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# Key GEM Definitions and Abbreviations

<b>Adult Population Survey (APS)</b>	The APS is a comprehensive interview questionnaire, administered to a minimum of 2,000 adults in each GEM economy, designed to collect detailed information on the entrepreneurial activities, attitudes and aspirations of respondents.
<b>National Expert Survey (NES)</b>	The NES is completed by selected experts in each GEM economy and collects views on the context in which entrepreneurship takes place in that economy. It provides information about the aspects of a country's socio-economic characteristics that, according to research, have a significant impact on national entrepreneurship: referred to as the Entrepreneurship Framework Conditions (EFCs).
<b>Total early-stage Entrepreneurial Activity (TEA)</b>	The percentage of adults (aged 18–64) who are starting or running a new business.
<b>Established Business Ownership (EBO)</b>	The percentage of adults (aged 18–64) who are currently the owner-manager of an established business, i.e. owning and managing a business that has paid salaries, wages or any other payments to the owners, for more than 42 months.
<b>Entrepreneurial Employee Activity (EEA)</b>	The rate of involvement of employees in entrepreneurial activities, such as developing or launching new goods or services, or setting up a new business unit, a new establishment or subsidiary, as part of their job.
<b>Entrepreneurial Framework Conditions (EFCs)</b>	<p>The conditions identified by GEM that enhance (or hinder) new business creation in a given economy, and form the framework for the NES. The conditions are:</p> <ul style="list-style-type: none"><li>A1. <b>Entrepreneurial Finance</b> Are there sufficient funds for new startups?</li><li>A2. <b>Ease of Access to Entrepreneurial Finance</b> And are those funds easy to access?</li><li>B1. <b>Government Policy: Support and Relevance</b> Do they promote and support startups?</li><li>B2. <b>Government Policy: Taxes and Bureaucracy</b> Or are new businesses burdened?</li><li>C. <b>Government Entrepreneurial Programs</b> Are quality support programs available?</li><li>D1. <b>Entrepreneurial Education at School</b> Do schools introduce entrepreneurship ideas?</li><li>D2. <b>Entrepreneurial Education Post-School</b> Do colleges offer courses in starting a business?</li><li>E. <b>Research and Development Transfers</b> Can research be translated into new businesses?</li><li>F. <b>Commercial and Professional Infrastructure</b> Are these sufficient and affordable?</li><li>G1. <b>Ease of Entry: Market Dynamics</b> Are markets free, open and growing?</li><li>G2. <b>Ease of Entry: Burdens and Regulation</b> Do regulations encourage or restrict entry?</li><li>H. <b>Physical Infrastructure</b> Is this sufficient and affordable?</li><li>I. <b>Social and Cultural Norms</b> Does culture encourage and celebrate entrepreneurship?</li></ul>
<b>National Entrepreneurial Context Index (NECI)</b>	This summarizes in one figure the average state of 13 national Entrepreneurial Framework Conditions selected by GEM researchers as the most reliable determinants of a favourable environment for entrepreneurship. It is calculated as the simple average of 13 variables that represent the EFCs, and which have been measured through a block of items evaluated by an 11-point Likert scale and summarized by applying factorial analyses (principal component method).
<b>National Team</b>	GEM is a consortium of “National Teams”. Each Team is led by a local university or other institution with a strong interest in entrepreneurship. The team is the official national representative of the project: responsible for collecting GEM data in the country on an annual basis, producing a “National Report” on their findings, and acting as the point of contact for GEM enquiries.

# GEM Income Classification

**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.

# Acknowledgements

It is a great pleasure to present **Global Entrepreneurship Monitor's 2021/2022 Global Report: Opportunity Amid Disruption**. This annual report requires the time and expertise of several hundred people around the world, representing multiple academic institutions, research institutes and sponsoring organizations.

Our first acknowledgement therefore goes to our dedicated GEM National Teams and to their sponsors. Without their financial and intellectual efforts, GEM would not exist.

This is a very special year as we are launching our Global Report at Expo 2020 Dubai, a high-profile and innovative venue, at the invitation of the United Arab Emirates Ministry of Economy. We would like to warmly thank H.E. Abdulla Bin Touq Al Marri, UAE Minister of Economy, and H.E. Dr Ahmad bin Abdullah Humaid Belhoul Al Falasi, UAE Minister of Entrepreneurship and SMEs. We would also like to extend our appreciation and thanks to H.E. Mohammed Ali Al Shorafa, Chairman, Khalifa Fund for Enterprise Development, and Mouza Obaid Al Nasri, former Acting CEO of the Khalifa Fund, for the sponsorship of one of our reports.

Our founding organization and GEM Global Sponsor, Babson College, has devoted substantial financial resources over the years towards ensuring that GEM remains a robust and resilient organization. This is appreciated all the more considering that, during this tough and turbulent pandemic period, National Teams have found it especially difficult to meet the costs of GEM research and even to carry out face-to-face interviews. For Babson College's unconditional support, we are very grateful, and thank Babson's President Stephen Spinelli, Professors Donna Kelley and Jeffrey Shay, as well as Smayra Million, Executive Director of Babson's Arthur M. Blank Center for Entrepreneurship.

We also warmly thank the Cartier Women's Initiative (CWI), with whom GEM has a strategic partnership. Both GEM and CWI are focused on complementary objectives related to promoting women's entrepreneurship globally. I would like to thank Cyrille Vigneron, Cartier President and

CEO, and Winge Sampaio, CWI Global Program Director, for their engagement in GEM's activities and their willingness to provide support to boost the women's entrepreneurship dimensions of GEM research.

The School of Management Fribourg (HEG-FR) has also dedicated financial resources for the Global Report significantly over and above the GEM Switzerland contribution of data. HEG-FR is supporting the research that we will magnify in 2022 related to the impact of entrepreneurship on the Sustainable Development Goals. We warmly thank Rico Baldegger, Director and Professor of Strategy, Innovation and Entrepreneurship at HEG-FR.

This report brings together results and analysis in a series of chapters co-written with GEM National Team co-authors. There are too many to list here (they are named in the individual chapters and on the inside cover), but their work in making sure this Global Report is expertly written, reviewed and polished is very much appreciated. Thanks in particular to Dr Stephen Hill, the main author.

We are fortunate to have an extremely dedicated GEM Global core team. We acknowledge the careful data harmonization work of our data team—Francis Carmona, Alicia Coduras and Forrest Wright—as well as the efforts of Kevin Anselmo, who collected and edited the Entrepreneur Profiles as well as the first drafts of the full report. Thanks also to Laura Freeborn and Aurea Almanso for their valued contributions to GEM project planning and logistics related to the Global Report and the Expo 2020 Dubai Launch Event.

Without doubt, because of the global pandemic, these are the most extraordinary times GEM has ever experienced. GEM has been able to maintain its resilience despite all the odds. This points to the value of GEM research to our stakeholders. To all: warm thanks, and appreciation.

**Aileen Ionescu-Somers, PhD**  
GEM Executive Director

# Foreword

It is a privilege for us, as part of the Global Entrepreneurship Monitor (GEM) family, to present the **GEM 2021/2022 Global Report: Opportunity Amid Disruption**.

Why this title? The ongoing COVID-19 pandemic — as well as other global threats such as social and economic inequality, climate change, reduction in global biodiversity and pollution of air, ocean, fresh water and land — are currently forcing a rethink about the way business is conducted the world over. The United Nations Sustainable Development Goals point to the critical need for transformation of business-as-usual, in the interests of preserving the planet and assuring well-being for present and future generations. The pandemic has brought about drastic changes across the world, forcing most people to adopt entirely new ways of life that will not necessarily revert to pre-crisis conditions. Entrepreneurs are part of this rapidly changing landscape. They are also part of a complex web of individuals and networks providing solutions to the world's most challenging societal problems.

GEM was the first project in the world to provide data-driven evidence on cross-national entrepreneurship dynamics indicators. Today, 23 years later, it is still the only international organization that surveys entrepreneurs directly, gaining a bird's-eye view of how attitudes, perceptions, intentions, motivations and activities of entrepreneurs are evolving year on year across the globe. GEM also monitors the “radar screen” of how national and even regional or city entrepreneurship business contexts are evolving in today's highly competitive world. As a result, GEM is a source of diagnostic tools for policymakers and other stakeholders, to guide decision making and activities that enable entrepreneurs to flourish and grow robust and value-adding businesses.

GEM is increasingly interested in partnering with other organizations to explore the relationship between innovation and entrepreneurship more deeply, using the data in combination with data from other sources to produce results that give new and deeper perspectives.

GEM's unique research has always been highly valued by academics, policymakers, international organizations and entrepreneurs. However, during and after major crises such as the current global pandemic, access to hard data is even more highly prized — all the more so because GEM enables these important stakeholders to observe and understand impact, both in terms of the crisis and in terms of action that needs to be taken, whether in strategy building or decision making.

Disruption has been rife of late in multiple business sectors; but, as most entrepreneurs well know, with disruption comes opportunity. It is clear from this year's research that entrepreneurs, true to form, have been grasping pandemic-related opportunities and building resilience, even if many have been egregiously affected by the crisis financially and in their ability to grow value-adding businesses. Yet those that are finding opportunity in entrepreneurship are increasingly doing so without incurring a social or environmental cost. Motivations of entrepreneurs now routinely include “making a difference in the world”, along with the customary financial aims and/or desire to continue a family tradition.

We hope that this report — as well as the forthcoming related GEM National Reports to be published throughout 2022, our databases, and the research that uses GEM data — will be of invaluable support in the pursuit of “building back better” in the post-pandemic era.

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