

Global research shows Australia's entrepreneurs are forging a creative, competitive economy

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An international study involving 54 countries has found that Australia has higher business start-up rates than any other developed country except the USA.

The research, compiled by the QUT [Australian Centre for Entrepreneurship Research](#) (ACE) in partnership with the Global Entrepreneurship Monitor (GEM) indicates that last year (2011) more than 10 per cent of the Australian adult population was involved in setting up or owning a newly-founded business.

ACE and Queensland University of Technology Business School (QUT) Associate Professor Paul Steffens said approximately 1.48 million Australians were currently early-stage entrepreneurs.

"This paints a healthy picture of Australia's economy, particularly when you consider that four out of five new businesses are starting because their founders identify opportunities and pursue them, and only a small number set up business because of job loss or out of other necessity," he said.

"In this sense Australia is even outperforming the US at the moment where necessity driven entrepreneurship has soared with fewer alternatives available for employment.

"Opportunity driven entrepreneurs create jobs, they drive and shape innovation, are catalysts for economic growth and increase national competitiveness."

Professor Steffens said Australia had a high proportion of female entrepreneurs, with women accounting for 40 per cent or approximately 590,000 early-stage entrepreneurs.

"This equates to 8.4 per cent of the Australian female [adult population](#)," he said.

He said the international study found Australian entrepreneurs were highly innovative with 31 per cent of new business owners indicating they offered products or services they considered to be either new to the market or faced little competition.

Professor Steffens said the research indicated Australians were more confident about their ability to start and run a business than would-be entrepreneurs in most other developed countries.

"Around 50 per cent of Australian adults believe they can identify opportunities for start-ups and 12 per cent of [Australians](#) not currently involved in entrepreneurial activity intend to start a new business within the next three years," he said.

He said Australia appeared to have largely recovered from the Global Financial Crisis in terms of early-stage entrepreneurial activity, especially in comparison to countries like the US and this was important because entrepreneurs created jobs.

"Approximately 33 per cent or 580,000 early stage entrepreneurs expect to create five new jobs in the next five years and 11 per cent or 170,000 expect to create 20 or more new jobs over the same timeframe," he said.

"These jobs will primarily be consumer-oriented (such as retail) or in business services as between them these industries comprise 65 per cent of new entrepreneurial activity."

He said while 31 per cent of established and new businesses closed over 2011 this was the average for developed economies and shouldn't necessarily be interpreted as failure.

"Many businesses close due to successful business exits or are a result of their owners finding better or alternate opportunities and other studies conducted by ACE have identified that Australia has very few closures that could be considered disastrous."

Professor Steffens said this positive picture of Australian entrepreneurial activity could be put down at least in part to the nation's strong [business](#) and institutional environment.

"Compared with other innovation-driven economies, Australia scores high in entrepreneurship education, cultural support for entrepreneurship and internal market openness."

In 2011 GEM conducted 140,000 interviews with adults aged between 18 and 64 in 54 economies. The Australian Centre for Entrepreneurship Research (ACE) participated as the Australian GEM partner, surveying 2000 Australian adults.

To view the report Global [Entrepreneurship](#) Monitor, National Entrepreneurial Assessment for Australia go to is.gd/SWMtU6

Provided by Queensland University of Technology

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