

# US top in the world for entrepreneurship, researchers find

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The USA is the most entrepreneurial economy in the world, according to the 2014 Global Entrepreneurship and Development Index (GEDI). The GEDI index combines data on entrepreneurial activities and aspirations with data describing how well the country supports entrepreneurial activity in the US and 119 other countries across the world.

The USA came top, followed by Canada and Australia in second and third place, respectively.

The researchers found that the USA is a world leader when it comes to financing new businesses through venture capital. This type of financial capital is provided to early-stage, high-potential and riskier start-up companies. This enables many new businesses to develop.

The study was carried out by researchers from Imperial College Business School in association with the London School of Economics and Political Science, University of Pécs and George Mason University.

Professor Erkkö Autio, of Imperial College Business School and a co-author of the study, added: "To understand the true impact of [entrepreneurship](#) in the economy, you have to go from bean counting to looking at the country's entrepreneurship ecosystem as a whole. The US excels because it is strong in so many areas that matter. Entrepreneurship plays a crucial role in the US economy and as result policy initiatives are created to encourage entrepreneurial behaviour. This, coupled with the culture of determination and motivation, makes the US a great place to be an entrepreneur."

Professor Zoltan Acs, co-author of the study from George Mason University and the London School of Economics and Political Science, said:

"While the United States has faltered on the Index of Economic freedom and some other measures it has continued to outperform all other countries on entrepreneurship. And the gulf between the United States and other countries is large and appears to be widening and not narrowing. What explains this is an eco system that is both deep and wide at the same time."

This year's Index compared the experience of male and female entrepreneurs for the first time, to reflect the increasing participation and importance of women in entrepreneurship around the world.

The researchers determined that the US is a world leader also for female entrepreneurship. They suggest that targeted government policies are making it easier for women to start up their own businesses. For example, the US Government launched the Women's Entrepreneurship in the Americas policy in 2012 to encourage more women to set up their own businesses. This leverages public-private partnership to help women overcome barriers to entrepreneurship such as access to training, networks and finance.

In other areas, the US scores strongest, ranking first overall, for producing innovative products and services that are not currently offered by other businesses. This testifies of the potential of entrepreneurship to discover new sources of growth in the US economy.

The US also ranked first for the quality of human resources flowing to entrepreneurship. Whereas in many countries, the brightest students choose safe employment, the best and brightest in the US are more likely to choose an entrepreneurial career.

However, the US was weak in terms of networking, ranking fourteenth overall. Using data from the International Telecommunication Union, the team found that the US has a lower rate of internet users than the UK and France.

The researchers suggest that the relatively high cost of broadband in the US is preventing some aspiring entrepreneurs from fully taking advantage of opportunities and resources over the internet.

The authors suggest that GEDI could be used by US Government

policymakers to identify remaining bottlenecks that hold back US entrepreneurial performance and develop targeted policies to enhance the quality of the entrepreneurial dynamic of the US economy.

**More information:** 2014 GEDI Results:  
[www.thegedi.org/research/gedi-index/](http://www.thegedi.org/research/gedi-index/)

Provided by Imperial College London

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