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ICES

International Centre for
Entrepreneurial Studies

MoER Topic:

GEM approach to entrepreneurship research

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Osijek, 2018



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GEM approach to entrepreneurship research PART 1

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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**



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.



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

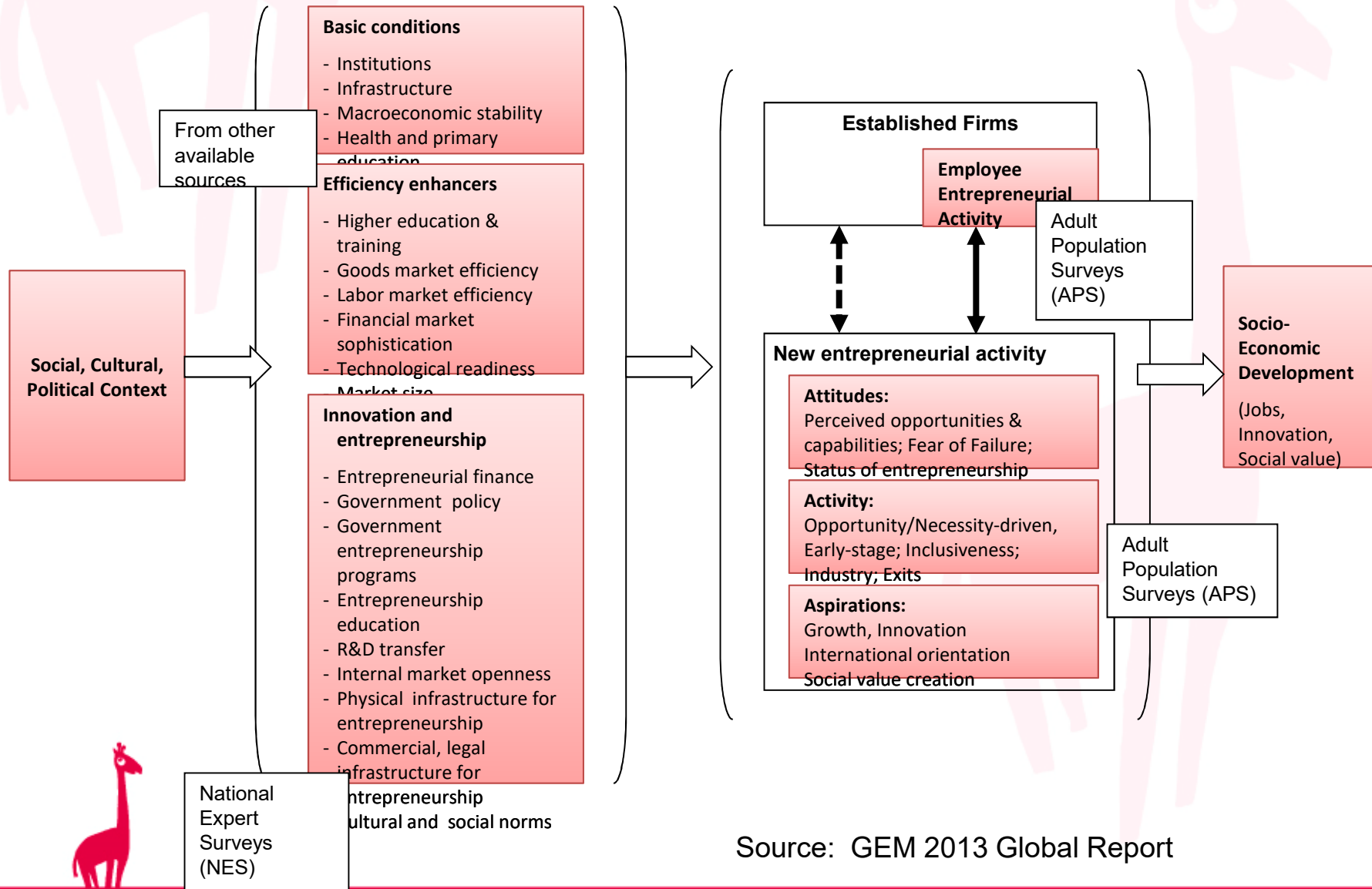


GEM conceptual framework

- 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.

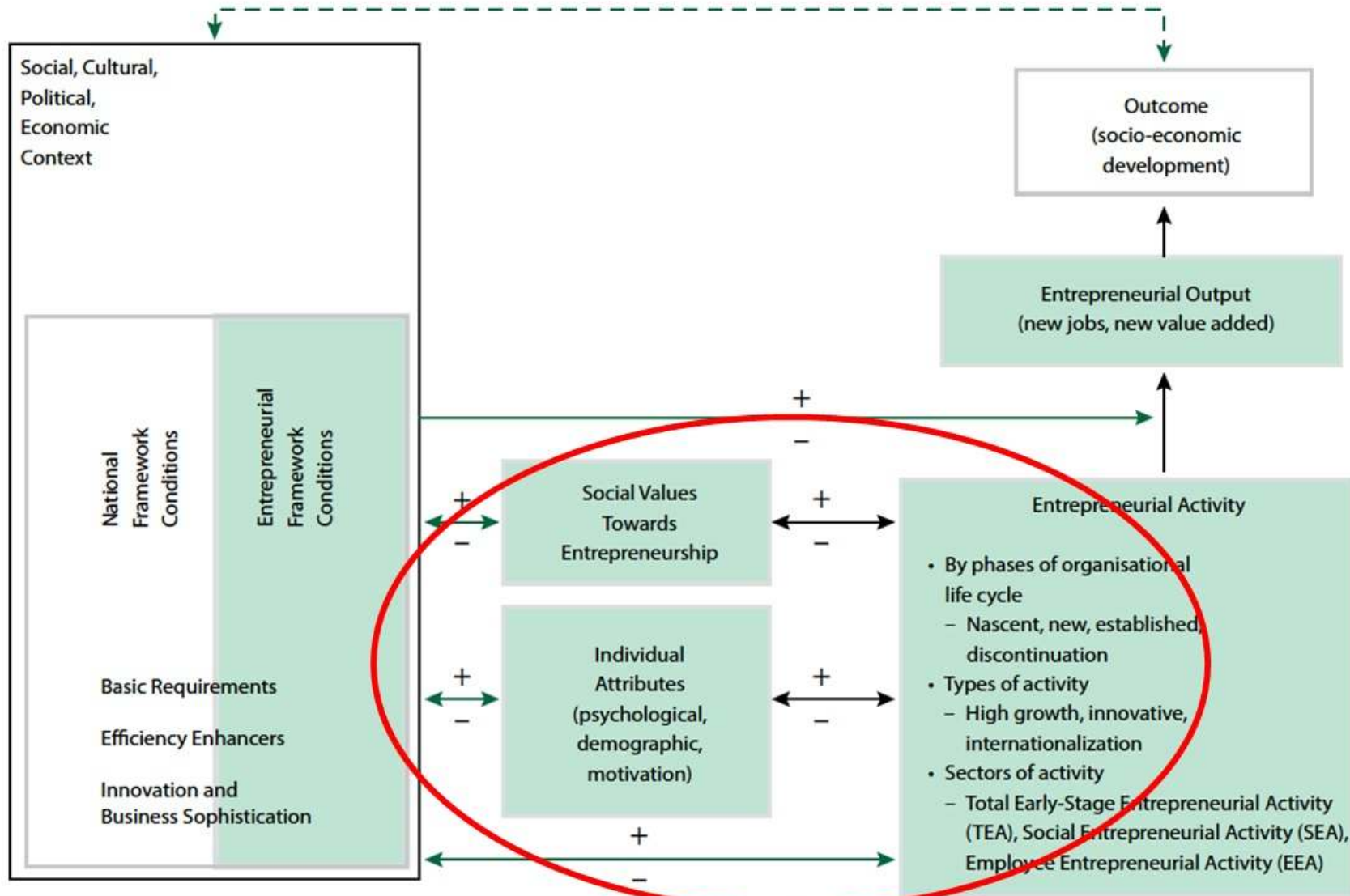


BROAD conceptual model –2013



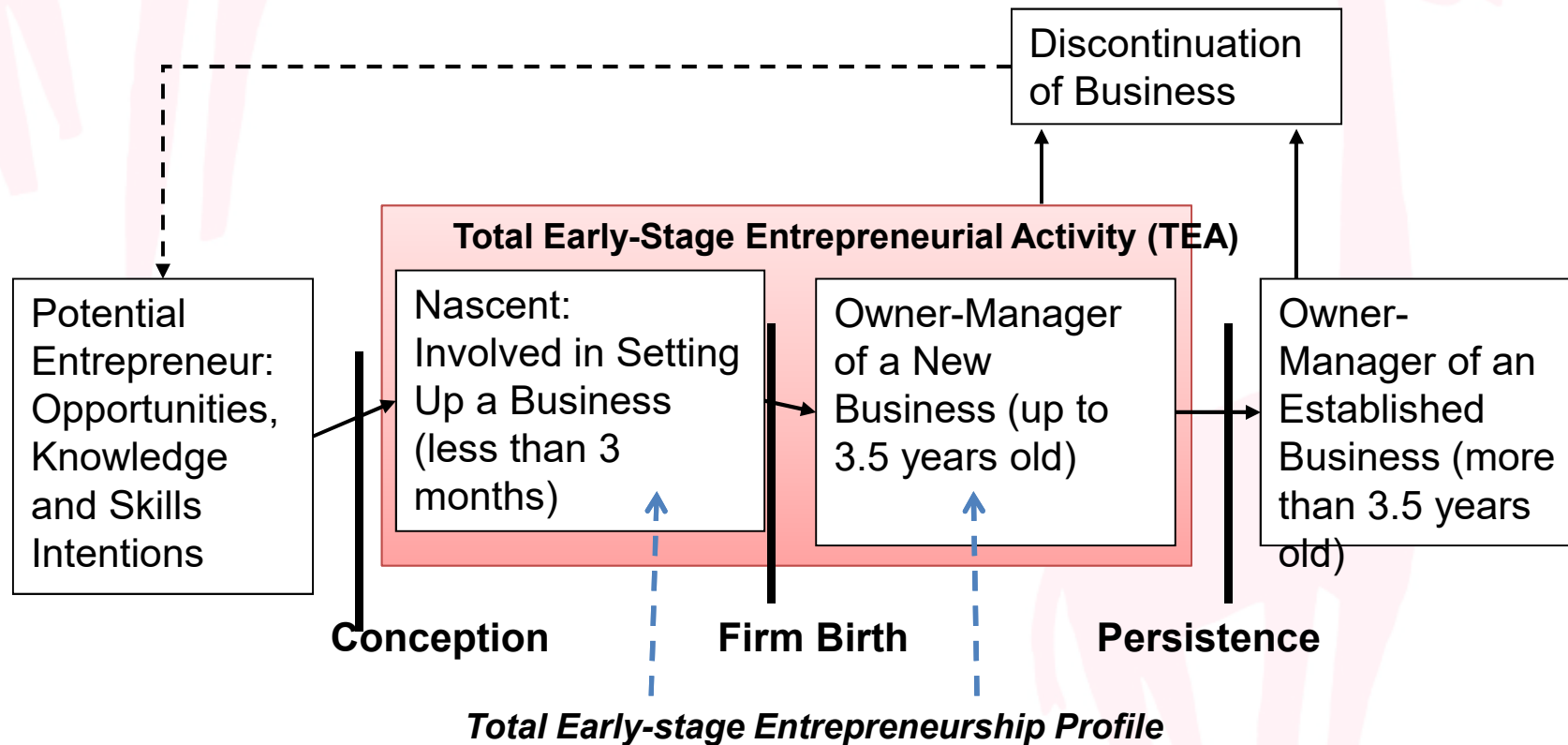
Source: GEM 2013 Global Report

FOCUSED conceptual model - 2015



Source: GEM 2015/2016 Global Report

Entrepreneurial activity – key stages and terminology



Total Early-stage Entrepreneurship Profile

Individual attributes Gender Age Motivation	Industry •Sector	Impact •Business growth •Innovation •Internationalization
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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 a employer (EEA)**
- Multi-level model - It assumes that individual allocation of efforts is related to perception of national and entrepreneurship-specific conditions.



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)

