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University of Maribor Press

Entrepreneurship for Sustainable Future

GEM Slovenia 2023

Executive Summary

Authors:

Karin Širec
Polona Tominc
Katja Crnogaj
Matej Rus

Barbara Bradač Hojnik





University of Maribor

Faculty of Economics and Business

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Series: Globalni podjetniški monitor Slovenija / Global Entrepreneurship Monitor Slovenia

ISSN: 3023-9877 (online) 3023-9869 (print)

Series editors: Karin Širec (University of Maribor, Faculty of Economics and Business)
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Grafic material: Sources are own unless otherwise noted. Ivona Huđek (tables and graphs design), Širec, Tominc, Crnogaj, Rus, Bradač Hojnik (authors), 2024

Design and layout: Nebia, d.o.o.

Cover graphics: iStock.com, 2024

Publisher: University of Maribor, University Press, Slomškovo trg 15, 2000 Maribor, Slovenia
<https://press.um.si>, zalozba@um.si

Issued by: University of Maribor, Faculty of Economics and Business, Razlagova ulica 14, 2000 Maribor, Slovenia,
<https://www.epf.um.si>, epf@mb.si

Edition: 1st

Publication type: E-book

Dostopno na: <https://press.um.si/index.php/ump/catalog/book/866>

Published: Maribor, May 2024

© University of Maribor, University Press / Univerza v Mariboru, Univerzitetna založba



Besedilo / Text © Širec, Tominc, Crnogaj, Rus, Bradač Hojnik (authors), 2024

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Whilst this work is based on data collected by the GEM consortium, responsibility for analysis and interpretation of those data is the sole responsibility of the authors. Global Entrepreneurship Monitor Slovenia is funded by the SPIRIT Slovenia – Public Agency for Entrepreneurship, Internationalization, Foreign Investments and Technology, and Ministry of the Economy, Tourism and Sport. The authors also acknowledge the financial support from the Slovenian Research Agency (research core funding No. P5 0023)

CIP - Kataložni zapis o publikaciji

Univerzitetna knjižnica Maribor

334.7(075.8)

ŠIREC, Karin

Entrepreneurship for Sustainable Future [Elektronski vir] : GEM Slovenia 2023, Executive Summary / Karin Širec ... [et al.]. - 1st ed. - E-knjiga. - Maribor : University of Maribor, University Press, 2024. - (Series Globalni podjetniški monitor Slovenija/ Global Entrepreneurship Monitor Slovenia, ISSN 3023-9877, ISSN 3023-9869)

Način dostopa (URL): <https://press.um.si/index.php/ump/catalog/book/866>

ISBN 978-961-286-849-9

doi: 10.18690/um.epf.4.2024

COBISS.SI-ID 194894339

ISBN: 978-961-286-849-9 (pdf)

DOI: <https://doi.org/10.18690/um.epf.4.2024>

Price: Free copy

For publisher: Prof. Dr. Zdravko Kačič, Rector of University of Maribor

Citiranje: Širec, K., Tominc, P., Crnogaj, K., Rus, M., Bradač Hojnik, B. (2024). *Entrepreneurship for Sustainable Future: GEM Slovenia 2023, Executive Summary*. University of Maribor, University Press. doi: 10.18690/um.epf.4.2024

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Key Messages for Policy Makers from the Authors of the GEM Slovenia 2023 National Report



Prof. Karin Širec, PhD.

GEM Team Leader Slovenia

"In Slovenia, we have identified a number of significant trends that are likely to impact the entrepreneurial ecosystem in 2023. Although the level of early-stage entrepreneurial activity was below the European average, there was notable advancement in the stability and growth of established businesses. This underscores the necessity to implement targeted support measures that would stimulate the formation of new companies and, at the same time, facilitate the growth and innovation of existing ones. It is evident that tailored mentoring, education and funding programs will play a pivotal role in this regard. Furthermore, it is important to emphasize the significance of diversity and inclusion, as well as adaptability to rapidly changing market demands, which contribute to greater competitiveness and sustainable growth. A commitment to development based on innovation and global best practices will be pivotal to fortifying the Slovenian business environment."



Prof. Polona Tominc, PhD.

"The perception of entrepreneurship as a positive career choice is significantly more favorable in Slovenia than in the European average. This is evidenced by the high level of respect accorded to successful entrepreneurs and the positive media coverage of entrepreneurship. Despite the high proportion of the population who feel empowered to be entrepreneurs and the low proportion of those who are afraid of entrepreneurial failure, the perception of business opportunities is lower than the international average. Further development of the education system, strengthening of entrepreneurial competences, promotion of innovation and strengthening of cross-sectoral cooperation are important activities for consolidating a positive entrepreneurial social climate."



Prof. Barbara Bradač Hojnik, PhD.

"The GEM Study for Slovenia in 2023 reveals a remarkable degree of motivation on the part of Slovenian entrepreneurs to create social changes and innovation in the world that goes beyond the global and European average. This orientation towards social responsibility and the simultaneous balance between ethical principles and financial goals reflects a distinctive entrepreneurial practice in Slovenia. Concurrently, it underscores the potential for sustainable growth and digital transformation, which continue to enhance the competitiveness and development of the Slovenian economy. It is therefore of the utmost importance to continue to provide support for entrepreneurship in a targeted manner, with a focus on socially responsible entrepreneurship, family business succession, the promotion of growth and employment, and the support of digital transformation."



Matej Rus, M.Sc.

"In Slovenia, the service sector remains a significant contributor to the economy, yet there is considerable potential for further growth and development. In particular, there is a need to strengthen the capacity of the sector in functions with high added value, such as research and development, sales, logistics and management. The opportunity is primarily represented by data-driven companies and activities that are designed to create value for the customer. In this context, it is recommended that policy makers accelerate support for innovation-driven companies with a focus on smart and green transformation, provide support mechanisms for the international expansion of companies and promote the integration of sustainability goals into business models. This will enable Slovenian companies to succeed not only in the domestic market, but also to take advantage of opportunities in international markets while contributing to the global Sustainable Development Goals."



Prof. Katja Crnogaj, PhD.

"As indicated by national experts, Slovenia is continuing to make gradual improvements to its business environment. One important step in this direction would be the centralization of government support, which would facilitate easier access to information and services for entrepreneurs. The encouragement of partnerships between the public and private sectors and the strengthening of the innovation ecosystem through increased investment in research and development point the way to a dynamic and competitive economy. In order to achieve this, it is essential to strike a balance between the three elements of the entrepreneurial ecosystem: a supportive legislative environment, comprehensive substantive support and easier access to finance for start-ups and SMEs. These guidelines demonstrate a commitment to creating more favorable conditions for entrepreneurship, thereby positioning Slovenia as an exemplar of best practice in the region."



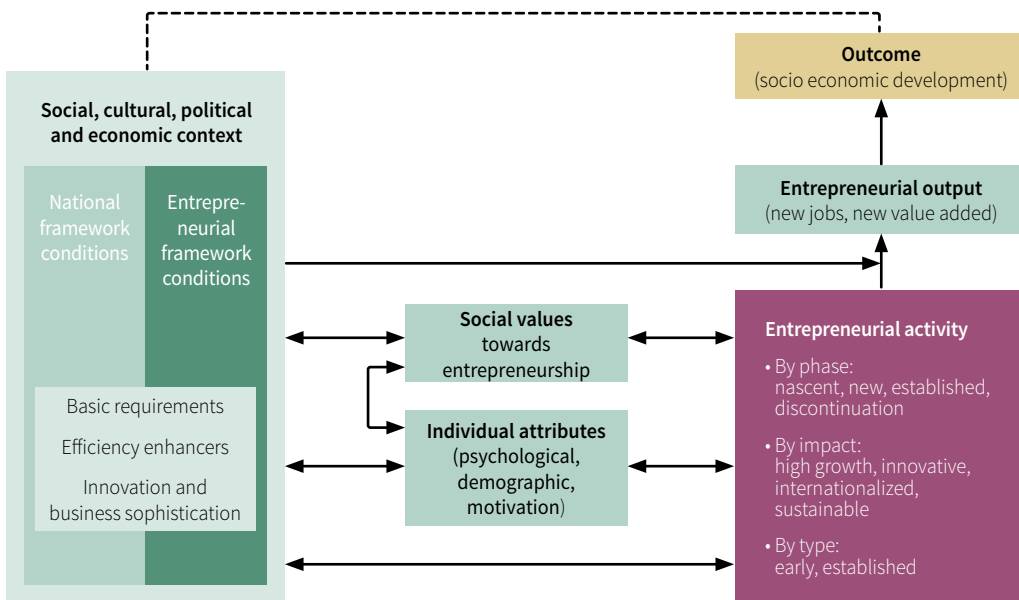
Executive summary

Monitoring entrepreneurship according to the GEM methodology

In a time of constant global change and challenges such as digital transformation, environmental issues and changing global economic conditions, entrepreneurship remains at the heart of economic vitality and social prosperity. Slovenian entrepreneurship, highlighted in the Global Entrepreneurship Monitor (GEM) for 2023, is testament to the resilience and dynamism of Slovenian entrepreneurs who strive to innovate, take advantage of new opportunities and contribute to sustainable and inclusive economic development. As the most comprehensive global survey on entrepreneurial dynamics, GEM has been providing invaluable data on entrepreneurial ecosystems around the world for a quarter of a century thanks to more than 170,000 annual interviews with entrepreneurs and professionals from different social classes and economic backgrounds. By collecting data from over 120 economies, GEM provides valuable longitudinal analysis that highlights the trends, successes and challenges of entrepreneurship at local and global levels.

Slovenia has been an active participant in the GEM survey since 2002, providing valuable insights into its entrepreneurial ecosystem every year. The country's reports reveal key trends, challenges, and opportunities that shape the entrepreneurial reality. The 2023 edition of GEM Slovenia continues this tradition and provides an analysis of the current state and dynamics of entrepreneurship in the country. The publication shows how entrepreneurs and companies have adapted to the changes in the global and local environment driven by technological progress, environmental demands and economic fluctuations. The GEM Slovenia 2023 report thus lays the foundation for understanding how Slovenia can harness its entrepreneurial potential and address existing obstacles in order to stimulate the further development of innovation and economic growth. As such, the report serves as an important source of information for policy makers, the academic community and business stakeholders who are looking for insight into the state and direction of Slovenia's entrepreneurship development.

Figure 1: The GEM conceptual framework



GEM 2023

GEM survey examines the social, cultural, political and economic context surrounding entrepreneurs and reflects how national and entrepreneurial conditions shape Slovenian entrepreneurship. From the culture of entrepreneurship that encourages or inhibits entrepreneurial ambitions to government policies that enable or hinder entrepreneurial ventures, GEM Slovenia 2023 explores the complex network of factors that influence entrepreneurial activity. With a thorough understanding of these dimensions, Slovenia can continue to develop its entrepreneurial ecosystem, foster innovation and support entrepreneurs on their path to success. The research represents a key source of knowledge and data for all those interested in the future of Slovenian entrepreneurship and underlines the importance of entrepreneurship as a driver of progress in uncertain times.

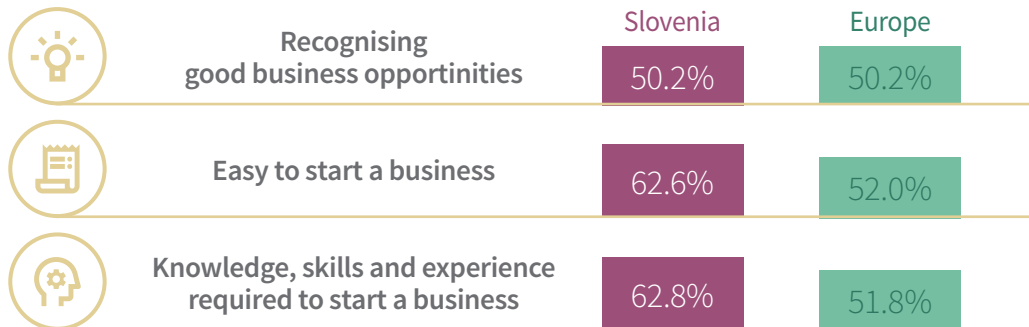
Perception of entrepreneurship in society

In terms of cultural and social norms that are positively oriented towards entrepreneurship, Slovenia is on average well above the European average of countries participating in the GEM. On average, the Slovenian adult population shows a higher positive perception of entrepreneurship as a desirable career (66.86%) than the European GEM countries (60.42%). The Slovenian population also shows a higher average level of respect for successful entrepreneurs in society (86.18%) and media support for their entrepreneurial activities (83.01%), both compared to the international average of GEM countries (74.84% and 69.34%) as well as the average of European GEM countries (69.40% and 63.89%).

The self-perception of entrepreneurial competences and opportunities for entrepreneurial activity is also expressed and encouraged in Slovenia. On average, the adult Slovenian population has a positive perception of entrepreneurial opportunities (50.23%), which is slightly

above the average of European countries (50.17%), but still lower than in the previous year and also lower than the average of all participating GEM countries (56.40%). At the same time, on average, a higher proportion of people believe that it is easy to start a business (62.63%), which is above both the European average (51.99%) and the average of all participating GEM countries (50.71%). Slovenia showcases a high percentage of its adult population (62.84%) confident in their entrepreneurship skills, knowledge, and experience, above the GEM average (60.94%) and European average (51.82%).

Figure 2: Self-perception of entrepreneurial competencies



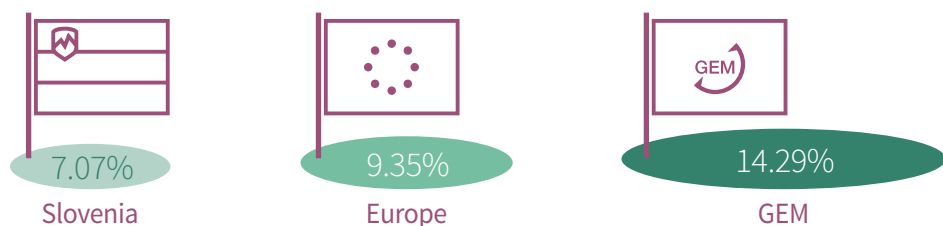
GEM Slovenia 2023, APS

Despite this, the fear of failure in Slovenia (44.23%) closely mirrors the international GEM average (44.63%) and European average (45.18%), suggesting a fear of failure rate that aligns with global and European norms, rather than being significantly lower."

Profile of entrepreneurs and success factors

We examine measures of entrepreneurial activity that are crucial for comprehending the dynamics and economic progress in Slovenia. Our focus is on the indicator of total early-stage entrepreneurial activity (TEA), which was 7.07% in 2023, placing Slovenia below the average of the group of GEM countries and European countries. This indicator, which includes both nascent and new entrepreneurs, reflects the lower involvement in the early stages of entrepreneurship and highlights the need for additional support for start-ups.

Figure 3: Total early-stage entrepreneurial activity

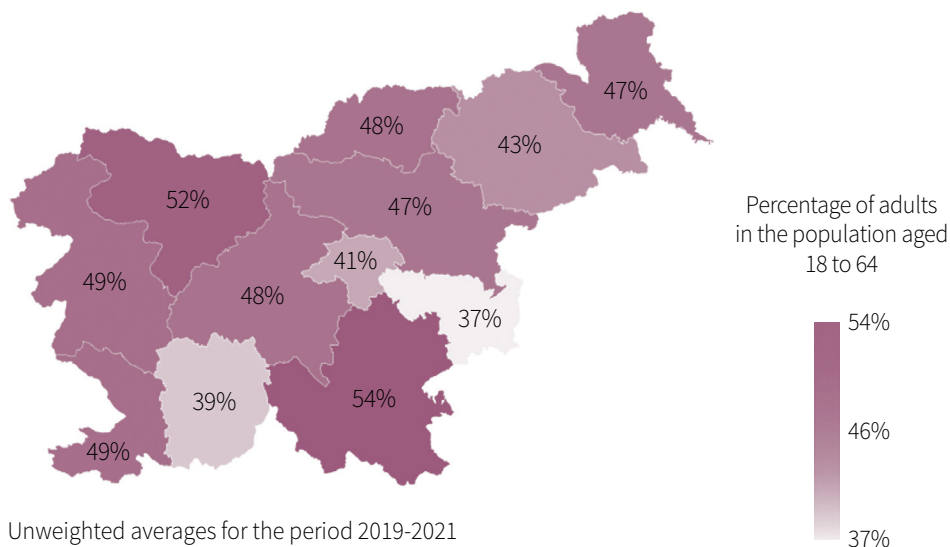


GEM Slovenia 2023, APS

Nevertheless, an increase in the proportion of established entrepreneurs to 8.84% in 2023 was observed, indicating greater stability and strength of businesses surviving the initial challenges. However, the increase in the exit rate to 3.54% points to the problems that lead to business closures and highlights the importance of understanding the reasons behind this dynamic.

The analysis of regional data shows significant diversity among the regions, reflecting different economic, social and geographical conditions. This highlights the necessity for targeted development approaches. Slovenia exhibits a moderately strong entrepreneurial dynamic compared to other European countries, indicating potential for further growth. This presents a twofold challenge for policymakers: encouraging the establishment of new businesses and strengthening support systems for existing, established companies. The development of targeted policies that address these different needs will be key to a successful entrepreneurial future in Slovenia, whereby the synergy between start-up and growth forming the foundation for strengthening the entrepreneurial ecosystem in the country.

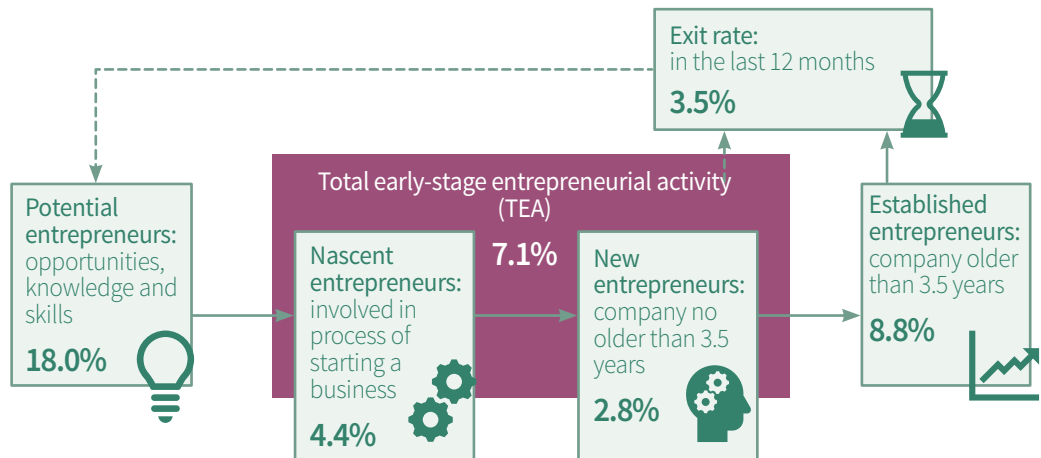
Figure 4: Regional differences in business opportunities perceptions in Slovenia



GEM ERR 2022/2023

The analysis of the entrepreneurial process in Slovenia shows that there were 18.01% potential entrepreneurs in 2023, which is an increase of one percent compared to the previous year and reflects a high preference for entrepreneurial activity. However, only 4.4% of nascent entrepreneurs were in the process of starting a business and 2.8% of new entrepreneurs had already started a business, highlighting the challenges faced by entrepreneurs on the journey from idea to market implementation. There were 8.84% established entrepreneurs, which represent companies that have achieved stability on the market and are older than 3.5 years. This segment is important for economic stability as it indicates the long-term sustainability of the companies. The exit rate from the entrepreneurial process was 3.54%. This metric is crucial for assessing entrepreneurial dynamism and the health of the national economy.

Figure 5: Indicators of the entrepreneurial process in Slovenia

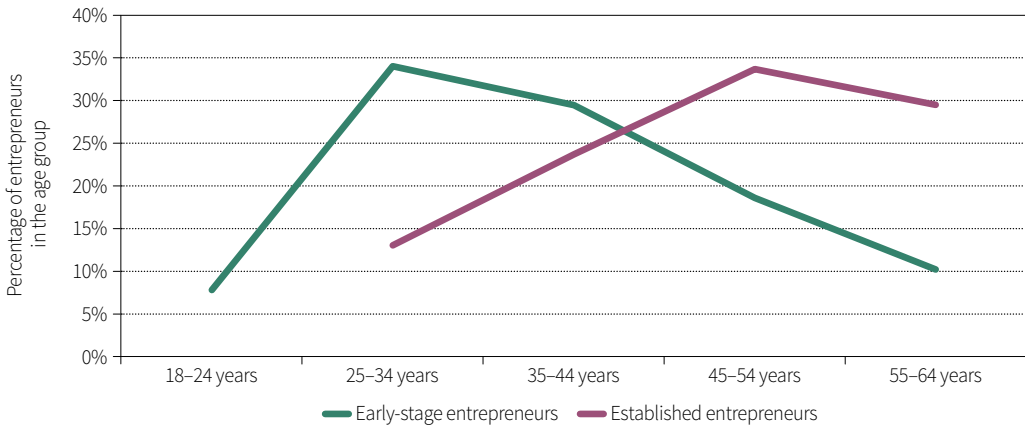


GEM Slovenia 2023, APS

The analysis of the exit from the entrepreneurial process reveals that the entrepreneur's decision to exit entrepreneurship is often the result of a complex interplay of personal, financial and market-related factors. Financial problems such as insufficient liquidity and excessive indebtedness, burnout due to the high demands of entrepreneurship and personal reasons such as family obligations or health problems are the main negative reasons for exiting. Positive reasons, on the other hand, include the opportunity to sell the company, retirement or seeking new professional challenges. In Slovenia, exit from entrepreneurship is often followed by positive reasons such as retirement (15.6%) and other work or business opportunities (18.4%), while financial reasons account for a smaller share (6.8%). This dynamic of exits is important for creating a healthy economic environment, as it reflects the normal cycle of entrepreneurial activity and contributes to the creation of policies to support entrepreneurship and innovation.

The distribution of entrepreneurial activity by age group shows that younger people, especially in the 18-24 age group, are less active and have a relatively low rate of early-stage entrepreneurial activity at 7.66%. This suggests that young people are still exploring their career and educational path before entering entrepreneurship. In contrast, the 25-34 age group is characterized by the highest rate of early-stage entrepreneurial activity at 34.14%, reflecting this generation's high entrepreneurial energy, innovation and willingness to take risks. Older generations, particularly those aged between 45 and 54, have a high level of established entrepreneurial activity at 33.81%, underlining their experience and stability in the entrepreneurial ecosystem. This demonstrates the important role that older entrepreneurs play in ensuring economic dynamism and stability by contributing their experience and resources to the success of businesses.

Figure 6: Entrepreneurial activity in Slovenia by age



GEM Slovenia 2023, APS

The data for Slovenia shows specific trends that reflect a high level of activity in the 25-34 age group, which exceeds both the global and European average. This trend highlights the potential of the Slovenian education system and the market opportunities that encourage entrepreneurship among the younger generations. Nevertheless, we face the challenge of lower entrepreneurial activity in the youngest group, which points to the need to continue strengthening incentives and support programs that would encourage and motivate young people to become entrepreneurs earlier.

In 2021, a remarkable increase in the share of female entrepreneurs to 43.9% was observed, which exceeded the average of GEM countries and European GEM countries. However, this trend decreased in the following two years, indicating possible structural challenges or external economic influences affecting women's entrepreneurial activity. Understanding the reasons for this fluctuation is key to designing effective support policies and programs to promote women's entrepreneurship. The increased entrepreneurial activity of women during the COVID-19 pandemic indicates their adaptability and ability to find new opportunities and the need to adapt existing business models. However, the further decline in 2022 and 2023 is a reminder that support strategies need to be long-term and resilient to various external shocks, such as post-pandemic conditions. A balanced gender ratio in entrepreneurship is not only crucial for social equality, but also for fostering diverse and innovative economic growth. Research shows that women-led businesses bring different perspectives and approaches that are beneficial to all sectors of the economy. In Slovenia, the share of female entrepreneurs among all entrepreneurs has fluctuated in recent years, highlighting the need for stable and targeted support measures for female entrepreneurs.

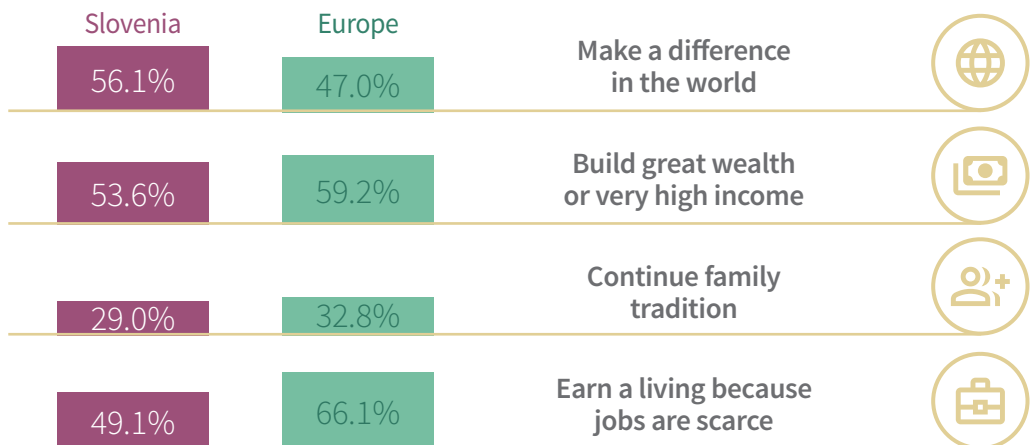
In the context of European countries, Slovenia shows a clear gender gap, with 4.97% of early-stage entrepreneurial activity by women and 9% by men, in line with the general trend of men dominating entrepreneurial activity over women. This ratio reflects the lower involvement of women in the early stages of entrepreneurial activity in Slovenia compared to the European average and indicates the existence of specific barriers for women in the entrepreneurial sector.

Research shows that education and income are key factors that strongly influence entrepreneurial activity and success. Higher education not only improves an individual's ability to identify entrepreneurial opportunities, but also enables them to better navigate the complexities of the business world. This is particularly important in the context of fostering innovation and business growth, where adequate skills and financial stability play a key role. In Slovenia, a high proportion of entrepreneurs with a college or university education can be observed among nascent and new entrepreneurs, more than among established entrepreneurs and much more than among non-entrepreneurs. This trend underlines the importance of higher education for entry into entrepreneurship. In the group of established entrepreneurs, a higher percentage of individuals with vocational school education was observed. This suggests the significance of practical knowledge and specific skills acquired through vocational training for the long-term survival of the business. An analysis of income classes shows that in the top third of income brackets, the share of nascent and new entrepreneurs has increased, indicating the success of entrepreneurial efforts or better access to capital and markets during this period. However, a decline in 2023 could indicate external economic challenges or market saturation, which may affect the income opportunities of entrepreneurs.

Motivations and goals for entrepreneurship

Motivation for entrepreneurship can be influenced by a variety of personal and professional factors. Among Slovenian early-stage entrepreneurs, 56.1% want to make a difference in the world through their work, which is higher than the average for all GEM countries (47%) and European GEM countries (42%). This result reflects the strong desire of Slovenian entrepreneurs to make a social impact and contribute to improvements in the community and society as a whole. In addition, 53.6% of Slovenian entrepreneurs cite wealth creation or generating high income as a motive, which is slightly less than the global GEM average (59.2%), but more than the average of European GEM countries (52.3%). Alongside social values, the financial motive is still almost as important as the social motive.

Figure 7: Motivation for entrepreneurship



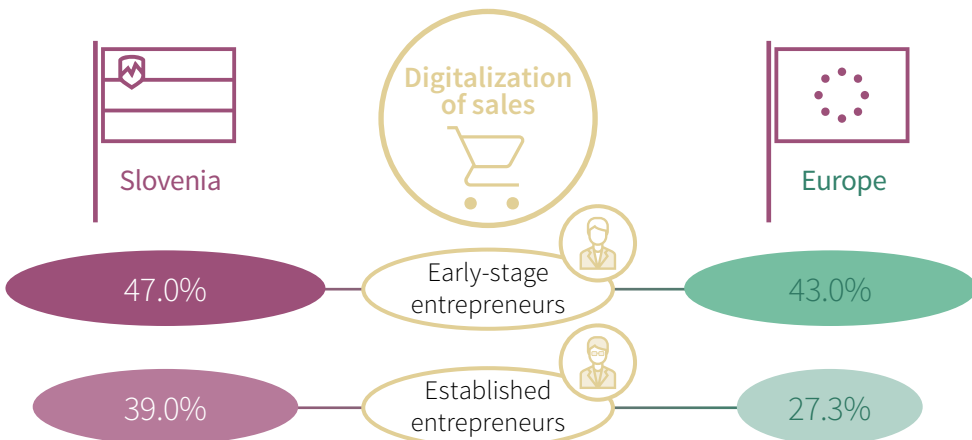
Almost half of entrepreneurs in Slovenia are motivated by survival or lack of suitable jobs (49.1%), which is lower than the average of all GEM countries (66.1%) and the average of European GEM countries (57.4%). This indicates that the economic conditions in Slovenia are relatively more favorable or that other forms of employment are more accessible compared to other regions. A significantly lower share of Slovenian entrepreneurs is motivated to continue the family tradition (29%), which is below the average for all GEM countries (32.8%) but above the European average (24.8%).

The results reveal a broad spectrum of motives that encourage Slovenian entrepreneurs to establish and develop companies. Despite global and European trends, Slovenian entrepreneurs stand out with their commitment to creating changes in the world and preserving family traditions, while at the same time maintaining a healthy balance between ethical principles and financial goals. This dynamic reflects the unique entrepreneurial culture in Slovenia, which combines social responsibility, innovation and entrepreneurship.

Entrepreneurs' aspirations for growth and digitalization plays a key role in driving innovation and shaping the future of the economy. Entrepreneurs with ideas and visions that go beyond traditional business models create new opportunities for development, with the expected employment as a result of these aspirations being a fundamental element for economic stability and growth. In Slovenia, 22.8% of early-stage entrepreneurs expect their company to employ more than five people in the next five years, which is slightly below the GEM country average (26.8%) and the European GEM average (24.6%). Less optimism regarding future growth in the number of employees in Slovenia could be due to local economic conditions, regulatory and bureaucratic barriers or limited access to the workforce.

Digital technologies represent a key component of the modern economy, as they enable companies to improve processes, increase efficiency and gain a competitive advantage. The digitization of sales, which includes the transition from traditional sales and marketing methods to digital platforms, enables companies to access a wider market and better understand consumer habits. In Slovenia, 47% of early-stage entrepreneurs plan to digitize their business processes, which is above the European GEM average (43%) and reflects the high level of readiness of Slovenian entrepreneurs to incorporate digital technologies into their business.

Figure 8: Digitization of Slovenian and European entrepreneurs



Just as Slovenian early-stage entrepreneurs, established entrepreneurs in Slovenia also show above-average digitalization intentions, with 39% of them planning to digitalize their sales, compared to the European GEM average (27.3%). Such a digitization trend among Slovenian entrepreneurs shows a general willingness and commitment to integrate new technologies into business processes, which is key to maintaining competitiveness and ensuring long-term growth in a rapidly changing global environment.

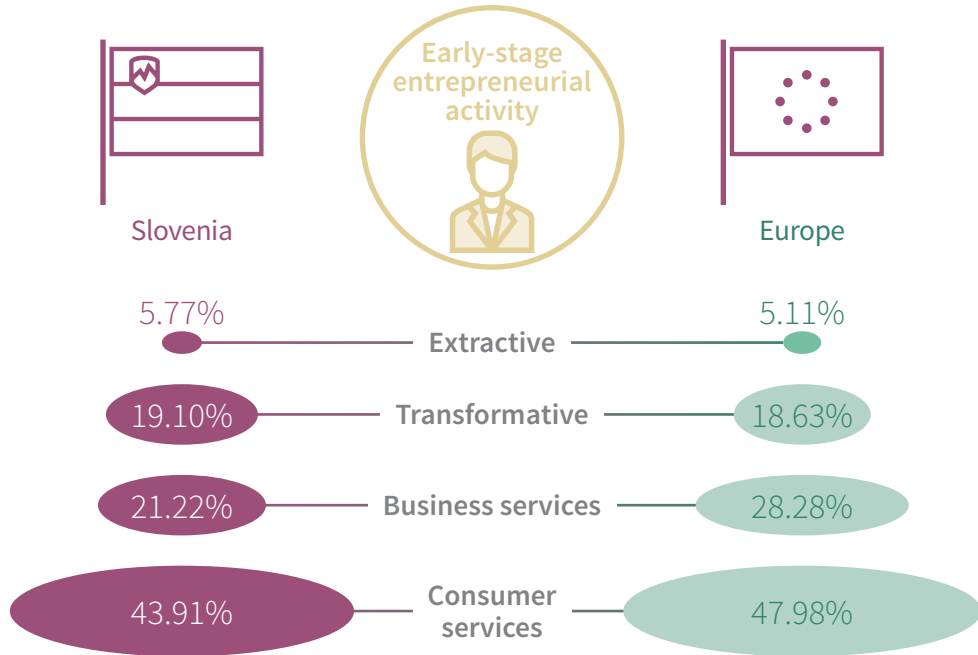
Innovation, internationalization and sustainable development

The choice of sector for a new business is critical not only for the founder but also for the company as a whole. The creation of new companies encourages the redirection of resources and labor to sectors with greater potential, which contributes to faster structural change. Companies that meet market needs with innovative products and services thrive, while those that cannot adapt to market demands fail. An entrepreneur's decision to enter a certain sector is based on a combination of personal inclinations, professional knowledge, experience, market conditions, economic situation and legal constraints. The GEM analysis reveals that Slovenia is dominated by the services sector, which is analyzed from the perspective of consumer and business services. Sectoral competition is particularly pronounced in niches with low barriers to entry; on the other hand, sectors that require special skills offer opportunities to develop a competitive advantage and higher added value. In Slovenia, as in the group of European GEM countries, consumer services dominate with a share of 44% in Slovenia and 48% in the European average, followed by business services with 31% in Slovenia and 28% in the European average. In Slovenia, there is still room for strengthening the services sector, with the key to overcoming the production focus being that our companies must continue to strive to strengthen high value-added functions, such as research and development, sales, logistics and management. Special emphasis is placed on the importance of transitioning from traditional business models to models that focus on data and the creation of added value for the customer, which represents a key step towards greater competitiveness and flexibility in a dynamic market. This transition requires a comprehensive integration of technological, digital, environmental and marketing innovations, which represent the foundation for development and competitiveness in the market. In the light of future challenges, the impact of external factors or megatrends such as digitization and sustainable development will reinforce the need for a rapid and effective transformation that includes smart and environmentally friendly practices.

For long-term success and sustainable growth, it is crucial for companies to orient themselves towards the international market early on. This involves developing market-competitive products or services and seeking customers globally. Internationalization, i.e. expansion into international markets, enables companies to grow revenue, expand their market, diversify and develop their brand. Despite the benefits, internationalization also involves risks, such as different regulations and currency fluctuations. Conscious decisions and planned activities by entrepreneurs are crucial for faster adaptation and above-average value creation in international markets, as demonstrated by empirical studies. The smallness of the domestic market encourages the search for opportunities abroad, especially for innovation-driven companies that can find their place in niche markets. Recent trends indicate an increase in Slovenia's market share in knowledge-based services, although stagnation can be observed in some areas. Slovenia stands out with the strong global orientation of its early-stage entrepreneurs, which shows that it is going beyond the local framework and actively integrating into the international business environment. While some

companies focus on international expansion, others, particularly in the consumer services sector, remain focused on the local market. Some new companies first build a local presence before expanding internationally, while others, such as technology start-ups, are globally oriented from the start. This dynamic reflects the diversity of approaches and strategies in adapting to global markets, depending on the specific characteristics of the companies and their target markets.

Figure 9: Sector distribution of early entrepreneurial activity

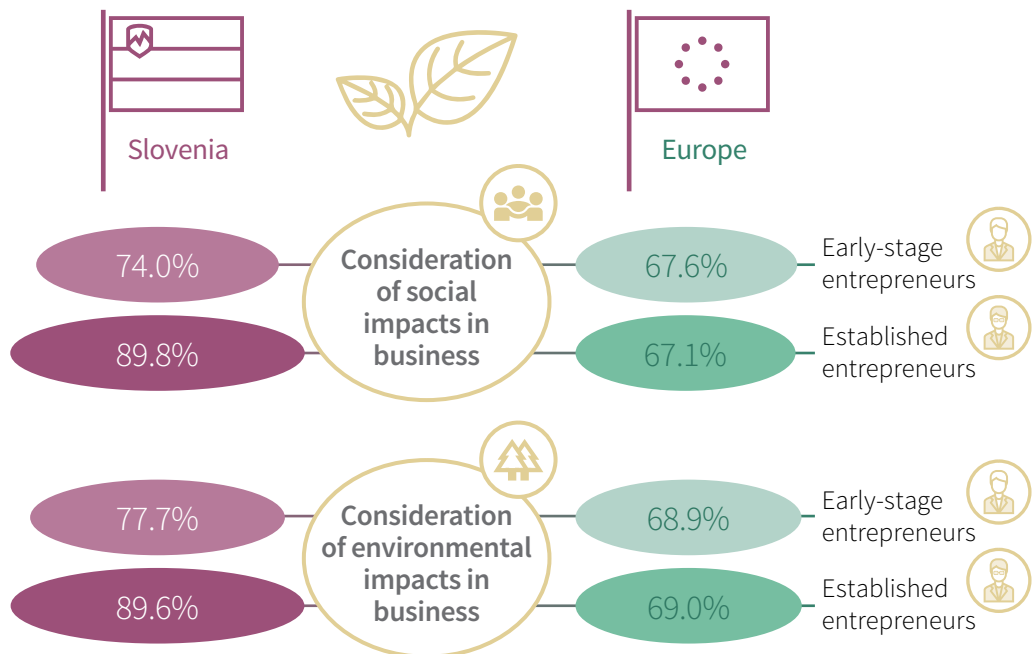


GEM Slovenia 2023, APS

The GEM research focuses on measuring the innovativeness of companies, examining the novelty of their products, services, technologies and processes at local, national and global levels. The degree of innovativeness depends on several factors, such as the entrepreneur's innovation orientation, embeddedness in networks, development cooperation and a stimulating business environment. The development of new products or processes is a risky process, especially in the context of new businesses and international sales. The commercialization of innovations on the global market entails additional challenges and risks for companies. These include adapting products or processes to different markets and cultures, coordinating with regulatory standards and legislation in individual countries and managing the risks associated with international business. As a result, the share of companies that market new products or have introduced new processes is generally relatively low, both nationally and even more so internationally.

Data analysis reveals interesting trends regarding entrepreneurs' awareness of the Sustainable Development Goals (SDGs) and their consideration of social and environmental impacts in business decisions in various European countries. Data analysis reveals different levels of awareness of the SDGs and the consideration of social and environmental consequences in business decisions among early and established entrepreneurs in European countries.

Figure 10: Entrepreneurship and sustainable development



GEM Slovenia 2023, APS

In five European countries, including Cyprus, Poland and Croatia, Lithuania and Estonia, awareness of the SDGs is significantly higher among established entrepreneurs than among early entrepreneurs. In other countries, early entrepreneurs are more likely to be aware of the SDGs than established entrepreneurs. Although European countries are above average in achieving the Sustainable Development Goals at the national level, as measured by the SDG Index, entrepreneurs' knowledge of these goals is below average, indicating the need for targeted initiatives to increase entrepreneurs' awareness of sustainable goals. Companies that integrate sustainability strategies often improve their reputation and competitiveness, highlighting the importance of integrating social and environmental goals into business plans to promote sustainable growth and long-term success.














The impact of the ecosystem and policy on entrepreneurial activity

GEM NES research has highlighted the complex interrelationship between the entrepreneurial ecosystem and the policy environment and their impact on entrepreneurial activity. We find that key components of the entrepreneurial ecosystem, such as access to finance, the regulatory framework, government programs, transfer of research and development, and supporting institutions, play an essential role in shaping the conditions for business creation and development.

In 2023, certain framework conditions for entrepreneurship, such as the dynamism of the internal market, physical infrastructure and government programs, are considered by carefully

selected national experts to be particularly conducive to entrepreneurship. However, there is still room for improvement in certain areas, particularly in entrepreneurship education in primary and secondary education, access to finance and support for government policies, indicating the need for targeted improvement measures. Despite the fact that the average assessments of some conditions have improved in 2023 compared to the previous year, there is still room for further strengthening the entrepreneurial ecosystem, especially in terms of entrepreneurial education and training and the promotion of entrepreneurial culture in general.

Table 1: Framework conditions scores, GEM Slovenia 2022 and 2023, NES

	Framework conditions for entrepreneurship	Slovenia		GEM*	Europe*
		2022	2023		
	Entrepreneurial finance	4.87	4.61	4.43	4.70
	Entrepreneurial finance – access	4.58	4.24	4.21	4.33
	Government policy – support and relevance	4.37	3.85	4.09	4.00
	Government policy – taxes and bureaucracy	4.28	4.31	4.56	4.77
	Government entrepreneurial programs	5.77	5.3	4.59	4.80
	Entrepreneurial education at school	3.04	3.21	3.31	3.34
	Entrepreneurial education – post-school	4.55	4.8	4.90	4.81
	Research and development transfers	4.1	4.16	4.03	4.22
	Commercial and professional infrastructure	5.4	5.68	5.25	5.49
	Ease of entry – market dynamics	5.97	6.56	5.32	5.13
	Ease of entry – burdens and regulation	4.57	4.87	4.36	4.60
	Physical infrastructure	6.41	6.53	6.42	6.44
	Social and cultural norms	3.88	4.11	5.20	4.79

Insufficient status
 Sufficient status

* Unweighted average values (principal component method).

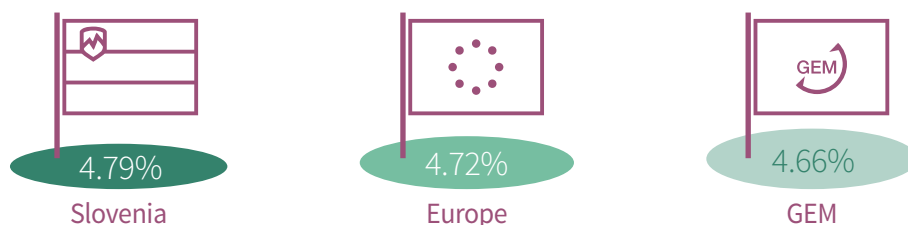
The experts emphasize that government policies and programs play a key role in creating a favorable environment for entrepreneurship, emphasizing the importance of supporting small and medium-sized enterprises and the effectiveness of the regulatory framework. They believe that the procedures regarding the ease of registering new companies and obtaining the necessary permits in Slovenia are comparable to European standards, but areas such as the tax burdens and the extent of bureaucracy remain important barriers to entrepreneurial activity. Otherwise, Slovenia shows a strong commitment to supporting entrepreneurial activity through support structures such as incubators and technology parks, as well as through the accessibility and effectiveness of government programs for entrepreneurship.

This reflects the proactive role of the state in creating an environment that primarily encourages the creation of new businesses. Nevertheless, the experts emphasize the need for improvement, particularly in terms of centralizing government support to simplify procedures for entrepreneurs and provide quick access to the necessary information and support, which is often crucial for companies at an early stage of development.

Slovenia stands out by exceeding the European average in several categories of financial support for entrepreneurs, including equity and debt financing sources and state subsidies. However, areas of financial support such as informal investors, business angels and venture capital funds are still below the European average. In 2023, experts rated the internal market highly for its openness and competitiveness. This reflects the ability of companies to react quickly to global trends and establish fair conditions for all market participants. Market dynamics and the ability to adapt quickly to changes in supply and demand are key for Slovenian companies looking to establish themselves on national and international markets. However, a high degree of market flexibility can also bring instability, which is a major challenge for small and new companies in particular.

With a NECI index value of 4.8, Slovenia remains in the top third of the participating GEM countries, which indicates relatively balanced business conditions in the country. Compared to the average of the European countries and also all GEM countries, Slovenia has achieved a minimal advantage in terms of the NECI value, which indicates the competitiveness of the business environment and represents a solid basis for further development. However, the gap to the frontrunners, especially the European countries, is a reminder that there is still room for improvement.

Figure 11: Values of the NECI index by country groups

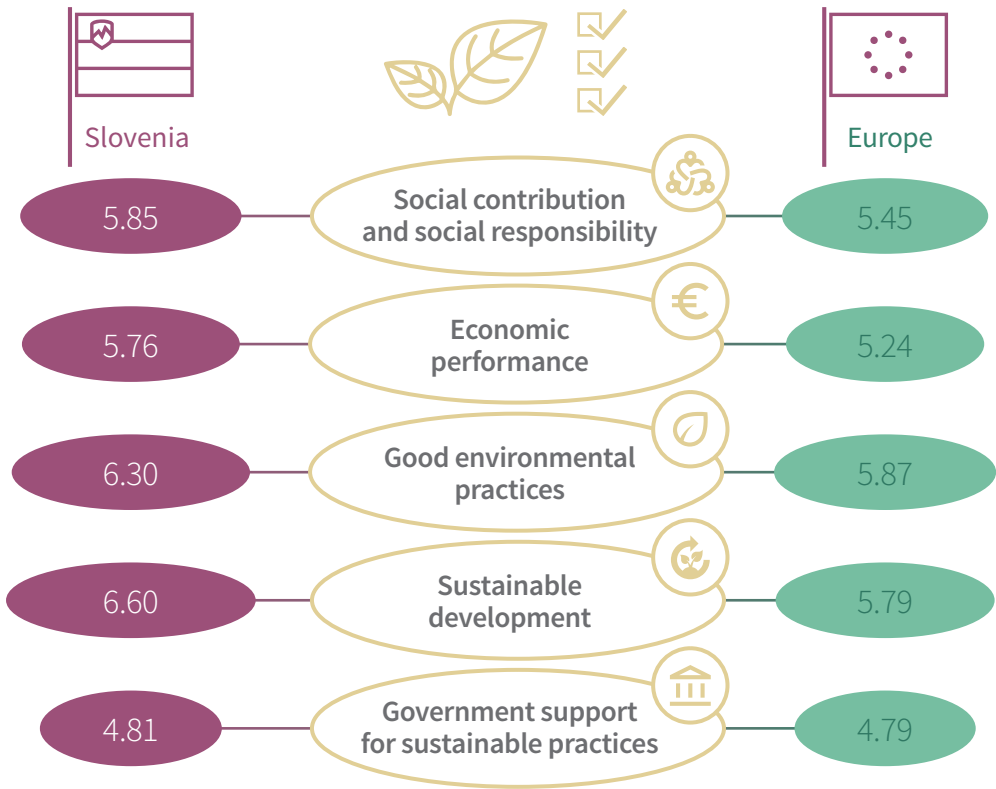


Unweighted average values (principal component method).

GEM Slovenia 2023, NES

The research also revealed important insights into progress towards achieving the Sustainable Development Goals in the business sector. Slovenia stood out with high expert ratings in the perception of progress in all three pillars of sustainable development, which according to the national experts shows the strong commitment of Slovenian companies to sustainability and environmental responsibility. The results show the positive orientation of the Slovenian business environment, which emphasizes a balanced approach to entrepreneurship, considering social and environmental standards alongside economic efficiency. This puts Slovenia in a good position compared to other European and GEM countries, while also highlighting the importance of further developing and implementing policies that support sustainable development in the business sector.

Figure 12: Perceived priority of achieving Sustainable Development Goals



Rating by national experts, GEM NES; measured on a scale of 0 to 10 (0 = very inadequate, 10 = very adequate).

GEM Slovenia 2023, NES

In the context of promoting female entrepreneurship, GEM NES research reveals that Slovenia exceeds both the European and global average in terms of the level of support for female entrepreneurship. This finding confirms that Slovenia places significant emphasis on promoting entrepreneurship among women, which is a positive signal for supporting gender equality in entrepreneurship. However, challenges arise when it comes to access to resources for female entrepreneurs compared to male entrepreneurs, as Slovenia lags behind the average here, indicating existing barriers for female entrepreneurs in terms of equal access to financial resources, markets and public procurement. Thus, despite the encouraging environment, there are challenges in ensuring equal access to resources, which requires further action to address these discrepancies.

Entrepreneurship for sustainable future

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Abstract:

The GEM survey offers an in-depth analysis of the various social, cultural, political, and economic factors that impact the entrepreneurial landscape and activities, serving as a comprehensive framework for understanding national and entrepreneurial conditions. These factors play a crucial role in shaping individuals' entrepreneurial decisions and the success of starting and operating businesses. Survey delivers unparalleled insights into a nation's entrepreneurial characteristics, surpassing the information available from traditional statistical sources. The study also explores individuals' and societies' attitudes towards entrepreneurship, alongside the aspirations and qualifications of people at different entrepreneurial stages. By examining these aspects across countries, GEM identifies key drivers and obstacles for entrepreneurship, enabling stakeholders to cultivate a supportive entrepreneurial ecosystem. The monograph also addresses the growing link between entrepreneurial endeavors and sustainable development. The research emphasizes the importance of sustainable development as an integral part of entrepreneurial thinking and action in Slovenia, which is key to promoting innovation, competitiveness and long-term prosperity in society.

Keywords:

Global Entrepreneurship Monitor, entrepreneurship, early-stage entrepreneurial activity, economic development, entrepreneurship ecosystem, entrepreneurship policy, sustainable development

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