With an Indicator benchmark of 4.44 (out of 10), entrepreneurs globally have a slightly negative viewpoint about the effectiveness to foster entrepreneurship in their countries and regions. This is a slight decrease from the May 2010 Indicator.

Currently, the majority of entrepreneurs are much more optimistic about the economic environment.

Another highly important factor to entrepreneurs in their country's or region's effectiveness in fostering entrepreneurship is the economic environment (average of 7.3 out of 10). Despite the slight decrease in attitude in starting businesses, entrepreneurs globally appear much more optimistic toward the economic environment, with just more than one-half (52%) believing their country's economic climate will improve in the coming quarter, compared to just more than one-third (34%) in the previous Indicator. This decrease could be due to entrepreneurs' sentiment in investing in their country lags behind their opinion about the economic climate.

However, access to credit remains difficult and entrepreneurs are unsure what to expect from the world credit markets.

Just more than half of entrepreneurs globally (51%) find accessing capital from banks is difficult, compared to just more than one-third (39%) who found it easier. Nearly half of entrepreneurs globally (49%) believe that interest rates will decrease in the coming quarter, but half (50%) predict that access to lines of credit in their country will become more difficult in the coming quarter.

Most entrepreneurs continue to feel current government programs, regulation, and taxation do not foster entrepreneurship effectively in their country.

Similar to the 61% in the May 2010 Indicator, globally, well more than half of entrepreneurs (59%) believe that government programs supporting entrepreneurship do not help foster the development of entrepreneurship in their country. Just 14% of respondents said it is not very effective at all. Just more than half of entrepreneurs globally (55%) believe that regulation is not effective in fostering entrepreneurship, and 1 in 10 (11%) believe it is not effective at all. Continuing the trend, just more than half (53%) of entrepreneurs believe tax policy is not effective in fostering entrepreneurship, and 1 in 10 (10%) believe it is not effective at all.
Entrepreneurs are influenced most by advice from their peers and the condition of the economic environment.

On a scale of one to 10, entrepreneurs globally believe that the most important factors which influence entrepreneurial growth are advice from other entrepreneurs (7.3), the economic environment (7.3) and financial support (7.0). Tax policy (6.9), regulation (6.9) and access to physical infrastructure (6.8) were also rated highly factors that influence entrepreneurial development.

Entrepreneurs rate education and training, and research and development as more effective in fostering entrepreneurship than in the previous Indicator.

Entrepreneurs' opinions have improved about the contribution of entrepreneurship education and training. Globally, just less than a half of entrepreneurs (49%) believe that entrepreneurship education and training is effective in fostering the development of entrepreneurship in their country.

By comparison, the previous survey found almost two-thirds of entrepreneurs (62%) believed it was either poorly incorporated or not present in the education system at all levels. The current Indicator survey also found that 44% of entrepreneurs believed that national investments in research and development were effective in fostering entrepreneurship in their country. That benchmark has more than doubled as compared with the previous Indicator figure of 21%.

Entrepreneurs are now less likely to start a business in their own country, but a clear majority would still do so.

The majority of entrepreneurs globally (68%) would start a business in their own country. However, this benchmark is a decrease from the May 2010 Indicator, where the vast majority (86%) would start a business in their own country.

The proportion of entrepreneurs recommending a foreign entrepreneur to start a business in their country rated also notably more negative from 77% in the last Indicator, to just 69% in this Indicator. Just less than one-quarter (23%) of entrepreneurs globally would recommend starting a business in their country. This Indicator benchmark is potentially significant due to the emphasis entrepreneurs put on the advice of other entrepreneurs.

Entrepreneurs believe access to physical infrastructure remains in good standing, but fewer respondents believe they have excellent access, as compared to the previous Indicator.

Almost two-thirds of entrepreneurs globally (62%) believe that they have good levels of access to physical infrastructure, such as communications and transportation which helps foster and support entrepreneurship in their country. However, only 17% of entrepreneurs gave the highest scores of 9 or 10 (on a scale of 1-10), compared with just 29% of entrepreneurs in the previous survey. Nevertheless, more than half (58%) rated their access to physical infrastructure as at least “good.”

Entrepreneurs take financial advice from a variety of sources.

Entrepreneurs do not just rely on other entrepreneurs for advice. They get financial advice from partners and businesses associates (81%), an accountant or tax advisor (79%) and friends and family (62%).
About the Research

This report is part of the Global Economic Indicator research program conducted by the Entrepreneurs' Organization in partnership with The Standard Chartered Private Bank. This research program began in May of 2010 and consists of a five-year series of quarterly surveys of Entrepreneurs' Organization members. The full report and findings are available at: http://www.entrepreneurindicator.com/.

The significance and uniqueness of this global research program lies in the very tight definition of a successful entrepreneur represented by the Entrepreneurs’ Organization’s membership base. All those surveyed have successfully founded a business grossing more than US$1 million in revenue annually. Overall, EO members average US$18.4 million in revenue per year. Between them, these entrepreneurs employ more than 1.3 million workers, with an average of 191 employees per entrepreneur. The average age of the entrepreneurs surveyed is 40. This group is generally very difficult to gain access to and poll. However, the Entrepreneurs’ Organization holds a member base fitting these criteria that are captive to the organization, providing the ability to gain an entree to this highly important sample of the successful entrepreneur population.

This initial research surveyed more than 7,300 entrepreneurs in 42 countries from the Entrepreneurs Organization, achieving a response rate of 20% based on a minimum reach of 7,300.

Global Entrepreneur Indicator: Entrepreneurial Efficacy

The Entrepreneurial Efficacy Indicator measures entrepreneurs’ views on a country’s effectiveness in fostering entrepreneurship. Five versions of the Global Entrepreneur Indicator: Entrepreneurial Efficacy have been produced: including the Global Indicator and reports for the United States, Australia, Canada and the Asia region.

Detailed Interim Research and Regional reports will appear at http://www.entrepreneurindicator.com/.

At the time of writing, and although similar in some measures and approaches to the GEM index, the Global Entrepreneur Indicator for Entrepreneurial Efficacy is the first of its kind globally, which measures successful entrepreneurs’ views on the ability of countries and regions to foster entrepreneurship.

Methodology

Survey

The survey incorporates elements of cited measures for understanding the view of entrepreneurs on the effectiveness of countries and regions to foster entrepreneurship. Many of the measures have been drawn from the GEM index as described in the research report literature scan. The litmus test for the choice of key indicators for the purposes of this research is that they are measurable in a single question to reduce survey size and increase response rates.

There are 10 categories measured in the Entrepreneurial Efficacy Indicator:

- Advice and experience of other entrepreneurs
- Government programs supporting entrepreneurship
- Entrepreneurship education and training
- Research and development transfer
- Access to physical infrastructure
- Economic environment
- Financial support
- Government policies
- Inflation
- Currency
Some additional questions, which are not used in the calculation of the Indicator, have also been included in the survey for other insights into topical areas of interest from time to time. These, as well as data from Indicator questions, may be used in the Entrepreneurial Performance Indicator or other Entrepreneurs’ Organization Indicators.

The Indicator is calculated as the category score, or averaged upper end and neutral percentages divided by 10, which are then averaged across all category scores with equal weighting to give the final Indicator benchmark out of 10.

Limitations

- Not all respondents may have received the email.
- Over 50% surveyed were based in the U.S., however they only represented 38% of respondents thereby reducing the impact of this limitation.
- The EMEA and Asia regional Indicators have a small response rate relative to their size. These reports can perhaps be used in the context of the longitudinal data as a benchmark made richer over time.
- 42.5% of responses for the EMEA Region Indicator were from the Netherlands.
- There may be anomalies in the membership data, such as an owner or major shareholder rather than founder may be included in respondents or other anomalies.
- There may be anomalies caused by technology in the process from data extraction, to survey delivery, to responses, to first stage analysis. While noted as a limitation, this is for probity as these are estimated to be minimal.
- Per the statistics below, most of the membership base is categorized as founder or cofounder, however, more founders and cofounders could be included in the owner and major shareholder categories. Members in these additional categories could potentially be categorized as entrepreneurs, dependent on the nature of intent to innovate or innovation.

<table>
<thead>
<tr>
<th>Role</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Founder or Co-Founder</td>
<td>53%</td>
</tr>
<tr>
<td>Owner</td>
<td>34%</td>
</tr>
<tr>
<td>Controlling Shareholder</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
</tbody>
</table>

Response Rates Summary

<table>
<thead>
<tr>
<th>Region</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia/Pacific</td>
<td>237</td>
</tr>
<tr>
<td>Canada</td>
<td>118</td>
</tr>
<tr>
<td>Europe/Africa/Middle East</td>
<td>85</td>
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<tr>
<td>Latin America/Caribbean</td>
<td>55</td>
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<tr>
<td>United States</td>
<td>712</td>
</tr>
<tr>
<td>Global Total</td>
<td>1207</td>
</tr>
</tbody>
</table>

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