



Global Entrepreneurship Monitor



Sunil Shukla | Pankaj Bharti | Amit Kumar Dwivedi



INDIA REPORT
2022-2023

Global Entrepreneurship Monitor India Report 2022/23

A National Study on Entrepreneurship

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Dr. Sunil Shukla, Director General of Entrepreneurship Development Institute of India, Ahmedabad, has been closely working, for more than three decades now, in entrepreneurship education, research, training and institution building. Dr. Shukla has envisioned and designed innovative, outcome based programmes and developmental interventions in the domains of 'entrepreneurship', 'start ups' and 'intrapreneurship' for varied target groups including potential & existing entrepreneurs, innovators, faculty, business executives, bankers, managers, disadvantaged sections, family business successors, administrators and business counsellors. And entrepreneurship exponent, Dr. Shukla's work has also left an indelible impact on the grounds of Greater Mekong Subregion (GMS) countries, Asia, Africa, America, Iran and Uzbekistan. His research work has led to notable policy advocacy and decisions. He leads the largest and the most prestigious annual study of entrepreneurial dynamics in the world – the Global Entrepreneurship Monitor (GEM) India Chapter. Today several organizations and departments are benefitting from his guidance and mentorship by having him on their Boards.

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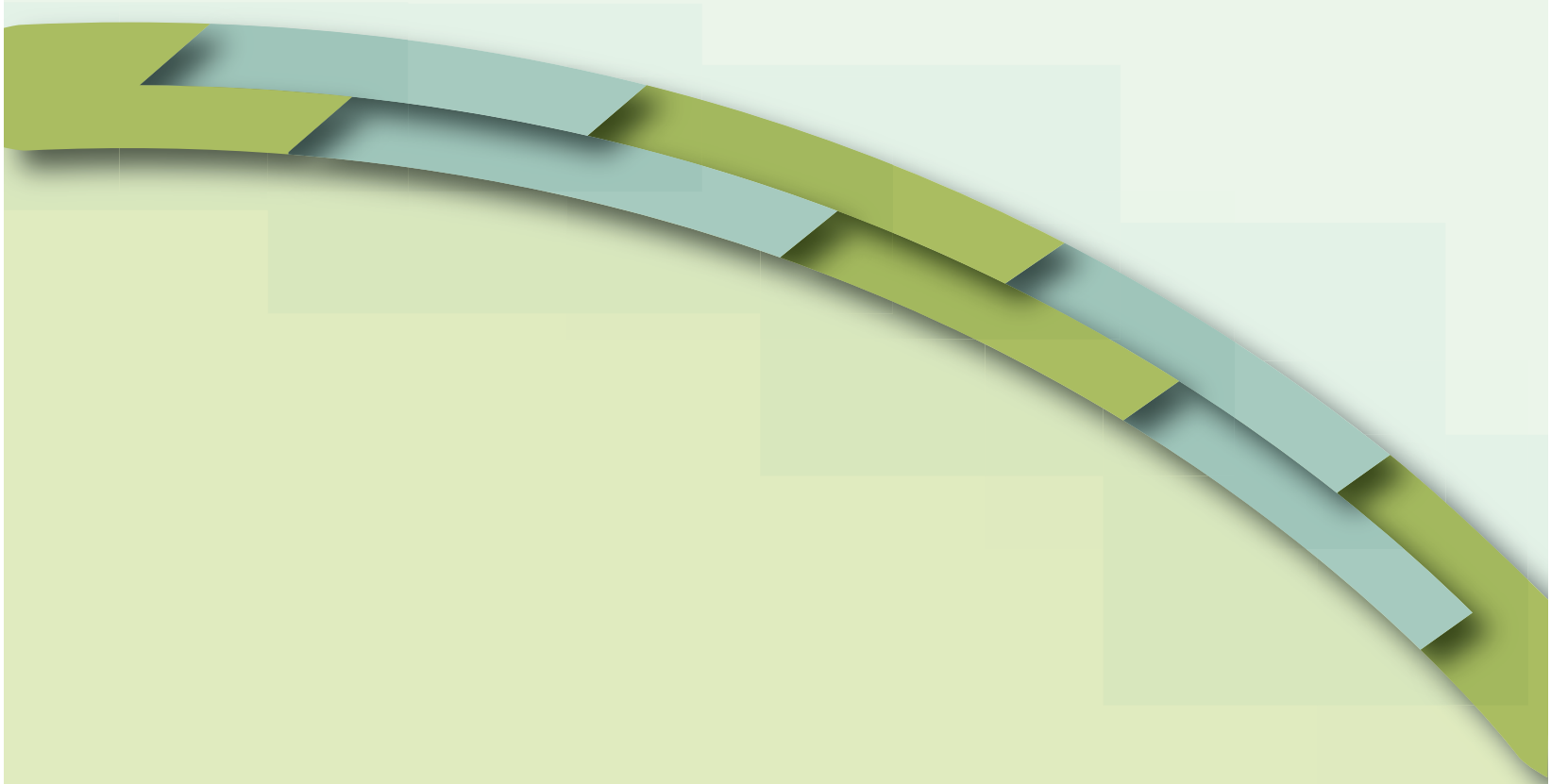
The GEM India Consortium is glad to probe the conditions that enable entrepreneurship to flourish or deteriorate so that suitable interventions can be accordingly instituted. The consortium has been constantly trying to research the ways and means that could bolster the entrepreneurship scenario so that the entrepreneurs, the lifeblood of economies, continue to perform a potent role.

The GEM Report 2022–2023 throws light on the recovery of entrepreneurial activities from the impact of COVID-19 in the country. We thank the Centre for Research in Entrepreneurship Education and Development (CREED) for providing financial support for this project.

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Authors

Executive Summary



The Global Entrepreneurship Monitor (GEM) is a global study conducted by the GEM consortium with the aim of collecting internationally comparative primary data on entrepreneurial activity and its related concepts. The study aims to generate globally comparative data to understand entrepreneurial activity. This would help identify factors determining national levels of entrepreneurial activity, as well as policies aimed at enhancing entrepreneurial activity. It measures entrepreneurship through surveys and interviews of field experts conducted by the teams in the respective countries. The GEM survey generates various relevant primary data on different aspects of entrepreneurship and provides harmonised measures about individuals' attributes and their activities in different phases of venturing (from nascent to start-up, established business, and discontinuation).

The present report provides insights into entrepreneurial activities in India. It also highlights the recovery of entrepreneurial activities in India from the impact of the COVID-19 pandemic. The GEM India study was conducted using a well-established GEM research methodology that is consistent across all participating countries, thus enabling cross-country comparison. The APS was conducted among 2610 samples and provided information regarding the level of entrepreneurial activity in the country based on the conditions of the national framework. In contrast, the NES was conducted with 72 national experts. The NES focuses on the entrepreneurial start-up ecosystem in India with regard to nine entrepreneurial framework conditions (EFCs).

Key Findings of the Adult Population Survey (APS)

- The data shows that 75.5% of the population perceives that there is a good opportunity to start a business in their area. Of the 49 participating economies, India has ranked seventh for perceived opportunities.
- 78% of youth perceived that they had confidence in one's ability to start a business. Out of the 51 economies that participated, India ranked fifth for perceived capability.
- About 54% of youth have reported that they are not able to start a business due to the finding of fear of failure. India ranks fifth among GEM-participating economies. The data highlights that there is a fear of failure among youth to choose and to be entrepreneurs.
- Entrepreneurial intention is a very important part of the survey and highlights the possibility of people getting into business. The level of intentions among the population keeps changing, and compared to last year's survey, a persistent change has been observed. Entrepreneurial intentions are 20.1% for this year, and India's ranking is 20th among all 49 participating economies.
- However, about 78% of surveyed youth believe that starting a business is easy in India. The data has greatly improved, making it easy to start a business in India. Out of the 49 economies that participated, India ranked sixth for this parameter. It shows the ease of doing business in India.
- The rate of total early-stage entrepreneurship (TEA) in India is 11.5% in 2022–23, and India now ranks 24th among 49 economies surveyed. Total early-stage entrepreneurial activity indicates the growth of entrepreneurship development in the country.
- Among female adults, 11.4% of the total female population is engaged in entrepreneurship in India, and 11.6% of the male population is engaged in the same.
- The discussion of established business ownership is important, and 9% of the population is engaged in an established business.

- The motivation data for entrepreneurship is now more refined and very relevant to the entrepreneurship development in the country. People are mainly motivated to start a business for four different reasons. 80.7% of the people in India want to start a business to make a difference in the world. Another important category is earning a living because jobs are scarce, and data shows that 87.3% of the population is motivated by this factor.
- Among the country's youth, 76.8% are motivated because they want to continue their family tradition, and 74.7% of youths have reported that they are motivated by building great wealth.

Key Takes from the National Expert Survey (NES)

- The National Expert Survey (NES) is the second essential survey conducted by GEM every year, and this year, it was conducted in 51 economies. The results are summed up in a newly formed National Entrepreneurship Context Index (NECI). NECI identifies the capacity of the ecosystem of a particular country for the enhancement of entrepreneurship in the country.
- The NES in India is based on 72 individual experts from the fields of entrepreneurship, start-ups, and academics. Experts from various fields, directly or indirectly involved with the entrepreneurship domain, suggest new things to improve the conditions of the entrepreneurship framework. The experts feel that the following fostering factors are facilitators for the growth of entrepreneurship and development in India.
- Among the NES experts, 27% reported that government programmes and R&D transfers are some of the most promising factors for the strengthening of the country's entrepreneurship ecosystem. Experts also considered cultural and social norms as other factors fostering entrepreneurship in the country.
- The experts' primary recommendation is to improve government policies and financial support for novice and existing entrepreneurs so they can easily start and grow their businesses. Education and training play an essential role in building the entrepreneurship ecosystem. The government should focus on creating sounder learning opportunities and developing human resource infrastructure for the growth of young entrepreneurs. The experts also recommended that capacity-building programs should be improved and developed in a structured form to construct a more advantageous circumstance to create and expand the enterprise.

1

Business and Entrepreneurship Perspectives in India During Post-Covid-19: A Period of Economic Recovery



1.1 Introduction

After four years of global pandemic, the world canvas has changed, and many new dimensions have been evident in these past four years. Experts provided various forecasts and predictions about the recovery of the global economy and how the road to recovery would lead to multiple outcomes in the upcoming years. By 2023, the economies will have travelled far away for recovery and sustainable economic growth. However, the impact of COVID-19 is still evident in the changing strategies of economies.

Over these years, transformation towards digitalisation and re-configuration in supply chain systems have played a major role in the recovery of the global economy. Entrepreneurial firms have buffered against the economic shock and played a prominent role in discovering the “new normal”¹. As the economies recovered from the shock of COVID-19, another angle came into the picture that further halted the growth of economies, i.e., the Ukraine–Russia war. Two years later, when the world was adjusting to the post-pandemic scenario, the Russia–Ukraine conflict in February 2022 further changed the annotation of the new normal. According to the World Economic Outlook, the conflict will contribute to a significant economic slowdown and lead to high inflation. This new dimension has changed all the projections made after the pandemic recovery². The war has also broadened the price pressure and inflation forecast (refer to Figure 1.1).

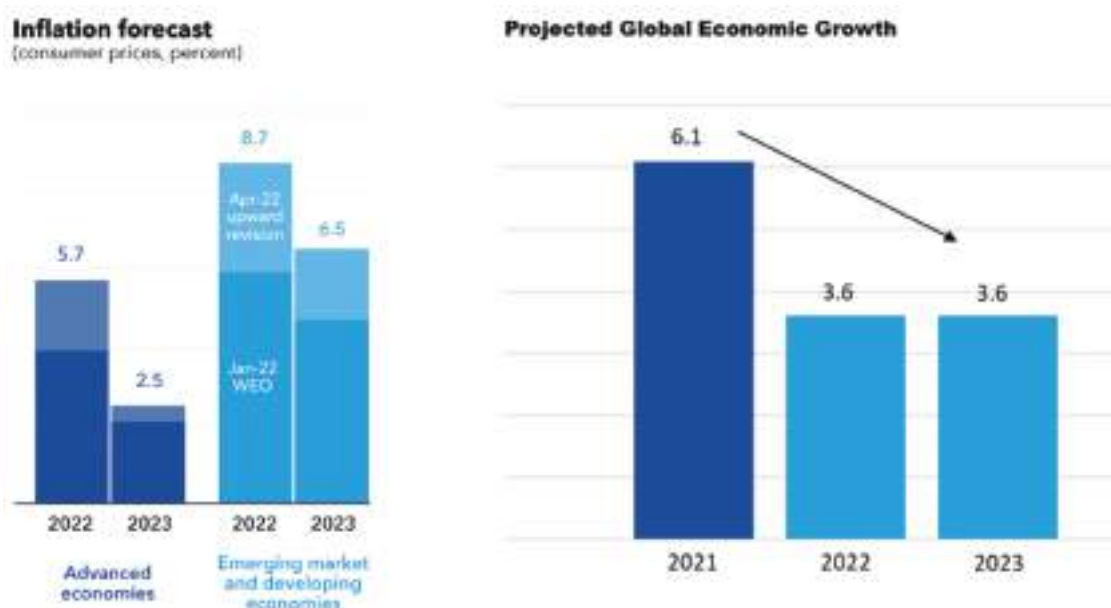


FIGURE 1.1 Global Economic Projections

Source: World Economic Outlook, 2023

The conflict has now continued for more than a year, leading to a reiterative disruption in the global supply chain. The current disturbance in the supply chain and limited trade traffic have triggered a swing in commodity prices, especially for critical commodities like natural gas and oils, fertilisers, metals and minerals and agriculture items (refer Figure 1.2). The Russia–Ukraine war has an equivalent impact as was faced during the two years of the pandemic³.

¹Entrepreneurial resilience and recovery after COVID-19 crisis. Imperial College Business School.

²World Economic Outlook, 2023.

³Economic Survey, 2023

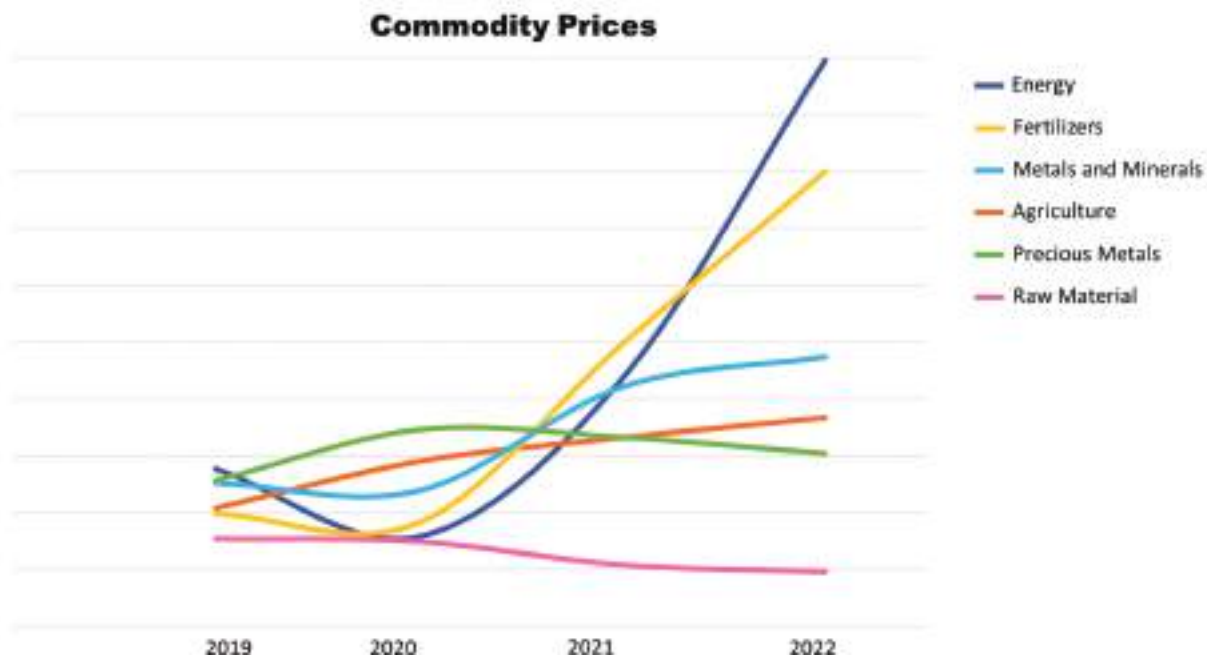


FIGURE 1.2 Commodities Price

Source: World Bank Commodities Price Data, November 2023

The global commodity market was on the verge of returning to pre-Covid times, but there was a massive bounce in commodity prices. Just before the Russia–Ukraine conflict, world food commodity prices rose nearly 40 percent in the past two years (refer to Figure 1.3). The conflict propelled the prices even higher. By March 2022, wheat prices had increased 38 percent from a month earlier. As natural gas prices tripled in Europe, commodities under the bracket of energy

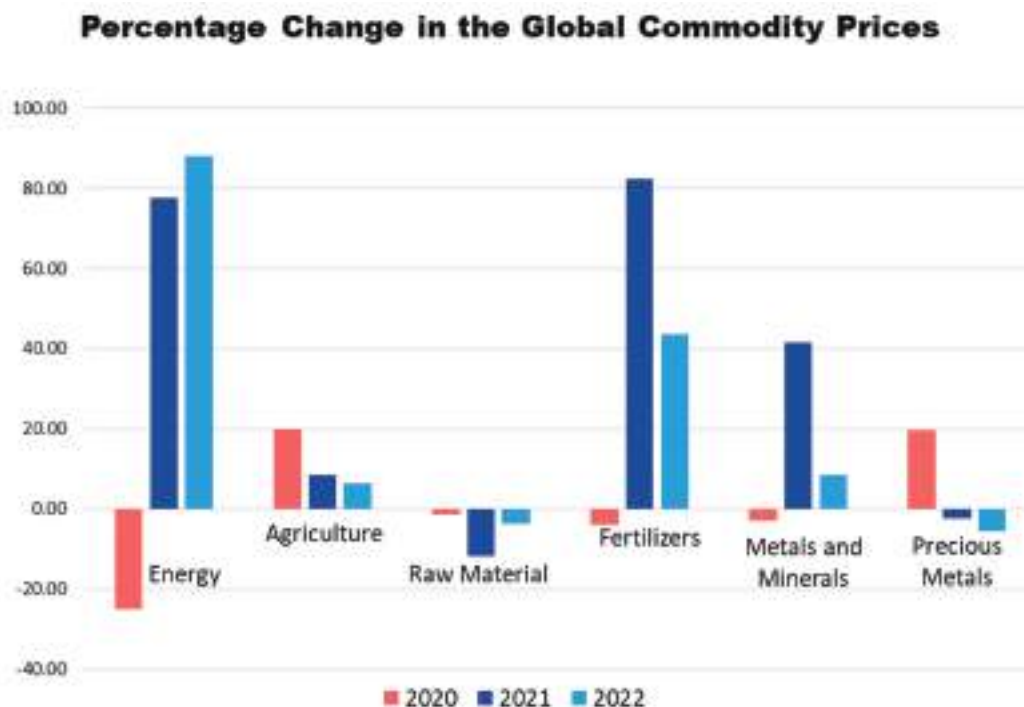


FIGURE 1.3 Percentage change in global commodity prices

Source: World Bank Commodities Price Data, 2023

like natural gas, crude oil and coal recorded the highest upward shift. It also impacted the prices of commonly used fertilisers, further impacting agricultural items⁴ (refer to Figure 1.3).

In parallel with global trends, COVID-19 has posed a threat to India and significantly damaged the economy of the country. The pandemic has affected the survival of many enterprises, especially micro, small and medium enterprises. Despite all the hardship, India worked on economic recovery. Some disruptions in the global market, especially in the supply chain, have proved to favour India.

1.2 Indian Economy during COVID-19 and its Economic Recovery Path

The impact of the pandemic was evident on the Indian economy, as the country's GDP contracted significantly in the financial year 2021. In the middle of 2021, the Indian economy began to recover from the adversaries of COVID-19; however, the recovery from the shock was uneven for the formal and informal sectors. In January 2022, India faced the third wave of COVID-19, Omicron; however, it did not affect the country's economic activities as much as the previous pandemic waves. In 2022, the Indian economy had a speedy recovery compared to other economies in the world (refer Figure 1.4).

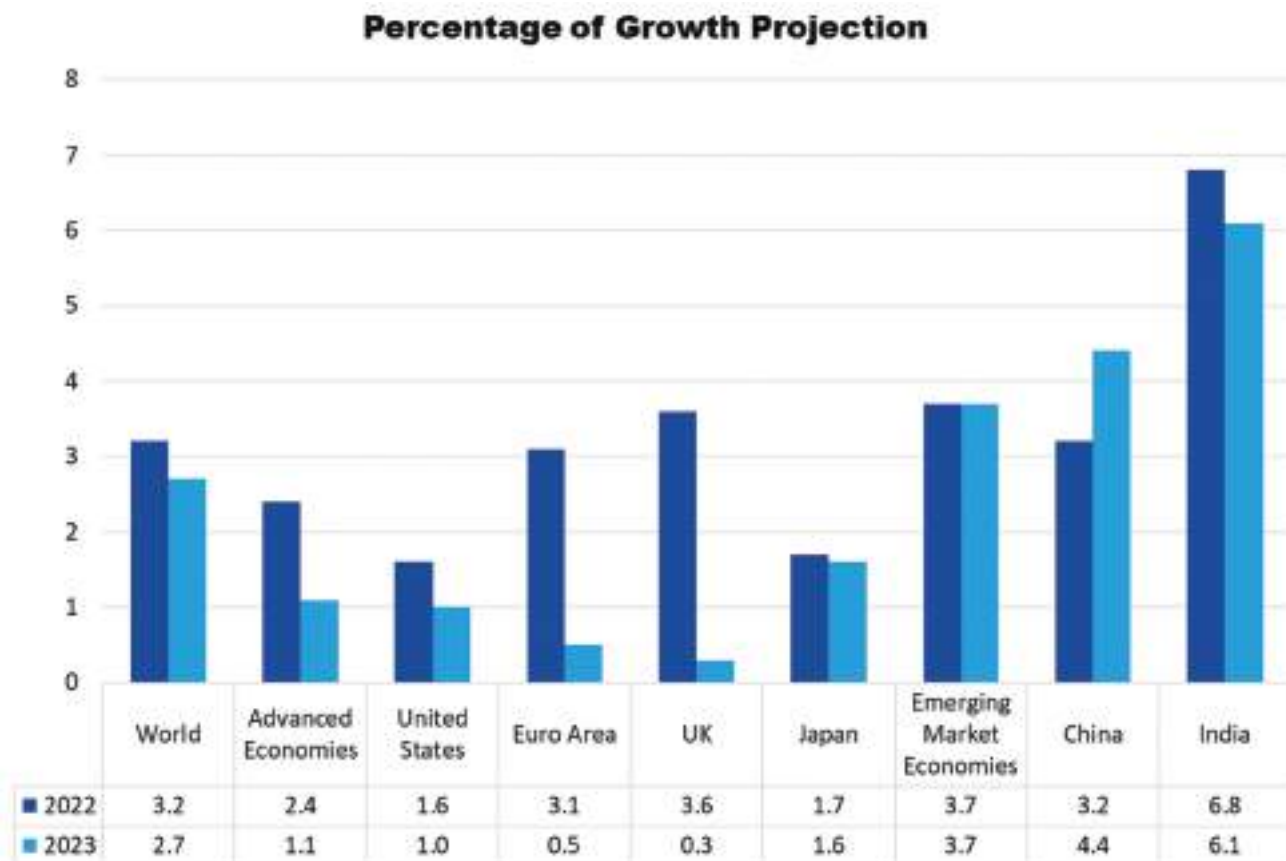


FIGURE 1.4 Percentage of Global Growth Projection

Source: Economic Survey, 2023

Observing the past two years' trend, the financial year 2023 opened with a firm belief of significant growth in the Indian economy at a much faster pace and is believed to be the fastest-

⁴IMF Report, 2023

growing major economy in the world. A larger credit goes to the boom in Indian exports (refer to Figure 1.5). The pandemic disrupted the existing global supply chain, which is assumed to favour Indian exports. After the world came out of the pandemic, a tremendous rise in merchandise exports from India was recorded. As the global recovery came to a halt after the Russia–Ukraine conflict, so did the growth trajectory of the Indian economy. The impact of global inflation due to conflict was evident in the Indian economy.

On one side, it was the Russia–Ukraine conflict, and on the other side, another global shock due to the collapse of two mid-sized banks (Silicon Valley Bank and Signature Bank) trembled the economies. This triple-cornered attack of COVID-19, the Russia–Ukraine conflict and the collapse of two US banks has shaken every country's economy, including India. These events have aggravated the headwinds for the growth of the Indian economy⁵. Following these events, the US dollar appreciated against other currencies. Though it added to the domestic inflationary pressure, the rupee proved to be one of the better-performing currencies in the world⁶.

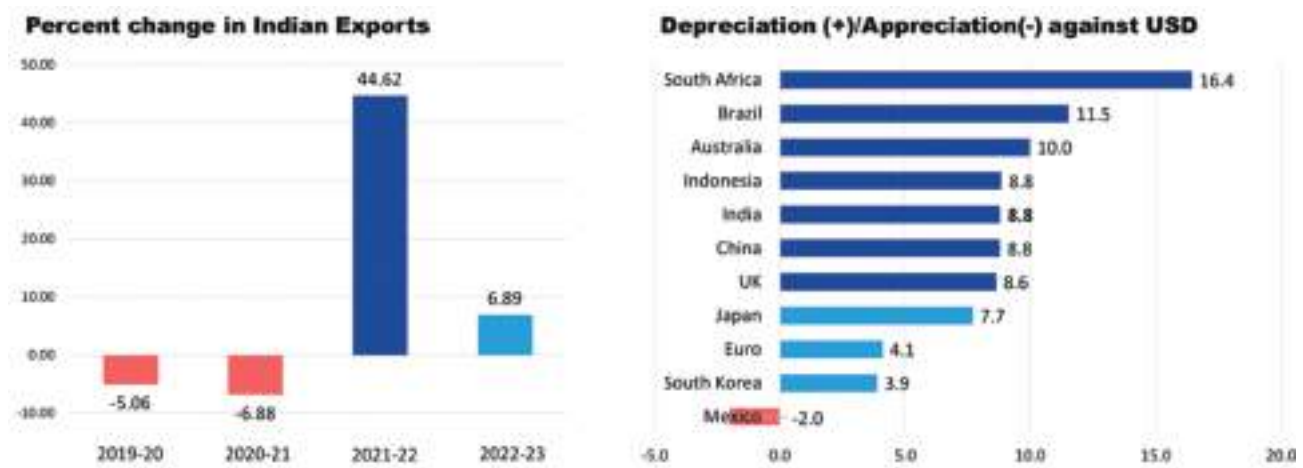


FIGURE 1.5 Indian Exports and Depreciation/Appreciation against USD

Source: Ministry of Commerce and Industry, Government of India (2023); Economic Survey, 2023

The trends of per capita gross domestic product (GDP), gross national income (GNI), net national income (NNI) and private final consumption expenditure (PFCE) project the influence of COVID-19 and the Russia–Ukraine war on the Indian economy. The financial year 2020–21 has registered negative growth in all parameters. A positive shift is evident in the financial year 2021–22, as this was when the country started moving towards the road of recovery from the pandemic. The trends make it clear that in 2021–22, a larger part of the Indian economy had recovered to the pre-Covid level. In 2022–23, the economy again suffered the shock of the Russia–Ukraine war, global inflation and the weakening of the rupee due to the US bank collapse. Likewise, a mixed change can be observed in the prices of economic activities. As global prices have inflated, the impact is visible in the Indian context as well. There is a high price surge in all commodities, especially agricultural commodities, financial commodities, real estate and professional services.

In the prevailing situation, there is much stress on key aspects like the social well-being of citizens, including health, education and social security. The current challenge for the Indian economy is achieving high, sustainable growth and creating a sufficient number of jobs to absorb unemployment. The government's initiatives like "Sabka Sath, Sabka Vikas" proved successful in these difficult times. In this regard, the Government of India (GoI) has increased social sector expenditure, which stands at ₹21.3 lakh crore for the financial year 2023.

⁵Dev, Mahendra S. and Sengupta, Rajeswari (2023). The Indian economy in the post-pandemic world: Opportunities and Challenges, Indira Gandhi Institute of Development Research.

⁶Economic Survey, 2023.

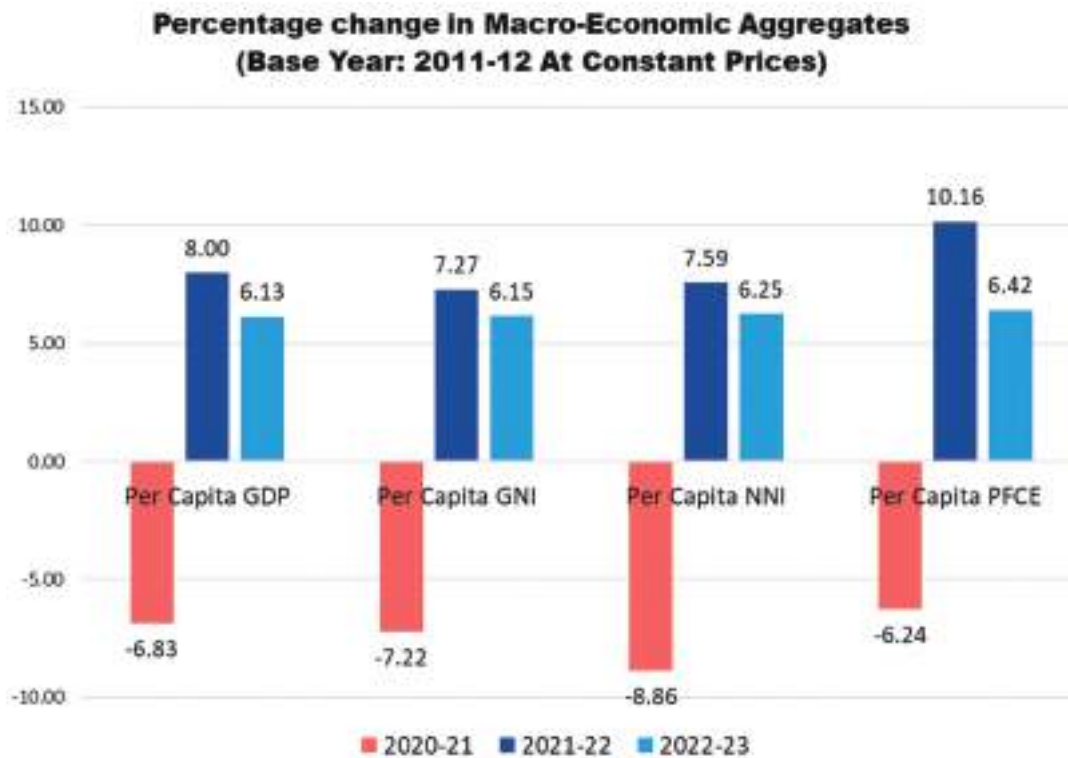


FIGURE 1.6 Percentage change in the Macro-Economic Aggregates

Source: Handbook of Statistics on the Indian Economy, 2022–23

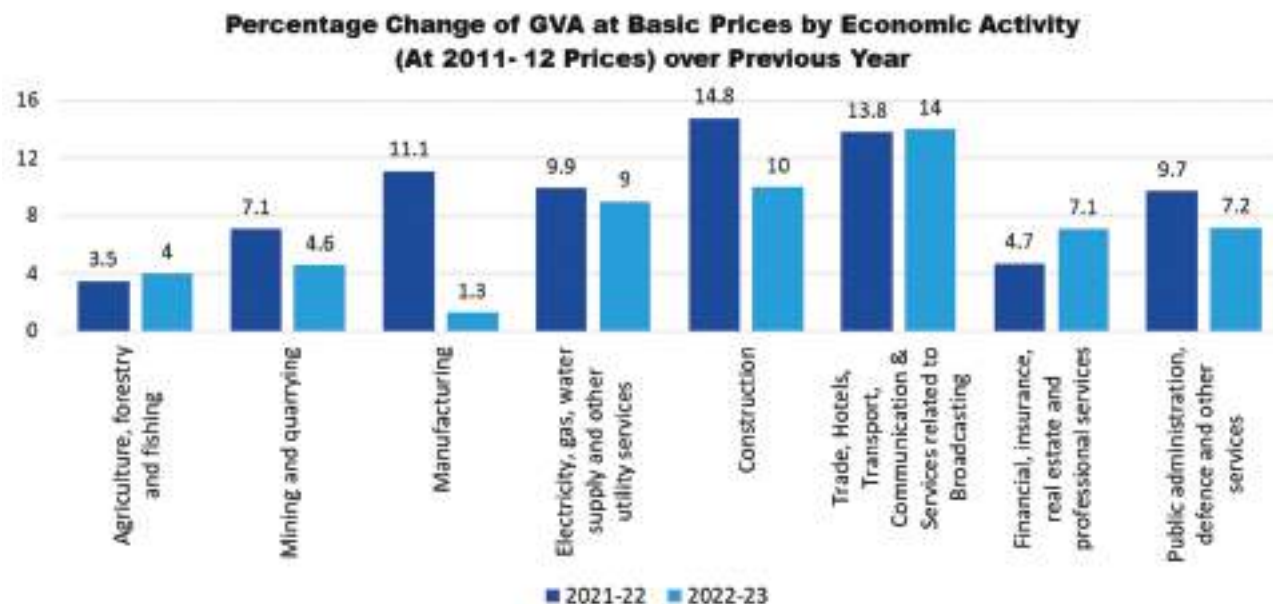


FIGURE 1.7 Percentage Change of Gross Value Added

Source: Ministry of Statistics and Programme Implementation, Government of India (2023)

Speaking of social security, the status of the labour market has a lot of impact on the overall health of the social economy of a country. According to the Economic Survey Report of India 2023, the labour market has recovered beyond the pandemic times. The unemployment rate has declined from 8.3 percent in July–September 2019 to 7.2 percent in July–September 2022 (refer

to Figure 1.8). Within the overall labour statistics, there is an increase in the self-employment rate and a decline in wage/salary workers in the years 2020–21 as compared to 2019–20. The prominent fact to be noticed is that the Rural Female Labour Force Participation Rate (FLFPR) has risen from 19.7 percent in 2018–19 to 27.7 percent in 2020–21.

Undoubtedly, the Indian economy has recovered fast from the adversaries of COVID-19; however, the recovery was uneven in various sectors and sections of Indian society. The Indian government has been observant of such trends and developed suitable strategies with a prominent focus on the two-thirds of the Indian population residing in rural areas. Such a strategy contributed to the progress in rural areas of India.

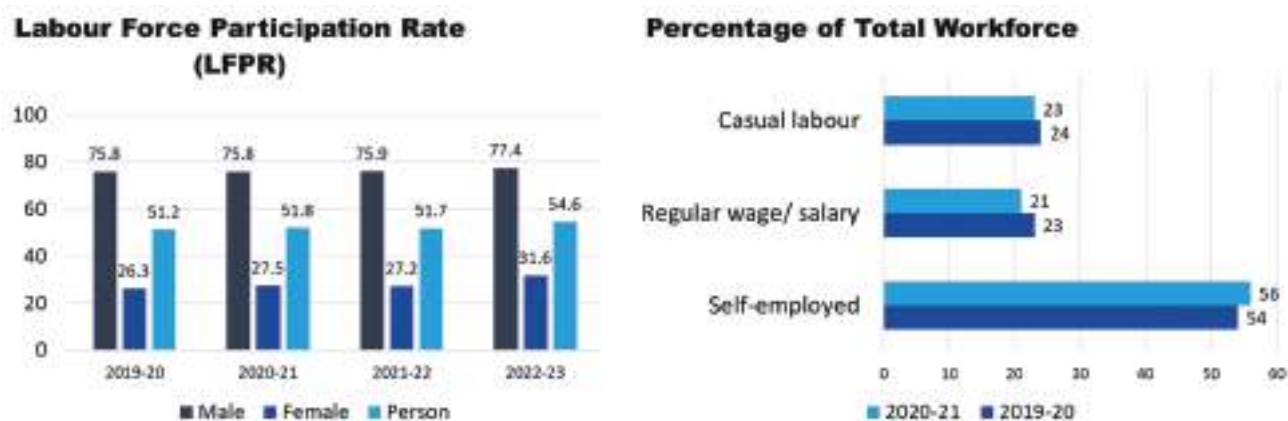


FIGURE 1.8 Workforce Distribution in India

Source: Ministry of Statistics and Programme Implementation, Government of India (2023)

1.3 Entrepreneurship and Start-up Scenario in India

Entrepreneurship firms have played a major role in the recovery of the Indian economy. The favourable entrepreneurial ecosystem of India has been a dominant factor not only for Indian firms but also attracted many international opportunities. As the global supply chain got disrupted, many countries turned to India to rebuild the supply chain across the globe. Global entrepreneurs needed to relocate their international businesses after the world started recovering from the COVID-19 pandemic. Many such entrepreneurs relied on the Indian ecosystem and decided to invest in the Indian market. Gradually, India became a desired destination for many global entrepreneurial firms. Around 200 US companies are willing to move their manufacturing base to India⁷. The entrepreneurial ecosystem and ease of doing business in India make it a choice for many entrepreneurs. Over the years, the ease of doing business in India has improved multiplefold.

Since 2014, the country has worked tremendously on improving its entrepreneurial ecosystem. As a result, India has been one of the top 10 improvers three times in a row and has improved its ease of doing business ranking. India jumped by 79 positions, from 142nd in 2014 to 63rd in 2019. In the past three years, the country has improved its ranking by 67 ranks. Various government initiatives in the past few years have impacted the ecosystem and made India an investor choice⁸. Though there has been improvement in the overall ranking, the country has majorly improved in four parameters, i.e., starting a business, dealing with construction permits, trading across borders and resolving insolvency after the pandemic.

⁷<https://www.companiesnext.com/blog/why-india-is-considered-as-the-most-preferred-destination-for-business>.

⁸The World Bank Doing Business Report, 2020.

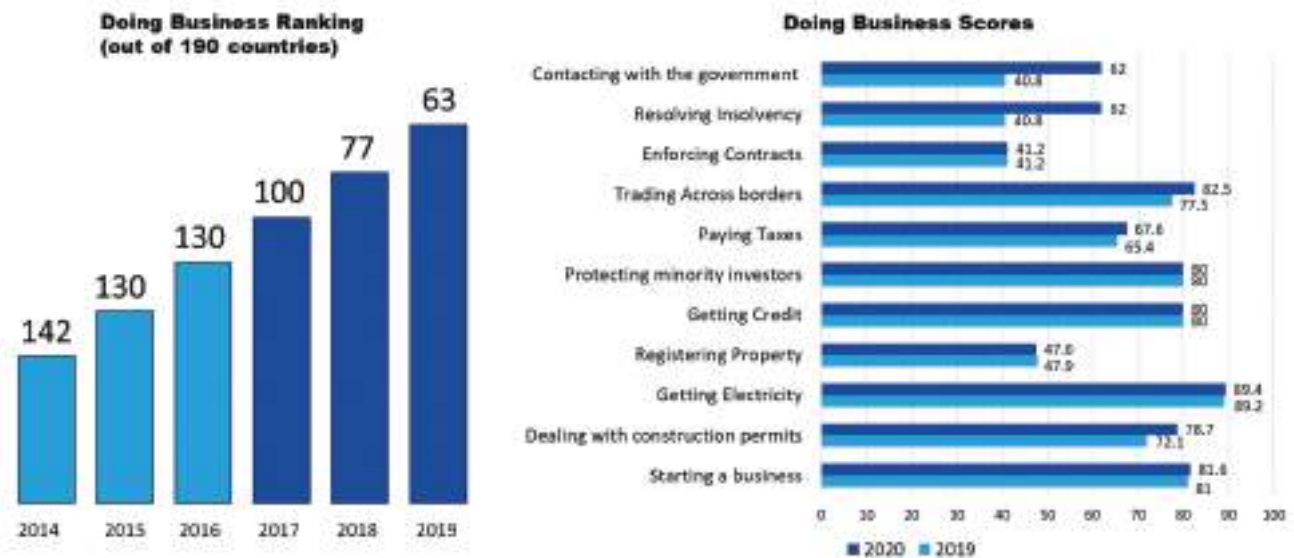


FIGURE 1.9 Doing Business Ranking and Scores of India

Source: The World Bank Doing Business Report, 2020

These constant efforts have made India the hub of the start-up ecosystem, as it ranks third in the world after the United States and China. By 2023, India will have 90,000 start-ups and 107 unicorn companies worth \$30 billion. The strength of the Indian entrepreneurship ecosystem has not only attracted global investors but has also provided a secure and healthy environment for local aspirants to start their enterprises with maximum ease. After COVID-19, GoI strategises to help existing and aspiring entrepreneurs. However, a balanced recovery for each sector was never easy. It was difficult for all enterprises to recover from the impact of the pandemic, though the larger firms could recover much faster than the micro, small and medium enterprises (MSMEs).

As the Indian economy started to recover, the picture of MSMEs was blurred, and their recovery was a big concern. Considering the fact that Indian MSMEs as a whole form a major chunk of manufacturing. They generate a large scale of employment for the country and contribute fifty percent of the overall country's exports and thirty percent of India's GDP. Among the Indian MSMEs, 98 percent are micro-enterprises, per the Indian MSME classification. Ninety-four percent of these micro enterprises are not even registered with the Indian government. A major share of micro-enterprises are household-run businesses. This sector is a major contributor to the Indian economy; however, it faces tremendous issues with access to adequate, affordable and timely institutional credit. Eighty-one percent of the MSMEs in India are self-financed.

Many MSMEs could not survive the shock of the COVID-19 pandemic and had to shut down their operations. The GoI, being well aware of the importance of MSMEs for the Indian economy, took crucial steps that could help the MSMEs sail through difficult times. A lot of projections were made regarding the future of these firms in the upcoming year. By 2023, the Indian MSME sector will have recorded a smart recovery. With the support of the Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union government, Indian MSMEs recorded remarkably high credit growth, over 30.6 percent in 2022.

Moreover, the GST paid by MSMEs in 2022 has crossed the pre-pandemic level. This reflects the financial resilience of MSMEs and the effectiveness of the pre-emptive initiatives and interventions of GoI towards MSMEs. The sustainable growth of MSMEs in India is crucial for making it a \$5 trillion economy by 2025.

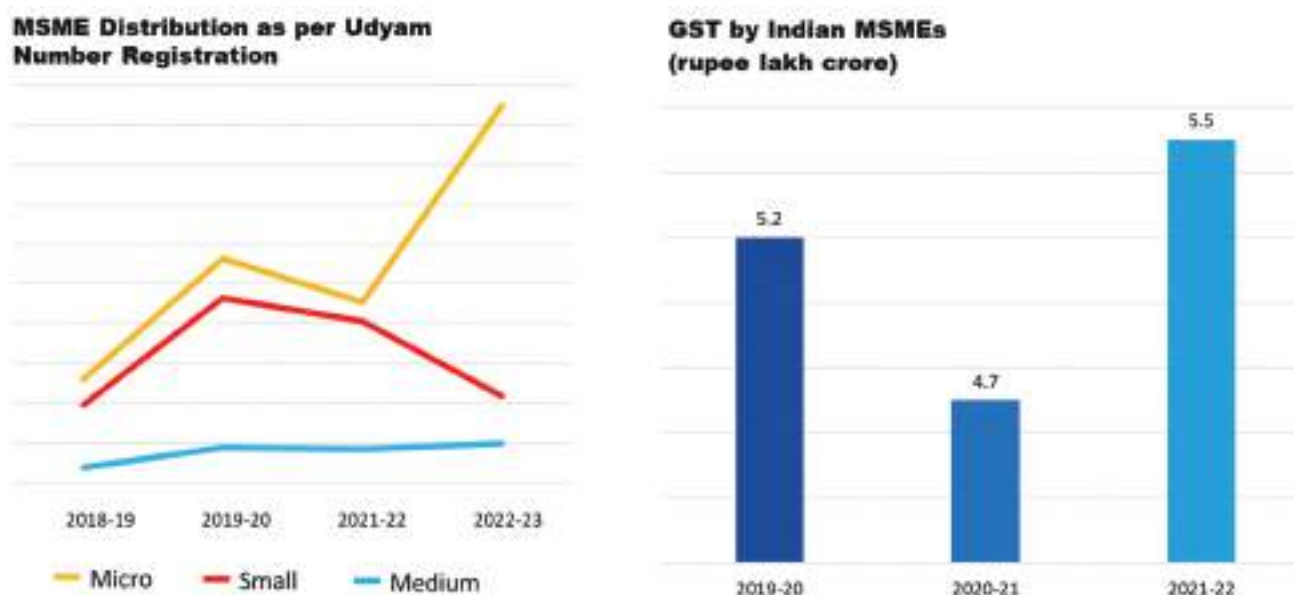


FIGURE 1.10 Indian MSMEs Distribution and GST Collection

Source: MSME Annual Report, 2022-23

1.4 Future Entrepreneurship Agenda and Global Entrepreneurship Monitor (GEM) Report 2022

In these three years, the globe has fought a big battle to reach beyond the adversaries of the COVID pandemic and taken decisive steps to recover the global economy. The world has seen a major disruption that led to significant changes in how economies process. Changes in the global supply chain, technological upgradation and dependency, entrepreneurial structures and enterprise relocation have brought the new normal to the globe, to which every economy is stressing to adjust. The fact cannot be denied that economies across the globe have accepted and have majorly adapted to the changes. However, there has been a mixed impact of the pandemic on various economies. Economies have adjusted to the new normal, but every economy had a unique strategy to reach the pre-pandemic level.

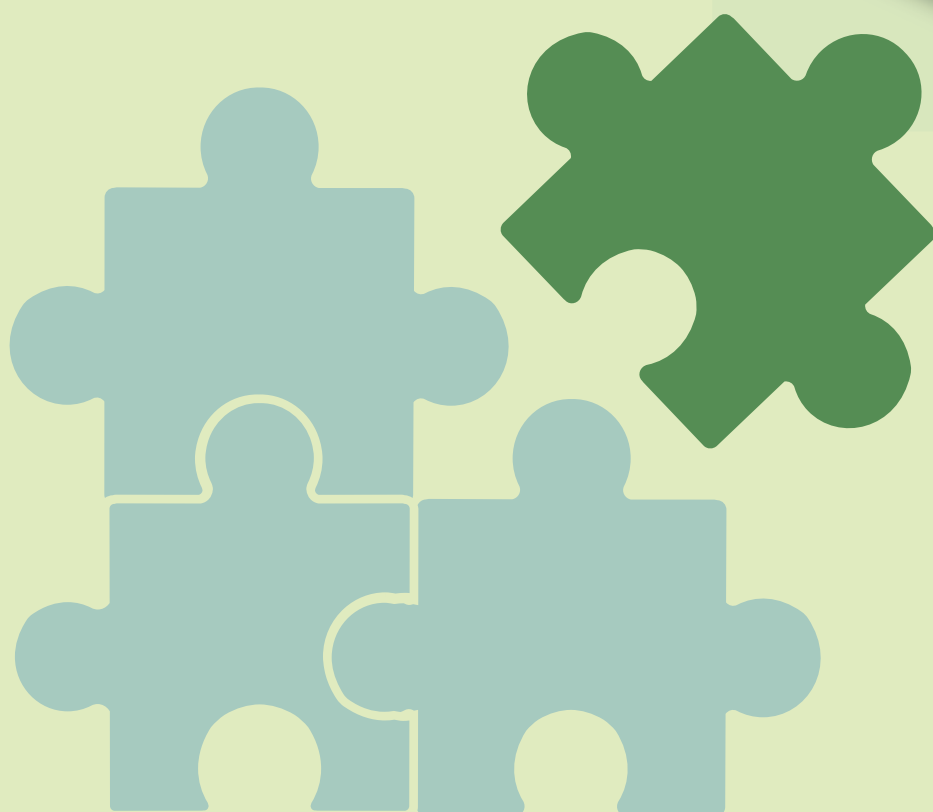
By the time economies were at the threshold of recovery, the Russia–Ukraine war had brought a new angle to the disruption and had an impact equal to two years of pandemic. Once again, the supply chain was disrupted, and inflation had broken all records this time. In the last year, we have seen the impact of the Russia–Ukraine war; however, the predictions claim more impact to come in the upcoming year. Another shake that is expected to come is from the Israel–Hamas conflict. Considering the combined effect of the Russia–Ukraine and Israel–Hamas conflict, experts have predicted a slowdown in the world economy and what is alarming is the degree of sharp decline in the upcoming year.

For the first time in more than 80 years, two global recessions have occurred in the same decade. According to the World Bank Reports, experts have projected growth of 1.7 percent in 2023 and 2.7 percent in 2024, while the advanced economies have slowed from 2.5 percent in 2022 to 0.5 percent in 2023. This will further impact the per-capita income growth in the emerging and developing economies and is projected to be an average of 2.8 percent, which is lower than the 2010–19 average. Further, the GDP in emerging and developing economies will be approximately 6 percent below what was expected before the pandemic⁹.

⁹The World Bank Report.

The global disruptions, elevated inflation, higher interest rates and reduced investments will undoubtedly impact entrepreneurial firms. Again, a greater threat for MSMEs brings our attention towards how to provide a buffer to MSMEs in such hard times. It is essential to obtain balanced support for all enterprises, but considering the share and contributions of MSMEs, especially in India, it is crucial to safeguard their survival in the market. Economies must strategise carefully, as the globe is at a junction from which we might get pushed into a global recession.

Global Entrepreneurship Monitor (GEM) Conceptual Framework



Entrepreneurship is an important factor in the development of the country. Starting and running an enterprise is a rigorous process in any dynamic economy. Entrepreneurship helps us create new jobs, increase income, and add value. The culture of entrepreneurship helps us bring structural and functional change to society. Entrepreneurial activity is an important indicator of the development of an economy. It provides a benchmark for every economy, enabling comparison with others. Starting a business is a highly personal decision that reflects an individual's desire, competency, and intention. New entrepreneurs create enterprises within a context of social values and entrepreneurial frameworks that may promote or hinder entrepreneurial activity. Starting a new business is largely dependent on the local, regional, and national environment. The interaction of individual attributes and the entrepreneurial environment also influences the nature of enterprises in terms of choice of sector, innovativeness, and ambitions.

2.1 GEM in India

The GEM Research Project in India was initiated by the N.S. Raghavan Centre for Entrepreneurial Learning (NSRCEL) at IIM-Bangalore in 2001. Following the successful accomplishment of the GEM India research project in 2001, it was again undertaken in 2002. Back then, the GEM Research model was in its nascent stage, and the 'Assessment of Entrepreneurial Activity' in the country was a new concept. Prof. Mathew J. Manimala (NSRCEL-IIM-B) conducted the GEM India survey during 2001 and 2002 under the GEM Research Project and delivered research work in the form of two annual reports. Subsequently, during 2006–08, a team of Prof. I.M. Pandey, Prof. Ashutosh Bhupatkar, and Prof. Janki Raman from the Pearl School of Business-Gurgaon conducted GEM India study. The surveys were conducted over three years, and the data featured in the GEM Global Report 2006, 2007, and 2008. However, the GEM India team could not publish the National Report during the same period. In the succeeding years (2008–2011), the GEM India study was not undertaken.

In 2011, with an aim to continue with the GEM India Study, the three institutions, i.e. the Entrepreneurship Development Institute of India-Ahmedabad, Wadhwani Centre for Entrepreneurship Development, the Indian School of Business, Hyderabad and Institute of Management Technology-Ghaziabad; formed the GEM India Consortium 2012–15. As per the stipulated requirements, the 'GEM India' consortium conducted research studies during 2012, 2013, and 2014. The research results of the study conducted in 2013 are featured in the GEM National Report-2013 and GEM National Report-2014. After three years, the 'GEM India 2012–15' consortium was reconstituted. The three institutions (i.e. EDII-Ahmedabad, Jammu and Kashmir Entrepreneurship Development Institute of India-JKEDI, and Centre for Entrepreneurship Development Madhya Pradesh-CEDMAP) agreed to conduct the GEM study in a time-bound manner to suit the GEM Global schedule. This team could produce GEM India National Reports for 2015/16, 2016/17, and 2017/18. Further, the EDII, as the GEM India Lead Institution, has continued the annual cycle of GEM research studies and brought national reports in 2019, 2020, and 2021.

The present 'GEM India Team' comprises the Entrepreneurship Development Institute of India, which is the lead institution and the secretariat of the GEM India Team. Prof. Sunil Shukla (Director General, EDII) is the National Team Leader for the GEM India Study.

2.2 Income Groups and Participating Economies of GEM Research

This annual GEM India draws comparisons between 'Level C' economies that participated in GEM's 2022 research. For GEM, entrepreneurial activity, or entrepreneurship, is the act of

starting and running a new business, i.e. not just thinking about it or intending to start it but expending resources to get a new business off the ground (GEM 2022/2023).

The GEM global report 2022/23 has provided detailed information regarding participating economies, regions, and income levels. There are 51 economies in this latest survey that belong to three income groups. In 2022/2023 Global Report, GEM has continued to use World Bank data but has defined its own income boundaries in order to achieve a more even spread of participating economies and hence more meaningful comparisons (GEM 2022/23).

Table 2.1 outlines the GEM-participating economies, categorized by GEM into three income levels, using World Bank GDP per capita data as follows:

- Level A: economies with a Gross Domestic Product (GDP) per capita of more than \$40,000;
- Level B: economies with a GDP per capita of between \$20,000 and \$40,000;
- Level C: economies with a GDP per capita of less than \$20,000.

The combined total population of these 51 economies represents more than 64% of the global population. Level A includes 14 European economies, two in North America, and three in the Gulf States plus Japan, the Republic of Korea, and Israel. Level B economies are mostly from Latin America or Eastern Europe, plus Taiwan and Oman, and Level C economies are more widely spread, from Latin America, the Middle East, East Asia, and Africa (GEM2022/23).

TABLE 2.1 Economies in GEM 2022, classified by income (\$GDP per capita)

Level C <\$20,000	Level B \$20,000<\$40,000	Level A >\$40,000
Brazil	Argentina	Austria
China	Chile	Canada
Colombia	Croatia	Cyprus
Egypt	Greece	France
Guatemala	Hungary	Germany
India	Latvia	Israel
Indonesia	Mexico	Italy
Iran	Oman	Japan
Morocco	Panama	Lithuania
South Africa	Poland	Luxembourg
Togo	Puerto Rico	The Netherlands
Tunisia	Romania	Norway
Venezuela	Serbia	Qatar
	Slovak Republic	Republic of Korea
	Taiwan	Saudi Arabia
	Uruguay	Slovenia
		Spain
		Sweden
		Switzerland
		United Arab Emirates
		United Kingdom
		United States

Source: GEM 2022/2023)

2.3 The GEM Conceptual Framework

The societal, economic, and political context of entrepreneurship has a great impact on creating an entrepreneurial climate in any economy. The conceptual framework helps to understand the multidimensional phenomenon of entrepreneurship, which includes innovation in products and services, business renewal, job creation, economic expansion, and the social and environmental implications of business. The GEM framework and the data analysis help to understand that the entrepreneur is not the only entitlement to economic growth but it is the environment (ecosystem) that together creates a promising culture of entrepreneurship. An ecosystem of different determinants with individual attributes results in a more conducive environment for new ventures and new opportunities to bloom.

The level of entrepreneurial activity is the result of an assessment of entrepreneurial opportunities and their entrepreneurial potential (i.e. motivation and capacity). Recognition of opportunities and entrepreneurial potential is influenced by both entrepreneurial framework conditions and national framework conditions. While entrepreneurial framework conditions are also influenced by the general framework conditions within a nation. The National Framework Conditions reflect the level of economic development. According to GEM, the entrepreneurial framework condition consists of the following factors:

- **Finance:** The availability of financial resources, equity debt for SMEs (including grants and subsidies), and the extent to which taxes or regulations are either size-neutral or encourage SMEs.
- **Government policies:** The presence and quality of direct programmes to assist new and growing firms at all levels of government (national, regional, and municipal).
- **Entrepreneurial education and training:** The extent to which training in creating or managing SMEs is incorporated within the education and training system at all levels (primary, secondary, and post-school).
- **R&D transfer:** The extent to which national research and development will lead to new commercial opportunities and is available to SMEs.
- **Commercial and legal infrastructure:** The presence of property rights and commercial, accounting, and other legal services and institutions that support or promote SMEs.

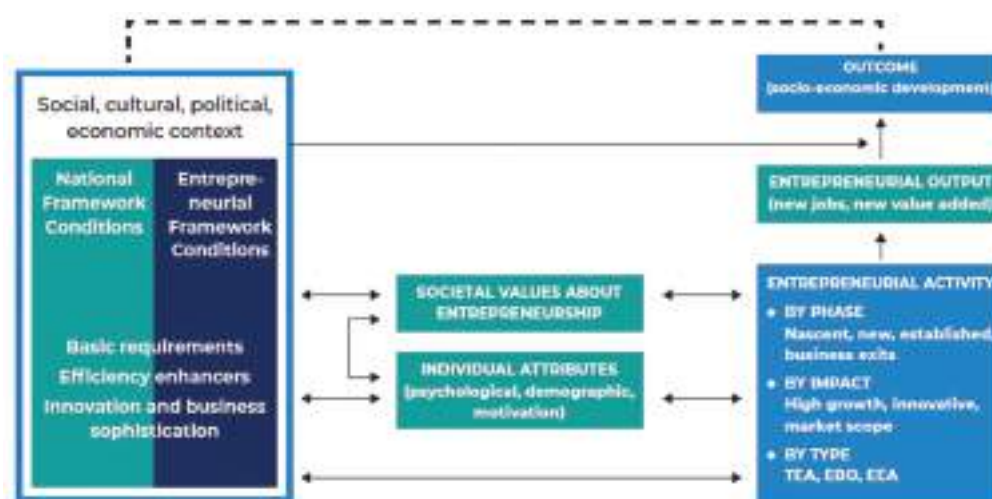


FIGURE 2.1 The GEM conceptual framework

Source: GEM Global Report 2022–23

- **Entry regulation:** It contains two components: (1) Market dynamics: the level of change in markets from year to year; and (2) Market openness: the extent to which new firms are free to enter the existing markets.
- **Physical infrastructure and services:** Ease of access to physical resources, i.e. communication, utilities, transportation, land, or space, at a price that does not discriminate against SMEs.
- **Cultural and social norms:** The extent to which social and cultural norms encourage or allow actions leading to new business methods or activities that can potentially increase personal wealth and income.

2.4 Social Values Towards Entrepreneurship

It includes how society values entrepreneurship as a right career choice; if entrepreneurs have a high social status; and how media attention to entrepreneurship is contributing (or not) to the development of national entrepreneurial culture.

2.4.1 Individual Attributes

It includes several demographic factors (gender, age, and geography), psychological factors (perceived capabilities, perceived opportunities, and fear of failure), and motivational aspects (necessity-based vs. opportunity-based venturing, improvement-driven venturing, etc.).

2.4.2 Entrepreneurial Activity

Entrepreneurial activity is defined according to the ventures' lifecycle phases (nascent, new venture, established venture, and discontinuation), the types of activity (high growth, innovation, and internationalization), and the sector of the activity (total early-stage entrepreneurial activity (TEA), social entrepreneurial activity (SEA), and employee entrepreneurial activity (EEA)).

GEM differentiates between three distinct stages in the development of entrepreneurial activity and therefore defines a related typology for entrepreneurs in each stage. The Nascent entrepreneur has actively devoted resources to starting the business, but the business has not yet paid wages or salaries (including to themselves) for a period of three months. The new business owner has started and is running a business and has paid wages or salaries for three months or more, but for less than 42 months, because those running a business and paying wages or salaries for 42 months or more are classed as established business owners (GEM 2022/23).

2.5 GEM Operational Definitions

- **TEA:** Percentage of individuals aged 18–64 who are either a nascent entrepreneur or owner-manager of a new business
- **Nascent entrepreneurship rate:** Percentage of individuals aged 18–64 who are currently a nascent entrepreneur, i.e. actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months.

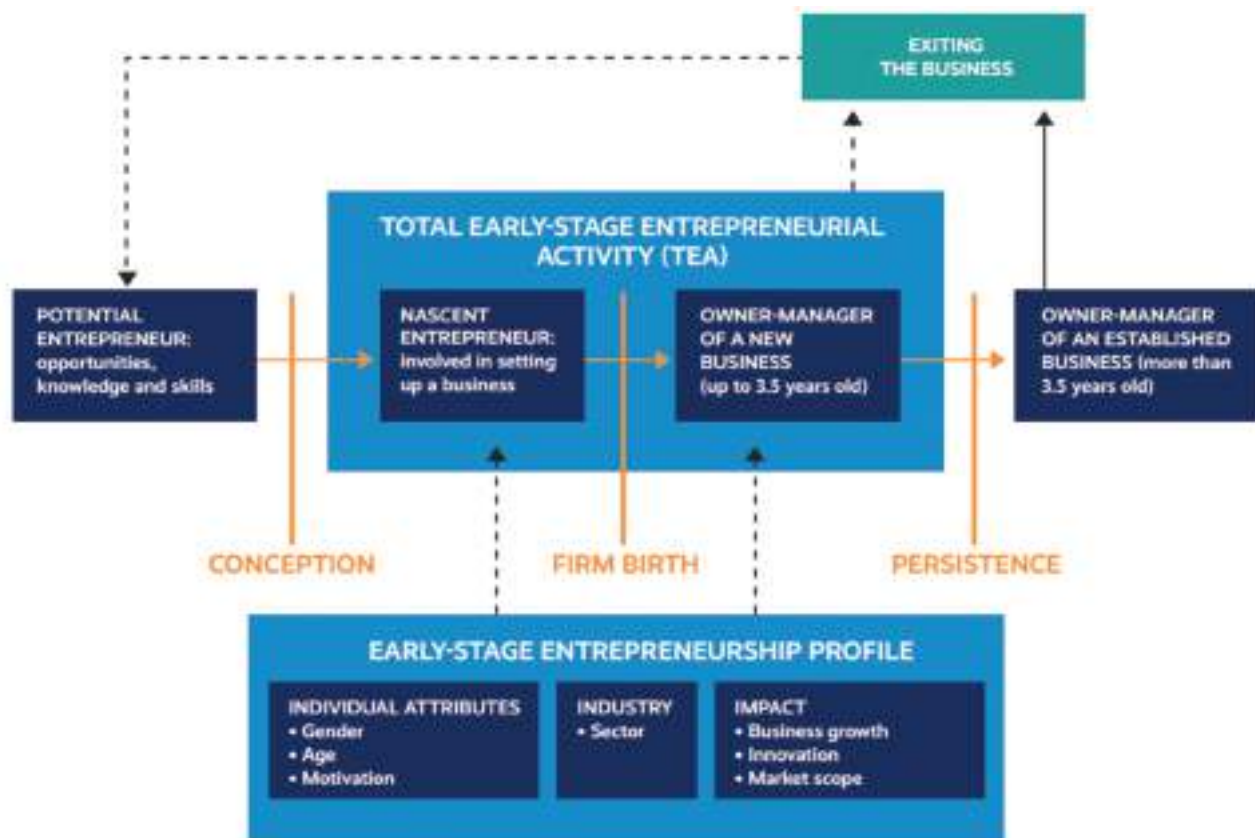


FIGURE 2.2 Entrepreneurship phases and GEM entrepreneurship indicators

Source: GEM Global Report 2022–23

- **New business ownership rate:** Percentage of individuals aged 18–64 who are currently the owner-manager of a new business, i.e. own and manage a running business that has paid salaries, wages, or any other payments to the owners for more than three months but not more than 42 months.

2.5.1 Characteristics of Early-stage Entrepreneurial Activity

- **High-growth expectations for early-stage entrepreneurial activity:** The percentage of early-stage entrepreneurs (as defined above) who expect to employ at least 20 people five years from now
- **New product-market-oriented early-stage entrepreneurial activity:** The percentage of early-stage entrepreneurs (as defined above) who report that their product or service is new to at least some customers and not many businesses offer the same product or service
- **International-oriented early-stage entrepreneurial activity:** The percentage of early-stage entrepreneurs (as defined above) who report that at least 25 percent of their customers are from foreign countries
- **Established business ownership rate:** The percentage of individuals aged 18–64 years who are currently the owner-manager of an established business, i.e. owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than 42 months

- **Business discontinuation rate:** The percentage of individuals aged 18-64 years who, in the past 12 months, have discontinued a business, either by selling, shutting down, or otherwise discontinuing an owner/management relationship with the business. It may be noted that it is NOT a measure of business failure rates.

2.5.2 Individual Attributes of a Potential Entrepreneur

- **Perceived opportunities:** Percentage of the 18–64 population who see good opportunities to start a firm in the area where they live.
- **Perceived capabilities:** Percentage of the 18–64 population who believe they have the required skills and knowledge to start a business.
- **Entrepreneurial intentions:** Percentage of the 18–64 population (individuals involved in any stage of entrepreneurial activity excluded) who intend to start a business within three years.
- **Fear of failure rate:** Percentage of the 18–64 population with perceived opportunities who also indicate that fear of failure would prevent them from setting up a business.

2.6 The GEM Methodology

The GEM methodology is unique due to its concentration on youth rather than businesses. By surveying the activities and perceptions of individuals, GEM research highlights the personal decision-making process involved in starting a business and the subsequent development of that business. This is important because the attitudes, activities, and ambitions of people influence the entrepreneurial process in a society. An economy that grows and sustains needs entrepreneurs at every stage. Some are starting a new business, have established a business, and have sustained it to maturity. “In addition, because of the APS’s focus on individuals and its anonymization of results, it reflects activity in the informal or unregistered economy—which is normally beyond the reach of most official statistics. This is especially important in many developing countries, where unregistered businesses may represent a significant proportion of the total stock, and where many new businesses never mature to the point of being formally registered” GEM 2022/23). In 2022, more than 173,000 people completed the GEM-APS interview.

The GEM conducts the survey in every participant country in two different phases: (a) the Adult Population Survey (APS) and (b) the National Expert Survey (NES). The purpose of GEM is to find empirically based answers to the following questions:

- Does the level of entrepreneurial activity vary between countries, and if so, to what extent?
- Does the level of entrepreneurial activity affect a country’s rate of economic growth and prosperity?
- What makes a country entrepreneurial?
- What kinds of policies may enhance the national level of entrepreneurial activity?

2.7 APS in India

The Adult Population Survey (APS), which is administered to a structured random sample of at least 2,000 adults (aged 18–64) in each participating economy and often more in larger or more complex national economies. The APS measures the attitude, motivations, ambitions, and

activities of the youth population of participating economies by using the standard global gem questionnaire. Results and surveys are then checked by GEM Global and later approved based on quality and cross-checks. APS in every country and especially in India brings out the relevant information about the informal economy, which is very crucial to the developing world. It helps analyse diverse sets of economic activities, enterprises, and jobs that are neither regulated nor protected by the state. With unaccounted informal businesses, a country may overlook tax and people may not comply with labour laws. As the GEM survey is random and distributed throughout the population, these activities are easy to capture and monitor as a part of the entrepreneurship evolution.

A stratified random sampling method is used to select cities or villages across the country. Further, a city/village is divided into four to five strata, and the selection of a certain number of survey starting points within each city/ village is ensured. Moreover, with the help of the Kish Grid method, households and adults were identified for the survey. Rather than selecting the respondents directly from the population, a two-stage sampling method is used. Hence, after identification of the household, the eligible age-group was listed in descending order by age, and an eligible respondent was identified by the Next Birthday method. If a selected person was not available at the time of the initial visit, at least three more visits were made before moving to another household. In all, 2610 respondents aged between 18 and 64 years were included in the survey.

TABLE 2.2 Regional distribution of APS

Region	Frequency	Percent
North	655	25.1
West	621	23.8
South	752	28.8
East	582	22.3
Total	2610	100.0

Source: Based on GEM India Survey 2022/23

Apart from regional representation, an effort was also made to ensure appropriate representation of gender- and location-wise, i.e. male/female and urban/rural, respectively. For this purpose, an appropriate weight was decided on the basis of various criteria.

TABLE 2.3 Rural/urban distribution

Location	Frequency	Percent	Frequency	Percent
	Unweighted		Weighted	
Urban	1737	66.6	874	33.5
Rural	873	33.4	1736	66.5
Total	2610	100.0	2610	100

Source: Based on GEM India Survey 2022/23

TABLE 2.4 Gender distribution

Gender	Frequency	Percent	Frequency	Percent
	Unweighted		Weighted	
Male	1361	52.1	1334	51.1
Female	1249	47.9	1276	48.9
Total	2610	100.0	2610	100

Source: Based on GEM India Survey 2022/23

2.8 NES in India

The second source of the GEM data is the National Expert Survey (NES), conducted via email on the state of entrepreneurship in the country with 72 national-level experts from both the public and private sectors. The information was collected with the help of a standardized questionnaire provided under the global GEM project. The national level of experts was selected for their expertise based on the “entrepreneurial framework conditions”. They are equipped with rich perspectives, not only about their respective professions but also about entrepreneurship. The experts are asked to estimate the degree to which each factor of the entrepreneurship ecosystem is applicable to India.

In all, 72 national experts were identified, approached, and requested for data provision. The average work experience of experts was 8.6 years and ranged between 1 and 49 years. The profiles of experts and their areas of specialisation are given in Tables 2.5 and 2.6, respectively.

Expert specialisation included experts’ opinions from entrepreneurs, investors, finance specialists, policymakers, businesses, and support service providers. Also, it included experts from the teaching field and entrepreneurship researchers. The number of participants in these fields differs and the education level also varies.

TABLE 2.5 Experts’ Specialisation (Table contains multiple responses)

S. No.	Specialisation	No.	Percentage
1	Entrepreneur	27	37.5
2	Investor, Financer, Banker	3	4.2
3	Policymaker	4	5.6
4	Business and Support Services Provider	17	23.6
5	Educator, Teacher, Entrepreneurship Researcher	32	44.4
6	Others	4	5.6

Source: Based on GEM India Survey 2022/23

The experts, as reflected in the below table, included people with qualifications up to a PhD. Some are vocational professionals, university college academics. The experts also include people with PhDs and researchers in the entrepreneurship field.

TABLE 2.6 Experts’ education

SN	Educational Qualification	Frequency	Percent
1	Vocational professional	6	8.3
2	University/college	29	40.3
3	MA, Ph.D.	35	48.6
4	Missing Responses	2	2.8
4	Total	72	100.0

Source: Based on GEM India Survey 2022/23

The experts in the NES survey are classified into male and female categories as well. There were 26 (37.1%) female and 46 (62.9) male experts to provide their opinion for the Indian national expert survey.

Measuring Entrepreneurship Activity in India



3.1 Overview

This chapter highlights the annual patterns and present conditions, utilising data derived from the Adult Population Survey (APS) in India. The APS aims to assess India's entrepreneurial potential and confidence in engaging in entrepreneurial activities, both in response to government initiatives and by their own choice. It also provides a detailed discussion by engaging data from competitive and relevant economies. It also discusses more about regions, gender, and their impact on the growth of entrepreneurship in the country. National teams in more than 50 countries conduct APS with adults and varied kinds of population groups. The APS attracts the participation of over 50 nations annually, with an average sample size of more than 2000 adults. The survey is administered to diverse participants, including adults, entrepreneurs, students, nascent entrepreneurs, intending entrepreneurs, and various others.

Table 3.1. (GEM India Snapshot) provides a comprehensive depiction of the observed alterations for the period spanning from 2020–21 to 2022–2023. The primary focal points of the data presented in the GEM survey encompass anticipated possibilities, the competencies and knowledge of entrepreneurs, the driving forces behind their actions, their intentions to engage in entrepreneurial endeavours, and the level of entrepreneurial activity observed inside India. This chapter additionally presents a comparative study of the data concerning regions and examines regional variations within the country. This chapter also addresses the regional and gender aspects. This chapter analyses the several avenues via which entrepreneurial activity is manifested in India. The report also includes discussions on additional data points, such as the total entrepreneurial activity (TEA) in India and its comparison with other countries in the low-income group in the GEM country classification.

This chapter additionally elucidates the concept of total entrepreneurial activity (TEA) within the nation. This study incorporates a comparative analysis of gender, age groups, TEA, and a comparison of TEA across different regions in India. The chapter additionally examines the projections for employment creation, innovation, and the factors that drive motivation. The

TABLE 3.1 GEM India Snapshot

Entrepreneurial Activity	Value (%)	Rank/49
TEA 2022–23	11.5	24/49
TEA 2021–22	14.4	18/47
TEA 2020–21	5.3	39/43
The established business ownership rate 2022–23	9	12/49
Attitudes and Perceptions	Value (%)	Rank/49
Perceived opportunity	75.5	7
Perceived capability	78.1	5
Fear of failure	54	5
Entrepreneurial intention	20.1	20
Easy to start a business	78	6

Motivation	% of TEA	Rank/50	% TEA Female	% TEA Male
Make a difference in the world	80.7	1	74.3	82.7
Build great wealth	74.7	12	71.2	75.8
Continue family tradition	76.8	1	75.5	77.2
Earn a living because jobs are scarce	87.3	5	92.0	85.9

distribution of industries is an essential factor to consider when analysing attitudinal data. The research underscores the significance of entrepreneurial motivation and its worth within the youth population and among individuals engaged in entrepreneurial activities.

3.2 Attitudes and Perception

Individual perceptions reflect a person's aspirations towards a specific goal. It represents the intent towards business opportunities for kicking off an enterprise. According to the data, most adults in India know someone who has recently established a new business. This broadens their perspective and makes them aware of the significance of new business establishments in the country. Table 3.2 highlights the attitudes and perceptions of adults in India towards various factors. The table also shows the rank of India among the 49 countries that participated in the survey. The table indicates that India has high entrepreneurial potential, as it ranks among the top 10 countries in terms of perceived opportunities, perceived capability, and ease of starting a business. This means that most people in India believe that there are good opportunities for starting a business, that they have the skills and knowledge to do so, and that setting up a business is relatively easy.

However, the table also reveals some challenges and gaps in the entrepreneurial ecosystem of India. For instance, India ranks low in terms of entrepreneurial intentions, meaning that only a small proportion of people who perceive opportunities and capabilities intend to start a business in the next three years. This could be due to factors such as lack of access to finance, regulatory barriers, social norms, or personal preferences.

Another challenge is the high fear of failure among potential entrepreneurs in India. This means that more than half of the adults who see opportunities and have capabilities are afraid of failing if they start a business. The fear of failure is fundamentally linked to attitude, and it takes significant work to change it. It also leads to early losses if the same individuals start a new business. The fear of failure is especially prevalent in society's middle and lower economic strata. Individuals develop a fear of failure either organically or due to social attitudes toward business. This could be due to entrepreneurship's high uncertainty and risk and the stigma and consequences of failure in Indian society.

Therefore, the table suggests that while India has strong entrepreneurial potential, it is necessary to address some barriers and gaps that prevent people from pursuing their entrepreneurial aspirations. This could include providing more support and incentives for entrepreneurs, creating a more conducive and enabling environment for business creation and growth, and fostering a more positive and resilient attitude towards entrepreneurship.

TABLE 3.2 Attitudes and perception to start a business in India

Attitudes and Perceptions	Value (%)	GEM Rank/49
Perceived opportunities for starting a business	75.5	7
Perceived capability required to start a new business	78.1	5
Fear of Failing	54	5
Easy to start a Business	78	6
Entrepreneurial intentions	20.1	20

Source: GEM India Survey 2022–23

3.2.1 Attitudes and Perceptions between Male and Female

The figure below compares the perceptions and attitudes of male and female respondents toward starting a new business. The data reveals some interesting insights about the gender differences in entrepreneurship in India. For example, it shows that both male and female respondents have high levels of perceived opportunities and ease of starting a business. However, male respondents have slightly higher levels than female respondents. It also shows that male respondents have higher perceived capability than female respondents, which may indicate higher confidence or self-efficacy. However, male and female respondents have high levels of fear of failing, which may act as a barrier to entrepreneurship.

An essential generalisation from this figure is that males and females perceive high opportunity, skill, and ease to start a business, but a more significant percentage perceive fear of failure. So, there is a need to create an environment where failure is not seen as a stigma, and particularly in entrepreneurship, it is used and understood as a fruitful exercise. Interestingly, the figure shows no significant difference in entrepreneurial intentions between male and female respondents, which suggests that other factors may influence their decision to start a new business.

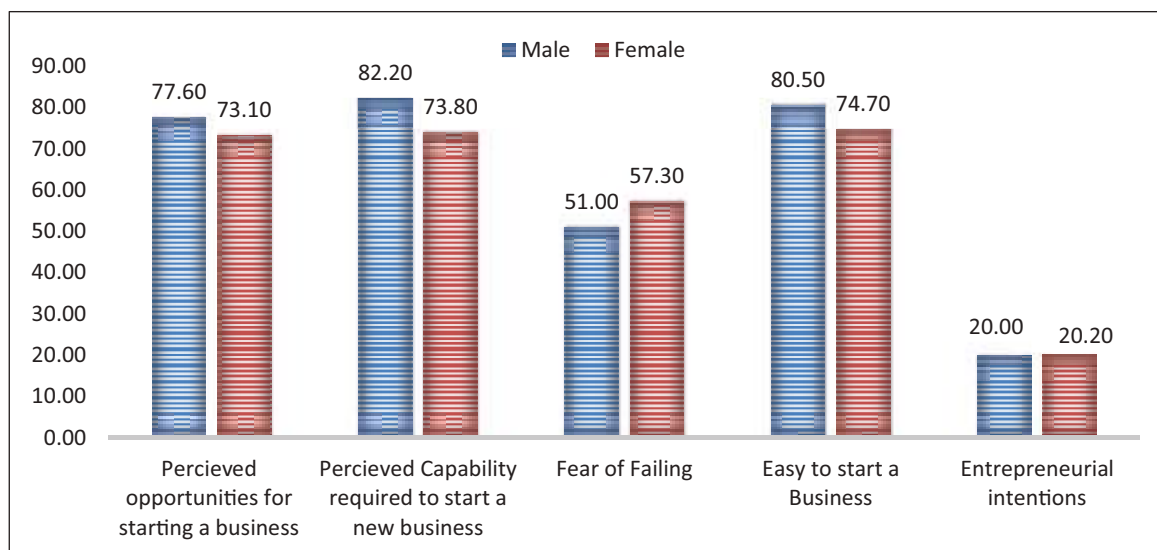


FIGURE 3.1 Comparison of Male–female attitudes and perception

Source: GEM India 2022–23

3.2.2 Attitudes and Perceptions: A Comparison of Low Income Economies

The data from the APS shows the different aspects of entrepreneurial attitude and behavior in low-income economies. The perceived opportunities data shows that Indonesia, India, Guatemala, and Brazil have the highest perceived opportunities, while Tunisia, Iran, and Venezuela have the lowest. The data for the easy to start a business indicates that it is highly perceived in India, Indonesia, and Egypt, whereas China, Iran, and Tunisia reflect the lowest percentage of perceptions. The data for perceived capability indicates Togo has the highest percentage of perceptions, followed by India, Guatemala, Tunisia, and Indonesia. On the lower side, the perceptual data shows that China, Egypt, and Morocco have the lowest percentage of perceptions for perceived capabilities required for starting a business.

Fear of failing data indicates the percentage of adults who would not start a business due to fear of failure. The data shows that it is highest in South Africa, China, India, Togo, and Egypt, whereas it is on a lower side in Iran, Indonesia, and Venezuela. Comparing the same with Intentions, both

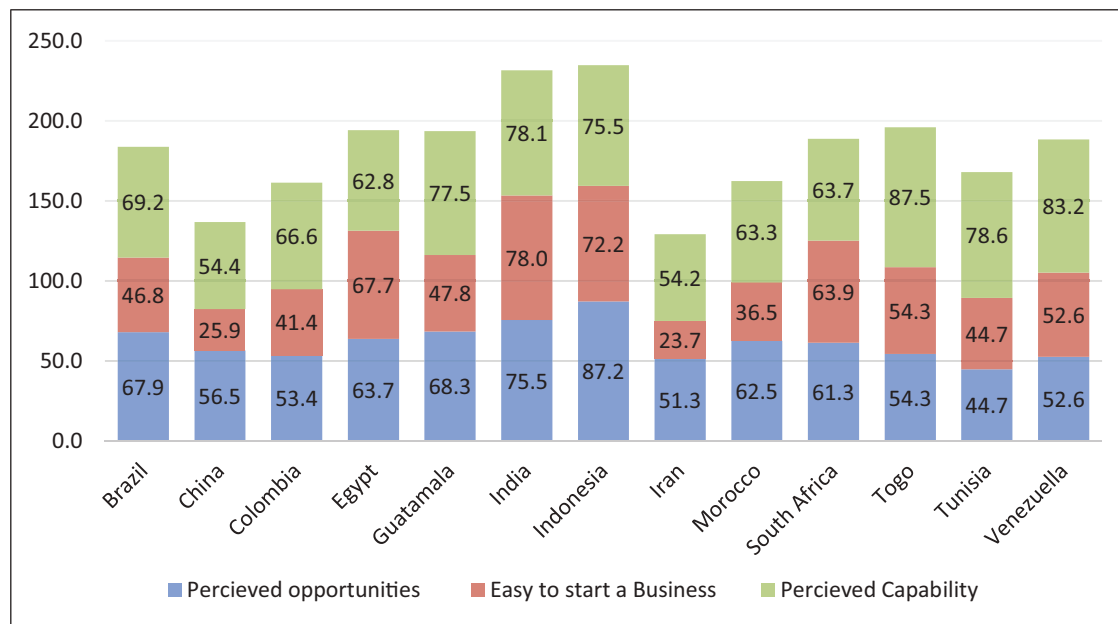


FIGURE 3.2 (a) Attitudes and perceptions: A Comparison of Low-Income Economies

fear of failure and intentions are higher in Morocco, Guatemala, and Brazil. Intentions surpass the percentage of fear of failure in many countries, such as Togo, Tunisia, and Brazil.

The data suggests significant differences in entrepreneurial attitudes and perceptions among the countries. Some countries have high potential for entrepreneurship but face high barriers or challenges, while others have low potential but also low barriers or challenges. This also gives us an understanding that having good opportunities will only lead to intentions when there is a low fear of failure. Countries with a high fear of failure and high intention will only be able to take some of the benefits from the perceived opportunities. Governments need to work on decreasing the fear of failure by easing business, increasing opportunities, and helping people build entrepreneurial intentions through education, training, and mindset building.

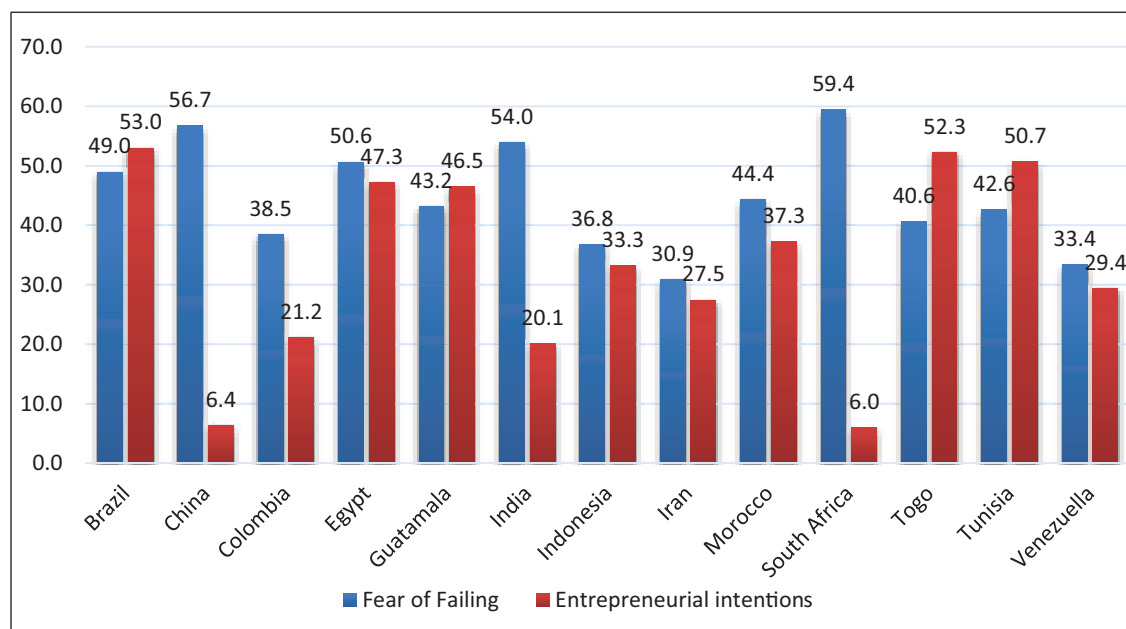


FIGURE 3.2 (b) Attitudes and perceptions: A Comparison of Low-Income Economies

3.2.3 Attitudes and Perception Differences among Indian Regions

The data depicts the attitudes and perceptions of people in different regions of India towards entrepreneurship. According to Figure 3.3, the North region has the highest scores for perceived opportunities, easy to start a business and perceived capability, indicating that people in this region have a positive outlook on entrepreneurship. However, this region also has the highest score for Fear of Failing, suggesting that people are also more risk-averse than other regions. The North region has a moderate score for entrepreneurial intentions, which means that only a small fraction of people who see opportunities and have capabilities plan to start a business.

The South region has similar scores to the North region for perceived opportunities and easy-to-business but slightly higher scores for perceived capability and much lower scores for fear of failing. Similar to the North region, other regions in the country showcase a different perspective on entrepreneurship perceptions. The East region has the second highest score for entrepreneurial intentions, meaning that more people who see opportunities and have capabilities plan to start a business than people in the North and South regions. The West region also has a low score for fear of failing and the highest score for entrepreneurial intentions, which means that most people who see opportunities and have capabilities plan to start a business.

In summary, the figure reveals that there are significant regional differences in India in terms of entrepreneurial potential. While some regions have more favourable conditions and perceptions of entrepreneurship than others, there is no clear correlation between these factors and entrepreneurial intentions. Other factors, such as cultural norms, social networks, access to finance, and education, may also influence the decision to start a business.

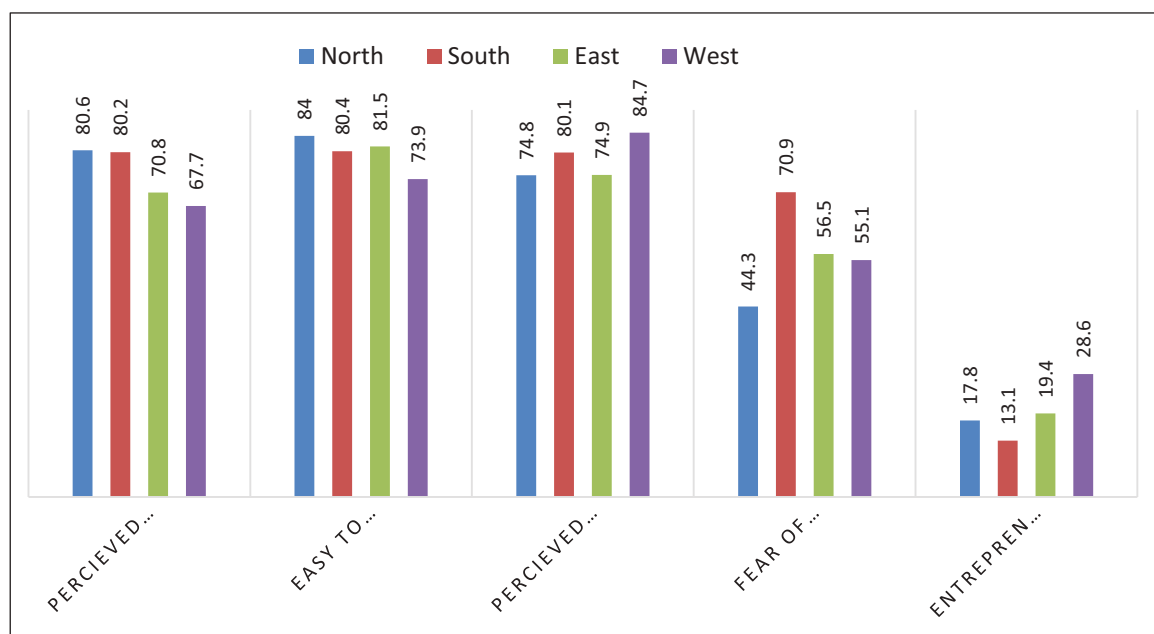


FIGURE 3.3 Perception and Attitudes: A comparison of the Indian region

Source: GEM India Survey 2022-23

3.2.4 Comparison of Attitudes and Perceptions between Urban and Rural Population Groups

Urban and rural populations have high perceived opportunities for starting a business, with rural slightly higher than urban. This indicates that India is growing harmoniously as it is able to retrieve the same kind of perceptions between a rural and an urban individual. Urban

and rural populations also have a high perceived capability required to start a new business, with urban populations slightly higher than rural ones. This suggests that there is a high level of confidence and skills among potential entrepreneurs, and that they are not deterred by the challenges of setting up a new venture.

However, there is also a high fear of failure among urban and rural populations, with urban being higher than rural. This implies that some significant barriers and risks prevent many people from pursuing their entrepreneurial aspirations, such as lack of capital, regulatory hurdles, social stigma, etc.

Despite the fear of failing, urban and rural populations agree that it is easy to start a business, with urban higher than rural. This reflects that some enabling factors facilitate entrepreneurship, such as the availability of technology, infrastructure, information, etc.

Finally, entrepreneurial intentions are relatively low among both urban and rural populations, with rural slightly higher than urban. This means that only a small proportion of the population actually plans to start a new business in the next three years, despite having the opportunity and capability to do so. This could be due to various reasons, such as personal preferences, family obligations, alternative career options, etc.

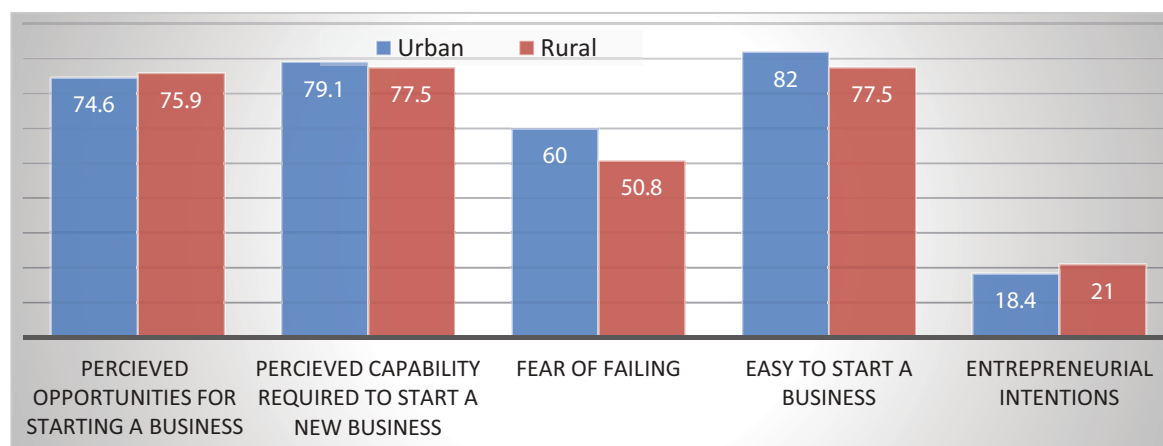


FIGURE 3.4 Perception and Attitudes: A comparison of the Urban and Rural locations

Source: GEM India Survey 2022-23

3.3 Total Entrepreneurial Activity in India

TEA is the percentage of the population involved in new or existing businesses in the country. Majorly in this section, the following three are discussed: TEA, gender-wise TEA, location-wise TEA, business ownership, and entrepreneurial employee activity. The figures in this section provide unique analysis to understand entrepreneurial activity in the country in detail. The nascent entrepreneurs in the figures below are defined as those who have recently started or have yet to finish three years. Another important data point in this table relates to new business owners.

3.3.1 TEA in Male-female

The total early-stage entrepreneurial activity rate in India is almost equal for both male and female entrepreneurs. This means that there is a high level of gender parity in the Indian entrepreneurial ecosystem, which is a positive sign for the economic and social development of

the country. However, the data needs to reveal the type, quality, or impact of the entrepreneurial ventures undertaken by men and women, which may vary significantly depending on the sector, region, and motivation of the entrepreneurs.

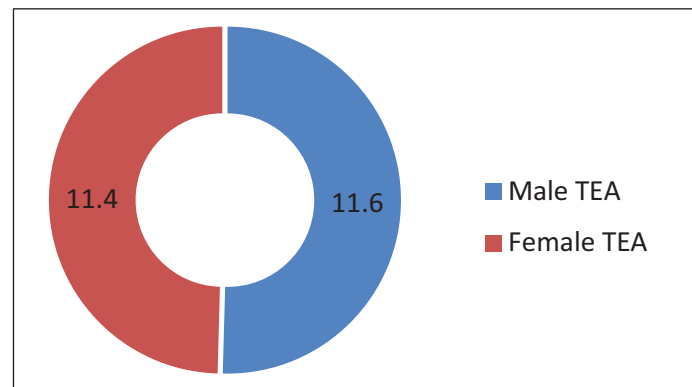


FIGURE 3.5 Tea in Male vs Female in India

Source: GEM India Survey 2022-23

3.3.2 Gender Wise TEA: A Comparison of Low Income Economies

The data from the APS shows the percentage of male and female entrepreneurs in different countries. There exists a gender gap in most countries. The below figure depicts the total number of adults surveyed who engaged in entrepreneurial activity. The percentage of male entrepreneurs is higher in countries like Morocco, Egypt, South Africa, Iran, and Tunisia. In these countries, the percentage of female entrepreneurs is much lower than that of male entrepreneurs. This could indicate barriers or challenges for women to start or run their businesses in these countries, such as a lack of access to finance, education, markets, networks, or social support.

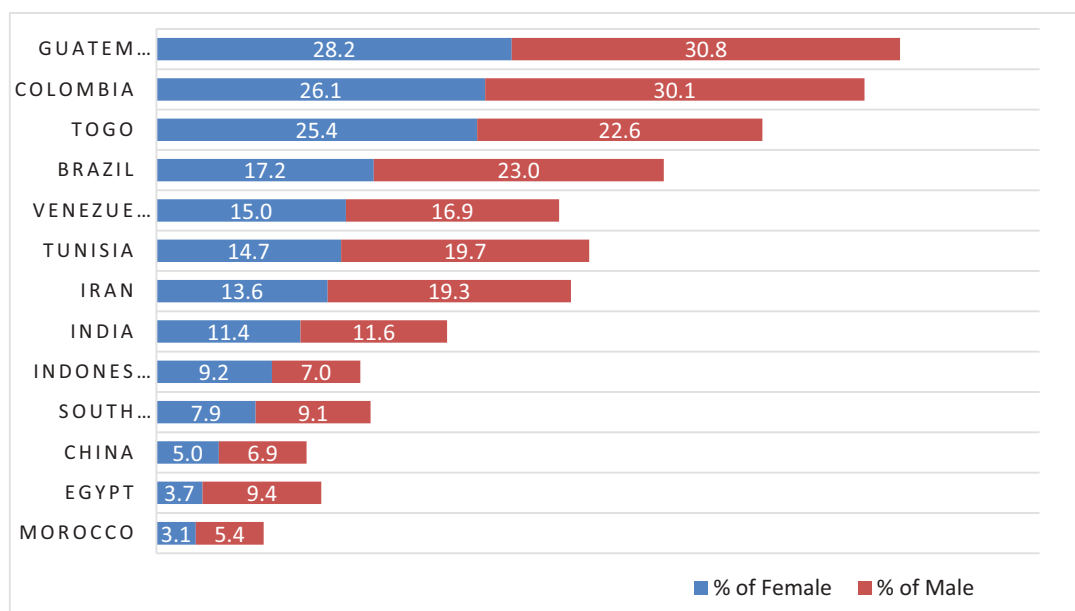


FIGURE 3.6 TEA by Gender: A Comparison of Low-Income Economies

Source: GEM India Survey 2022-23

On the other hand, some countries like India and Guatemala have a relatively smaller gender gap in entrepreneurship, which could suggest that there are more opportunities or incentives for women to engage in entrepreneurial activities in these countries, such as social norms, cultural values, government policies, or personal motivations.

3.3.3 Region-wise TEA in India

The data shows that the East region has the highest TEA rate (14.10%), followed by the West region (12.60%). This indicates that these regions have more people who are either actively involved in starting a new business or who own and manage a business that is less than 42 months old. The South region has the lowest TEA rate (6.50%), which suggests fewer opportunities or incentives for entrepreneurship in this region. The North region has a moderate TEA rate (8.40%), which may reflect a balance between entrepreneurial potential and challenges. The data can be used to compare entrepreneurial activity across regions and identify the factors influencing it.

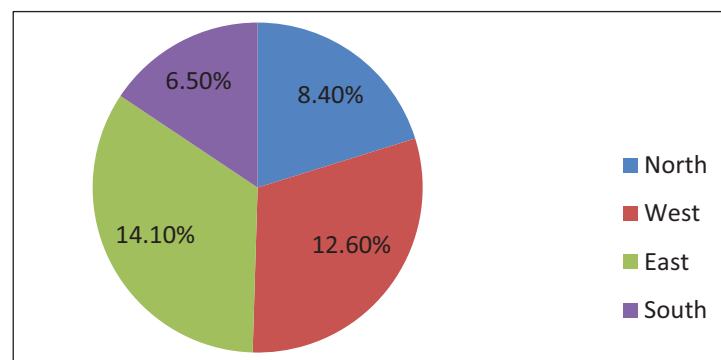


FIGURE 3.7 Region-wise TEA in India (% of the adult population aged 18–64 years)

Source: GEM India Survey 2022-23

3.3.4 TEA by Age Groups: Comparison of Low Income Economies

The data from the APS shows the percentage of people in different countries who are involved in early-stage entrepreneurial activity, either nascent entrepreneurs or new business owners. The data reveals some interesting patterns and comparisons among the countries. For example, Guatemala has the highest percentage of young entrepreneurs (18–34) with 35.2%, followed by Colombia with 29.1%. Brazil and Iran also have relatively high percentages of young entrepreneurs, with 22.8% and 19.9%, respectively. On the other hand, Morocco, Egypt, and South Africa have the lowest percentages of young entrepreneurs, with 5.2%, 7.5% and 9.3%, respectively. These differences may reflect each country's varying economic development, education, culture, and opportunities. The data also shows the percentage of people in different countries involved in early-stage entrepreneurial activity in the older age group (35–64).

The data also allows us to compare the percentage of young and older entrepreneurs within each country. The data shows that in most countries, there is a higher percentage of young entrepreneurs than older entrepreneurs, except for India and Iran, where the opposite is true. This may indicate that in India and Iran, there are more barriers or fewer incentives for young people to start their businesses, or that older people have more advantages or opportunities to do so. In contrast, in countries like Guatemala and Colombia, there is a much higher percentage of young entrepreneurs than older entrepreneurs, which may indicate that there is a robust entrepreneurial culture or spirit among the younger generation or that there are more challenges or risks for older people to start their businesses.

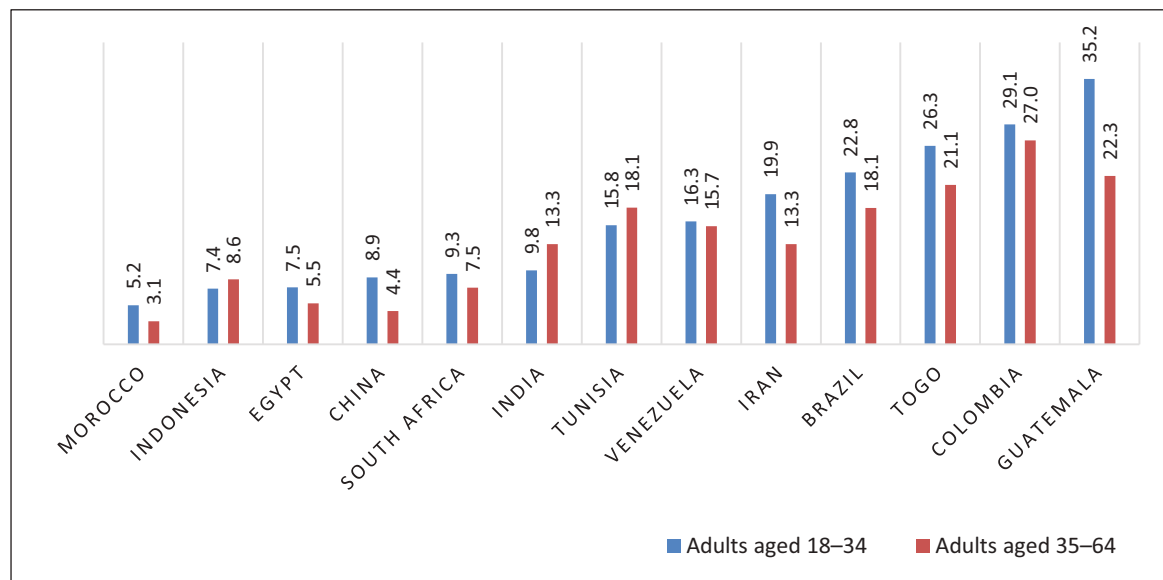


FIGURE 3.8 TEA by age groups in India: A Comparison with Low-Income Economies

Source: GEM India Survey 2022–23

3.3.5 Level of Education and TEA among Indian Adults (Comparison)

The data from the APS shows the percentage of graduates and non-graduates involved in early-stage entrepreneurial activity (TEA) in different low-income economies. India has almost equal TEA rates among graduates and non-graduates, suggesting no significant difference in the entrepreneurial potential or motivation of the two groups. India may need to focus on enhancing its entrepreneurs' innovation and growth potential, regardless of their educational background.

Egypt, China, and Morocco have the lowest TEA rates among graduates and non-graduates, indicating significant barriers to entrepreneurship in these countries, such as a lack of access to finance, education, infrastructure, and markets. Brazil has the highest TEA rates among non-graduates than graduates, implying that entrepreneurship is more of a necessity than an opportunity for the less educated population. These countries may benefit from policies that improve the quality and relevance of education and skills development for entrepreneurs.

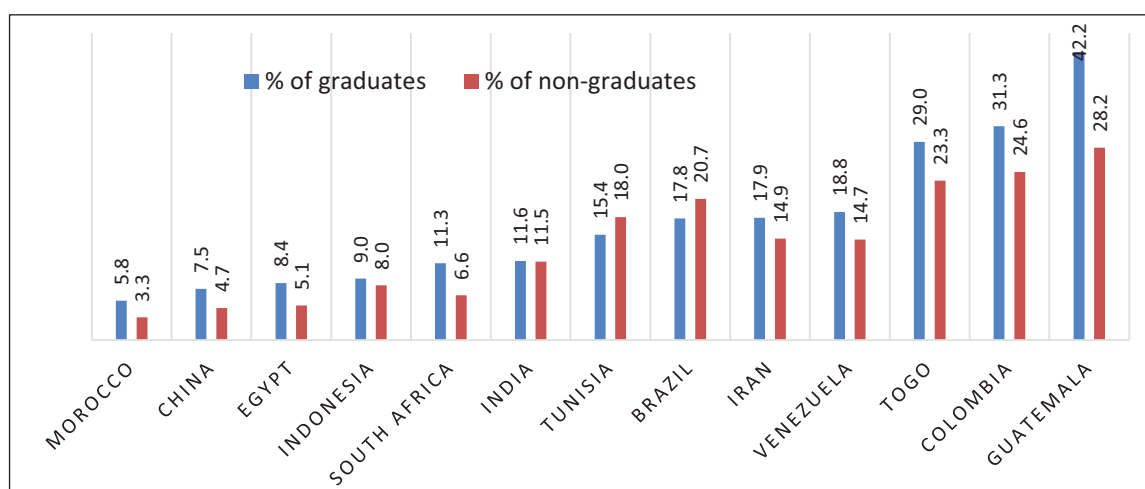


FIGURE 3.9 TEA by Education Level: A Comparison of Low-Income Economies

Source: GEM India Survey 2022–23

3.3.6 Know Someone Who Started a Business in the Last 2 Years

The data in the below figure shows the percentage of adults in each country who know someone who started a business in the last two years. According to the data, in Brazil, the highest percentage (75.8%) of adults confirm they know someone who started a new business recently, followed by Guatemala (71.5%), Indonesia (71.4%), and Tunisia (66.6%). This means Brazil has more people starting or running new businesses than the other three countries. One possible explanation is that Brazil has a large informal economy and a high level of necessity-driven entrepreneurship, meaning people start businesses out of necessity rather than opportunity.

China and India also have large populations and fast-growing economies, which create opportunities and challenges for entrepreneurs. South Africa has the lowest entrepreneurial activity, which may reflect its lower economic growth, higher unemployment, and more challenging business environment.

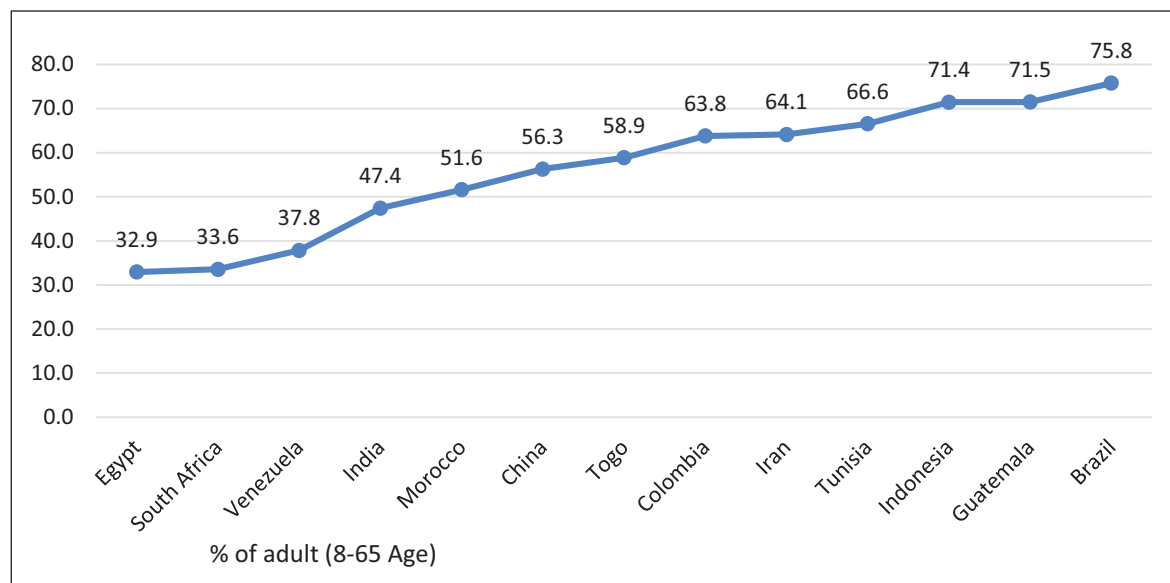


FIGURE 3.10 Know someone who started a business in the last two years: A Comparison

3.3.7 TEA and EBO: Comparison of Low-income Economies

The data shows the percentage of adults involved in early-stage entrepreneurial activity (TEA) or established business ownership (EBO) in different low-income economies. According to the data, Guatemala, Colombia, and Togo have the highest rates of both TEA and EBO, followed by Brazil, Iran, and India. China and Morocco have the lowest rates of both TEA and EBO, while South Africa has a higher TEA rate than China but a lower EBO rate. This suggests that Brazil and India have more favourable economic conditions for entrepreneurship than China and the many other countries present in the figure.

3.3.8 Percentage of Adult Starting or Running a Business Who Think Doing so is Difficult than Last Year

The data in the figure shows the percentage of adults involved in early-stage entrepreneurial activity (TEA) or established business ownership (EBO) who perceive that starting a business is more difficult than a year ago in low-income economies. The data reveals some interesting patterns and insights about the entrepreneurial environment in India and other nations.

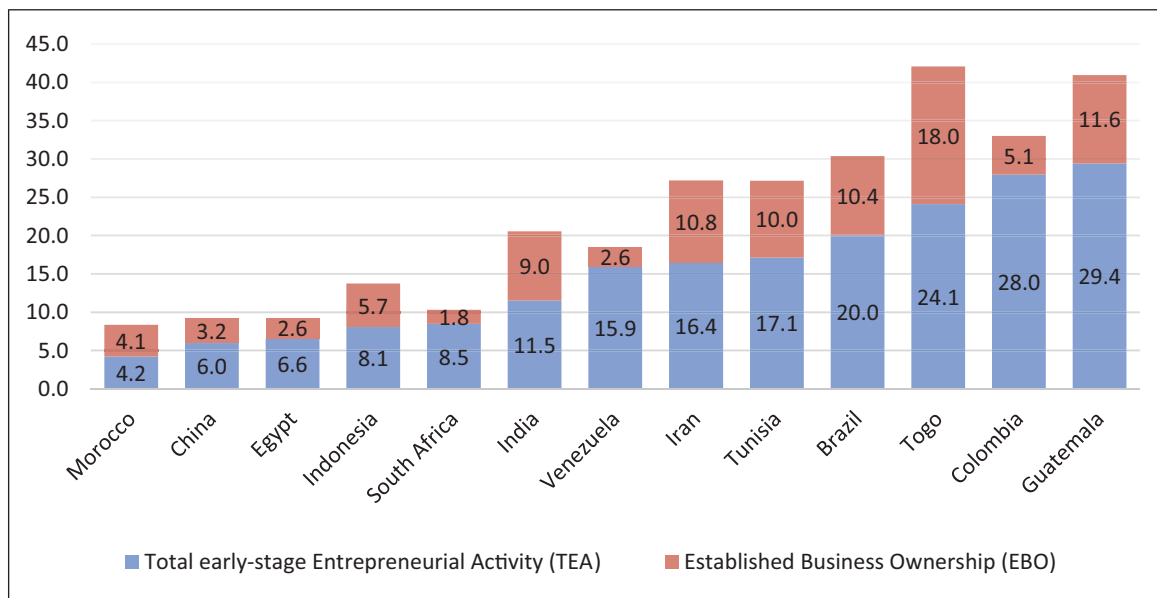


FIGURE 3.11 TEA and EBO: A Comparison of Low-Income Economies

In India, a higher percentage of TEAs (68%) think starting a business is more difficult than a year ago. This implies that either challenges or barriers have increased over time, or expectations and aspirations have become higher. Some of the possible factors that could make starting a business more difficult in India are lack of access to finance, infrastructure, markets, skills, technology, regulations, competition, etc.

A comparison with other countries shows that China has the highest percentage of both TEAs who think starting a business is more difficult than a year ago. This could reflect the high level of competition and innovation in the Chinese market, as well as the impact of the COVID-19 pandemic on the economy. On the other hand, Morocco, Indonesia, and Egypt have the lowest percentage of TEAs who think starting a business is more difficult than a year ago (33.6%, 34.8%, and 35.2%, respectively). This could indicate that these countries have a more stable and supportive entrepreneurial environment or that their entrepreneurs have lower expectations and ambitions.

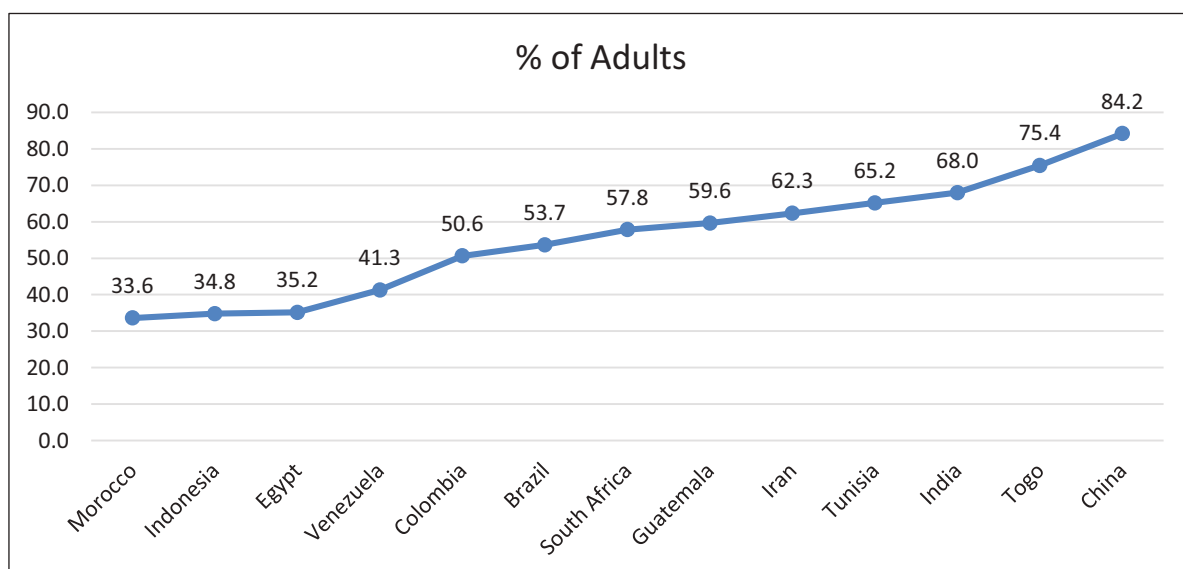


FIGURE 3.12 Starting a business is difficult than last year: A Comparison of Low-Income Economies

In conclusion, the table provides a useful snapshot of the perceptions and attitudes of entrepreneurs in different countries, especially in India. It reveals some of the strengths and weaknesses of the Indian entrepreneurial ecosystem, as well as some of the opportunities and threats for its future development.

3.3.9 Individuals Who Expect to Use more Digital Technologies to Sell Products or Services

The data shows the percentage of entrepreneurs using digital technologies for sales and marketing in different countries, divided into TEA (total early-stage entrepreneurial activity) and EBO (established business ownership). The data reveals some interesting patterns and variations across the countries. For example, Brazil has the highest percentage of TEA and EBO entrepreneurs using digital technologies, followed by Guatemala and Venezuela. India has the lowest percentage of both groups, followed by China, Togo, and South Africa.

Some countries have nearly the same percentage of TEA entrepreneurs who use digital technologies but different percentages of EBO entrepreneurs. Togo has the lowest rate of EBO entrepreneurs who use digital technologies, despite having a relatively high percentage of TEA entrepreneurs. These differences reflect the development, innovation, competition, and regulation levels in each country's entrepreneurial ecosystem.

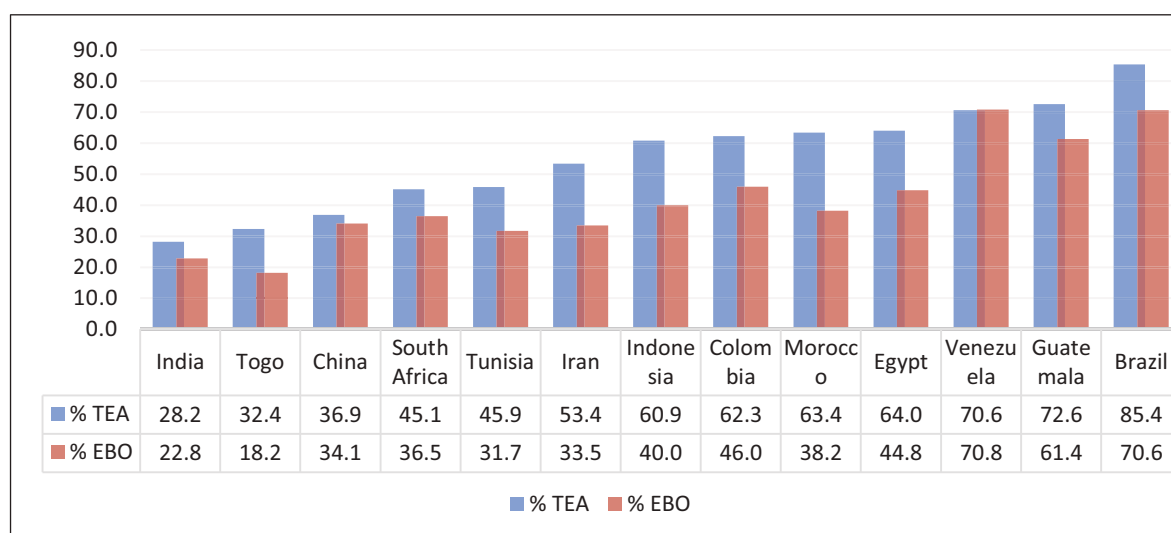


FIGURE 3.13 % of adults starting or running a business who use technologies to sell

3.3.10 Total Early-stage Entrepreneurial Activity and the UN Human Development Index

The data shows the comparative percentage of the adult population who are either nascent entrepreneurs or owner-managers of a new business and the human development index (HDI) of low-income economies. HDI is a composite measure of life expectancy, education, and per capita income. According to the latest data, there is no clear correlation between HDI and the level of total early-stage entrepreneurial activity (TEA). To understand this clearly, we see that Guatemala has the lowest HDI but the highest TEA rate, while China has the highest HDI but the lowest TEA rate. India has a lower HDI than Brazil but a higher TEA rate. South Africa has a similar HDI to Brazil but a much lower TEA rate. This suggests that other factors, such as culture, institutions, policies, and opportunities, may influence the entrepreneurial behaviour of individuals in different countries.

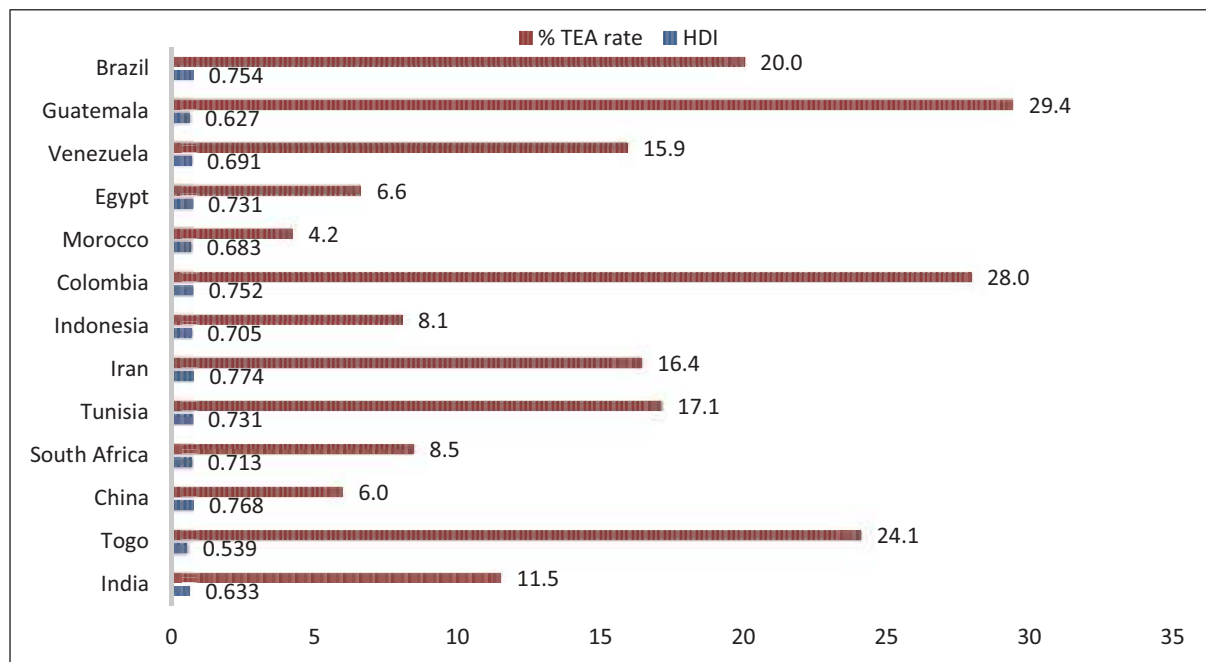


FIGURE 3.14 TEA and UN Human Development Index: A Comparison of Low-Income Economies

3.3.11 Levels of TEA for Six Low-income Economies Between 2019 and 2022

The data shows the percentage of adults involved in total early-stage entrepreneurial activity (TEA) in different low-income economies that participated in the Global Entrepreneurship Monitor (GEM) survey from 2019 to 2022. For example, Egypt had a sharp increase in TEA in 2020 but then declined in the following years. India had a significant drop in TEA in 2020, possibly due to the impact of the COVID-19 pandemic, but then recovered in 2021 and 2022. Brazil had a relatively stable and high level of TEA throughout the period, indicating a strong entrepreneurial culture and resilience. Guatemala economy does not show any signs of decreasing due to the pandemic, suggesting a more mature and competitive market.

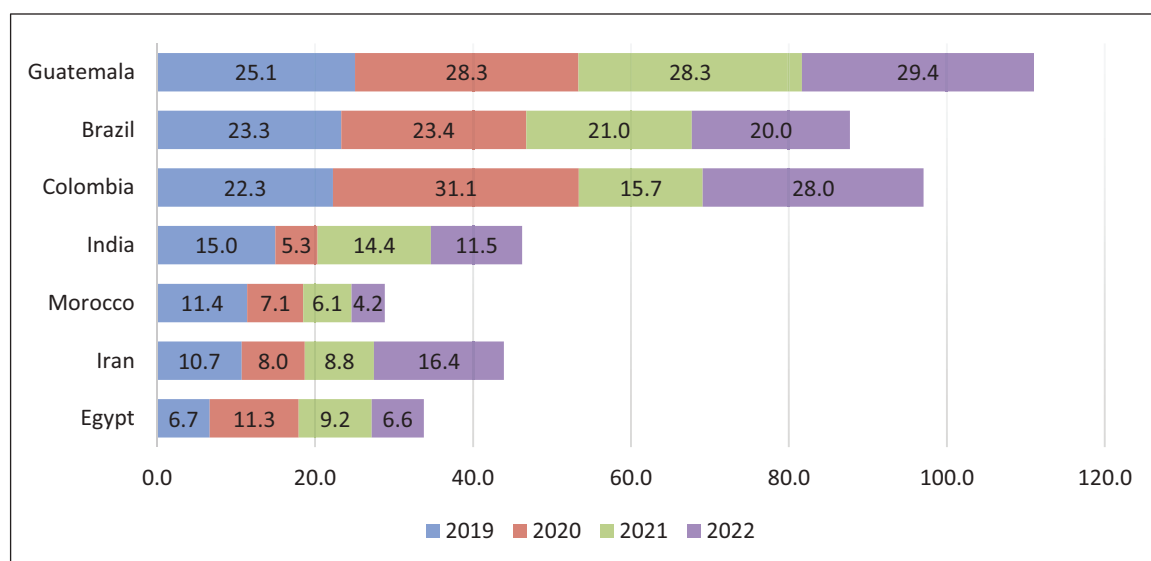


FIGURE 3.15 TEA levels during 2019–22 in Low-Income Economies

3.4 Business Exit and Discontinuation

The process of business exit holds significant importance when considering future prospects and plays a crucial role in the overall growth of entrepreneurship within a country. Business exits and TEA vary across different economies. The discontinuation and exits of individuals can be attributed to significant factors such as economic conditions, personal circumstances, and financial considerations. Individuals may choose to leave a business for two primary reasons: to participate in or establish a new business, or to terminate their involvement in an existing enterprise.

3.4.1 Business Exit and TEA: A Comparison of Low-income Economies

The data in the below figure highlights TEA and business exit rates comparison in various economies. India has a relatively low TEA rate (11.5%), but the exit rate is almost half of that. India also has a low business exit rate (6.3%), which is similar to Colombia and lower than Brazil. This implies that Indian entrepreneurs are more resilient and persistent in running their businesses despite their difficulties. This suggests room for improvement in fostering a more entrepreneurial culture and ecosystem in India.

Among the other Asian countries, Iran has a moderate TEA rate (16.4%), but a high business exit rate (7.4%). Egypt has a very low TEA rate (6.6%), and the business exit rate is 7.4 percent. Egypt and Brazil have the highest business exit rate (9.8% and 13%, respectively), the highest among these countries.

South Africa has a low TEA rate (8.5%) and the lowest business exit rate (4.9%) among the eight countries. This indicates that South Africa has a low level of entrepreneurial activity but also a high level of business continuity and resilience.

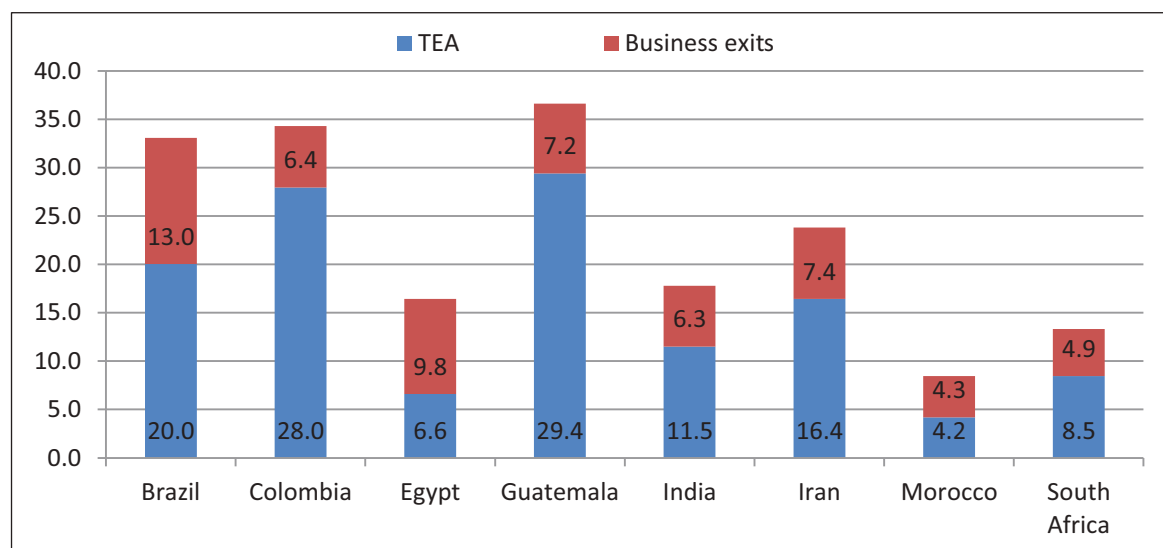


FIGURE 3.16 Business Exit and TEA: A Comparison of Low-Income Economies

Source: GEM Global report 2022-23

3.4.2 Reasons for Exit

The figure below depicts the statistical division for three major reasons for business exit in eight different countries in the last three years. The data reveals that India, South Africa, and Morocco

have the lowest percentage of negative reasons, not including the COVID-19 pandemic, and the second lowest percentage of COVID-19-related reasons. This suggests that, in relation to other countries, India and the above-listed countries felt a lower impact of the pandemic. It also shows the economic resilience of the Indian economy.

On the other hand, India has the highest percentage of positive reasons for their business exit (1.6%), indicating a high level of optimism and resilience among Indians. This could be attributed to various factors, such as cultural values, social support, or economic opportunities.

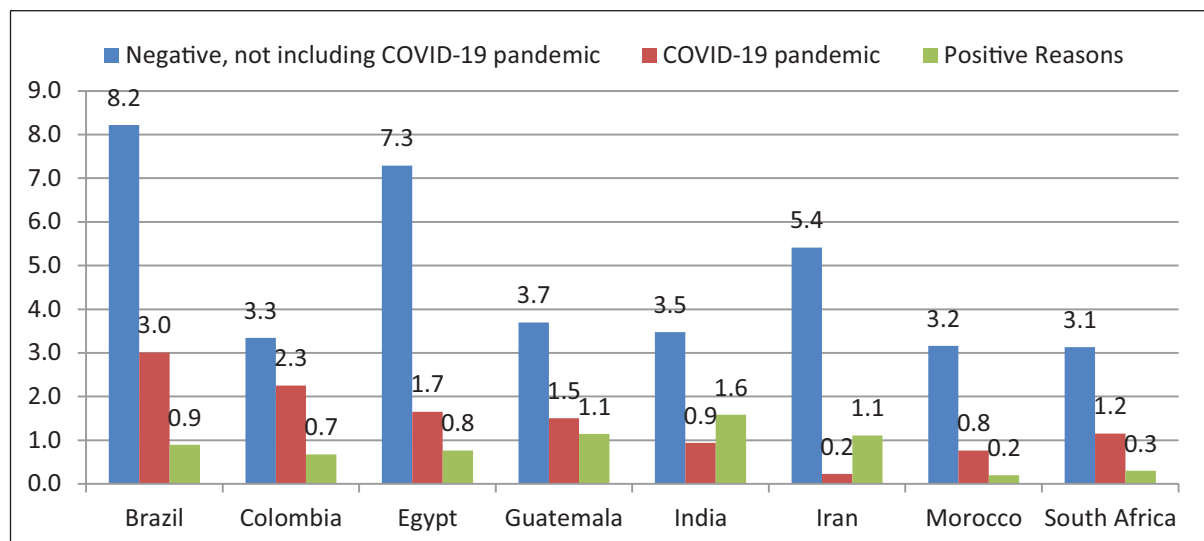


FIGURE 3.17 Business Exit reasons: A Comparison of Low-Income Economies

Source: GEM Global report 2022-23

3.4.3 Popular Sectors for Starting a Business

The table below shows the percentage of entrepreneurs who start businesses in different sectors in various countries. Business-oriented services include consulting, accounting, legal services, etc. Consumer-oriented services include activities such as retail, hospitality, education, etc. The extractive sector includes activities such as mining, agriculture, fishing, etc. The transforming sector includes activities such as manufacturing, construction, transportation, etc.

Consumer-oriented services are the most popular sector for starting a business in all countries, followed by the transformation sector and business-oriented services. The extractive sector is the least popular sector in most countries, except for Egypt, where it ranks first. The major reason for the consumer-oriented sector in the country is that microenterprises prevail in every corner of the country. The micro-enterprise number in India goes beyond 60 million, and these businesses are majorly engaged in home-based, retail shops, small outlets, and stores.

India has a similar pattern to the other countries, with consumer-oriented services being the most popular sector (66.8%), followed by the transformation sector (20.8%), and business-oriented services (4.8%). The extractive sector is the least popular sector in India (7.6%), which may reflect the low profitability and high risk of this sector. India has a lower percentage of entrepreneurs in business-oriented services than the average of the other countries (11.4%), which may indicate a lack of demand or supply of these services in the Indian market. India has a higher percentage of entrepreneurs in the transforming sector than the average of the other countries (19.1%), which may suggest a comparative advantage or opportunity for this sector in India.

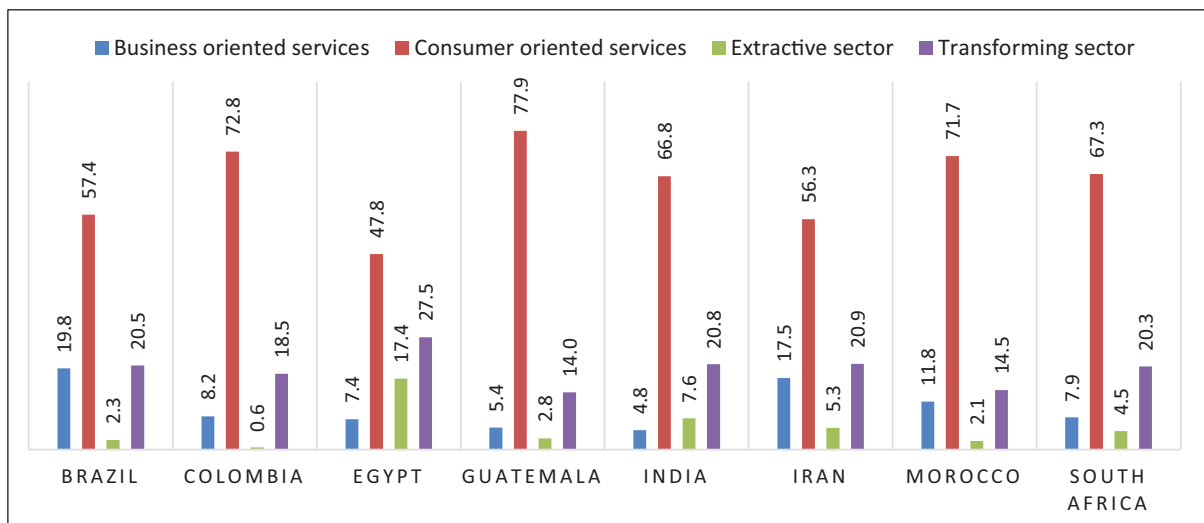


FIGURE 3.18 Sector choices for starting a business: A Comparison of Low-Income Economies

Source: GEM Global report 2022–23

3.5 Motivation for Entrepreneurship

The main driver of new business formation is personal motivation. The motivational questions in this most recent 2022–23 data survey are more precisely composed, and they strive to understand what drives people to become entrepreneurs around the world. In India, the lack of jobs, opportunity, the expanding market, and familial considerations are the primary drivers of business motivation. The availability of resources for an individual affects their motivation to engage in entrepreneurial activity (Aldrich & Zimmer, 1986).

The data in the below figure shows the percentage of entrepreneurs in different countries who reported various motivations for starting a business. One of the motivations is “to make a difference in the world”, which reflects a social or environmental purpose. Another motivation is “to build great wealth or very high income”, indicating a financial goal. The other two causes are “to continue a family tradition” and “to earn a living because jobs are scarce”, which suggest a cultural or survival reason.

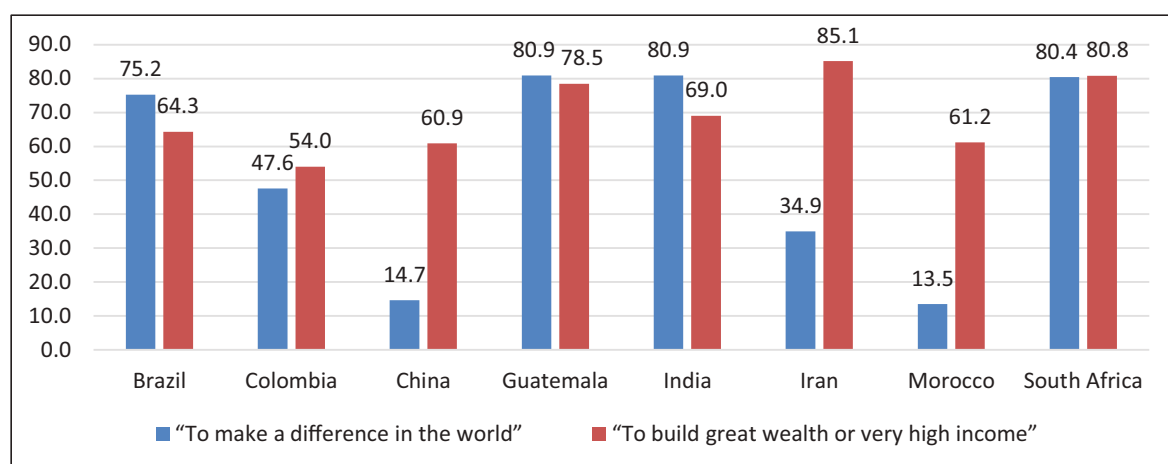


FIGURE 3.19 (a) Entrepreneurial Motivation: A Comparison of Low Income Economies

According to the figure below, Brazil, Guatemala, India, and South Africa have the highest percentage of entrepreneurs who want to make a difference in the world, ranging from 75.2% to 80.9%. These countries also have high percentages of entrepreneurs who want to build wealth or income, except for India, which has a lower percentage of 69%.

India stands out as the country with the highest percentage of entrepreneurs who want to continue a family tradition, at 68.6%. This may reflect the importance of family values and inheritance in Indian culture. The highest percentage of entrepreneurs who want to earn a living because jobs are scarce is found in South Africa (89.5), Guatemala, at 89.1%. This suggests that Guatemala faces high unemployment and poverty, forcing many people to start their own businesses. The lowest percentage of entrepreneurs who want to earn a living because jobs are scarce is found in Iran, at 69.9%. This may imply that Iran has more job opportunities and economic stability than other countries.

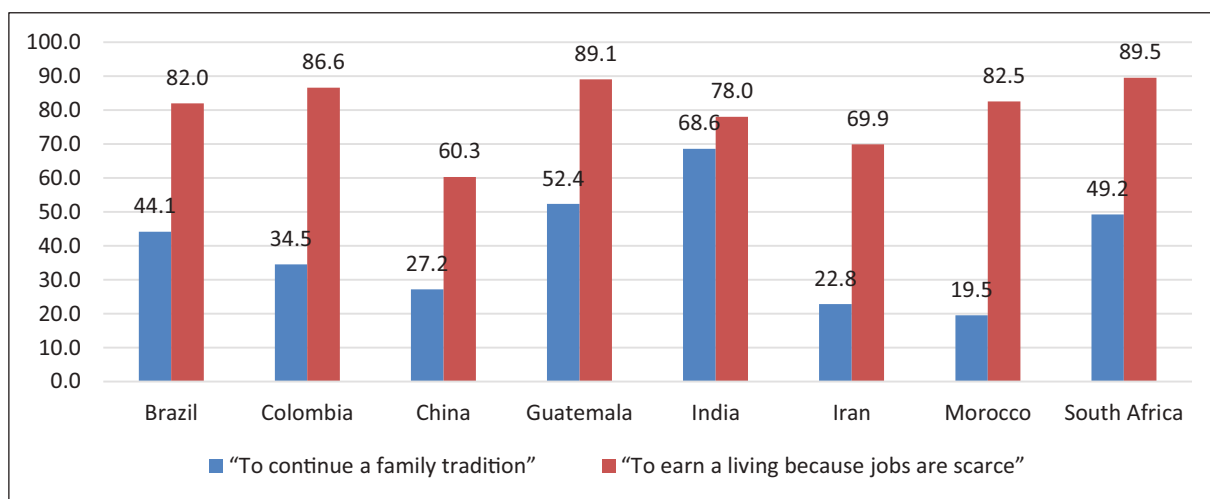


FIGURE 3.19 (b) Entrepreneurial Motivation: A Comparison of Low-Income Economies

3.6 Growth Expectation

One of the key indicators of the APS is growth expectation, which measures the percentage of entrepreneurs who expect to create more than five jobs in the next five years.

3.6.1 Employment Projection for the Next Five Years by TEA in India

Various factors, such as the availability of finance, human capital, market opportunities, innovation, infrastructure, and policies influence the growth expectations of Indian entrepreneurs. The figure below shows the percentage of entrepreneurs in different countries who expect to create different numbers of jobs in the next five years. For example, 6.2% of Brazilian entrepreneurs expect to create no jobs, 14.6% in Colombia, 7.4% in Brazil expect to create 1–5 jobs, and 6.4% expect to create six or more jobs. The table shows that India has a low percentage of entrepreneurs who expect to create 6 or more jobs (1.7%), compared to other countries such as Brazil (6.4%), Colombia (7.6%), and Iran (5.5%). This may indicate that Indian entrepreneurs face more challenges or barriers to scaling up their businesses or that they have different growth aspirations or opportunities than entrepreneurs in other countries.

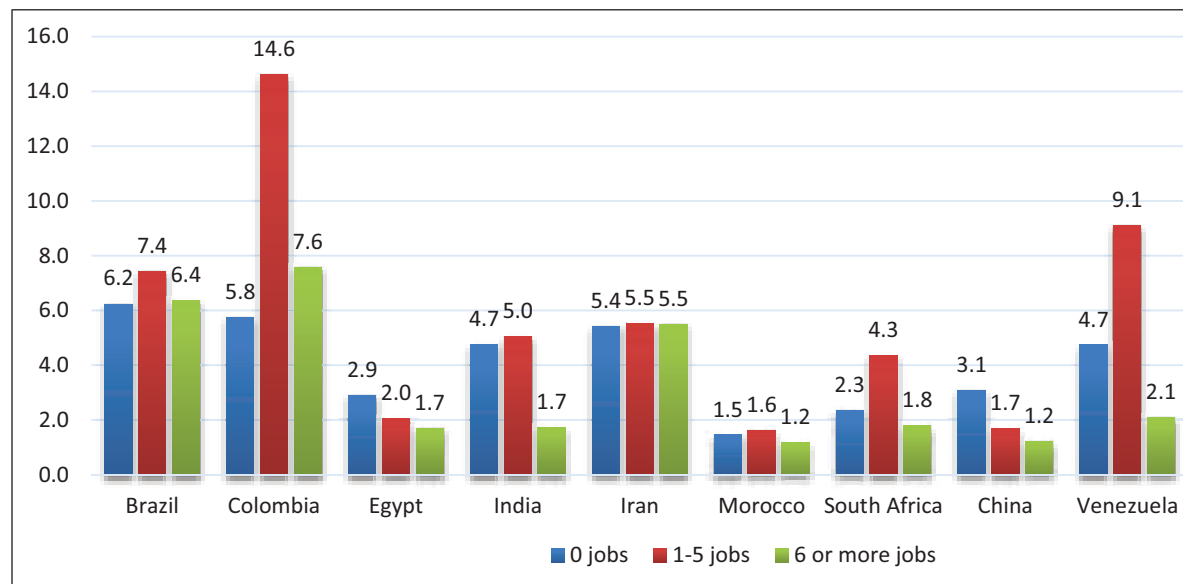


FIGURE 3.20 Employment projection for the next five years by TEA in India and a Comparison with Low-Income Economies (% of the population aged 18–64 years)

Source: GEM Global Report 2022–23

3.6.2 Percentage of TEA Not Expecting to Add any New Employees in the Next Five Years

The data in the below figure shows the percentage of TEAs in India who are starting or running a new business and do not plan to hire any employees in the next five years. This is an important indicator of the entrepreneurial activity in any country. The figure reveals that the percentage of such entrepreneurs has decreased from 2019 to 2020, possibly due to the impact of the COVID-19 pandemic on the economy and business environment. However, the percentage increased again in 2021 and remained stable in 2022, suggesting a recovery and resilience of the Indian entrepreneurial sector. It also implies that the majority of businesses suffered during COVID, and they are still recovering from the after effects of the pandemic. It is also due to the global environment, which affects the overall perception of the increasing number of employees in a particular business.

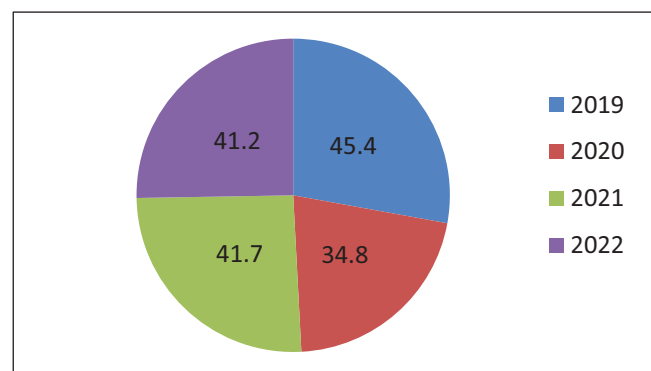


FIGURE 3.21 Businesses that will not create any additional employment in the next five years (A comparison of the yearly percentage since 2019 in India)

Source: GEM Global Report 2022–23

3.6.3 Adults Starting a New Business with Products or Services New to Their Area, Country or World

In the figure below, the data highlights the percentage of adults who started a new business with new products or services in different countries. It compares the level of novelty of the products or services, whether they were new to the local area, the national market, or the global market.

According to the data, Venezuela has the highest percentage of adults who started a new business with products or services that were new to the world (0.6%), followed by Iran, Colombia, and India (0.2%).

India also has a high percentage of adults who started a new business with products or services that were new to their country (0.6%) after Guatemala (1.1%), second only to Brazil and Venezuela (0.4% each). The results also show the percentage of adults starting a new business with a new product or service. The highest percentage is in Guatemala, followed by Colombia, Tunisia, Brazil, and India. This suggests that India has a high level of product innovation and creativity among its adult population.

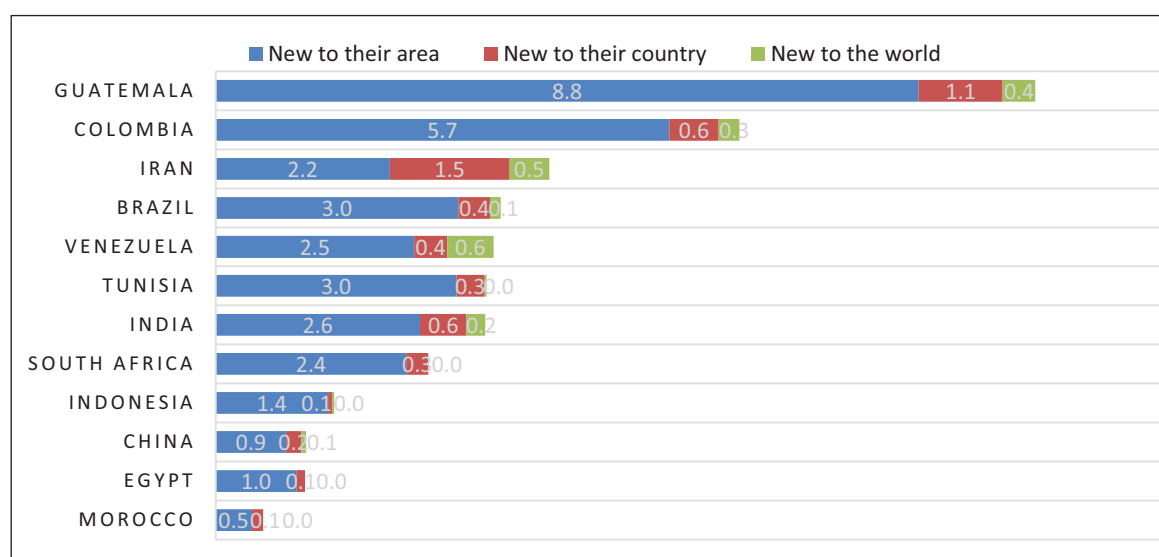


FIGURE 3.22 Percentage of adults in new business with a new product or service

3.6.4 Adults Starting a New Business with a New Technology or Procedure New to Their Area, Country, or World

In the figure below, data highlights the percentage of adults who started a new business with a new technology or procedure in different low-income economies. It compares the level of technology or process, whether they were new to the local area, the national market, or the global market.

The highest percentage of adults starting up with a new technology new to their area is in Guatemala, followed by Colombia and Brazil. The data indicates that in India, 2 percent individuals have started a new business with a new technology. According to the data, Guatemala has the highest percentage of adults who started a new business with products or services that were new to the world (1.3%), followed by Iran, India (0.2%), and Colombia. Guatemala also has a high percentage of adults who started a new business with new technology or procedures that were new to the world (0.7%), followed by Iran (0.5%) and India (0.2%).

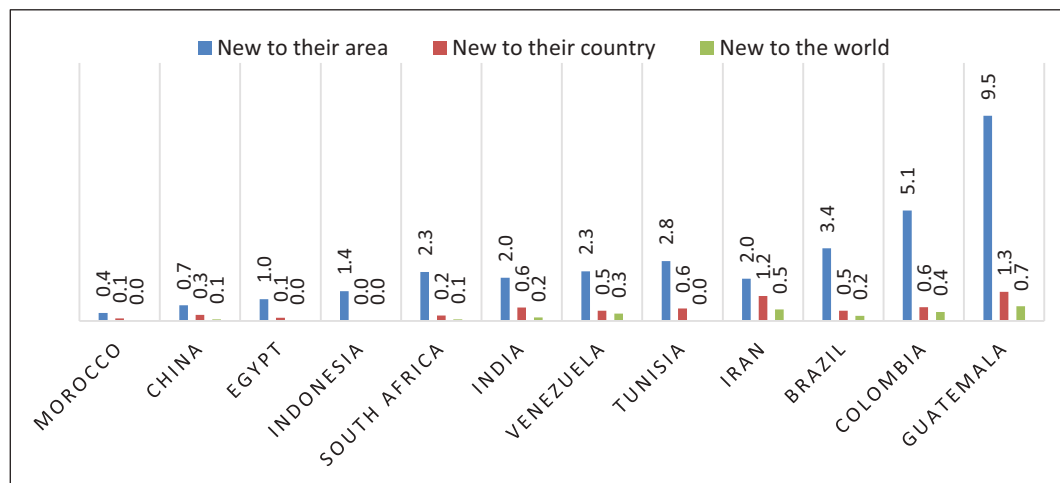


FIGURE 3.23 Percentage of adults in new business with a new product or service

3.6.5 Proportion of TEA Reporting Lower Growth Expectations than a Year Ago (%TEA)

The below data shows the proportion of those starting or running a new business and reporting lower growth expectations than a year ago (%TEA) among low-income economies in the GEM survey. The data indicates that India has the third highest percentage of entrepreneurs who have lowered their growth expectations after China and Tunisia. This could suggest that India is facing some challenges or uncertainties in its entrepreneurial environment, such as market demand, competition, regulation, or innovation. Compared to Brazil and South Africa, India has more than double the percentage of pessimistic entrepreneurs as Brazil, Venezuela, and Guatemala.

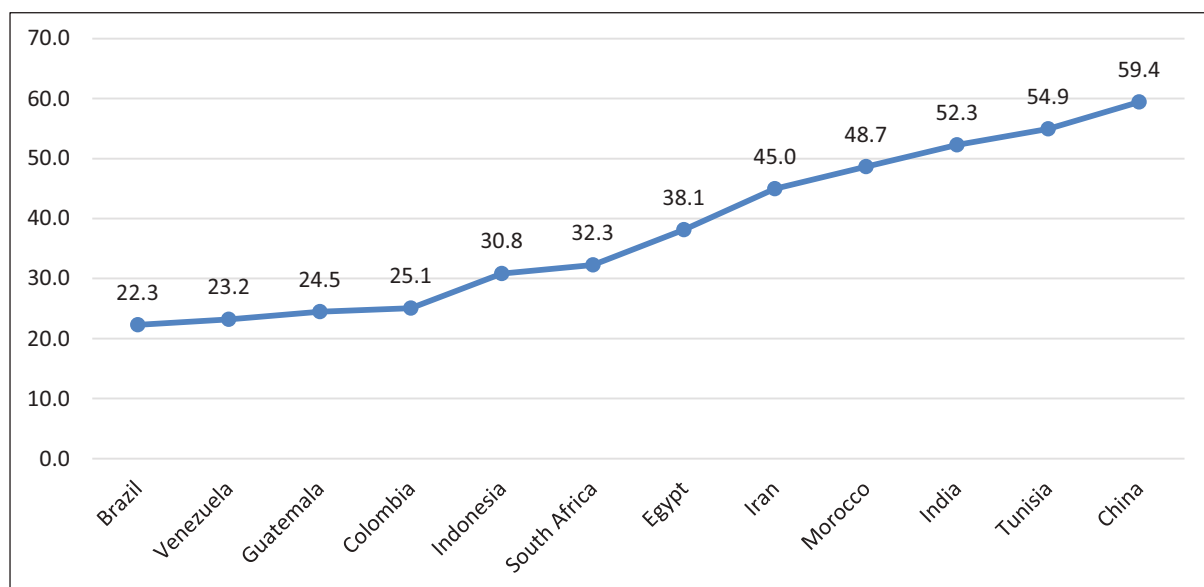


FIGURE 3.24 Businesses reporting lower growth expectations than a year ago (%TEA)

Source: GEM Global Report 2022-23

3.6.6 TEA Percentage (2021–22) Taking Environmental Implications into Account

The data comparison below shows the percentage of total early-stage entrepreneurial activity (TEA) and EBO that always agree to consider their ventures' environmental impact. The data

in the figure shows that Guatemala, China, and Brazil have the highest percentage of TEA concerned about the environmental impact. In contrast, Morocco, Iran, and India have the lowest percentages. The EBO data follows the same order, except Iran having the lowest EBO percentage concerned with environments. The analysis reveals that the percentage of environmentally concerned businesses has increased in a few of the economies. It is not possible to make a clear statement based on this data, as it is rapidly changing. Sustainability and the environment are now more prominent concerns for businesses globally. There is a need for awareness and resources in various countries to make business more environmentally friendly.

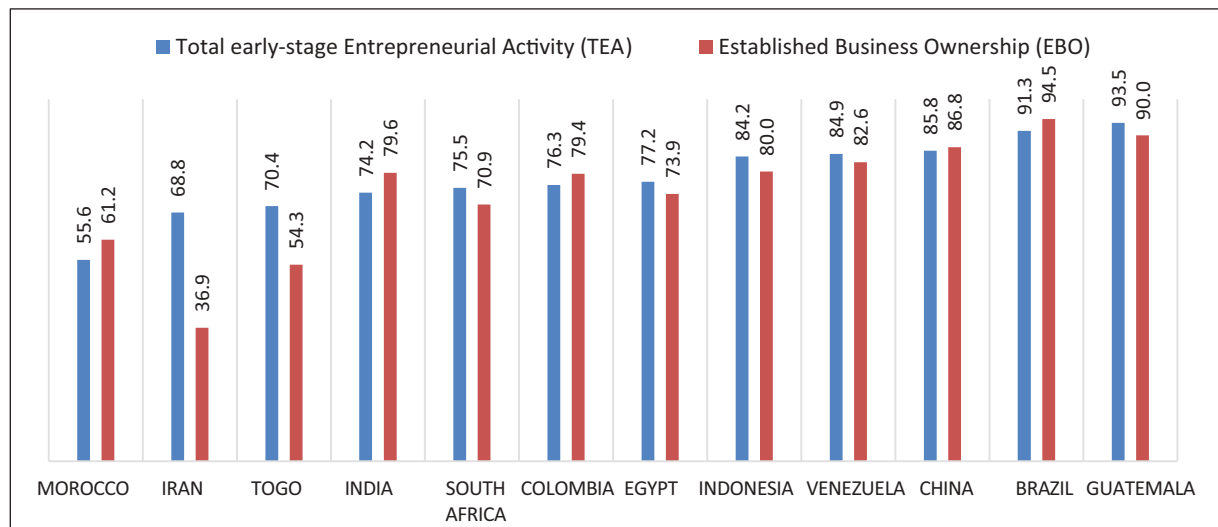


FIGURE 3.25 Keep environmental implications into account

3.6.7 Always Consider Social Implications (%TEA and %EBA)

Based on the data in the Figure 3.26, it can be said that India has a higher TEA and EBO than Morocco, Iran, and China, but lower than Brazil and Guatemala, which consider social implications before starting a business. This suggests that India has a relatively dynamic and mature entrepreneurial ecosystem with a high potential for economic growth and innovation. However, there is still room for improvement in terms of increasing the number of people who are starting or running new businesses, as well as supporting the growth, environment, and social implications. The figure also shows that Guatemala has the highest percentage of TEA and EBO concerned about social implications when starting a new business. Brazil, Indonesia, and Tunisia follow the same pattern with the highest percentages of TEA and EBO. It is important to consider the social implications of entrepreneurship in a holistic and nuanced way and to balance the economic, social, and environmental goals of entrepreneurship with the needs and aspirations of different stakeholders in society.

3.6.8 Percentage of Adults Exiting a Business in India: Data Comparison (2019 to 2022)

The data comparison shows the percentage of adults who left a business in India from 2019 to 2022. The percentage was 5.0 in 2019 and decreased slightly to 4.7 in 2020. However, it increased sharply to 7.9 in 2021, which may indicate the impact of the pandemic on the economy and employment. The percentage dropped to 6.3 in 2022, which may suggest some recovery or stabilisation. This suggests that the business environment in India was affected by various factors, such as the pandemic, the economic slowdown, and the social unrest, that influenced the decisions of the adults to exit a business.

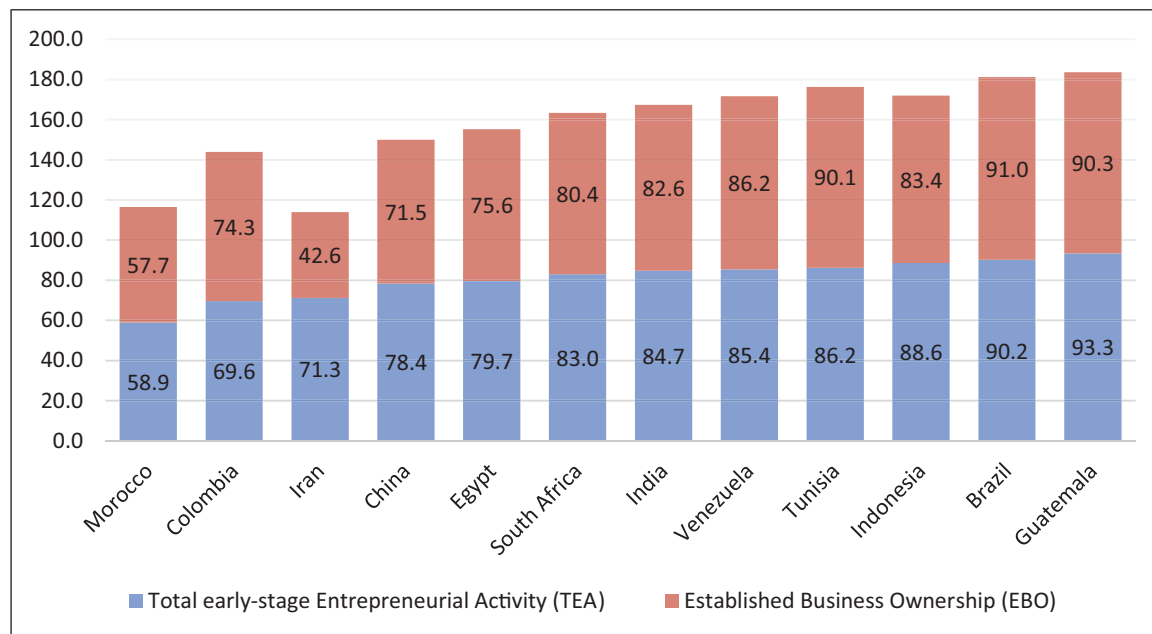


FIGURE 3.26 Always consider the social Implications of my business

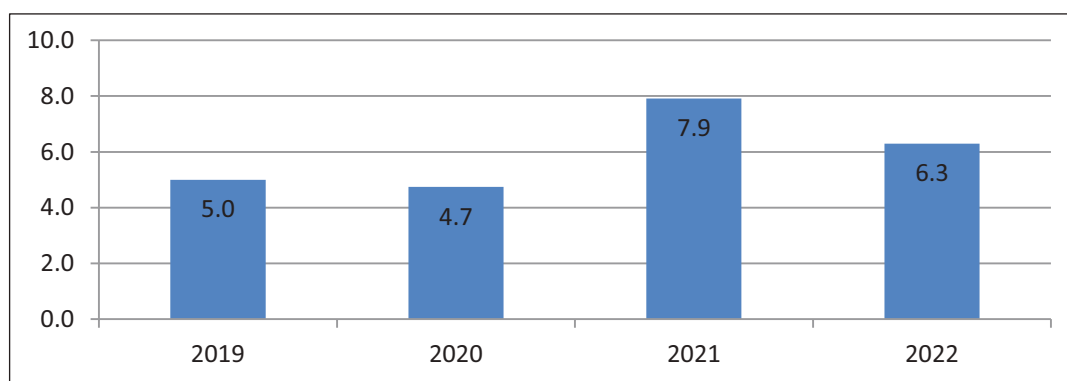


FIGURE 3.27 Adults exiting business (percentage) between 2019 and 2022

Source: GEM Global Report 2022-23

While the pandemic pushed inflation, it also made way for more technological influence over every aspect of business and life. Exiting a business was common due to the pandemic situation. Many of the businesses could not recover from the pandemic, or many of the businesses could not survive the financial crisis in their businesses. In the last two years, GEM has witnessed the recovery and comeback of many businesses in the country. The highest percentage of businesses that exited a business happened in 2021. By now, things have started changing, and we can witness the recovery in the figure below as well. It is expected to decrease more in the coming years as countries are booming, by having the third-largest ecosystem for businesses currently.

Contemporary Entrepreneurial Framework Conditions in India: National Expert Survey (NES)



GEM identifies the entrepreneurial context of a particular economy in terms of many factors, known as the Entrepreneurship Framework Conditions (EFCs). These key indicators are derived from more than two decades of GEM research, experience, and knowledge. The conditions of the EFCs can boost and enable or discourage and constrain the emergence and development of entrepreneurship in any economy. Many of these EFCs are subject to the direct influence of the government, so the status of these EFCs can reflect government priorities and spending. These EFCs directly influence entrepreneurial opportunities, entrepreneurial capacity, and entrepreneurial preferences. EFCs vary across different regions and economies and, hence, require analysis as per the context of the place and surroundings. Currently, nine major dimensions define the Entrepreneurial Framework. Figure 4.1 discloses these dimensions.

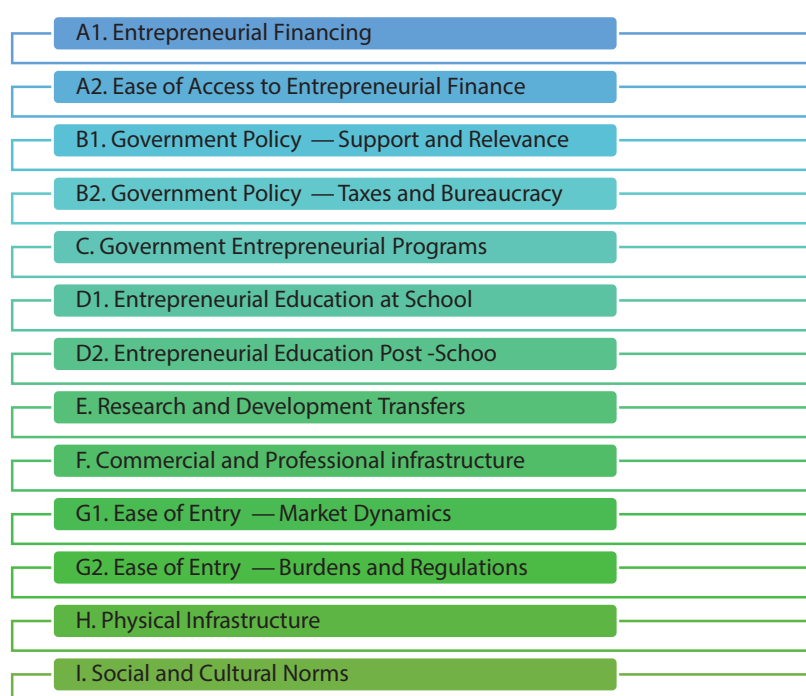


FIGURE 4.1 Entrepreneurial Framework Conditions

Source: GEM India Survey 2022–23

The GEM measures EFCs through a pool of the subjective judgements of several identified national experts. In India, this survey is undertaken by at least 72 experts, each of whom has been selected for their expertise by the GEM India Team and approved by GEM. Each expert assesses several statements that comprise the Framework Conditions on an 11-point Likert scale from 0 to 10, according to their view of whether each of those statements is completely untrue (assessed as 0), neither true nor false (five), completely true (10). The 2022 NES included questions on two new topics: recovery from the pandemic and actions supporting the United Nations Sustainable Development Goals (SDGs).

4.1 Entrepreneurial Framework Conditions (EFCs) In India

Entrepreneurial Framework Conditions include various factors that help measure the condition of the entrepreneurial ecosystem. The conditions of the Indian entrepreneurial framework are split into different classifications for a thorough examination. This creates a comprehensive list of eighteen factors, namely (1) sufficiency of financing for entrepreneurs; (2) ease of getting financing

for entrepreneurs; (3) government concrete policies: support and relevance; (4) government policies: taxes and bureaucracy; (5) government entrepreneurial programs; (6) entrepreneurial education at school level; (7) entrepreneurial education at post-school level; (8) research and development transfers; (9) commercial and professional infrastructure access; (10) ease of entry – market dynamics; (11) ease of entry – burdens and regulations; (12) physical infrastructures; (13) cultural and social norms; (14) recovery from the pandemic; and (15) actions supporting the United Nations SDGs.

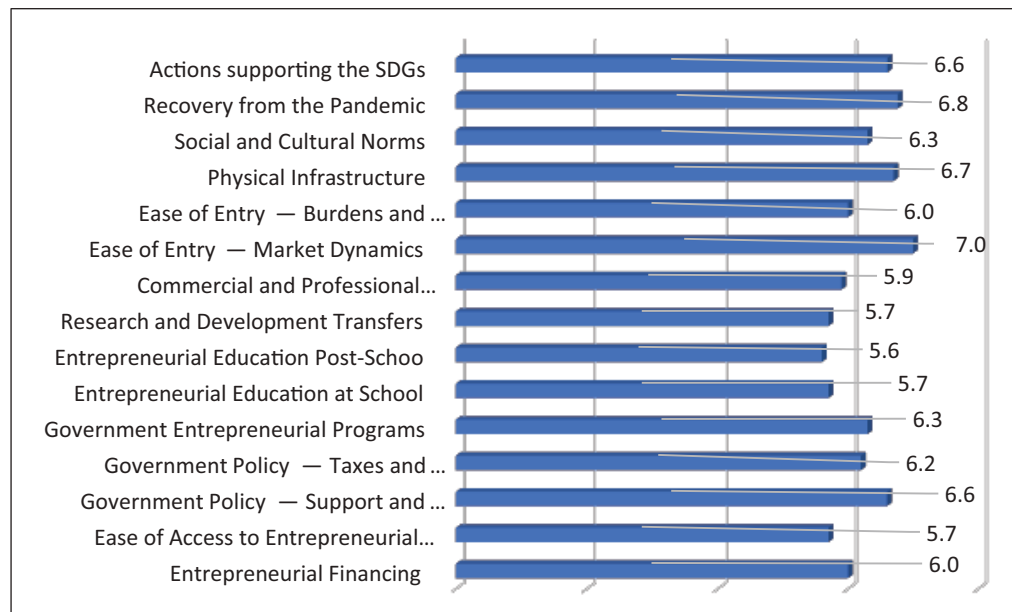


FIGURE 4.2 Entrepreneurial Framework Conditions in India

Source: GEM India Survey 2022–23

The scores representing each framework condition vary on a scale of 0–10. As such, a midpoint score of 5.0 can be regarded as adequate or sufficient for that condition. It can be seen in Fig 4.2 that all EFCs in India are assessed as adequate or better by the country's experts. It indicates that there is a conducive environment for new and growing firms in our country.

4.2 Entrepreneurship Framework Conditions: Comparison of Low-Income Countries

India's condition is better in all the factors compared to low-income countries. India has performed competently in government concrete policies, priority and support, and support for women's entrepreneurship and conciliation. Except for the impact of the global pandemic, the country is adding pillars for an enhanced entrepreneurial ecosystem. General physical infrastructure and service access and internal market dynamics are the most progressive conditions in India.

Only three EFCs were scored as adequate or better in all 13 low-income economies. In India, all EFCs were rated as adequate or sufficient (Fig. 4.3). The results presented in Table 4.1 also indicate that India's score was higher on 8 EFCs among all participating low economies.

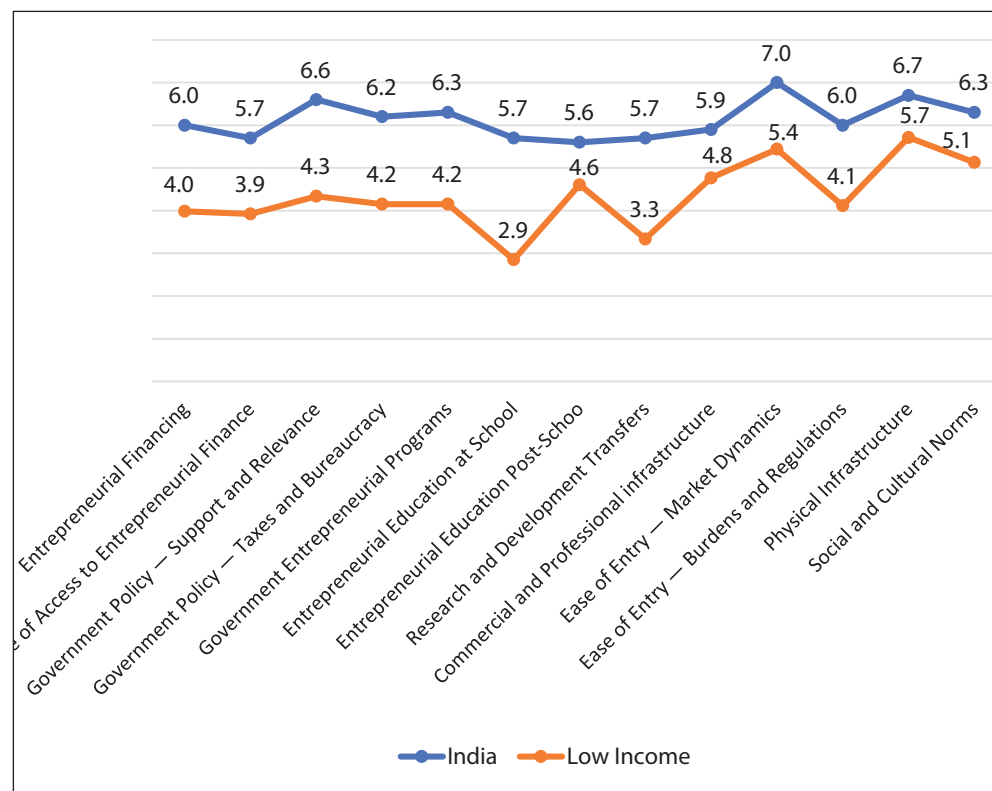


FIGURE 4.3 Entrepreneurial Framework Conditions in India and Low-Income Countries

Source: GEM India Survey 2022–23

4.3 Entrepreneurship Financing in India: Financial Environment

Entrepreneurship financing, as a framework condition, concentrates on the availability of financial resources for entrepreneurs, both equity and debt. This includes all grants and subsidies. In India, the financial ecosystem for entrepreneurs is highly favorable. Every year, the country puts in many resources to firmly support its financial ecosystem. This parameter has eight further indicators that try to analyze equity funding, debt funding, government subsidies, funding from informal investors, including friends and family, professional business angel funding, venture capitalist funding, initial public offerings, and micro-funding, which includes popular options like crowdfunding. Among all these parameters, debt funding is the most vigorous indicator, followed by government subsidies and informal investors. The financial ecosystem has become better in each circumstance, analogous to last year. It indicates that the government initiatives are being implemented appropriately compared to the prior year. Fig 4.4 indicates that informal investor funding got the highest rating among all financial indicators. It shows investor confidence in the market.

4.4 Easiness to Get Financing for Entrepreneurs

Availability and finance are the most crucial parts of the entrepreneurial ecosystem. The government and other institutions are supporting new and growing firms to grow. Entrepreneurs

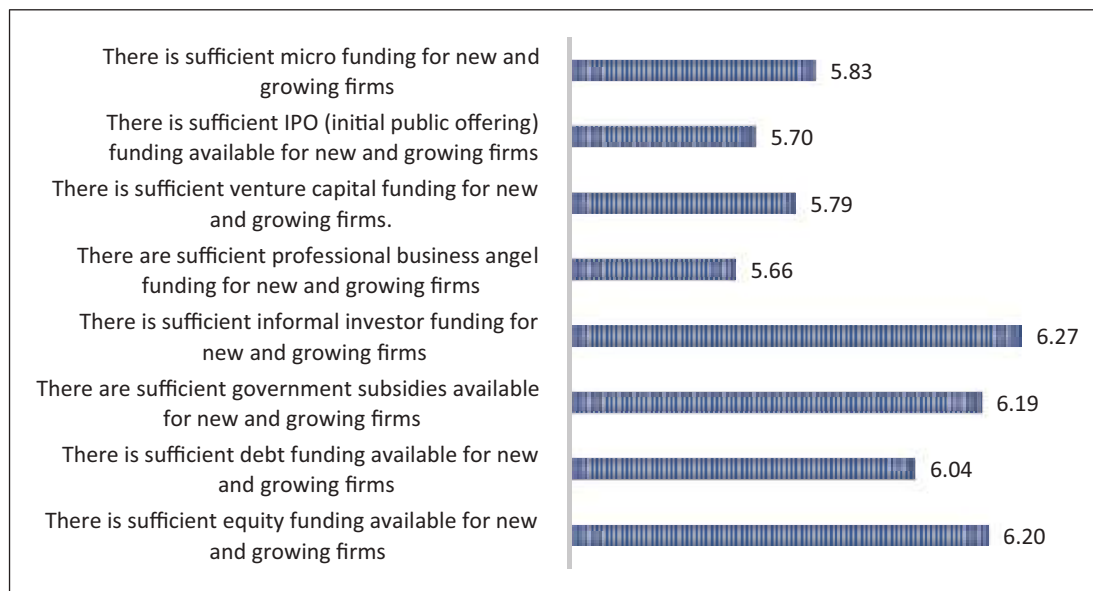


FIGURE 4.4 Financial Environment

Source: GEM India Survey 2022-23

want to access financial services at an affordable cost. It is difficult for nascent and existing entrepreneurs to get enough seed capital for a new business to cover start-up and early-stage expenses. Borrowing from banks and other sources is not easy; however, it gets more difficult for new and growing firms. In India, all indicators of the ease of getting funds were rated as adequate or sufficient. It can be seen in Fig. 4.5 that funding from investors is highly rated by experts, which means that formal and informal investors are investing in business.

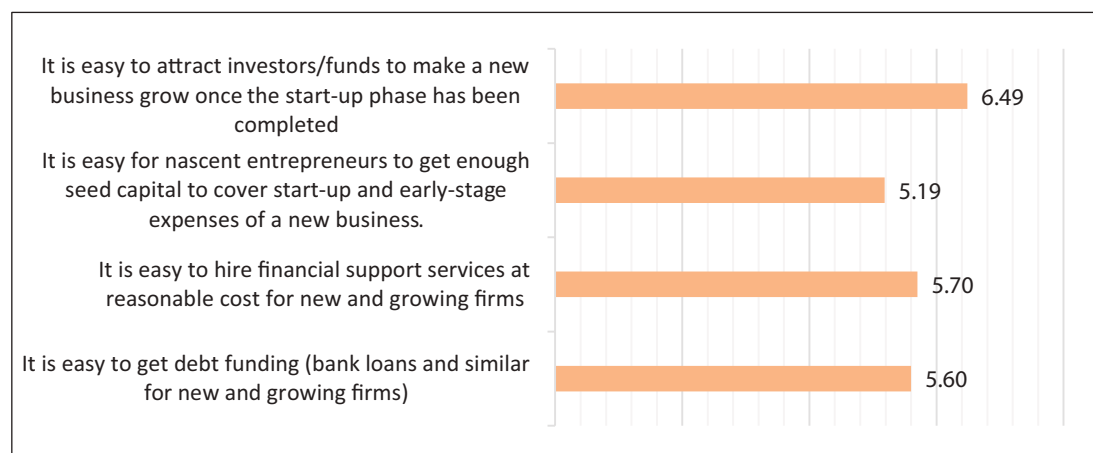


FIGURE 4.5 Ease of getting financing for entrepreneurs

Source: GEM India Survey 2022-23

4.5 Government Policy—Support and Relevance in India

Government policies – support and relevance explain the support that entrepreneurs get through public procedures. It explores to what extent these policies are backing the enterprises. Three indicators measure the dimension of government policy (see Fig. 4.6). The support for new and growing firms at the national level is significantly higher than at the local level. It indicates that the central government has tried to promote entrepreneurship in the country.

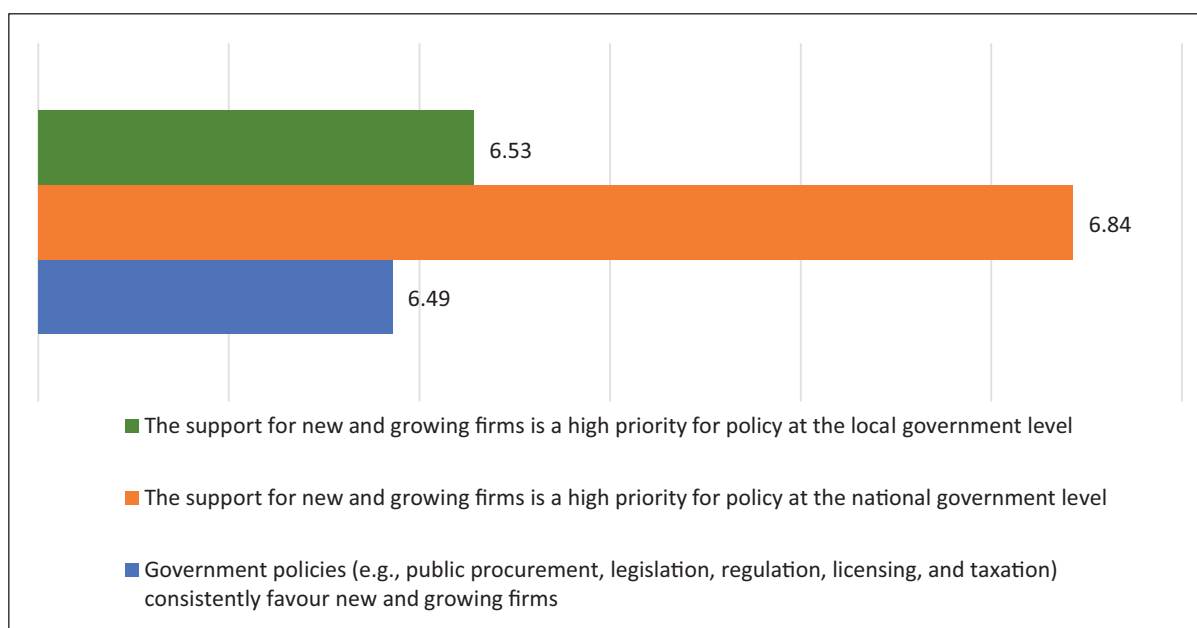


FIGURE 4.6 Ease of getting financing for entrepreneurs

Source: GEM India Survey 2022–23

4.6 Government Policy—Taxes and Bureaucracy in India

The government has been implementing various entrepreneurship programs both at the federal and local levels. These programs help potential and existing entrepreneurs expand through the intervention of competency and skill-building initiatives. The result presented in Fig. 4.8 indicates that almost all government programs effectively support new and growing firms. However, in the 2022–23 survey, accessibility of government programs got a lower rating from experts compared to other indicators of this dimension. Hence, there is further scope for improvement in programs for better accessibility for new and growing firms.

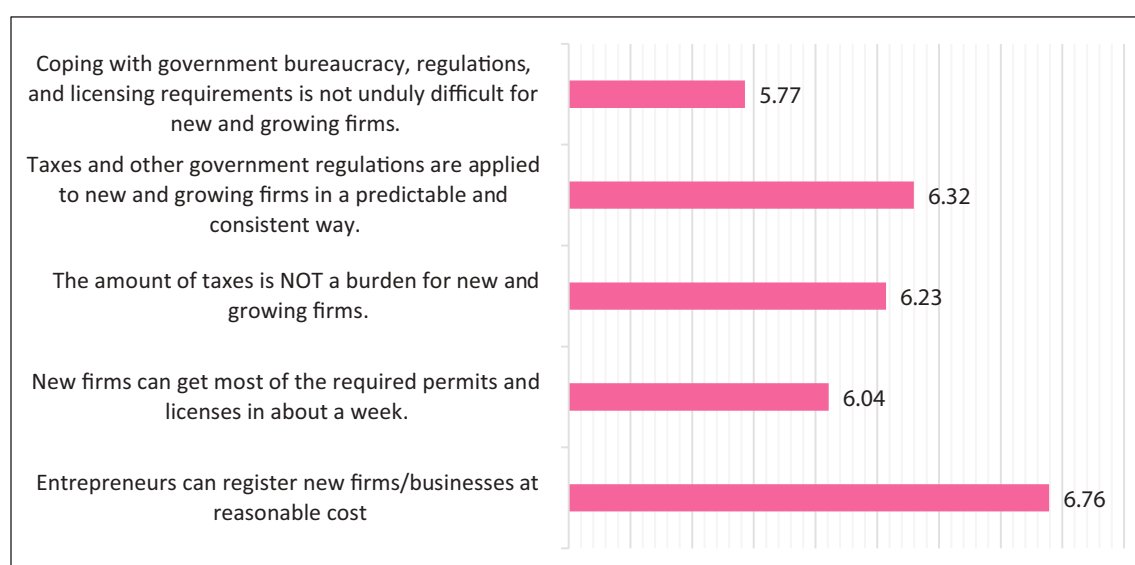


FIGURE 4.7 Government Policy—Taxes and Bureaucracy

Source: GEM India Survey 2022–23

4.7 Government Entrepreneurial Programs in India

The government has been implementing various entrepreneurship programs both at the federal and local levels. These programs help potential and existing entrepreneurs expand through the intervention of competency and skill-building initiatives. The result presented in Fig. 4.8 indicates that almost all government programs effectively support new and growing firms. However, in the 2022–23 survey, accessibility of government programs got a lower rating from experts compared to other indicators of this dimension. Hence, there is further scope for improvement in programs for better accessibility for new and growing firms.

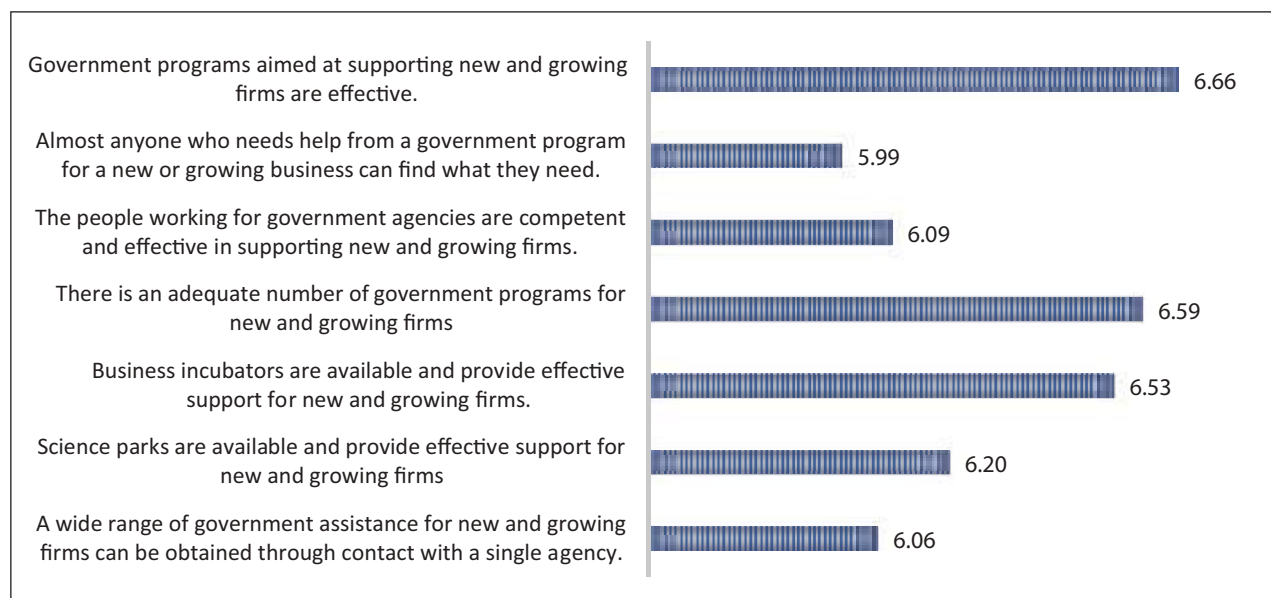


FIGURE 4.8 Government Entrepreneurial Programs

Source: GEM India Survey 2022–23

4.8 Education—Primary and Secondary

Entrepreneurship education aims to ensure the continuous supply of entrepreneurs in society by raising students' awareness about entrepreneurship. This segment is divided into two categories: one is focused on education at the school level (primary and secondary), and the other is on the post-school level (higher education such as vocational centres, colleges, and business schools).

Primary school-level entrepreneurship education in India is represented by Figure 4.9. Various initiatives are required to improve the existing structure of entrepreneurship education at the school level. However, India has worked better as compared to low-income countries. Three parameters have been used to explain entrepreneurship education at the school level. While evaluating primary and secondary education, experts explain that education enhances students' creativity, self-sufficiency, and personal initiative. While attention to entrepreneurship in education is rated well, creativity, self-sufficiency, and personal initiative must be improved, and targeted actions should be taken to alter the learning environment.

4.9 Education—Post Secondary Level in India

The second category of entrepreneurial education, which deals with post-school-level education, is represented in Figure 4.10. In India, post-secondary education is better than in many participating

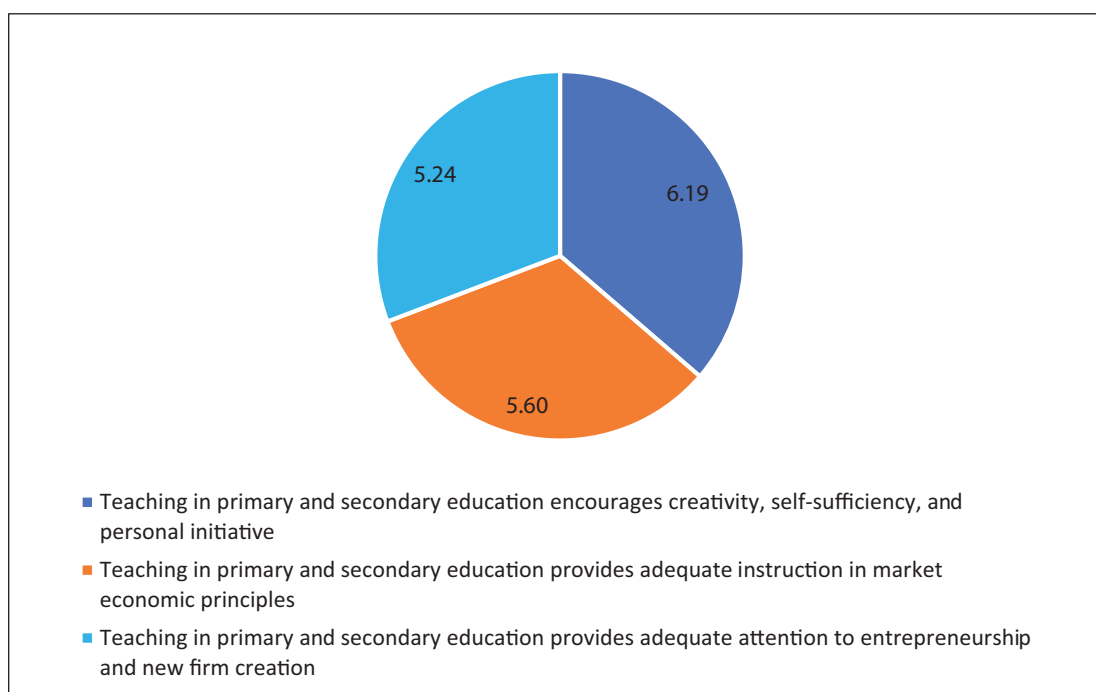


FIGURE 4.9 Education—Primary and Secondary

Source: GEM India Survey 2022–23

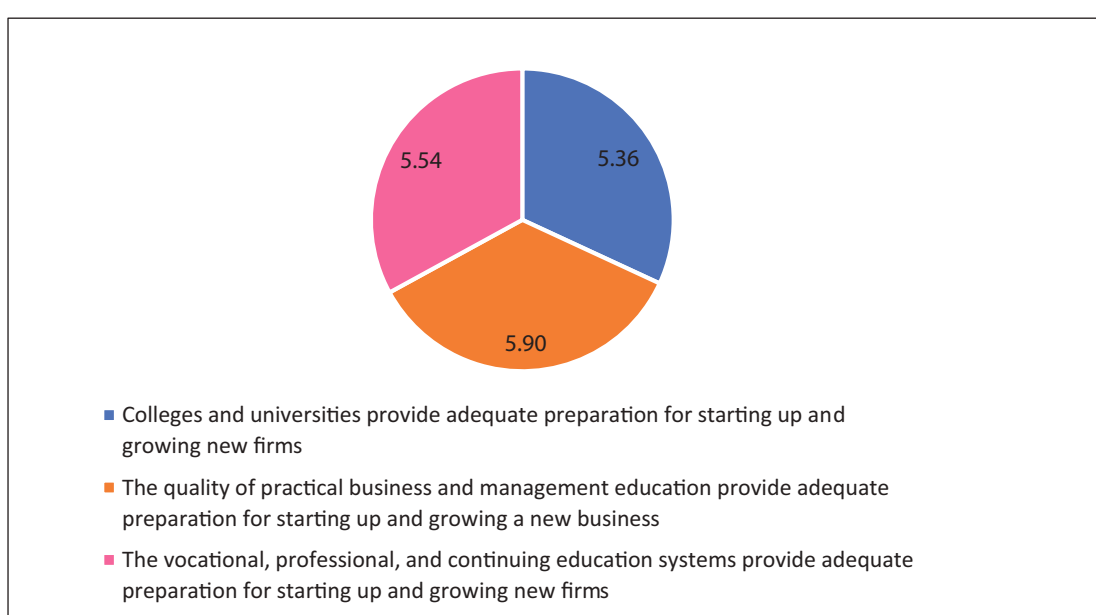


FIGURE 4.10 Education—Post-School Level in India

Source: GEM India Survey 2022–23

countries for GEM research. The vocational, professional, and continuing education systems provide adequate preparation for starting and growing new firms. It is essential to mention that all three aspects have been rated higher by national experts than the previous year. India stands third in performance compared to other low-income countries, highlighting the need for considerable improvement.

4.10 Research and Development Transfers in India

This section helps us to understand the role of research and development in creating commercial opportunities for entrepreneurs. For the sake of financial gain and business expansion, the solutions are commercialized. This dimension is measured by six indicators, as presented in Fig. 4.11. There is significant support from the science and technology base for creating world-class new technology-based ventures. The result reveals the positive role of government subsidies for new and growing firms to acquire new technologies. All of the indicators rated higher than the previous year.

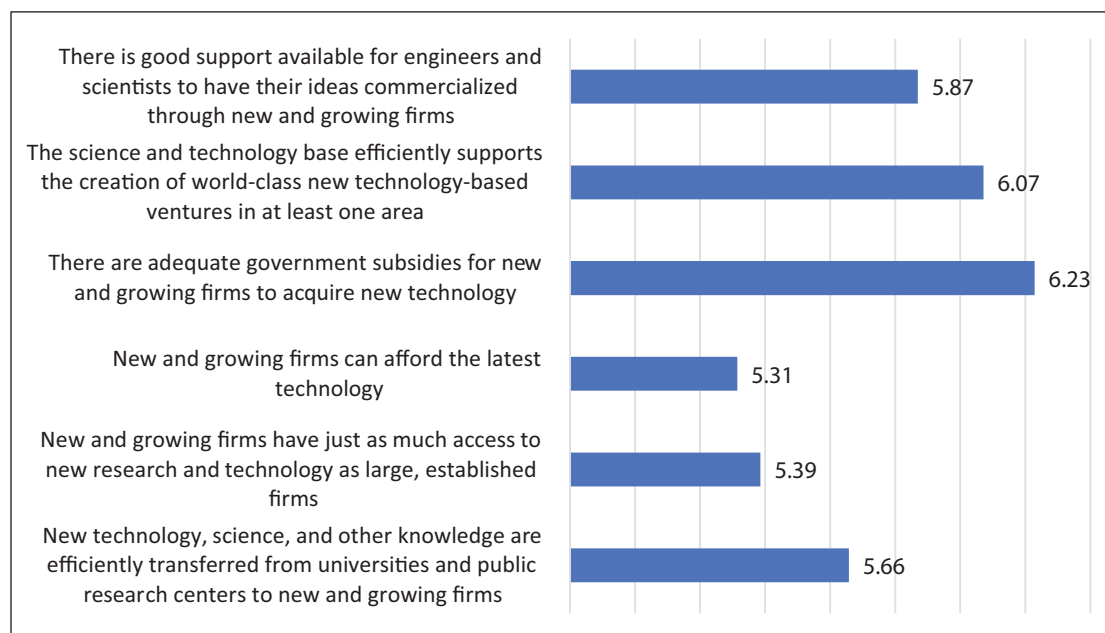


FIGURE 4.11 Research and Development Transfers

Source: GEM India Survey 2022–23

4.11 Commercial and Professional Infrastructure in India

The commercial and legal infrastructure is concentrated on property rights and other related legal services that support the new and growing firms. The availability of professional and commercial services that support new and growing businesses is the key objective of professional and commercial infrastructure. In this regard, India has been performing incredibly well. Experts analyze six different aspects for an overall assessment. India has a favorable ecosystem in all areas, but the ease of accessing good contractors and suppliers at affordable costs needs to be improved (Fig. 4.12). The most favorable aspect is the availability of contractors, suppliers, and consultants to new and growing firms and good banking services (checking/transaction accounts, foreign exchange transactions, and letters of credit). India can create a more favorable ecosystem with further improvements to its infrastructure.

4.12 Ease of Entry — Market Dynamics in India

The dynamics of the market comprise several elements that influence the firm. The entrance rules have been divided into two sections by GEM, i.e. market dynamics and burdens and regulations. The findings of market dynamics are represented in Figure 4.13. Experts examine the degree

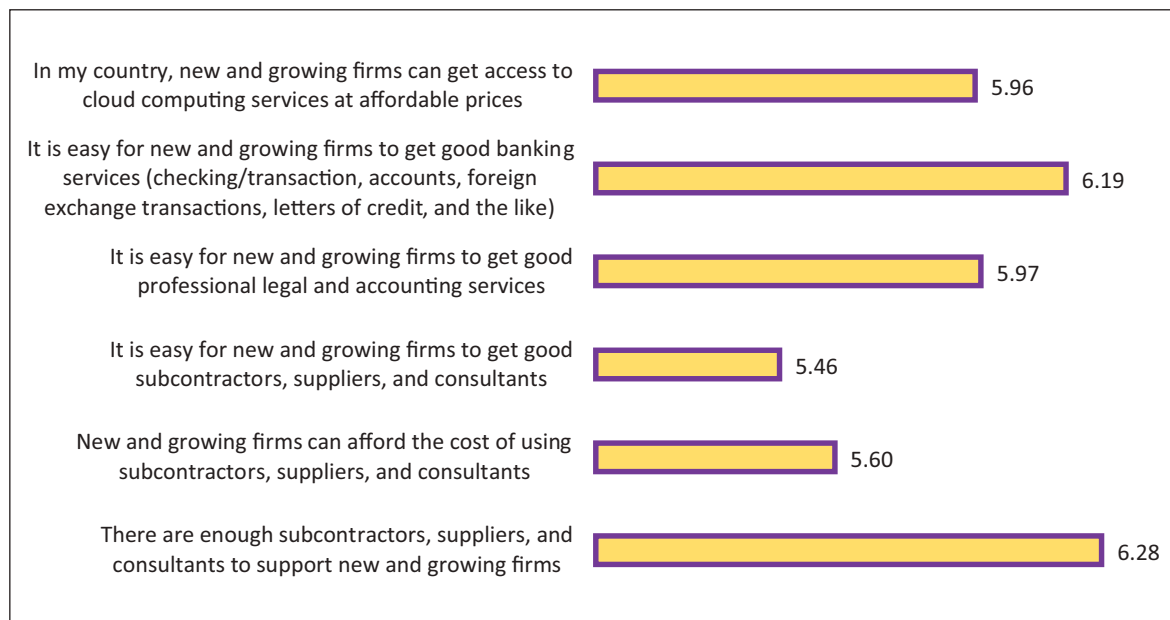


FIGURE 4.12 Commercial and Professional Infrastructure

Source: GEM India Survey 2022–23

of change in the market using market dynamics. Business-to-business dynamics and market dynamics for consumer goods and services are two other dynamics that are examined. Compared to last year, both parameters have increased. India has a robust ecosystem in the context of internal market dynamics, which is one of the framework conditions.

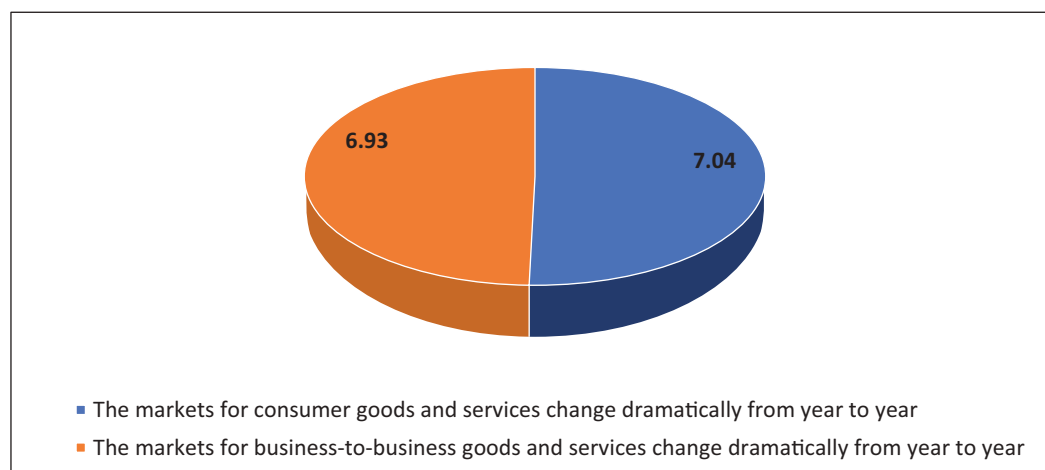
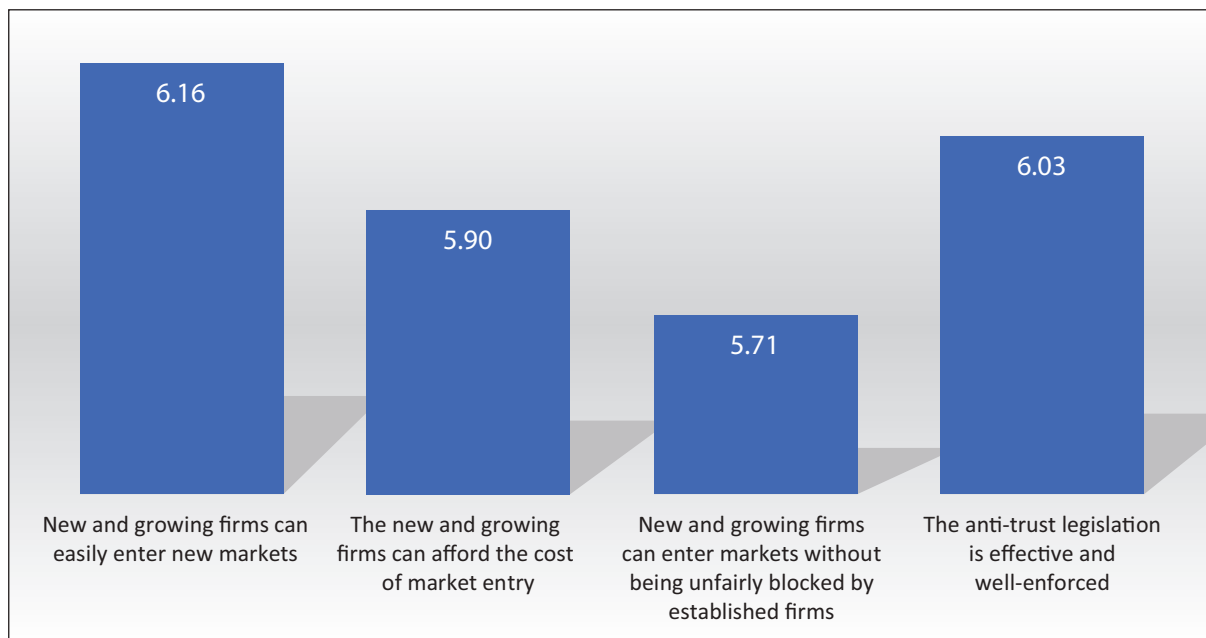


FIGURE 4.13 Ease of Entry—Market Dynamics

Source: GEM India Survey 2022–23

4.13 Ease of Entry—Burdens and Regulations in India

The second aspect of entry regulation is the market burden and regulations, which examine the ease with which new enterprises can enter new and established markets. To investigate this dimension for studies, four indicators are considered, as shown in Figure 4.14. Overall, the business environment is usual and straightforward for emerging and new companies to enter the market. The ecosystem is average in terms of the law and how well existing businesses are performing. India is also doing a fantastic job of combating the unfair restrictions put in place by

**FIGURE 4.14** Ease of Entry—Market Dynamics

Source: GEM India Survey 2022–23

legacy businesses.

Compared to last year's scoring, internal market burdens have increased significantly. The highest-performing factor is easy entry into the new market. It is a crucial factor that would ease market entry for new and young entrepreneurs. One factor that needs attention is that new and growing firms can enter markets without being unfairly blocked by established firms – this factor scores less compared to other factors of internal market openness.

4.14 Physical Infrastructure in India

Physical infrastructure works like a booster for the business and helps provide services more efficiently and comfortably. Under this framework condition, experts opined on how easily entrepreneurs can access physical resources. Affordable spaces, access, and utilities like gas, water, electricity, and communication are part of this framework condition. Figure 4.15 displays seven factors with their scores for this year. India is performing well in all the factors, and there is an improvement compared to the previous year. Access to communication at the affordable cost of essential utilities is the most significant factor in this area.

4.15 Cultural, Social Norms and Society Support in India

This framework condition takes care of the social and cultural norms that encourage new business methods and activities that would help in increasing personal wealth and income. The analysis is done through five different indicators. Altogether, this framework condition contributes to making the ecosystem favorable for entrepreneurs. The most positive aspect is that the country's national culture emphasizes the individuals' responsibility in managing their own life. There has been an equal increase in the expert scores across various factors compared to last year's scores. There is a significant increase in risk-taking encouraged by national culture, which means that now India is coming out of the pandemic and people are coming forward for entrepreneurship.

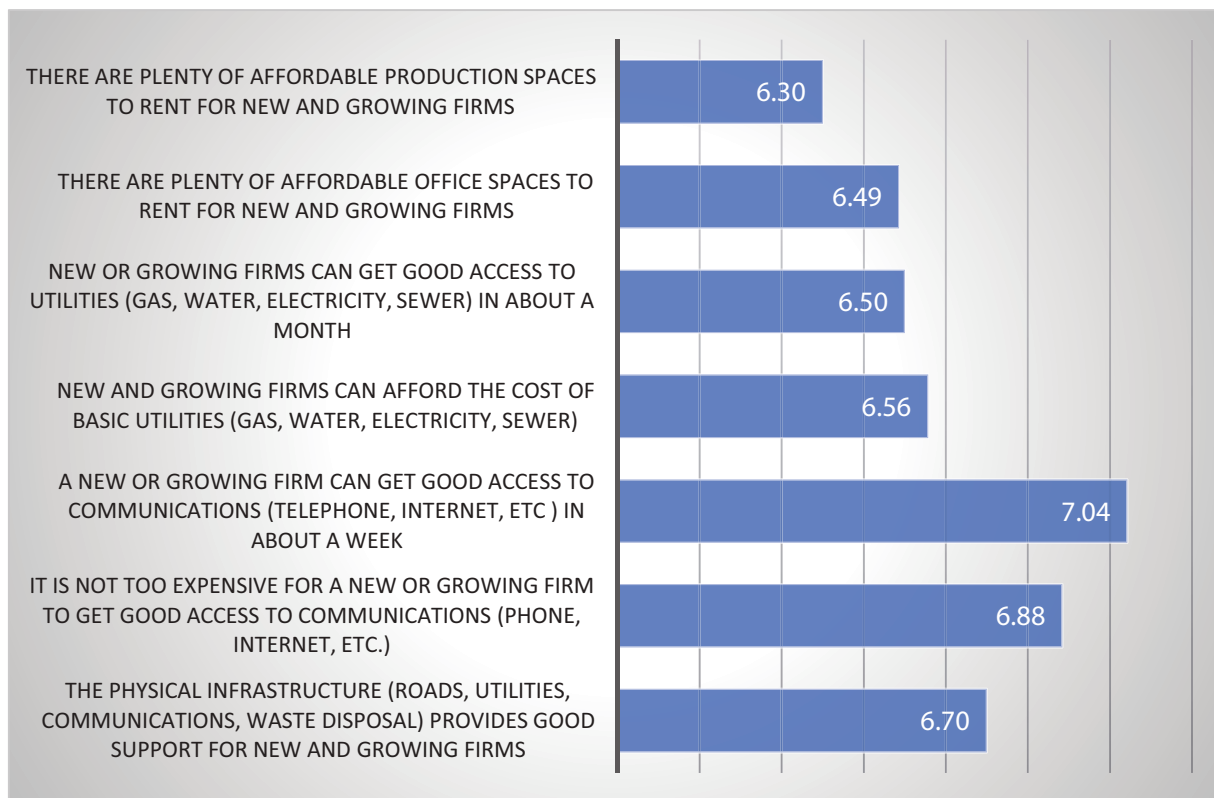


FIGURE 4.15 Physical Infrastructure

Source: GEM India Survey 2022–23

The rise in encouragement for creativity and innovativeness also indicates similar findings for India (Fig. 4.16). Necessary actions should be continued to maintain and switch the current scenario to improve the environment for entrepreneurs.

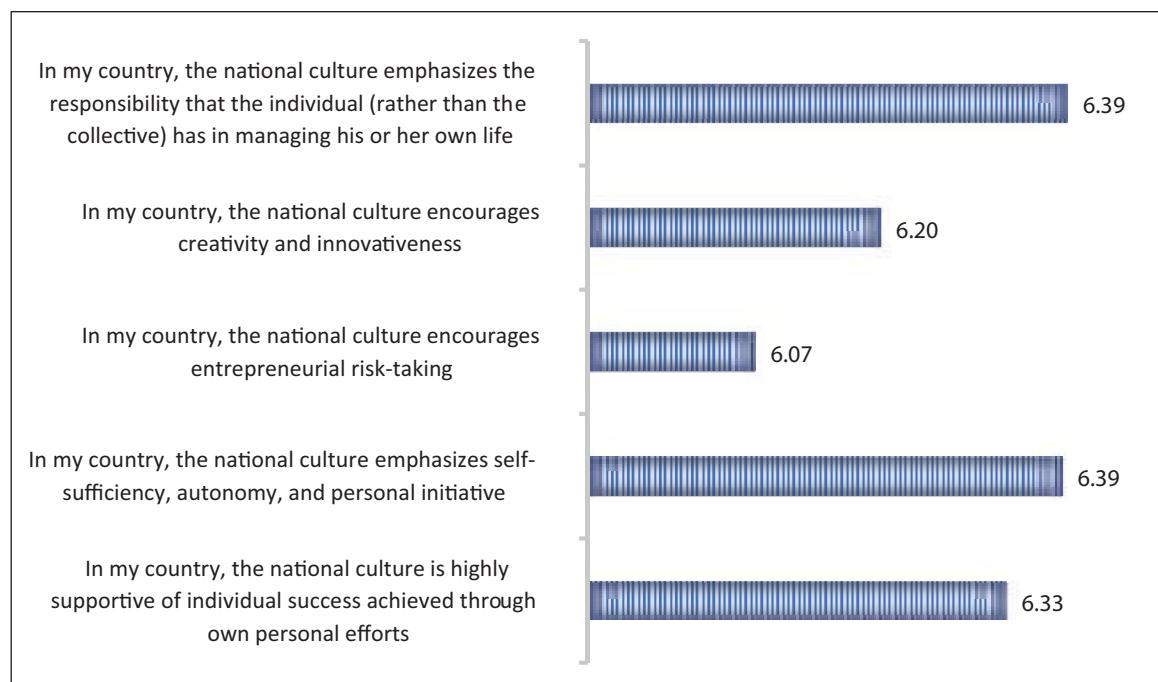


FIGURE 4.16 Cultural Social Norms

Source: GEM India Survey 2022–23

4.16 The New Normal Phase-Building Back Better from Pandemic Effect

The years 2020–22 have been challenging for economies across the world. Every sector had to suffer market disruptions as a result of the pandemic. However, nations have tried to control the situation by providing various supports. The government has played the most critical role in assisting multiple industries and contributing to the economy's recovery.

This segment is divided into four categories. The first factor is the firm's recovery of economic activity to pre-pandemic levels. The second is that firms have increased their digital capabilities to help recover from the pandemic. Third, the hiring of employees by firms is back to pre-pandemic levels. And fourth, due to the pandemic, most firms have moved from global to local supply chains. According to expert ratings, all four factors have significantly improved, and entrepreneurship is building back better from the pandemic. The result presented in Fig. 4.17 indicates that most firms have increased their digital capabilities to help recover from the pandemic. The Government of India took adequate steps to support the entrepreneurs. This government support helped the firms survive and handle their losses.

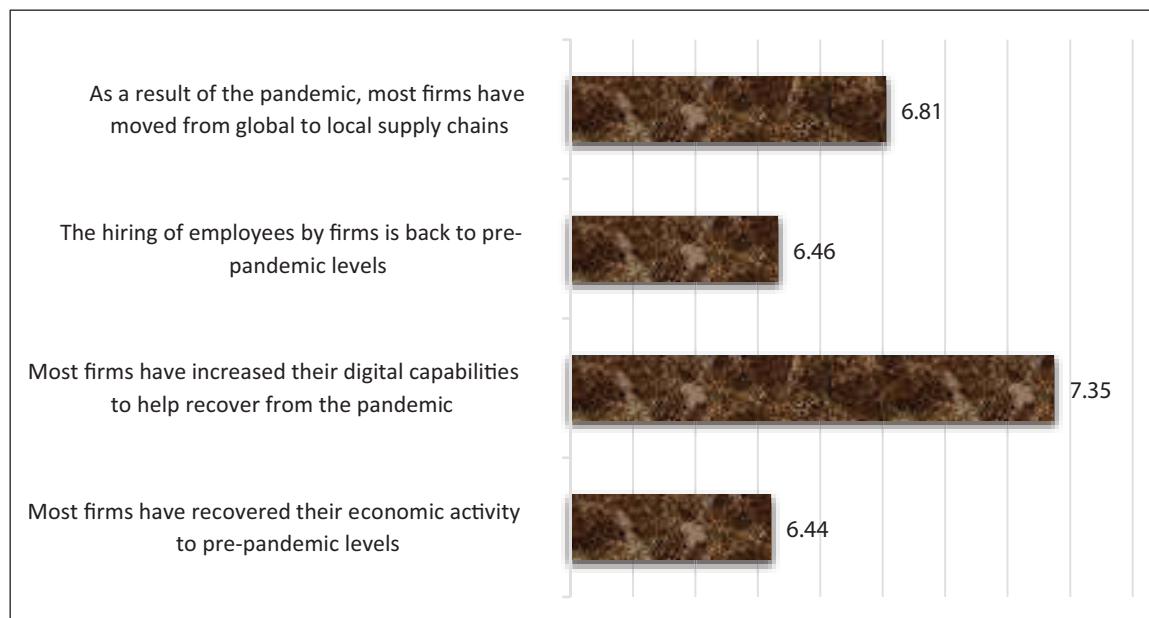


FIGURE 4.17 The New Normal Phase—Building Back Better

Source: GEM India Survey 2022–23

4.17 Actions Supporting the United Nations Sustainable Development Goals (SDGs)

According to the 2030 Agenda for United Nations SDGs, entrepreneurship was identified as an essential instrument to promote the achievement of the UN SDGs for more equitable, greener, more balanced, and higher quality development. The 2022 NES included questions on a new topic: actions supporting the United Nations SDGs.

Actions in support of the UN SDGs typically scored higher in India among low-income countries. The factor 'national government supports sustainability-focused firms through grants, special rights, and/or tax cuts' is rated higher by national experts of the country. The findings also

suggest that other remaining factors are adequate or sufficient in the country (Fig. 4.18). There is a considerable positive association between income level and framework condition scores.

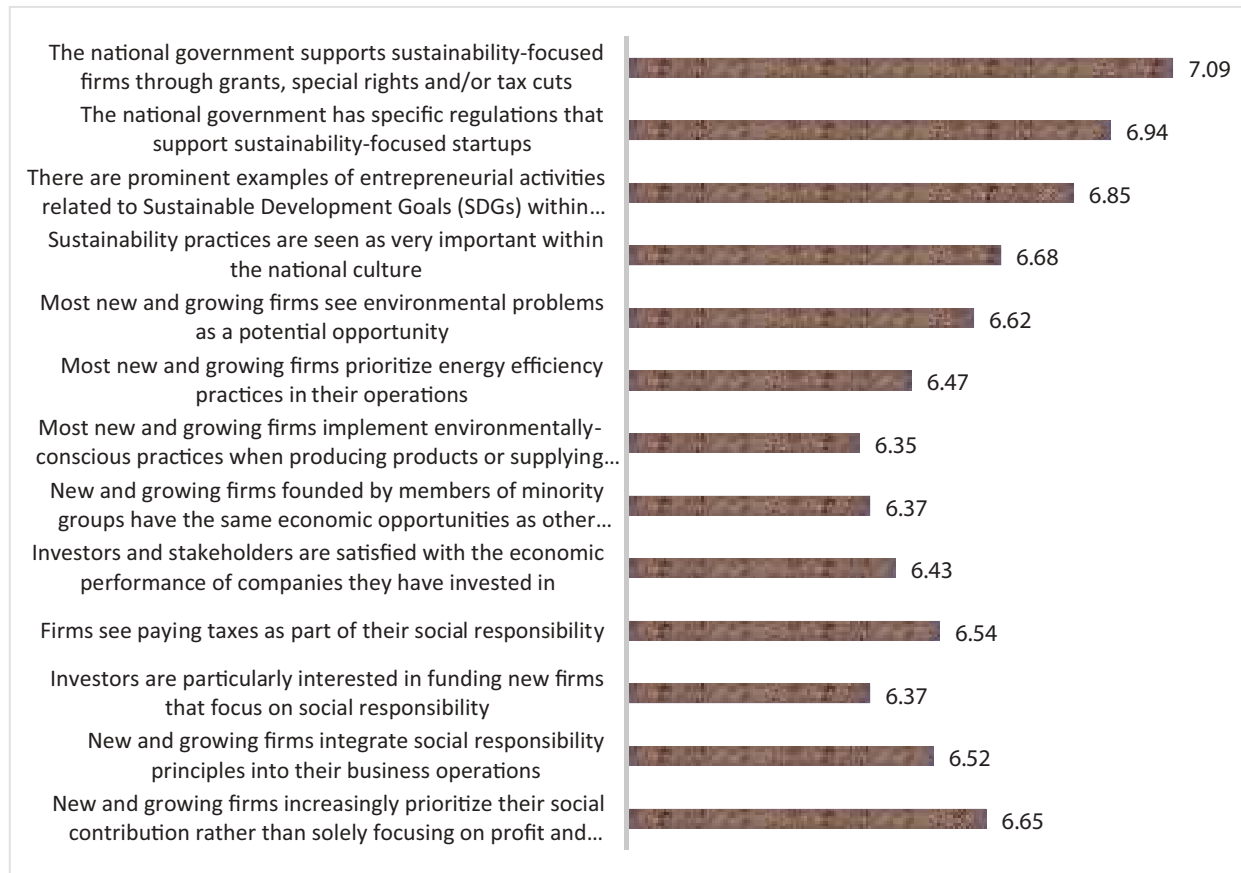


FIGURE 4.18 Actions Supporting SDGs

Source: GEM India Survey 2022–23

4.18 The National Entrepreneurship Context Index (NECI)

It is found in the GEM research that some EFCs are good for economies, whereas some EFCs are not so good in those economies. So, it is difficult to assess which economies are the best places to start and grow a business or to compare the relative merits of different economies. Therefore, to tackle this issue in 2018, GEM developed a single number to represent the quality of an individual economy's entrepreneurial environment; this is known as the National Entrepreneurship Context Index, or NECI. The NECI simplifies this picture by taking each economy's EFC scores and averaging them to get an NECI score for that economy. The results for 2022 are presented in Figure 4.19. The economies with lots of EFCs scored as sufficient or better in the NECI. The findings reveal that there is a clear association between income level and ranking of NECI, with seven of the top 12 economies ranked by NECI coming from Level A, two from Level B, and three from Level C, including India. India ranked fourth in the Gem-participating economy in 2022-23. A significant improvement has been observed in terms of NECI in India from last year's ranking (16T). The NECI rank Five of these top-12-ranked economies are from East Asia, with four from the Middle East and three from Europe. On the other end of the scale, economies with few EFCs scored as sufficient and featured heavily in the bottom 12 of the NECI ranking. Venezuela scored the least by some margin. Seven of the last 12 were Level C economies, with four Level B and

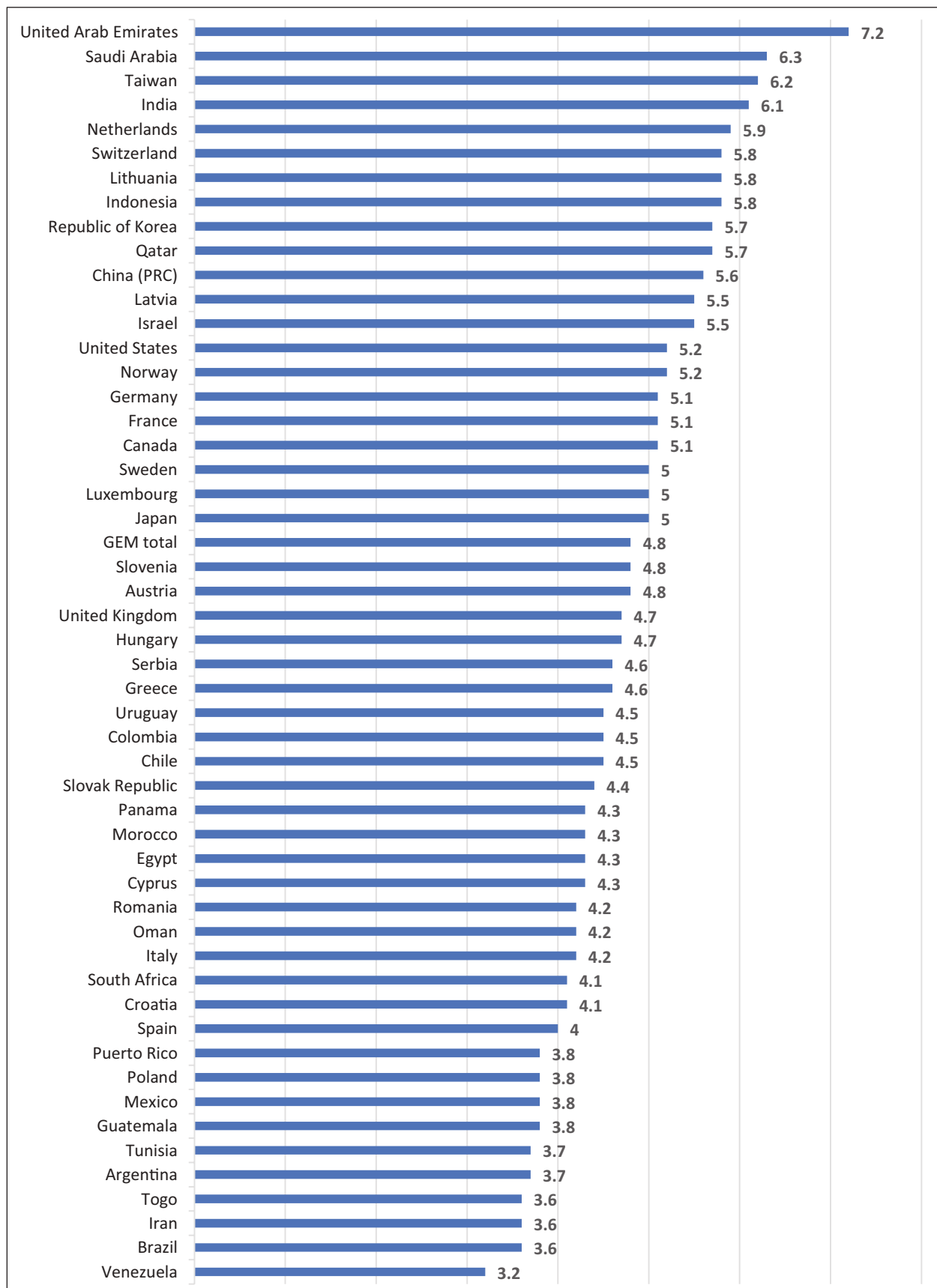


FIGURE 4.19 The National Entrepreneurship Context Index

Source: GEM Report 2022–23

just one Level A economy (Spain). Six of those last 12 are from Latin America and the Caribbean, with another three from Africa, two from Europe (Poland and Spain), and one from Asia (Iran). High scores for Framework Conditions should also encourage and facilitate business growth and development, thereby easing the transition from new to established businesses.

4.19 Government Action and Affect: Positive and Negative

The world has been coming out of the repercussions of the virus almost three years after the World Health Organization declared COVID-19 a pandemic. The pandemic's toll on the whole healthcare system has had the most significant effects, followed by the economic toll, which has been more enduring and inescapable. The country's ecosystem and development have been significantly impacted by lockdown and COVID protocols. Financial support, general government actions, government initiatives, and government health and welfare initiatives are all badly impacted by the pandemic. The impact of financial services was very positive after the steps of government subsidies, employment preservation and wages, credit moratorium, deferment of tax liabilities, and loan extensions. The firms have received the benefit of financial support and government steps to control the negative effects on the economy. Government action has positively affected policies, the digitalization of companies, and government programs (Fig. 4.20).

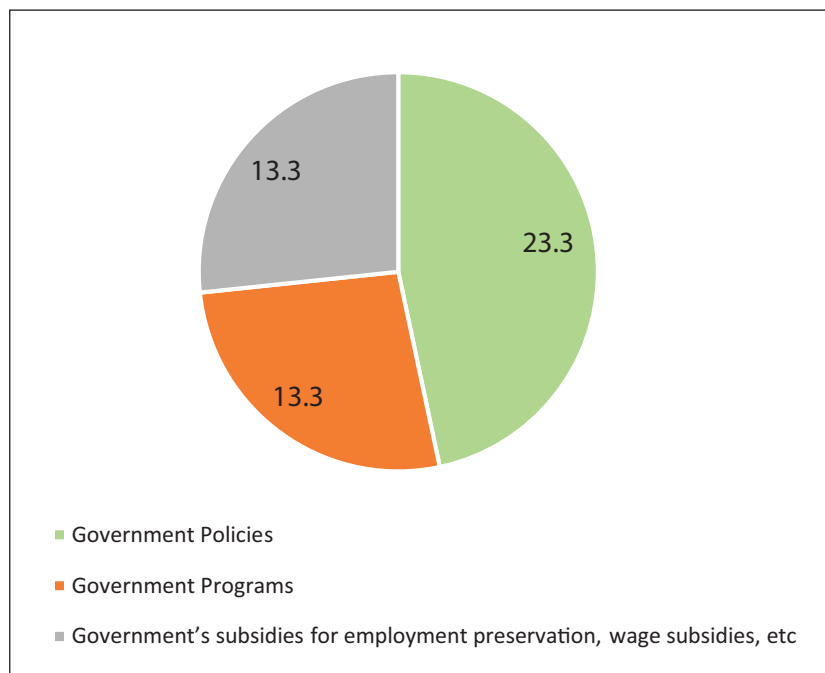
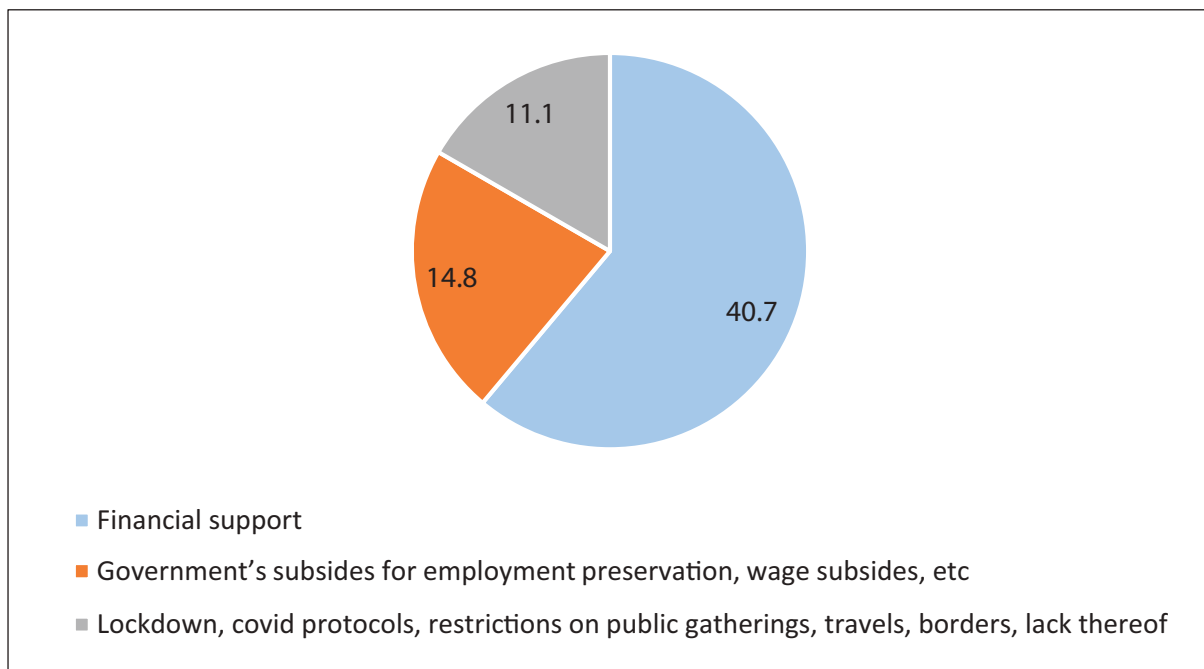


FIGURE 4.20 Positive Impact of Government Action

Source: GEM India Survey 2022–23

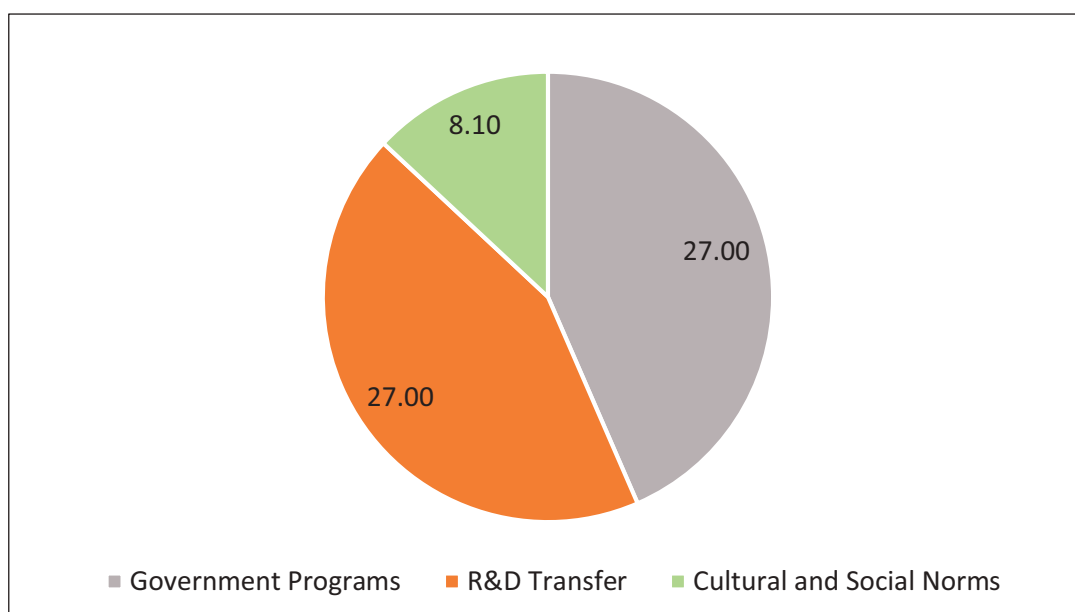
Figure 4.21 explains the adverse effect of government actions on the ecosystem. A negative effect can be found due to a lack of financial support and lockdown, restrictions, and COVID protocols, which shut down various economic activities. Loan extensions, deferment of tax liabilities, and government subsidies have also negatively affected the entrepreneurship ecosystem of India.

**FIGURE 4.21** Positive Impact of Government Action

Source: GEM India Survey 2022–23

4.20 Fostering Factors to Strengthen Entrepreneurship in India

Figure 4.22 shows the fostering factors for entrepreneurial activities in India. The experts have found that for promoting entrepreneurship, government programs, R&D transfer and culture and social norms are the main fostering factors in India. Moreover, multiple government and private institutions are working to strengthen entrepreneurship and shifting their interest toward

**FIGURE 4.22** Fostering Factors to Strengthen Entrepreneurship

Source: GEM India Survey 2022–23

developing an entrepreneurship culture in the country. The Government of India initiated more programs to provide opportunities for youth to come up with some start-ups. The government has also taken different steps to promote research and development to foster innovative solutions for society. There are more opportunities for companies to invest, and a single-window redressal system has been promoted by the Government of India to address the smooth flow of investment in the country.

4.21 Recommendations to Strengthen Entrepreneurship in India

The experts' primary recommendation is to improve government policies and financial support for novice and existing entrepreneurs so they can easily start and grow their businesses. Education and training play an essential role in building the entrepreneurship ecosystem. The government should focus on creating sounder learning opportunities and developing human resource infrastructure for the growth of young entrepreneurs. The experts also recommended in Figure 4.23 that capacity-building programs should be improved and developed in a structured form to construct a more advantageous circumstance to create and expand the enterprise.

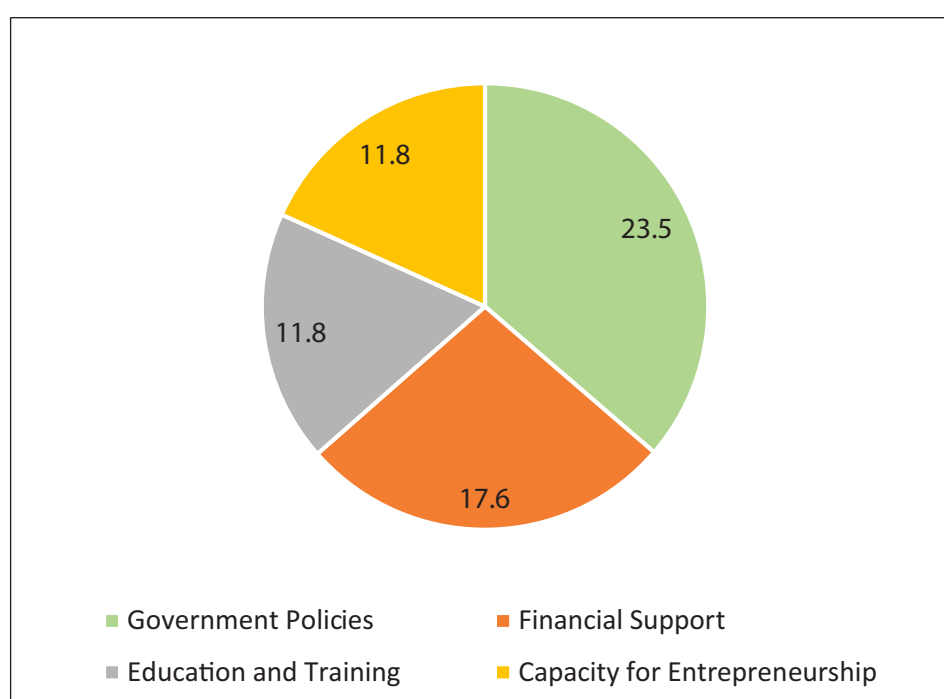


FIGURE 4.23 Fostering Factors to Strengthen Entrepreneurship

Source: GEM India Survey 2022–23

Entrepreneurial Activities and Entrepreneurship Environment in India



5.1 Introduction

This 2022/2023 GEM India Report presents the results of GEM's 24th research survey. In this research cycle, over 170,000 individuals were interviewed across 49 different economies, adding their views and experiences to over 3 million previously interviewed for the GEM Adult Population Survey (APS) over the previous two decades. These 49 economies will represent about two-thirds of the global population in 2022. Moreover, GEM's National Expert Survey (NES) includes 51 economies (all of the 49 economies that participated in the GEM APS, plus Italy and Argentina). The NES is a survey of national experts in each economy charged with assessing the key components and characteristics of the entrepreneurial environment for that economy.

GEM India has been publishing the GEM India report since 2013. The GEM India report is a source of great information on entrepreneurial activity, entrepreneurial attributes, motivations, perceptions, and activities of the country's youth. The present report provides a range of new information relevant to the entrepreneurship ecosystem as well. The growth of entrepreneurship in the country is clearly visible. Consistency and upward movement can be seen in the last four years in almost all key indicators of entrepreneurial activities and ecosystems in the countries. In this chapter, an effort is made to understand the trend of entrepreneurship activities and their related dimensions for India.

5.2 Total Entrepreneurial Activities in India

The result presented in Figure 5.1 reveals that the total entrepreneurship activity rate in India has increased from 5.3 percent in 2019–20 to 11.5 percent in 2022–23. It is important to mention here that TEA includes nascent entrepreneurship and new business ownership. Along with TEA, both have increased significantly in the same time period. Similarly, the established entrepreneurship rate has also increased from 5.9 to 9.0 percent from 2019–20 to 2021–23. However, the established business rate was higher (11.9) in 2019–2020.

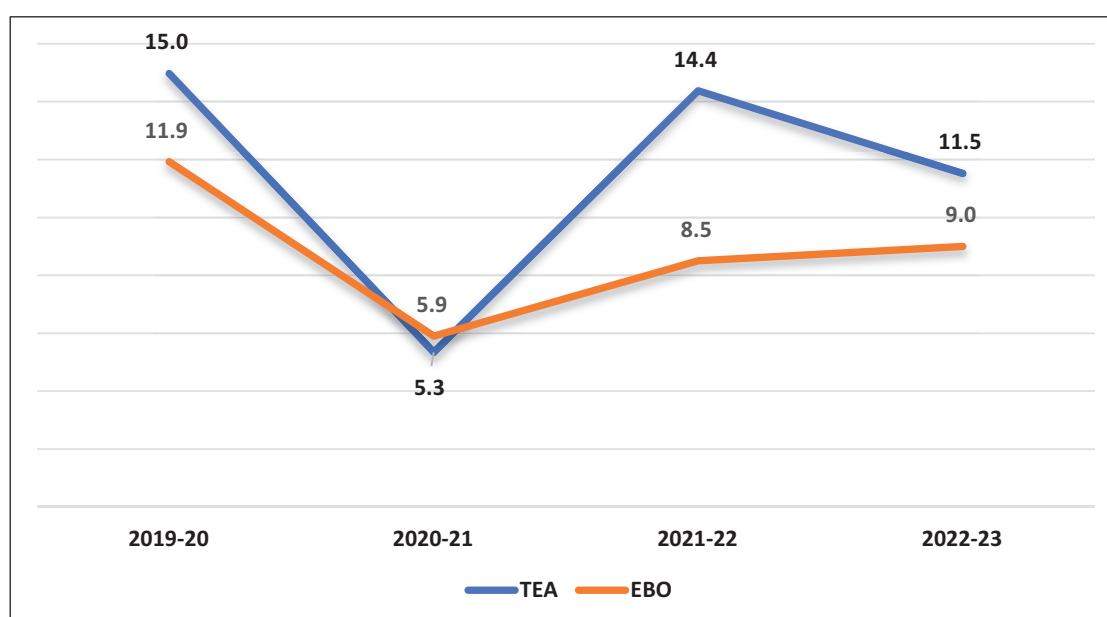


FIGURE 5.1 Trends of TEA and EBO in India

Source: GEM India Survey 2022–23

It is also evident that the COVID-19 pandemic has a significant impact on entrepreneurial activities and their related dimensions. It can be observed in Figure 5.1 that there is a significant decline in almost all dimensions of entrepreneurial activity in the years 2020–2021.

5.3 Digitalization and Entrepreneurial Responsibilities

The pandemic has led to substantial changes in how we live and work and how business is conducted. This provides an opportunity to understand digitalization as a tool for recovery as businesses adopt digital technology to gain a competitive advantage and enhance performance-related outcomes. To explore the impacts of digital changes on new entrepreneurs, the present research enquired about the use of digital technology by both those starting a new business and those running an established business and whether they expected to use more digital technologies to sell their products or services in the next six months. Results presented in Fig 5.2 indicate that in India, only 28.2 percent of new entrepreneurs have expressed their willingness to use digital technology for their business activities, whereas 22.8 percent of established business owners have shown their willingness for the same. The findings reveal that India needs more concentrated efforts to increase awareness and willingness to use digital technology among aspiring and existing entrepreneurs in the country.

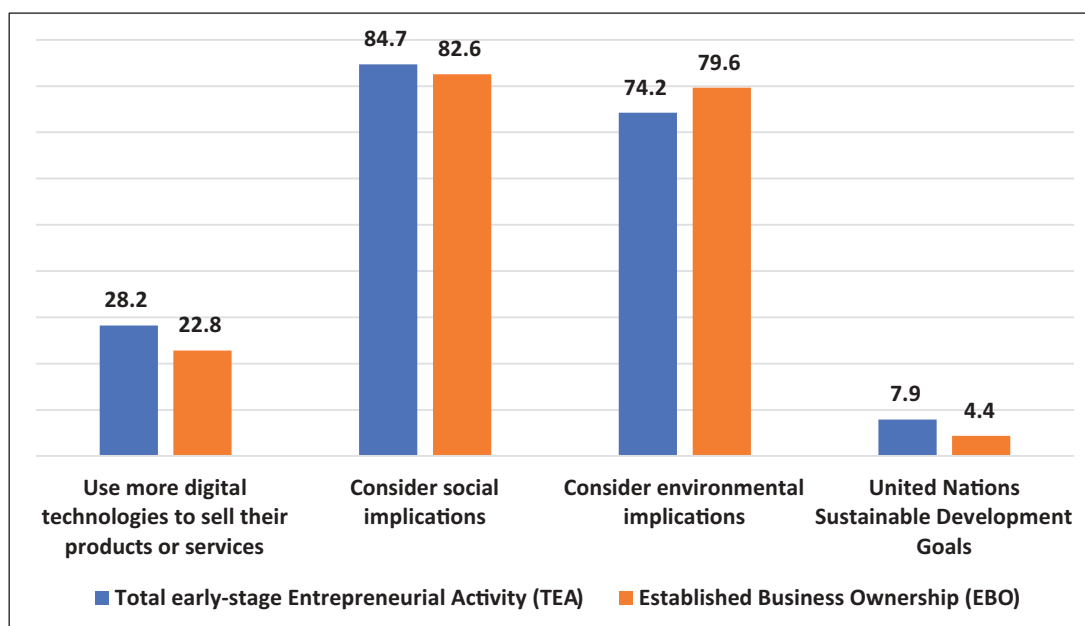


FIGURE 5.2 Digitalization and Entrepreneurial Responsibilities

Source: GEM India Survey 2022–23

Many of those running new or established businesses have strong social and environmental concerns, particularly after the pandemic. Social concerns may include access to education, health, safety, inclusiveness, housing, transportation, and quality of life at home or work. Environmental implications can include the preservation of green areas, reductions in the emission of pollutants and toxic gases, selective garbage collection, and conscious consumption of water, electricity, and fuel. Such social and environmental considerations may be weighed against and even prioritized above profitability or growth (GEM 2022–23).

To understand these concerns, the GEM APS asks those running a new or established business whether they agree that they always consider social and environmental implications when

making decisions about the future of their business. Fig. 5.2 clearly indicates that in India, among both new and established entrepreneurs, there was widespread agreement that social and environmental concerns were always considered when making decisions about the future of the business. It is also evident from the findings that in the case of social implication, new entrepreneurs have shown more concerns than established entrepreneurs, but in the case of environmental implication, more established entrepreneurs have shown concerns than new entrepreneurs.

According to the 2030 Agenda for Sustainable Development approved by the United Nations, entrepreneurship was identified as an important tool to promote the achievement of the UN SDGs for more equitable, greener, more balanced, and higher-quality development. A question in the GEM is framed to explore whether new and established entrepreneurs know the SDGs. Fig. 5.2 shows that awareness of the SDGs among those starting a new business or running an established business was low in India.

This lack of awareness is despite the high proportion of entrepreneurs, both new and established, reporting that they always consider social and environmental concerns in their decisions about the future of the business. The success of the United Nations 2030 Sustainable Development Goals is crucial to the future global economy and society. Hence, India needs to spread awareness about the SDGs in a more effective way.

5.4 National Entrepreneurial Context Index (NECI)

The entrepreneurial environment is defined and assessed by GEM in terms of specific Entrepreneurial Framework Conditions (EFCs). These composite scores are transformed into a score for each EFC, which is then averaged to calculate the National Entrepreneurial Context Index (NECI) for each economy (GEM 2022–23).

Table 5.1 indicates that a number of low-income economies have scored sufficient or better despite their lack of resources. For example, India, Indonesia, and China each had nine or more EFCs (out of 13) scored as sufficient or better. Only seven of the 22 high-income economies could match or improve on this. These low-income economies have leapt enthusiastically onto the entrepreneurial support train and are reaping the rewards (GEM 2022–23). Of the 51 economies participating in the 2022 GEM National Expert Survey, India has the fourth highest NECI score and, hence, may be one of the best places to start and grow a business.

TABLE 5.1 Entrepreneurial Framework Conditions

Framework Condition		Level A		Level B		Level C	
A1. Finance	high	United Arab Emirates	7.2	Taiwan	5.9	Indonesia	6.0
	low	Cyprus	3.4	Panama	3.1	Venezuela	1.9
A2. Access	high	United Arab Emirates	7.2	Taiwan	5.4	India	5.7
	low	Italy	3.9	Argentina	2.5	Venezuela	1.8
B1. Policy	high	United Arab Emirates	6.9	Taiwan	7.1	India	6.6
	low	Spain	2.9	Argentina	1.8	Venezuela	2.1
B2. Burdens	high	United Arab Emirates	6.9	Taiwan	7.1	China	6.5
	low	Spain	3.3	Argentina	1.8	Venezuela	1.7
C. Programs	high	Austria	7.1	Taiwan	6.6	India	6.3
	low	Cyprus	3.6	Argentina	3.2	Venezuela	2.1

Framework Condition		Level A		Level B		Level C	
D1. Schools	high	Israel	7.6	Latvia	5.6	India	5.7
	low	Cyprus	2.5	Mexico	1.7	Togo	1.5
D2. Colleges	high	United Arab Emirates	7.4	Taiwan	5.9	Indonesia	6.2
	low	Austria	3.8	Romania	3.1	Iran	3.0
E. R & D Transfer	high	United Arab Emirates	6.8	Taiwan	5.8	India	5.7
	low	Spain	3.4	Poland	2.8	Venezuela	2.1
F. Commercial	high	United Arab Emirates	6.8	Taiwan	6.9	India	5.9
	low	Israel	4.8	Oman	4.1	Venezuela	3.8
G1. Entry Dynamics	high	Korean R	7.8	Latvia	7.1	Venezuela	7.1
	low	France	3.7	Uruguay	2.0	Guatemala	3.4
G2. Entry Burden	high	Israel	6.9	Latvia	5.5	India	6.0
	low	Spain	4.1	Mexico	3.3	Iran	3.1
H. Infrastructure	high	Switzerland	7.8	Taiwan	8.4	China	7.3
	low	Israel	3.6	Oman	4.6	Venezuela	4.0
I. Culture	high	United Arab Emirates	7.9	Taiwan	6.7	Indonesia	6.4
	low	Israel	2.5	Panama	3.2	Tunisia	3.7
Covid recovery	high	Lithuania	7.3	Uruguay	6.7	India	6.7
	low	Israel	4.0	Oman	3.9	Togo	3.8
SDG actions	high	Norway	6.7	Taiwan	6.6	Indonesia	6.0
	low	Cyprus	4.5	Oman	3.6	Iran	3.1

Source: GEM 2022–23

5.5 Conclusion and Policy Implication

Across GEM participating economies, an upward progression is apparent in the overall entrepreneurial environment, rated by national experts and measured by the National Entrepreneurship Context Index (NECI). India went from a score of 5.8 in 2019, ranked sixth among GEM economies, to a score of 6.0 in 2020, ranked fourth, and then to a score of 6.1 in 2022, also ranked fourth. However, in 2021, India's NECI was scored at 5.0, only just sufficient, and ranked 16th.

The pandemic was a severe but temporary shock to the Indian entrepreneurial environment, with all 13 Entrepreneurial Framework Conditions scoring lower in 2021 than in 2020. In 2020, all of India's Framework Conditions scored better than sufficient (≥ 5.0). In 2021, seven of those conditions were rated as insufficient, but by 2022, all had returned to sufficiency. These changes, many of which were considerable, both in the fall from 2020 to 2021 and in the recovery from 2021 to 2022, suggest a high-quality entrepreneurial environment but one that is very fragile and far from resilient (GEM 2022–23).

Hence, normal service resumed in 2022, with the entrepreneurial environment restored to high quality, with, for example, all but three Framework Conditions ranked in the top 10 of the 51 GEM National Expert Survey (NES) economies (GEM 2022–23). The exceptions were entrepreneurial education post-school, commercial and professional infrastructure and physical infrastructure. None of these ranked outside of the top 20.

The findings of APS suggest that confidence in one's own ability to start a business, although still relatively high, has fallen, from 85% of adults agreeing they have the skills and experience to

start a business in 2019 to 78% in 2022. The proportion of adults who saw good local opportunities to start a business stayed high, at four out of five, throughout 2019–2021 but fell slightly to three out of four in 2022.

These have been turbulent years for the Indian economy, and the proportion of adults starting or running their own businesses has fluctuated, falling sharply from 15% in 2019 to just 5.3% in 2020, then rising to 14.4% in 2021 and 11.5% in 2022. Meanwhile, the level of EBO followed a similar pattern, halving from 11.9% to 5.9% in 2020, then rising to 8.5% in 2021 and 9% in 2022. So, in the depths of the pandemic in 2020, fewer adults in India were starting new businesses than running established ones.

5.6 Key Points from the Adult Population Survey (APS)

- The data shows that 75.5% of the population perceives that there is a good opportunity to start a business in their area. Of the 49 participating economies, India has ranked seventh for perceived opportunities.
- 78% of youth perceived that they had confidence in their own ability to start a business. Out of the 51 economies that participated, India ranked fifth for perceived capability.
- About 54% of youth have reported that they are not able to start a business due to a fear of failure. The ranking of India is fifth among GEM-participating economies. The data highlights that there is a fear of failure among youth to choose and to be entrepreneurs.
- Entrepreneurial intention is a very important part of the survey and highlights the possibility of people getting into business. The level of intentions among the population keeps changing, and compared to last year's survey, a persistent change has been observed. Entrepreneurial intentions are 20.1% for this year, and India's ranking is 20th among all 49 participating economies.
- However, about 78% of surveyed youth believe that starting a business is easy in India. The data has greatly improved, making it easy to start a business in India. Out of the 49 economies that participated, India ranked sixth for this parameter. It shows the ease of doing business in India.
- The rate of total early-stage entrepreneurship (TEA) in India is 11.5% in 2022-23, and India now ranks 24th among 49 economies surveyed. Total early-stage entrepreneurial activity indicates the growth of entrepreneurship development in the country.
- Among female adults, 11.4% of the total female population is engaged in entrepreneurship in India, and 11.6% of the male population is engaged in the same.
- The discussion of established business ownership is important, and 9% of the population is engaged in an established business.
- The motivation data for entrepreneurship is now more refined and very relevant to entrepreneurship development in the country. People are mainly motivated by four different reasons to start a business. 80.7% of the people in India want to start a business to make a difference in the world. Another important category is earning a living because jobs are scarce, and data shows that 87.3% of the population is motivated by this factor.
- Among the country's youth, 76.8% are motivated because they want to continue their family tradition, and 74.7% of youths have reported that they are motivated by building great wealth.

5.7 Key Takes from NES 2022–23

- The national expert survey is the second essential survey conducted by GEM every year, and this year, it was conducted in 51 economies and the results are summed up in the newly formed National Entrepreneurship Context Index (NECI). NECI identifies the capacity of the ecosystem of a particular country for the enhancement of entrepreneurship in the country.
- The NES survey in India is based on 72 individual experts from the fields of entrepreneurship, start-ups, and academics. Experts from various fields, directly or indirectly involved with the entrepreneurship domain, suggest new things to improve the entrepreneurship framework conditions. The experts feel that the following fostering factors are facilitators for the growth of entrepreneurship and development in India. Among the NES experts, 27% reported that government programmes and R&D transfers are some of the most promising factors for strengthening of the entrepreneurship ecosystem of the country. Experts also considered cultural and social norms as other factors fostering entrepreneurship in the country.
- The experts' primary recommendation is to improve government policies and financial support for novice and existing entrepreneurs so they can easily start and grow their businesses. Education and training play an essential role in building the entrepreneurship ecosystem. The government should focus on creating sounder learning opportunities and developing human resource infrastructure for the growth of young entrepreneurs. The experts also recommended that capacity-building programs should be improved and developed in a structured form to construct a more advantageous circumstance to create and expand the enterprise.

Entrepreneurship Development Institute of India, Ahmedabad



The Entrepreneurship Development Institute of India (EDII), Ahmedabad was set up in 1983 as an autonomous and not-for-profit Institute with support of apex financial institutions - the IDBI Bank Ltd., IFCI Ltd., ICICI Bank Ltd. and State Bank of India (SBI). EDII has been recognized as the CENTRE OF EXCELLENCE by the Ministry of Skill Development and Entrepreneurship, Govt. of India. The Institute has also been positioned in the band of 11-50 under Innovation Category by National Institutional Ranking Framework (NIRF), Ministry of Education, Govt. of India & been listed as the Institute of National Importance by Education Department, Govt. of Gujarat.

EDII began by conceptualising Entrepreneurship Development Programmes (EDPs), and subsequently launched a fine tuned and tested training model for New Enterprise Creation, popularly known today as EDII-EDP model. Gradually EDII moved on to adopt the role of a National Resource Institute in the field, broadbasing its efforts internationally too, with the setting up of Entrepreneurship Development Centres in Cambodia, Laos, Myanmar, Vietnam, Uzbekistan and Rwanda. EDII works with the Central Government and various State Governments in a collaborative frame. The Institute plays a major role in creating and sharpening the entrepreneurial culture in Gujarat and the country.

It conducts a variety of programmes and projects across sectors under its in-house Departments of Policy Advocacy, Knowledge and Research, Entrepreneurship Education; Projects; Business Development Services & National Outreach and Developing Economy Engagement. Emphasizing on Research, EDII also set up the Centre for Research in Entrepreneurship Education and Development (CREED) on its campus, in the year 1997. The goal of CREED is to facilitate expansion of the boundaries of knowledge and give an identifiable thrust to the Entrepreneurship Development Movement. The focus areas of CREED include Entrepreneurship Education, Innovations in Training Techniques, Voluntary Sector: Issues and Interventions, Gender and Enterprise Development, Micro Finance and Micro Enterprise Development and Emerging Profile of Entrepreneurship.

In consonance with the emphasis on startups and innovations, EDII has hosted the Technology Business Incubator, CrAdLE. The TBI is catalyzed and supported by DST, Govt. of India. It focusses on incubating start-ups in the potential areas of food/agriculture, manufacturing, renewable energy and healthcare.

The first national resource institute in entrepreneurship training, research, education and institution building, EDII has successfully brought about a change in the way entrepreneurship is perceived. The Institute has earned regional, national and international recognition for boosting entrepreneurship and start-ups across segments and sectors through innovative models and by intermediating creatively among stakeholders such as; new age potential entrepreneurs, existing entrepreneurs, incubation centres, and venture capitalists.

The Departments at EDII:

Policy Advocacy, Knowledge and Research

An Acknowledged Centre for Research in Entrepreneurship, Public Policy & Advocacy, this Department seeks to provide conceptual underpinnings to national and international policies, assist policy makers in their efforts to promote entrepreneurship opportunities and call upon government bodies and private organizations to integrate entrepreneurship in their development policies.

Entrepreneurship Education

To augment the supply of new entrepreneurs, this Department aims at establishing entrepreneurship as an academic discipline and creating a conducive ecosystem for its growth. The Department offers industry relevant approved academic courses and programmes to strengthen entrepreneurship education, and undertakes curriculum development on entrepreneurship, thus establishing higher-order achievements in the domain.

Projects (Government & Corporates)

Towards undertaking projects for economic and entrepreneurial transformations, this Department works for the Corporates as well as the Government. The Department aims at partnering with Government to implement innovation-led projects, institutionalizing S & T entrepreneurship in academic and specialized institutions, developing and enhancing skills of potential/existing entrepreneurs in emerging sectors such as agriculture, food processing, handlooms, tourism, etc. and collaborating with corporates to build intrapreneurial skills.

Business Development Services and National Outreach

Considering the significance of fostering global competitiveness and growth of Micro, Small & Medium Enterprises (MSMEs), this Department targets providing business development services across regions and sectors, accelerating start-ups, facilitating growth of existing MSMEs and catering to the requirements of MSMEs across the country

Developing Economy Engagement

In order to facilitate developing countries to establish a flourishing entrepreneurial ecosystem, this Department aims at institutionalizing entrepreneurship development initiatives in developing countries, sensitizing stakeholders in the entrepreneurial eco-system in the developing economies about the ways and means of promoting and sustaining MSMEs and training and skilling to ensure human resource development.

Appendix

GEM Indicators

Knowing a Startup Entrepreneur	Percentage of adults aged 18–64 who personally know someone who has started a business in the past two years.
Perceived Opportunities	Percentage of adults aged 18–64 who agree that they see good opportunities to start a business within the next six months in the area in which they live.
Ease of Starting a Business	Percentage of adults aged 18–64 who agree that it is easy to start a business in their country.
Perceived Capabilities	Percentage of adults aged 18–64 who agree that they have the required knowledge, skills and experience to start a business.
Fear of Failure Rate	Percentage of adults aged 18–64 who agree that they see good opportunities but would not start a business for fear it might fail.
Nascent Entrepreneurship Rate	Percentage of adults aged 18–64 who are currently nascent entrepreneurs, i.e. are actively involved in setting up a business they will own or co-own; this business has not yet paid salaries, wages or made any other payments to the owners for more than three months.
New Business Ownership Rate	Percentage of adults aged 18–64 who are currently owner-managers of a new business, i.e. who own and manage a running business that has paid salaries, wages or made any other payments to the owners for more than three months, but not more than 42 months (3.5 years).
Total early-stage Entrepreneurial Activity (TEA)	Percentage of adults aged 18–64 who are either a nascent entrepreneurs or owner-managers of a new business, i.e. the proportion of the adult population who are either starting or running a new business.
Established Business Ownership Rate (EBO)	Percentage of adults aged 18–64 who are currently owner-managers of an established business, i.e. who are owning and managing a running business that has paid salaries, wages or made any other payments to the owners for over 42 months (3.5 years).
Business Services	Percentage of TEA respondents involved in business services.
Consumer Services	Percentage of TEA respondents involved in consumer services.
Entrepreneurial Employee Activity (EEA)	Percentage of adults aged 18–64 who, as employees, have been involved in entrepreneurial activities such as developing or launching new goods or services, or setting up a new business unit, a new establishment, or a subsidiary in the last three years.
Sponsored	Percentage of adults aged 18–64 who are involved in TEA and that business is part-owned with their employer.
Independent	Percentage of adults aged 18–64 who are involved in TEA and that business is independently owned.

Motive for Starting a Business: “To make a difference in the world”	Percentage of TEA respondents who agree that a reason for starting their business is “to make a difference in the world”.
Motive for Starting a Business: “To build great wealth or very high income”	Percentage of TEA respondents who agree that a reason for starting their business is “to build great wealth or a very high income”.
Motive for Starting a Business: “To continue a family tradition”	Percentage of TEA respondents who agree that a reason for starting their business is “to continue a family tradition”.
Motive for Starting a Business: “To earn a living because jobs are scarce”	Percentage of TEA respondents who agree that a reason for starting their business is “to earn a living because jobs are scarce”.
High Growth Expectation Entrepreneurial Activity	Percentage of adults aged 18–64 involved in TEA who expect to employ six or more people five years from now.
Internationally Oriented Entrepreneurial Activity	Percentage of adults aged 18–64 involved in TEA who anticipate 25% or more revenue coming from outside their country.
Scope (local/national/international)	Percentage of adults aged 18–64 involved in TEA having customers only within their local area, only within their country, or those having international customers.
Product/Services Impact (local/national/global)	Percentage adults aged 18–64 involved in TEA having products or services that are either new to the area, new to their country or new to the world.
Technology/Procedures Impact (local/national/ global)	Percentage of adults aged 18–64 involved in TEA having technology or procedures that are either new to the area, new to their country or new to the world.
Informal Investment	Percentage of adults aged 18–64 investing in someone else’s new business in the last three years.
Business Exit Rate	Percentage of adults aged 18–64 who have exited a business in the past 12 months, either by selling, shutting down or otherwise discontinuing an owner/management relationship with that business.
Exit, Business Continues	Percentage of adults aged 18–64 who have exited a business in the past 12 months and that business has continued.
Exit, Business Does Not Continue	Percentage of adults aged 18–64 who have exited a business in the past 12 months and that business has not continued.

Pandemic-Related Indicators

Household Income Impact	Percentage of adults aged 18–64 who consider that the pandemic has led their household income to somewhat or strongly decrease.
Knowing an Entrepreneur Who Stopped a Business	Percentage of adults aged 18–64 who know someone who has stopped a business because of the pandemic.
Knowing an Entrepreneur Who Started a Business	Percentage of adults aged 18–64 who know someone who has started a business because of the pandemic.
Pandemic Opportunities	Percentage of TEA respondents who agree or strongly agree that the pandemic has provided new opportunities they wish to pursue.

TABLE A1 Impact of pandemic on household income in past year (% of adults aged 18–64)

		Strongly decrease	Somewhat decrease	No substantial change
Austria	A	8.6	23.4	61.2
Brazil	C	34.9	21.9	31.5
Canada	A	11.7	21.8	50.4
Chile	B	22.4	29.2	37.7
China	C	19.5	54.2	24.6
Colombia	C	32.5	40.5	17.7
Croatia	B	5.6	13.7	32.1
Cyprus	A	22.6	22.1	49.2
Egypt	C	40.1	32.3	23.2
France	A	11.1	21.3	58.6
Germany	A	8.3	23.4	56.5
Greece	B	28.7	29.4	40.4
Guatemala	C	25.7	38.2	22.7
Hungary	B	9.3	19.8	58.0
India	C	33.5	40.4	20.3
Indonesia	C	26.2	49.0	23.5
Iran	C	14.7	35.1	44.6
Israel	A	9.7	26.6	57.8
Japan	A	5.8	20.0	67.0
Latvia	B	11.5	16.9	59.7
Lithuania	A	8.1	21.0	58.2
Luxembourg	A	6.8	20.7	63.6
Mexico	B	39.6	37.9	14.5
Morocco	C	30.1	36.2	31.6
Netherlands	A	6.4	17.2	65.9
Norway	A	1.6	7.0	84.3
Oman	B	16.4	29.1	52.6
Panama	B	37.6	32.8	18.2
Poland	B	17.1	43.7	30.1
Puerto Rico	B	25.8	30.2	30.2

TABLE A1 (continued)

Somewhat increase	Strongly increase
5.9	0.9
7.6	4.0
12.0	4.0
7.1	3.5
1.4	0.4
5.8	3.5
42.1	6.4
4.5	1.5
3.3	1.1
6.9	2.0
10.3	1.4
1.3	0.3
8.7	4.7
10.8	2.1
5.6	0.2
1.3	0.0
5.1	0.5
5.0	1.0
6.1	1.1
10.5	1.4
10.6	2.1
7.0	1.9
4.0	4.0
1.8	0.3
8.3	2.1
5.4	1.6
1.6	0.3
6.3	5.1
8.3	0.8
8.8	5.0

		Strongly decrease	Somewhat decrease	No substantial change
Qatar	A	13.6	30.5	51.6
Republic of Korea	A	0.7	34.3	49.3
Romania	B	11.5	22.3	54.2
Saudi Arabia	A	10.2	37.7	43.6
Serbia	B	19.0	31.2	44.7
Slovak Republic	B	21.3	35.3	37.2
Slovenia	A	6.1	18.8	61.2
South Africa	C	40.2	23.5	19.2
Spain	A	14.7	25.5	54.6
Sweden	A	5.5	16.5	61.0
Switzerland	A	4.9	18.0	70.5
Taiwan	B	18.2	26.0	53.9
Togo	C	75.8	12.2	8.4
Tunisia	C	40.8	27.7	29.9
United Arab Emirates	A	29.1	37.1	26.4
United Kingdom	A	8.4	18.6	60.8
United States	A	12.6	20.3	49.5
Uruguay	B	28.2	28.6	35.9
Venezuela	C	52.2	26.4	17.0

TABLE A1 (continued)

Somewhat increase	Strongly increase
3.8	0.6
15.7	0.0
10.6	1.4
7.7	0.8
4.9	0.2
4.8	1.4
11.9	2.0
7.3	9.9
4.5	0.7
14.1	2.9
5.3	1.4
1.4	0.6
0.8	2.8
1.4	0.3
4.9	2.5
9.0	3.1
12.5	5.0
4.6	2.8
3.2	1.2

TABLE A2 Entrepreneurial activity (% of adults aged 18–64)*An equals sign (=) indicates that the ranking position is tied with another economy or economies*

	Total early-stage Entrepreneurial Activity		Established Business Ownership		Informal investment	
	Score	Rank/49	Score	Rank/49	Score	Rank/49
Austria	6.8	40	8.3	15=	4.3	20=
Brazil	20.0	8=	10.4	7	10.8	5
Canada	16.5	13	6.2	27	4.5	18=
Chile	27.0	4	7.3	19	22.4	1
China	6.0	44=	3.2	43	4.3	20=
Colombia	28.0	2	5.1	34	2.6	34=
Croatia	13.2	17	3.4	42	2.8	32=
Cyprus	8.3	34=	5.7	29=	3.3	27
Egypt	6.6	41	2.6	46=	2.0	39=
France	9.2	29	2.9	44=	5.3	15=
Germany	9.1	30=	3.6	40	3.1	29
Greece	4.9	47	13.3	3	2.1	38
Guatemala	29.4	1	11.6	5	14.0	2
Hungary	9.9	28	6.9	21	2.0	39=
India	11.5	24	9.0	12=	2.5	36
Indonesia	8.1	36	5.7	29=	3.2	28
Iran	16.4	14	10.8	6	4.6	17
Israel	8.7	32	3.5	41	2.4	37
Japan	6.4	43	6.3	26	1.5	47=
Latvia	14.2	16	12.3	4	4.2	22=
Lithuania	12.7	20	8.3	15=	3.9	25
Luxembourg	7.0	39	5.3	33	4.5	18=
Mexico	12.9	18=	1.6	49	1.8	42=
Morocco	4.2	48	4.1	37=	1.9	41
Netherlands	12.5	21	6.8	22=	6.3	12
Norway	6.5	42	5.6	31=	4.2	22=
Oman	11.7	23	4.1	37=	3.5	26
Panama	27.9	3	5.8	28	8.2	8
Poland	1.6	49	9.8	9	1.6	45=
Puerto Rico	20.0	8=	5.6	31=	1.8	42=

TABLE A2 (continued)

	Total early-stage Entrepreneurial Activity		Established Business Ownership		Informal investment	
	Score	Rank/49	Score	Rank/49	Score	Rank/49
Qatar	10.7	25=	3.9	39	9.1	7
Republic of Korea	11.9	22	19.9	1	2.8	32=
Romania	8.3	34=	8.6	14	1.5	47=
Saudi Arabia	19.2	10=	9.7	10	12.0	4
Serbia	10.5	27	2.9	44=	1.3	49
Slovak Republic	10.7	25=	6.6	24	2.9	30=
Slovenia	8.0	37	8.1	18	4.0	24
South Africa	8.5	33	1.8	48	1.6	45=
Spain	6.0	44=	7.0	20	2.9	30=
Sweden	9.1	30=	4.8	35	6.7	9=
Switzerland	7.4	38	8.2	17	6.7	9=
Taiwan	5.6	46	9.0	12=	5.3	15=
Togo	24.1	7	18.0	2	12.3	3
Tunisia	17.1	12	10.0	8	9.4	6
United Arab Emirates	25.5	6	4.5	36	5.4	13=
United Kingdom	12.9	18=	6.8	22=	2.6	34=
United States	19.2	10=	9.2	11	6.5	11
Uruguay	26.3	5	6.4	25	5.4	13=
Venezuela	15.9	15	2.6	46=	1.7	44

TABLE A3 Public attitudes and perceptions (% of adults aged 18–64 somewhat or strongly agree)

	Knowing someone who has started a business in the past two years	“There are good opportunities to start a business in the area where I live”	“In my country, it is easy to start a business”
Austria	50.9	49.5	48.4
Brazil	75.8	67.9	46.8
Canada	47.3	58.8	63.0
Chile	68.6	50.5	51.1
China	56.3	56.5	25.9
Colombia	63.8	53.4	41.4
Croatia	66.5	60.0	34.0
Cyprus	82.4	26.8	48.4
Egypt	32.9	63.7	67.7
France	59.7	52.4	55.4
Germany	34.2	39.5	34.6
Greece	28.5	36.4	31.9
Guatemala	71.5	68.3	47.8
Hungary	47.9	27.2	47.4
India	47.4	75.5	78.0
Indonesia	71.4	87.2	72.2
Iran	64.1	51.3	23.7
Israel	59.2	46.8	12.9
Japan	20.4	12.7	27.5
Latvia	38.0	34.6	29.4
Lithuania	53.1	40.4	36.5
Luxembourg	41.3	52.4	64.2
Mexico	47.7	56.4	46.3
Morocco	51.6	62.5	36.5
Netherlands	54.5	61.6	82.9
Norway	42.6	73.6	82.8
Oman	58.5	75.7	56.5

TABLE A3 (continued)

“You personally have the knowledge, skills and experience required to start a business”	“You see good opportunities, but would not start a business for fear it might fail” (% of those seeing good opportunities)	“Are you expecting to start a business in the next three years?”*
53.2	37.9	5.4
69.2	49.0	53.0
55.4	51.8	14.2
70.1	44.9	46.1
54.4	56.7	6.4
66.6	38.5	21.2
73.6	48.6	19.5
52.7	51.7	18.3
62.8	50.6	47.3
49.8	41.0	15.8
36.2	44.3	6.5
53.8	49.5	8.3
77.5	43.2	46.5
36.8	34.0	8.7
78.1	54.0	20.1
75.5	36.8	33.3
54.2	30.9	27.5
35.4	44.0	12.3
14.9	50.9	5.1
53.9	36.7	17.6
49.8	46.2	15.1
50.0	44.1	14.0
67.1	45.5	17.5
63.3	44.4	37.3
42.2	33.8	16.2
49.2	41.0	5.5
57.6	33.3	44.3

*Strictly, this is the percentage of adults excluding those already engaged in entrepreneurial activity.

	Knowing someone who has started a business in the past two years	“There are good opportunities to start a business in the area where I live”	“In my country, it is easy to start a business”
Panama	48.0	53.4	54.2
Poland	46.7	72.3	79.4
Puerto Rico	66.0	64.1	26.7
Qatar	64.2	81.0	67.3
Republic of Korea	39.5	41.0	37.4
Romania	46.2	63.8	42.5
Saudi Arabia	88.2	89.5	88.7
Serbia	54.6	37.8	32.7
Slovak Republic	59.3	29.4	20.4
Slovenia	53.5	55.0	67.7
South Africa	33.6	61.3	63.9
Spain	41.3	26.0	32.2
Sweden	53.8	76.7	79.8
Switzerland	52.1	47.0	66.5
Taiwan	29.0	46.8	40.5
Togo	58.9	77.2	54.3
Tunisia	66.6	61.8	44.7
United Arab Emirates	60.1	72.2	77.2
United Kingdom	47.6	44.4	65.9
United States	55.6	46.0	65.8
Uruguay	61.3	58.2	38.7
Venezuela	37.8	63.7	52.6

TABLE A3 (continued)

“You personally have the knowledge, skills and experience required to start a business”	“You see good opportunities, but would not start a business for fear it might fail” (% of those seeing good opportunities)	“Are you expecting to start a business in the next three years?”*
76.7	48.3	53.0
47.8	53.1	2.5
68.9	45.2	26.3
64.1	43.0	43.6
54.8	18.3	23.9
62.7	55.7	6.4
88.1	63.3	31.8
66.1	41.3	12.4
42.9	42.9	8.6
62.8	50.2	15.3
63.7	59.4	6.0
46.5	50.9	8.3
49.4	41.5	13.7
47.6	32.3	10.5
39.9	42.9	15.2
87.5	40.6	52.3
78.6	42.6	50.7
71.7	39.2	44.5
53.5	52.9	10.9
66.8	43.1	13.6
69.1	46.7	32.7
83.2	33.4	29.4

*Strictly, this is the percentage of adults excluding those already engaged in entrepreneurial activity.

TABLE A4 Attitudes and perceptions of entrepreneurs: % of Total early-stage Entrepreneurial Activity (TEA) and % of Established Business Ownership (EBO)

	The % of those starting or running a new or established business who agree/strongly agree that pandemic has provided new opportunities that they want to pursue/are pursuing		The % of those starting or running a new or established business who think starting a business is somewhat or much more difficult as a year ago	
	% TEA	% EBO	% TEA	% EBO
Austria	41.3	40.4	34.9	28.4
Brazil	53.7	51.6	64.8	60.8
Canada	49.8	48.6	55.5	36.8
Chile	67.5	70.1	63.3	50.7
China	84.2	88.4	31.3	18.4
Colombia	50.6	59.9	51.2	37.2
Croatia	32.2	22.9	34.8	29.0
Cyprus	56.5	57.0	40.1	19.3
Egypt	35.2	20.8	43.5	44.8
France	29.5	36.0	39.7	20.7
Germany	40.2	44.2	45.5	38.1
Greece	40.3	59.4	21.2	14.9
Guatemala	59.6	60.9	53.0	39.7
Hungary	42.9	33.9	17.4	10.2
India	68.0	50.2	68.8	68.2
Indonesia	34.8	39.6	46.7	25.0
Iran	62.3	67.2	21.6	14.2
Israel	38.5	40.1	49.9	37.9
Japan	26.8	45.4	28.2	12.3
Latvia	46.3	48.8	35.0	22.3
Lithuania	50.2	58.9	29.2	27.0
Luxembourg	49.7	44.5	50.7	49.3
Mexico	48.5	42.8	54.9	49.5
Morocco	33.6	34.4	32.1	23.0
Netherlands	32.6	35.1	48.1	32.3

TABLE A4 (continued)

The % of those starting or running a new or established business who expect to use more digital technologies to sell products or services in the next six months		The % of those starting or running a new or established business who agree/strongly agree that they always consider the social implications of decisions		The % of those starting or running a new or established business who agree/ strongly agree that they always consider the environmental implications of decisions		The % of those starting or running a new or established business who are aware of the United Nations Sustainable Development Goals	
% TEA	% EBO	% TEA	% EBO	% TEA	% EBO	% TEA	% EBO
43.6	20.8	69.3	62.4	67.4	64.4	30.4	25.7
85.4	70.6	90.2	91.0	91.3	94.5	–	–
55.3	43.4	69.9	74.9	75.8	75.0	30.8	25.7
75.4	56.8	88.1	86.9	91.9	90.2	15.0	17.2
36.9	34.1	78.4	71.5	85.8	86.8	34.4	36.8
62.3	46.0	69.6	74.3	76.3	79.4	11.8	13.2
50.1	49.2	81.0	71.2	82.5	82.2	27.8	30.3
53.0	30.9	73.4	62.9	70.2	56.9	14.1	19.6
64.0	44.8	79.7	75.6	77.2	73.9	7.8	10.0
17.6	30.3	74.3	58.9	74.0	63.6	28.0	27.3
46.0	33.3	61.1	50.3	54.5	61.5	–	–
47.3	22.0	72.2	69.6	77.1	79.6	19.3	17.3
72.6	61.4	93.3	90.3	93.5	90.0	–	–
37.7	18.1	66.6	57.1	80.3	65.9	24.7	22.7
28.2	22.8	84.7	82.6	74.2	79.6	7.9	4.4
60.9	40.0	88.6	83.4	84.2	80.0	6.9	12.6
53.4	33.5	71.3	42.6	68.8	36.9	–	–
48.5	23.3	55.2	47.2	47.6	36.2	15.4	8.8
54.4	40.7	64.6	51.2	55.6	59.7	–	–
45.6	25.8	70.7	68.0	76.0	78.3	25.9	19.7
28.8	23.3	71.4	81.9	76.3	82.0	16.2	23.8
55.0	43.8	85.3	80.4	82.4	82.0	–	–
78.9	73.6	85.2	87.9	87.5	84.1	8.9	15.4
63.4	38.2	58.9	57.7	55.6	61.2	5.0	5.0
38.5	23.6	67.8	67.1	66.1	63.3	–	–

	The % of those starting or running a new or established business who agree/strongly agree that pandemic has provided new opportunities that they want to pursue/are pursuing		The % of those starting or running a new or established business who think starting a business is somewhat or much more difficult as a year ago	
	% TEA	% EBO	% TEA	% EBO
Norway	39.1	33.4	36.0	33.0
Oman	25.1	26.7	51.9	25.8
Panama	58.1	58.6	61.1	44.4
Poland	30.2	16.6	38.1	36.7
Puerto Rico	55.1	57.9	66.9	38.8
Qatar	36.0	50.2	60.0	42.2
Republic of Korea	49.6	67.8	10.5	1.8
Romania	43.9	60.0	63.0	38.0
Saudi Arabia	15.5	15.2	67.2	51.1
Serbia	29.4	45.5	20.3	19.3
Slovak Republic	9.3	7.1	32.6	25.7
Slovenia	21.9	20.8	48.5	35.7
South Africa	57.8	55.4	58.9	46.5
Spain	53.1	52.5	40.3	27.2
Sweden	23.7	23.1	33.4	33.0
Switzerland	28.8	40.1	36.4	27.0
Taiwan	39.5	69.3	41.9	21.5
Togo	75.4	81.2	18.1	18.4
Tunisia	65.2	75.0	20.4	23.8
United Arab Emirates	25.7	36.7	50.2	51.7
United Kingdom	46.1	55.2	57.0	36.9
United States	53.3	57.2	50.4	45.4
Uruguay	33.5	37.8	42.2	31.4
Venezuela	41.3	21.5	51.0	36.9

TABLE A4 (continued)

The % of those starting or running a new or established business who expect to use more digital technologies to sell products or services in the next six months		The % of those starting or running a new or established business who agree/strongly agree that they always consider the social implications of decisions		The % of those starting or running a new or established business who agree/strongly agree that they always consider the environmental implications of decisions		The % of those starting or running a new or established business who are aware of the United Nations Sustainable Development Goals	
% TEA	% EBO	% TEA	% EBO	% TEA	% EBO	% TEA	% EBO
47.7	31.9	48.5	54.0	61.8	66.9	61.3	54.1
54.7	37.7	54.6	68.7	48.5	63.4	–	–
80.3	62.4	90.9	88.0	93.7	91.5	–	–
29.1	14.7	85.4	91.9	83.5	90.6	43.2	60.3
78.4	56.2	89.4	92.1	90.3	88.9	–	–
55.6	64.9	78.7	79.2	82.7	77.8	14.9	14.8
46.4	61.0	67.7	63.3	62.2	72.6	30.5	22.9
38.4	31.0	88.8	90.5	85.0	88.0	29.2	47.3
62.1	71.7	79.5	82.2	82.5	83.0	–	–
33.1	28.2	74.0	75.3	78.3	77.6	12.4	11.6
34.0	22.0	71.1	71.4	70.7	71.8	30.2	26.0
52.4	26.0	83.4	88.2	93.0	86.9	30.2	22.9
45.1	36.5	83.0	80.4	75.5	70.9	18.7	15.4
46.5	26.6	68.5	65.9	68.9	71.7	30.8	26.1
36.5	29.2	60.0	57.7	60.8	59.9	–	–
31.9	20.8	71.4	69.6	75.3	69.9	32.6	17.7
57.8	31.3	90.9	77.6	87.4	80.3	31.7	23.6
32.4	18.2	75.4	61.1	70.4	54.3	22.9	7.0
45.9	31.7	86.2	90.1	88.3	91.1	6.5	9.3
81.9	79.1	90.2	87.9	90.0	84.4	30.6	26.8
60.0	31.3	74.4	61.7	73.3	61.7	–	–
56.6	40.6	72.8	64.3	68.8	63.1	–	–
60.0	41.9	85.0	78.2	87.3	78.7	11.0	16.4
70.6	70.8	85.4	86.2	84.9	82.6	–	–

TABLE A5 Entrepreneurial activity by age, gender and education

	Total early-stage Entrepreneurial Activity (TEA) by gender		Established Business Ownership (EBO) by gender	
	% Male	% Female	% Male	% Female
Austria	7.4	6.1	10.6	6.1
Brazil	23.0	17.2	14.2	6.8
Canada	18.3	14.8	7.0	5.4
Chile	28.9	25.2	8.8	5.8
China	6.9	5.0	3.5	2.9
Colombia	30.1	26.1	6.2	4.0
Croatia	17.0	9.5	4.3	2.5
Cyprus	11.7	4.9	7.6	3.9
Egypt	9.4	3.7	4.0	1.1
France	11.2	7.3	3.7	2.2
Germany	11.0	7.1	4.5	2.6
Greece	6.3	3.4	16.5	10.2
Guatemala	30.8	28.2	13.6	9.7
Hungary	12.0	7.9	9.4	4.6
India	11.6	11.4	10.5	7.6
Indonesia	7.0	9.2	5.5	5.9
Iran	19.3	13.6	17.6	3.9
Israel	10.5	7.0	3.3	3.6
Japan	9.1	3.6	8.6	4.1
Latvia	17.8	10.6	16.3	8.4
Lithuania	16.6	9.0	10.9	5.7
Luxembourg	8.5	5.4	6.6	3.5
Mexico	13.8	12.1	2.2	1.0
Morocco	5.4	3.1	6.8	1.5
Netherlands	15.3	9.6	8.3	5.3
Norway	8.3	4.5	7.6	3.5
Oman	11.8	11.6	5.5	2.6

TABLE A5 (continued)

Total early-stage Entrepreneurial Activity (TEA) by % of age group		Level of Total early-stage Entrepreneurial Activity (TEA) for graduates and for non-graduates	
% 18–34	% 35–64	% of graduates	% of nongraduates
7.1	6.6	9.4	6.3
22.8	18.1	17.8	20.7
24.4	12.3	17.9	11.6
26.6	27.3	27.5	25.9
8.9	4.4	7.5	4.7
29.1	27.0	31.3	24.6
21.3	9.6	17.3	10.4
12.4	5.8	10.4	5.1
7.5	5.5	8.4	5.1
11.4	8.0	10.9	6.7
13.9	6.8	12.2	7.2
5.1	4.7	5.3	4.4
35.2	22.3	42.2	28.2
12.4	8.6	11.8	8.8
9.8	13.3	11.6	11.5
7.4	8.6	9.0	8.0
19.9	13.3	17.9	14.9
8.4	8.9	8.9	0.0
6.1	6.5	6.4	6.0
21.1	11.1	17.7	11.5
18.3	10.2	13.2	11.3
6.2	7.4	10.3	3.8
14.8	11.3	17.2	12.0
5.2	3.1	5.8	3.3
17.7	9.6	15.1	11.1
4.8	7.4	7.3	5.4
13.4	9.6	15.3	8.1

	Total early-stage Entrepreneurial Activity (TEA) by gender		Established Business Ownership (EBO) by gender	
	% Male	% Female	% Male	% Female
Panama	31.2	24.6	7.9	3.7
Poland	1.5	1.6	10.0	9.6
Puerto Rico	22.3	17.9	8.0	3.4
Qatar	10.6	11.0	4.4	2.1
Republic of Korea	15.2	8.5	24.3	15.3
Romania	9.9	6.5	10.1	7.1
Saudi Arabia	21.6	16.1	9.5	10.1
Serbia	14.7	6.4	4.1	1.8
Slovak Republic	11.9	9.5	9.1	4.0
Slovenia	10.3	5.6	9.8	6.2
South Africa	9.1	7.9	2.0	1.7
Spain	6.0	5.9	7.5	6.5
Sweden	11.0	7.1	6.1	3.4
Switzerland	8.4	6.3	8.4	8.0
Taiwan	6.9	4.3	13.0	5.0
Togo	22.6	25.4	17.0	18.9
Tunisia	19.7	14.7	15.1	5.0
United Arab Emirates	28.0	19.7	5.1	3.1
United Kingdom	15.1	10.7	9.4	4.3
United States	20.3	18.1	10.5	7.9
Uruguay	28.88	23.87	8.4	4.5
Venezuela	16.89	15.02	2.4	2.7

TABLE A5 (continued)

Total early-stage Entrepreneurial Activity (TEA) by % of age group		Level of Total early-stage Entrepreneurial Activity (TEA) for graduates and for non-graduates	
% 18–34	% 35–64	% of graduates	% of nongraduates
29.1	27.0	30.4	25.1
3.0	0.9	1.6	1.4
23.1	18.3	22.6	12.5
9.5	11.8	10.4	11.5
10.7	12.4	12.7	10.8
11.3	6.8	9.4	2.4
18.8	19.6	18.8	20.1
14.3	8.6	16.5	8.4
13.5	9.4	15.0	8.8
13.4	5.8	10.2	6.1
9.3	7.5	11.3	6.6
6.0	6.0	8.0	4.1
12.2	7.3	10.2	7.8
6.6	7.8	7.5	7.0
7.5	4.6	5.9	4.8
26.3	21.1	29.0	23.3
15.8	18.1	15.4	18.0
24.7	26.5	26.5	18.2
15.9	11.2	15.2	10.3
27.0	14.5	19.5	18.3
31.7	22.5	29.1	25.9
16.3	15.7	18.8	14.7

TABLE A6 Sector distribution of new entrepreneurial activity (% of Total early-stage Entrepreneurial Activity)

	Business-oriented services	Consumer-oriented services	Extractive sector	Transforming sector
Austria	34.7	46.2	5.1	14.0
Brazil	19.8	57.4	2.3	20.5
Canada	33.8	43.0	1.9	21.3
Chile	16.9	53.5	4.4	25.3
China	8.5	75.2	1.5	14.8
Colombia	8.2	72.8	0.6	18.5
Croatia	32.7	32.8	11.2	23.3
Cyprus	27.1	54.8	2.9	15.2
Egypt	7.4	47.8	17.4	27.5
France	33.9	42.3	3.5	20.3
Germany	29.9	51.6	1.6	16.9
Greece	17.4	49.6	9.0	24.0
Guatemala	5.4	77.9	2.8	14.0
Hungary	26.6	39.1	6.6	27.8
India	4.8	66.8	7.6	20.8
Indonesia	2.3	87.9	2.7	7.1
Iran	17.5	56.3	5.3	20.9
Israel	42.7	44.7	0.6	11.9
Japan	41.7	51.6	0.8	5.9
Latvia	28.5	36.6	6.9	28.0
Lithuania	20.0	42.2	10.1	27.7
Luxembourg	40.3	49.2	2.9	7.6
Mexico	5.3	74.9	2.7	17.2
Morocco	11.8	71.7	2.1	14.5
Netherlands	30.8	49.8	1.1	18.3
Norway	38.7	31.2	14.5	15.6
Oman	14.4	64.0	2.8	18.8
Panama	11.5	66.7	5.5	16.3
Poland	19.5	44.3	5.5	30.7
Puerto Rico	22.4	60.0	2.3	15.4
Qatar	27.5	40.7	0.3	31.5
Republic of Korea	15.4	55.1	2.1	27.4

TABLE A6 (continued)

	Business-oriented services	Consumer-oriented services	Extractive sector	Transforming sector
Romania	21.2	51.5	6.3	21.0
Saudi Arabia	4.2	89.2	1.2	5.4
Serbia	13.6	48.5	7.3	30.7
Slovak Republic	22.6	47.7	2.3	27.4
Slovenia	35.7	31.3	2.5	30.5
South Africa	7.9	67.3	4.5	20.3
Spain	38.5	45.6	2.5	13.4
Sweden	33.1	41.0	6.1	19.8
Switzerland	38.4	52.4	0.9	8.3
Taiwan	13.6	66.2	0.0	20.3
Togo	3.3	49.4	13.7	33.7
Tunisia	6.9	52.5	15.5	25.1
United Arab Emirates	19.5	64.3	1.8	14.4
United Kingdom	34.0	50.5	0.0	15.5
United States	22.3	47.4	3.8	26.5
Uruguay	16.1	56.7	4.9	22.3
Venezuela	4.9	70.7	3.4	21.0

TABLE A7 Business exits, and reason for exit (positive, negative [non-COVID] and COVID-related), % of adults aged 18–64

	Business exits	Positive	Negative, not including COVID-19 pandemic	COVID-19 pandemic
Austria	3.7	1.7	1.4	0.4
Brazil	13.0	0.9	8.2	3.0
Canada	8.2	2.8	4.0	0.6
Chile	7.6	1.6	4.0	1.6
China	3.4	0.8	1.7	0.7
Colombia	6.4	0.7	3.3	2.3
Croatia	3.6	0.9	1.9	0.4
Cyprus	4.1	0.5	2.3	1.1
Egypt	9.8	0.8	7.3	1.7
France	3.6	1.3	1.9	0.2
Germany	5.2	1.8	2.8	0.5
Greece	2.0	0.4	1.4	0.1
Guatemala	7.2	1.1	3.7	1.5
Hungary	1.9	0.5	0.7	0.3
India	6.3	1.6	3.5	0.9
Indonesia	10.5	2.1	4.7	2.4
Iran	7.4	1.1	5.4	0.2
Israel	3.7	0.7	2.2	0.4
Japan	2.0	0.6	1.0	0.2
Latvia	3.9	0.6	2.3	0.5
Lithuania	4.2	0.9	2.4	0.4
Luxembourg	4.5	1.9	1.8	0.2
Mexico	9.5	1.0	5.9	2.5
Morocco	4.3	0.2	3.2	0.8
Netherlands	5.6	2.3	2.7	0.4
Norway	1.6	0.4	0.7	0.1
Oman	11.2	1.1	6.3	3.4
Panama	11.1	1.0	5.7	4.4
Poland	3.7	0.9	0.7	2.2
Puerto Rico	3.7	0.5	1.7	0.9
Qatar	9.1	1.8	4.8	1.9

TABLE A7 (continued)

	Business exits	Positive	Negative, not including COVID-19 pandemic	COVID-19 pandemic
Republic of Korea	3.5	0.3	3.1	0.2
Romania	1.6	0.4	0.9	0.2
Saudi Arabia	11.5	5.2	6.0	0.2
Serbia	3.7	1.1	2.1	0.2
Slovak Republic	5.3	1.1	2.3	1.2
Slovenia	2.5	0.7	1.1	0.4
South Africa	4.9	0.3	3.1	1.2
Spain	2.5	0.7	1.5	0.2
Sweden	4.1	1.5	1.8	0.1
Switzerland	2.2	0.9	0.9	0.3
Taiwan	1.9	0.7	0.8	0.3
Togo	9.7	0.5	7.4	0.9
Tunisia	8.8	0.5	6.3	1.1
United Arab Emirates	14.6	3.4	8.1	1.9
United Kingdom	2.8	0.9	1.1	0.5
United States	9.1	2.7	4.3	1.1
Uruguay	9.8	1.8	5.9	1.3
Venezuela	5.3	0.1	3.5	0.7

TABLE A8 Entrepreneurial expectations and scope (% of adults aged 18–64)

	Job creation expectations			The % of adults (aged 18–64) starting or running a new business and anticipating 25% or more revenue from outside their country	The % of adults starting a new business with products or services that are either new to their area, new to their country or new to the world		
	0 jobs	1–5 jobs	6 or more jobs		New to their area	New to their country	New to the world
Austria	4.1	1.6	1.1	1.2	1.1	0.5	0.3
Brazil	6.2	7.4	6.4	0.4	3.0	0.4	0.1
Canada	9.2	4.2	3.1	3.0	4.2	2.2	0.9
Chile	4.6	14.4	8.0	0.1	8.6	3.4	2.6
China	3.1	1.7	1.2	0.1	0.9	0.2	0.1
Colombia	5.8	14.6	7.6	1.2	5.7	0.6	0.3
Croatia	5.6	4.2	3.4	2.7	2.6	1.6	0.7
Cyprus	1.8	3.8	2.7	1.7	0.7	1.4	0.7
Egypt	2.9	2.0	1.7	0.1	1.0	0.1	0.0
France	3.6	3.1	2.4	1.1	1.7	0.9	0.8
Germany	6.2	1.7	1.2	1.7	3.1	0.8	0.6
Greece	1.8	2.1	1.0	0.9	0.7	0.8	0.1
Guatemala	4.6	16.2	8.6	1.8	8.8	1.1	0.4
Hungary	4.5	3.6	1.7	1.0	1.0	0.7	0.4
India	4.7	5.0	1.7	0.2	2.6	0.6	0.2
Indonesia	5.2	1.6	1.3	0.3	1.4	0.1	0.0
Iran	5.4	5.5	5.5	0.5	2.2	1.5	0.5
Israel	5.3	1.7	1.7	1.3	1.1	0.4	0.6
Japan	3.5	1.7	1.1	0.4	1.4	0.9	0.4
Latvia	6.1	4.6	3.5	3.2	0.8	1.5	0.5
Lithuania	5.4	4.1	3.2	2.2	1.0	0.9	0.6
Luxembourg	2.5	1.8	2.7	1.7	0.9	1.5	0.7
Mexico	2.2	7.6	3.1	0.5	3.5	0.7	0.3
Morocco	1.5	1.6	1.2	0.2	0.5	0.1	0.0
Netherlands	6.0	3.9	2.5	2.7	2.4	1.3	0.7

TABLE A8 (continued)

The % of adults starting or running a new business using technology or processes that are either new to their area, new to their country or new to the world			The % of adults starting or running a new business having customers only within their local area, only within their country, and those having international customers		
New to their area	New to their country	New to the world	Local only	National	International
0.9	0.3	0.3	2.1	1.9	2.5
3.4	0.5	0.2	9.8	8.7	1.3
3.5	2.1	0.3	5.8	4.8	4.7
6.6	2.6	1.5	20.3	6.2	0.5
0.7	0.3	0.1	3.3	2.3	0.2
5.1	0.6	0.4	12.7	9.5	3.9
2.8	1.8	0.5	3.1	3.9	6.0
1.0	1.4	0.8	1.6	3.2	3.4
1.0	0.1	0.0	2.4	3.4	0.4
1.7	0.8	0.9	3.0	2.8	3.1
2.5	1.4	0.5	2.8	3.0	2.5
0.7	0.7	0.0	1.6	1.1	2.0
9.5	1.3	0.7	14.8	11.0	3.2
1.6	0.4	0.5	2.8	4.5	2.6
2.0	0.6	0.2	9.0	1.6	0.3
1.4	0.0	0.0	4.6	2.2	0.4
2.0	1.2	0.5	3.6	9.3	2.9
0.6	0.6	0.6	1.8	4.5	2.2
1.2	1.2	0.5	1.4	3.2	1.3
0.7	1.3	0.4	1.7	6.3	6.1
0.8	1.2	0.5	2.3	5.2	4.9
0.8	0.5	0.5	0.7	2.3	3.6
3.8	0.5	0.5	7.1	3.8	1.2
0.4	0.1	0.0	2.2	1.5	0.4
2.2	1.4	0.8	2.2	5.1	4.8

	Job creation expectations			The % of adults (aged 18–64) starting or running a new business and anticipating 25% or more revenue from outside their country	The % of adults starting a new business with products or services that are either new to their area, new to their country or new to the world		
	0 jobs	1–5 jobs	6 or more jobs		New to their area	New to their country	New to the world
Norway	2.5	2.5	1.5	0.7	0.7	0.5	0.5
Oman	8.2	1.7	1.7	0.7	1.7	0.7	0.1
Panama	2.5	14.1	11.2	1.0	5.4	2.4	0.7
Poland	0.2	1.1	0.3	0.1	0.2	0.1	0.0
Puerto Rico	3.7	10.1	6.3	1.7	3.4	2.4	1.5
Qatar	2.5	1.9	6.2	1.1	2.0	1.1	0.9
Republic of Korea	2.4	5.6	4.0	0.6	1.1	1.9	0.4
Romania	2.7	3.6	2.0	1.1	1.3	0.4	0.0
Saudi Arabia	3.9	10.8	4.5	1.0	4.6	0.8	0.1
Serbia	3.8	5.4	1.3	0.7	1.1	0.3	0.0
Slovak Republic	7.6	2.5	0.7	1.2	2.3	1.3	0.5
Slovenia	3.1	3.6	1.3	1.8	0.8	1.0	0.9
South Africa	2.3	4.3	1.8	1.6	2.4	0.3	0.0
Spain	3.3	2.0	0.6	0.6	0.9	0.5	0.3
Sweden	5.5	2.3	1.3	1.3	1.0	0.7	0.6
Switzerland	3.9	2.7	0.8	0.9	1.5	0.6	0.7
Taiwan	2.0	1.5	2.1	0.5	0.7	0.5	0.3
Togo	9.6	10.5	4.0	2.1	1.8	0.2	0.3
Tunisia	6.4	7.1	3.7	1.0	3.0	0.3	0.0
United Arab Emirates	2.7	3.2	19.6	8.7	3.9	4.3	2.3
United Kingdom	5.8	4.5	2.5	1.6	1.7	0.8	0.5
United States	9.2	5.4	4.7	2.8	3.3	2.3	1.9
Uruguay	10.2	9.7	6.4	1.1	4.9	2.1	0.9
Venezuela	4.7	9.1	2.1	0.5	2.5	0.4	0.6

TABLE A8 (continued)

The % of adults starting or running a new business using technology or processes that are either new to their area, new to their country or new to the world			The % of adults starting or running a new business having customers only within their local area, only within their country, and those having international customers		
New to their area	New to their country	New to the world	Local only	National	International
0.2	0.4	0.4	1.9	2.4	2.0
1.5	0.5	0.0	2.7	5.7	3.1
6.0	2.2	0.5	8.1	16.5	2.8
0.2	0.1	0.1	1.0	0.5	0.1
3.3	2.8	1.3	2.1	10.9	6.4
1.8	1.1	0.8	2.2	4.7	2.8
0.7	1.4	0.2	1.1	8.2	2.3
1.1	0.3	0.1	3.6	3.4	1.3
5.1	1.1	0.1	10.0	5.7	3.4
0.8	0.5	0.0	4.6	4.1	1.6
2.1	1.1	0.1	3.5	3.5	2.7
0.7	1.5	1.1	1.0	2.7	4.3
2.3	0.2	0.1	5.0	1.5	1.7
0.8	0.5	0.2	2.3	1.8	1.7
0.8	0.6	0.5	1.8	3.8	2.6
1.2	0.6	0.5	2.0	2.6	2.3
0.7	0.7	0.4	1.4	2.6	1.5
1.0	0.3	0.3	9.8	10.2	3.6
2.8	0.6	0.0	6.7	7.3	2.6
4.4	4.9	2.3	4.5	7.2	13.2
1.2	0.9	0.3	3.3	5.9	3.3
3.3	1.8	2.2	6.3	6.9	5.1
4.6	1.7	1.0	10.1	11.2	3.7
2.3	0.5	0.3	9.3	4.2	1.6

TABLE A9 The motivation to start a business (% of Total early-stage Entrepreneurial Activity who somewhat or strongly agree)

	“To make a difference in the world”	“To build great wealth or very high income”	“To continue a family tradition”	“To earn a living because jobs are scarce”
Austria	37.9	37.4	19.1	46.0
Brazil	75.2	64.3	44.1	82.0
Canada	64.1	65.8	38.1	58.5
Chile	55.1	54.7	27.9	69.6
China	14.7	60.9	27.2	60.3
Colombia	47.6	54.0	34.5	86.6
Croatia	40.8	48.8	26.7	70.2
Cyprus	45.3	78.3	25.4	60.5
Egypt	58.7	71.9	52.6	84.8
France	23.7	42.3	22.2	42.6
Germany	42.8	47.8	32.9	47.2
Greece	23.5	56.7	39.6	63.6
Guatemala	80.9	78.5	52.4	89.1
Hungary	66.9	37.0	21.6	57.9
India	80.9	69.0	68.6	78.0
Indonesia	48.5	81.6	31.0	80.6
Iran	34.9	85.1	22.8	69.9
Israel	33.4	77.7	16.5	50.9
Japan	31.9	41.1	26.5	37.1
Latvia	29.3	40.4	22.6	63.9
Lithuania	40.8	46.5	24.0	66.6
Luxembourg	55.8	48.3	37.6	47.0
Mexico	68.2	51.4	53.1	86.9
Morocco	13.5	61.2	19.5	82.5
Netherlands	46.8	45.8	24.6	39.4
Norway	48.0	46.1	22.9	30.4
Oman	32.8	75.1	36.9	73.2
Panama	68.5	59.5	45.7	85.0
Poland	16.7	47.6	14.4	73.1
Puerto Rico	70.6	48.6	29.5	67.2
Qatar	46.9	82.0	32.5	59.9

TABLE A9 (continued)

	“To make a difference in the world”	“To build great wealth or very high income”	“To continue a family tradition”	“To earn a living because jobs are scarce”
Republic of Korea	8.4	79.2	4.6	27.1
Romania	81.7	74.3	41.3	71.1
Saudi Arabia	64.6	87.3	61.9	85.2
Serbia	21.6	43.4	22.6	81.0
Slovak Republic	29.2	36.5	29.9	78.8
Slovenia	50.2	57.0	29.8	57.4
South Africa	80.4	80.8	49.2	89.5
Spain	39.3	39.1	21.4	70.6
Sweden	44.0	52.1	16.3	24.9
Switzerland	57.4	37.1	11.2	47.1
Taiwan	53.6	49.5	24.0	30.8
Togo	52.4	83.3	30.3	81.3
Tunisia	31.8	56.2	33.3	89.7
United Arab Emirates	54.8	69.5	34.4	65.3
United Kingdom	51.9	61.1	18.7	60.6
United States	69.3	70.8	36.5	54.5
Uruguay	40.5	46.1	27.2	65.4
Venezuela	53.1	62.5	33.0	89.9

TABLE A10 National Entrepreneurship Context Index and number of Entrepreneurial Framework Conditions (EFCs) scored as sufficient or better (score ≥ 5)

	Income Level	Number of Entrepreneurial Framework Conditions (EFCs) scored as sufficient or better (≥ 5)	NECI score
Argentina	Level B	3	3.7
Austria	Level A	5	4.8
Brazil	Level C	2	3.6
Canada	Level A	7	5.1
Chile	Level B	6	4.5
China (PRC)	Level C	9	5.6
Colombia	Level C	5	4.5
Croatia	Level B	3	4.1
Cyprus	Level A	4	4.3
Egypt	Level C	4	4.3
France	Level A	8	5.1
Germany	Level A	6	5.1
Greece	Level B	3	4.6
Guatemala	Level C	4	3.8
Hungary	Level B	4	4.7
India	Level C	13	6.1
Indonesia	Level C	11	5.8
Iran	Level C	1	3.6
Israel	Level A	8	5.5
Italy	Level A	2	4.2
Japan	Level A	5	5
Latvia	Level B	10	5.5
Lithuania	Level A	12	5.8
Luxembourg	Level A	7	5
Mexico	Level B	3	3.8
Morocco	Level C	2	4.3
Netherlands	Level A	13	5.9
Norway	Level A	7	5.2
Oman	Level B	1	4.2
Panama	Level B	3	4.3

TABLE A10 (continued)

	Income Level	Number of Entrepreneurial Framework Conditions (EFCs) scored as sufficient or better (≥5)	NECI score
Poland	Level B	2	3.8
Puerto Rico	Level B	1	3.8
Qatar	Level A	11	5.7
Republic of Korea	Level A	10	5.7
Romania	Level B	3	4.2
Saudi Arabia	Level A	11	6.3
Serbia	Level B	5	4.6
Slovak Republic	Level B	3	4.4
Slovenia	Level A	4	4.8
South Africa	Level C	0	4.1
Spain	Level A	3	4
Sweden	Level A	6	5
Switzerland	Level A	11	5.8
Taiwan	Level B	12	6.2
Togo	Level C	0	3.6
Tunisia	Level C	0	3.7
United Arab Emirates	Level A	13	7.2
United Kingdom	Level A	5	4.7
United States	Level A	6	5.2
Uruguay	Level B	5	4.5
Venezuela	Level C	2	3.2
GEM total		5	4.8

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The GEM India Report 2022-23 is an outcome of collective efforts of GEM India consortium that strives to capture and understand the current state of affairs in Indian entrepreneurship. This report provides information on entrepreneurship ecosystem prevailing in the country and entrepreneurial activities being carried out in various states.

The GEM India study, conducted using a well-established GEM research methodology that is consistent across all participating countries, generates a variety of relevant primary information on different aspects of entrepreneurship and provides harmonised measures about individuals' attributes and their activities in different phases of entrepreneurship. The key outcomes of research reported in the book are relevant to researchers, policymakers, entrepreneurs and corporate houses.

KEY HIGHLIGHTS

- In-depth coverage of entrepreneurial activity in India
- Insightful analysis of data on different parameters of entrepreneurship
- Graphic and easy-to-interpret presentation of findings
- Recommendation for policy implications



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