



Entrepreneurship is very complex phenomenon and as such it has been approached from many different perspectives by various researchers or collaborative teams. Global Entrepreneurship Monitor (GEM) is one of the approaches in entrepreneurship area of research. The aim of this presentation is to illustrate what is different or unique about GEM approach.

Contents

1. Introduction

- GEM scope and history
- GEM Purpose

GEM Conceptual model

- Definition of entrepreneurship
- Evolution of conceptual model
- GEM conceptual model distinctiveness
- Research questions

2. GEM Methodology

- Multilevel approach
- Instruments
- Samples
- Key indicators

3. Selected results

Implications

GEM criticism

How GEM may be useful to a doctoral student?

The presentation is divided in three main parts: firstly, you will look into the GEM scope, history, purpose and its' conceptual framework. Secondly, the main methodological features of the GEM research will be described, and thirdly, the selection of the most important results will be presented. Finally, we would like to end with a few words about how GEM research may be important to you – our doctoral students.



First part of the presentation will introduce the GEM scope, history and purpose. After that, we will look into the definition of the entrepreneurship and evolution of conceptual model of the GEM research. We will end with the review of the main research questions asked by GEM framework.

Global Entrepreneurship Monitor – GEM

- **Longitudinal, multinational** study on entrepreneurship
- GEM provides a snapshot of **the level and nature of entrepreneurial activity** (including attitudes and aspirations) and perceived quality of **entrepreneurship** framework conditions of participating countries **around the world**


www.ices.hr

GEM is one of the most important longitudinal and multinational study on entrepreneurship worldwide. GEM **measures** differences in **entrepreneurial attitudes, activity, aspirations** and **perceived quality of entrepreneurship framework conditions** in different regions or economies and across time.



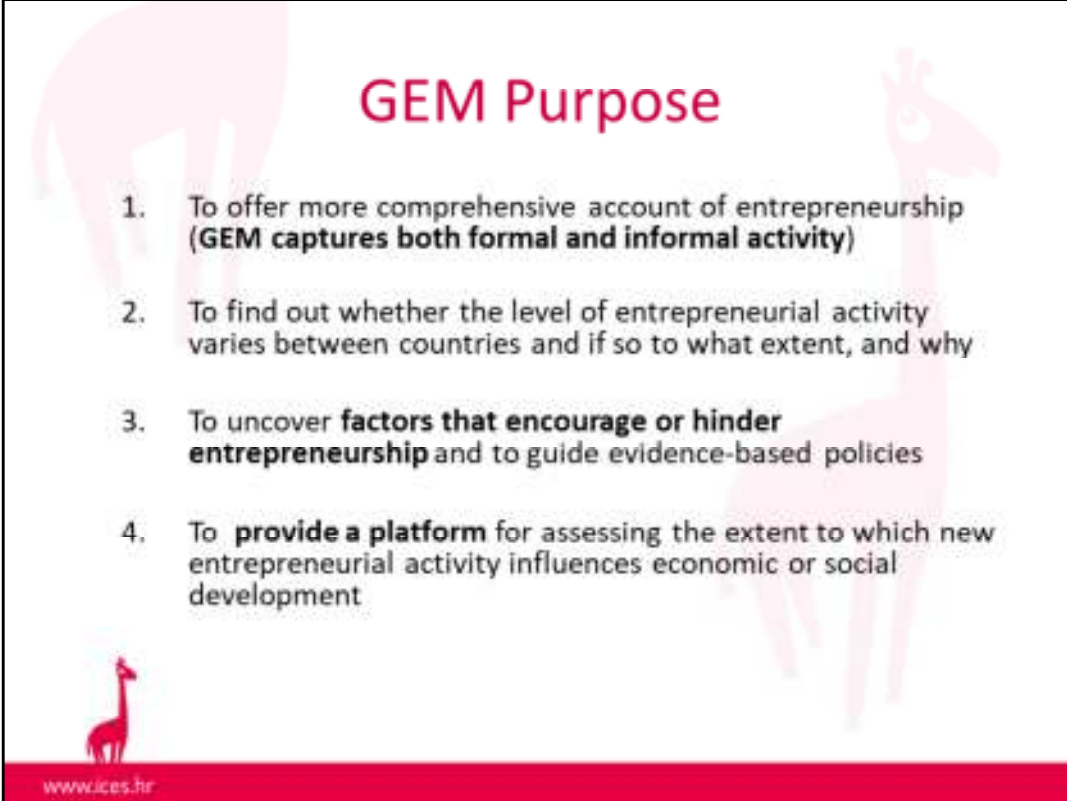
GEM scope and history

- Initiated in 1997 (10 participating countries: Canada, France, Germany, Italy, Japan, UK, USA, Denmark, Finland and Israel)
- Between **2000-2016** GEM has become one of the largest cross-national collaborative research projects with participation of more than **100 countries** (for at least in one annual survey). Croatia participate regularly in GEM study from 2002 onwards.
- In 2013 GEM survey was conducted in 70 countries. Participating countries represent almost 75% of the world's population and 90% of the world's total GDP. In 2015 GEM survey was conducted in 62 countries.

www.ices.hr

The Global Entrepreneurship Monitor was initiated in 1997 and at the beginning it included ten 'National Teams' (the G7 economies: Canada, France, Germany, Italy, Japan, United Kingdom and United States and three additional economies: Denmark, Finland and Israel). Under supervision of Paul Reynolds as principal investigator the project grew to 31 national economies in 2003. For instance, in 2013, over 100 countries participated in the research, 197 000 people were surveyed and approximately 3.800 national experts included in the research in 70 economies. Participating countries cover an estimated 75% of the world's population and 90% of the world's total GDP.

Croatia participates in the GEM research from 2002, under supervision of prof. dr.sc. Slavica Singer.



GEM Purpose

1. To offer more comprehensive account of entrepreneurship (**GEM captures both formal and informal activity**)
2. To find out whether the level of entrepreneurial activity varies between countries and if so to what extent, and why
3. To uncover **factors that encourage or hinder entrepreneurship** and to guide evidence-based policies
4. To **provide a platform** for assessing the extent to which new entrepreneurial activity influences economic or social development

www.ices.hr

The GEM purpose is quadruple:

1. To offer more comprehensive account of entrepreneurship (GEM captures both formal and informal activity, GEM explores entrepreneurial activity on the level of individual persons)
2. To find out does the level of entrepreneurial activity vary between countries and if so to what extent, and why
3. To uncover factors which encourage and/or hinder entrepreneurial activity as well as to guide the formulation of effective policies
4. To provide a platform for assessing the extent to which entrepreneurial activity influences economic growth and their complex interaction. GEM enables cross-country comparisons - so policymakers can make comparisons with similar countries and discover which policies are working elsewhere.

In many countries, GEM indices are used as targets for development and improvement. GEM promotes greater sophistication and better understanding of entrepreneurship-centered policy making.

GEM conceptual framework

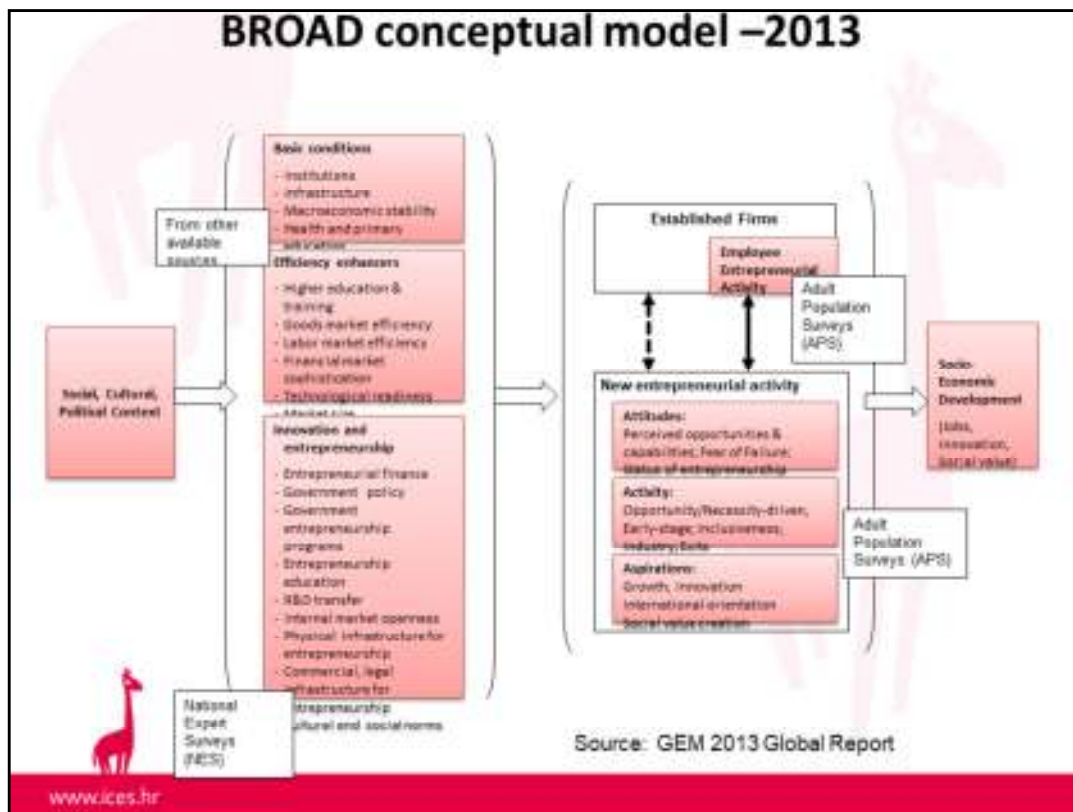
- GEM defines entrepreneurship as:
- **Any attempt** at a new business or a **new venture** creation, such as self-employment, a new business organization, or the expansion of an existing business, **by an individual, a team of individuals, or an established business.**
- Work in progress - no explicit theoretical grounding yet.



www.ices.hr

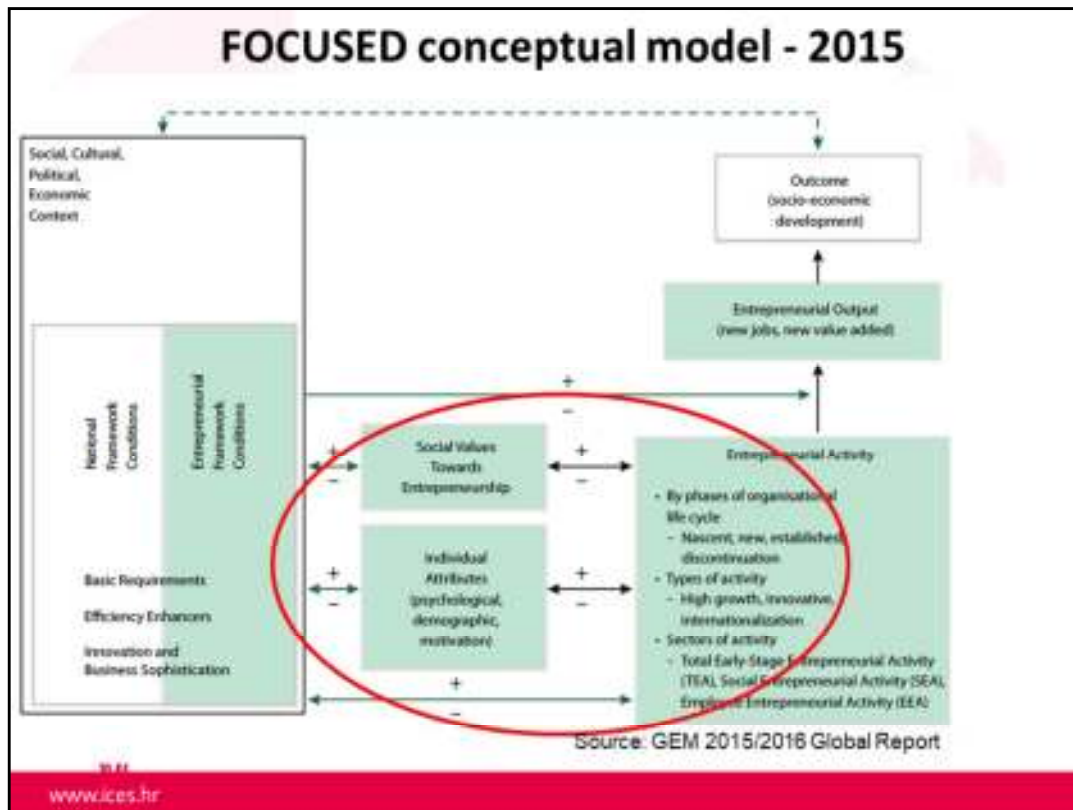
Although entrepreneurship can be defined in a number of ways, GEM identifies entrepreneurship as:

"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". However, GEM conceptual framework is still work in progress with no explicit theoretical grounding yet.

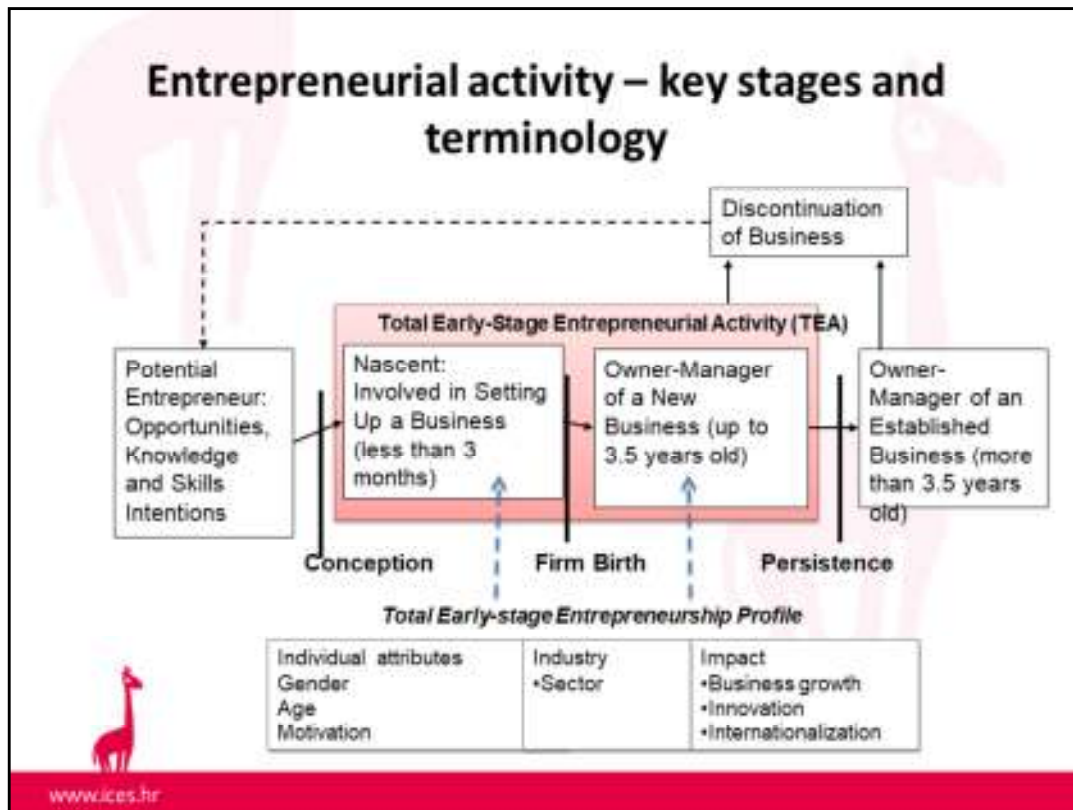


If we look at the right hand side of the slide we will see that Social and Economic Development is related to the both Established businesses and New entrepreneurial activity. Both of these segments are related and influenced by a set of basic conditions, efficiency enhancers and innovation and entrepreneurship conditions. On the left side of the model we can see that this conditions are related and influenced by the general social, cultural and political features.

The distinctive feature in this conceptual model is that majority of other approaches to entrepreneurship are already focused on established business impact on economic development. In contrast, GEM conceptual model is more interested in the new entrepreneurial activity and its relations to both economic development and structural conditions which may encourage or hinder entrepreneurial attitudes, activity, or aspirations. Unlike other entrepreneurship researches, GEM is focused on the exploration of the entrepreneurial activity on the individual level, while others as the unit of analysis usually use firm. This model due to its complex nature has been recently simplified.



The simplified conceptual framework used from 2015, suggests that entrepreneurial activity create new jobs and new value added and that it is related to an individual perception of social values about entrepreneurship as well as individual attitudes (for example perception of opportunities and capabilities to start a business). These attitudes and social values are some kind of the predictors that can be used to predict the actual entrepreneurial activity. In addition, these attitudes and individual attributes are related to the large set of conditions particularly important to entrepreneurship. The red circle in the slide merely indicate that interaction of these basic predictors of entrepreneurship output is a kind of a black-box. For example, the GEM evidence suggest that in some countries there is a positive relationship between main construct of the model, while in others there is negative or mixed relationship between main constructs in the model. Although the evidence is still not conclusive, the model itself is valuable and important for guiding the collection and analysis of the data.



GEM is particularly focused the two phases of business life cycle (while the business is still “in making” or very young – up to 3.5 years old). Individuals engaged in these stages of the business life cycle represent Total Early Stage Entrepreneurial Activity (TEA). However, beside TEA, GEM framework captures individuals with entrepreneurial attitudes. Those who see the opportunities, have knowledge, intentions are probably the most likely to actually start new entrepreneurial activity in a future. In addition to potential entrepreneurs, GEM framework captures the owner-managers in established firms, or individuals involved in discontinuation of the businesses. In addition, GEM study is particularly focused on different types of entrepreneurial activity such as gender, opportunity entrepreneurship or high growth, innovative, or internationalization oriented entrepreneurs who have a chance to make a higher impact on economic development.

GEM conceptual model distinctiveness

- Broad definition - Not restricted to new “registered” businesses. GEM emphasizes **total new (nascent and young firms) entrepreneurial activity (TEA)**, captures individual attitudes and aspirations, examines **allocation of entrepreneurial efforts across different stages of business life cycle**. It also captures the **new entrepreneurial activity started for an employer (EEA)**
- Multi-level model - It assumes that individual allocation of efforts is related to perception of national and entrepreneurship-specific conditions.



www.ices.hr

In a nutshell, GEM has a few distinctive features. Firstly, it offers a broad definition of what it recognizes as a new business activity. For example, unlike many official records of business activity, GEM’s definition is not restricted to newly registered businesses. It also captures those employees within organizations and established businesses who behave entrepreneurially (also known as intrapreneurship or corporate entrepreneurship). It captures the allocation of entrepreneurial efforts across different stages of business life cycle. Secondly, it offers multi-level approach since GEM collects data that capture both individual (attitudes, aspirations, attributes, activities) and national level features (entrepreneurial framework conditions).

The slide features a white background with a black border. At the top, the title "GEM main research questions" is centered in a bold, black font. Below the title, three numbered questions are listed. The background is decorated with faint, light pink silhouettes of a giraffe and a zebra. At the bottom left, there is a small red silhouette of a giraffe and the website address "www.ices.hr" in white text on a red background.

GEM main research questions

1. Does the level of entrepreneurial activity vary between countries and if so to what extent?
2. What makes an economy more entrepreneurial? How entrepreneurial conditions affect people attitudes, entrepreneurship-activity or – aspirations?
3. How are entrepreneurial efforts allocated by type, by sector, or stage of the business life cycle (from conception of the new businesses, early stage activity, established businesses, or discontinuation of the businesses)

www.ices.hr

Although GEM conceptual framework is evolving the main research questions remain the same.

GEM explores as follows:

1. Does the level of entrepreneurial activity vary between countries and if so to what extent?
2. What makes an economy more entrepreneurial? How entrepreneurial conditions affect people attitudes toward entrepreneurship or entrepreneurship-activity or – aspirations?
3. How are entrepreneurial efforts allocated (by type, by sector, or stage of the business life cycle - from conception of the new businesses, early stage activity, established businesses or discontinuation of the businesses)?

This brings us to the end of the part 1 presentation on GEM approach to entrepreneurship. The next presentation offers you more details about GEM methodology.