

Fostering entrepreneurial ecosystem vitality

2021 / 2022

**Global Entrepreneurship Monitor
South Africa**

**Presented by Prof Natanya Meyer
SARChI Entrepreneurship Education,
University of Johannesburg**

EDHE Lekgotla 2022

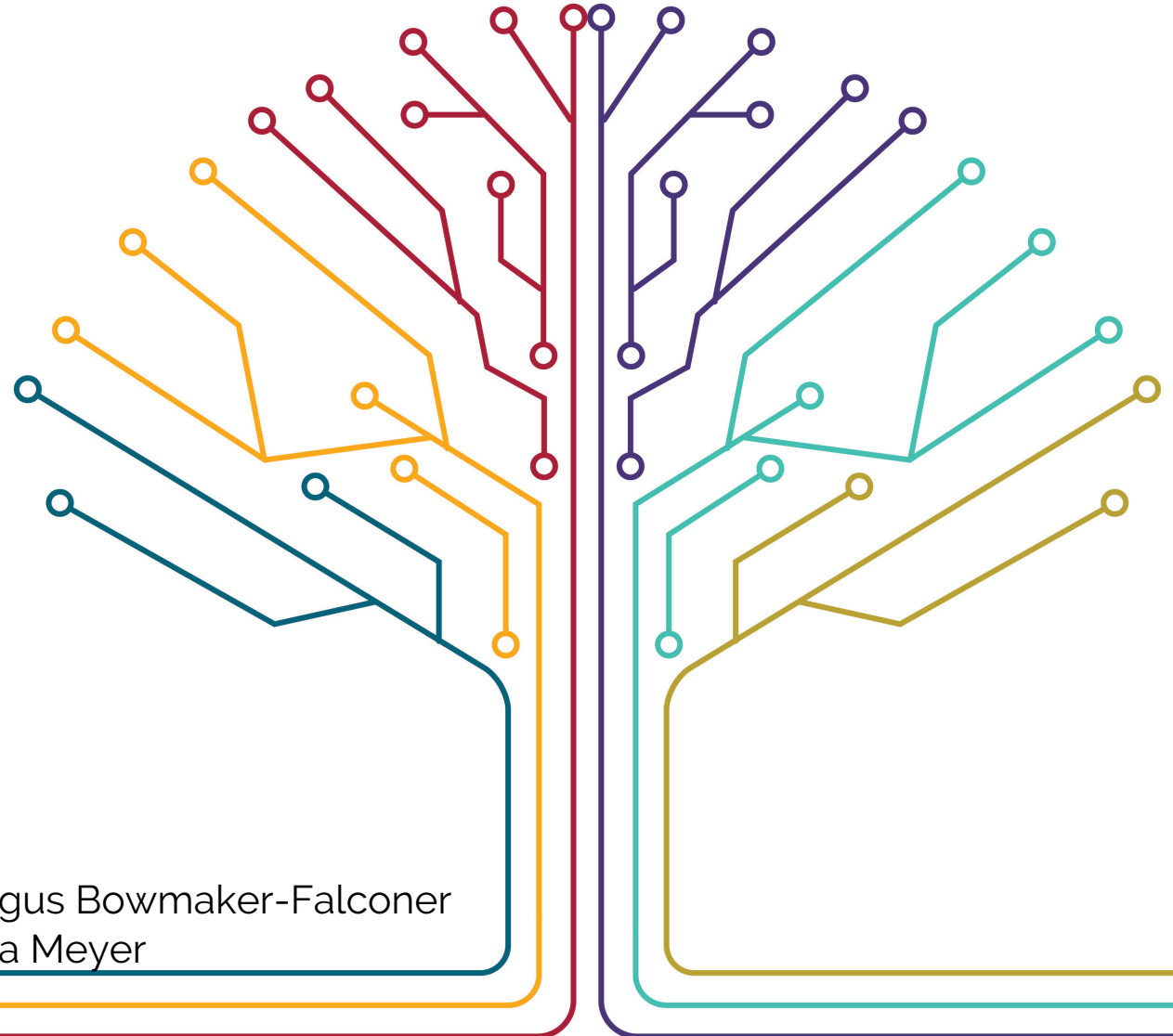


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SMALL ENTERPRISE DEVELOPMENT AGENCY
an agency of the state

Authors: Angus Bowmaker-Falconer
and Natanya Meyer



Overview

GEM at a glance

GEM conceptual framework
and methodology

Participating economies

Selected highlights from GEM
SA 2021/2022 research

South Africa in context

APS – selected results

NES/NECI – selected results

The GEM story

In the **past two decades**, GEM has measured entrepreneurship **in 120 countries**, covering all geographic regions and all economic levels.

During this period, the annual GEM reports have gained widespread recognition as the most informative and authoritative **longitudinal study of entrepreneurship** in the world.

GEM is a **large-scale international research collaboration** that measures entrepreneurship and its associated characteristics in a manner that is consistent over time and space.

This enables the **rate and nature of entrepreneurship development to be monitored directly across and within economies**.

GEM AT A GLANCE

In numbers:

22

years of data

3 000 000+

entrepreneur respondents and expert interviews since 1999

148 000+

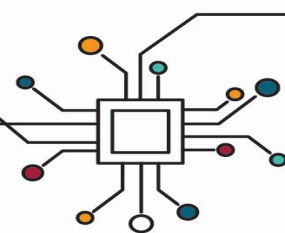
respondents to the 2021 GEM Adult Population Survey

2 000+

expert interviews for the 2021 GEM National Expert Survey

120

economies since 1999

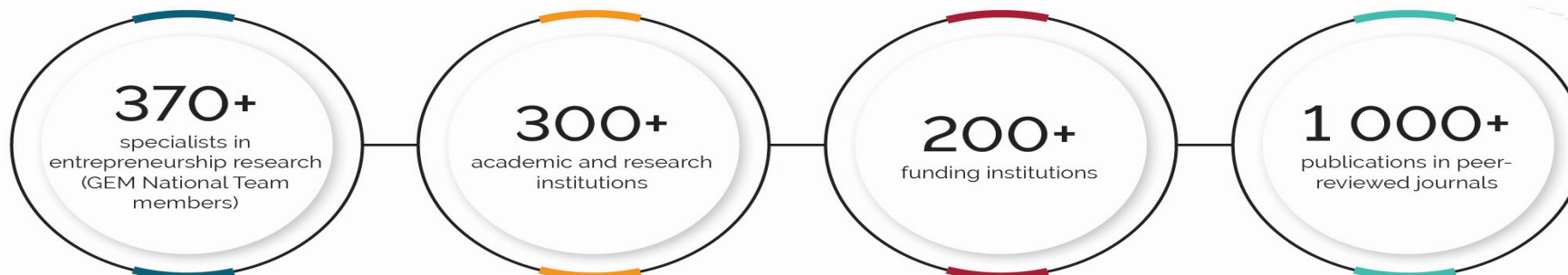


50

Participating global economies in 2021

4 African economies:

South Africa, Sudan, Morocco and Egypt



The background is a solid teal color. On the left side, there is a large, curved, grid-like pattern that resembles a sphere or a dome. The grid is composed of small, dark teal squares arranged in a perspective that creates a three-dimensional effect. The pattern curves from the top left towards the bottom right, following the contour of the sphere.

SECTION 1

GEM Conceptual Framework
and Methodology

Figure 1.1: The GEM conceptual framework

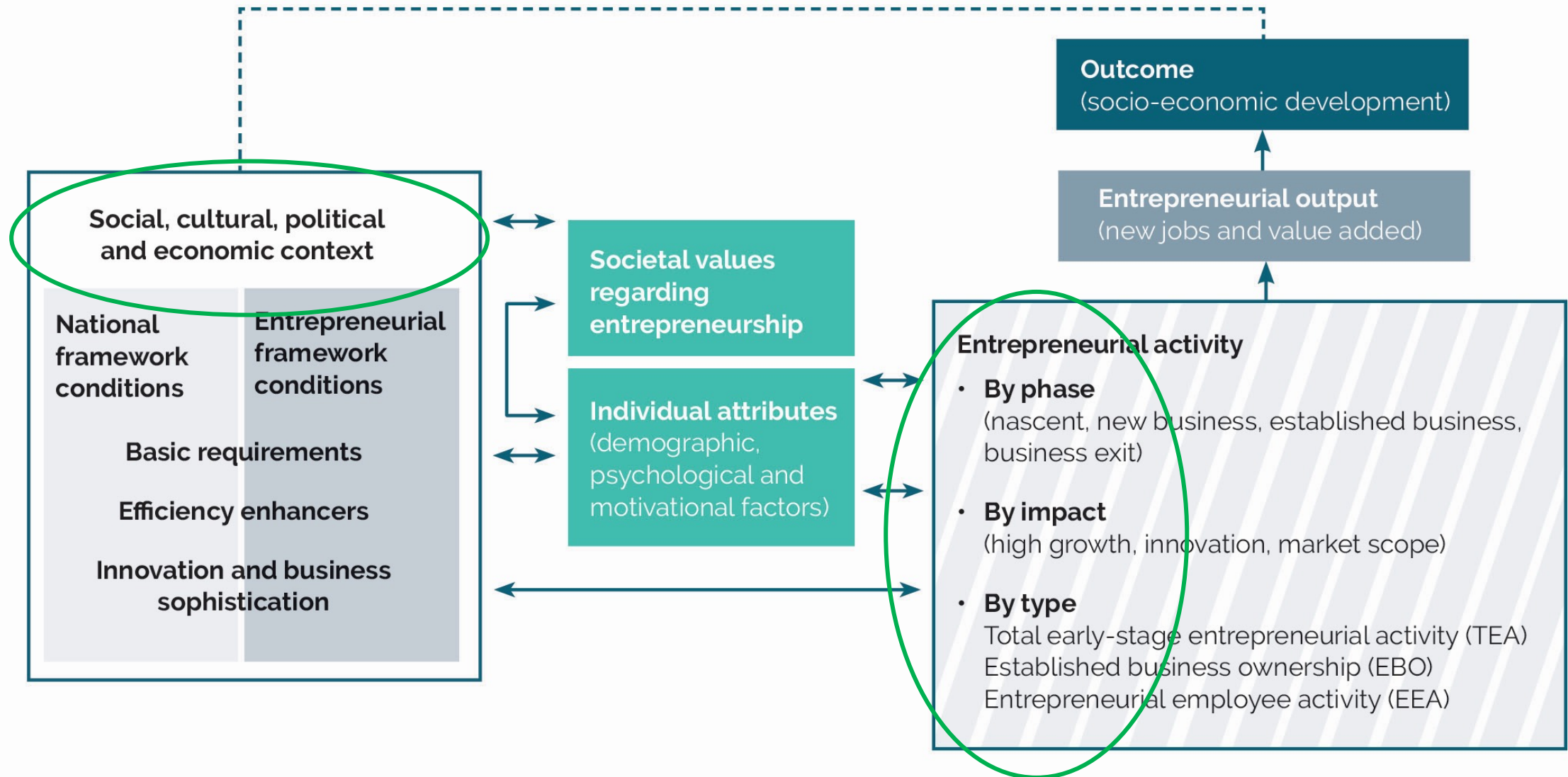
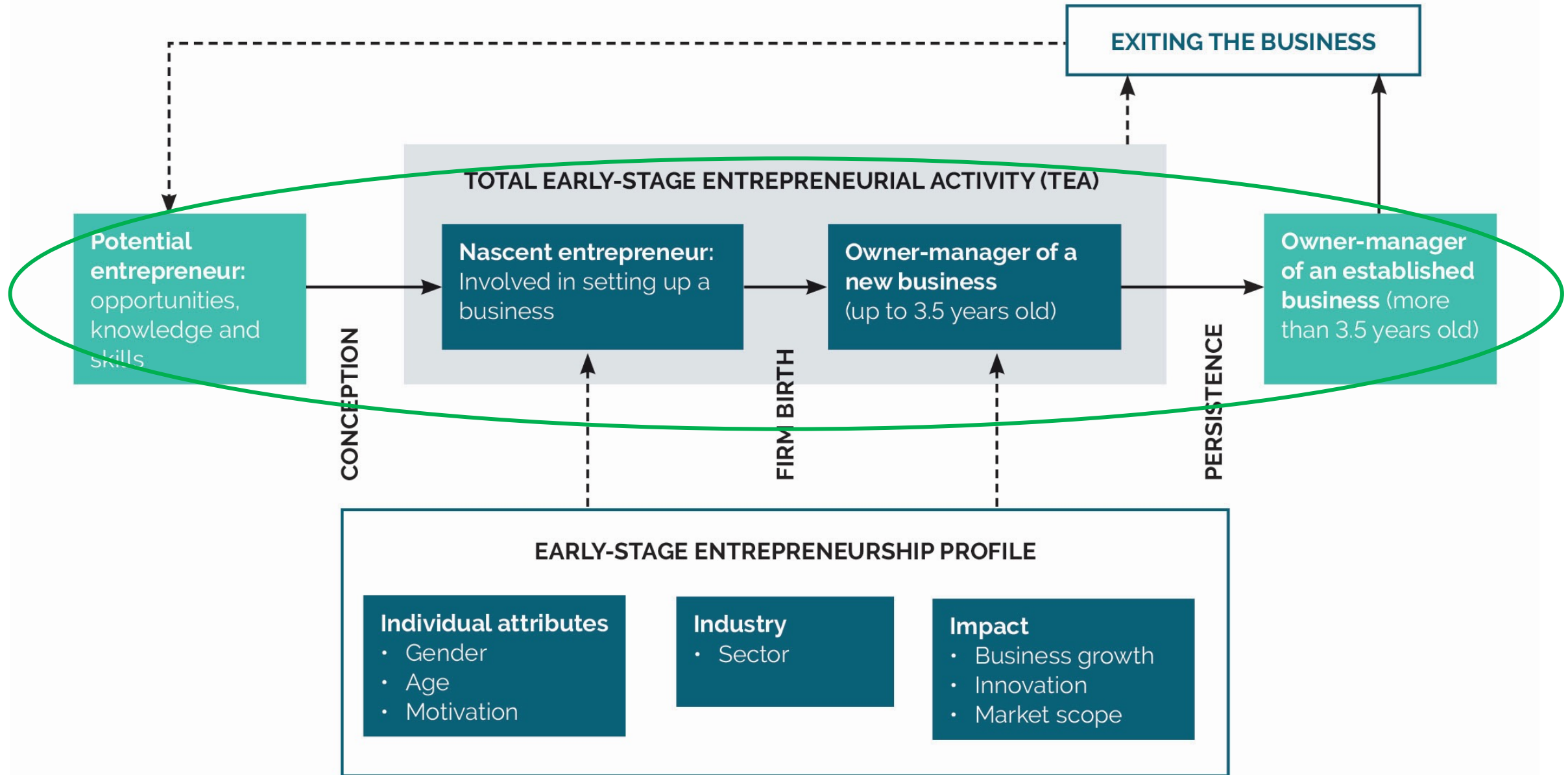


Figure 1.2: Entrepreneurial phases and GEM's entrepreneurship indicators



Annual data collection

Overview

Adult population survey **APS**.
Representative sample of the
adult population.
Mid July – end September 2021.
n = 3 043.

National expert survey **NES**.
Opinion on the prevailing
context for entrepreneurs.
n = 36+ experts.

Participating economies 2021

Table 1.1: Economies in GEM 2021, classified by income (\$GDP per capita)

Level A >\$40,000	Level B >\$20,000<\$40,000	Level C <\$20,000
Canada	Belarus	Brazil
Finland	Chile	Colombia
France	Croatia	Dominican Republic
Germany	Cyprus	Egypt
Ireland	Greece	Guatemala
Israel	Hungary	India
Italy	Kazakhstan	Iran
Japan	Latvia	Jamaica
Luxembourg	Lithuania	Mexico
Netherlands	Oman	Morocco
Norway	Panama	South Africa
Qatar	Poland	Sudan
Republic of Korea	Romania	
Saudi Arabia	Russian Federation	
Sweden	Slovak Republic	
Switzerland	Slovenia	
United Arab Emirates	Spain	
United Kingdom	Turkey	
United States	Uruguay	

Source: GEM Adult Population Survey 2021

Selected insights from the GEM Global 2021/2022 Report

The pandemic has reduced household incomes but high-income economies are less affected due to the level of government, personal and business income support.

There are perceived entrepreneurial opportunities across countries however, fear of failure remains a barrier for many.

The pandemic has reduced the level of entrepreneurial activity although there are exceptions in some economies.

The pandemic has made it more difficult to start a business but it has also led to new and different business opportunities.

New businesses are unlikely to employ many more people in the short term this may be indicative of high levels of informal 'survival' businesses created during economic hardship and in the absence of no alternatives or social safety nets.

Entrepreneurs are changing how they do business high levels of digital technology adoption is facilitating rapid growth in online business models, and particularly so among new entrepreneurs. In addition, entrepreneurs are increasingly conscious of social and environmental considerations in business decision making.

Profile of entrepreneurs gender, age and education all matter, but national context seems to matter more. Underrepresented groups need to be supported to increase the level and variety of entrepreneurship activity, and ultimately economic recovery.

Age and motivation to start a business in addition to creating wealth, younger entrepreneurs are more likely to also be motivated to 'make a difference in the world'.

Entrepreneurial education at school level is typically the lowest rated of all the national framework conditions, yet improvements in entrepreneurship education at schools could significantly improve the entrepreneurial ecosystem of most economies.

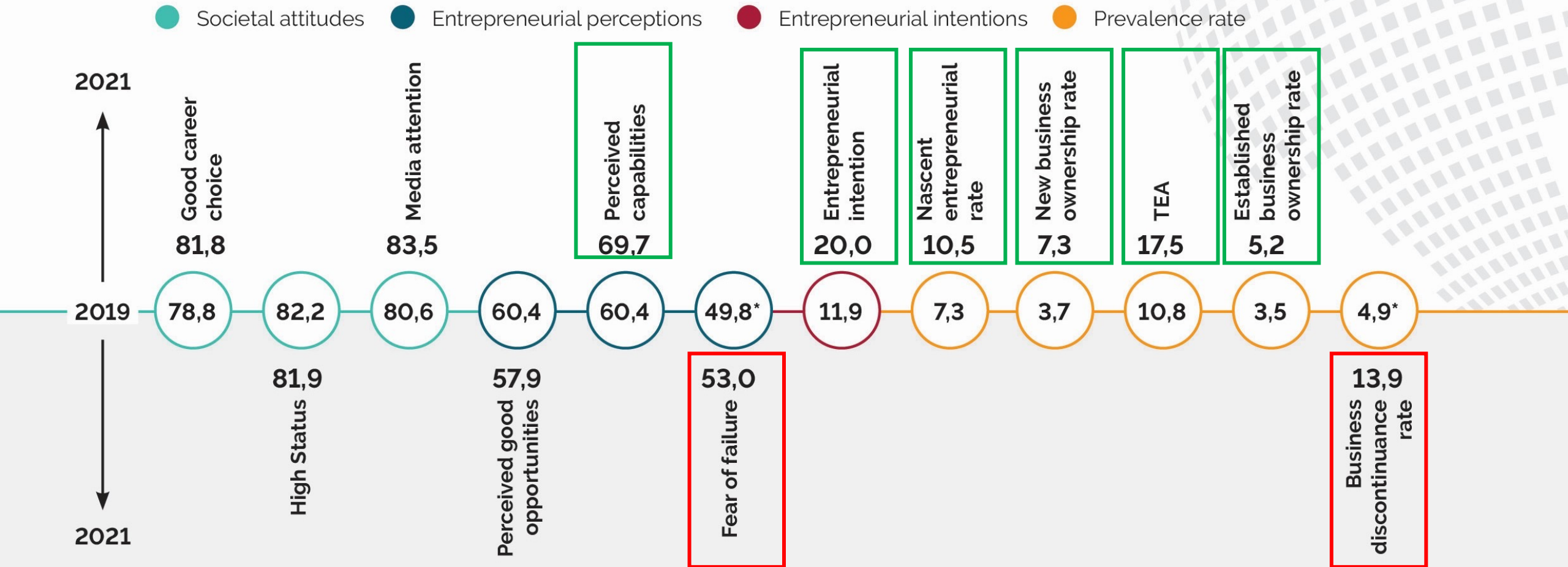


SECTION 2

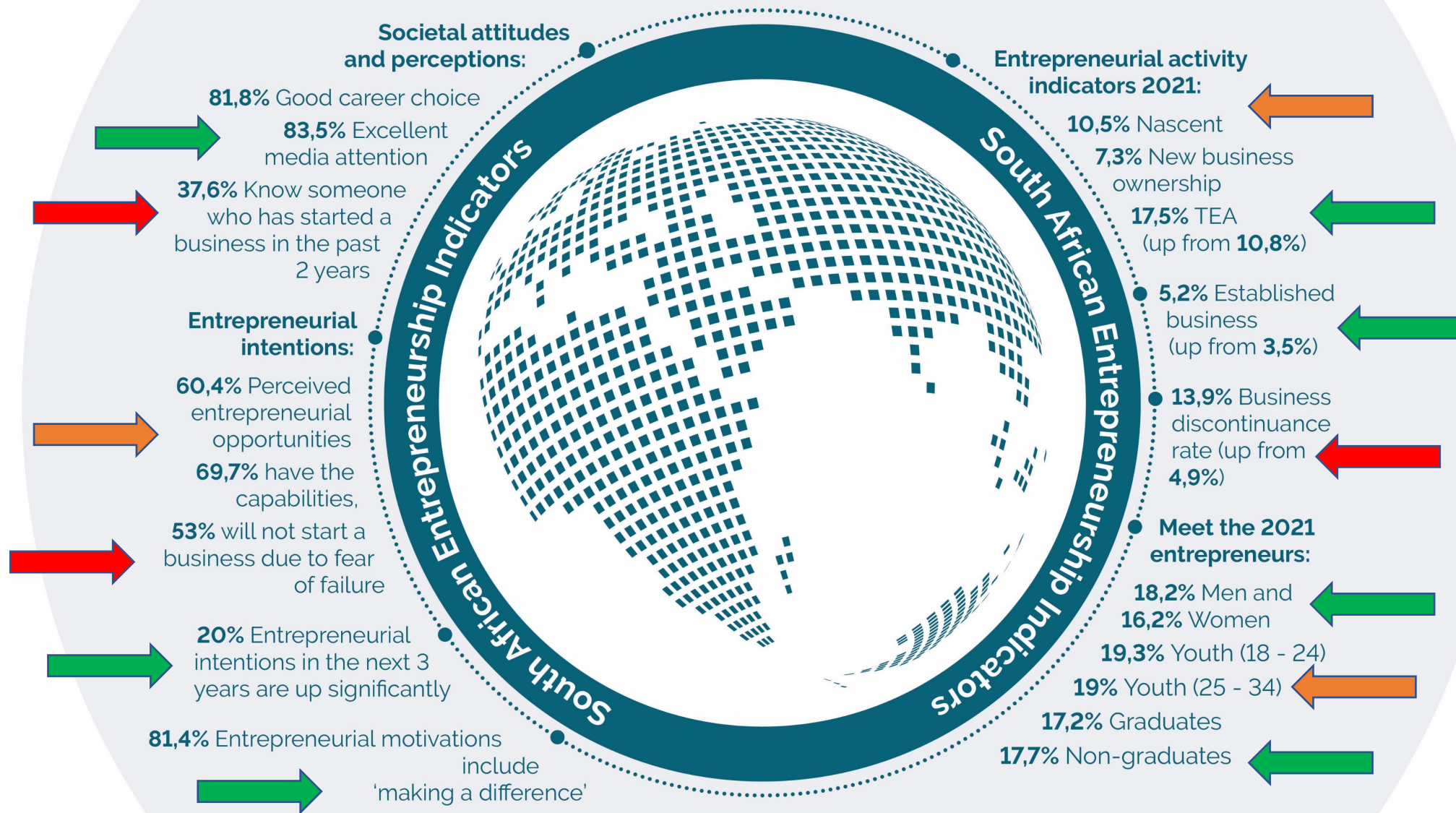
Selected highlights from GEM
2021/2022 research
APS

SOUTH AFRICA IN CONTEXT

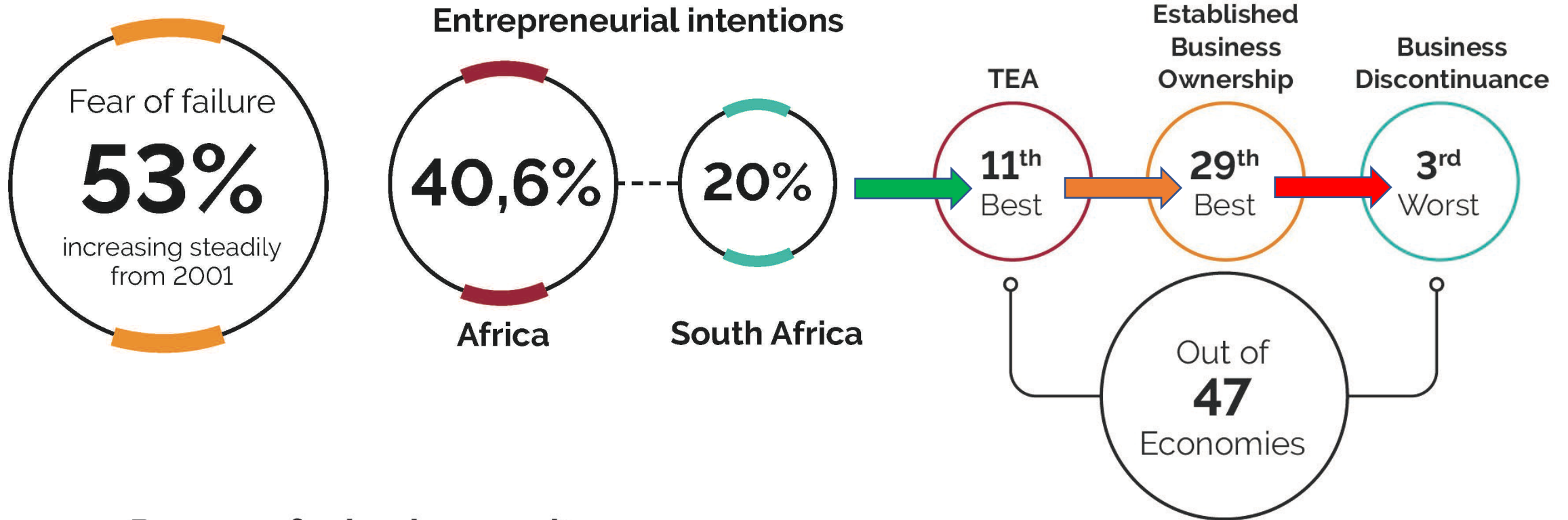
Entrepreneurship indicators at a glance



* Higher rates reflect a decline in the variable



How do we rank?

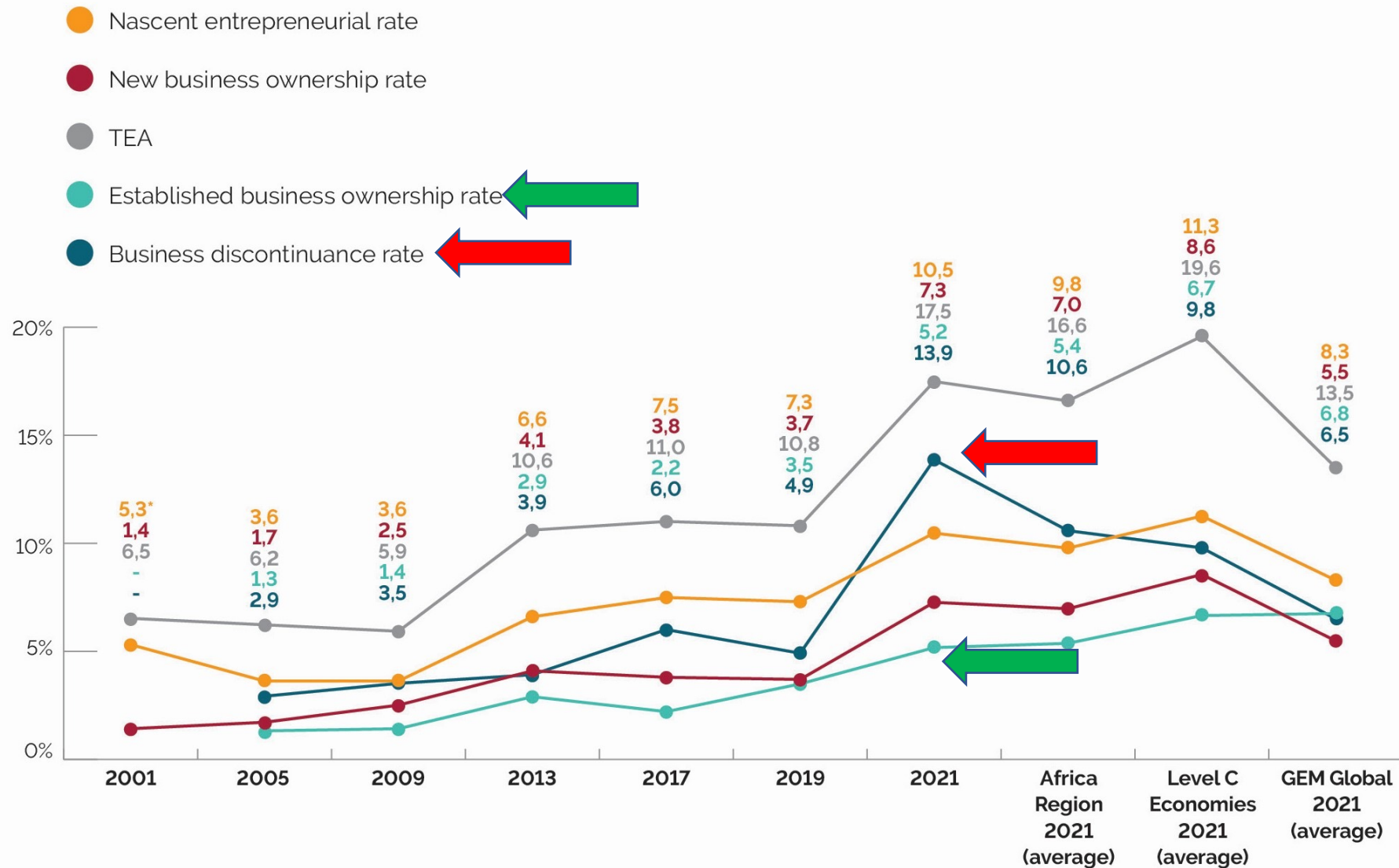


Reasons for business exit



Figure 2.5: Prevalence rates (%) of entrepreneurial activity in South Africa 2001-2021

Percentage of Adult Population

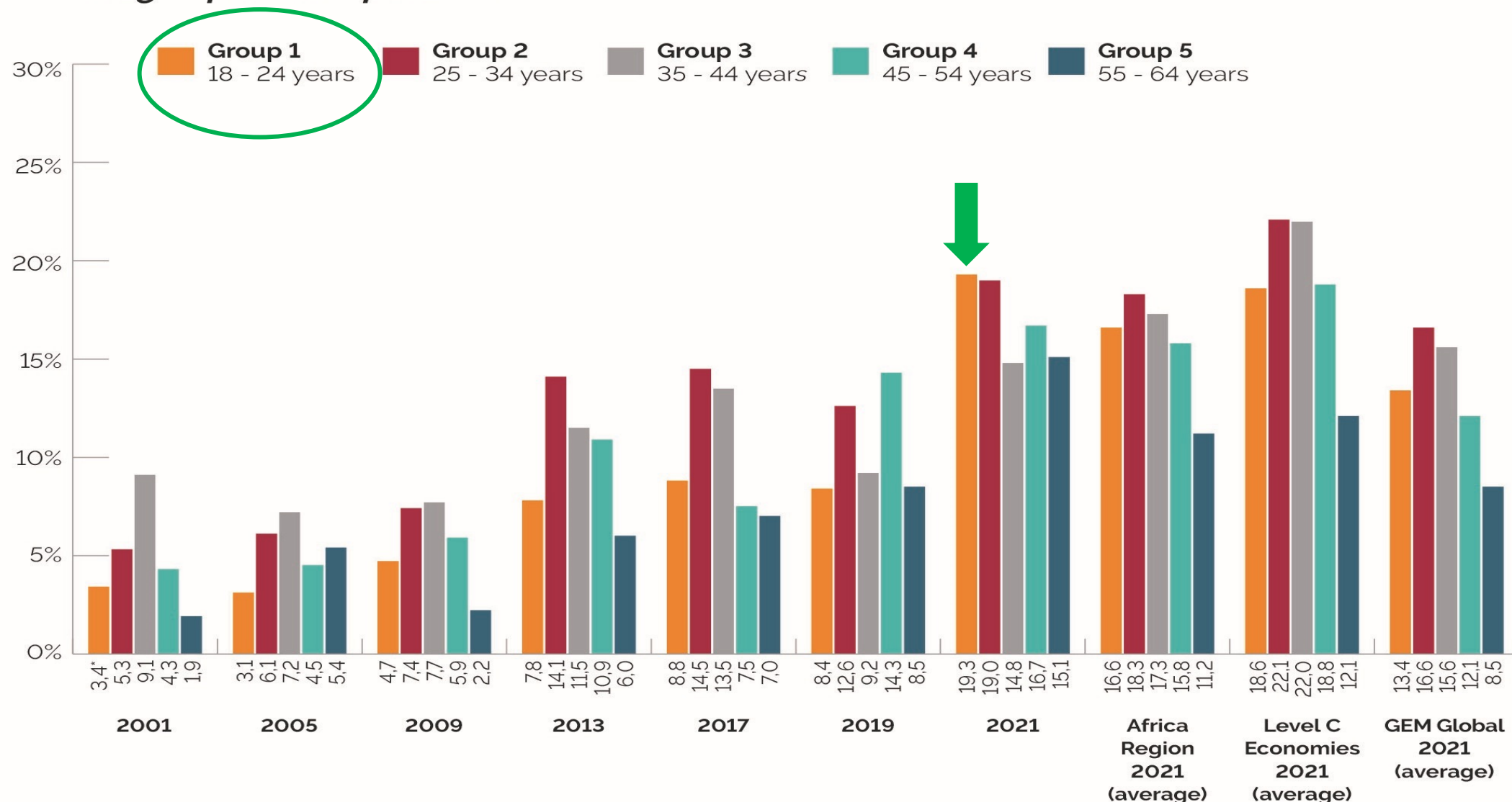


* Read as 5,3% of the Adult Population were engaged in nascent entrepreneurial activity in 2001.

Total early-stage entrepreneurship activity by age categories

Figure/Table 2.13: TEA by age group in South Africa 2001-2021

Percentage of Adult Population



* Read as 3.4% of adults aged 18-24 in 2001 were engaged in early-stage entrepreneurial activity.



SECTION 3

Selected highlights from GEM
2021/2022 research
NES and NECI

Country context

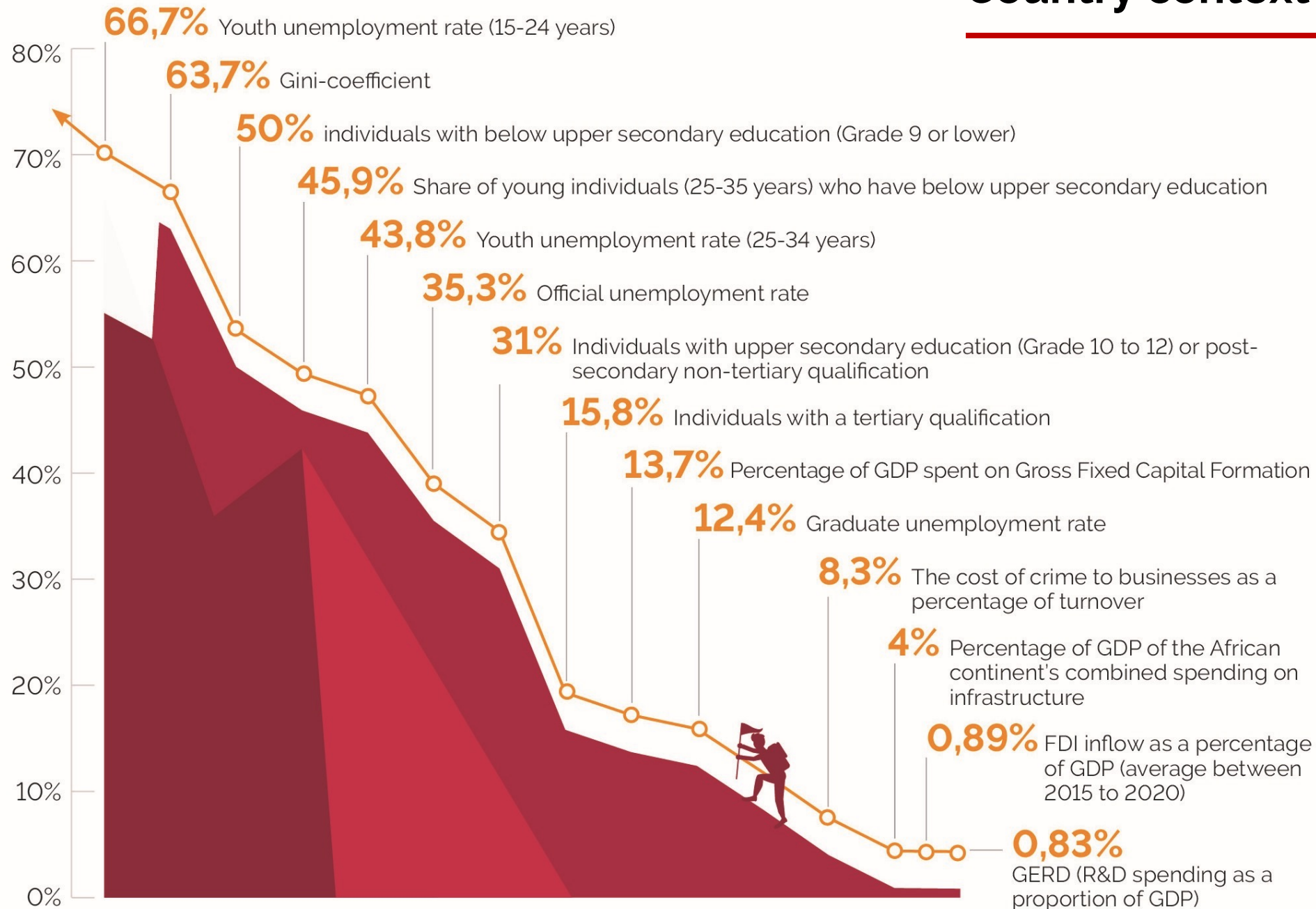
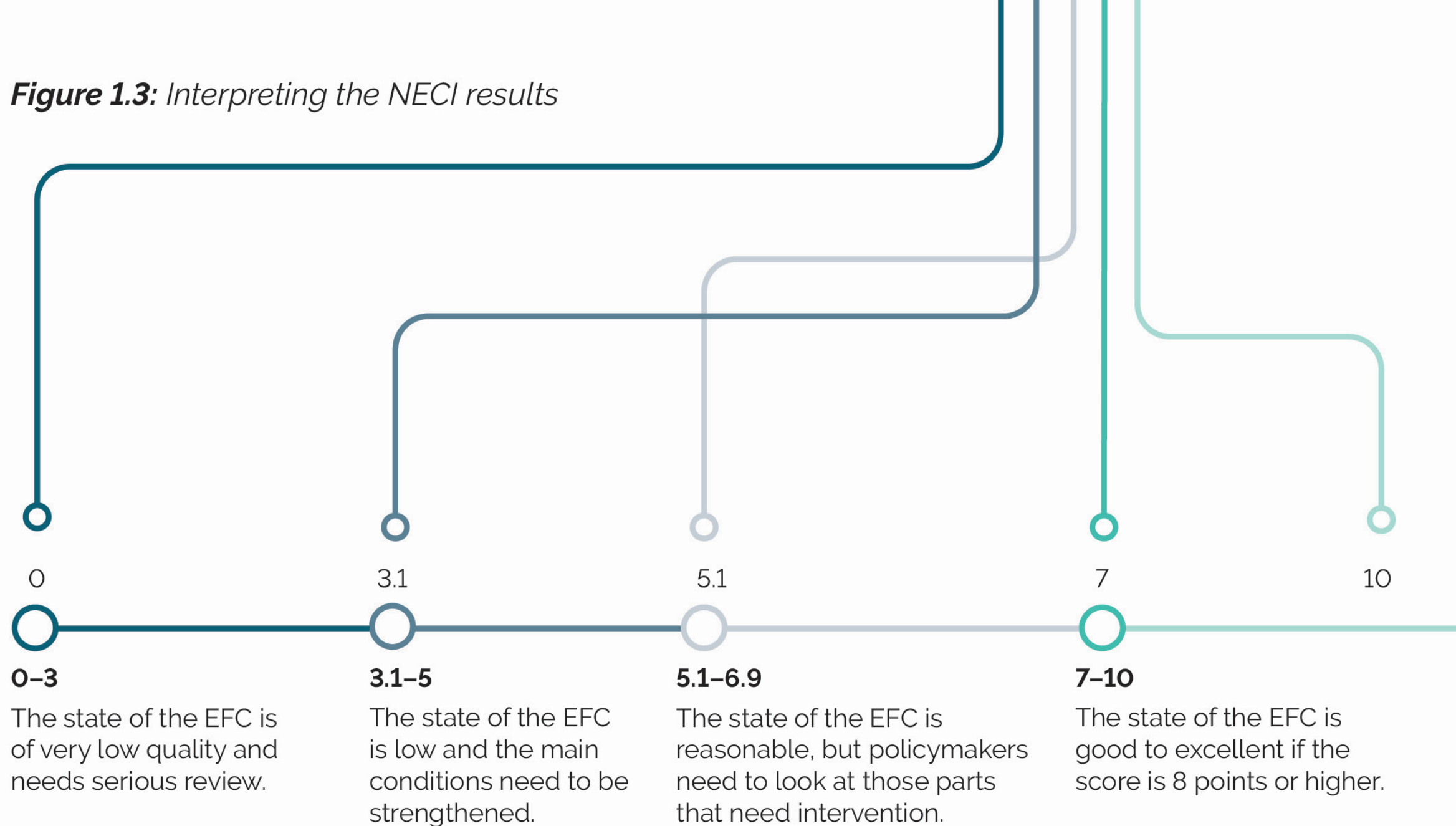


Table 3.1: *Entrepreneurial Framework Conditions (EFCs)*

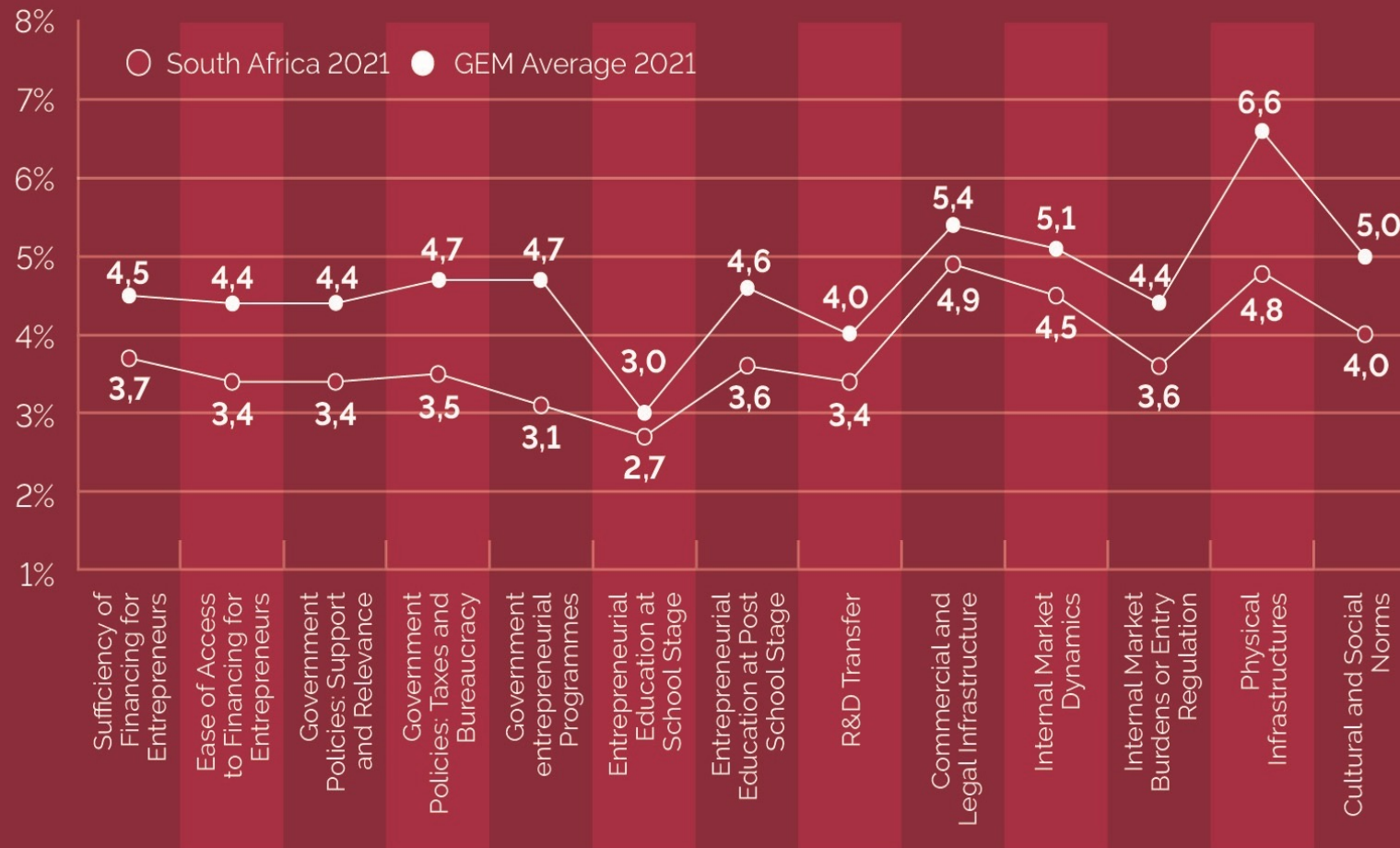
Entrepreneurial framework condition		Description
A1.	Entrepreneurial Finance	Are there sufficient funds for new Startups?
A2.	Ease of Access to Entrepreneurial Finance	And are those funds easy to access?
B1.	Government Policy: Support and Relevance	Do they promote and support Startups?
B2.	Government Policy: Taxes and Bureaucracy	Or are new businesses burdened?
C.	Government Entrepreneurial Programmes	Are quality support programmes available?
D1.	Entrepreneurial Education at School	Do schools introduce entrepreneurship ideas?
D2.	Entrepreneurial Education Post-School	Do colleges offer courses in starting a business?
E.	Research and Development Transfers	Can research be translated into new businesses?
F.	Commercial and Professional Infrastructure	Are these sufficient and affordable?
G1.	Ease of Entry: Market Dynamics	Are markets free, open and growing?
G2.	Ease of Entry: Burdens and Regulation	Do regulations encourage or restrict entry?
H.	Physical Infrastructure	Is this sufficient and affordable?
I.	Social and Cultural Norms	Does culture encourage and celebrate entrepreneurship?

Figure 1.3: *Interpreting the NECI results*





Entrepreneurial framework conditions



**Entrepreneurial
context index
(NECI) score
and rank**

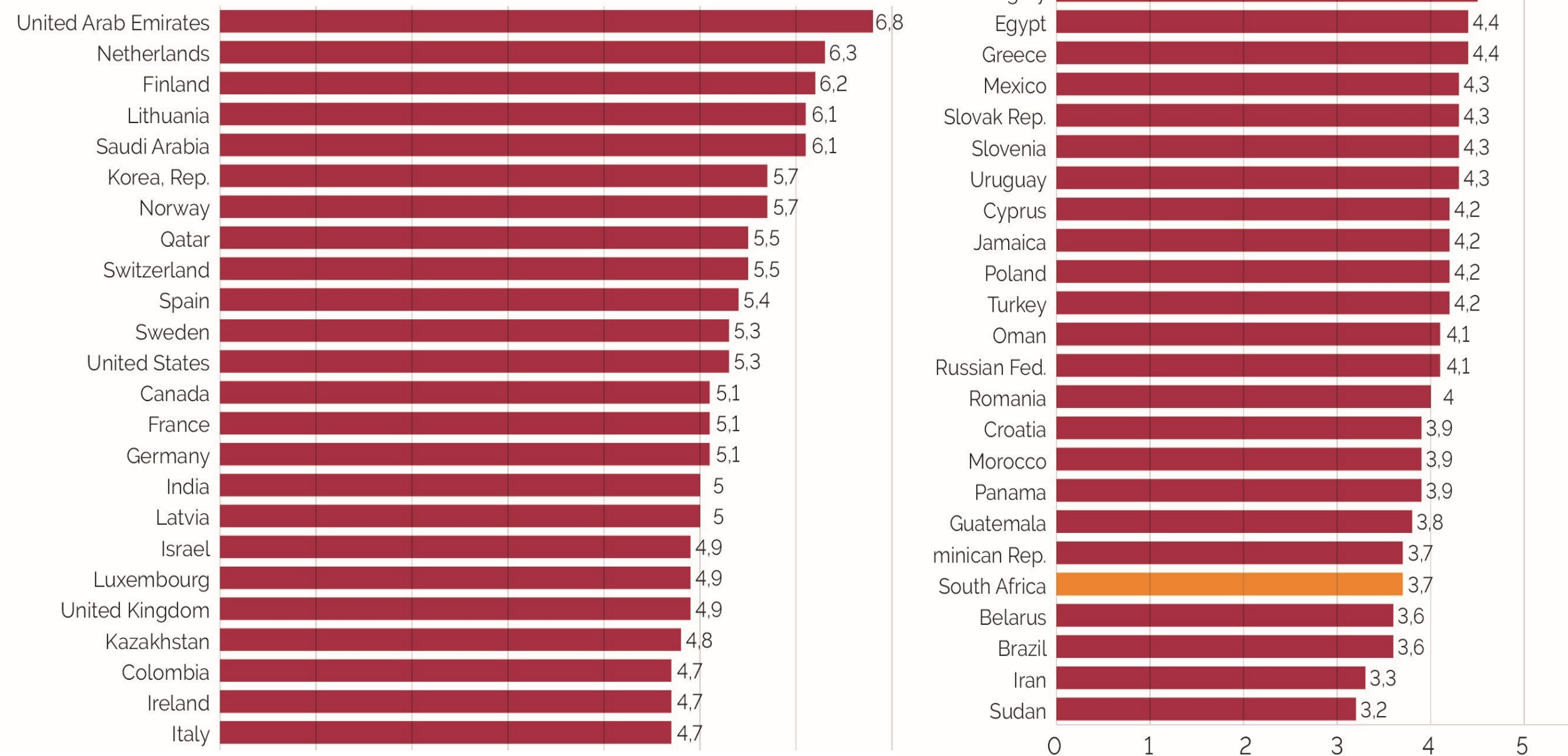
2019: 3.63

(rank 49th/54)

2021: 3.7

(rank 45th/50)

Figure 3.6: *National Entrepreneurship Context Index (NECI)*



Should you wish to contribute to the NES or register for the launch event on 27 July, please contact me at natanyam@uj.ac.za or [082 347 6611](tel:0823476611)

THANK

YOU

