the conceptual framework, but without spelling out the nature of these relationships. In the revised GEM conceptual framework (depicted in Figure 51) this “black box” has been opened to allow for testing of the characteristics of the assumed relationships between social values, personal attributes and various forms of entrepreneurship activity. This work was carried out by members of the GEM Research and Innovation Advisory Committee (RIAC).

The components of the revised GEM Conceptual Framework are:

SOCIAL, CULTURAL, POLITICAL AND ECONOMIC CONTEXT

As in the previous GEM model, this is defined according to the twelve pillars of competitiveness derived from the World Economic Forum’s Global Competitiveness Index, and the nine components of GEM’s Entrepreneurship Framework Conditions (see Table 9). These will affect countries differently, depending on the stage of economic development at which the countries are, i.e. although all of the pillars will be important to each economy, the pillars of competitiveness which are of most importance to a factor-driven economy will differ from those that will be most important in an efficiency-driven economy.

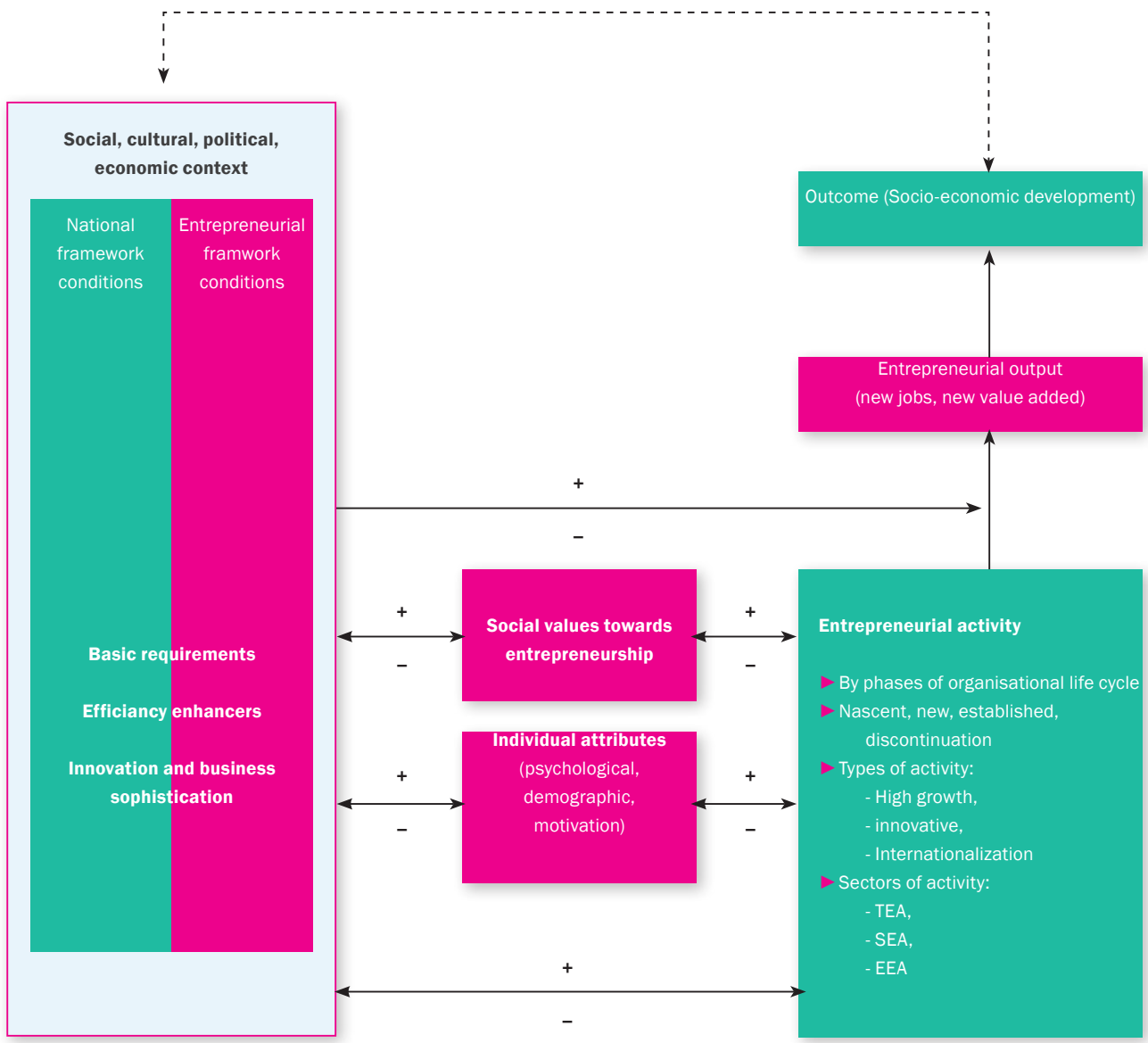


Figure 51: The GEM Conceptual Framework

Table 9: Social, cultural, political and economic context and economic development phases

	From other available sources	From GEM National Expert Surveys (NES)
Economic development phases	National Framework Conditions, based on World Economic Forum pillars for profiling economic development phases	Entrepreneurship Framework Conditions
Basic requirements – key to resource-driven economies	<ul style="list-style-type: none"> ■ Institutions ■ Infrastructure ■ Macroeconomic stability ■ Health and primary education 	
Efficiency enhancers – key to efficiency-driven economies	<ul style="list-style-type: none"> ■ Higher education and training ■ Goods market efficiency ■ Labor market efficiency ■ Financial market sophistication ■ Technological readiness ■ Market size 	
Innovation and sophistication factors – key for innovation-driven economies	<ul style="list-style-type: none"> ■ Business sophistication ■ Innovation 	<ul style="list-style-type: none"> ■ Entrepreneurial finance ■ Government policy ■ Government entrepreneurship programs ■ R&D transfer ■ Internal market openness ■ Physical infrastructure for entrepreneurship ■ Commercial and legal infrastructure for entrepreneurship ■ Cultural and social norms

It is important to note that all components of the environment in which women and men act entrepreneurially (or cannot act proactively and innovatively) are mutually dependent. This dependency demands a holistic approach not only in research but also in designing appropriate policies for building a supportive environment in which entrepreneurial behavior can flourish.

SOCIAL VALUES TOWARD ENTREPRENEURSHIP

This includes aspects such as the extent to which society values entrepreneurship as a good career choice; whether entrepreneurs have high societal status; and the extent to which media attention to entrepreneurship is contributing to the development of a positive entrepreneurial culture.

INDIVIDUAL ATTRIBUTES

This includes different demographic factors (such as gender, age, geographic location); psychological factors (including perceived capabilities, perceived opportunities, fear of failure); and motivational aspects (necessity versus opportunity based ventures, improvement-driven ventures).

ENTREPRENEURSHIP ACTIVITY

This is defined according to the phases of the life cycle of entrepreneurial ventures (nascent, new business, established business, discontinuation); according to type of activity (high growth, innovation, internationalization); and sector of activity (Total Early-stage Entrepreneurship Activity – TEA, Social Entrepreneurship Activity - SEA, Employee Entrepreneurship Activity – EEA).

In all the conceptual frameworks, the basic assumption has remained unchanged – namely, that entrepreneurship activity is an output of the interaction of an individual's perception of an opportunity and capacity (motivation and skills) to act upon this opportunity, AND the distinct conditions of the environment in which the individual is located. The GEM survey of entrepreneurship (based on individuals) complements other major business creation surveys by providing unique information on individuals (attributes, values, activities) and their interaction with the environment in practicing entrepreneurship behavior (proactiveness, innovativeness and responsible choices).

It is clear, therefore, that GEM continues to focus on contributing to global economic development through surveying / researching entrepreneurship, which helps

to improve research-based education and research-based formulation of public policies in the field of entrepreneurship. In order to achieve this, GEM has three key objectives:

- to determine the extent to which entrepreneurship activity influences economic growth within individual economies;
- to identify factors which encourage and/or hinder entrepreneurship activity (especially the relationships between national entrepreneurship conditions, social values, personal attributes and entrepreneurship activity); and
- to guide the formulation of effective and targeted policies aimed at enhancing entrepreneurship capacity within individual countries.

Over the years, GEM surveys have confirmed that the level of entrepreneurship activity varies among countries at a fairly constant rate. A crucial point confirmed by GEM research is that it takes time and consistency in policy interventions in order to enhance and develop the factors which contribute to entrepreneurship activity. Surveys

also confirmed that entrepreneurship activity, in different forms (nascent, startup, employee entrepreneurship), is positively correlated with economic growth, but that this relationship differs according to phases of economic development (Acs and Amorós, 2008; Van Stel et al., 2005; Wennekers et al., 2010).

GEM's role as one of the world's leading research consortia concerned with improving the understanding of the relationships between entrepreneurship and national development is confirmed by recent policy interventions around the world. These are focused on components of the GEM conceptual framework: environment (entrepreneurship framework conditions), individual capacity for identifying and exploiting opportunities, and society's capacity to develop an entrepreneurial culture. A recent report on entrepreneurial ambition and innovation (WEF-GEM, 2015) highlights the cases of Colombia and Chile, economies that have put in place several public and private initiatives to enhance their entrepreneurship ecosystems (Drexler and Amorós, 2015).



Figure 1.5: The entrepreneurship process and GEM operational definitions
 Source: GEM Global Report 2014

HOW GEM MEASURES ENTREPRENEURSHIP

GEM measures individual participation across multiple phases of the entrepreneurship process, providing insights into the level of engagement in each stage. This is important because societies may have varying levels of participation at different points in this process; however, a healthy entrepreneurial society needs people active in all phases. For example, in order to have startups in a society, there must be potential entrepreneurs. Later in the process, people that have started businesses must have the ability and the support to enable them to sustain their businesses into maturity. Figure 1.5 presents an overview of the entrepreneurial process and the GEM operational definitions.

GEM's multiphase measures of entrepreneurship are given below:

Potential entrepreneurs – those that see opportunities in their environments, have the capabilities to start businesses and are undeterred by fear of failure.

Intentional entrepreneurs – those who intend to start a business in the future (in the next three years).

Nascent entrepreneurs – those who have taken steps to start a new business, but have not yet paid salaries or wages for more than three months.

New entrepreneurs – those who are running new businesses that have been in operation for between 3 months and 42 months.

Established business owners – those who are running a mature business, in operation for more than 42 months.

Discontinued entrepreneurs – those who, for whatever reason, have exited from running a business in the past year.

GEM's individual-level focus enables a more comprehensive account of business activity than firm-level measures of formally registered businesses. In other words, GEM captures both informal and formal activity. This is important because in many societies, the majority of entrepreneurs operate in the informal sphere. In addition, GEM's emphasis on individuals provides an insight into who these entrepreneurs are: for example, their demographic profiles, their motivations for starting ventures, and the ambitions they have for their businesses. GEM also assesses broader societal attitudes about entrepreneurship, which can indicate the extent to which people are engaged in or willing to participate in entrepreneurship activity, and the level of societal support for their efforts. The GEM database allows for the exploration of individual or business characteristics, as well as the causes and consequences of new business creation.

In order to provide for reliable comparisons across countries, GEM data is obtained using a research design that is harmonized over all participating countries. The data is gathered on an annual basis from two main sources:

1. ADULT POPULATION SURVEY (APS)

The key entrepreneurship indicators are measured in the Adult Population Survey (APS). Academic teams in each participating economy administer and oversee this survey, which is conducted using a random representative sample of at least 2 000 adults between the ages of 18 and 64 years. The surveys are conducted at the same time every year (between May and July) using a standardized questionnaire provided by the GEM Global Data Team. The questionnaire is translated into local languages, and back-translated for a validity check.

The individual countries only gain access to the data once the raw data has been analyzed by experts for quality assurance, checking and uniform statistical calculations. As the GEM research design harmonizes the data, it is possible to conduct reliable cross national and intra country comparisons over time.

2. NATIONAL EXPERTS SURVEY (NES)

The National Expert Survey (NES) provides information on the local environment faced by startup entrepreneurs. Information is gathered about the nine Entrepreneurship Framework Conditions: financing for entrepreneurs, government policies, governmental programs, entrepreneurship education and training, research and development transfer, commercial and professional infrastructure, internal market openness, physical and services infrastructure and social and cultural norms.

The GEM global data set is open source after 3 years and it can be reached at www.gemconsortium.org.

Besides the annual surveys based on collecting data through Adult Population Survey and National Expert Survey instruments, GEM conducts in-depth surveys on special topics, by adding specific questions to the standard APS questionnaire. This rich seam of GEM data has been analyzed and presented in a number of separate publications (www.gemconsortium.org):

- On financing, in 2004 and 2006
- On women and entrepreneurship, in 2005, 2006, 2007, 2009, 2010, 2012, 2015
- On high expectation entrepreneurship, on high-growth entrepreneurship, on high impact entrepreneurship, in 2005, 2007, 2011
- On innovation confidence index – EU funded project, in 2007, 2008, 2009
- On social entrepreneurship, in 2009
- On education and training, in 2010
- On youth, in 2013, 2015
- On entrepreneurial employee activity, in 2013
- On sub-Saharan Africa, in 2013, 2014 (on youth)
- On Entrepreneurship, competitiveness and development, 2015
- On Southeast Asia, 2015