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HIGHER SCHOOL OF ECONOMICS
NATIONAL RESEARCH UNIVERSITY



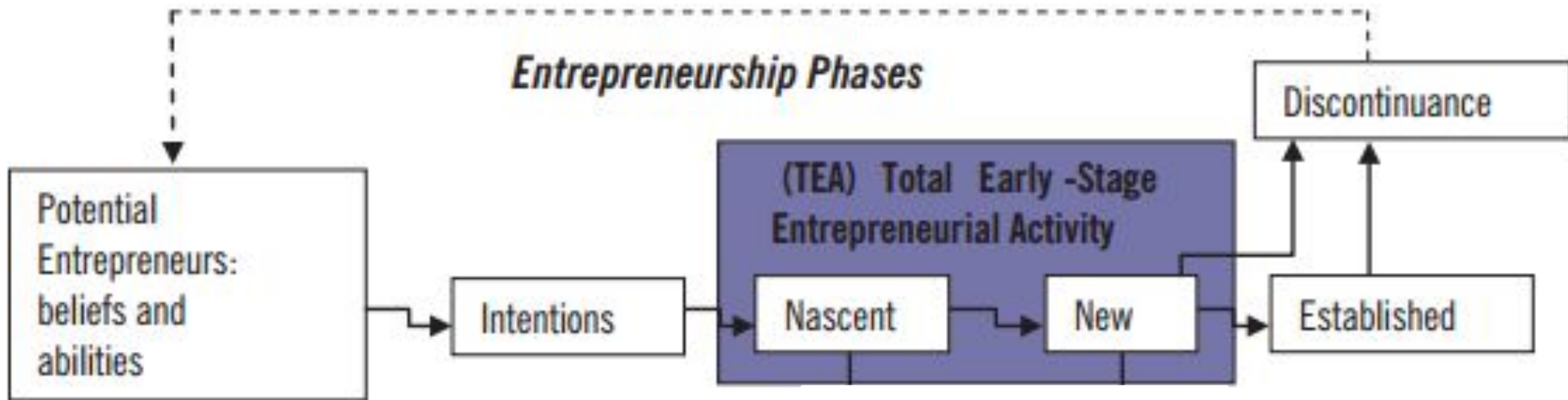
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Entrepreneurial activity in United Kingdom, Germany, Greece, Russia and The Netherlands after the crisis: GEM based evidence (2008-2012)

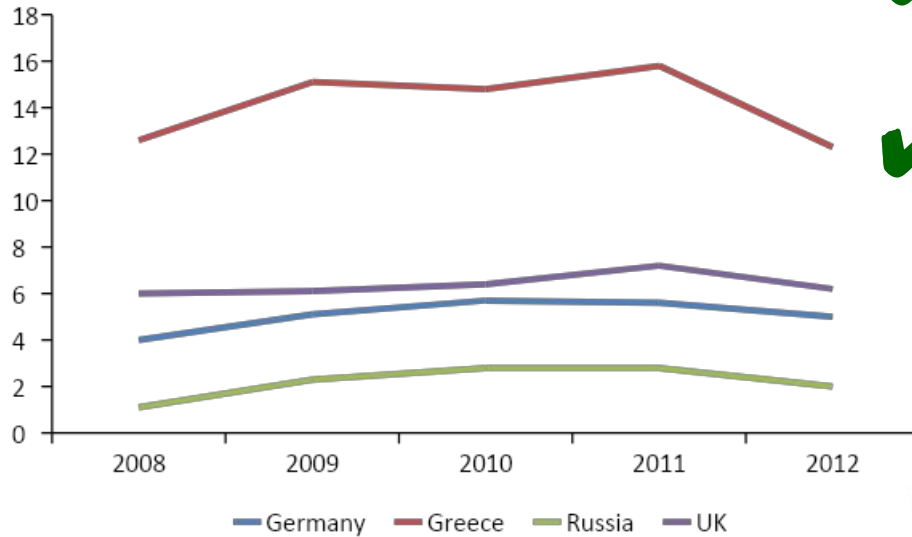
HSE students' team



- ✓ We focus on similarities and differences in TEA and EBO characteristics in countries where the participating universities belong
- ✓ Total early entrepreneurial activity (TEO) – those who own/manage a new venture from 0 till 48 months
- ✓ Established business owners (EBO) - those who own/manage a business for more than 3 and a half years

Dynamics of EBO and TEA, by country, 2008-2012

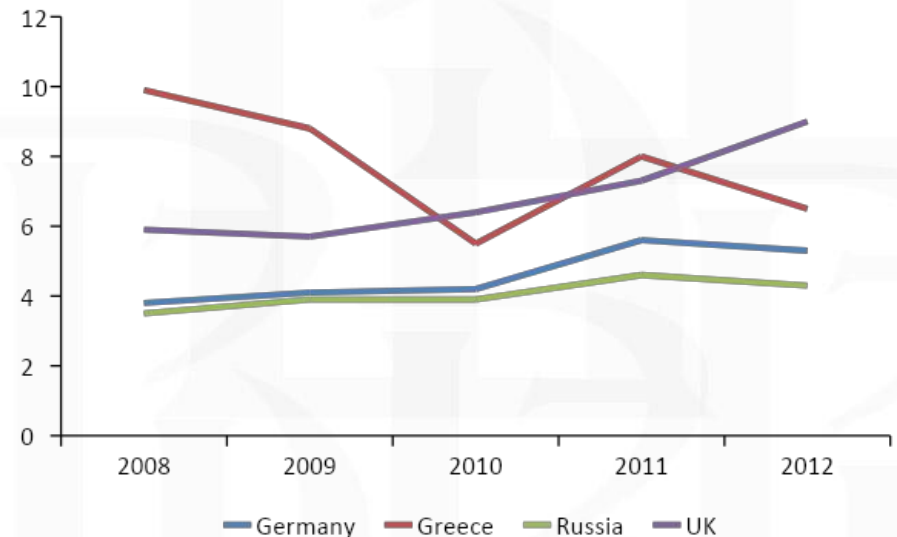
Established Business Ownership Rate*



✓ **GR:** the highest rate of EBO and TEA, both declining after 2011 ('shock therapy' start).

✓ **UK:** similar TEA and EBO indexes, however different trends: moderate decline of the EBO but growing TEA after 2011.

Total Early Stage Entrepreneurial Activity*



✓ **GER;** both TEA and EBO lower than close to UK and EEA close to Russia.

✓ **RUS:** the lowest not growing EBO and the lowest but growing TEA.

Motivation

Necessity-driven

- “Be pushed”:
- No other job options
- Need a source of income

Opportunity-driven

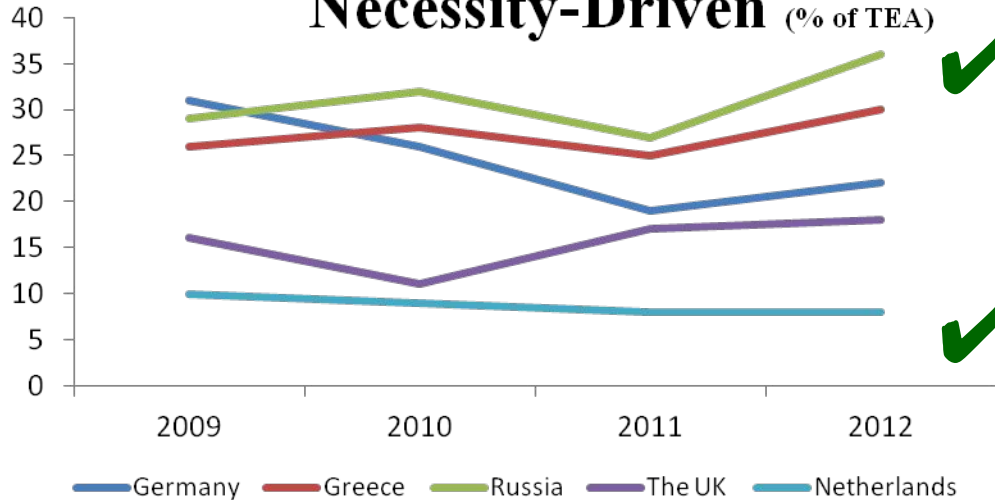
- “Be pulled”:
- Rational choice to use opportunity
 - To become independent
 - To realize creative ideas (IDE)
 - To increase income



prevalence of O-d vs. N-d can provide insights into the ‘quality’ of early-stage entrepreneurial activity because especially IDE are more likely to innovate and grow

Motivation structure: necessity vs opportunity driven entrepreneurs (% of TEA)

Necessity-Driven (% of TEA)

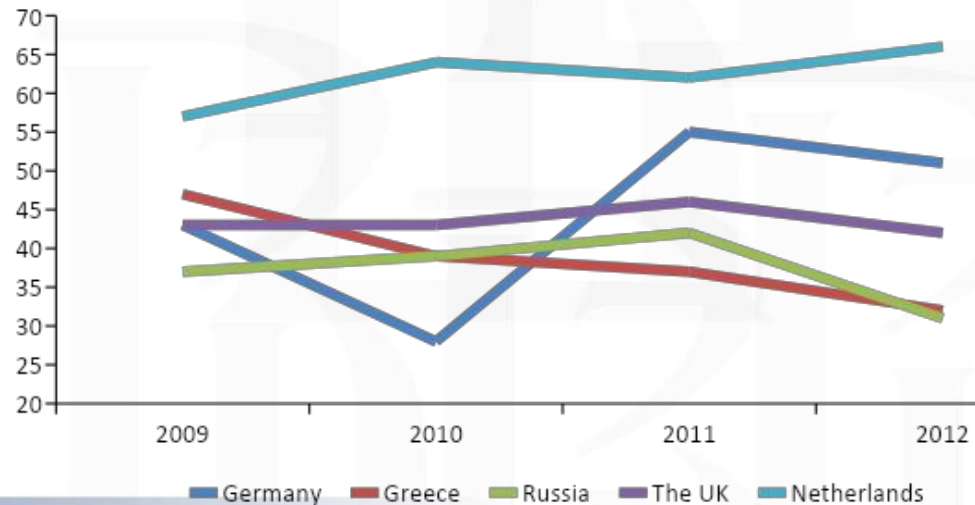


✓ General diminishing of NDE in NL and GER, general increase – in UK, GR and RUS during the whole period, however, after 2011 NL – the single economy within the trend

✓ GER – spectacular decline of NDE, the highest variations among the countries

- ✓ General improvement in NL and GER, stable ODE rate in UK, decrease in RUS and GR
- ✓ General worsening in 2011 in 4 countries but not in NL
- ✓ GR scores close to RUS, but worsening in GR appeared some earlier than in RUS

Opportunity-Driven (% of TEA)



Perception variables: why do people (don't) start-up?

Economies	Perceived Opportunities	Perceived Capabilities
Germany	35	37
Greece	11	50
Russia	27	33
Netherlands	48	42
United Kingdom	33	42

GER: median levels of both indicators

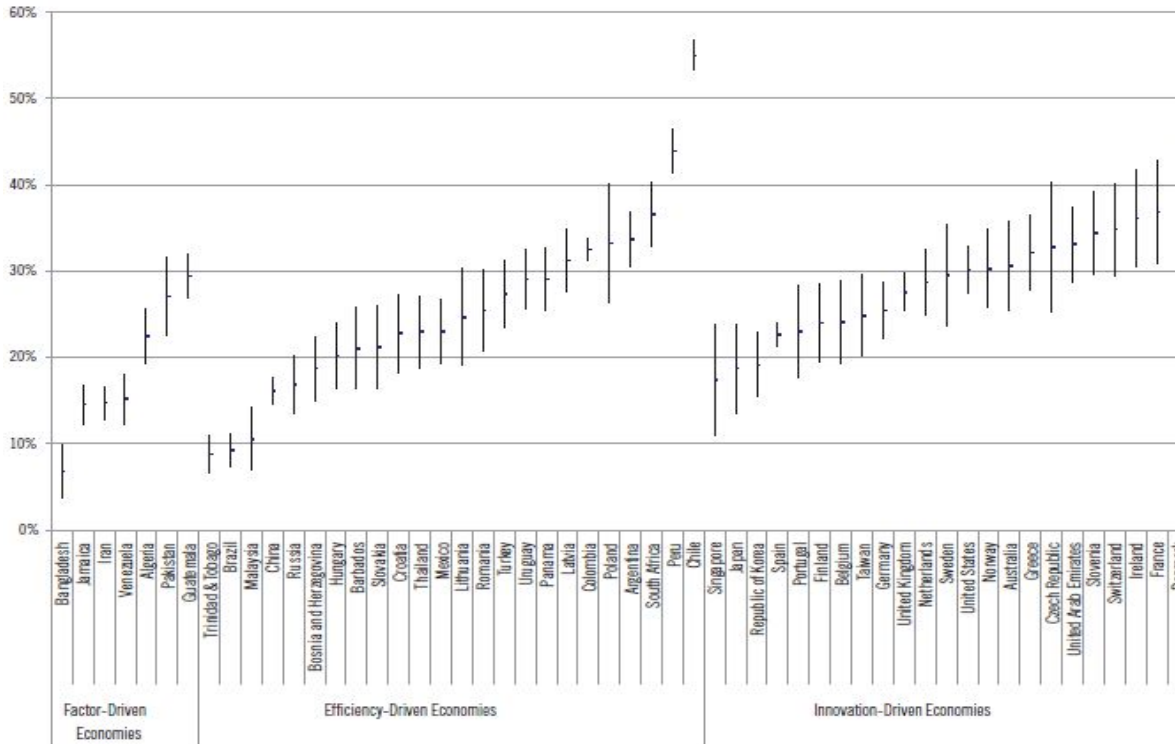
GR: deep crisis causes a pessimist view on opportunities to start-up, while high level of capabilities.

NL: people highly assess opportunities for doing business. The doing business rating supports this factors: Netherlands is on the 31st place.

RUS: the lowest rate of perceived opportunities, except Greece, and the lowest level of perceived capabilities among 5 countries.

UK: the lowest level of perceived opportunities among 3 old EU economies, but relatively high level of perceived capabilities.

Innovativeness by product novelty



- ✓ Innovativeness of early entrepreneurs – indicate possible future performance of entrepreneurs in respective country.
- ✓ GER, UK, and NL show quite similar result (from about 23% to 28%),
- ✓ GR has the highest level (33%), whilst RUS – the lowest one (16 %)

Percentage of Total Early-Stage Entrepreneurs (TEA)
With Innovative Products in 54 Economies, 2011

What did we learn from GEM about entrepreneurial activity in our countries?

Some evidences:

- Both TEA and EBO differ during the whole observation period – hence, there are some (hidden?) reasons embedded in culture, EFC etc. even between economies with established markets and democratic order
- Motivation structure - worsening in Greece and Russia while stable or improving – in UK, Germany and esp. Netherlands
- Perception variables' differences - most dramatically in Greece (low opportunities whilst high abilities)
- Innovativeness by product is the highest among Greek early entrepreneurs and the lowest – among Russian. If so, Greece has in future good prospects of a deep change of economic structure, whereas Russian future economic performance looks 'cloudy' ...



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Thank you for attention!

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