

# Private sector development in Latvia

## Features of GEM (Global Entrepreneurship Monitor Survey) for further development

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# Global Entrepreneurship Monitor

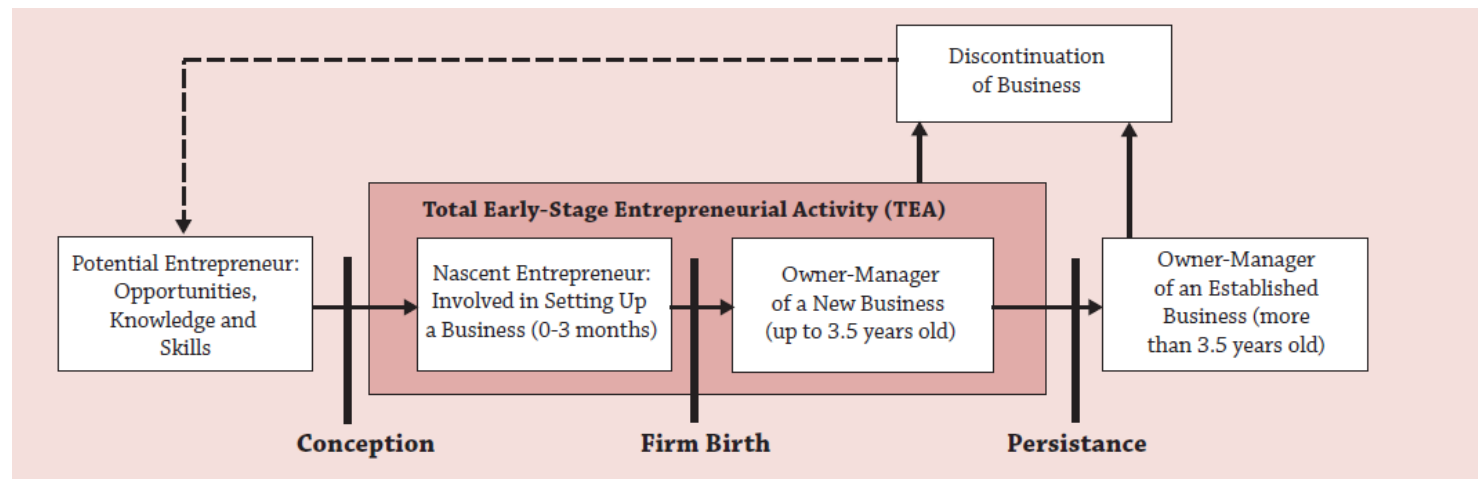
*2014-2015 Latvia Report*

**Marija Krumina  
Anders Paalzow**

# What is GEM?

- Research programme that aims to assess entrepreneurial activity across countries and over time. GEM measure entrepreneurial activity within adult population (18-64)
- 73 countries participated in the 2014 exercise
- Annual adult population survey - representative sample (min 2000 individuals in each country)
- Particular focus on early stage entrepreneurship (**TEA**)

**TEA = nascent + new firms owners**



# Three main dimensions of APS:

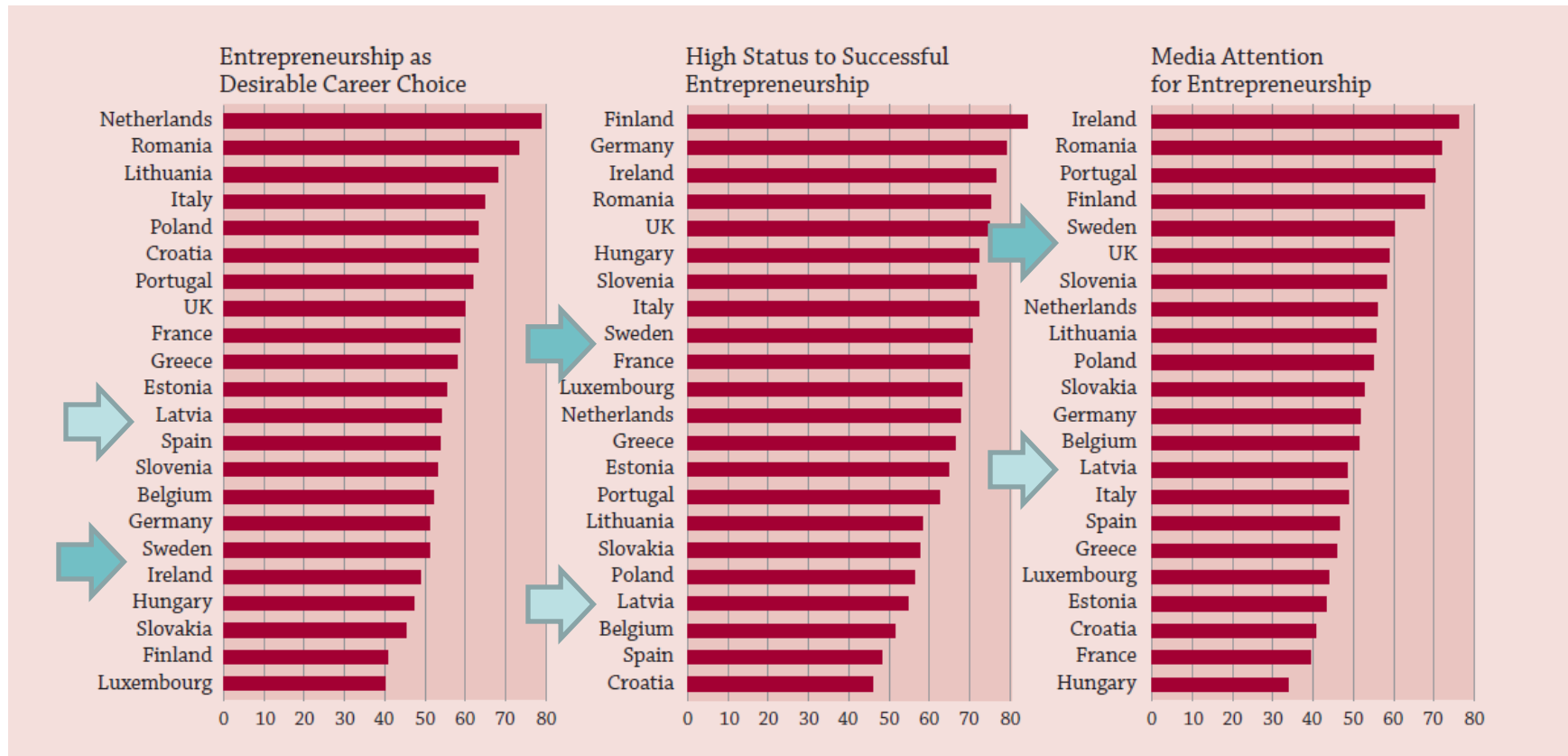
- **Attitudes** (social values, individual attitudes)
- **Activity** (stage, entrepreneurial profile, motives, reasons for discontinuation)
- **Aspirations** (internationalization, innovations, growth)

# Based on results of GEM in Latvia: 2014

## Outline

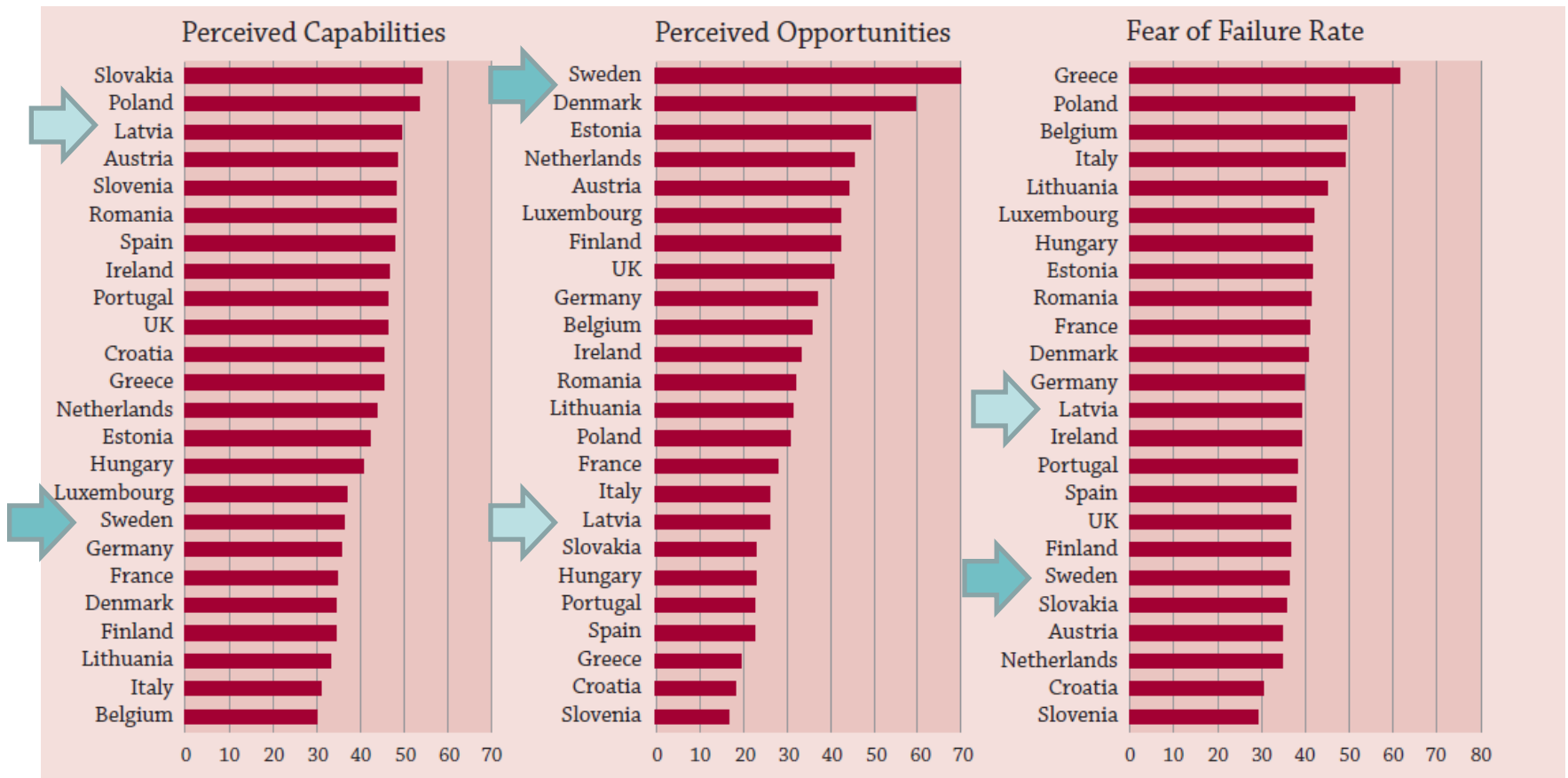
- Social values and individual attitudes
- Prevalence of early-stage entrepreneurs
- Inclusiveness of early-stage entrepreneurship: gender, age
- Dynamics (2005-2014)
- Main reasons for discontinuation
- Entrepreneurial framework conditions

# Attitudes (social values) by country, 2014



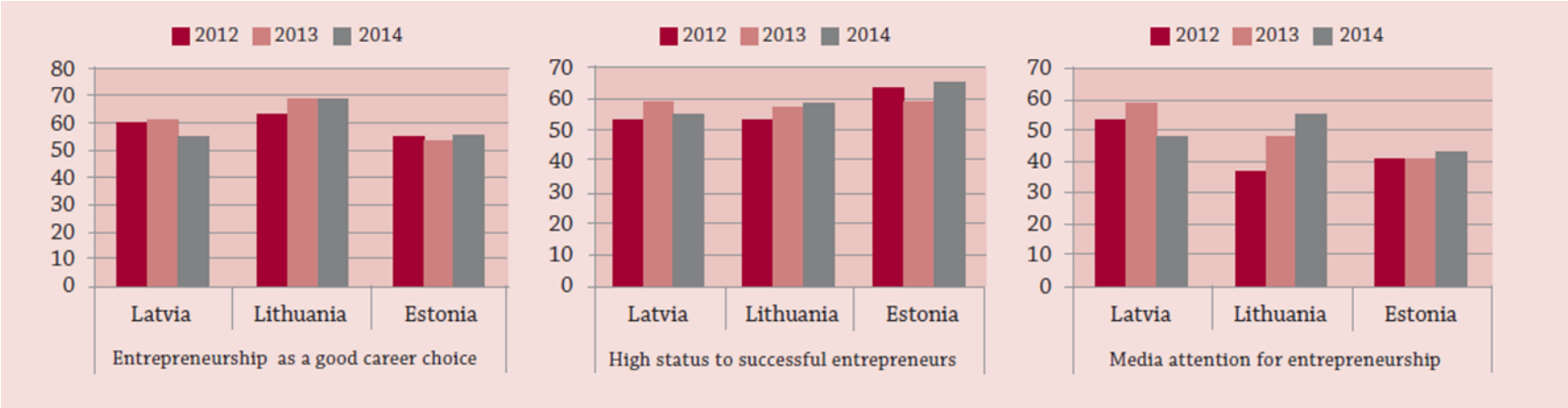
Source: GEM Adult Population Survey 2014

# Attitudes (individual attitudes) by country, 2014

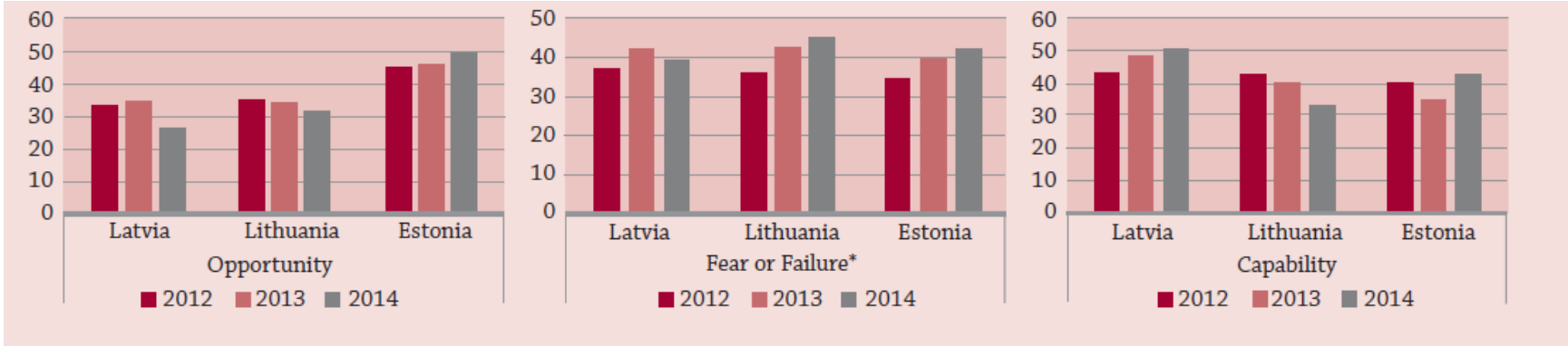


Source: GEM Adult Population Survey 2014

# Attitudes in the Baltic countries, 2014



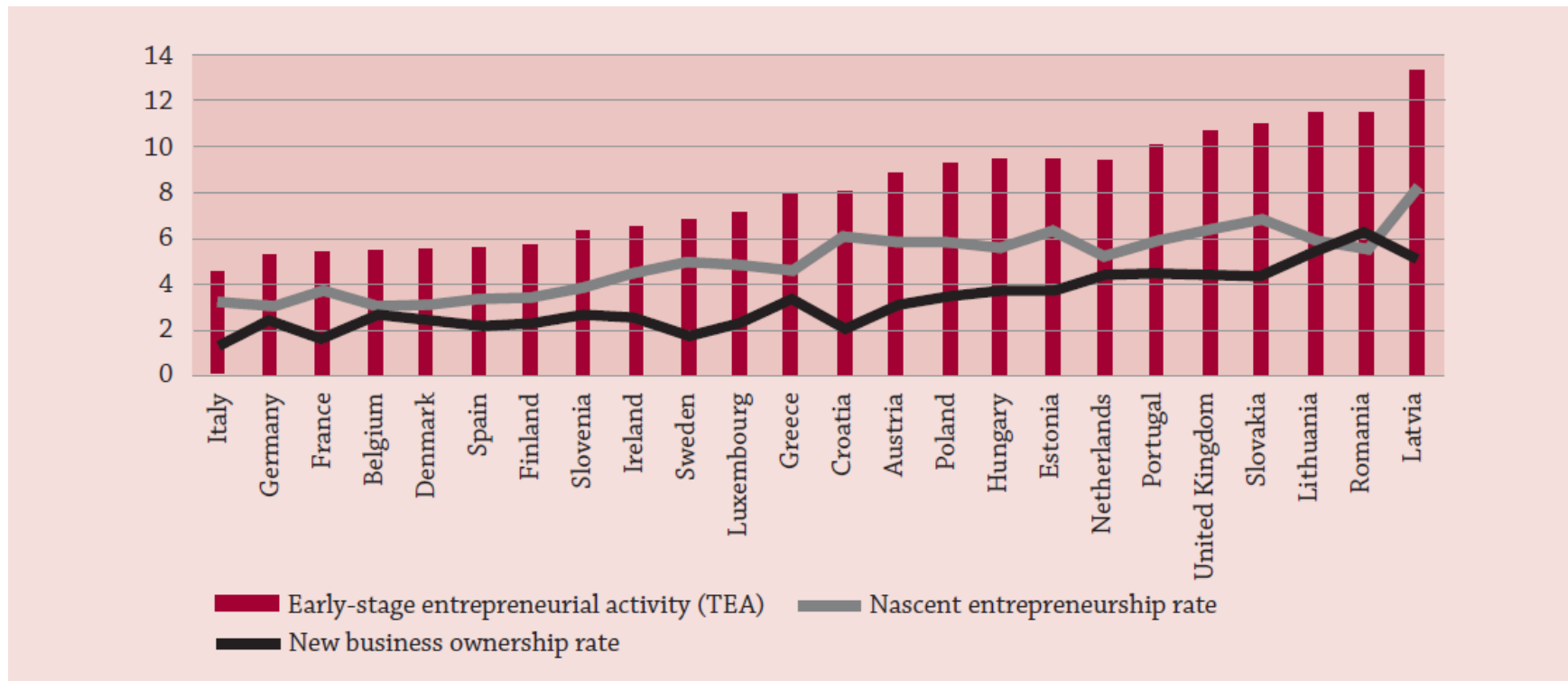
Source: GEM Adult Population Surveys 2012-2014



Source: GEM Adult Population Surveys 2012-2014

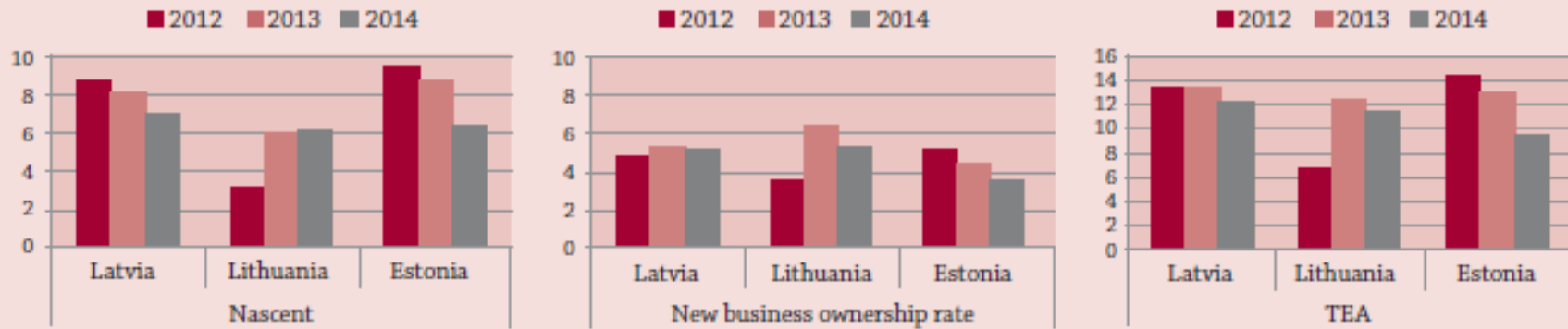


# Nascent, new business ownership rate and TEA rate by country, 2014



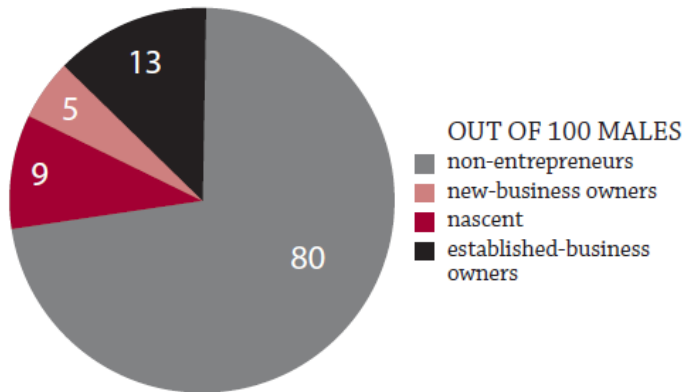
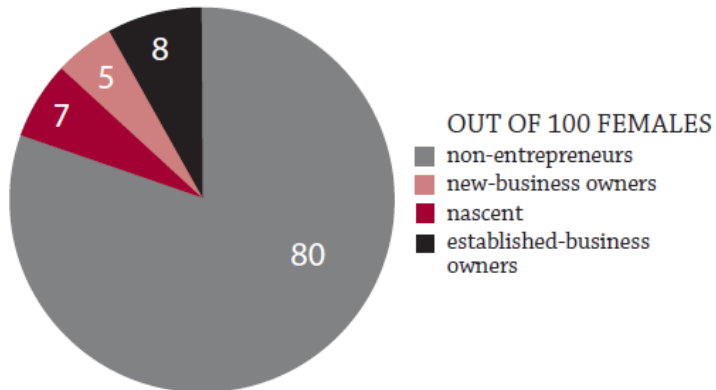
Source: GEM Adult Population Survey 2014

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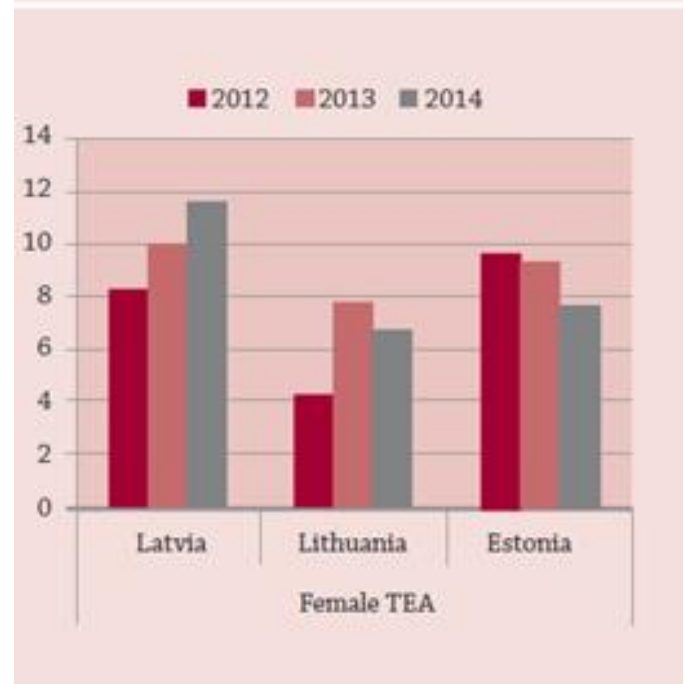
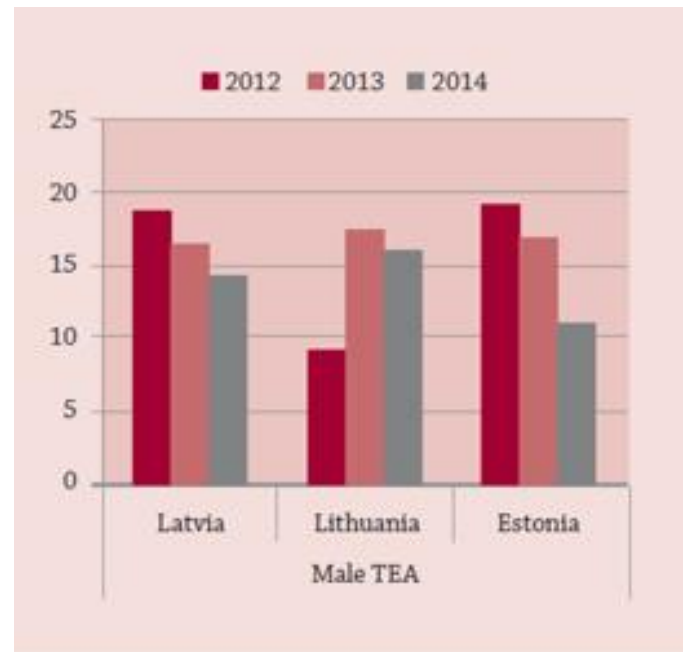


**Source:** GEM Adult Population Surveys 2012- 2014

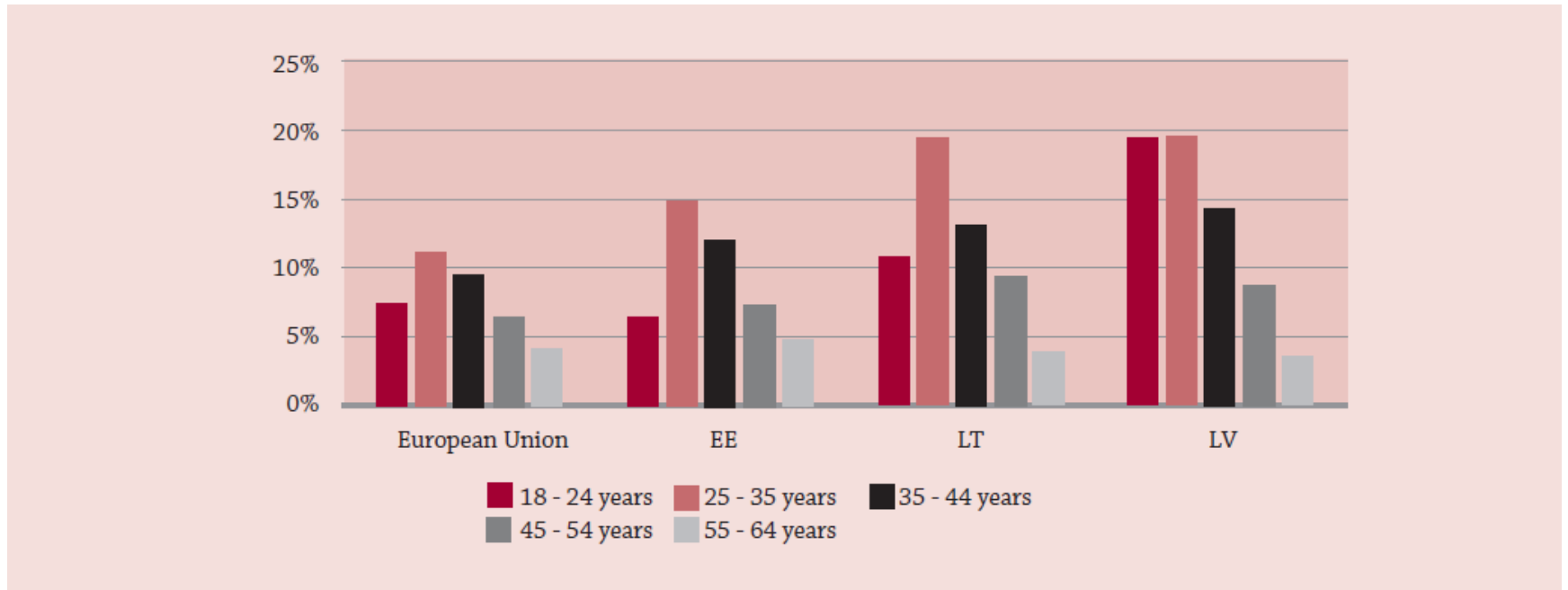
# Inclusiveness: Gender



Source: GEM Adult Population Survey 2014



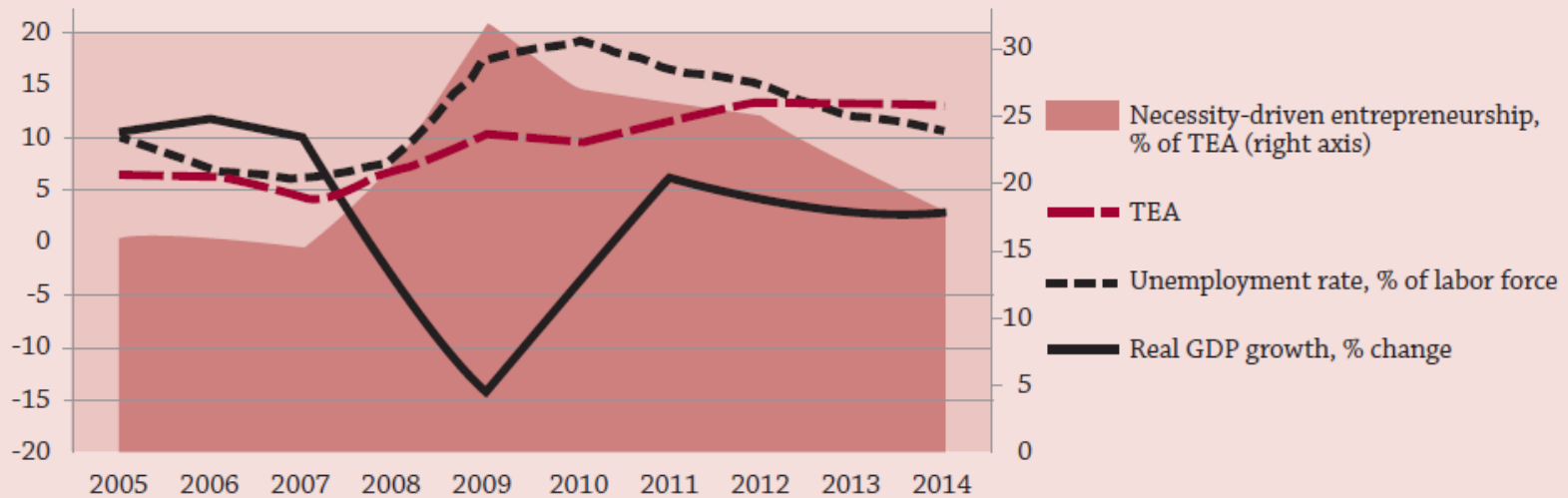
# Inclusiveness: Age



**Source:** GEM Adult Population Survey 2014

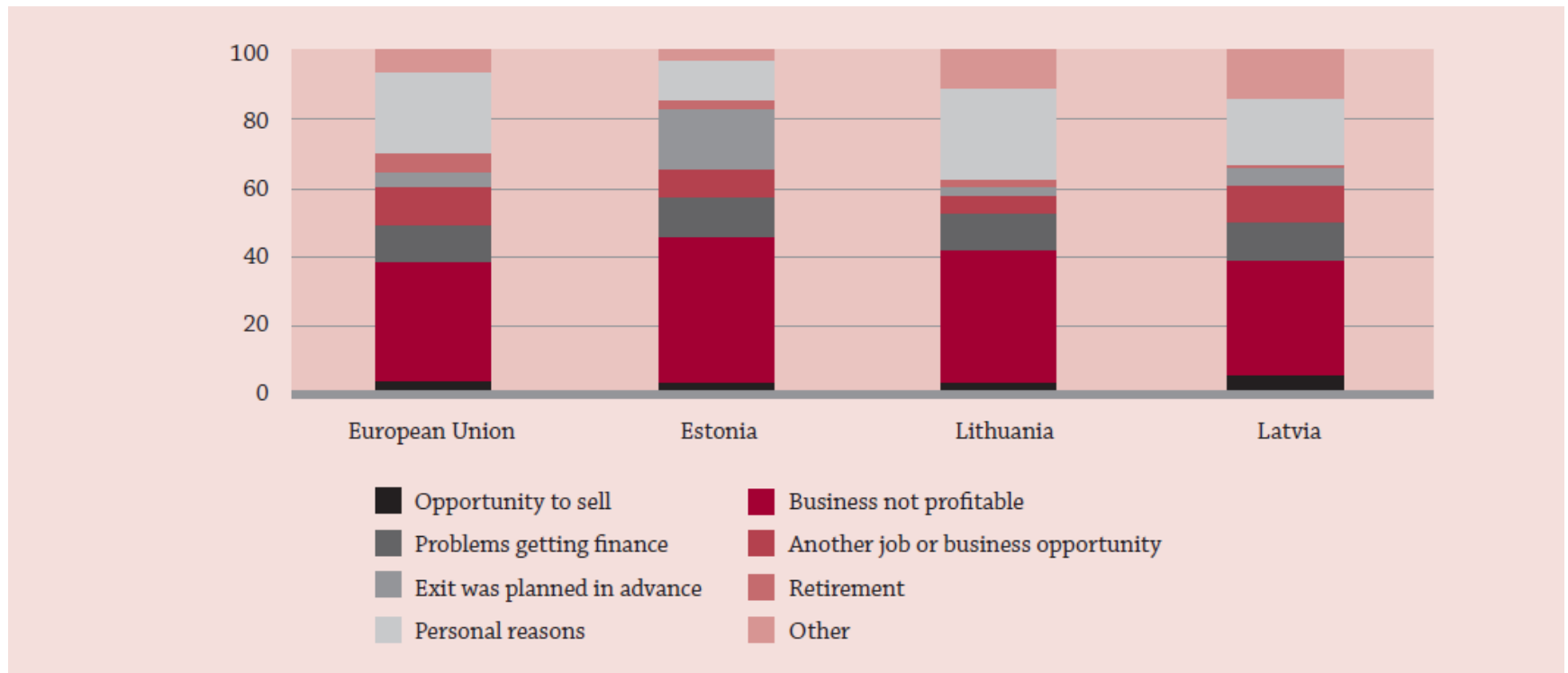
# Recent trends in early-stage entrepreneurial activity in Latvia, 2005-2014

TEA, unemployment and real GDP growth, 2005-2014



Source: GEM Adult population Surveys and EUROSTAT

# Main reasons for business discontinuation, 2014



**Source:** GEM Adult Population Survey 2014

# Entrepreneurial framework Conditions (EFC)

Based on GEM national expert survey  
(NES)

1.	<b>Entrepreneurial Finance.</b> The availability of financial resources - equity and debt - for small and medium enterprises (SMEs) including grants and subsidies.
2.	<b>Government Policy.</b> The extent to which public policies support entrepreneurship. This EFC consists of two components:  <b>2a.</b> Entrepreneurship as a relevant economic issue and <b>2b.</b> Taxes or regulations are either size-neutral or encourage new and SMEs.
3.	<b>Government Entrepreneurship Programmes.</b> The presence and quality of programmes directly assisting SMEs at all levels of government (national, regional, municipal).
4.	<b>Entrepreneurial Education.</b> The extent to which training in creating or managing SMEs is incorporated within the education and training system at all levels. The EFC consists of two components:  <b>4a.</b> Entrepreneurship Education at basic school level (primary and secondary) and <b>4b.</b> Entrepreneurship Education at post-secondary levels (higher education such as vocational, college, business schools).
5.	<b>R&amp;D Transfer.</b> The extent to which national research and development will lead to new commercial opportunities, and is available to SMEs.
6.	<b>Commercial and Legal Infrastructure.</b> The presence of property rights, commercial, accounting and other legal and assessment services and institutions that support or promote SMEs.
7.	<b>Entry Regulations.</b> This EFC contains two components:  <b>7a.</b> Market dynamics: the level of change in markets from year to year, and <b>7b.</b> Market openness: the extent to which new firms are free to enter existing markets.
8.	<b>Physical Infrastructure.</b> Ease of access to physical resources – communication, utilities, transportation, land or space – at a price that does not discriminate against SMEs.
9.	<b>Cultural and Social Norms.</b> The extent to which social and cultural norms encourage or allow action leading to new business methods or activities that can potentially increase personal wealth and income.

**Source:** GEM Executive Report 2014



**1 Finance 2a National Policy – General Policy 2b National Policy – Regulation 3 Government Programs 4a Education – Primary & Secondary 4b Education – Post-Secondary 5 R&D Transfer 6 Commercial Infrastructure 7a Internal Market – Dynamics 7b Internal Market – Openness 8 Physical Infrastructure 9 Cultural and Social Norms**

	1	2a	2b	3	4a	4b	5	6	7a	7b	8	9
Austria	2.51	2.46	2.60	3.58	1.66	3.02	2.82	3.40	2.49	3.33	4.12	2.46
Belgium	3.38	2.62	1.98	2.71	1.95	2.75	2.99	3.74	2.50	3.19	3.79	2.15
Croatia	2.32	2.15	1.55	2.27	1.68	2.35	2.04	2.90	3.37	2.08	3.67	2.02
Denmark	2.73	3.33	3.31	3.43	3.10	3.43	2.77	3.56	2.43	3.44	4.49	2.82
Estonia	2.86	2.43	3.58	3.39	2.63	2.99	2.92	3.21	3.39	3.12	4.39	3.39
Finland	2.82	3.17	2.95	2.77	2.28	2.70	2.61	3.20	3.23	2.72	4.25	2.76
France	2.77	2.99	2.96	3.17	1.75	2.92	2.73	3.06	3.02	2.34	4.04	2.14
Germany	2.84	2.93	2.87	3.46	2.13	2.81	2.75	3.34	2.84	2.81	3.82	2.65
Greece	2.11	2.07	1.74	1.95	1.50	2.31	2.26	3.05	3.42	2.12	3.53	2.47
Hungary	2.63	2.43	1.93	2.41	1.68	2.82	2.41	3.29	3.13	2.62	3.94	2.32
Ireland	2.87	3.24	2.64	3.26	2.09	2.95	2.82	3.29	2.59	3.13	3.71	2.95
Italy	2.55	2.40	1.50	2.08	1.68	2.33	2.18	2.83	3.50	2.61	2.92	2.22
Latvia	2.55	2.60	2.50	2.75	2.51	3.17	2.33	3.74	2.27	2.78	4.00	2.85
Lithuania	3.19	2.39	2.46	2.72	2.37	3.07	2.61	3.90	3.38	2.66	4.19	3.09
Luxembourg	2.76	3.41	3.22	3.47	2.13	2.90	2.98	3.50	2.76	3.05	4.04	2.56
Netherlands	2.81	2.59	3.13	3.15	2.85	3.17	2.88	3.68	2.85	3.40	4.82	3.58
Poland	2.77	3.07	2.16	2.77	1.75	2.54	2.44	2.77	4.04	2.75	3.79	2.96
Portugal	2.73	2.57	2.01	3.00	2.04	3.04	2.76	3.34	2.40	2.75	4.43	2.55
Romania	2.43	2.53	2.24	2.51	2.34	2.68	2.59	3.09	3.14	2.86	2.89	2.61
Slovakia	2.73	2.28	2.16	2.26	2.21	2.98	2.13	3.07	2.63	2.84	3.94	2.40
Slovenia	2.33	2.13	1.92	2.43	1.77	2.34	2.29	2.71	3.04	2.56	3.56	2.06
Spain	2.14	2.50	2.40	2.88	1.84	2.61	2.45	3.03	2.87	2.47	3.64	2.64
Sweden	2.63	2.74	2.53	3.00	2.55	2.75	2.65	3.28	3.13	2.80	4.25	3.07
United Kingdom	2.77	2.90	2.33	2.62	2.44	3.02	2.20	2.95	3.28	2.73	3.54	2.83
<b>Average</b>	<b>2.68</b>	<b>2.66</b>	<b>2.44</b>	<b>2.84</b>	<b>2.12</b>	<b>2.82</b>	<b>2.57</b>	<b>3.25</b>	<b>2.99</b>	<b>2.80</b>	<b>3.91</b>	<b>2.65</b>

**Source:** GEM Executive Report 2014

# Thank you!

- More about GEM: [www.gemconsortium.org](http://www.gemconsortium.org)
- GEM in Latvia:  
[www.biceps.org/en/publications/gem.html](http://www.biceps.org/en/publications/gem.html)