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Global Entrepreneurship Monitor

Thailand Report | 2012

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Bangkok University (BUSEM)

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Foreword

The 2012 edition of the annual Global Entrepreneurship Monitor (GEM) Thailand Report finds its completion with perfect timing. Bangkok University is honored to be a contributor to the worldwide collaborative study on entrepreneurial activity, particularly during this challenging and unpredictable period in history. It presents insightful analysis that precedes our country's economic paradigm shift to the new environment that will be created by the ASEAN Economic Community. Timing could not be better as we look to the changes and challenges ahead of us.

The GEM report contains valuable data that is intended for the better-informed decision making of government officials, policymakers, and business-people. From what we have seen and identified in the economy as the most pressing needs, to the influential trends and factors highlighted by the national experts and research participants; the GEM succeeds in providing statistical data support that validates a variety of postulation in any related field of business as they are impacted by entrepreneurial activity.

Entrepreneurial business owner-managers have been identified time and time again as the critical factor in the path to our successful future. Their ability to maneuver flexibly, drive opportunities and affect positive change with their decision-making has an impact that can and will influence the greater population on any measurable scale, both individually and as a collective body.

The conclusions presented in these pages are drawn from the rigorous academic study of economical, technological, political, social, institutional, and cultural dimensions. These conclusions and their implications foreshadow our ability to survive the increasingly demanding financial environment ahead of us. It represents an analytical base that results in recommendations that paint the road map of our immediate future, which acts as an enabler to astute business decisions and encourages the leadership that will bring us into the coming paradigm in a manner that is best suited and most effective for the collective future we envision.

The GEM Thailand Report 2012 proudly stands as our country's contribution to the international research consortium and is distributed as free information for social knowledge and benefit worldwide.

Somkid Jatusripitak, Ph.D.
Chairman of the Board of Trustees
Bangkok University

Foreword

"Education's purpose is to replace an empty mind with an open one," asserts Malcolm Forbes. Such notion is, no doubt, creating tremendous space for opportunities and growths; education is, in fact, perceived as a weapon to create new demands and the ability to satisfy them. However, next in importance to education are popular creativity and entrepreneurship, without which neither opportunities nor growths can be permanently maintained. Bangkok University and Global Entrepreneurship Monitor (GEM) of Thailand have therefore worked together in order to bring mutual benefits to both academia and business.

To continue the success of the Global Entrepreneurship Monitor of Thailand, the report for 2012 celebrates the kaleidoscopic landscape of opportunities, operations, and growths in education and business, gracefully brought about by the very creativity and entrepreneurial spirit of our faculty and many others involved in this project. Interesting topics to trigger your imagination and creativity you will see in the pages below are, among other things, women and entrepreneurship, education and entrepreneurship, micro-business, growth orientation and entrepreneurship, networking of entrepreneurship, innovation and entrepreneurship, the age factor and entrepreneurship, opportunity versus necessity driven entrepreneurial activities, and industry specificities in relation to entrepreneurship. Every page of this report is filled with useful information and analysis so that readers can benefit from their practical implications.

Although the subjects of study are Thailand specific, the possibilities to use the GEM data are not only for Thailand but also for countries across the globe. The insights gained from this project can surely spark our creativity, motivate us to action, and inspire us to greatness and sustainable growths with unending innovations.

Mathana Santiwat, Ph.D.
President
Bangkok University

Acknowledgements

The 2012 GEM Thailand Report would have not been possible without the kind support and contribution of several individuals and authorities. The GEM Thailand team would therefore like to thank those whose participation has made this report possible.

The GEM national team of Thailand is especially grateful to Dr. Pichit Akrathit, Director of GEM, Thailand, for his relentless productive support throughout the GEM project in which he has been involved since the beginning in 2011. His guidance, supervision and dedication in several aspects are priceless. The GEM team also is much obliged to the kind cooperation of Dr. Wutnipong Warakraisawad, Director of Administration at School of Entrepreneurship and Management (SEM), Bangkok University. He helped the GEM team with all administrative work and supported the collaboration with other units in Bangkok University. We really admire his generosity and calmness. Special thanks go to Kawin Rungsimuntakul, Office of Strategic Planning and Corporate Communications, for his support and his organization of many details and to Sahattaya Choochatpong, School of Entrepreneurship & Management, who coordinated the design team for this report. The authors would also like to express their gratitude to Bangkok University for the financial support and all staff for their kind assistance, especially the International Affairs Office.

Our survey would be incomplete without the contribution of the national experts. We would like to thank all respondents for the time they dedicated to share their viewpoints, experiences and practical stories. Special thanks go to the Global Entrepreneurship Research Association (GERA) for their professional cooperation and to the GEM data team for their support throughout the processes.

The GEM national team of Thailand hopes that this report will be a helpful source of information for both entrepreneurs and Thai authorities. We are glad if we can deliver informative insights for policy makers and if our data supports them in formulating policies related to entrepreneurial activities.

The Global Entrepreneurship Monitor Thailand Team
Bangkok University School of Entrepreneurship and Management

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Summary

The GEM Thailand Report | 2012 provides detailed information on the entrepreneurial spirit and the latest trends in entrepreneurial activities in Thailand.

The report offers a comparison with other countries participating in the GEM project. It describes the Thai entrepreneurial profile and discusses various aspects of entrepreneurial activities. In anticipation of the ASEAN Economic Community (AEC) and the importance of the greater Asia for Thailand, Thailand's entrepreneurs are put into the context of the Asia-Pacific & South Asia region. We believe that this report will be informative for policy makers as well as for the business and academic communities.

Key Highlights:

- The Thai adult population has high entrepreneurship rates compared to other countries: 18.9% of the Thai adult population (age 18-64) were involved in early-stage entrepreneurship (TEA)[1] , 29.7% were established business owners (p.4).
- Thai adults enter entrepreneurship because they see good opportunities (p.18).
- 50% of those who perceive opportunities fear to fail in their businesses (p.21).
- Thai entrepreneurs are not innovation-driven and do not have growth aspirations (p.24).
- In the 2012 GEM survey, Thailand is the country with the most female entrepreneurs: For each 10 men, 12 women run a business (p.11).
- There are no reported social issues that specifically affect women's entrepreneurship in Thailand (p.13).
- Entrepreneurship is a desirable career choice with high media attention for entrepreneurs (p.17).
- Three special topics in chapter 4 of the 2012 GEM Thailand Report:
  - Thai entrepreneurs need to become more innovative in their businesses (p.22)
  - Business networks as an important resource in businesses (p.27)
  - Immigrants and their entrepreneurial activities in Thailand (p.28)
- Main constraining factors for entrepreneurship in Thailand: financial support, government policies, education and training, capacity for entrepreneurship and political, institutional and social context (p.34).
- Recommendations were directed towards governmental policies in general, incorporating English as a second language in Thailand, encouraging SME entrepreneurs to be more technology- and R&D-oriented, followed by entrepreneurship education and training (p.38).

[1] *Total early-stage entrepreneurial activity*

1. Introduction and Background

General agreement exists that entrepreneurs and their businesses are important drivers of economic development through employment, innovation and well-being effects. The Global Entrepreneurship Monitor (GEM) measures these entrepreneurial activities in a global context; defining entrepreneurship as "any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business" (Bosma et al., 2012).

The GEM research project is an annual assessment of entrepreneurs around the world, measuring attitudes of a population and attitudes and activities of individuals. The project aims to (1) measure differences in the level of entrepreneurial activity between countries, (2) determine how entrepreneurial activities influence economic growth, (3) uncover factors supporting and/or hindering entrepreneurial activity, and (4) suggest policies that may enhance entrepreneurship in general.

The Global Entrepreneurship Monitor (GEM) research program was collaboratively founded in 1997 at Babson College in the United States and London Business School in the United Kingdom. The first study in 1999 covered 10 countries; in its 13th year in 2012, more than 198,000 people in 69 economies participated in the GEM study, representing all regions of the world and a broad range of economic developmental levels. These economies represented an estimated 74% of the world's population and 87% of the world's GDP.

GEM (Bosma et al., 2012) groups countries in three stages of development according to Porter's typology (Porter et al., 2001): Factor-driven economies are economies based on subsistence agricultural activities and extraction of natural resources. Efficiency-driven economies are economies based on industrialization and economies of scale. Large firms dominate the market but supply chain niches open up for small and medium enterprises. Innovation-driven economies are driven by research and development, knowledge-intense sectors, and expanding service sectors. Based on the classification of the World Economic Forum 2011, Thailand is categorized in the group of efficiency-driven economies.

The data is based on two main data sources, namely, the Adult Population Survey (APS) and the National Expert Survey (NES). The Thai APS is conducted by interviewing representative sample adults of 18-64 years of age. The APS results represent the attitudes of the individual entrepreneurs and their activities nationwide. The NES is carried out via in-depth interviews with experts on nine entrepreneurial framework conditions (EFCs). This qualitative information is based upon the experts' informed judgment on the following conditions: entrepreneurial finance, government policies, government programs, entrepreneurship education, R&D transfer, commercial infrastructure, market entry regulations, physical infrastructure, and cultural and social norms, which can influence the overall climate for entrepreneurship in an economy. Its results help to identify fostering and constraining factors in relation to the development of entrepreneurship in the countries. The GEM research methodology is standardized and, prior to each year's survey, approved by the Global Entrepreneurship Research Association (GERA). Therefore, the research results can be compared across the participating countries. With the information from the APS and NES, policy recommendations with the regard of promoting entrepreneurship and its growth strategies are formulated for each individual country (Chapter 5 and Chapter 6).

*In 2012, the GERA selected **Entrepreneurship and Migration** as a special topic of the year for the GEM study.*

The 2012 representative sample for Thailand totaled 3,000 adults for the APS and 36 samples for the NES. The APS samples were randomly selected across all regions in the country: North, Northeast, East, Central (including Greater Bangkok) and South. The stratification of the 2012 Thailand APS sample, both rural and urban areas, is illustrated in Table 1. The national team conducted the APS survey through telephone (fixed line) interviews in urban and by face-to-face interviews in rural areas. The regional sampling frame is proportional to the actual population in both urban and rural areas. The Thai NES samples comprised 36 experts from different age groups and from different entrepreneurial framework condition categories. Out of these 36 experts, a minimum of 25 % were entrepreneurs or business owners.

Table 1: Stratification of the 2012 Thailand APS Sample

Area	Urban	Rural	Total Respondents
Greater Bangkok (Bangkok, Nonthaburi, Samutprakarn, Patumthani)	600	-	600
Central*	377	227	604
North	318	190	508
Northeast	580	348	928
South	225	135	360
Total	**2,100**	**900**	**3,000**

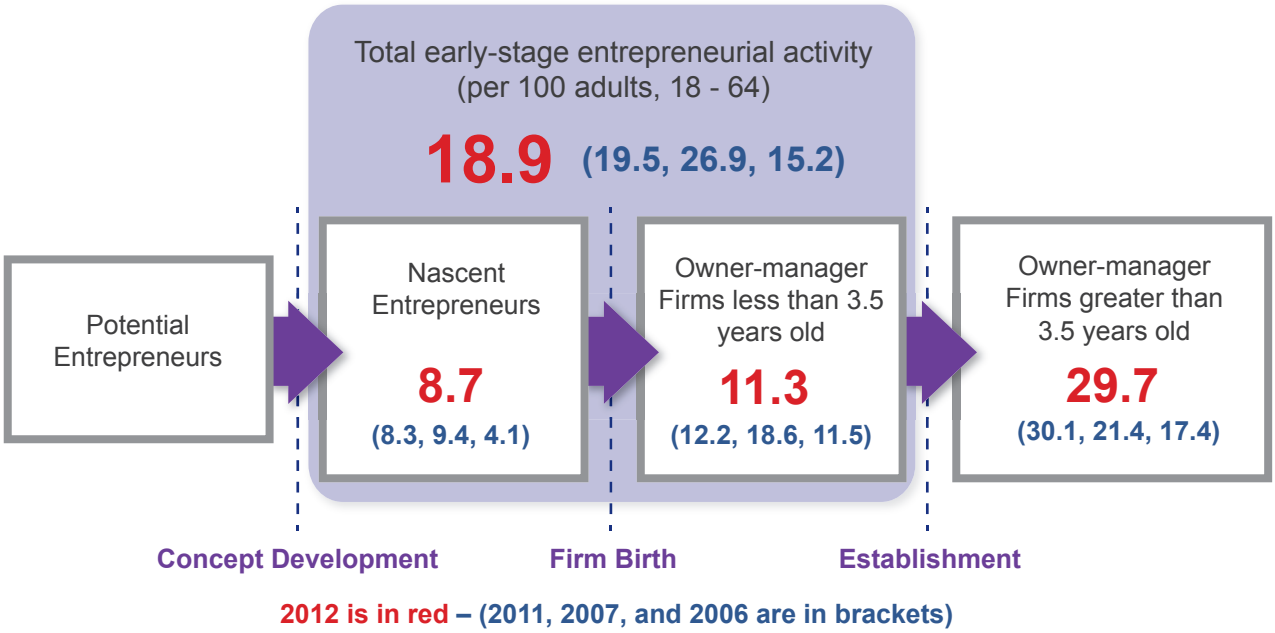
*Note: Central covers the areas in the west, the east and the central part of Thailand excluding Greater Bangkok.
Source: GEM 2012 Thailand Adult Population Survey

2. Entrepreneurial Activities

2.1. A Profile of the Entrepreneurial Activity in Thailand

The entrepreneurship phases in GEM are viewed as a process starting with potential entrepreneurs, mainly led by their beliefs and attitudes and intending to start a business, over just starting up (nascent), to running a new and later an established enterprise. The GEM study assesses this process at the different points in the enterprise's life. The main measure of GEM is the Total Entrepreneurial Activity (TEA) rate. It consists of individuals aged 18-64 years who are nascent or young entrepreneurs –just started up or run a business not older than 42 months.

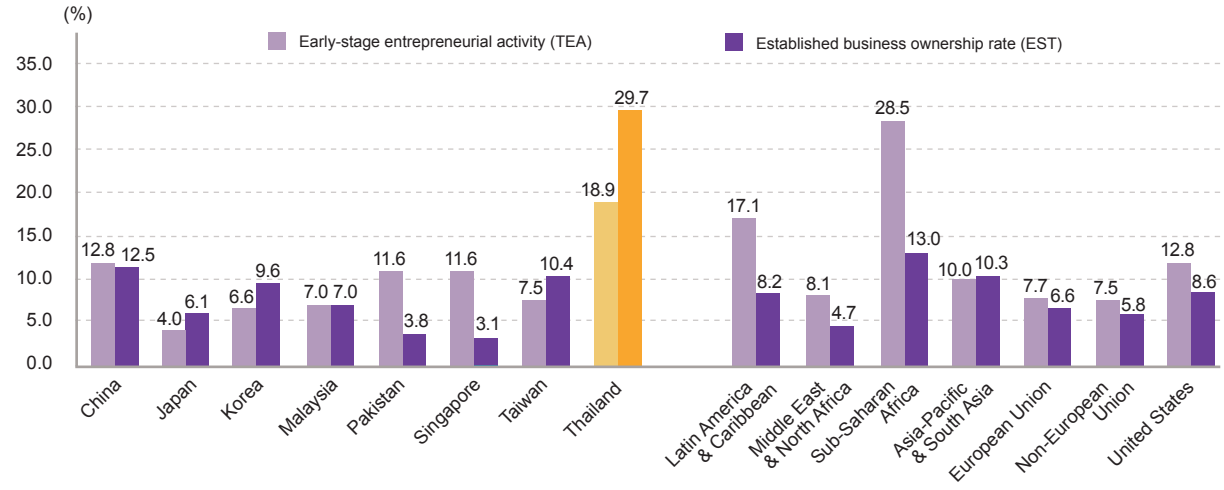
Figure 1: Prevalence Rates of Activity at Different Stages of the Entrepreneurial Process, 2006-2007 and 2011-2012



Source: GEM 2012 Thailand Adult Population Survey.

The data in Figure 1 shows the prevalence rates of entrepreneurial activities at the different entrepreneurial stages for the years 2006-2007 and 2011-2012. The GEM 2012 Thailand APS report shows a TEA of 18.9% of the adult population - slightly lower than that of 2011 with 19.5%. Compared to 2011, there is a positive increase in nascent entrepreneurs from 8.3 to 8.7%, start-ups whose businesses are not yet older than 3 months. The impact of the global financial crisis on entrepreneurship rates can be seen for those entrepreneurs with businesses over three months but less than three and a half years who dropped significantly from 18.6% in 2007 to 11.3% in 2012. In contrast, the prevalence rate of established business owners, which increased considerably since 2005 to 30.1% in 2011, proved to be stable on a high level with 29.7% in 2012. Figure 2 outlines Thailand's TEA and established business ownerships rates in a global comparison. For details on specific countries, see Appendix 2, Table 2.

Figure 2: TEA and EST Rates in Asia-Pacific by Country and Worldwide by Geographic Regions, 2012



Source: GEM 2012 Thailand and Global Adult Population Survey.

As Table 2 shows, Thailand's Northeast ranked first in terms of the percentage of TEA and the North ranked first in terms of established business ownerships. The greater Bangkok area comes last, independent of the entrepreneurial stage. These TEA figures reflect the reality that Thai people in the northern and northeastern parts are entrepreneurs while the majority of people in Bangkok and its vicinity often work in corporate sectors.

Table 2: Total Entrepreneurial Activity (TEA) and Established Business Ownership (EST) in Thailand by Region, 2012

Area	TEA Rate*	EST Rate*
Greater Bangkok (Bangkok, Nonthaburi, Samutprakarn, Patumthani)	12.7	16.5
North	18.5	38.2
Northeast	24.7	31.7
Central	14.4	24.8
South	16.4	35.6
Total Average	**18.9**	**29.7**

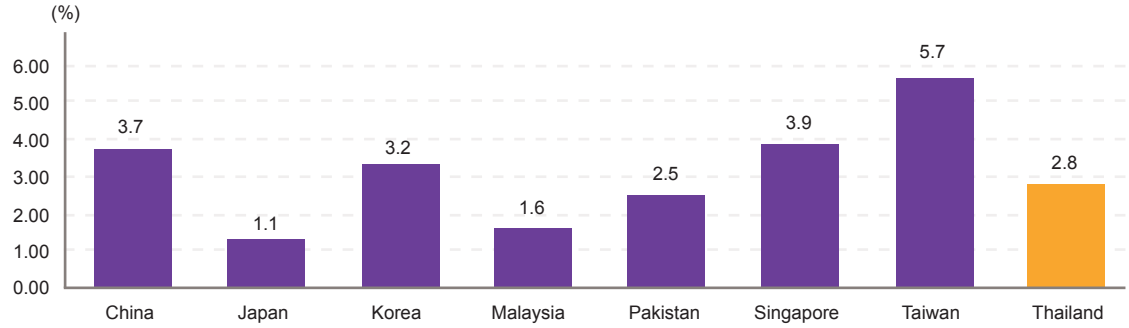
Note: * Weighting factor is applied in calculation.
Source: GEM 2012 Thailand Adult Population Survey.

Female TEA (20.6%) in Thailand is higher than male TEA (17.3%) as opposed to other geographic regions (see Figure 11). The 2012 GEM Women's Report found the highest female TEA rates in Sub-Saharan Africa with 27% (Kelley et al., 2013). Thailand, which in 2011 ranked No.1 in the rate of established business ownership EST (30.1%), still shows this high rate of now 29.7% in 2012. In 2012, the two Sub-Saharan African countries of Uganda (31%) and Ghana (38%), who did not participate in the previous year, show higher EST rates.

2.2. Business Discontinuance

Generally, factor-driven economies experience highest rates of business discontinuance with a declining rate to efficiency- and further to innovation-driven economies. The average discontinuance rate for factor-driven economies in 2012 was 13.3%, for efficiency-driven (including Thailand) 4.6%, and for innovation-driven 2.7% of the adult population. Compared to the Asia-Pacific & South Asia region, Thailand's discontinuance rate is comparatively low with 2.8% of the Thai adult population, in the previous 12 months, having sold, shut down, discontinued or quit a business they owned and managed (Figure 3). 44 % of them discontinued their businesses, but the business itself continued to exist.

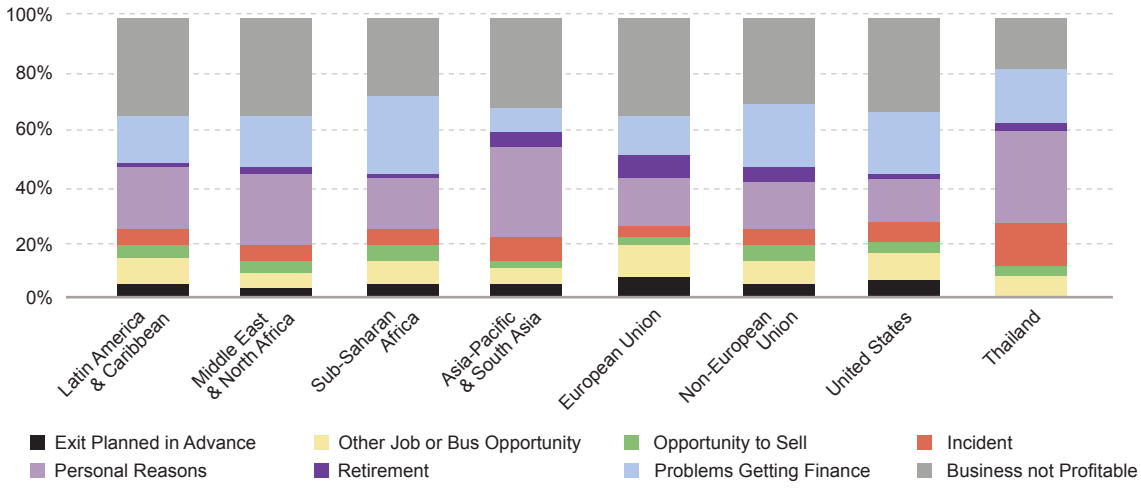
Figure 3: Business Discontinuance by Asia-Pacific & South Asia Region, 2012



Source: GEM 2012 Thailand and Global Adult Population Survey.

Figure 4 shows the reasons, why entrepreneurs discontinued their businesses by geographic regions. The 2012 GEM Global Report presents problems of obtaining finance and a not profitable business as the main reasons to exit a business in all geographic regions. This is also true for Thai businesses where a not profitable business (19.7%) or problems receiving finance (19.7%) together account for nearly 40% of the reasons. 34.2% claimed having personal reasons for exiting. Personal or voluntary reasons for discontinuance might be prevalent especially in female entrepreneurs, also depending upon their education (Minniti & Naudé, 2010). In times of restricted labor markets and weak economies, often less educated women tended to start businesses and then quitted them in order to return to the corporate sector when they perceived improved macroeconomic conditions. An "exit planned in advance" which is a reason for between 1.93% and 4.48% of the discontinuing businesses in other regions, is not prevalent in Thai business owners (0 %).

Figure 4: Reasons for Business Discontinuance by Geographic Region, 2012



Source: GEM 2012 Thailand and Global Adult Population Survey.

2.3. Necessity- and Opportunity-Driven Entrepreneurship

Entrepreneurs start businesses for different reasons. Some start businesses driven by necessity, because they have no other work option or income source; while others are opportunity-driven: they perceive either an opportunity to reach higher income or an opportunity to work with greater independence. The motivation why individuals start entrepreneurial activities has impact on the quality of the pursued business and GEM research consistently showed, that opportunity-driven businesses contribute more to an economy than those started out of necessity. Reasons and decisions leading to new venture creation give a strong basis for its later likely success. Opportunity-based entrepreneurship reflects a voluntary career choice and is seen as a dynamic entrepreneurial activity. On average, opportunity-driven entrepreneurs are also better educated and hire more employees during the first years of their firm's life than necessity-driven entrepreneurs (Reynolds et al., 2002).

The 2012 APS Thailand survey revealed that for the 18.9% of total entrepreneurial early-stage activity of the adult population, 88% of male and 78% of female TEA were opportunity-driven, whereas 12% of the men and 22% of the women started necessity-driven.

A view at the regions in Thailand (Table 3) showed that opportunity perception is highest in the Northeast, both for men (19.6%) and women (18.8%); on the other hand, female necessity-driven start-ups here (8.2%) are distinctly higher than in the other regions compared to the otherwise generally low numbers of necessity-driven start-ups. Greater Bangkok (3.8%) and the South (4.3%) also showed a greater percentage of women driven by necessity, whereas in the Central region men (3.4%) were more necessity-driven than women.

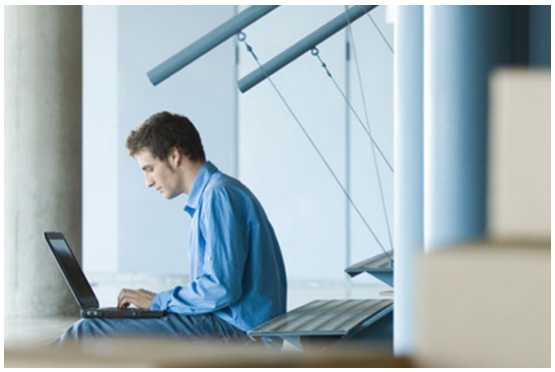


Table 3: Gender Distribution of TEA and Opportunity vs. Necessity in Thailand by Region, 2012

Area	Male (%TEA)	Female (%TEA)	Male Opportunity (%TEA)	Female Opportunity (%TEA)	Male Necessity (%TEA)	Female Necessity (%TEA)
Greater Bangkok (Bangkok, Nonthaburi, Samutprakarn, Patumthani)	10.7	14.4	9.6	9.7	1.1	3.8
North	18.3	18.7	16.7	17.2	1.6	1.5
Northeast	21.8	27.4	19.6	18.8	1.8	8.2
Central	14.7	14.1	11.3	12.5	3.4	1.3
South	12.5	20.1	11.4	15.8	1.1	4.3
Thailand (average)	**15.6**	**18.9**	**13.7**	**14.8**	**1.8**	**3.8**

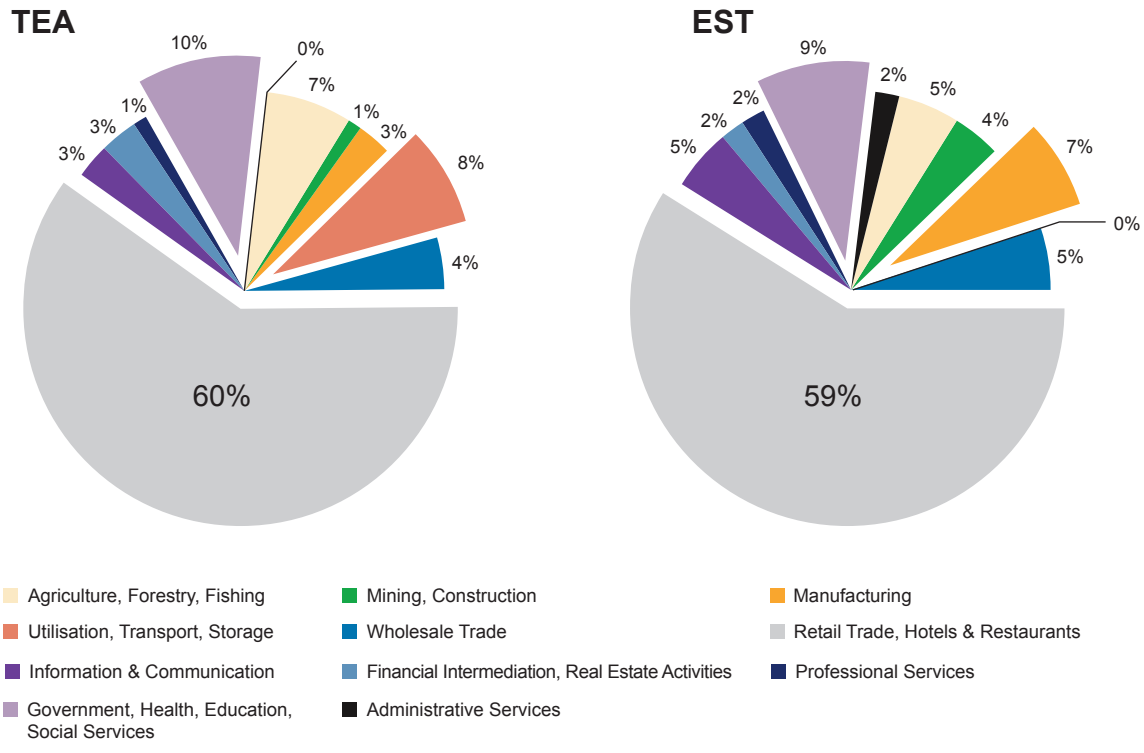
Source: GEM 2012 Thailand Adult Population Survey.

2.4. Sector Participation

Economies typically include several industries or sectors whose combination within an economy helps to show the evolvement in successive phases. Factor-driven economies are mainly based on self-sufficiency agricultural activities. Industrialization reduced the role of self-sufficient farming, a more extensive agricultural cultivation developed. Economic growth mostly started in the mining, construction and manufacturing sectors, driven by an efficiency-orientation, which is highly prevalent in the developing countries. In innovation-driven economies, knowledge and innovation – often in services, finance, and technology sectors – are increasingly important.

Figure 5 displays Thailand's industry sector participation of TEA and EST. The figure clearly indicates that consumer-oriented businesses such as retail trade, hotels and restaurants were majority sectors for both TEA (60%) and EST (59%). It is noticeable that 8% of the young businesses operate in the sector of utilization, transport and storage, a business sector that is not prevalent for established businesses. Another difference is that no entrepreneur started a business in administrative services, a business sector that seems to have low entry barriers in terms of financial resources.

Figure 5: Sector Structure of Total Early-Stage Entrepreneurial Activity (TEA) and Established Business Activity (EST) in Thailand, 2012



Source: GEM 2012 Thailand Adult Population Survey.

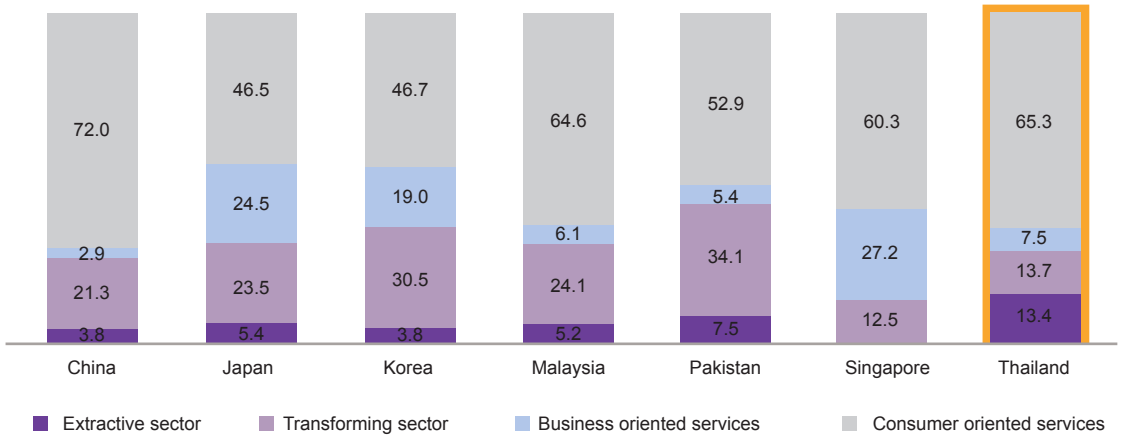
Comparatively, services related to other businesses (professional and administrative services, information and communication, financial intermediation) seemed to be less attractive for the new entrepreneurs in Thailand as compared to other businesses. According to last year's GEM Global Report, business-oriented services tended to compete on knowledge and innovation (Bosma et al., 2012). This innovative aspect is not much prevalent in Thai entrepreneurs (Chapter 4). Interestingly there is an increase in agricultural activities in the young businesses 2012 compared to their established counterparts.

In general, most Thai entrepreneurs continue to be engaged in operating small scale and small scope new businesses. Examples are retailing, food services, laundry services, and accommodation renting.

For the geographic comparison of Thailand within Asia-Pacific & South Asia the sectors are summarized into four main sectors: extractive sector (agriculture, forestry, fishing, and all mining), transformative sector (construction, manufacturing, transportation, communication, utilities, and wholesale), business services (finance, insurance, real estate, all business services), and consumer services (retail, motor vehicles, lodging, restaurants, personal services, health, education and social services, recreational services).

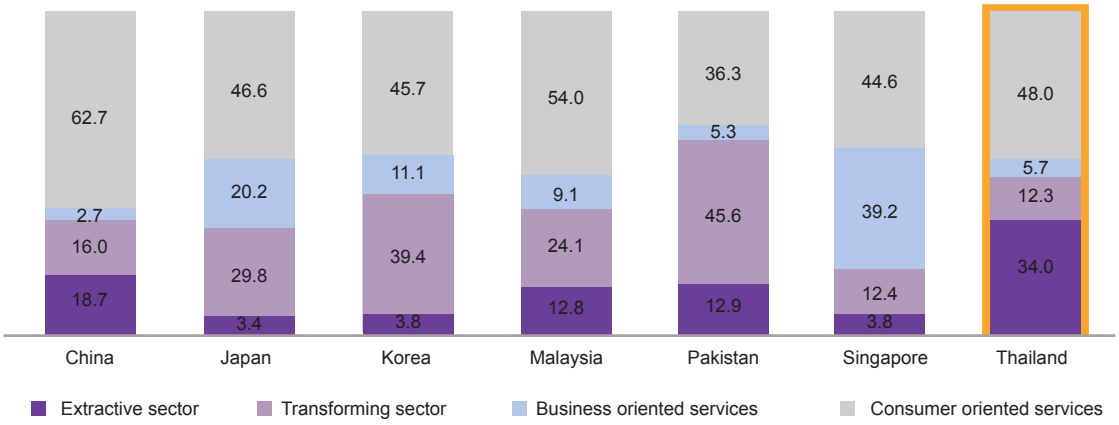
Figure 6 and Figure 7 show the sector participation in the geographic region of Asia-Pacific & South Asia for respondents within TEA and within EST, respectively. Thailand shows a higher percentage of participation in the extractive sector for TEA (13.4%) and especially for EST (34.0%) than the other countries. On the other hand, participation in the transforming sector is comparatively low in Thailand with 13.7% for TEA and 12.3% for EST.

Figure 6: Sector Participation, Percentage of Respondents Within TEA in Asia-Pacific & South Asia and in Thailand, 2012



Source: GEM 2012 Thailand and Global Adult Population Survey.

Figure 7: Sector Participation, Percentage of Respondents Within EST in Asia-Pacific & South Asia and in Thailand, 2012



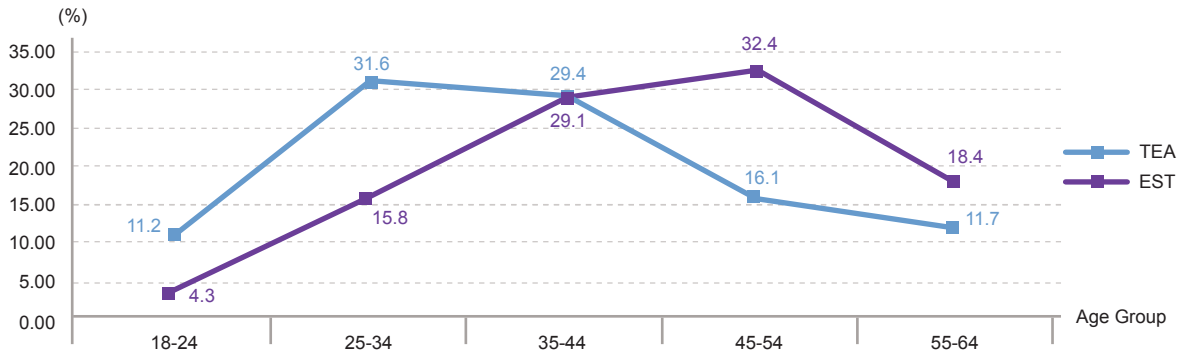
Source: GEM 2012 Thailand and Global Adult Population Survey.

Also, in the global comparison, the extractive sector seems to be comparatively higher and the transforming sector comparatively lower than in other regions. For more detailed information, see Appendix 1 Figure 1 and Figure 2, which show the sector participation within TEA and EST across the GEM geographic regions in comparison to the sector participation of Thailand for TEA and EST.

2.5. Age Distribution

Figure 8 shows the relative proportions of entrepreneurial activities among different age groups in Thailand. Young businesses, in business for less than 42 months (TEA), have their highest ratio in the age group of 25-34 and their next highest in the age group of 35-44 years. These findings are prevalent in most economies in the GEM survey. In a regional context within Asia-Pacific & South Asia, the age distribution is similar to Thailand, except being on an overall lower percentage. Established business owners (in business for more than 42 months) have the highest ratio in the age group of 45-54. Due to high TEA rates in the age group of 25-34 and in general low discontinuance rates, there is a high ratio of established business owners aged 35-44. Interestingly, 4.3% in the age group of 18-24 already account for established business owners. These rates decline significantly from the age group 45-54 (32.4%) to the age group of 55-64 (18.4%). A majority of entrepreneurial activities in the Thai adult population takes place between 25 and 54 years of age with a peak of 58.5% being engaged in entrepreneurship when they are between 35 and 44 years old.

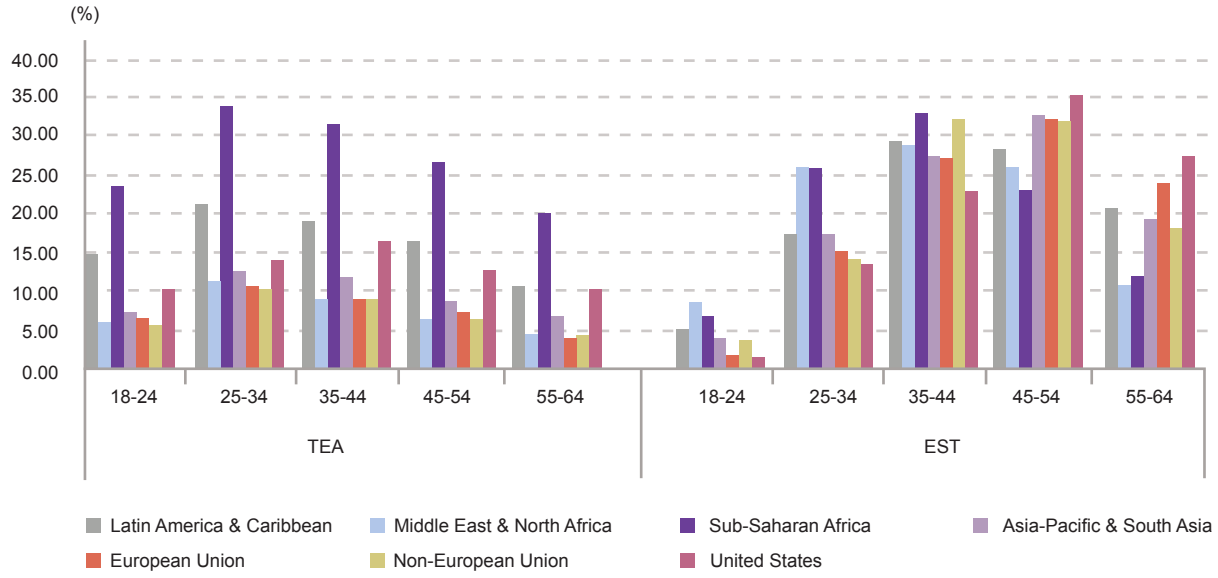
Figure 8: Age Distribution for TEA and EST by Age Groups in Thailand, 2012



Source: GEM 2012 Thailand Adult Population Survey.

In a comparison across international geographic regions (Figure 9) there is a similar age distribution for TEA and EST. One quarter of the established business owners in the United States (27.3%) and the European Union (23.6%) are between 55 and 64 years of age, compared to Thailand (18.4%).

Figure 9: Age Distribution for TEA and EST by Geographic Regions, 2012

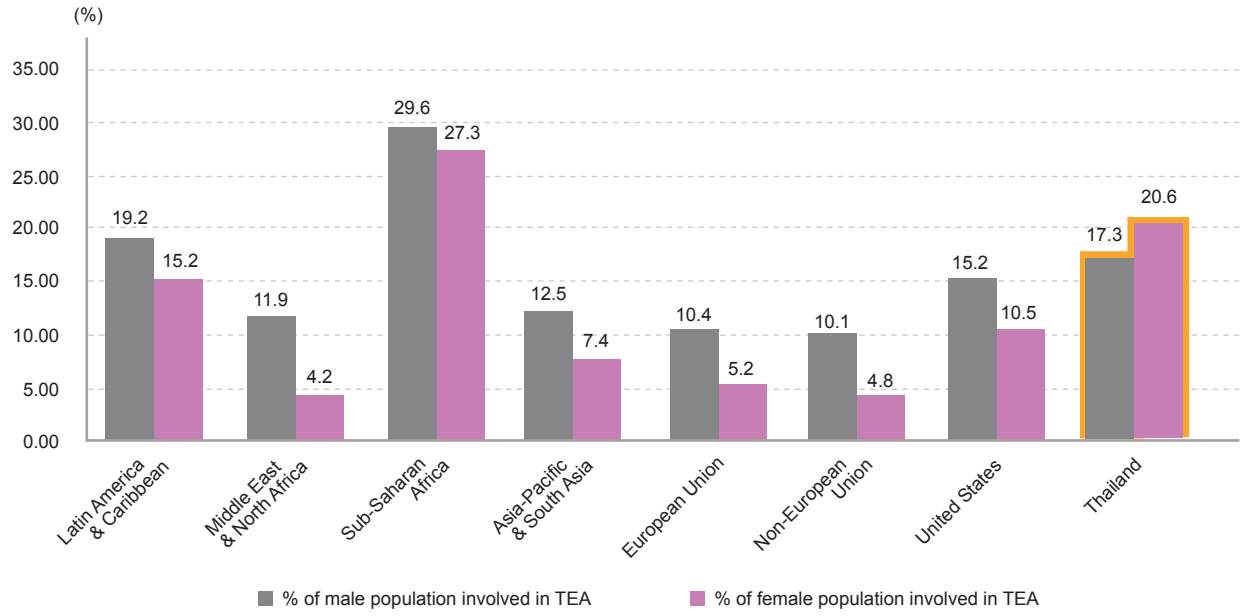


Source: GEM 2012 Thailand and Global Adult Population Survey.

2.6. Gender Differences

"In most economies around the world, there are fewer women than men starting and running new businesses, but there are even fewer running mature ones" (Kelley et al., 2013). A clearly outstanding feature of Thai entrepreneurship puts Thailand's female entrepreneurs first in terms of prevalence of female entrepreneurship rates. For every ten male entrepreneurs, we find twelve women running businesses. Only seven across the entire sample of 69 economies surveyed presented equal or slightly higher female entrepreneurship rates. Besides Thailand, which accounts for the highest ratio of female entrepreneurs (1.2:1), were Panama, Ghana, Ecuador, Nigeria, Mexico, and Uganda. Female TEA in Thailand was 20.6% of the female adult population, while only 17.3% of the male adult population was involved in TEA. Figure 10 clearly shows that women in Thailand were even more involved in business start-ups than men were and that all other surveyed regions on average had less start-ups by women than by men. This transfers to established business ownership (1:1.1) where the ratio of men to women entrepreneurs still shows slightly more women than men. The high level of female entrepreneurship rates in Thailand is accompanied by the fact that more than 70% of Thai women entrepreneurs operate without employees as micro business owners. This is prevalent in three economies in the 2012 global study: Thailand, Brazil and Malawi. Positively seen, it shows the level and the ability of Thai women for self-employment; and negatively, it does not add to job creation for others in Thailand.

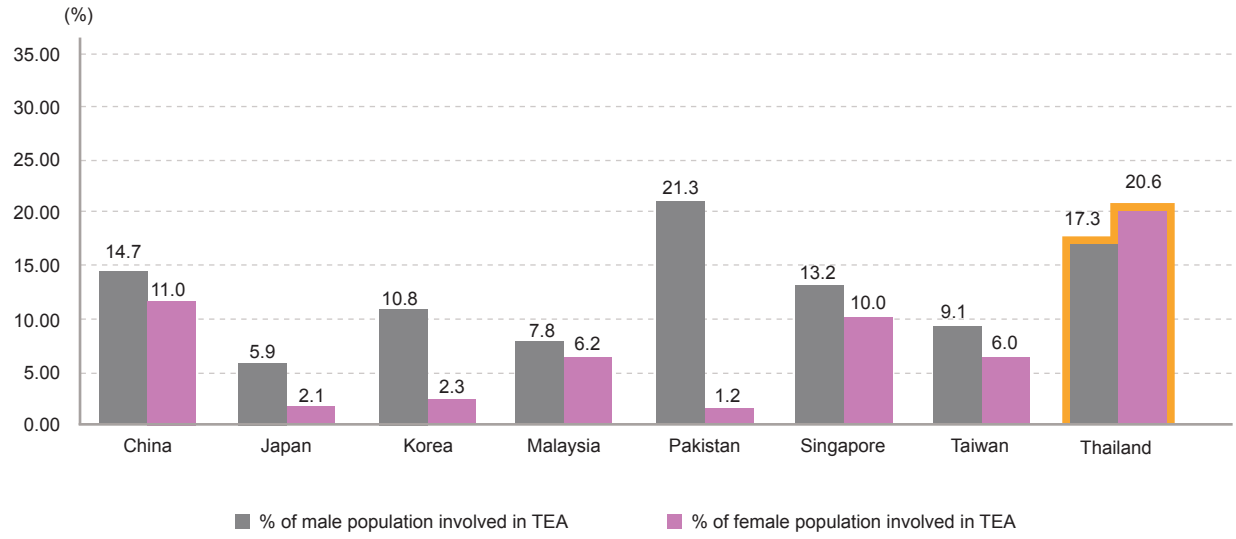
Figure 10: Gender Distribution of Early-stage Entrepreneurs (TEA) by Geographic Regions (unweighted averages), 2012



Source: GEM 2012 Thailand and Global Adult Population Survey.

The Asia-Pacific & South Asia region on average showed 12.5% TEA rates for the male population and 7.4% for female. Broken down into the different countries of this region, Thailand is the only country showing higher female TEA as well as the highest TEA rates, combined men and women (Figure 11).

Figure 11: Gender Distribution of Early-stage Entrepreneurs (TEA) in Asia-Pacific & South Asia (unweighted averages), 2012



Source: GEM 2012 Thailand and Global Adult Population Survey.

Regional Gender Differences in Thailand

Figures 12 and 13 illustrate that there are differences in women participation both as a percentage of TEA and EST nationwide. The Northeastern part reports the highest women participation in early-stage entrepreneurship among all areas (27.4% of the female population) whereas the North shows the highest female activities for established business ownership (39.7% of the female population). In all regions except the Central, women were more engaged in starting new businesses than men. Meanwhile, the picture for established business ownership differs and shows the highest percentages for both men and women in the North and for men in the South. Interestingly, the South shows clearly lower female participation in established businesses, which might be equalized in future years because of the comparatively high female start-up rates in the South (20.1% female compared to 12.5% of the male population). The figures reflect the real situation that men from the Northeast may be engaged in other activities such as agriculture or might migrate to work in Bangkok. Thai citizens in the Northeast were the largest group among all migrants who moved into Bangkok to work and sent remittances back to their hometown (Population Census, conducted by the National Statistical Office of Thailand NSO, 1990 and 2000). The Southern region with lower male entrepreneurial activities might also provide additional work-related opportunities in fishing or tourism-related industries.

Figure 12: Gender Distribution of Early-Stage Entrepreneurs (TEA) in Thailand, by regions, 2012

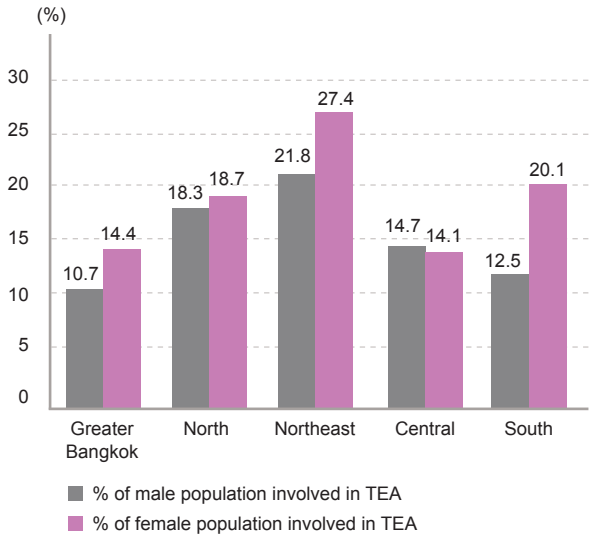
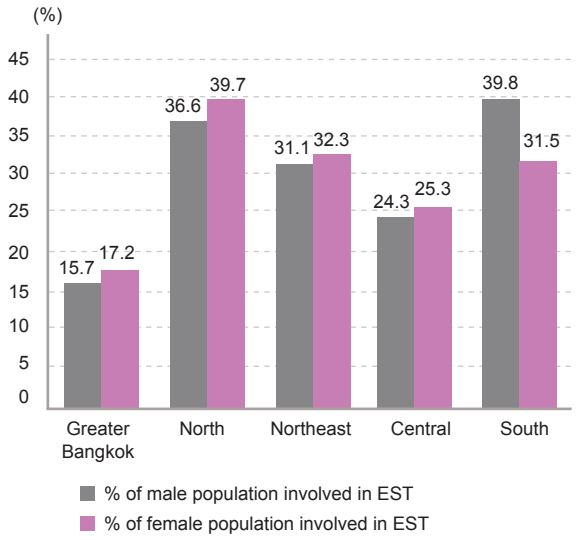


Figure 13: Gender Distribution of Established Businesses (EST) in Thailand, by regions, 2012



Source: GEM 2012 Thailand Adult Population Survey.

Female Entrepreneurship and Culture

Perceived opportunities and perceived own skills for entrepreneurship are valued lower by women than by men, fear of failure is distinctly higher (Chapter 3, 3.3). All three findings did not deter women from starting up new or running established businesses. Generally, being female in Thailand is not an impediment to becoming or being an entrepreneur. Several studies suggested that differences in female entrepreneurship might differ because of cultural differences (Hatcher & Terjesen, 2007; Hofstede, 2001; Minniti & Naudé, 2010; Mueller, 2004). The high female participation in entrepreneurship in Thailand suggests that the Thai culture shaped the entrepreneurial role and gender model. Hatcher et al emphasized the long traditional culture in Thailand of valuing women as important and significant partners.

In Thai history, this tradition is prevalent with metaphors, where women were celebrated as heroines, being able to demonstrate their strength (fighting with a sword) as well as showing honor, obedience, love and respect, which, transferred to business, meant the ability of blending mastery with femininity in business (Hatcher & Terjesen, 2007). Starting and owning a business is a socially acceptable and appreciated career option for women in Thailand.

In addition, the 2012 Thailand NES data reinforced the APS findings that women have the same set of skills as men for entrepreneurial activities and are well supported and also encouraged by society to participate in entrepreneurial activities regardless of any gender issues. There are no obvious women's entrepreneurship issues in Thai society: both genders act in the same ecosystem with similar constraints and enablers.

2.7. Entrepreneurial Activity by Education

The effect of higher education on early-entrepreneurial activity is not certain. The possibilities of better employment opportunities that might be available in the market for those with higher education could deter them from entrepreneurship; on the other hand, those with higher education might have additional knowledge, better experience, and better networks which could support their way into entrepreneurship. The general educational profile of the Thai adult population from the 2012 GEM survey (Table 4) shows two peaks: 21.8% of the Thai population have finished elementary school (16.7% of male and 26.6% of female adult population) and 30.3% hold a bachelor degree (34.2% of male adults / 26.7% of female adults).

Table 4: Educational Profile of the Adult Population in Thailand, and of the Male and the Female Adult Population, 2012

	% of adult population (male and female)	% of male adult population	% of female adult population
Lower elementary school	1.5	0.4	2.5
Elementary school	21.8	16.7	26.6
Secondary school	11.6	12.5	10.8
High school	16.3	17.3	15.4
Vocational school (Por Wor Chor)	6.1	6.6	5.6
Higher vocational school (Por Wor Sor / Por Wor Tor)	8.6	8.2	9.0
Bachelor degree	30.3	34.2	26.7
Master degree	3.6	4.0	3.3
Doctoral degree	0.2	0.1	0.2

Source: GEM 2012 Thailand Adult Population Survey.

A more detailed view in Table 5 at the educational profile of entrepreneurs in Thailand shows a similar picture for TEA and for established business owners. Start-ups and young business owners in general seem to have a higher proportion of educational level than the established business owners. 25.2% of the Thai entrepreneurs hold a bachelor degree (26.9% of the male and 23.9% of the female entrepreneurs), opposed to 19.8% of the established business owners (22.1% male / 17.7% female). Female TEA entrepreneurs rely on an educational background from elementary school (25.5%) more often than on a bachelor degree, whereas male TEA entrepreneurs mainly hold a bachelor degree (26.9%), a secondary (19.2%) or high school degree (18.8%). Most male and female established business owners rely on a highest degree from elementary school: 27.6% for men and 40.4% for women. Master degrees were scarce; TEA was higher for women (2.0%) than for men (1.3%), in established businesses twice as high for men (2.6%) than for women (1.3%).

Table 5: Educational Profile of the Entrepreneurs in Thailand, Involved in TEA and EST, and of the Male and the Female TEA and EST, 2012

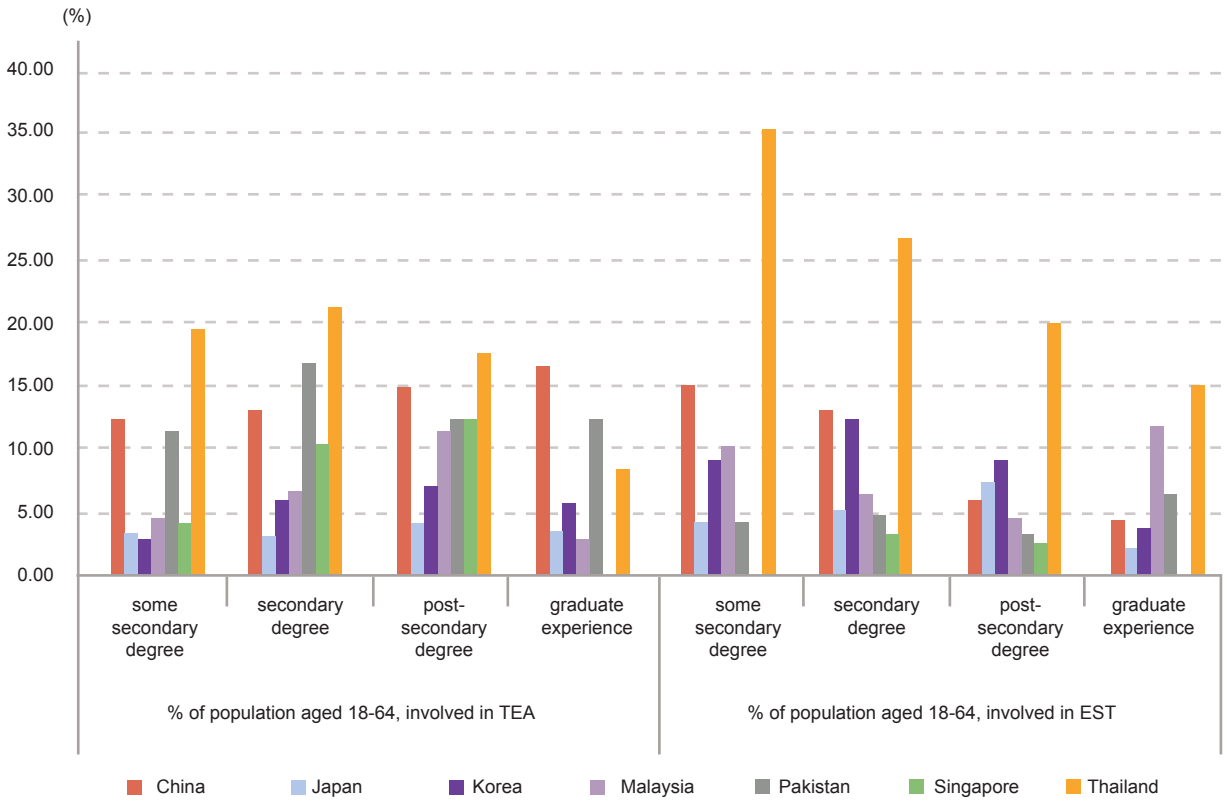
	% TEA			% EST		
	entrepreneurs (male and female)	male entrepreneurs	female entrepreneurs	entrepreneurs (male and female)	male entrepreneurs	female entrepreneurs
Lower elementary school	0.4	0.0	0.7	2.2	1.0	3.4
Elementary school	20.4	13.7	25.5	34.2	27.6	40.4
Secondary school	15.9	19.2	13.4	14.5	17.1	12.1
High school	18.7	18.8	18.6	14.5	16.8	12.3
Vocational school (Por Wor Chor)	7.2	8.5	6.2	5.9	7.0	4.9
Higher vocational school (Por Wor Sor / Por Wor Tor)	10.4	11.1	9.8	6.7	5.5	7.8
Bachelor degree	25.2	26.9	23.9	19.8	22.1	17.7
Master degree	1.7	1.3	2.0	2.0	2.6	1.3
Doctoral degree	0.2	0.4	0.0	0.1	0.2	0.0

Source: GEM 2012 Thailand Adult Population Survey

Educational achievements are linked differently to different types of entrepreneurship. For example, Koellinger found that high educational attainment is especially linked to innovative types of entrepreneurial activity (Koellinger, 2008). Innovation (Chapter 4) is one of the weak points in Thai entrepreneurs and might result from the educational background from which entrepreneurs start businesses. Additionally, results from the National Expert Survey 2012 (Chapter 5) revealed that entrepreneurial education and the input from Research & Development into entrepreneurial activities need improvement in Thailand.

In comparison to other countries in Asia-Pacific & South Asia (Figure 14), Thailand shows higher prevalence rates in nearly all educational categories. Established business owners show the highest peak (35.4%) for "some secondary degree" (up to elementary school), followed by "secondary degree" (26.3%), which includes high school and vocational school (Por Wor Chor). "Post secondary degree" include bachelor degrees and higher vocational school (Por Wor Sor/Por Wor Tor), whereas "graduate degree" includes master and doctoral degrees. The comparison of the educational levels between countries is difficult because it does not involve the quality of the education and the question, if the degree itself provided the skills needed for the entrepreneurial activities.

Figure 14: Educational Profile of the Entrepreneurs in Asia-Pacific & South Asia, TEA and EST, 2012



Source: GEM 2012 Thailand and Global Adult Population Survey.

3. Entrepreneurial Perceptions and Societal Attitudes

The assessment of national attitudes and perceptions delivers insight towards peoples' motivations on entering entrepreneurship. Positive or negative perceptions about entrepreneurship as well as benefits from entrepreneurship strongly influence entrepreneurship rates. An overall positive attitude towards entrepreneurship can generate not only social and cultural but also financial and networking benefits that will support future start-ups and existing business owners.

The GEM Adult Population Survey provides three relevant questions regarding societal impressions:

- In Thailand, starting a business is considered a desirable career choice.
- In Thailand, entrepreneurship is associated with high status and respect.
- In Thailand, there is good media attention for entrepreneurship.

Individual self-perceptions of entrepreneurs also include:

- Being aware of good opportunities for starting a business
- Believing in own skills and having the experience to start a business
- Fearing failure

3.1. National Societal Attitudes

The comparison of attitudes from the previous GEM Thailand reports in 2007 and 2011 indicates a more negative development of attitudes towards entrepreneurship in certain aspects. Entrepreneurship as a career of choice decreased from 87% in 2007 to 77% in 2011 and dropped one more point to 76% in 2012. On the other hand, the comparison shows that 76% is a positive high number compared to other economies observed worldwide and is the highest percentage in the Asia-Pacific & South Asia region (same as in China, see Table 6). In the larger picture, this result can be valued as a positive sign of societal attitudes towards entrepreneurship in Thailand. Consistent with the results of previous years, both media attention for entrepreneurship as the perception that successful entrepreneurs have high status in Thailand seem to be stable on a high level and – in combination with the high media attention – indicate high visibility and attractiveness of entrepreneurship.

Table 6: Societal Attitudes and Perceptions in the Asia-Pacific & South Asia Region 2012

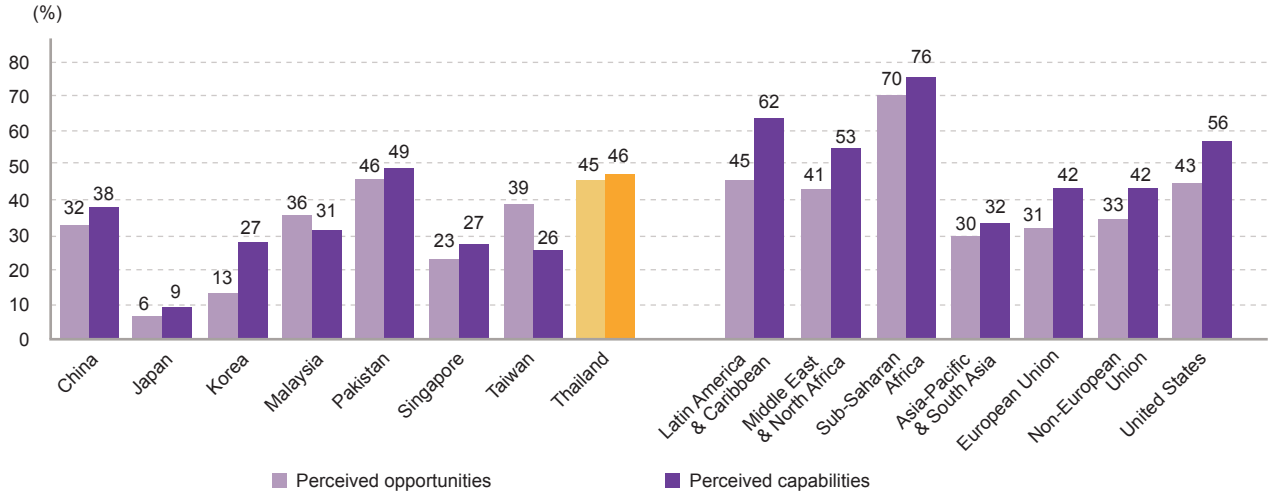
Country	Entrepreneurship as a good career choice	High status to successful entrepreneurs	Media attention for entrepreneurship
China	71.7	76.1	79.8
Japan	29.7	54.8	52.9
Korea	59.4	69.6	68.1
Malaysia	45.6	50.9	62.5
Pakistan	66.4	67.9	50.8
Singapore	50.2	62.5	76.7
Taiwan	70.4	62.8	82.5
Thailand	**75.7**	**79.1**	**84.1**

Source: GEM 2012 Thailand and Global Adult Population Survey.

3.2. Perceived Opportunities and Capabilities

To perceive opportunities is a first important step in venture creation to take up entrepreneurial activity. Perceived opportunities[2] among the Thai APS sample increased to 45% in 2012 compared to 40% in 2011 and only 19% in 2007. Improvement-driven opportunity motives remained stable with 67% of TEA in 2012 (Figure 15).

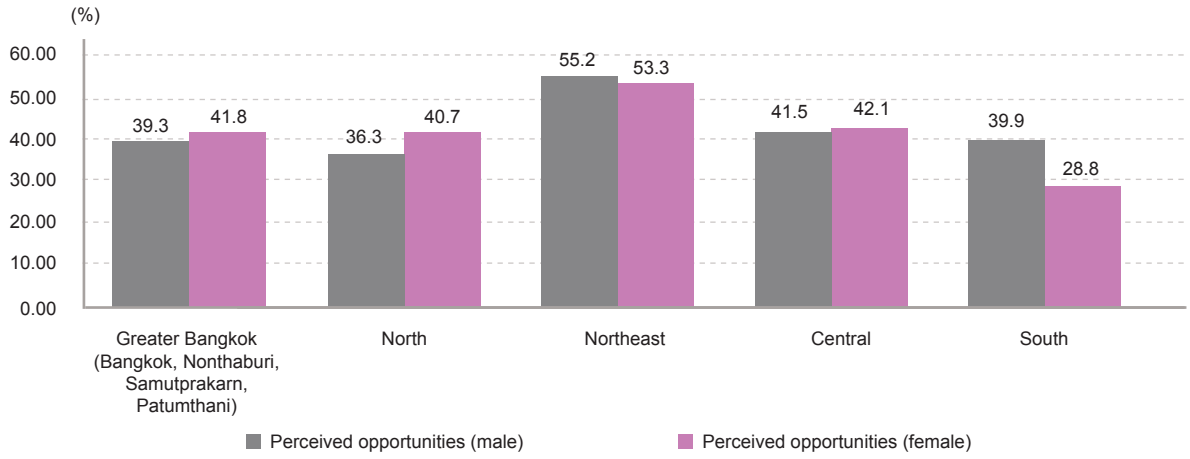
Figure 15: Perceived Opportunities and Perceived Capabilities / Skills to Start a Business, by Geographic Region, 2012



Source: GEM 2012 Thailand and Global Adult Population Survey.

The perception to start a business is similar in male and female respondents but differs greatly depending on the regions within Thailand (Figure 16). Generally, respondents in the Northeast see the most opportunities (55.2% for men and 53.3% for women) – and in series – also have the highest start-up rates in contrast to the South with the lowest opportunity perception of 34.4% (28.8% for women and 39.9% for men).

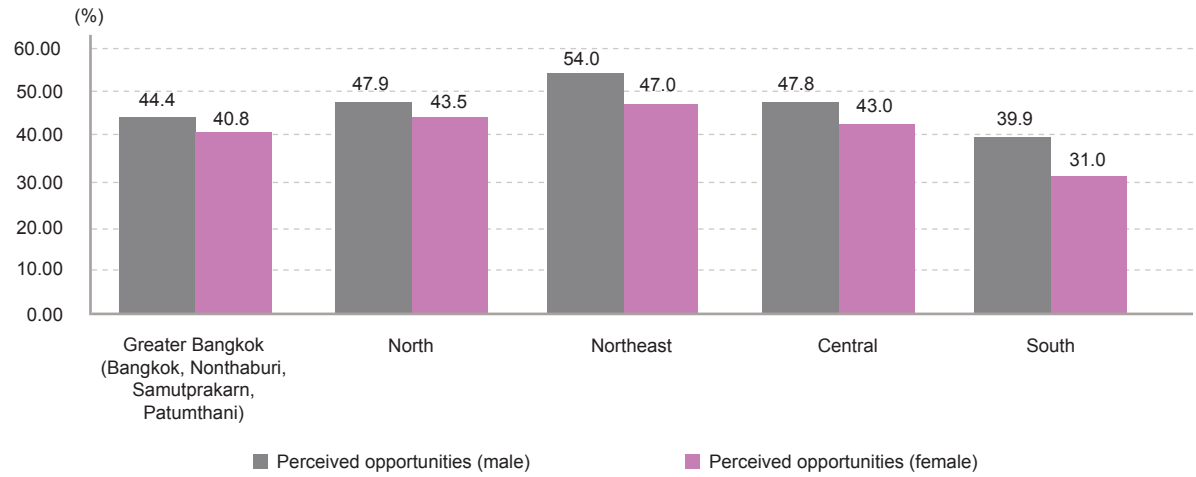
Figure 16: Perceived Opportunities to Start a Business, by Gender and Region in Thailand, 2012



Source: GEM 2012 Thailand Adult Population Survey.

[2] *Perceived opportunities are defined as the percentage of 18-64 years old population who see good opportunities to start a firm in the area where they live.*

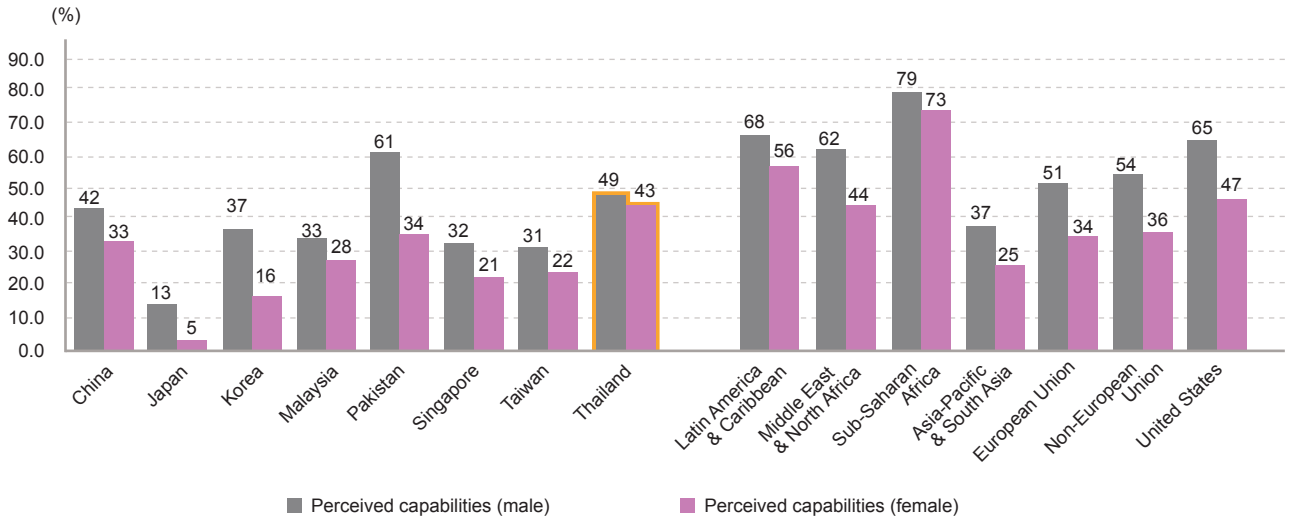
Figure 17: Perceived Capabilities / Skills to Start a Business, by Gender and Region in Thailand, 2012



Source: GEM 2012 Thailand Adult Population Survey.

The perceived capability to have the necessary skills to start a business is generally higher in developing countries than in highly developed countries (Xavier et al., 2013). 46% among the Thai APS sample perceive to have the skills to start a business. As with opportunity perception, the Northeast ranks highest in perceptions of possessing start-up skills. Thailand shows the same pattern as other economies (Figure 17) in that on average, women have lower perceptions of their entrepreneurial capabilities than men (Kelley et al., 2013) as can be seen in the regional and global comparison in Figure 18.

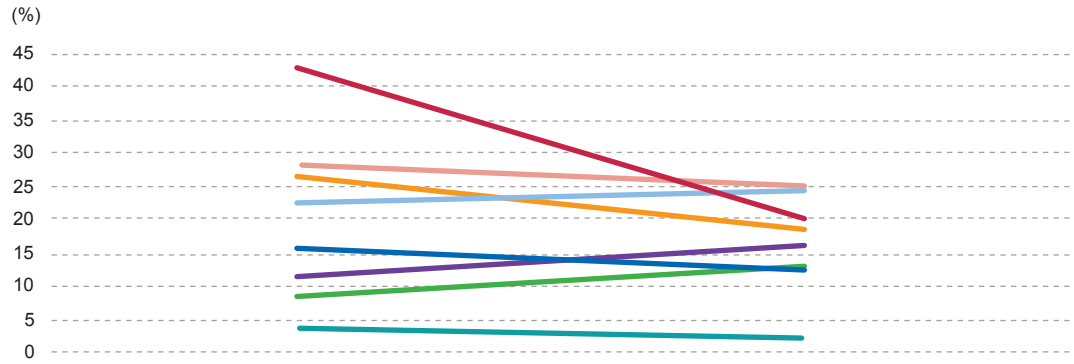
Figure 18: Perceived Capabilities / Skills to Start a Business, by Gender and Geographic Region, 2012



Source: GEM 2012 Thailand and Global Adult Population Survey.

Compared to the previous year, the intention to start a business in the non-entrepreneurial Thai population within the next three years has dropped from 26.5% (2011) to 19.0% (2012) to an even lower number than before the global financial crisis in 2007 (21.3%). In the Asia-Pacific & South Asia region, China experienced an even larger drop in entrepreneurial intentions, whereas there is a substantial increase for both Malaysia and Singapore (Figure 19). For a detailed overview on all countries regarding perceived opportunities, perceived capabilities and entrepreneurial intentions see Appendix 2, Table 1.

Figure 19: Entrepreneurial Intentions in Asia-Pacific & South Asia, Comparison 2011 – 2012



	2011	2012
Thailand	26.5	19.0
China	42.8	20.4
Malaysia	8.7	13.3
Singapore	11.7	16.1
Japan	3.8	2.5
Korea	15.7	13.0
Pakistan	22.6	24.5
Taiwan	28.2	25.5

Source: GEM 2012 Thailand and Global Adult Population Survey.

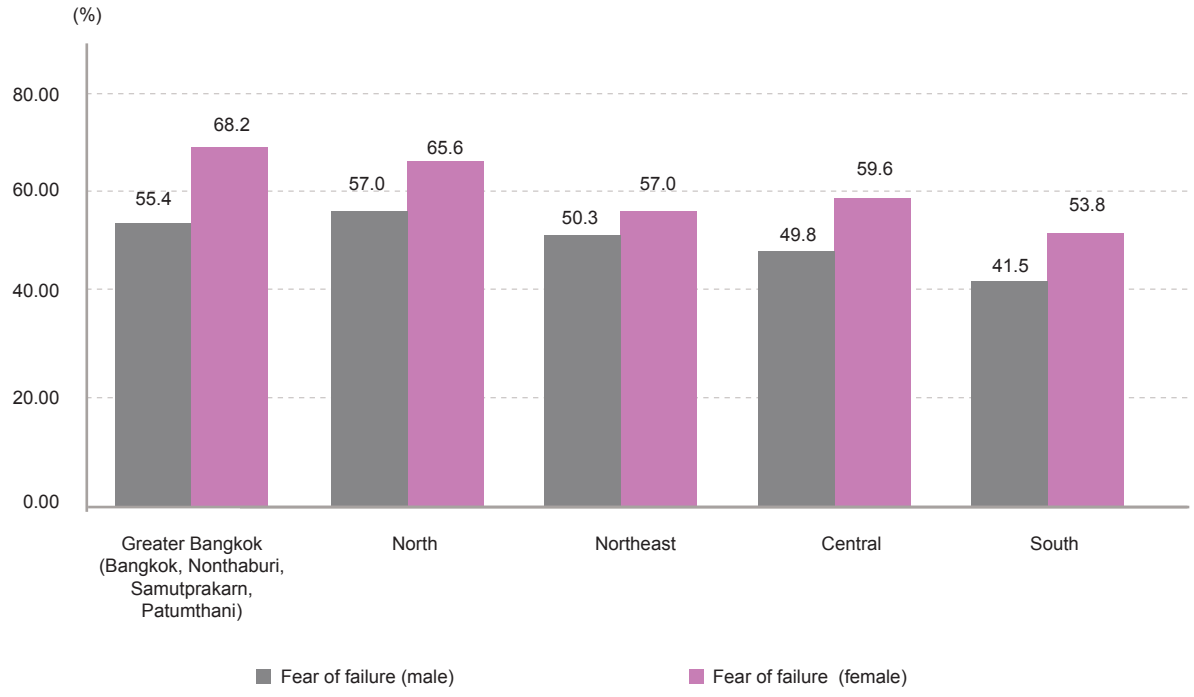
Thailand's five regions display different levels of entrepreneurial intentions: lower than the 19.0% Thai average in 2012 is prevalent for the South (17.3%) and Bangkok (18.6%), higher levels for the Central region (21.4%), the North (24.0%) and the Northeast (28.5%). Since perceived opportunities and capabilities tend to decline with greater development levels in an economy (Xavier et al., 2013), this might also be true for the different development levels in different regions in Thailand explaining the considerably higher entrepreneurial intentions in the Northeast and the North.

3.3. Fear of Failure

In general, fear of failure is seen as a constraining factor for venture creation. In many economies high fear of failure rates exist concurrent with low opportunity perception. During 2007 to 2012, Thailand showed extremely high fear of failure rates compared to other countries. The fear of failure rate jumped from 42% in 2007 to 55% in 2011, giving Thailand the second highest rate among the participating countries. This rate slightly dropped in 2012 to 50%, now the third highest rate after Greece (61%) and Italy (58%), whose economies apparently are under constraints. For an overview on all countries see Appendix 2, Table 1.

In an international comparison of economies, women generally have higher fear of failure rates than men (Kelley et al., 2013). This is also true for Thailand as it is for each single region in Thailand. Fear of failure shows the highest prevalence for both men and women in the North and Greater Bangkok. Especially in Southern Thailand and in Bangkok, women experience a considerably higher fear of failure rate than their male counterparts (Figure 20).

Figure 20: Attitude Towards Failure, by Gender and Region in Thailand, 2012



Source: GEM 2012 Thailand Adult Population Survey.

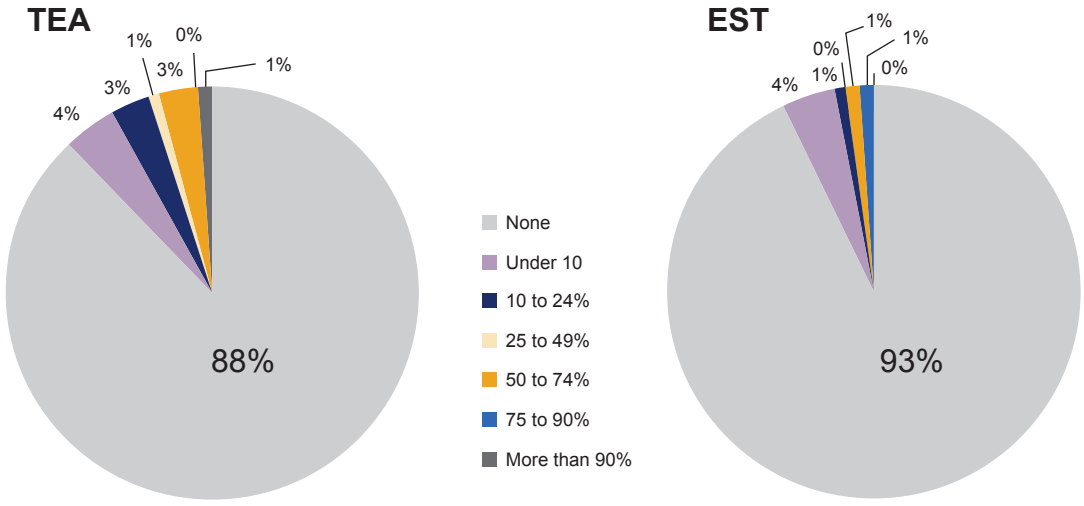
4. International Orientation and Innovation, Business Networks, and Immigrant Entrepreneurs

4.1. International Orientation and Innovation

International Orientation

Customer orientation of Thai entrepreneurs towards international customers is very low: 87.4% of early-stage entrepreneurs and 92.5% of established business owners exclusively serve the domestic market rather than an international market with customers outside Thailand. Only a very small percentage of businesses are internationally orientated, with early-stage businesses being more international than established businesses. This survey result may not be in line with the public perception that many Thai entrepreneurs run their businesses for exporting.

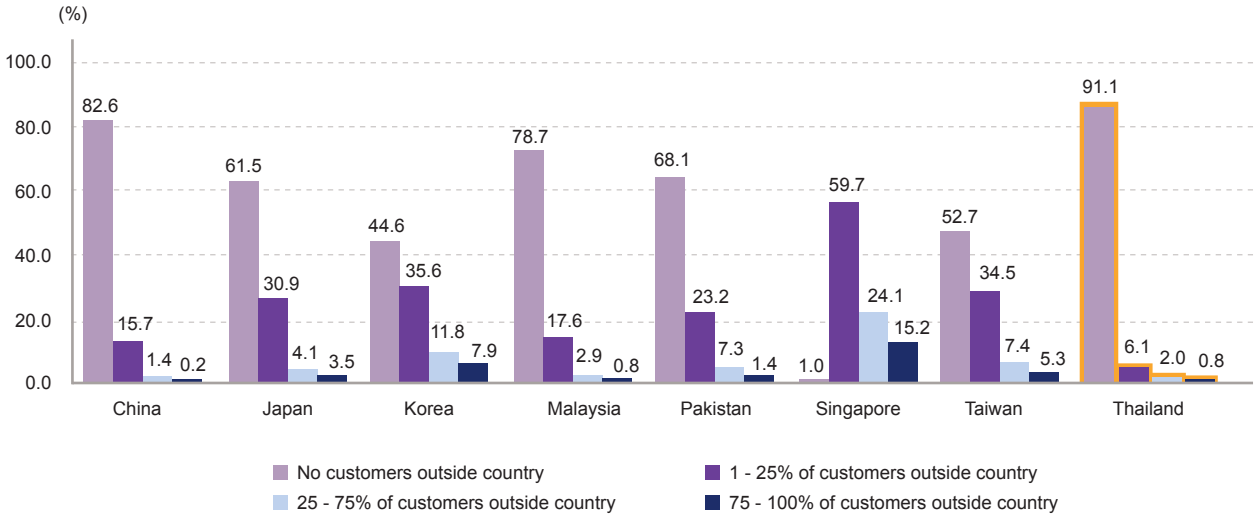
Figure 21: Proportion of International Customers for Total Early-Stage Activities (TEA) and for Established Businesses (EST) in Thailand, 2012



Source: GEM 2012 Thailand Adult Population Survey.

In the group of countries within the Asia-Pacific & South Asia region, Thailand shows the highest rates of entrepreneurs without customers outside the country (91.1%), followed by China (82.6%). Only 8.9% of the Thai entrepreneurs report to have customers outside Thailand, compared to 17.3% in China, 31.9% in Pakistan, 38.5% in Japan, 47.2% in Taiwan, 55.3% in Korea, and 99% in Singapore (Figure 22).

Figure 22: Proportion of International Customers in Asia-Pacific & South Asia (unweighted averages), 2012



Source: GEM 2012 Thailand and Global Adult Population Survey.

Table 7 shows the comparison of the Asia-Pacific & South Asia region compared to other geographic regions. 60% of the entrepreneurs in this region have no customers outside their home countries, compared to 27.3% in the United States and 43.5% of the European Union. Only Latin America & Caribbean (72%) and Middle East & North Africa (66.8%) are less international.

Table 7: Proportion of International Customers, by Geographic Regions (unweighted averages), 2012

Geographic Region	No customers outside country	1-25% of customers outside country	25 -75% of customers outside country	75-100% of customers outside country
Latin America & Caribbean	72.0	20.5	4.7	2.8
Middle East & North Africa	66.8	21.0	7.6	4.6
Sub-Saharan Africa	59.7	22.8	10.4	7.1
Asia-Pacific & South Asia	60.0	27.9	7.6	4.4
European Union	43.5	37.4	11.3	8.1
Non-European Union	49.4	30.8	12.3	7.6
United States	27.3	62.6	6.3	3.8

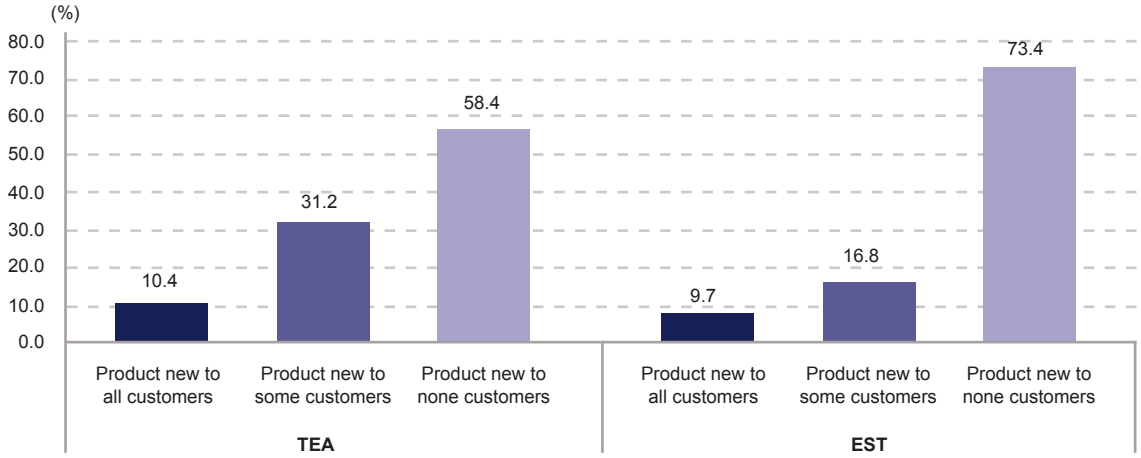
Source: GEM 2012 Thailand and Global Adult Population Survey.

Entrepreneurs and Innovation

Recent researches emphasized that innovation could play an important role in fostering new business models by defining new or improved services, products or processes. The process of innovation is likely to be one factor for firm performance and for the drive of economic growth (Yu & Si, 2012). In venture creation, entrepreneurs can be distinguished as "innovators" and "reproducers" (Aldrich & Kenworthy, 1999). Innovator entrepreneurs enter the market with significantly different routines and competencies from reproducer entrepreneurs who add little or no new innovative knowledge to existing markets.

Thai entrepreneurs in general pursue this "me too" approach in their entrepreneurial activities, copying from existing businesses rather than exploring alternatives. Another reason for their limited interest in innovation and new technologies is the lack of financial resources for innovation and the size of their mostly small-scale enterprises. APS and NES data show that most Thai entrepreneurs have limited interest in innovation and new technology. Both TEA and established business owners similarly state that they offered rather already existing than new products and that they did not utilize new technologies in their business operations. 58.4% of TEA and 73.4% of EST offer no new products for their customers. 10.4% (TEA) and 9.7% (EST) respectively, offer products that are new to all customers (Figure 23).

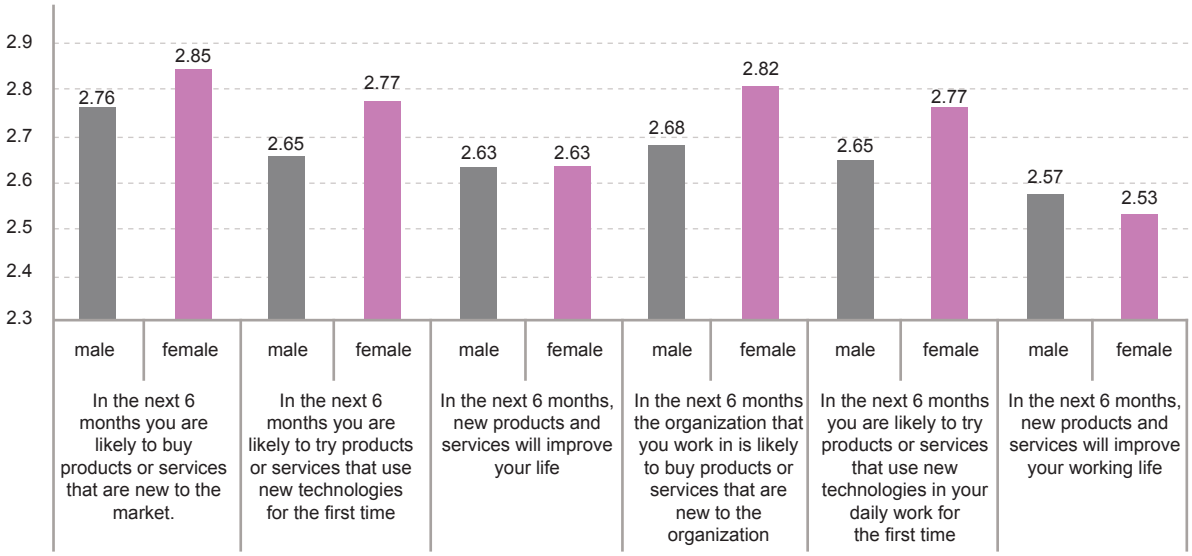
Figure 23: Innovativeness of Products for Customers in Thailand, 2012



Source: GEM 2012 Thailand Adult Population Survey.

Figure 24: Innovativeness in Products and Services, Use of New Technologies in Thailand, 2012

Values above 2.5 denote that they will not be innovative.



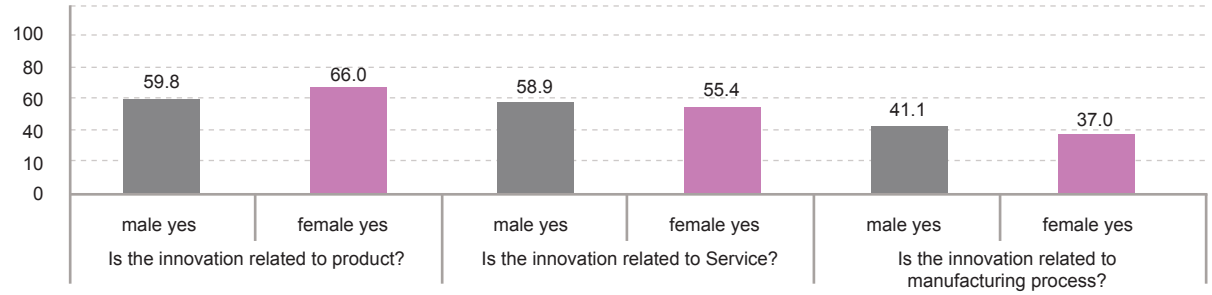
Source: GEM 2012 Thailand Adult Population Survey.

Innovation and Gender

There are no gender-related differences in venture innovation / risk situations and strategies for new and established enterprises, with innovation being defined as creating a new, unique, or different product or service (Sonfield et al., 2001). Despite Thailand's high rate of female entrepreneurs and established business owners, entrepreneurs seem to approach the market with non-innovative products, which are already known to the customers. Kelley et al (2013) suggest that growth rates and strong market demands in developing Asia lead to the acceptance of less innovative products with less competitive differentiation.

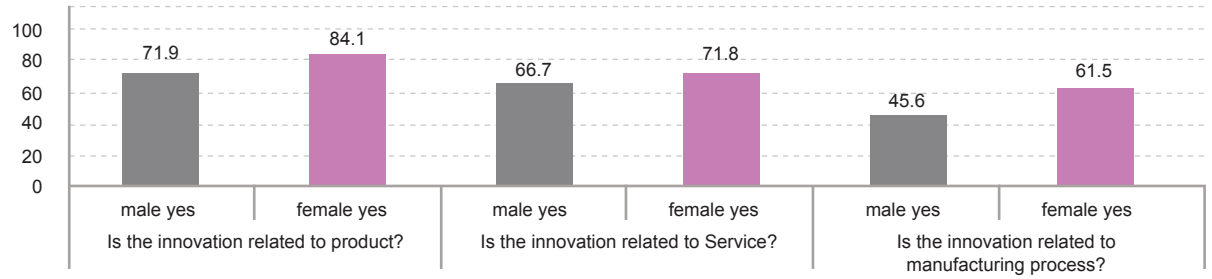
The 2012 APS survey in Thailand indicates that there are no big gender differences in innovativeness for those intending to start new businesses and for established business owners. Some gender impact is present in innovativeness for young-business entrepreneurs who have been running their business for less than 42 months, where it was observed that women were consistently found to be more innovative than their male counterparts. As Figures 25, 26 and 27 show, innovation of Thai entrepreneurs is mostly directed towards products, followed by services and manufacturing process.

Figure 25: Innovativeness for Future Entrepreneurs, Intending to Start a Business Within the Next Three Years in Thailand, 2012



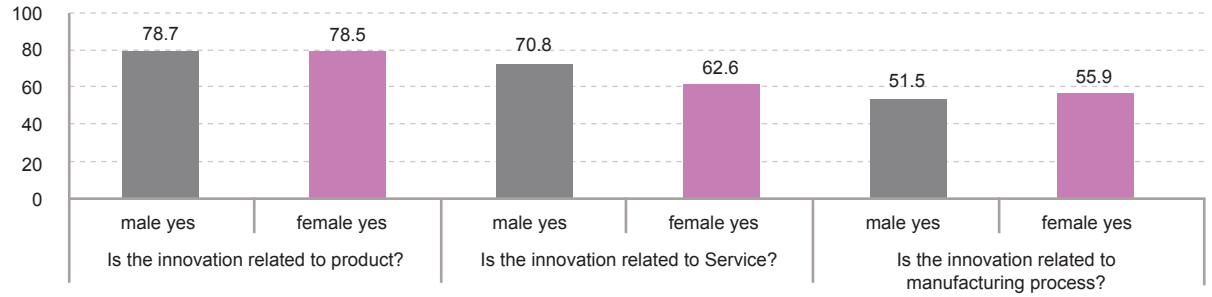
Source: GEM 2012 Thailand and Global Adult Population Survey.

Figure 26: Innovativeness for TEA Entrepreneurs, Running a Business for Less Than 42 Months in Thailand, 2012



Source: GEM 2012 Thailand and Global Adult Population Survey.

Figure 27: Innovativeness for Established Entrepreneurs, Running a Business for More Than 42 Months in Thailand, 2012



Source: GEM 2012 Thailand and Global Adult Population Survey.

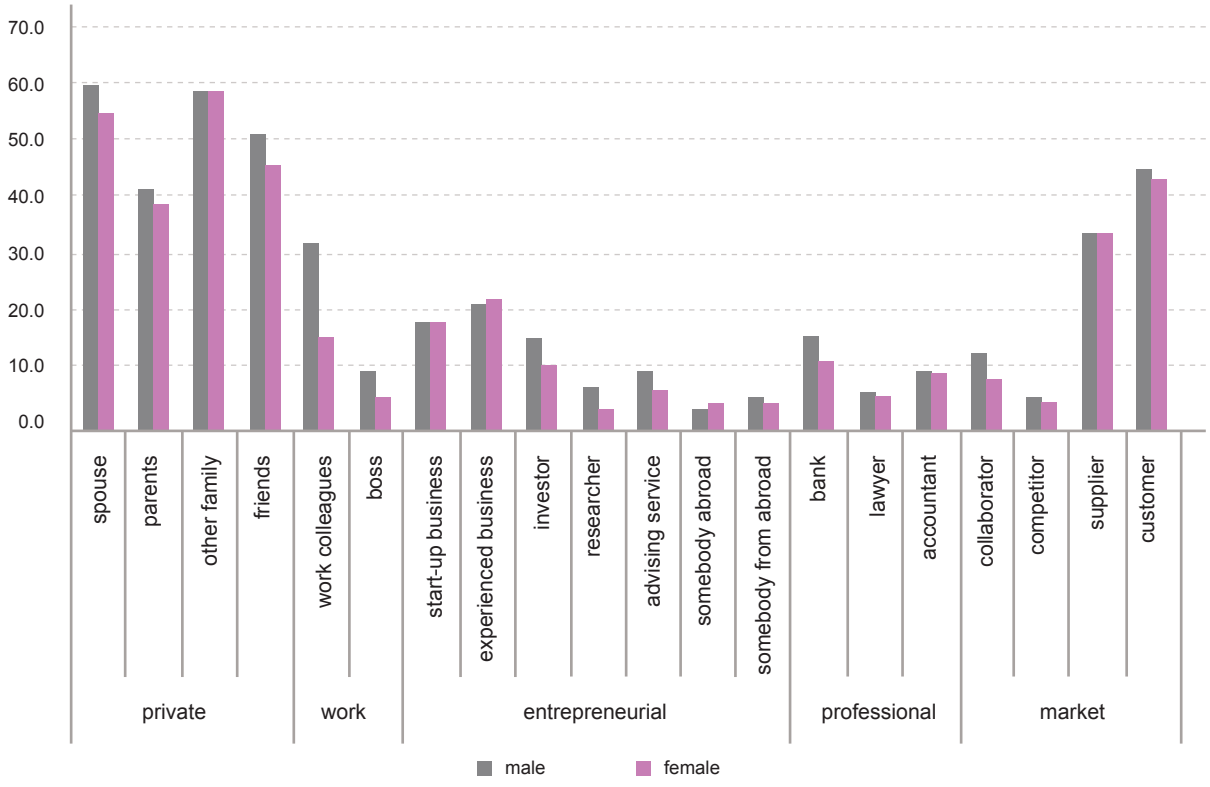
Chaminade, Intarakumnerd & Sapprasert (2008) found that the Thai innovation system showed systematic problems, which are also stated by Thai NES experts, that lack of innovation and lack of using research and development are the constraints of the Thai entrepreneurs to establish themselves in the growing competitive world markets. This can also be seen in their lack of international orientation (Chapter 4.1.). Asian economies have been the engine of growth for developing economies' trade for the last years. Trade within developing Asia accounted for 40% of all exports in 2012 with increasing exports in manufacturing (50%) and primary commodities (24%). The merchandise export volume of developing economies increased by 5% in 2012. Likewise, their trade in commercial services, whose prices are generally less volatile, grew by about 7% in 2012. Both merchandise and commercial services trade increased substantially faster than the world trade (WTO, 2013).

4.2. Entrepreneurs and Their Business Networks

Opportunity perception is shaped by the environment in which people work and also depends on the information network available to the entrepreneur. Networking is one of several important factors for business success because it gives access to resources through formal and informal channels (Chittithaworn et al., 2011). Networks can be relations to family and friends, to organizations, to work colleagues, external advisors as well as to others who help them conduct their business (Hansen, 1995). Among the most important resources provided by networks are the gathering of information and gaining access to knowledge and advice (Klyver & Hindle, 2007). Networks of entrepreneurs develop over time with the firm's development during which entrepreneurs strategically adapt their networks to receive necessary access to resources (Greve & Salaff, 2003). In Thailand, social networking is one important factor affecting business success by facilitating access to resources for the different entrepreneurial phases (Chittithaworn et al., 2011). Informal channels prove to be more successful for knowledge transfer than official attempts of technology transfer in Thailand (Belton, 2012).

Further differences in the creation of social networks are gender-related. Men and women use different types of networks to reach similar career goals (Ibarra, 1997). Women are usually stronger in negotiating and consensus-forming traits than men, and tend to form smaller and more local networks and usually have different ways of networking. They rely more on extended family bonds as their often main social network, especially in rural settings (Minniti & Naudé, 2010). In contradiction to these findings, the Thai survey found no gender-related difference, that in rural settings women tended to use networks less and relied more on extended family, although rural entrepreneurs in general asked much less advice than urban entrepreneurs.

Figure 28: Networks of Entrepreneurs by Gender in Thailand, 2012



Source: GEM 2012 Thailand Adult Population Survey.

Figure 28 shows that men and women entrepreneurs to the same extent use their private network to ask for advice; for men the spouse ranked first (62%), followed by other family (61.2%), whereas women used other family (61.3%) more than their spouse (57%). Interestingly, the use of entrepreneurial networks is not common, even though 50.7% of the TEA entrepreneurs and 41.0% of established business owners claim to know an entrepreneur who started a business during the previous two years. 53.2% of all entrepreneurs asked for advice from their private network; 24.7% from market, 16.7% from work, 11.7% from entrepreneurial and 10.3% from professional networks like banks and lawyers.

In Thailand, a country with entrepreneurial gender equality, the overall use of networks seems to be rather similar for men and women entrepreneurs, but is not entirely. The use of private networks seems to be the same, whereas there are differences in the use of entrepreneurial networks. Potential female entrepreneurs, those who intend to start a business within the next three years, are less inclined to ask for advice in the idea generation phase than their male counterparts. In later entrepreneurial phases the use of networks does not differ greatly for men and women entrepreneurs.

4.3. Immigrant Entrepreneurs

In 2012, the GEM survey included specific questions on migration, showing entrepreneurial activities and motivations of migrants in Thailand. The analysis in this chapter considers the impact of migrants on Thailand's entrepreneurial picture of TEA rates. Two definitions of migrants are applied: First generation migrants were born outside Thailand, now reside in Thailand and presumably moved to Thailand on their own. Second generation migrants have mother and/or father who were born outside Thailand, where they now reside. In general it is assumed that the background from their countries' origins influences their entrepreneurial behavior and attitudes. One general observation on first- and second-generation migrants in world regions shows, that first-generation migrants were more active in starting businesses than second-generation migrants, especially in Asia and the United States (Table 8).

Table 8: TEA-Rates of Migrants vs. Non-Migrants in Thailand and World Regions, 2012

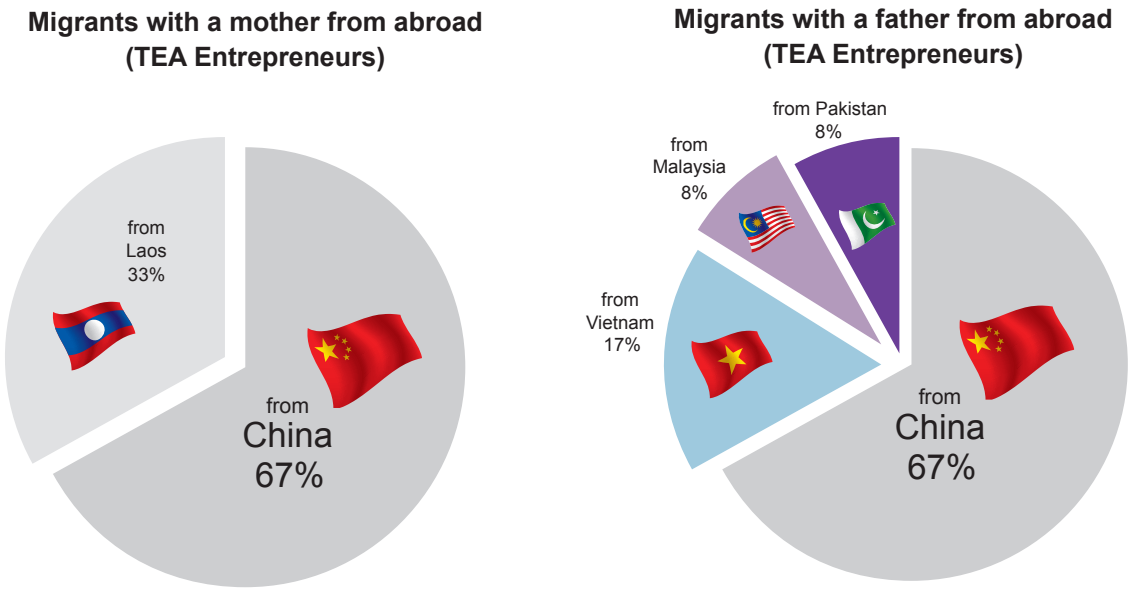
WORLD REGION	1st generation migrants		2nd generation migrants		Non-migrants
	TEA-rate	Percentage of all TEA	TEA-rate	Percentage of all TEA	TEA-rate
USA	16.4%	11.7%	12.3%	15.9%	12.9%
Western Europe (with Israel)	8.2%	10.7%	7.9%	16.1%	6.1%
Eastern Europe, Russia	8.0%	4.7%	9.9%	13.3%	8.2%
Asia	11.7%	3.9%	9.8%	7.5%	9.4%
South and Central America	17.1%	1.5%	17.5%	3.5%	18.8%
Middle East & North Africa	10.6%	1.4%	12.3%	4.2%	9.3%
Sub-Saharan Africa	31.3%	1.8%	30.4%	3.5%	26.8%
Thailand	**0.0%**	**0.0%**	**18.8%**	**19.5%**	**18.9%**

Source: GEM 2012 Thailand Adult Population Survey.

TEA in Thailand accounts for 18.9% of the Thai adult population. 19.5% of these total early-stage entrepreneurs in Thailand were migrants. TEA rates of migrants (18.8%) and non-migrants (18.9%) are very similar. Interestingly, there is no first-generation TEA (0%) prevalent; TEA of migrants stems from second-generation migrants. All nascent entrepreneurs, who started a business not older than three months were non-immigrants. Migrants with early-stage entrepreneurial activities of young businesses (between 3 and 42 months) were second-generation migrants.

76.9% of migrants started their businesses out of opportunity-driven motives and 23.1% claimed to start out of necessity, which is a clearly higher percentage of necessity-driven TEA compared to 17% of necessity-driven overall TEA. 23.1% of migrants had a mother from abroad and 92.3% had a father from abroad with an overlap of 15.4% where both parents originated from outside Thailand. The most prevalent country of origin for parents was China with 67% each for both parents, followed by Laos for mothers with 33% and Vietnam for fathers with 17% (Figure 29).

Figure 29: Countries of Origins for Second-generation Migrants in Thailand, 2012



Source: GEM 2012 Thailand Adult Population Survey.

The mothers of those migrant entrepreneurs who started their businesses out of opportunity were 100% from China, with 70% of the fathers also coming from China.

This GEM survey aims to distinguish entrepreneurial activities of first-generation migrants (born outside and migrated to Thailand) and second-generation migrants (mother and/or father born outside and migrated to Thailand). In many Thai businesses with migrant, mainly Chinese roots, this migration took place in earlier generations than in the parent's generation. Almost 3 million Chinese immigrants arrived in Thailand between 1882 and 1931. By the end of the 1920s, almost 12% of the total population of Thailand were of Chinese origin (Bertrand et al., 2008). Most of these immigrants were poor and worked as laborers in the growing export industries such as rice milling. However, a number of these immigrants became entrepreneurs in various industries such as agriculture, trade, and mining, and started to expand their business extensively. The origin of some of the best-known business families can be traced back to this period. A survey from 1997 on large Thai family businesses showed that by ethnicity, 77.2% were of Chinese origin, 10.9% of Thai-Chinese origin and 5.5% of Thai origin (Suehiro & Wailerdsak, 2004).

5. GEM Thailand Experts:
Assessment of the National Entrepreneurial Environment

5.1. Entrepreneurial Framework Conditions in Thailand

For a well-functioning business environment an economy requires several basic underlying factors such as economic stability, institutions, infrastructure and education. In efficiency-driven economies like in Thailand, additional emphasis is needed on efficiency stimulating factors like support of innovation, labor market efficiencies, higher education and training, and technological readiness. The features expected to have an important impact on entrepreneurial activities are described in the nine Entrepreneurial Framework Conditions (EFCs) in Table 9. The National Expert Survey (NES) uses qualitative information based upon the informed judgment of national experts on a broad set of items, summarized in the EFCs. For example, in order to capture condition No.1, "Entrepreneurial Finance", the factors must include financial channels and access to them with six questions referring to equity, public, debt, credit, business angels and Initial Public Offerings as different sources of finance. Same logic applies for the remaining conditions.

The NES provides insight into ways how these entrepreneurial framework conditions either foster or constrain the entrepreneurial climate, entrepreneurial activity and development in the particular country.

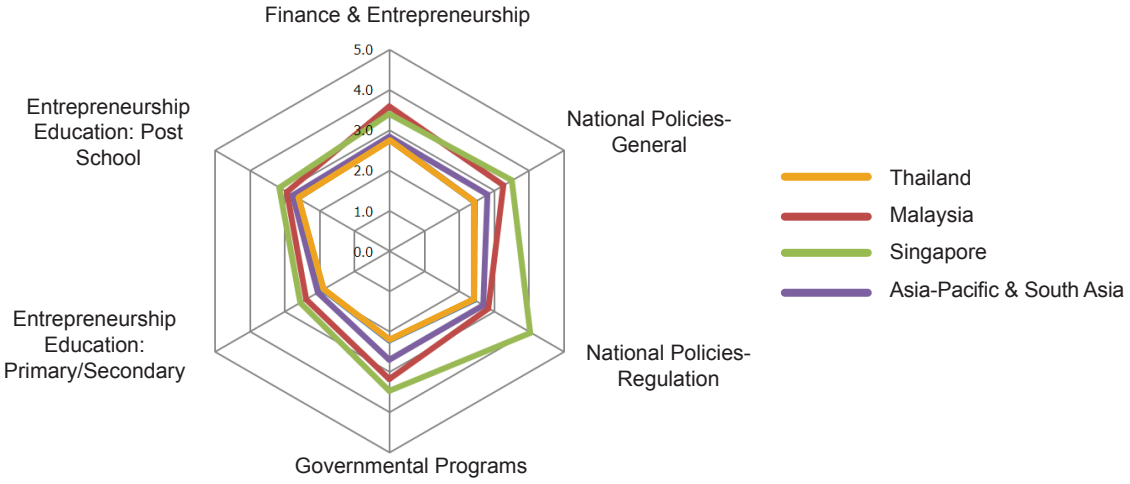
Table 9: The GEM Entrepreneurial Framework Conditions (EFCs)

1	**Entrepreneurial Finance** The availability of financial resources, equity, and debt, for new and growing firms, including grants and subsidies.
2	**Government Policy** The extent to which government policies, such as taxes or regulations) are either size- neutral or encourage new and growing firms.
3	**Government Entrepreneurship Programs** The extent to which taxes or regulations are either size-neutral or encourage new and growing firms.
4	**Entrepreneurial Education** The extent to which training in creating / managing new, small or growing business entities is incorporated within the education and training system at all levels. There are two sub-divisions – primary and secondary school entrepreneurship education and training; and post-school entrepreneurship education and training.
5	**R&D Transfer** The extent to which national research and development will lead to new commercial opportunities, and whether or not these are available for new, small and growing firms.
6	**Commercial and Legal Infrastructure** The presence of commercial, accounting and other legal services and institutions that allow or promote the emergence of small, new and growing business entities.
7	**Entry Regulations** There are two sub-divisions – market dynamics, i.e. the extent to which markets change dramatically from year to year; and market openness, i.e. the extent to which new firms are free to enter existing markets.
8	**Physical Infrastructure** Ease of access to available physical resources – communication, utilities, transportation, land or space – at a price that does not discriminate against new, small or growing firms.
9	**Cultural and Social Norms** The extent to which existing social and cultural norms encourage, or do not discourage, individual actions that might lead to new ways of conducting business or economic activities which might, in turn, lead to greater dispersion in personal wealth and income

For the Entrepreneurship Institution Profile of Thailand, the two participating ASEAN countries, Malaysia and Singapore, and the average of the Asia-Pacific & South Asia region, are illustrated in Figures 30 and 31. The results are split into two figures to facilitate visualization: EFCs related to public institutional issues, and those related to market-social institutional issues.

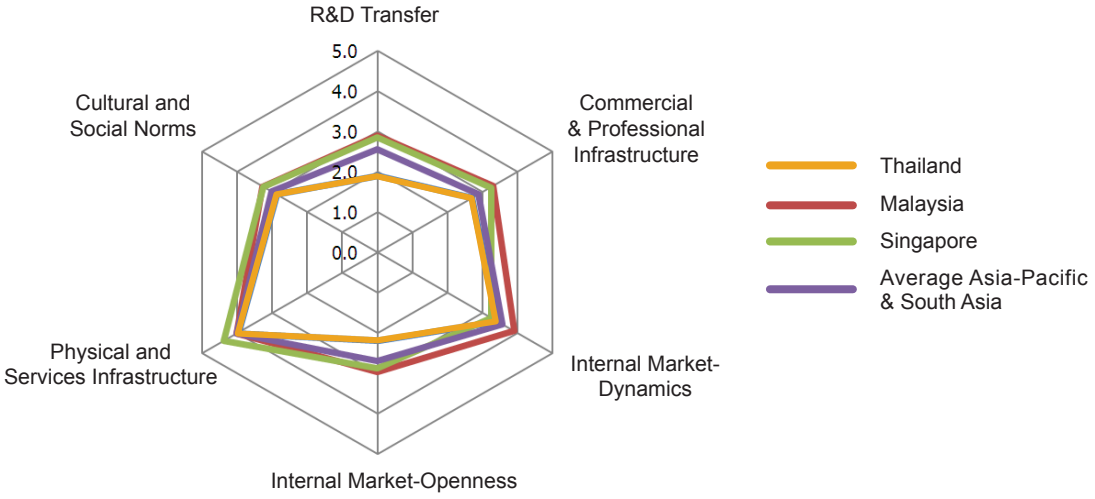
Thailand scores average with the Asia-Pacific & South Asia region both in Finance & Entrepreneurship (2.8 out of 5.0), and in Physical & Services Infrastructure (4.0 out of 5.0). In all other profiles, Thailand lags behind Malaysia and Singapore as well as behind the average of the Asian region benchmark.

Figure 30: Entrepreneurship Institution Profile, 2012 (1/2)



Source: GEM 2012 Thailand National Expert Survey.

Figure 31: Entrepreneurship Institution Profile, 2012 (2/2)



Source: GEM 2012 Thailand National Expert Survey.

Note: Values of group-level indicators of economic development are based on averaging the Z-scores (standardized values)

Using a more detailed view in Table 10 on those framework conditions that were valued most positive or most negative within the countries of the Asia-Pacific & South Asia region, Thailand reveals most positive conditions for internal market dynamics, physical infrastructure as for cultural and social norms. Most negative conditions were evaluated for education (primary and secondary), R&D transfer and internal market openness.

Table 10: Entrepreneurial Framework Conditions Valued Most Positive (+) and Most Negative (-), Asia-Pacific & South Asia 2012

SCALE: FROM (–) TO (+) 1 2 3 4 5	Finance	National Policy-General Policy	National Policy-Regulation	Government Program	Education-Primary and Secondary	Education-Post-School	R&D Transfer	Commercial Infrastructure	Internal Market-Dynamics	Internal Market-Openness	Physical Infrastructure	Cultural and Social Norms
China	-			-	-				+		+	+
India			-		-		-		+		+	+
Japan	-		-		-				+	+	+	
Korea	-	+			-				+	-	+	
Malaysia	+		-		-		-		+		+	
Pakistan		-		-	-			+	+		+	
Singapore			+	+	-		-			-	+	
Taiwan		-			-		-		+		+	+
Thailand					-		-		+	-	+	+

Source: GEM 2012 Thailand and Global National Expert Survey.

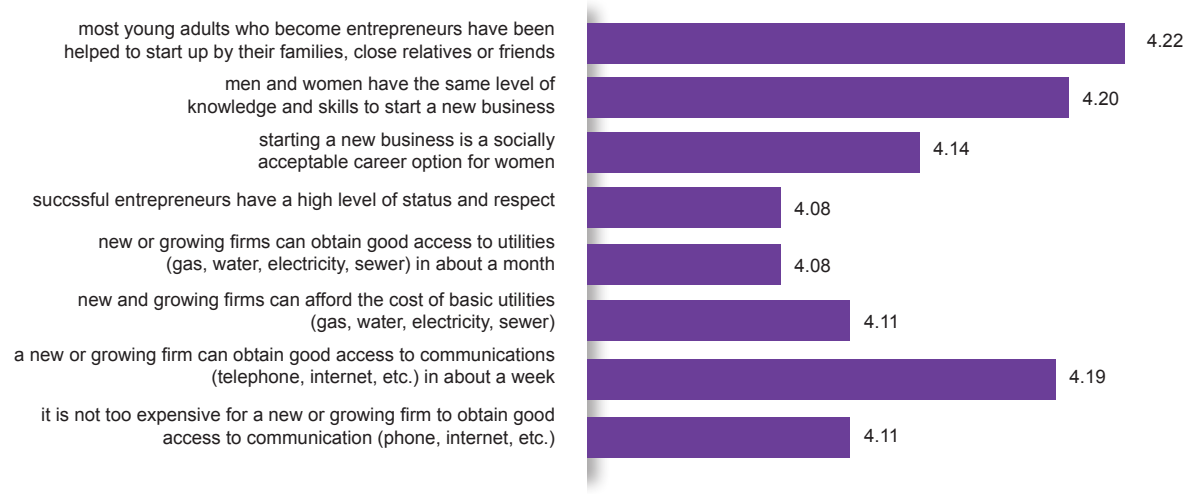
Each of the nine entrepreneurial framework conditions consists of several statements. The experts assessed the national conditions by responding to these statements on a Likert scale from "completely false (1)" to "completely true (5)". The results in Table 10 are combined conditions out of several individual questions. From the scale 1 to 5, the most positive sub-conditions were those which scored between 4 and 5, shown as plus (+), the most negative scored between 1 and 2, shown as minus (-).

Analyzing the framework conditions broken down to the individual sub-conditions, the picture of conditions which have positive or negative impact on the entrepreneurial framework becomes clearer. Figure 32 shows the most positive conditions for Thailand: young adults who become entrepreneurs have been helped to start up mostly by their families, close relatives or friends (4.22); men and women have the same level of knowledge and skills to start up (4.20), and good and fast access to communications in terms of phone and internet (4.19).

Most negative perceptions (Figure 33) were "the sales of goods protected through intellectual property rights", which were prevalent to a big extent (1.64), followed by "new companies cannot afford the latest technology" (1.72), and "teaching in primary and secondary education is not directed towards entrepreneurship and venture creation" (1.77).

Figure 32: Most Positive National Sub-Conditions (Scores Above 4) Influencing Entrepreneurial Activity in Thailand, 2012

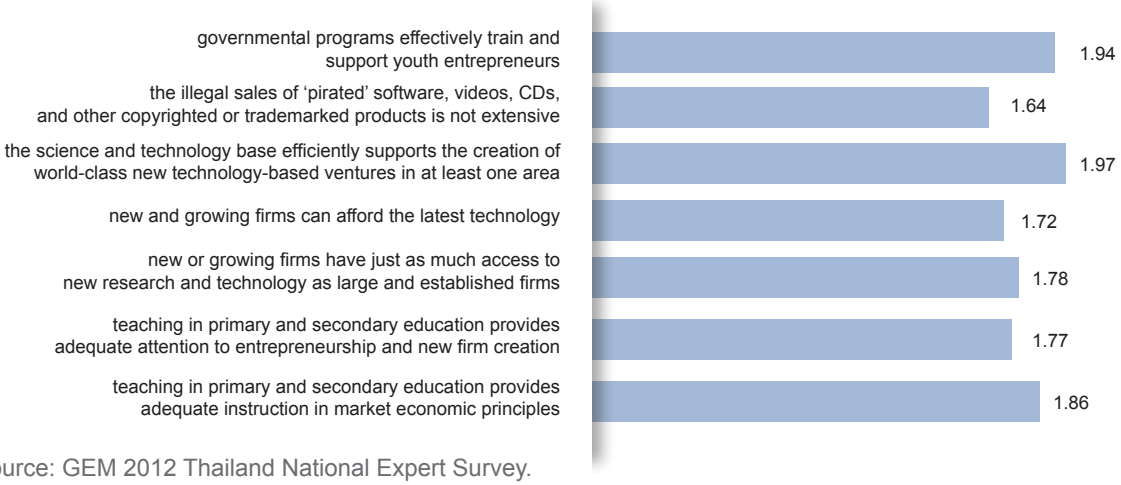
Scale of scores from 1 to 5, where 1 = completely false and 5 = completely true



Source: GEM 2012 Thailand National Expert Survey.

Figure 33: Most Negative National Conditions (Scores Below 2) Influencing Entrepreneurial Activity in Thailand, 2012

Scale of scores from 1 to 5, where 1 = completely false and 5 = completely true

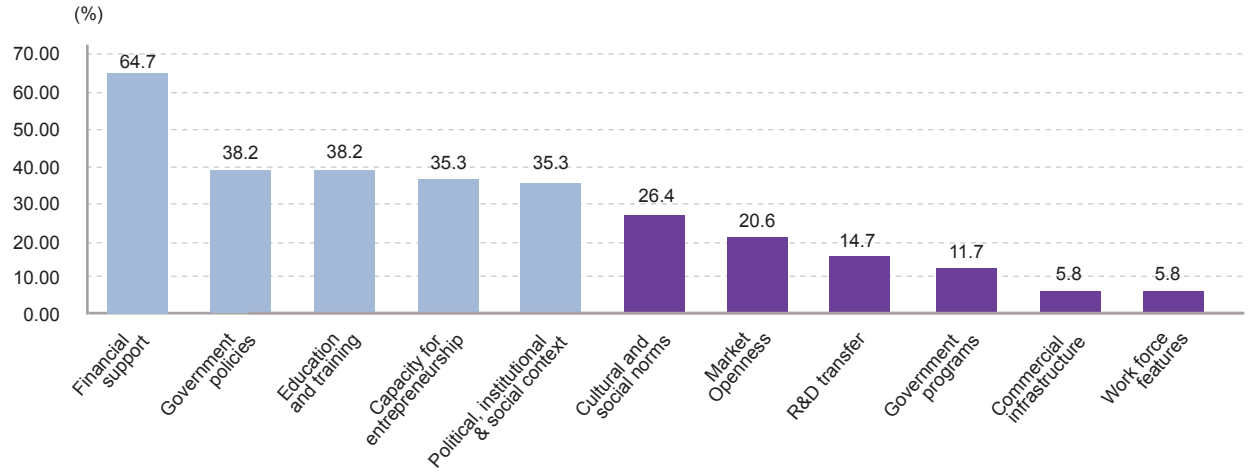


Source: GEM 2012 Thailand National Expert Survey.

5.2. Thailand's Constraining Factors

Despite many positive results regarding venture creation and entrepreneurship in Thailand, there are factors deterring many prospective new ventures as well, quoted as "constraining factors" in Figure 34. Similar to the results in 2011, lack of financial support is the most constraining factor, cited by 64.7% of the national experts, up from 52% in the previous year. The top five constraining factors cited by the Thai NES sample were 1) financial support (64.7%), 2) government policies and education & training (each 38.2%), and 3) capacity for entrepreneurship together with political, institutional & social context (each 35.3%). Compared to 2011, some factors seem to have improved. These are mainly government policies with 38.2% (2011: 46%) and capacity for entrepreneurship with 35.3% (2011: 40%). On the other hand, education & training which in 2011 was ranked No.5 constraining factor with 28%, in 2012 is perceived as No.2 constraining factor (together with government policies) with 38.2%.

Figure 34: Factors Constraining Entrepreneurship, from NES Data in Thailand, 2012



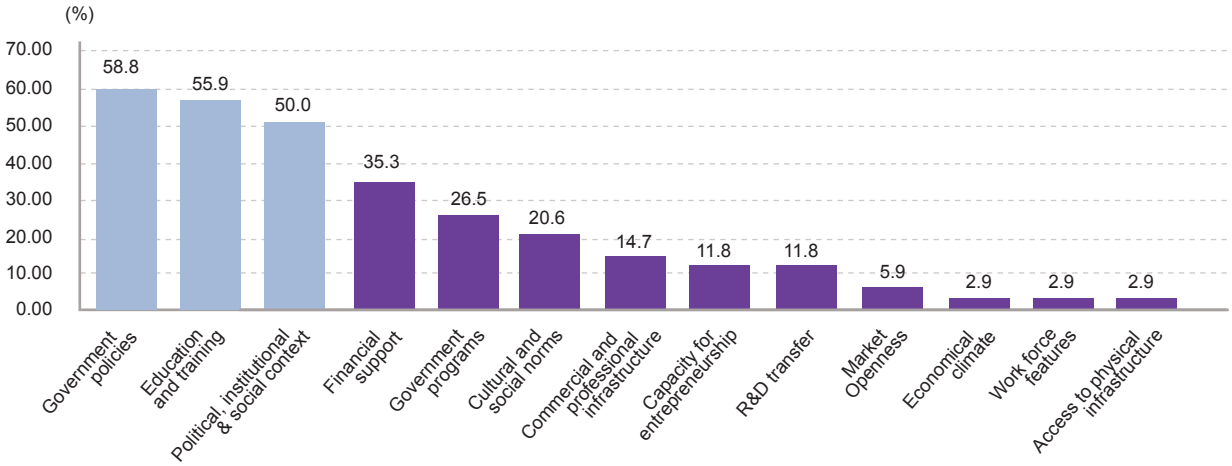
Source: GEM 2012 Thailand National Expert Survey.

Regarding financial support, cited constraining factors included lack of funding and support for new and start-up businesses as well as for SMEs; lack of medium to longer term funding; banks as the only accessible financial resource; getting funds is too complicated; interest rates are too high and a general lack of good funding sources in times of financial problems. Where education was concerned, experts mentioned the low quality education of schools, especially vocational schools; inadequate studies in university; universities lack of practical teaching and entrepreneurship concept in Thai education; the educational system itself and the negative attitude by teachers towards students' creativity and leadership. Capacity for entrepreneurship can be seen as a more specific part of education & training and was cited to have lack of innovation and creativity, lack of capabilities and knowledge to start-up, lack of the proper knowledge of the different business phases: starting, managing and growth.

5.3. Thailand's Recommendation Factors

Following the most prevalent constraining factors, it could be implied that recommendations from the NES survey also revolved around those issues. As portrayed in Figure 35, aspects such as government policies and education and training were widely cited as recommendation factors. The top three recommendation factors, each named by more than 50% of the NES sample, are 1) government policies (58.8%), 2) education and training (55.9%) and 3) political, institutional and social context (50%). Financial support (35.3%) and government programs (26.5%) follow as 4) and 5) respectively. Compared to 2011, the emphasis on the recommendations for the first three factors shows that either constraining pressures are increasing or the picture of the particular areas that need improvement for entrepreneurship in Thailand is getting clearer. Government policies in 2011 were No.2 recommendation factor with 46% (2012: 58.8%), and education and training ranked similarly high as in 2011 with 57 percent (2012: 55.9%).

Figure 35 : Factors Recommended for Entrepreneurship, from NES Data in Thailand, 2012



Source: GEM 2012 Thailand National Expert Survey.

The 2012 Thai NES recommendations for government policies emphasize implementing English as the second official language, keeping ASEAN Economic Community (AEC) on schedule, focusing on morale and being serious about good policies, encouraging SME entrepreneurs to use more technology in business and supporting R&D for businesses. Past government policies and programs are not perceived to be pertinent to the entrepreneurs' needs. The interviews with the experts from NES in 2012 confirmed the findings in 2011 that active programs responded better to large-scale or established businesses' needs than to the majority of the Thai businesses: the micro, small and medium-sized units.

The field of education and training needs significant improvement and probably an educational reform to enhance entrepreneurial capabilities of the Thai society in general, especially with regard to the AEC. The NES responses regarding teaching method and content cited that education should start at an early level in primary schools and continue up to high-school level, including teaching subjects like creativity and innovation, risk-taking and proactive personal initiatives. Besides improving English-language skills, training should include mechanisms to manage continuous improvement and learning among entrepreneurs and stakeholders. To build a large Thai entrepreneurial network is seen as a positive step towards entrepreneurship capacity, which was also found to be under-represented in the entrepreneurial activities of Thai entrepreneurs in the APS.

Regarding financial support, general funding problems need to be solved. Recommendations are that government and institutions provide more and accessible funding for start-ups, SMEs and for growing businesses. Existing government policies and lack of governmental support are seen as a constraining factor in financing businesses, especially for start-ups. Another suggestion from NES data towards political, institutional and social context is directed to the solving of corruption problems by creating a transparent government sector and the commercializing of intellectual property rights (IPR), by enforcing IPR legislation efficiently. The improvement of laws and regulations for small business survival were stated to be as essential as overall government stability.

6. Conclusions and Implications

The GEM Thailand Report 2012 highlights the nature of entrepreneurship in Thailand and entrepreneurial dynamics as compared to other economies around the world. This report summarizes the role of entrepreneurial attitudes as well as societal national attitudes as important indicators of potential entrepreneurs and support for this activity.

Entrepreneurial Attitudes and Entrepreneurial Activity

The data from the 2012 Adult Population Survey revealed that Thailand's total early-stage entrepreneurs rate was 18.9% and established business ownership rate was 29.7% of the Thai sample. The TEA is comprised of nascent and new-business ownership (owner-manager firms). Thailand's TEA rate was highest within the regional context of Asia-Pacific & South Asia countries. Thailand's established business ownership of nearly 30% was among the highest of the participating countries in the 2012 GEM survey, but also was No.1 within the Asia-Pacific & South Asia region. Venture creation in Thailand resulted from the perception of opportunities rather than out of necessity. In addition, NES data positively highlighted internal market dynamics and physical infrastructure in Thailand. APS data showed which entrepreneurial considerations were taken into account when businesses exited or ceased to operate in Thailand: not because these exits were planned in advance, but mainly due to problems of obtaining finance and unprofitability of the business. These two reasons were the main reasons around the globe as shown in comparison with other economies in the 2012 GEM survey.

The most noticeable feature in entrepreneurial activity was a higher participation of female than male entrepreneurs in TEA rates, both in business start-ups and new businesses, as well as in established ones. Thai men and women could equally get involved in entrepreneurial activities because gender is not an obstacle for entrepreneurial activities and education in Thailand. More than 70% of the female entrepreneurs accounted for sole proprietors. Growth aspirations and job growth expectations of both male and female Thai entrepreneurs were low.

The majority of Thai entrepreneurs were concentrated in the service sector such as retail, hotels and restaurants for both TEA and established business ownership. The sector structure of the country not only depicts the country's nature of entrepreneurship, but also reflects the country's types of economic activities and stage of development. Business services generally are more prevalent in innovation-driven economies and are under-represented in the current Thai business sectors. They will need to grow alongside with the use of knowledge and innovation in businesses. Regarding innovation factors, the 2012 survey found that Thai entrepreneurs were rather walking on well-known paths than using innovative ways. For Thailand to move forward in the stage of development, the country needs to make better use of knowledge and innovation. Education and training initiatives should address these aspects to increase entrepreneurial activity in business services and prepare Thailand to move towards an innovation-driven economy.

Framework Conditions for Entrepreneurship

The analysis of framework conditions provided insights to the viewpoints of experts about fostering conditions for entrepreneurship in Thailand. On the other hand, these experts also cited constraining factors which deterred Thai entrepreneurs in starting and operating businesses. They suggested recommendation factors which could help to enhance entrepreneurial activity. Financial constraints, which are also the main reason for exiting a business, were a major concern in starting and operating businesses in Thailand. Education and training from primary to high-school level were largely rated as poor and being in need of improvement.

Government policies should focus more on supporting entrepreneurship in the political, the institutional and the social context: improving education and training, facilitating finance for entrepreneurs, especially for SMEs and start-ups, and supporting R&D transfer to foster innovation in business activities and economic development. This reveals demand for building entrepreneurship programs in schools and universities, providing incubation centers to support start-ups and existing businesses, as well as promoting such programs outside of schools or universities.

Since the pressures on these subjects seem to have increased since 2011 it would be positive not to maintain the existing pattern of entrepreneurial support, but rather to provide development in these aspects. These challenges, unless resolved, could weaken Thailand's capacity to develop and support entrepreneurs, and might also negate some positive initiatives which are taking-place today. Stimulating entrepreneurship and supporting it appropriately will need adjustment of policies and programs in the aspects mentioned before. It might be of value to go into the merits of other countries' policies when studying and discussing what might work in Thailand (and what might not). The entrepreneurship profile in Thailand however, would ameliorate in any case and Thailand as an economy would progress into the direction of an innovation-driven economy.

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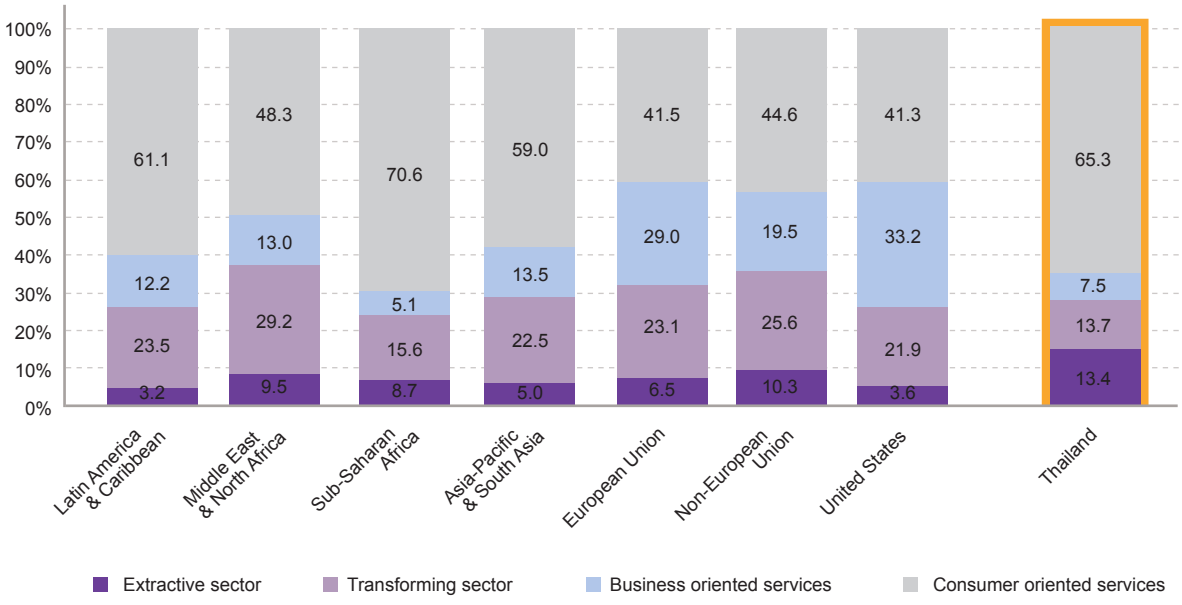
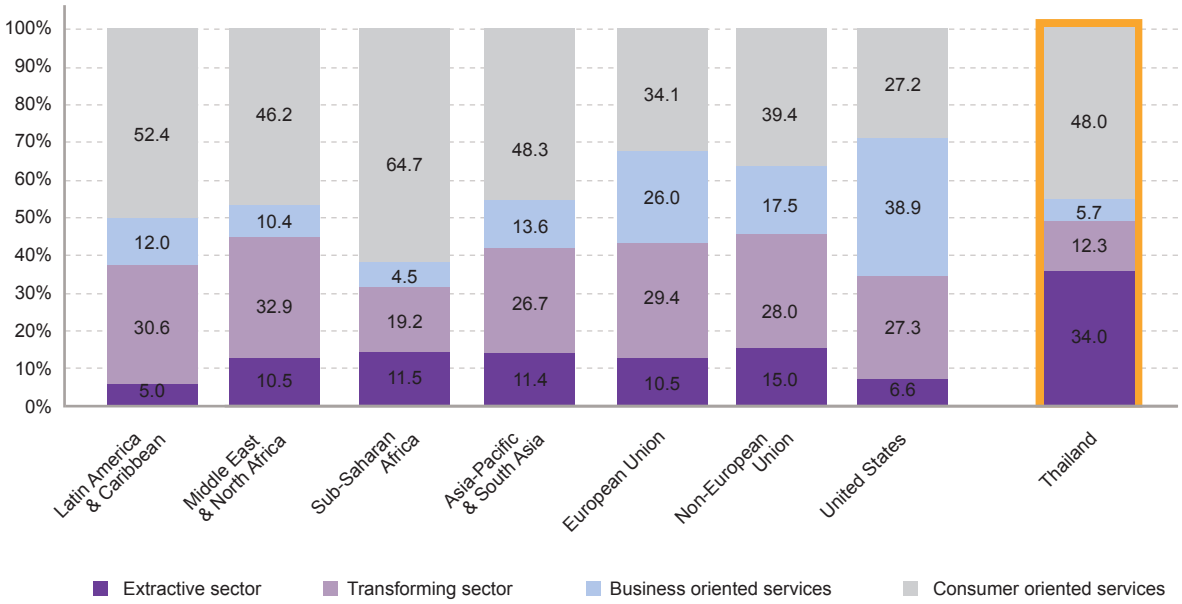
Appendix 1: Sector Participation – International Comparison

Appendix 1 Figure 1: Sector Participation, by Geographic Region in Comparison to Thailand, 2012
Percentage of Respondents within TEA



Source: GEM 2012 Thailand and Global Adult Population Survey.

Appendix 1 Figure 2: Sector Participation, by Geographic Region in Comparison to Thailand, 2012
Percentage of Respondents within EST



Source: GEM 2012 Thailand and Global Adult Population Survey.

Appendix 2: Tables and Figures of GEM Data

Appendix 2 Table 1: Entrepreneurial Attitudes and Perceptions in the 69 GEM Countries in 2012, by Geographic Region

Country	Perceived opportunities	Perceived capabilities	Fear of failure (for those seeing opportunities)	Entrepreneurial intentions among non-entrepreneurs	Entrepreneurship as a good career choice	High status to successful entrepreneur	Media attention for entrepreneurship
LATIN AMERICA & CARIBBEAN							
Argentina	50.08	63.46	27.02	29.20	74.23	66.87	63.41
Barbados	47.01	69.86	17.27	22.99	-	-	-
Brazil	52.40	53.94	31.05	36.47	89.04	86.04	86.17
Chile	64.91	59.91	27.99	43.12	69.74	67.78	65.84
Colombia	71.80	56.57	32.04	56.66	89.22	75.49	68.75
Costa Rica	47.14	63.26	35.26	33.35	71.72	71.79	79.04
Ecuador	58.55	72.10	32.85	51.04	88.11	84.14	78.78
El Salvador	42.74	58.51	41.72	39.84	72.86	71.90	61.83
Mexico	44.99	62.34	25.66	18.39	56.00	54.14	38.10
Panama	38.48	43.34	16.67	12.05	-	-	-
Peru	56.99	65.47	30.36	45.06	77.25	73.00	75.52
Trinidad & Tobago	59.23	76.06	16.65	37.48	77.93	75.67	63.79
Uruguay	51.03	57.81	27.18	19.90	60.82	59.12	50.82
Average (unweighted)	**52.72**	**61.74**	**27.83**	**34.27**	**75.17**	**71.45**	**66.55**
MIDDLE EAST & NORTH AFRICA							
Algeria	45.67	54.10	35.44	21.27	78.94	81.03	47.01
Egypt	53.72	58.66	32.96	42.28	83.01	87.22	63.71
Iran	39.17	54.15	41.42	22.77	60.19	72.97	61.04
Israel	30.62	29.31	46.76	12.81	59.47	72.39	47.44
Palestine	46.14	59.37	40.19	35.61	84.56	80.43	70.92
Tunisia	32.55	62.18	14.88	21.58	87.90	93.92	47.57
Average (unweighted)	**41.31**	**52.96**	**35.27**	**26.06**	**75.68**	**81.33**	**56.28**
SUB-SAHARAN AFRICA							
Angola	66.17	72.05	37.94	69.61	-	-	-
Botswana	66.70	70.59	24.79	71.94	76.12	73.30	79.43
Ethiopia	64.89	69.10	32.66	23.84	76.20	91.85	72.88
Ghana	79.29	86.26	18.23	60.36	84.02	91.31	82.09
Malawi	74.29	84.53	1237	70.26	-	-	-
Namibia	75.22	74.00	35.15	45.07	73.47	75.78	81.89
Nigeria	82.19	87.93	20.96	44.30	81.69	76.01	78.14
South Africa	35.47	39.50	30.56	11.95	74.15	73.99	72.89
Uganda	80.69	87.69	15.25	79.08	-	-	-
Zambia	77.87	83.75	16.68	55.29	67.25	78.67	71.64
Average (unweighted)	**70.28**	**75.54**	**24.46**	**53.17**	**76.13**	**80.13**	**76.99**

Country	Perceived opportunities	Perceived capabilities	Fear of failure (for those seeing opportunities)	Entrepreneurial intentions among non-entrepreneurs	Entrepreneurship as a good career choice	High status to successful entrepreneur	Media attention for entrepreneurship
ASIA-PACIFIC & SOUTH ASIA							
China	32.24	37.60	35.82	20.39	71.67	76.13	79.82
Japan	6.37	9.00	53.13	2.49	29.67	54.79	52.87
Korea	12.52	26.93	43.01	12.98	59.37	69.59	68.06
Malaysia	35.69	30.82	36.34	13.34	45.59	50.88	62.48
Pakistan	46.48	48.74	31.24	24.51	66.44	67.94	50.75
Singapore	22.51	26.58	41.63	16.08	50.25	62.52	76.72
Taiwan	38.55	26.38	37.60	25.49	70.36	62.85	82.54
Thailand	44.61	45.97	50.06	18.98	75.67	79.12	84.07
Average (unweighted)	**29.87**	**31.50**	**41.10**	**16.78**	**58.63**	**65.48**	**69.66**
EUROPEAN UNION							
Austria	49.21	49.61	35.96	8.57	46.42	75.82	
Belgium	33.29	37.11	40.83	9.06	62.27	57.38	53.82
Denmark	44.41	31.02	39.26	6.64	-	-	-
Estonia	45.24	43.19	34.49	16.38	54.77	62.54	41.46
Finland	55.33	34.32	36.52	7.73	45.11	83.38	68.37
France	37.52	35.66	42.84	17.29	64.54	76.82	41.08
Germany	36.16	37.09	41.91	6.01	48.92	76.40	49.01
Greece	12.95	50.00	61.29	9.51	64.36	68.30	33.05
Hungary	10.95	39.83	34.28	12.96	41.49	74.02	29.30
Ireland	25.55	45.16	35.37	5.43	45.41	81.41	61.45
Italy	19.80	29.97	57.68	10.76	66.68	69.74	51.33
Latvia	33.05	43.56	36.74	21.85	59.66	53.33	53.30
Lithuania	29.99	39.83	35.78	17.98	63.12	52.88	37.29
Netherlands	34.40	42.30	30.45	8.63	79.33	65.15	58.33
Poland	20.42	53.89	43.45	21.57	67.93	57.08	56.27
Portugal	16.19	46.80	42.30	14.37	-	-	-
Romania	36.73	38.34	40.87	27.02	71.15	73.58	55.24
Slovakia	17.84	49.73	38.32	11.83	50.27	74.40	59.43
Slovenia	19.62	51.32	27.28	13.25	52.73	71.08	51.08
Spain	13.90	50.38	41.76	11.13	63.64	63.71	47.26
Sweden	66.48	36.99	32.61	10.96	-	-	-
United Kingdom	32.82	47.13	36.01	9.52	49.79	76.69	46.98
Average (unweighted)	**31.45**	**42.42**	**39.36**	**12.66**	**57.77**	**69.14**	**49.67**
NON-EUROPEAN UNION							
Bosnia and Herzegovina	19.57	49.11	26.94	21.94	80.85	72.30	39.43
Croatia	17.15	44.06	36.04	19.26	64.18	41.73	39.72
Macedonia	30.79	55.11	39.43	27.74	69.59	66.73	64.09
Norway	64.43	34.37	39.37	4.91	50.37	79.53	59.30
Russia	20.08	23.50	46.51	2.23	59.84	63.07	44.65
Switzerland	35.67	37.34	32.29	7.26	44.20	63.46	57.35
Turkey	39.88	49.44	30.38	14.72	67.07	76.14	57.46
Average (unweighted)	**32.51**	**41.85**	**35.85**	**14.01**	**62.30**	**66.14**	**51.71**
UNITED STATES							
United States	43.49	55.88	32.32	12.53	-	-	-

Source: GEM 2012 Global Report

Appendix 2 Table 2: Entrepreneurial Activity in the 69 GEM Countries in 2012, by Geographic Region
Source: GEM 2012 Global Report

Country	Nascent entrepreneur-ship rate	New business ownership rate	Early-stage entrepreneurial activity (TEA)	Established business ownership rate	Discontinuation of businesses	Necessity-driven (% of TEA)	Improvement-driven opportunity (% of TEA)
LATIN AMERICA & CARIBBEAN							
Argentina	11.79	7.30	18.88	9.63	4.92	34.54	46.61
Barbados	9.98	7.23	17.12	12.23	2.87	12.42	62.68
Brazil	4.48	11.30	15.44	15.19	4.51	30.13	58.83
Chile	14.68	8.43	22.58	7.77	4.97	17.40	68.87
Colombia	13.58	6.86	20.11	6.72	6.74	12.42	47.83
Costa Rica	10.00	5.34	15.04	3.33	3.49	20.20	47.88
Ecuador	16.72	11.68	26.61	18.92	7.59	35.83	30.21
El Salvador	7.69	7.79	15.26	9.39	7.83	35.24	39.22
Mexico	7.94	4.28	12.11	4.67	4.31	13.44	51.82
Panama	7.21	2.69	9.46	1.86	1.82	19.49	56.76
Peru	14.67	6.22	20.21	5.10	6.75	23.42	53.13
Trinidad & Tobago	8.76	6.52	14.96	7.19	4.50	15.09	59.88
Uruguay	10.18	4.71	14.63	4.97	4.99	18.38	39.85
Average (unweighted)	**10.59**	**6.95**	**17.11**	**8.23**	**5.02**	**22.15**	**51.04**
MIDDLE EAST & NORTH AFRICA							
Algeria	1.62	7.25	8.75	3.32	6.93	29.96	47.42
Egypt	3.10	4.87	7.82	4.15	5.28	33.58	22.90
Iran	4.47	6.48	10.79	9.53	5.05	41.96	36.20
Israel	3.50	3.03	6.53	3.78	4.04	19.17	46.13
Palestine	6.22	3.81	9.84	2.98	7.73	41.91	26.58
Tunisia	2.38	2.48	4.78	4.37	3.98	35.47	42.29
Average (unweighted)	**3.55**	**4.65**	**8.09**	**4.69**	**5.50**	**33.67**	**36.92**
SUB-SAHARAN AFRICA							
Angola	14.89	18.88	32.39	9.06	25.86	23.75	38.26
Botswana	17.04	12.24	27.66	6.33	16.26	33.41	47.97
Ethiopia	5.70	9.25	14.73	10.20	3.40	20.35	69.22
Ghana	15.42	22.78	36.52	37.74	16.24	27.56	50.97
Malawi	18.45	20.39	35.56	10.80	28.91	41.92	42.87
Namibia	11.30	7.00	18.15	3.17	11.59	37.25	36.79
Nigeria	21.77	14.19	35.04	15.67	8.31	34.54	53.22
South Africa	4.30	3.08	7.32	2.32	5.03	31.67	39.74
Uganda	9.58	27.56	35.76	31.25	25.92	46.00	42.11
Zambia	27.50	14.57	41.46	3.84	20.23	32.00	46.24
Average (unweighted)	**14.59**	**14.99**	**28.46**	**13.04**	**16.17**	**32.85**	**46.74**

Country	Nascent entrepreneur-ship rate	New business ownership rate	Early-stage entrepreneurial activity (TEA)	Established business ownership rate	Discontinuation of businesses	Necessity-driven (% of TEA)	Improvement-driven opportunity (% of TEA)
ASIA-PACIFIC & SOUTH ASIA							
China	5.45	7.43	12.83	12.45	3.73	36.88	39.37
Japan	2.26	1.72	3.99	6.11	1.12	20.72	66.41
Korea	2.56	4.08	6.64	9.57	3.17	34.89	46.17
Malaysia	2.79	4.20	6.99	6.96	1.62	13.32	60.70
Pakistan	8.29	3.42	11.57	3.78	2.53	52.95	23.56
Singapore	7.60	4.18	11.56	3.10	3.88	14.77	54.45
Taiwan	3.33	4.21	7.54	10.38	5.67	17.93	42.60
Thailand	8.74	11.32	18.94	29.69	2.78	16.69	67.40
Average (unweighted)	**5.13**	**5.07**	**10.01**	**10.25**	**3.06**	**26.02**	**50.08**
EUROPEAN UNION							
Austria	6.58	3.42	9.58	7.61	3.56	10.81	38.20
Belgium	3.32	1.95	5.20	5.12	2.39	17.91	61.56
Denmark	3.07	2.36	5.36	3.45	1.34	8.24	70.65
Estonia	9.46	5.09	14.26	7.24	3.96	18.22	49.10
Finland	3.45	2.68	5.98	8.04	1.99	17.10	59.88
France	3.74	1.54	5.17	3.23	1.96	18.14	58.94
Germany	3.51	2.15	5.34	4.95	1.91	21.68	50.74
Greece	3.82	2.84	6.51	12.27	4.43	29.94	32.11
Hungary	5.83	3.59	9.22	8.10	3.77	31.13	35.27
Ireland	3.91	2.28	6.15	8.32	1.74	28.14	40.52
Italy	2.47	1.92	4.32	3.32	2.43	15.74	22.30
Latvia	8.71	4.82	13.39	7.93	3.39	25.26	46.02
Lithuania	3.15	3.64	6.69	8.24	2.20	24.63	51.49
Netherlands	4.08	6.26	10.31	9.49	2.17	8.44	66.35
Poland	4.83	4.55	9.36	5.81	3.89	40.71	30.13
Portugal	4.26	3.63	7.67	6.23	2.98	17.86	53.08
Romania	5.51	3.83	9.22	3.91	3.81	24.19	37.70
Slovakia	6.65	3.91	10.22	6.38	4.69	35.57	42.88
Slovenia	2.95	2.53	5.42	5.79	1.62	7.36	64.02
Spain	3.35	2.45	5.70	8.74	2.11	25.59	32.51
Sweden	4.59	1.85	6.44	5.25	1.86	6.84	48.59
United Kingdom	5.30	3.74	8.98	6.16	1.69	18.30	42.61
Average (unweighted)	**4.66**	**3.23**	**7.75**	**6.62**	**2.72**	**20.54**	**47.03**
NON-EUROPEAN UNION							
Bosnia and Herzegovina	4.51	3.35	7.78	6.00	7.19	58.33	20.14
Croatia	6.38	1.89	8.27	3.06	4.24	34.23	35.68
Macedonia	3.73	3.25	6.97	6.73	3.86	51.95	28.73
Norway	3.70	3.15	6.75	5.75	1.45	7.41	69.63
Russia	2.65	1.80	4.34	2.05	1.00	36.40	31.40
Switzerland	2.90	3.03	5.93	8.44	2.02	18.08	57.46
Turkey	7.25	5.36	12.22	8.68	5.24	30.88	54.57
Average (unweighted)	**4.45**	**3.12**	**7.47**	**5.82**	**3.57**	**33.90**	**42.51**
UNITED STATES							
United States	8.86	4.08	12.84	8.56	4.49	21.35	59.45

Source: GEM 2012 Global Report

Appendix 3: Definitions of Main Measures

Entrepreneurial Attitudes and Perceptions	
Perceived Opportunities	Percentage of 18 - 64 age group who see good opportunities to start a firm in the area where they live
Perceived Capabilities	Percentage of 18 - 64 age group who believe to have the required skills and knowledge to start a business
Entrepreneurial Intention	Percentage of 18 - 64 age group (individuals involved in any stage of entrepreneurial activity excluded) who intend to start a business within three years
Fear of Failure Rate	Percentage of 18 - 64 age group with positive perceived opportunities who indicate that fear of failure would prevent them from setting up a business
Belief: Entrepreneurship as desirable career choice	Percentage of 18 - 64 age group who agree with the statement that in their country, most people consider starting a business as a desirable career choice
Belief: High Status Successful Entrepreneurship	Percentage of 18 - 64 age group who agree with the statement that in their country, successful entrepreneurs receive high status
Belief: Media Attention for Entrepreneurship	Percentage of 18 - 64 age group who agree with the statement that in their country, they will often see stories in the public media about successful new businesses
Entrepreneurial Activity	
Nascent Entrepreneurship Rate	Percentage of 18 - 64 age group who are currently nascent entrepreneurs, 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
New Business Ownership Rate	Percentage of 18 - 64 age group who are currently an owner-manager of a new business, i.e., owning and managing 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
Total Early-Stage Entrepreneurial Activity (TEA)	Percentage of 18 - 64 age group who are either nascent entrepreneurs or owner-managers of a new business (as defined above)
Established Business Ownership Rate	Percentage of 18 - 64 population who are currently owner-managers 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
Necessity-Driven Entrepreneurial Activity: Relative Prevalence	Percentage of those involved in TEA (as defined above) who are involved in entrepreneurship because they had no other option for work
Improvement-Driven Opportunity Entrepreneurial Activity: Relative Prevalence	Percentage of those involved in total early-stage entrepreneurial activity (as defined above) who (i) claim to be driven by opportunity, as opposed to finding no other option for work; and (ii) who indicate the main driver for being involved in this opportunity is being independent or increasing their income, rather than just maintaining their income
Entrepreneurial Aspirations	
Growth Expectation Early-Stage Entrepreneurial Activity: Relative Prevalence	Percentage of 18 - 64 age groups who are either nascent entrepreneurs or owner-managers of a new business (as defined above) AND expect to employ at least five employees five years from now.
New Product / Innovation Oriented Early-Stage Entrepreneurial Activity: Relative Prevalence	Percentage of total early-stage entrepreneurs (as defined above) who indicate that their product or service is new to at least some customers.
International Orientation Early-Stage Entrepreneurial Activity	Percentage of total early-stage entrepreneurs (as defined above) who indicate that at least 25% of their customers come from other countries.

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