



Global  
Entrepreneurship  
Monitor

# France

## 2021 National Report

english version



UNIVERSITÉ  
DE MONTPELLIER





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Although GEM data was used to prepare this report, the authors and GEM France team members take full responsibility for its interpretation and usage.

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# LabEx Entreprendre

LabEx Entreprendre is a laboratory of excellence set up in 2011 at the University of Montpellier as part of the Investissements d'Avenir (investments for the future, PIA) programme (PIA). The aim behind its creation was to equip certain research units benefiting from international visibility with significant resources so they could develop a comprehensive policy of research, training and valorisation at the highest level.

LabEx Entreprendre is France's only laboratory of excellence in Law, Economics & and Management, specialising in entrepreneurship, SMEs and micro-enterprises. It includes around 200 researchers from 6 laboratories working in these 3 disciplines, as part of a partnership between several higher education and research institutes (University of Montpellier, Montpellier Business School, Institut Agro Montpellier, AgroParisTech, International Centre for Advanced Mediterranean Agronomic Studies) and research bodies (French National Centre for Scientific Research, French Alternative Energies and Atomic Energy Commission, French Agricultural Research Centre for International Development).

The mission of LabEx Entreprendre is to generate knowledge about the act of entrepreneurship and managing small-scale businesses. It looks at all actors in the entrepreneurial ecosystem, and in particular at structures dedicated to supporting

business creation. "Entreprendre/Enterprise" is a topic that is intimately linked to questions of innovation, growth and sustainable performance. To address these, the focus is on two broad research areas: one on emergence and innovation, and the other on sustainable entrepreneurship.

Studies conducted at LabEx Entreprendre are part of research programmes whose mission is to generate knowledge, but also part of research chairs that provide impetus to and help coordinate research initiatives and have responsibility for training and valorisation. These chairs facilitate contacts with regional actors through events and training courses. They also help enhance the international reputation of the LabEx.

In 2021, LabEx Entreprendre was selected to represent France in the Global Entrepreneurship Monitor.



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# Executive Summary

This report marks France's return to the Global Entrepreneurship Monitor (GEM). LabEx Entreprendre was chosen to conduct annual surveys on **entrepreneurial activity** among the French population aged 18 to 64 (Adult Population Survey – APS) and on the **entrepreneurial ecosystem** involving a panel of experts (National Expert Survey – NES). These two surveys were conducted against the backdrop in the context of a the **public health crisis** and so enable us to appreciate its effects on entrepreneurial attitudes, intentions and behaviours in France. Entrepreneurial activity is assessed in terms of business creation, but also intrapreneurship. The figures for business creation in France reached new heights, with almost one million new businesses in 2021. The data generated in the two surveys **open up a black box** and provide a better understanding of both the **determining factors and effects of entrepreneurial activity**. In this new report, we wanted to highlight major issues like parity, sustainable development, and health and well-being.

## The French entrepreneurial ecosystem and the weight of public policies

The NES calculates the **entrepreneurship**

**context index score**. France scores average among the 19 richest countries and conditions are largely perceived to be favourable. It stands out in terms of its **governmental policies** (4/19). The efforts made at national and regional levels over the last 20 years to encourage entrepreneurship have been recognised and have contributed to the emergence of a particularly dynamic ecosystem for entrepreneurial support. However, France is behind in terms of **cultural and social norms** (18/19) and **entrepreneurial education** at primary and secondary levels (17/19). The entrepreneurial revolution is not yet having its full effect on society and further efforts are required for the diffusion of an entrepreneurial culture. Similarly, **access to the market** emerges as a weakness (17/19) in the entrepreneurial ecosystem, undermining the development of early-stage businesses.

## Are we headed for an entrepreneurial society?

The APS reveals that entrepreneurship is establishing itself across society. The French population aged 18-64 see consider it as a **desirable career choice** (68.5%), and a majority believe that it comes with **elevated**

**social status** (55.4%). This very good score needs to be seen in light of the **valorisation of entrepreneurship in the media** (75.9%), as well as the perceived ease of starting up a new business (52%). This entrepreneurial dynamic is linked to the fact that a majority of respondents feel there are **good business opportunities** out there. **Fear of failure** is not a considerable obstacle. The fact that a large number of respondents have entrepreneurs and business owners among the people around them helps demystify entrepreneurship and makes it easier to assess one's own **entrepreneurial skills** through comparison with a role model. A near majority of those interviewed feel they have the skills they need to take the plunge. In terms of **motivation**, entrepreneurship out of necessity is highly preponderant and may be seen in light of the growing numbers of micro-entrepreneurs in France. Indeed, 51.2% of entrepreneurs make the decision to become one as a way to earn a living due to **job scarcity**. However, nearly 40% set up their business to generate very **high income**. These figures are indicative of the diversity in the profiles and motivations of entrepreneurs, and therefore their diverse needs in terms of support.

## Developing entrepreneurial activity

Entrepreneurial activity is developing, although some indicators may seem to be in decline. This is true of **entrepreneurial intentions**, i.e. the intention to set up a business in the next 3 years, with the current figure at 16.9% among the population aged 18 to 64, compared to 17.6% in 2017. The public health crisis no doubt explains why respondents find it hard to imagine themselves as entrepreneurs. At a rate of 27%, **young people** (aged 25 to 34) stand out from

the rest of the population. **Total early-stage entrepreneurial activity** (new and nascent entrepreneurs, with less than 42 months of revenue-generating business) has progressed significantly in 10 years, moving from 5.2% to 7.7%. France posts average figures among the G7 countries, albeit lagging far behind Canada (20.1%), the United States (16.5%) and the United Kingdom (12.6%). Despite this dynamic, France lies in last position for the **share of established entrepreneurs** in the population as a whole, raising questions about the long-term survival of new businesses (3.6%), quite far behind the United States, where almost 9% of the population are established entrepreneurs. The decision to **exit business** can be largely explained by the **pandemic** (18%) and **lack of profitability** (16.5%). It would appear that the dynamics on the labour market are another explanatory factor (15.3%). Entrepreneurial activity can also take place in the context of an existing organization, as with **intrapreneurship and hybrid entrepreneurship**. With However, with a figure of 2.3%, France is below average compared to the other G7 countries in terms of intrapreneurial activity, well ahead of Japan (1.3%), but behind the United States (3.1%). Hybrid entrepreneurship, which involves setting up a business while also being an employee, is developing, with 3.8% of respondents in this less risky situation. Levels of participation in entrepreneurial activity can also be assessed in terms of the **financial support** offered to entrepreneurial projects. The share of **informal investors** stands at 6%, which is high for a G7 country. Only the United States (8.8%) and Canada (15.1%) perform much better. However, the amounts invested are relatively low, with France ranked last of the G7 countries.

## International entrepreneurship: room for improvement

Although there has been a deficit in the trade balance since 2002 with a record €84.7bn in 2021, it is interesting to note that early-stage companies are not reluctant to offer their products or services to clients abroad. 37% of early-stage entrepreneurs reported that they have **foreign clients**, placing France in joint third position among the G7 countries alongside Germany. Established businesses also report a significant percentage at 33%. But the share of revenue generated through exports remains quite low: 86.4% of early-stage businesses generate less than 25% of their revenue in this way.

## Female entrepreneurship: a persistent lack of parity

It appears that women still tend to undervalue themselves: they **perceive** themselves as less competent than men when it comes to starting a new business (42.3% vs 54.9%), fewer of them believe they have good **business opportunities** available (47.9% vs 56.3%), and a higher percentage report a **fear of failure** (53.1% vs 46.3%). In terms of **perceived entrepreneurial talent**, the gap is narrowing. Women report that they are better at detecting **new opportunities** (46.7% vs 42.8%), while men believe they have a better **capacity for innovation** (62.3% vs 52.5%).

In terms of entrepreneurial activity, there is no parity. **Total entrepreneurial activity** stands at 8.4% for men and 7.1% for women. Although this gap is relatively narrow compared to other G7

countries like Canada or the United Kingdom, it raises questions about the persistent **lack of parity**, especially as France lags behind the rest of the G7 with a percentage of **established entrepreneurs** at just 2.9% for women, compared to 7.6% in the US and 6.6% in Canada. The experts involved in the survey asked to assess the **entrepreneurial ecosystem** believe that the support from which female entrepreneurs benefit is relatively mediocre, even though the conditions are even less favourable in the other G7 countries. As for **regulations** that could encourage female entrepreneurship, France performs averagely. Its **national culture** does not seem to be very conducive. In French society, entrepreneurship continues to be stereotyped as “masculine”. **Access to financing** does not appear to be an obstacle according to the experts, who reported equal access. It is possible that access to bank loans has become easier since the introduction of an obligation of statistical monitoring in the breakdown between loans granted to men and women. The **public health crisis and teleworking** have not seen any improvement in women’s work–life balance.

## Sustainable entrepreneurship: paradigm shift?

The majority of the entrepreneurs interviewed (51.4%) said they prioritise the **social and/or environmental impact** of their business, even above profitability or growth. This position is more marked among early-stage entrepreneurs (54.6%) than established entrepreneurs (44.5%). The **environmental issue** has become unavoidable, even though France lags slightly behind the main G7 countries. Around 69% of respondents

say they **account for environmental implications**. However, only 24% of early-stage entrepreneurs and 49% of established entrepreneurs have **implemented actions** to minimize their impact on the environment. 71.5% of early-stage entrepreneurs and 58.6% of established entrepreneurs report that, when making strategic decisions, they account for the social implications of their business such as access to education, health-care, safety, inclusion in the workplace, housing, transport, quality of life in the workplace, etc. But only 14.2% of early-stage entrepreneurs and 26.1% of established entrepreneurs said they had taken steps to **maximize their social impact**. This leaves France ranked last of the G7 countries. The issue of **sustainable development** is also addressed more in environmental than in social terms, and there continues to be a significant gap between intentions and action.

## The pandemic and entrepreneurial health: enterprise entrepreneurship is good for you!

The **effects of the pandemic** were felt throughout 2021, with one lockdown and the closure of non-essential businesses. Nonetheless, the figures for **business creation** set a new record. Indeed, almost 2/3 of early-stage entrepreneurs (64.8%) said the pandemic did not make it harder to set up a new business. In this ambivalent context, established more than early-stage entrepreneurs (53.9% vs 42.7%) perceive the **response by public authorities** to the Covid-19 crisis as **effective** and believe that the pandemic provided **new opportunities** they are eager to exploit (39.9% vs 30.0%). This context did not lead to a significant change in the **use of digital**

**technologies** for the sale of products or services: fewer than 20% of early-stage and 7% of established entrepreneurs noticed a change. Respondent entrepreneurs even expressed **optimism in relation to growth**. Almost three-quarters of early-stage and two-thirds of established entrepreneurs feel that growth has not been made more challenging since the public health crisis. They were also asked to position themselves on a measurement scale of **perceived health**. Those with poor perceived health represent 13.1% (early-stage) and 14.2% (established). This reinforces the notion that the **vast majority of entrepreneurs are in good health**. While 34.9% of established entrepreneurs reported being in very good or excellent health, this rose to 49.2% among early-stage entrepreneurs. We believe this is the well-recognised phenomenon of the **start-up entrepreneur's euphoria**, experienced at the beginning of their project.



## Recommendations

This study has led to the formulation of five recommendations with a view to favouring the development of entrepreneurial activity in France. These may be useful for policymakers at national and regional levels and could form part of an entrepreneurship strategy in response to the challenges of sustainable development.

### 1. PURSUE EFFORTS TO RAISE AWARENESS OF ENTREPRENEURSHIP

The place of entrepreneurship in French society has significantly evolved. The country's population aged 18 to 64 sees entrepreneurship as a **desirable career choice** (68.5%). However, intentions have barely progressed and total entrepreneurial activity remains relatively low. Awareness-raising initiatives must be intensified, in particular targeting younger generations so as to remove certain obstacles. France's shortcomings in **entrepreneurial education** at primary and secondary levels points to the need for large-scale reflection, which could be initiated at meetings between actors from the entrepreneurial ecosystem.

### 2. FACILITATE ACCESS TO THE MARKET FOR NEW COMPANIES

**Market access** emerges as a weakness of the entrepreneurial ecosystem, undermining the development of emerging businesses. There is a need to encourage and facilitate access to the market for new companies, but also to protect young businesses in these asymmetric relationships. Significant efforts have been made by the French government to facilitate access to public procurement contracts, examples being law no. 2020-1525 of 7 December 2020, designed to accelerate and simplify public actions, and the measures taken during the pandemic to facilitate public orders. These initiatives for SMEs and micro-businesses essentially take into account the size of the company, but the length of time they have been in business should be better taken into consideration.

### 3. DEVELOP A NATIONAL ACTION PLAN FOR FEMALE ENTREPRENEURSHIP

**Parity** has yet to be reached in terms of business creation. In 2021, women represented just 41% of start-up entrepreneurs, and accounted for 7.1% of total entrepreneurial activity, compared to 8.4% for men. Steps must be taken to make progress on representations at the level of society. A national action plan could be considered as a way to achieve parity by 2030. There is great diversity among the actors who support female entrepreneurship, and the public authorities could draw on this strength. The worlds of education and enterprise have a decisive role to play in **advancing the culture** and encouraging forms of support like mentoring.



#### 4. ENCOURAGE ENTREPRENEURS TO FACTOR IN SUSTAINABLE DEVELOPMENT

Corporate social responsibility (CSR) is about businesses or entrepreneurial projects taking **sustainable development** issues into account. Both early-stage and established entrepreneurs have a keen awareness of these issues. More than half (51.4%) of respondent entrepreneurs prioritise the social and/or environmental impact of their business above profitability or growth. Yet there remains a gap between intentions and actions. Furthermore, the issue of sustainable development tends to be tackled more from an environmental than a social perspective. The challenge now is not so much to raise awareness of sustainable development, but rather to accompany entrepreneurs in the implementation of concrete steps with an impact on society and the environment, and to do so from the emergency phase onwards.

#### 5. PROMOTE ENTREPRENEURIAL HEALTH

The vast majority of entrepreneurs are in **good health**. However, national surveys conducted in April 2020 and March 2021 by the Amarok Observatory revealed an unprecedented increase in the risk of burnout. In addition to this rise in exhaustion levels, a more unusual phenomenon was identified, described as the “impediment syndrome”. The Covid-19 crisis provided an opportunity to look at entrepreneurs from the perspective of health. This growing awareness resulted in French lawmakers adopting the “Lecocq Grandjean” law on 2 August 2021, which opens up work-related preventive health services to employers and freelancers. The initial aim is to **address health issues as early as the emergence phase** through awareness-raising and training for those who provide entrepreneurial support. We then recommend developing digital tools and systems to enable business owners to regularly assess their own health by looking out for any signs of exhaustion.



# Introduction



Entrepreneurship is an essential driver of societal health and wealth. It is also a formidable engine of economic growth. It promotes the essential innovation required not only to exploit new opportunities, promote productivity, and create employment, but also to address some of society's greatest challenges, such as the United Nations Sustainable Development Goals (SDGs) or the economic shock wave created by the Covid-19 pandemic. The promotion of entrepreneurship will be central to the concerns of many governments worldwide for the foreseeable future, especially considering the significant negative impacts of the pandemic on economies. Governments and other stakeholders will increasingly need hard, robust and credible data to make key decisions that stimulate sustainable forms of entrepreneurship and promote healthy entrepreneurial eco-

systems worldwide. During its 22 years of existence, Global Entrepreneurship Monitor (GEM) has repeatedly contributed to such efforts. For example, after the great recession in 2008, its research provided policymakers with valuable insights on how best to foster entrepreneurship to propel growth and prosperity once again.

## Global Entrepreneurship Monitor (GEM)

### SOME BACKGROUND

GEM began in 1999 as a joint initiative by academics from London Business School and Babson College in the US. Its objective is to explore and analyse the role entrepreneurship can play in economic growth by creating an annual harmonised database including several countries. France has been part of the consortium since 1999.

### ANNUAL GEM STUDY

The first annual GEM study covered 10 countries; since then some 115 countries from the four corners of the globe have taken part in GEM research. This study explores the role of entrepreneurship in national economic growth, highlighting national specificities and the characteristics associated with entrepreneurial activity. It is the largest ongoing study of entrepreneurial dynamics worldwide. Data is collected by a central team of experts, guaranteeing quality and facilitating comparisons between nations.

GEM is unique in that it concentrates on the attitudes, aspirations and activities of individuals in relation to the career of entrepreneur, unlike other databases which focus on business creation. This approach provides a more detailed picture of entrepreneurial activity than is found in the official registers of the countries concerned.

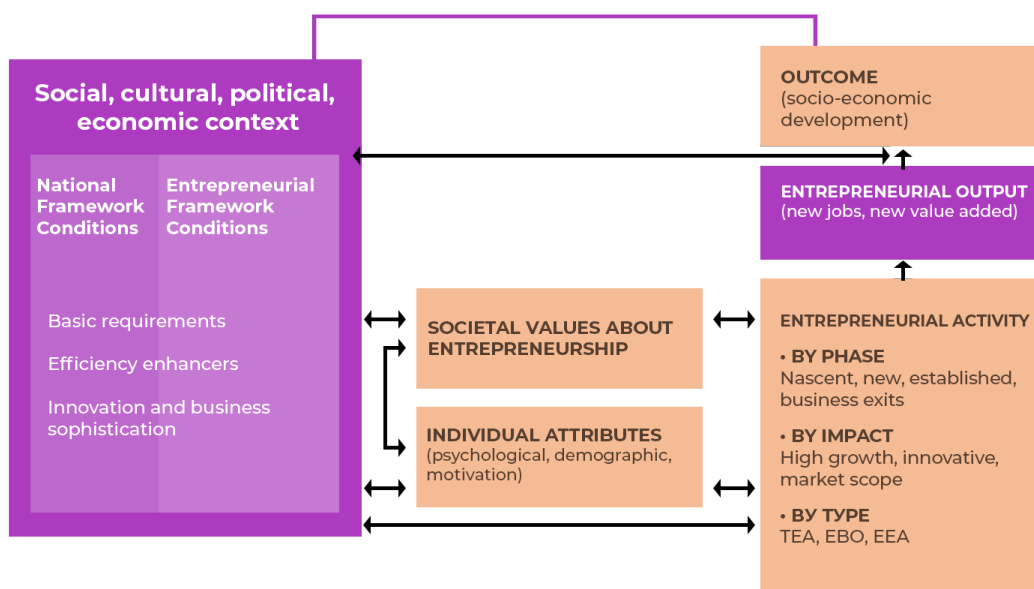


Figure 1. The GEM conceptual framework (Source: GEM 2021/2022 Global report, p.23)

## GEM IN BRIEF



**22 years of data enabling a longitudinal and multi-level analysis across geographical contexts.**



**More than 200,000 annual interviews with experts and members of the adult population, including entrepreneurs of all ages.**



**Data from 115 different economies on all continents worldwide.**



**Collaborations with more than 500 entrepreneurship research specialists.**



**Participation of more than 300 universities and research institutes.**



**Support from more than 200 funding institutions.**

More information at [www.gemconsortium.org](http://www.gemconsortium.org)

Essentially, the GEM model postulates that through various institutions and socio-economic characteristics (education, laws, infrastructure, technology, finance, R&D, etc.), the social, cultural and political environment influences attitudes, aspirations and entrepreneurial activity (Figure 1). This has an effect on business creation and economic growth.

## The GEM methodology

GEM data is drawn from two core annual surveys: the Adult Population Survey (APS) and the National Expert Survey (NES). These provide a snapshot of the entrepreneurial situation in a given territory at a precise moment in time.

### ADULT POPULATION SURVEY (APS)

Each member of the GEM consortium conducts an annual survey on a random sample of at least 2,000 respondents representing representative of the adult population (aged 18 to 64). In all countries, the surveys are carried out at the same period within the year (usually between April and June) and using a standard questionnaire provided by the consortium. To ensure the process is rigorous and uniform, the international GEM team collaborates with a survey leader designated by each national team and the survey institute partnering the

project, if there is one. The raw data is then sent to the GEM consortium analysts for verification and uniformisation and to generate statistical indicators before making them available to the national teams.

Figure 2 illustrates how responses to the APS questionnaire are used to describe the different stages in the entrepreneurial journey. Upstream of the entrepreneurial process are attitudes of the population in general towards entrepreneurship. These act as indicators of the country or region's entrepreneurial culture. The entrepreneurial process begins with the intention to become an entrepreneur, followed by nascent entrepreneurs who then become new entrepreneurs and, finally, established entrepreneurs (Figure 3). The primary indicator is total early-stage entrepreneurial activity (TEA), i.e. all those in the respondent population engaged in the entrepreneurial process (nascent and new entrepreneurs). Naturally, some entrepreneurs also go on to shut down their business while others choose to hand it over to another nascent or established entrepreneur.

### NATIONAL EXPERT SURVEY (NES)

The National Expert Survey is an important component of the GEM database. It involves at least 36 experts identified and approved by

#### APS 2021 IN FRANCE

A total of 3791 people replied to the 2021 GEM survey in France. This was conducted partly by telephone (60%) and partly via an online panel of respondents (40%). Weighting was applied to respondents in order to account for the breakdown of age, gender and geographic distribution.

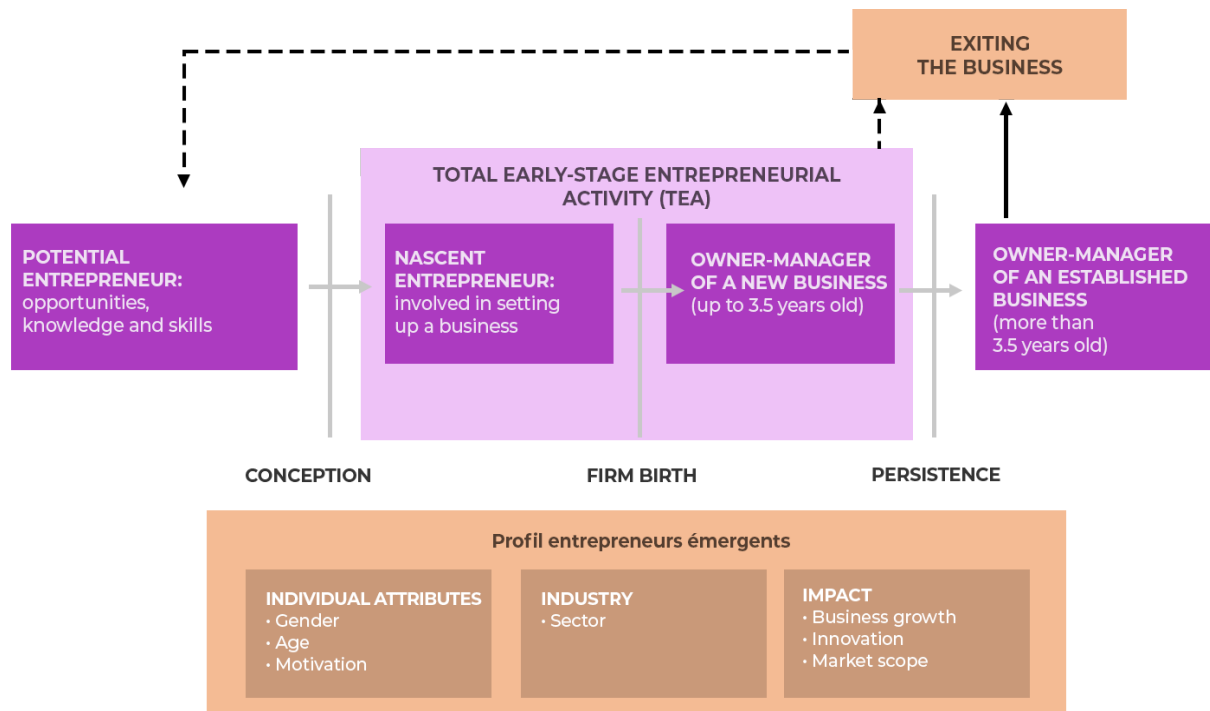


Figure 2. Stages in the entrepreneurial process (Source: GEM 2021/2022 Global report, p. 26)

Entrepreneurial process	
<b>Nascent entrepreneur</b>	Individual who created a business and paid up to 3 months of salary
<b>New entrepreneur</b>	Individual who created a business and paid between 4 and 41 months of salary
<b>Established entrepreneur</b>	Individual who created a business and paid at least 42 months of salary
Entrepreneurial activity	
<b>TAE (Total early-stage Entrepreneurial Activity)</b>	Every individual engaged in an entrepreneurial process, meaning the nascent entrepreneurs and the new entrepreneurs

Figure 3. Primary measures of entrepreneurial activity in the APS, adapted from the 2019 GEM Québec report



GEM and relates to the entrepreneurial conditions in the national economy. This allows for a better understanding of the entrepreneurial ecosystem as well as comparison between countries. The experts are asked about at least 9 recurring themes (see box inset).

## The French ecosystem: conducive to entrepreneurship

For around 20 years France has seen a steady rise in entrepreneurial activity. 2021 was another record-breaking year with almost one million new businesses created. Although this figure needs to be seen in light of the significant share of micro-businesses and in particular entrepreneur-

ship linked to online platforms, it is nonetheless the case that all forms of business creation are on the rise.

This dynamic can be explained by the contextual factors that affect entrepreneurial activity. The NES is a way to reveal this potential and appreciate how conducive the framework is, in particular with the national entrepreneurship context index (NECI).

The entrepreneurial ecosystem refers to all of the actors and the interactions between them that create the material, social and cultural conditions favourable to the entrepreneurial dynamic in a given region. Isenberg (2011) suggests breaking this ecosystem down into six

### NES 2021 IN FRANCE

For the 2021 survey we interviewed 50 French experts on the 9 recurring themes. Two special themes were added to the questionnaire: the impact of the pandemic and female entrepreneurship.

#### 9 recurring themes

1. Financing for entrepreneurs
2. Governmental policies for entrepreneurs
3. Governmental programmes for entrepreneurs
4. Entrepreneurship education and training
5. R&D transfer
6. Commercial and professional infrastructure for entrepreneurs
7. Internal market openness
8. Physical and services infrastructure
9. Cultural and social norms

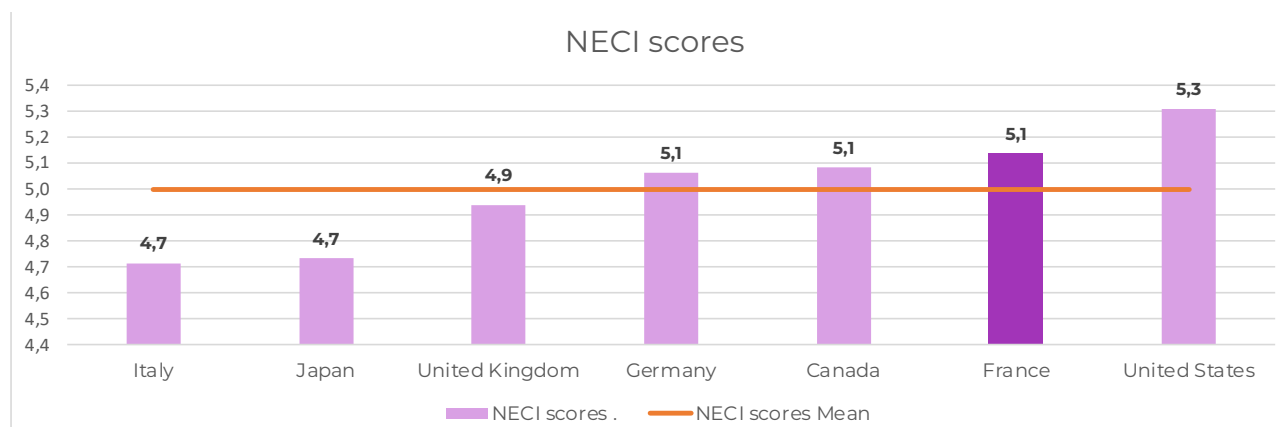


Figure 4. NECI scores

domains: policy, finance, markets, human capital, culture and supports. In the NES, these are evaluated with the use of 13 indicators, which serve to calculate the national entrepreneurship context index (NECI, 10-point index) for each country. This index is very useful for policy-makers wishing to analyse the ecosystem conditions that are conducive to business creation and development.

Among the G7, there is a certain homogeneity in the perception of these environmental conditions, with the United States (5.3/10) slightly ahead. Germany, Canada and France (5.1/10) all have conditions largely perceived as quite favourable. The outlook is slightly less favourable in Italy and Japan (4.7/10).

A more refined analysis of the 13 indicators in the 19 richest countries reveals average scores for France across 9 indicators. For one of these, its position is more favourable, and for three others it lags far behind.

- French experts have a more favourable perception of governmental policies in terms of support and relevance (4/19). For the last 40 years or so, France has been highly committed to supporting entrepreneurship.

This relates as much to innovative entrepreneurship, as in initiatives like French Tech, as it does to entrepreneurship in situations of poverty. These national policies mostly trickle down to a local level through funding for support schemes and structures.

- France lags behind, however, on cultural and social norms (18/19). Although the country's entrepreneurial culture is developing, the experts interviewed feel that the national culture does not sufficiently valorise personal responsibility and success, nor encourage autonomy, creativity and risk-taking.
- The issue of market openness also emerges as a weak point in the French entrepreneurial ecosystem (17/19). Market entry for new businesses appears to be particularly arduous (3.4). Entrepreneurs in France seem to suffer more than elsewhere from the weight of newness in their relationship with the market, both with large companies and with the public administration.
- On education and training, France scores poorly on primary and secondary-level teaching (17/19). The survey highlights a

shortcoming on awareness-raising and the development of entrepreneurial skills, even though several initiatives are under way involving young people through the Ministry of Education and associations. This finding stands in contrast with higher education, where the efforts made over the last 20 years on student entrepreneurship are well recognised. At a regional level, the PEPITES have been conducive to awareness-raising and support for students. Higher education institutions have led the way in developing incubators to encourage the emergence of new projects.

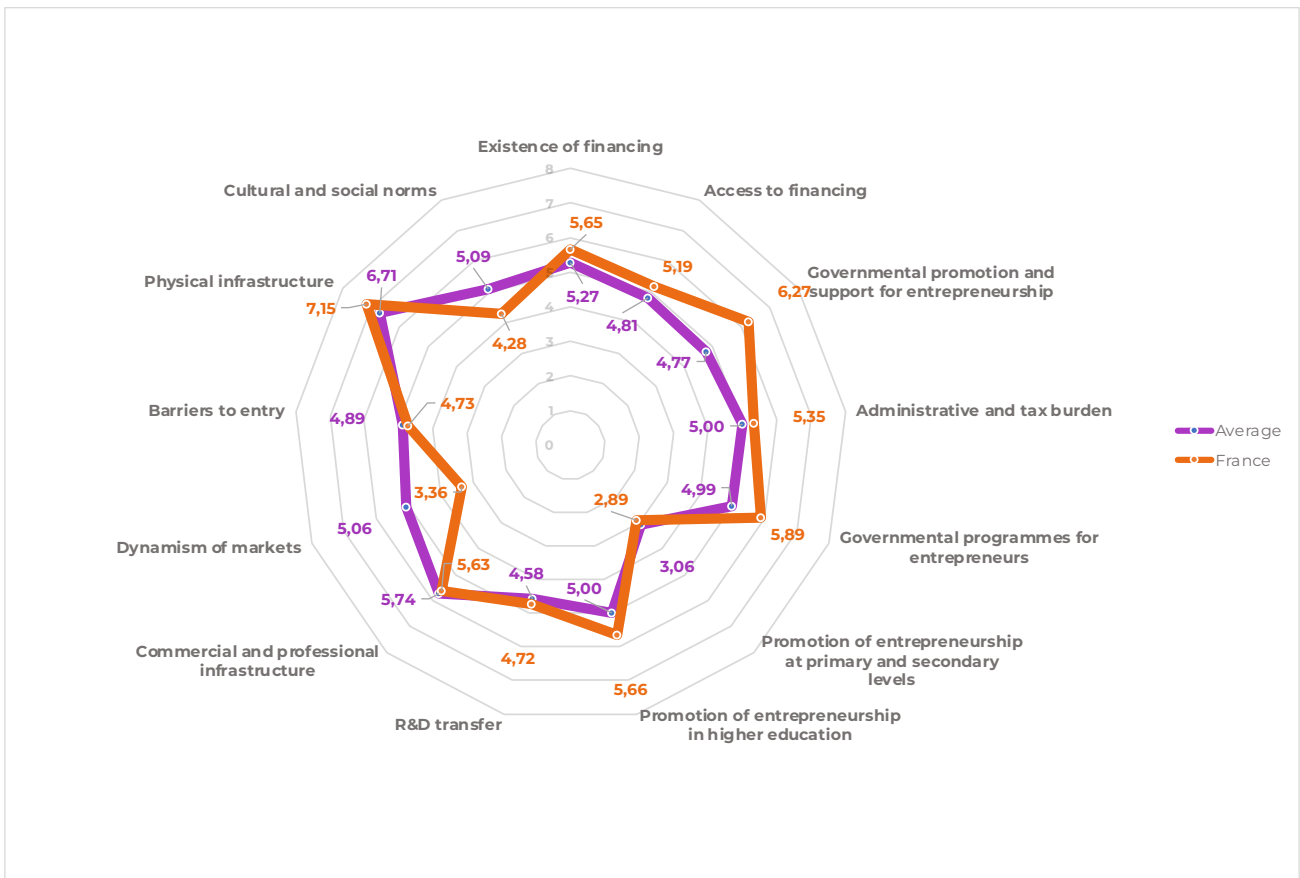


Figure 5. 13 NES indicators

# Determining factors in the decision to become an entrepreneur



The experts involved in the NES emphasised the favourable context for entrepreneurial dynamics, but what does the French population think? Although some speak of the emergence of an entrepreneurial society, is society a vector for a positive image of entrepreneurial activity? Do those citizens who decide to take the plunge and embark on an entrepreneurial adventure have a different perception of the situation, or specific attitudes or skill sets? What are the motivating factors in becoming an entrepreneur in France? This section presents the results of the APS survey.

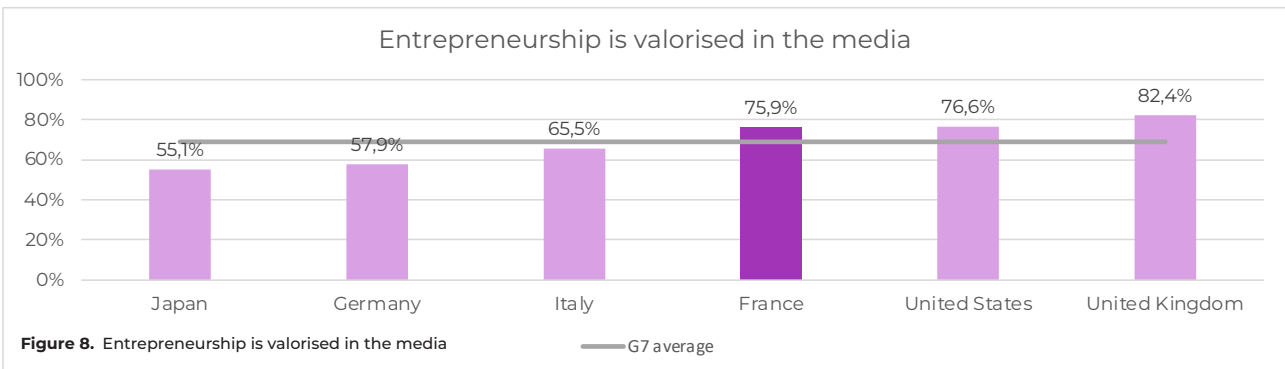
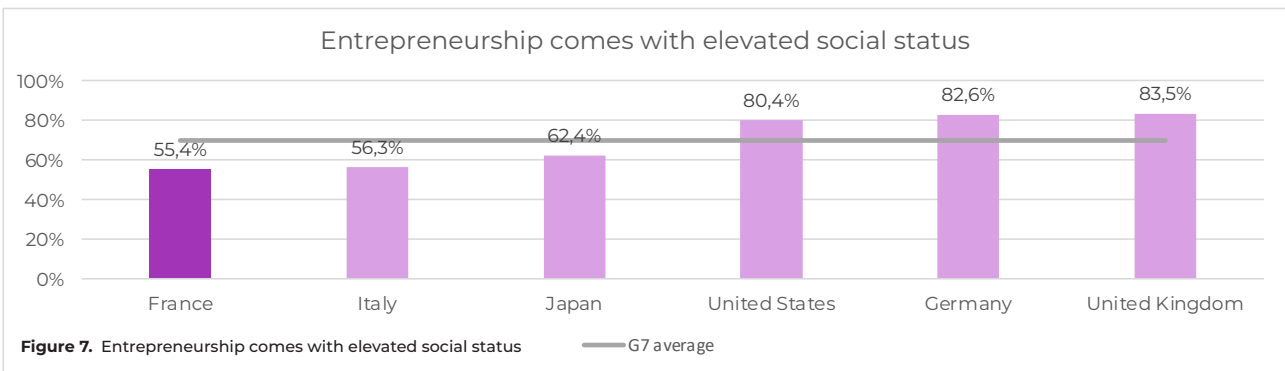
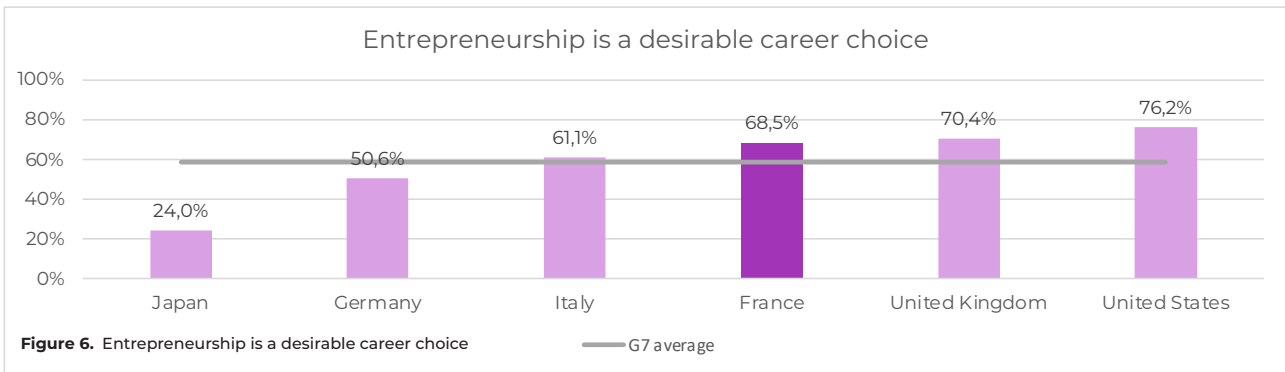
## Valorisation of entrepreneurship by society

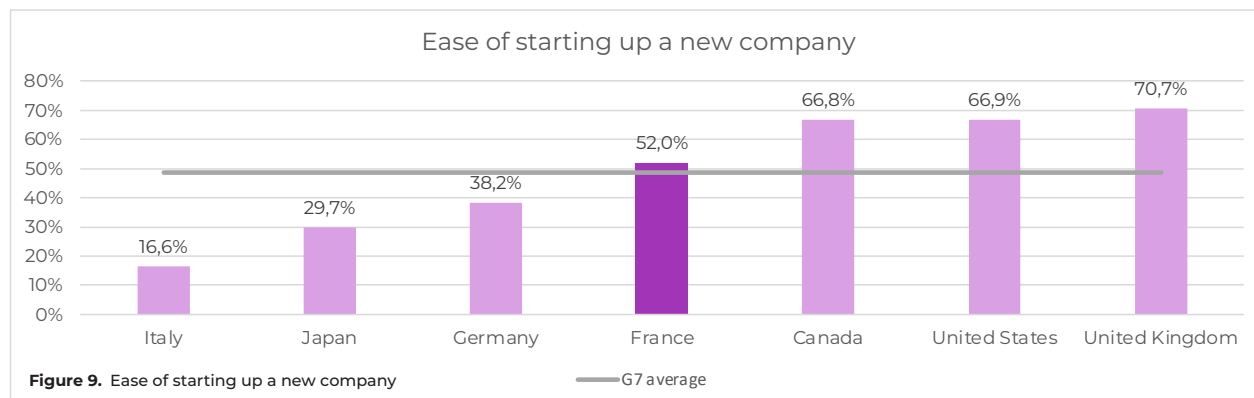
The valorisation of entrepreneurship can be an important determining factor in entrepreneurial intentions and commitment. In other words, what is the social desirability of entrepreneurship in France today? Such desirability relates to norms and values, narratives that form what may be called entrepreneurial culture.

Entrepreneurial culture is developed to varying degrees from one country to the next. This

valorisation of entrepreneurial activity can be evaluated using four indicators. We assess whether entrepreneurship is perceived as a desirable career choice, whether it comes with elevated social status, is valorised in the media and, finally, whether it is easy to become an entrepreneur in France.

Compared to other economies in the G7, France is ranked average. Slightly more than two-thirds of French respondents see entrepreneurship as a desirable career choice (Figure 6). However, only a slim majority (55.4%) feel that





it comes with elevated social status (Figure 7).

This positive representation is a marker of the advancement of entrepreneurial culture. This culture is influenced by the media, who help propagate a more or less favourable image of entrepreneurship. The vast majority of French people feel that in both online and traditional media, stories of successful new businesses are highlighted (Figure 8). One example of this is the TV programme “*Qui veut être mon associé?*” on M6, which films entrepreneurs looking to raise funds. This reality TV show, which has been running for around 20 years in other countries, was first broadcast in France in 2021 and has helped democratise entrepreneurship and the notion of fundraising.

Beyond perceived desirability, the question of perceived feasibility is also important. Depending on the country and period, perceived barriers linked to the ease of registering a new business or the burden of bureaucracy can hinder entrepreneurial intentions and behaviours. A slight

majority in France believe that it is easy to start up a new company (Figure 9).

For around 20 years, the public authorities have been adopting measures to simplify business creation. This perception varies significantly from one country to the next: the US, Canada and the UK stand out for the belief among their populations that it is easy to become an entrepreneur, in contrast to Japan, Italy and Germany.

## Attitudes towards and perceptions of entrepreneurship

Individual attitudes perceptions and apprehensions with regard to entrepreneurship have an influence on intentions to tackle the entrepreneurial process and to follow it up with decisive action. The GEM’s Adult Population Survey is a way to construct indicators of a population’s entrepreneurial potential and shed light on the efforts needed to develop the determining factors in the decision to become an entrepreneur.

## PERSONAL RELATIONSHIP WITH THE ENTREPRENEURIAL EXPERIENCE

Personally knowing entrepreneurs is a source of confidence, networking and tacit knowledge-sharing, which facilitate both entrepreneurial intentions and commitment.

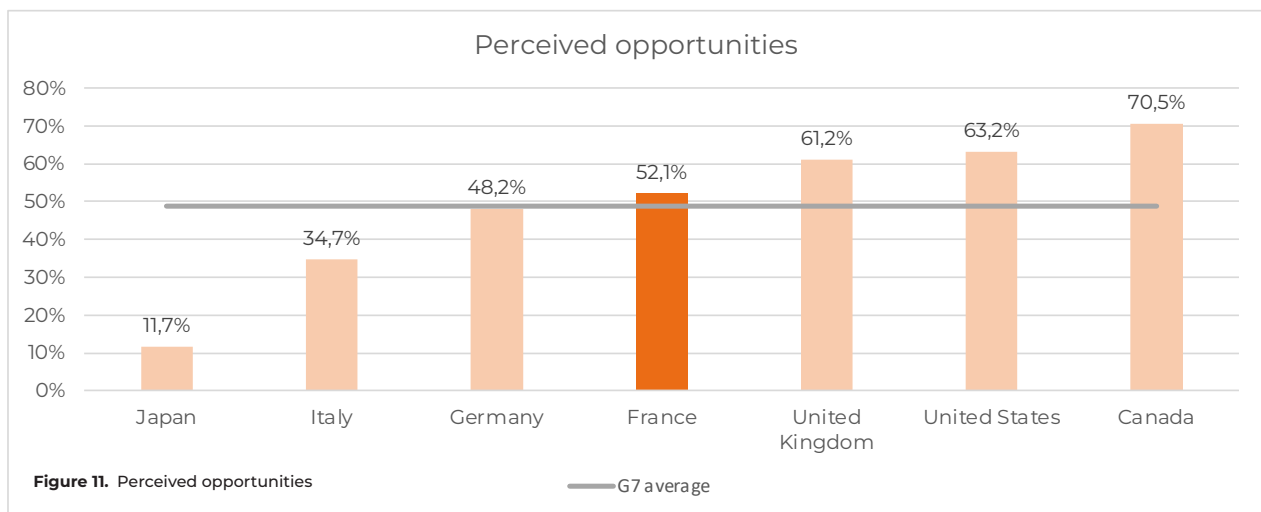
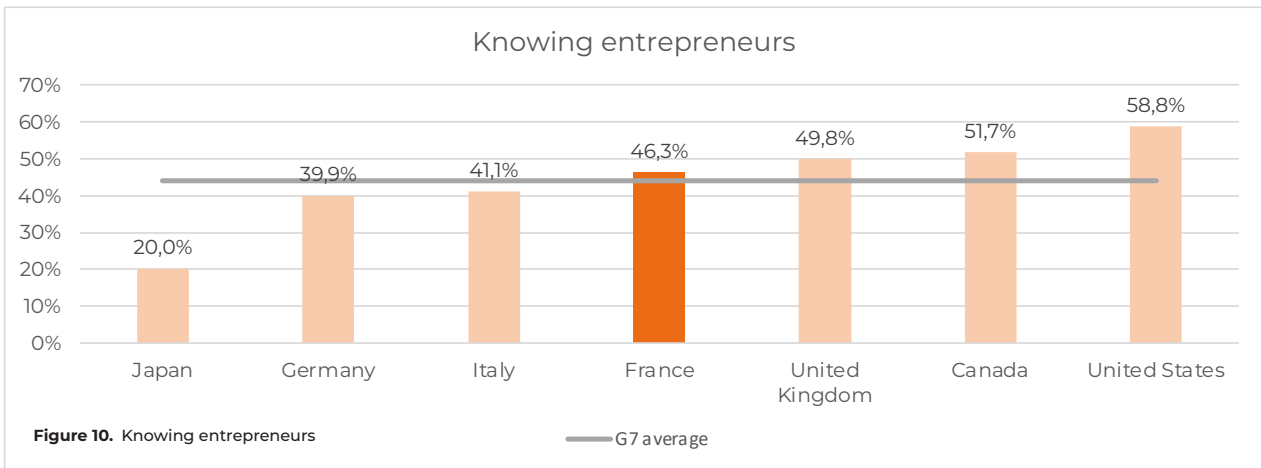
In the past, one’s personal relationship with the entrepreneurial experience tended to be limited to the family circle, and it was easier to become an entrepreneur when one belonged to a family of entrepreneurs. Nowadays, the status of entrepreneur has become widely accessible and it is much more common to have an entrepreneur among one’s acquaintances. What is more, we are much more frequently exposed to entrepreneurial experiences, whether in the traditional media (see above) or social media. This phenomenon can be observed particularly among younger generations, who come into

contact with many influencers, themselves entrepreneurs with whom they can identify.

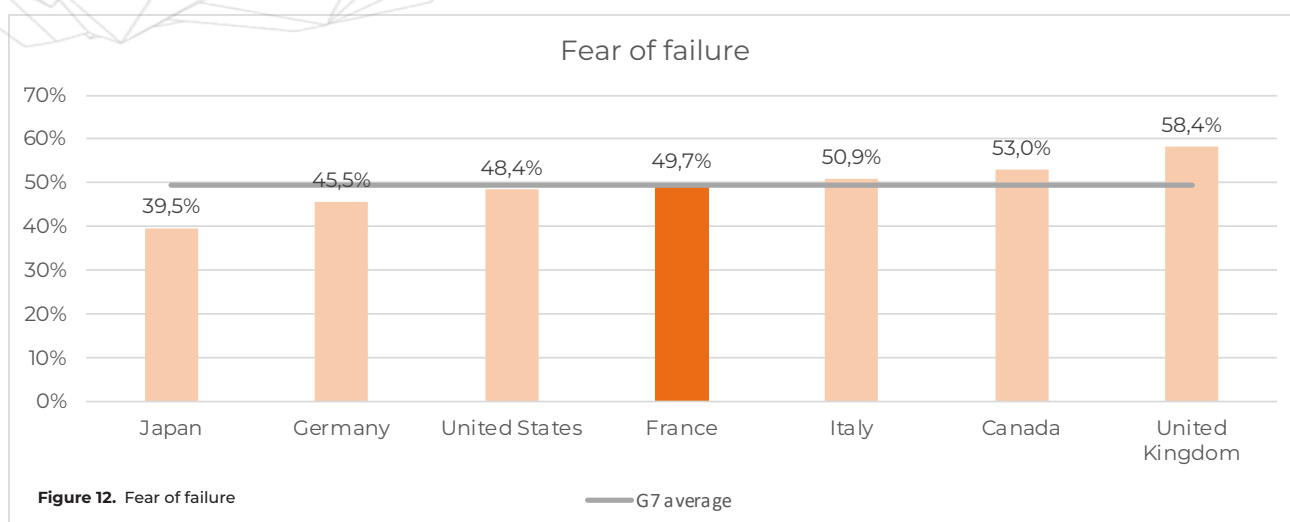
In France, 46.3% of respondents said they know at least one person involved in the running of an entrepreneurial activity (Figure 10). This is much lower than in the United States or Canada, where the entrepreneurial culture is part of the country’s DNA. Nonetheless, it is encouraging to note that almost half of the population has access to an entrepreneurial model, a trend that is even more marked among the younger generation (aged 18–44).

### PRESENCE OF OPPORTUNITIES IN ONE’S ENVIRONMENT

Beyond knowing entrepreneurs and the po-







tential to identify with a role model, in order to commit to entrepreneurship one also needs to be confident about the future, and especially about the business environment and its capacity to offer opportunities. The variable question “perceived opportunities”, in the GEM context, relates to the percentage of people who believe that there are good business opportunities for them in the next six months in the region where they live (Figure 11).

More than half of the French population believe that in their environment there are favourable situations to exploit. This optimism is even more pronounced among young people: 55.7% among 18-24 year olds and 57.7% among 25-34 year olds. In terms of international comparison, France lies in the middle but ranks second among European countries and the G7, behind the United Kingdom.

### FEAR OF FAILURE: HINDERING ENTREPRENEURIAL DYNAMICS

French culture essentially looks unfavourably on failure. This is a long-standing phenomenon. At school, grades are based on errors made, and adhering to the rules is rewarded more than ini-

tiative. In the workplace, although mentalities are gradually changing, failure continues to be frowned upon and tends to be systematically associated with the person who experiences it, such that it is very difficult to bounce back. And so, although France appears to be cultivating fertile terrain for entrepreneurship and gradually advancing in terms of its culture, it is to be expected that fear of failure is rooted in each individual and therefore hinders entrepreneurial commitment.

Only half of respondents said they would not become an entrepreneur for fear of failure (Figure 12). This ranks France 4th out of the G7, just behind the United States, where 48.4% of the population suffer from fear of failure. More specifically, French respondents aged 35 to 54 are those most averse to failure. This can no doubt be explained by the fact that the family burden borne during this life period increases the sense of stress linked to entrepreneurial failure.

### A sense of capability: an important factor in taking the plunge

There can be no entrepreneurship without

committing to it: from perceiving opportunity to transforming it into lasting managerial action, entrepreneurs consciously or unconsciously question their capacity for entrepreneurship and, depending on their sense of capability, decide to commit or walk away.

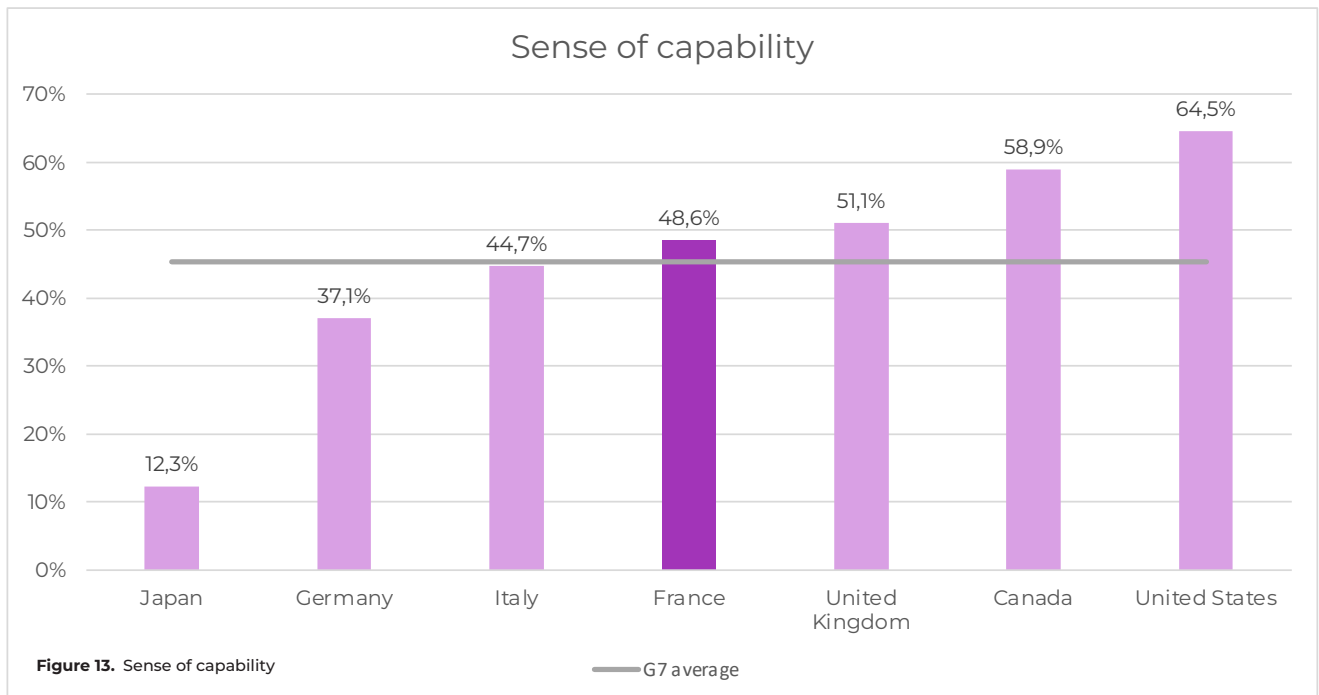
**THE SKILLS, KNOWLEDGE AND EXPERIENCE NEEDED TO START A NEW COMPANY**

The GEM consortium uses the notion of a sense of capability to refer to how well a person rates their skills, knowledge and experience to start a new company. To the extent that the term is broad (the skills, knowledge and experience required are not specified), it is more of a subjective self-evaluation based on the idea that respondents have of business creation and the aptitude required to make an entrepreneurial project a tangible reality. And so this statistic may be more of a reflection of personal belief in one’s capability than an impartial evaluation.

48.6% of the French population say they feel capable of becoming an entrepreneur, which is much lower than in the US or Canada (Figure 13). Specifically, men feel more capable than women (54.9% vs 42.3%) and 35-44 year olds have the most confidence in their capabilities (55.1%).

**ENTREPRENEURIAL TALENT: A NEW MEASURE OF PERCEIVED CAPABILITY**

To root out, seize and develop opportunities are action verbs that characterise the very definition of entrepreneurship. Some achieve these better than others. This difference between individuals may stem from the notion of talent, or one’s capacity for entrepreneurship and value creation. Entrepreneurial talent can also be associated with entrepreneurial action, one’s propensity to be creative, or the capacity to develop a clear vision of the future management of entrepreneurial opportunity.



For greater precision in measuring individual capability for entrepreneurship, GEM took the decision in 2019 to measure “entrepreneurial talent” based on four dimensions taken from the literature.

Slightly less than half of the population say they are capable of seeing opportunities and/or acting proactively, i.e. seizing them (Figure 14). However, nearly 60% of the population say they

have a capacity for innovation and more than 65% believe their actions are part of a long-term vision, which is to say one that can create value throughout their entrepreneurial career.

The contrast with the question relating to perceived opportunities is interesting: 52.1% of the population believe there are good business opportunities around, but only 44.7% feel capable of detecting them and 46.1% capable of seizing

# The 4 dimensions of entrepreneurial talent



## CAPACITY TO SEE OPPORTUNITIES

You rarely see business opportunities, even though you are very well informed in this regard.



## CAPACITY TO SEIZE OPPORTUNITIES

Even when you detect a profitable opportunity, you rarely act accordingly.



## CAPACITY TO INNOVATE

Others see you as very innovative.



## CAPACITY TO HAVE A LONG-TERM VISION

Each decision you make is part of your long-term career plan.

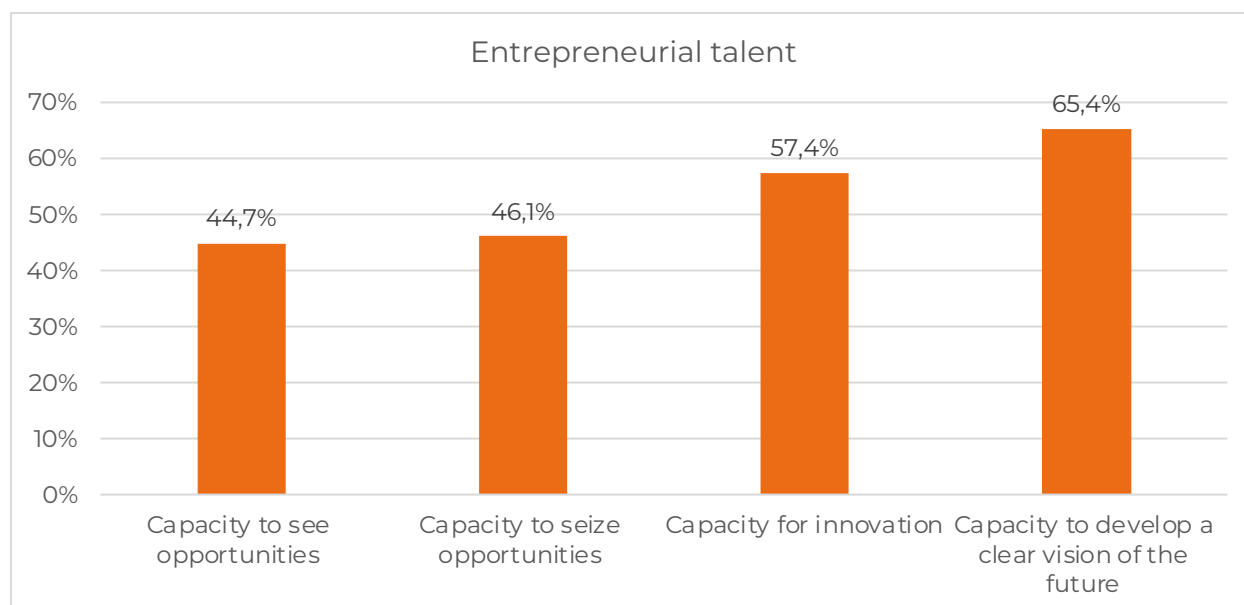


Figure 14. Entrepreneurial talent

them. Similarly, whereas 48.6% of the population feel capable of being an entrepreneur, this capability seems to be linked more to innovation and vision rather than entrepreneurial vigilance (identifying and seizing opportunities).

### Entrepreneurial motivations: a sense of engagement

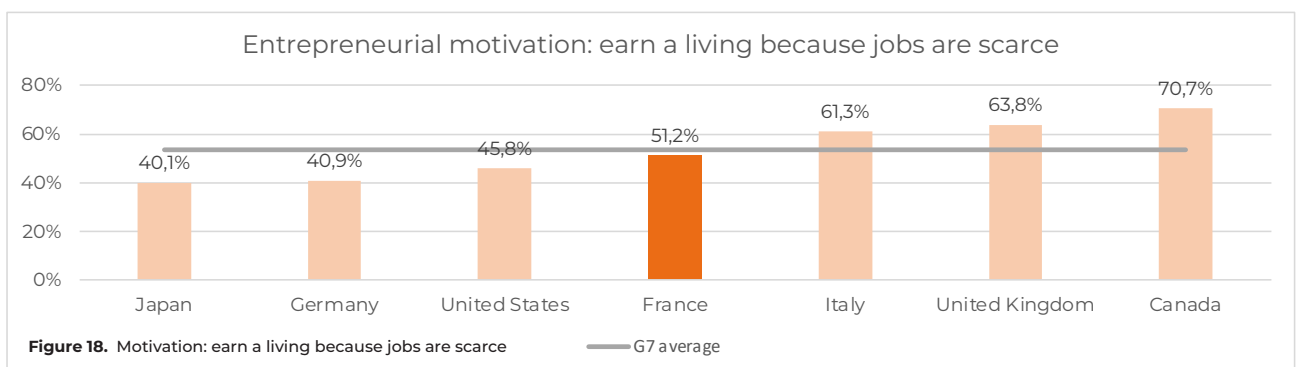
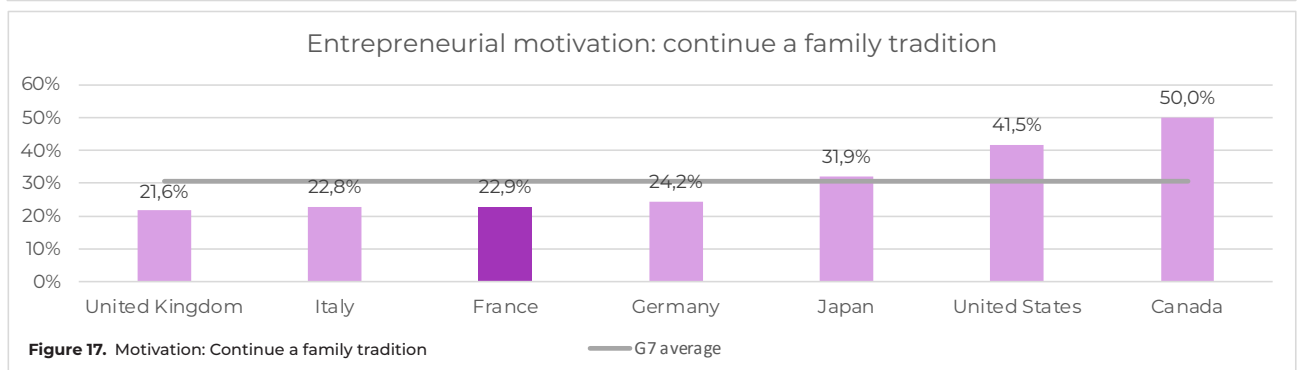
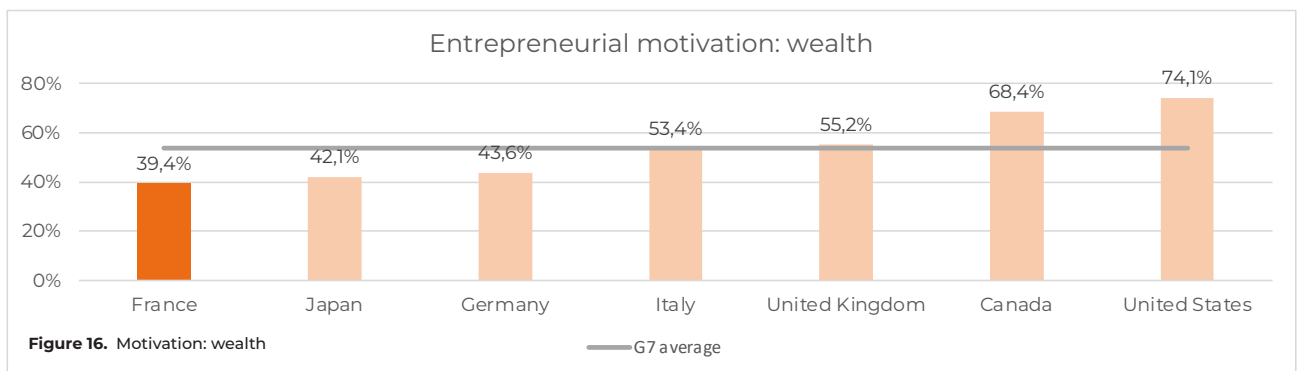
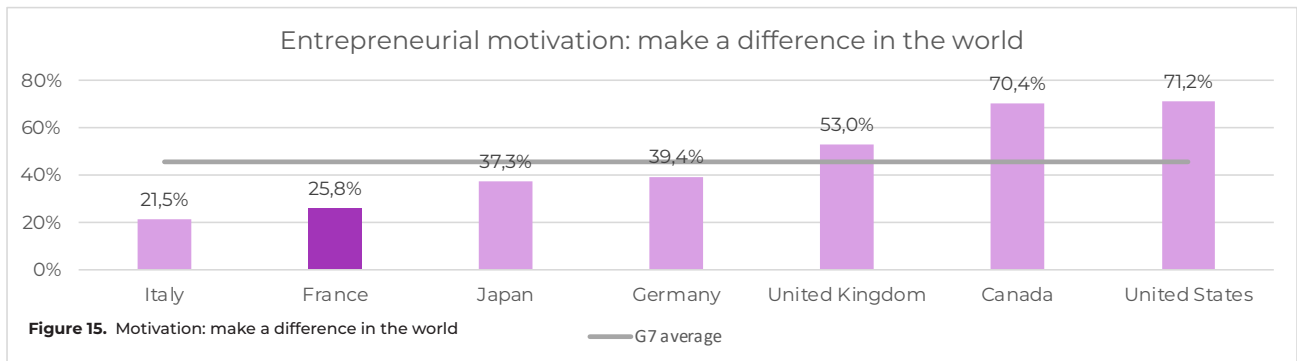
The primary motivation to create a new business is the search for autonomy and independence. This is shared by nearly all early-stage entrepreneurs, and so is not included in the survey. Indeed, in 2020 GEM abandoned the dichotomy between entrepreneurship of opportunity and of necessity, deemed too reductive. Four motivations to create a new business are now considered. Nascent and new entrepreneurs were asked to express the extent to which they agreed with three statements reflecting the reasons they undertook to create a new business:

- **To make a difference in the world (Figure 15)**

- **To build great wealth or very high income (Figure 16)**
- **To continue a family tradition (Figure 17)**
- **To earn a living because jobs are scarce (Figure 18)**

In 2021, the strongest motivation was “to earn a living because jobs are scarce” (51.2%). This result suggests that a majority of entrepreneurs tackle the entrepreneurial adventure out of necessity. This score is higher in Canada (70.7%), Italy (61.3%) and the UK (63.8%), and lower in the US (45.8%), Germany (40.9%) and Japan (40.1%). To a lesser extent, a career in entrepreneurship is driven by the motivation “to build great wealth or very high income” (39.4%). The other two motivations only concern between a quarter and a fifth of entrepreneurs. Business creation motivated by the desire to make a difference in the world was cited by just 25.8% of respondents entrepreneurs, whereas in the US (71.2%)

and Canada (70.4%) the figures were much higher. The same is true of the motivation “to continue a family tradition”, which represents just 22.9% of entrepreneurs in France, compared to 41.5% in the US and 50% in Canada.





# The entrepreneurial activity in France



The GEM model postulates that the determining factors in the decision to become an entrepreneur (national and cultural context as well as individual perceptions, attributes and motivations) can explain the rate of entrepreneurial activity in a given country. Entrepreneurial activity is measured based on an entrepreneurial process which we will begin by presenting. The results of the APS will then allow us to measure entrepreneurial activity in France, in the different phases of the process.



## The entrepreneurial process

GEM sees the entrepreneurial model as a process involving several phases: entrepreneurial intention, followed by the emergence of the entrepreneurial activity, the effective creation of the business and, lastly, in some cases business exit (Figure 3).

On this basis, entrepreneurial intention (someone who declares they intend intention to create a business in the next 3 years) is seen as a primary factor influencing the creation of an entrepreneurial activity. To consider creating a business is a crucial phase, very often the first step towards the effective emergence of the entrepreneurial activity. Its measure, albeit perfectible, is nonetheless an interesting determinant of business creation.

The effective creation of entrepreneurial activity is reflected in the Total early-stage Entrepreneurial Activity (TEA) and corresponds to a country's entrepreneurial dynamic (Figure 19). TEA represents the % of nascent and young/new entrepreneurs. This early-stage entrepreneurship is marked by a tangible commitment to an entrepreneurial activity and is measured by the number of months' salaries paid since it began:

- Nascent entrepreneur: someone who has set up a business and paid between 0 and 3 months of salaries;
- A new entrepreneur: someone who has set up a business and paid between 4 and 41 months of salaries;

- Established entrepreneur: someone who has set up a business and paid at least 42 months of salaries.

The last category, established entrepreneur, corresponds to the % of entrepreneurs whose business is well established; they are not included in the TEA.

Lastly, the GEM model includes the end of the entrepreneurial process: business exit. This can take the form of the closure or sale of the company. Selling a business can be a path towards a new entrepreneurial project.

## Entrepreneurial intention

The intention to create a business in the next three years is an interesting indicator of entrepreneurial commitment. It partly describes the willingness and desire to take on entrepreneurship, which can in time lead to effective business creation. Although this intention does not systematically result in tangible action and we lack information about feasibility, it is a variable that has nonetheless been recognised as influential in the birth of entrepreneurial projects.

In 2021, 16.9% of respondents said they intended to set up a business in the next three years. This figure is falling slightly (-0.75%), standing around 17.6% in 2017. It is hard to know what underlies this decline in entrepreneurial intentions. Two primary hypotheses can be put forward: the first is linked to the pandemic and uncertain economic climate, which may have hampered some entrepreneurial ambitions; the second is linked

to our relationship with failure. The rate at which entrepreneurial intentions lead to tangible action is relatively low: just 35% of overall intentions, for a percentage of nascent entrepreneurs of 5.9%. In other words, this low rate could be perceived as a failure for the French population.

It is interesting to note that the 25-34 age group are those who expressed the strongest desire for business creation (27% of respondents). And logically, this high proportion of respondents are found among the nascent entrepreneurs (30%). Because time is a variable that must be taken into consideration for the shift from the business start-up phase to established entrepreneurial activity, it is the 35-44 age group that is most represented among new entrepreneurs (30%) and established entrepreneurs (27%).

### Early stage and established entrepreneurial activity

Regarding early-stage entrepreneurs (Figure 19), the situation in France compared to other G7 countries is largely positive despite continuing uncertainty in 2021. Restrictive public health measures for organizations, implemented to combat the Covid-19 pandemic, have had repercussions for the functioning of the economy as a whole.

Nonetheless, the percentage of early-stage entrepreneurs stands at 7.7%, placing France in the middle of the international G7 ranking, behind Canada, which leads with 20.1%, the United States (16.5%) and the United Kingdom (12.6%).

Since GEM first started collecting data, France has consistently posted TEA figures below most of the other countries. Early-stage entrepreneurship is an indicator of a country's vitality, so it is worth noting that this figure has risen 2.5 points over the last 9 years in France, from 5.2% in 2012

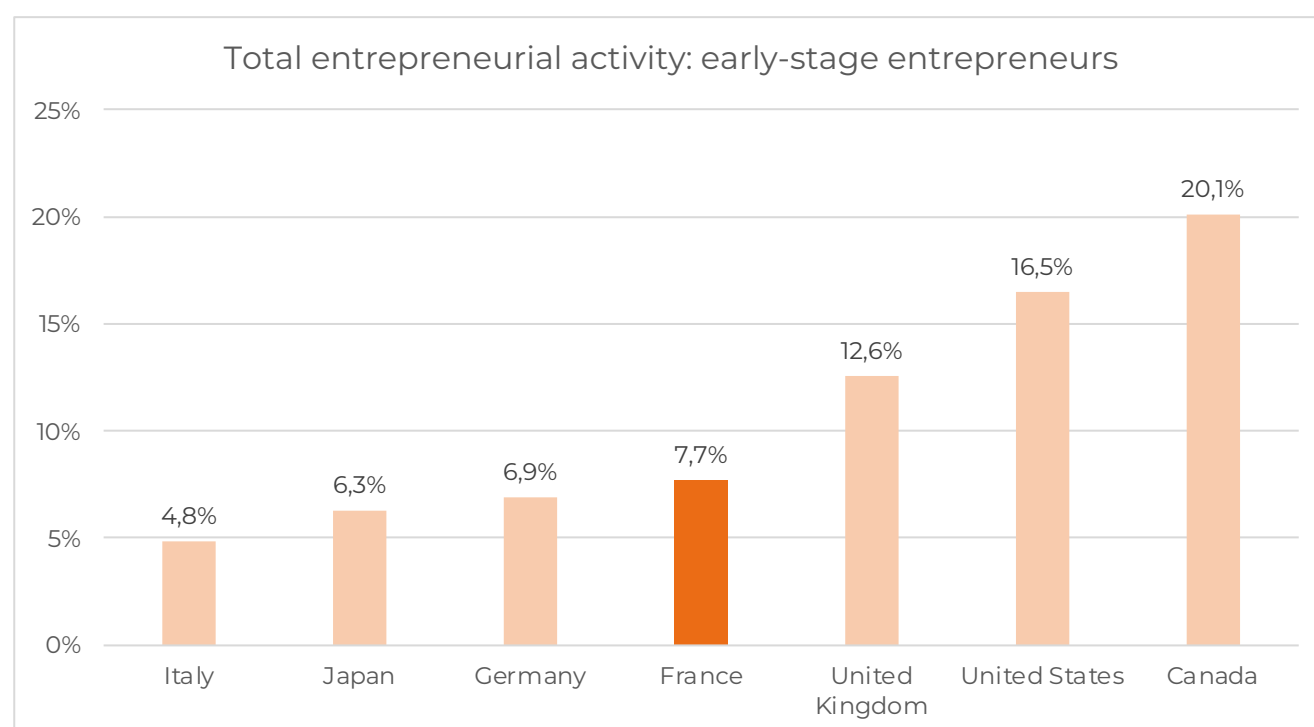


Figure 19. Total entrepreneurial activity: early-stage entrepreneurs

(GEM France 2012) to 7.7% in 2021.

However, despite marked early-stage dynamism in France, its percentage of established entrepreneurs leaves the country ranked last of the G7 (Figure 20). With established entrepreneurs representing just 3.6%, it lags far behind the US (which leads with 8.8%), Canada (8.2%) and the UK (5.3%). When the percentage of established entrepreneurs is taken into account, some countries like Germany (4.9%), Japan (4.8%) and Italy (4.5%) are able to climb the overall rankings.

## Business exit

An entrepreneurial adventure can come to an end for many reasons relating to the company's situation (bankruptcy, opportunity to sell, etc.), the entrepreneur's personal situation (declining motivation, retirement, etc.) or the prevailing climate (pandemic, market upheaval, etc.). A busi-

ness exit is not therefore indicative of failure. It is of an ambivalent nature since it can reflect either proactive or reactive behaviour. In other words, this major decision could stem from a deliberate or an emerging strategy. It is also important to distinguish between the trajectory of the business and that of the entrepreneur. The business exit does not necessarily bring an end to the entrepreneur's activity. The business owner may establish the conditions for it to be taken over.

Against the backdrop of an ageing population, business handover/acquisition is a major issue. An acquisition can be made internally (employee or family member) or externally. This is a strategy that can be adopted by new or established entrepreneurs. It is a mode of business exit that can reveal personal trajectories affected by economic or even existential demands. Some serial entrepreneurs own a portfolio of businesses and

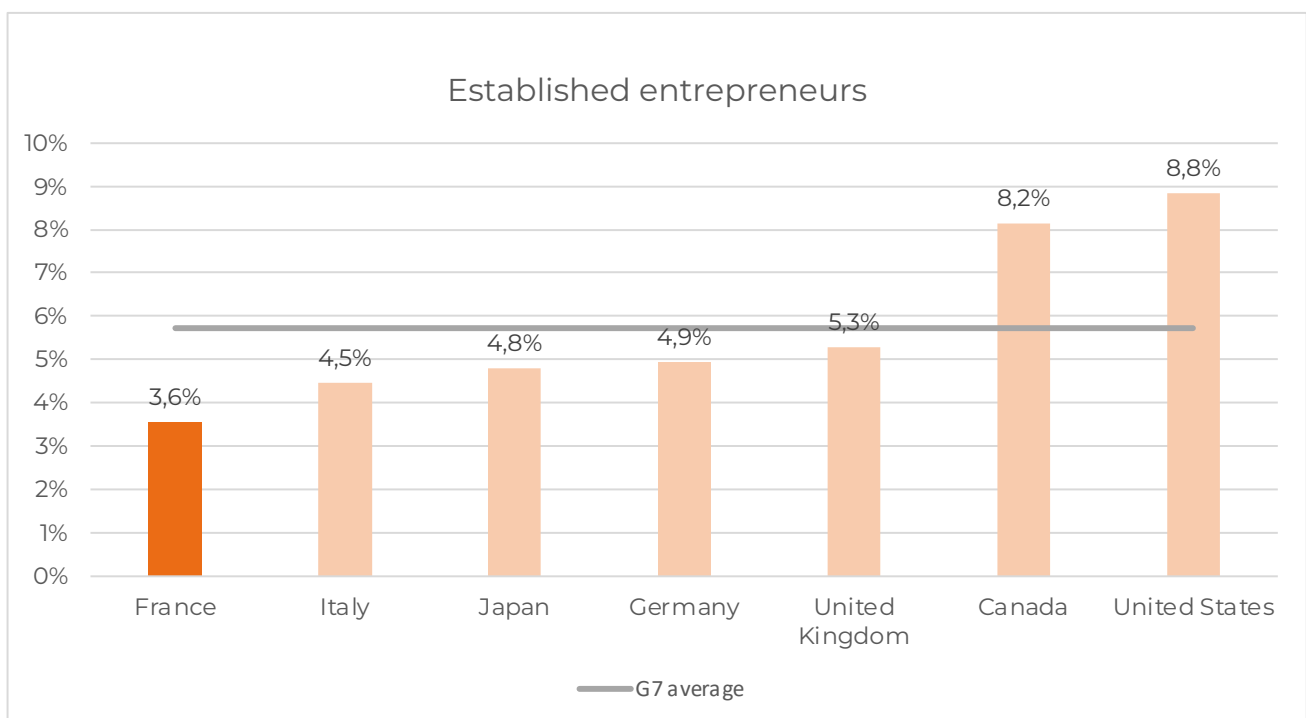


Figure 20. Established entrepreneurs

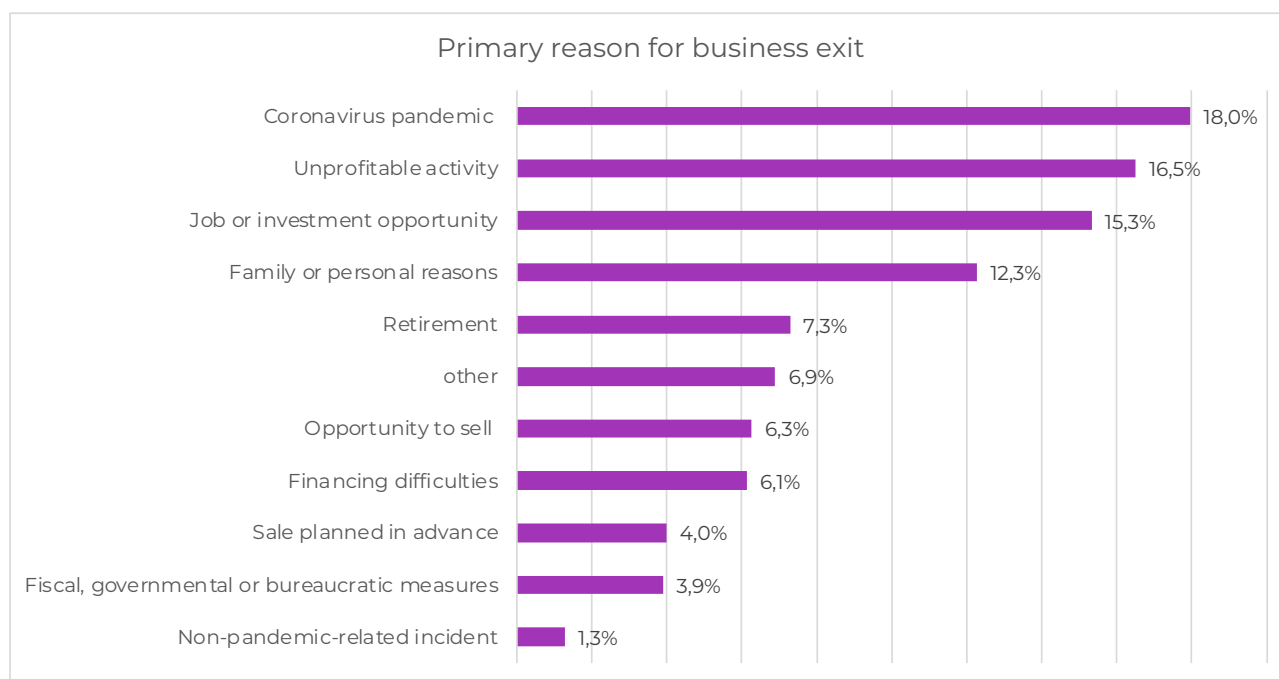


Figure 21. Primary reason for business exit

do not hesitate to walk away from some to seize new opportunities. For personal reasons, lifestyle entrepreneurs may not hesitate to abandon entrepreneurship only to return later.

The number of people who experience business exit is low. 2.5% of respondents reported it while 1.4% transferred their business. It makes sense to distinguish between the trajectory of the company and that of the entrepreneur since in 44% of cases these exits involved continuity of activities. The Covid-19 context played an important role insofar as it is the primary reason for business exit (18%; Figure 21). Personal reasons are central to this decision, whether to take up a job opportunity (15.3%), for family or personal reasons (12.3%) or to retire (7.3%). Difficulties facing the business are another important explanatory factor behind business exits. Unprofitable activity is the second biggest reason (16.5%).

## EXISTING BUSINESSES SERVING ENTREPRENEURIAL DYNAMICS

Through its model, GEM postulates that the attitudes of the population in general underpin an entrepreneurial culture capable of stimulating entrepreneurial intentions, just like individual attributes, perceptions or capabilities. However, it must be remembered that existing businesses also have a role to play in boosting the dynamism of entrepreneurial activity, whether by favouring the emergence of entrepreneurial projects or offering financial support to up-and-coming entrepreneurs.

## INTRAPRENEURSHIP

Through the implementation of entrepreneurial projects within existing structures, whether private or public, intrapreneurship also contributes to entrepreneurial dynamics. An increasing number of organizations are highlighting the advan-

tages of this. They can benefit from new ideas, the development of new activities, products or services, innovations and/or expansion into new markets. This process enables organizations to add flexibility to the way they manage their projects and thereby seize opportunities that may otherwise have been overlooked due to their structural rigidity. This phenomenon contributes to the renewal of existing organizations and can therefore lead to job creation and growth in their area.

The level of intrapreneurial activity (employee entrepreneurial activity, EEA) is of course lower than that of entrepreneurial activity generated by ex-nihilo business creation. The English-speaking countries in the G7 (US, Canada and UK) are

those with the highest levels of intrapreneurial activity, with the US holding the record at 3.8%. France and Japan are slightly below average, posting figures around 2.3% and 1.3% (Figure 22). Undertaking an entrepreneurial initiative in an organization means involving several employees and giving them responsibility. To measure this phenomenon, GEM identifies: current intrapreneurs who play an active role leading a business project; and past intrapreneurs who have led a project over the last 3 years. Finally, two phases are identified: phase 1 in the idea and its exploration, followed by phase 2 involving the groundwork and effective implementation of that idea.

Unsurprisingly, intrapreneurial activity is mostly undertaken by those in the 25-34 and 35-44 age

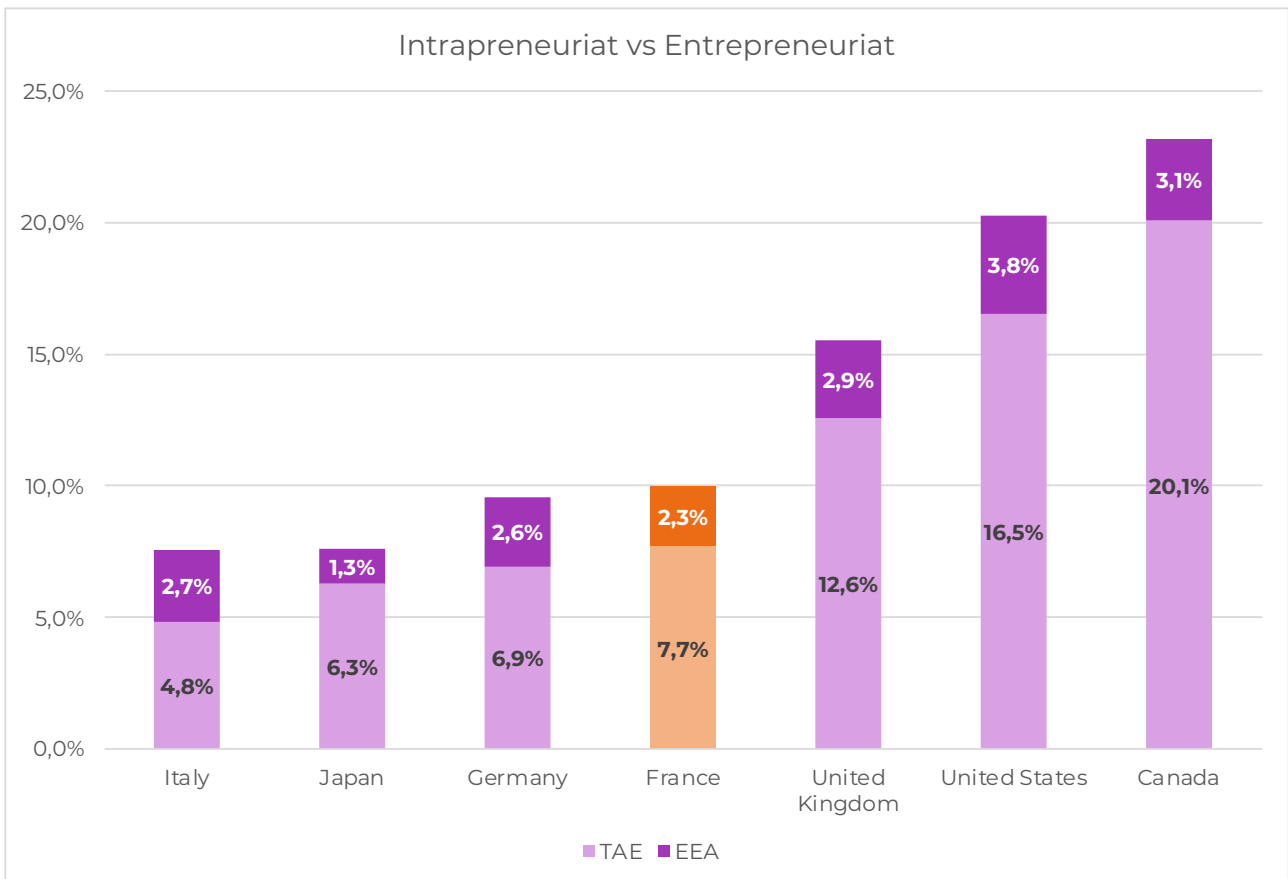


Figure 22. Intrapreneurship vs entrepreneurship

groups, who are doubtless the most active in the labour force and therefore in the organizations for which they work. We identified 32% of past intrapreneurs and 30% of current intrapreneurs within the 25-34 age group, and 31% of past intrapreneurs and 33% of current intrapreneurs in the 35-44 age group.

In contrast, the percentages are relatively low in the 18-24 age group. Two hypotheses may explain this result: some of the people in this group are still studying and not yet active within the labour force; secondly, because age is correlated with experience, it is possible that business owners prefer to entrust experienced staff members with their intrapreneurial projects.

Most of these intrapreneurial projects are led by people with a bachelor's or master's degree. 36% of current intrapreneurs have the former and 34% the latter.

These statistics alone do not shed sufficient light on the phenomenon as a whole, but we suggest the following consideration: entrepreneurial projects are undertaken by individuals themselves, and self-censorship among women may be one of the variables that explains the gap in TEA between men and women; in contrast, intrapreneurial projects may be initiated by individuals, but they require validation from a superior. This raises the question of whether the gender gap in intrapreneurial projects may reflect gender inequality in the workplace.

## HYBRID ENTREPRENEURSHIP

Hybrid entrepreneurship is another form of en-

trepreneurial activity. It is where entrepreneurship is balanced alongside another professional activity. Unlike intrapreneurship, it does not involve creating or developing a new activity within an existing organization, but rather becoming an entrepreneur while maintaining a salary-paid position in a company not owned by the entrepreneur. This can be an attractive approach to reduce the risk inherent in the early phase of any entrepreneurial activity. Hybrid entrepreneurship can be seen as a "prudent" transition strategy towards entrepreneurship. Maintaining one's job ensures a stable financial foundation which reduces the uncertainty of the transition to entrepreneurship, while acting as a lever for future fundraising (financing strategy).

This option is chosen by some nascent entrepreneurs and represents 3.8% of all entrepreneurial activity, exactly half the figure for Total early-stage Entrepreneurial Activity (7.7%; Figure 23).

## Informal investors supporting entrepreneurship

The success of an entrepreneurial project largely depends on the money invested. There is a great diversity of sources of financing. But in early-stage entrepreneurship, proximity funding – sometimes called "love money" – plays a decisive role. In countries where opportunity entrepreneurship prevails over necessity entrepreneurship, informal investors, made up of family members, friends or business angels, is highly present. It is therefore interesting to look at the proportion of informal investors who support entrepreneurial activity. Survey respondents were asked whether they personally had provided funds for a new business set up by somebody else, not including any purchase

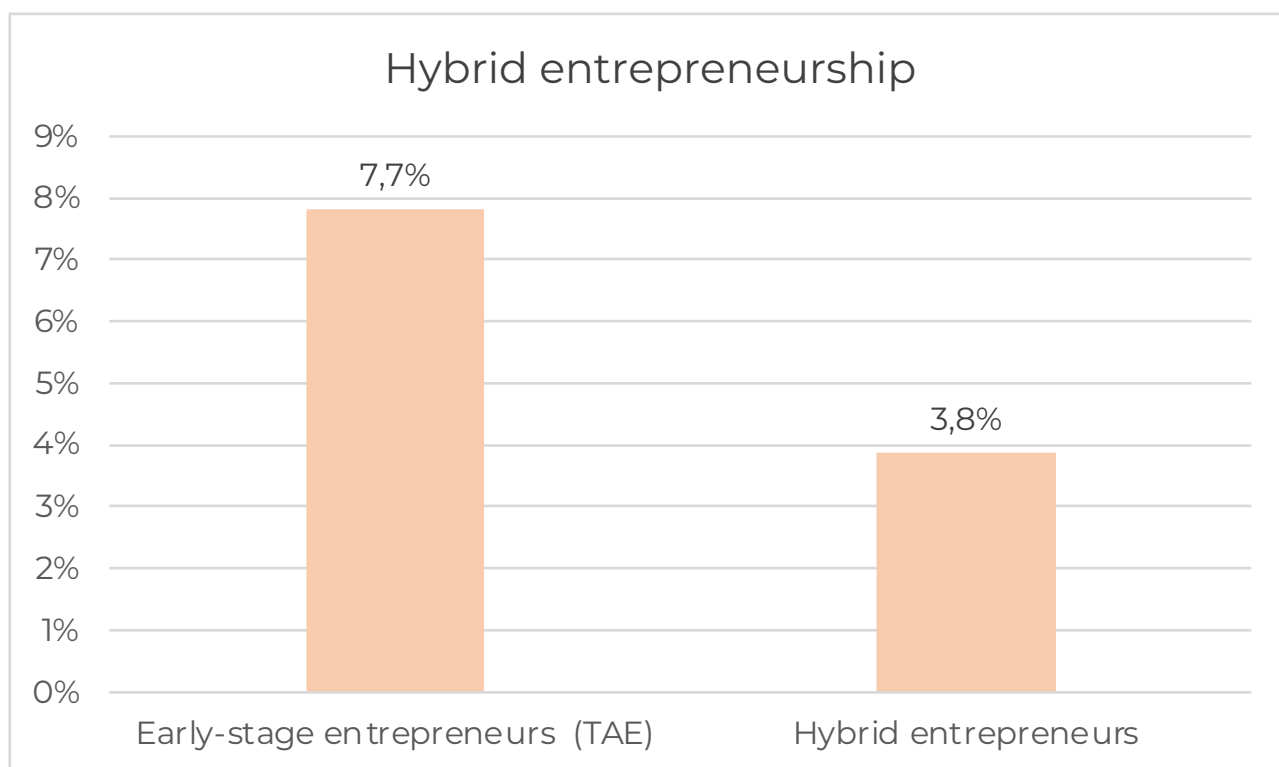


Figure 23. Hybrid entrepreneurship

of shares or mutual funds. In France, 6% of the population aged 18 to 24 can be considered informal investors. This figure is much higher in the United States and Canada, but lower in the United Kingdom, Japan and Italy (Figure 24).

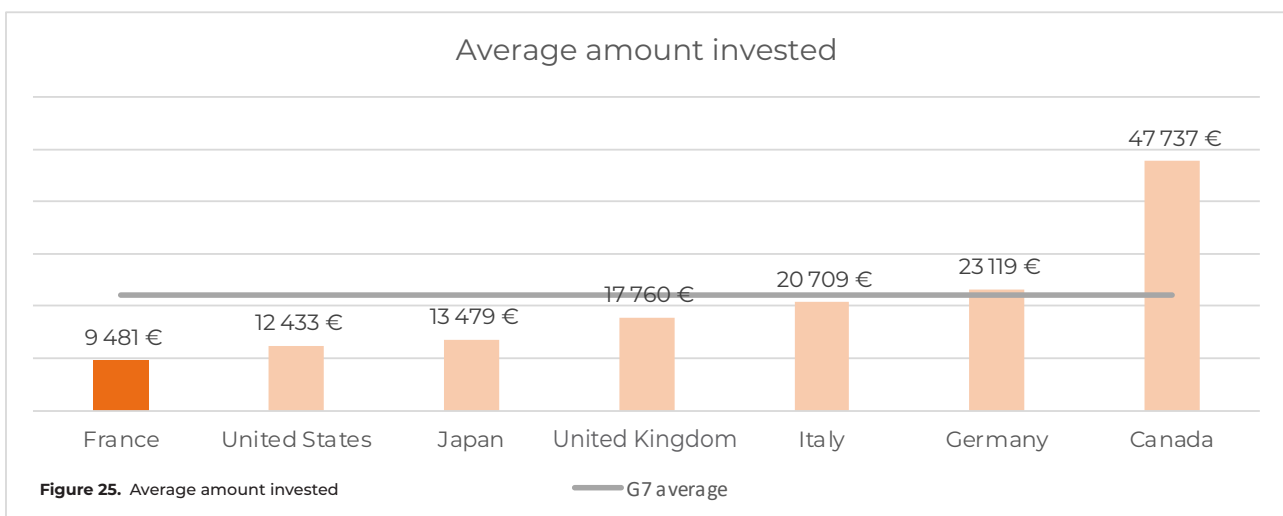
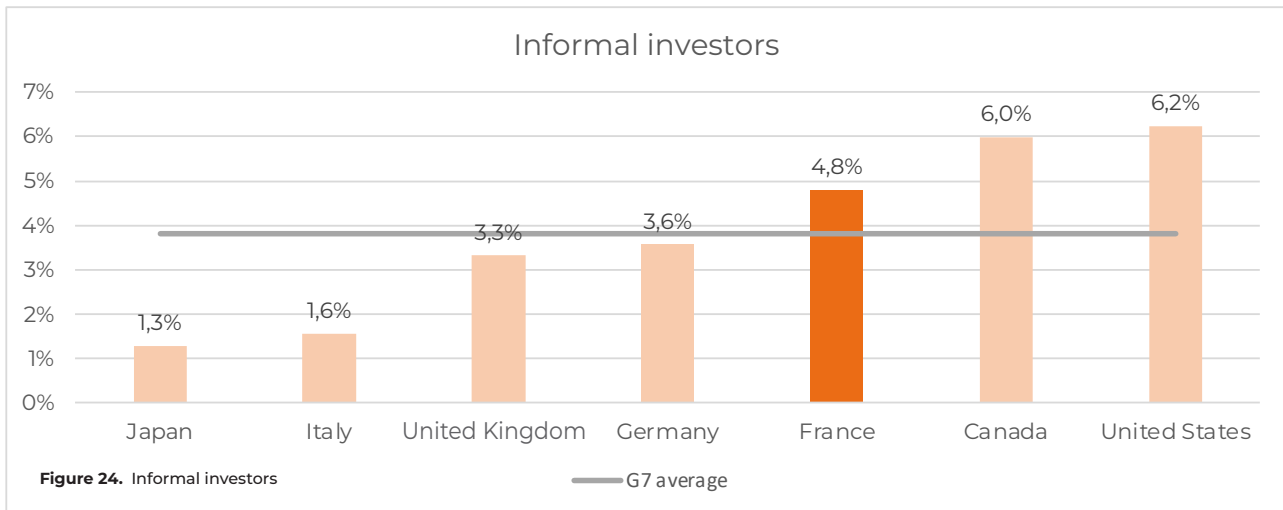
The average amount invested in a 3-year period is €9481. This is relatively low compared to other G7 countries, particularly Canada (€47,737) and Germany (€23,119), as Figure 25 shows.

### Entrepreneurial activity with an international focus

A focus on exports is recognised as an indicator of productive entrepreneurship, innovation and performance in an economy. The GEM Adult Population Survey is a way to assess the internationalisation of early-stage and established businesses via two indicators: the existence of foreign clients and the share of exports in company revenue.

In France, more than one-third (37%) of early-stage entrepreneurs reported having clients abroad, ranking it 3<sup>rd</sup> among G7 countries in terms of entrepreneurs who engage in exports. Canada tops this ranking, with nearly half of early-stage entrepreneurs reporting foreign clients. For established businesses, the figures are lower overall: 20 points lower for Canada, around 10 for Japan and Italy, 7 for the United Kingdom and 4 for France. Nonetheless, France is ranked 2<sup>nd</sup> in the G7, just behind Germany and on a par with the United Kingdom, where the highest number of established entrepreneurs say they have foreign clients, representing around one-third (Figure 26).

Next, if we look at the percentage of annual revenue generated from clients outside France, we find that only 7.8% of early-stage entrepreneurs make more than 50% of their revenue from exports, compared to 5.5% for established businesses. A moderate level of activity (26%-50%) is



posted by 5.8% of new businesses, compared to 3.1% for established businesses. Around one in four companies report low levels of exports (1%-25%): 22% in the case of early-stage businesses and 24.2% for established companies. This tells us that entrepreneurs in France who engage in exports generally do so at low levels (1/4 of revenue; Figure 27).



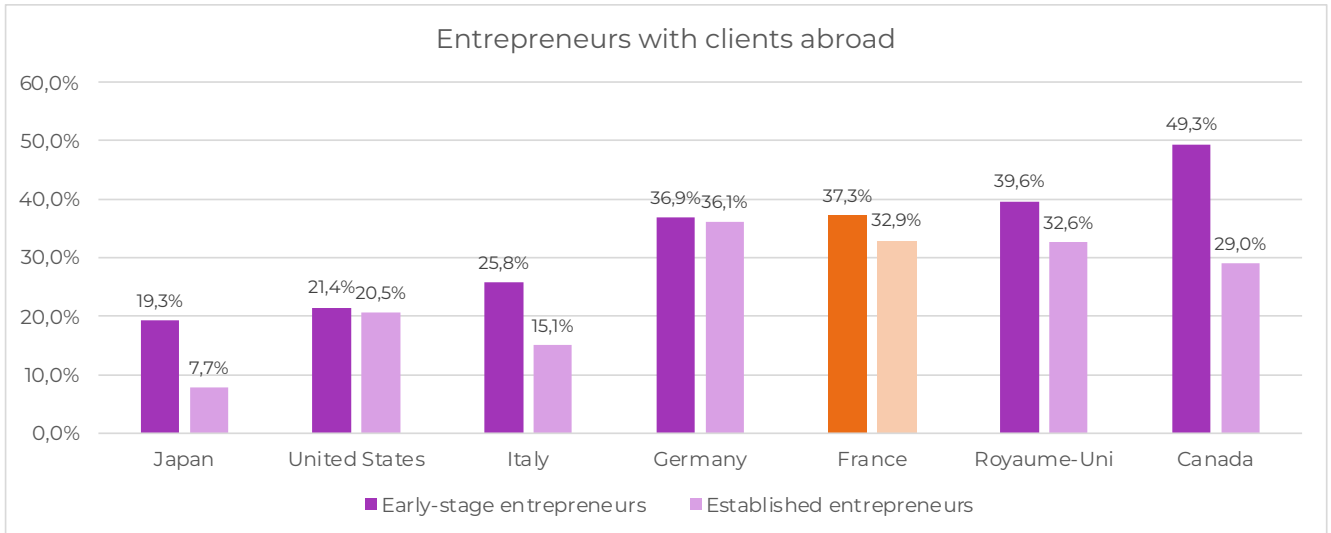


Figure 26. Entrepreneurs with clients abroad

Early-stage entrepreneurs			
% revenues generated abroad	Frequence	%	accumulation
>90%	2	0,6%	0,6%
76%-90%	5	1,7%	2,4%
51%-75%	15	5,4%	7,8%
26%-50%	16	5,8%	13,6%
11%-25%	22	8,1%	21,7%
1%-10%	38	13,9%	35,6%
No export	175	64,4%	100,0%
<b>Total</b>	<b>272</b>	<b>100,00%</b>	
<i>Did not answer</i>	18		
<i>Total early stage entrepreneurs</i>	290		

Established entrepreneurs			
% revenues generated abroad	Frequence	%	accumulation
>90%	1	0,8%	0,8%
76%-90%	3	2,3%	3,1%
51%-75%	3	2,3%	5,5%
26%-50%	4	3,1%	8,6%
11%-25%	12	9,4%	18,0%
1%-10%	19	14,8%	32,8%
No export	86	67,2%	100,0%
<b>Total</b>	<b>128</b>	<b>100,00%</b>	
<i>Did not answer</i>	7		
<i>Total established entrepreneurs</i>	129		

Figure 27. Percentage of revenue generated abroad

# Female entrepreneurship



In this section we offer a “gender-based” perspective of the two business creation phases: in new and established businesses (APS). We will also consider how national experts perceive the institutional conditions in which female entrepreneurs create and manage their businesses (NES).

## Determining factors in the decision to become an entrepreneur

As we have already said, there can be no entrepreneurship without commitment. How do women perceive the act of entrepreneurship and how do they assess their capacity to initiate it?

Overall women feel less capable than men when it comes to starting up a new business (42.3% vs 54.9%; Figure 28). These results confirm a phenomenon that is well known by actors on the ground: women are undervalued because they doubt their ability to succeed much more than men, and so far fewer of them see their plans through. Similarly, a smaller number of women already know someone who has taken on an entrepreneurial adventure. It would appear that for them accessing a network of entrepreneurs is less straightforward, and we know this is a determining factor of entrepreneurship.

In line with these results, it can be observed that fewer women believe they will have good business opportunities in the next six months in the area where they live (47.9% vs 56.3%; Figure 30). Furthermore, women have a much higher fear of failure than men (53.1% vs 46.3%). This aversion to risk was reported in an earlier study by the AFE (AFE Entrepreneurial index 2018): women cite the risk of lost revenue or upsetting their family balance more often than men.

Looking at “entrepreneurial talent”, it would appear that there is no fundamental difference between men and women when it comes to the capacity to seize opportunities and have a long-term vision. However, the capacity to perceive opportunities or innovate does differ from one gender to the other (Figure 29): women appear more perspicacious when it comes to rooting out new opportunities (46.7% vs 42.8%),

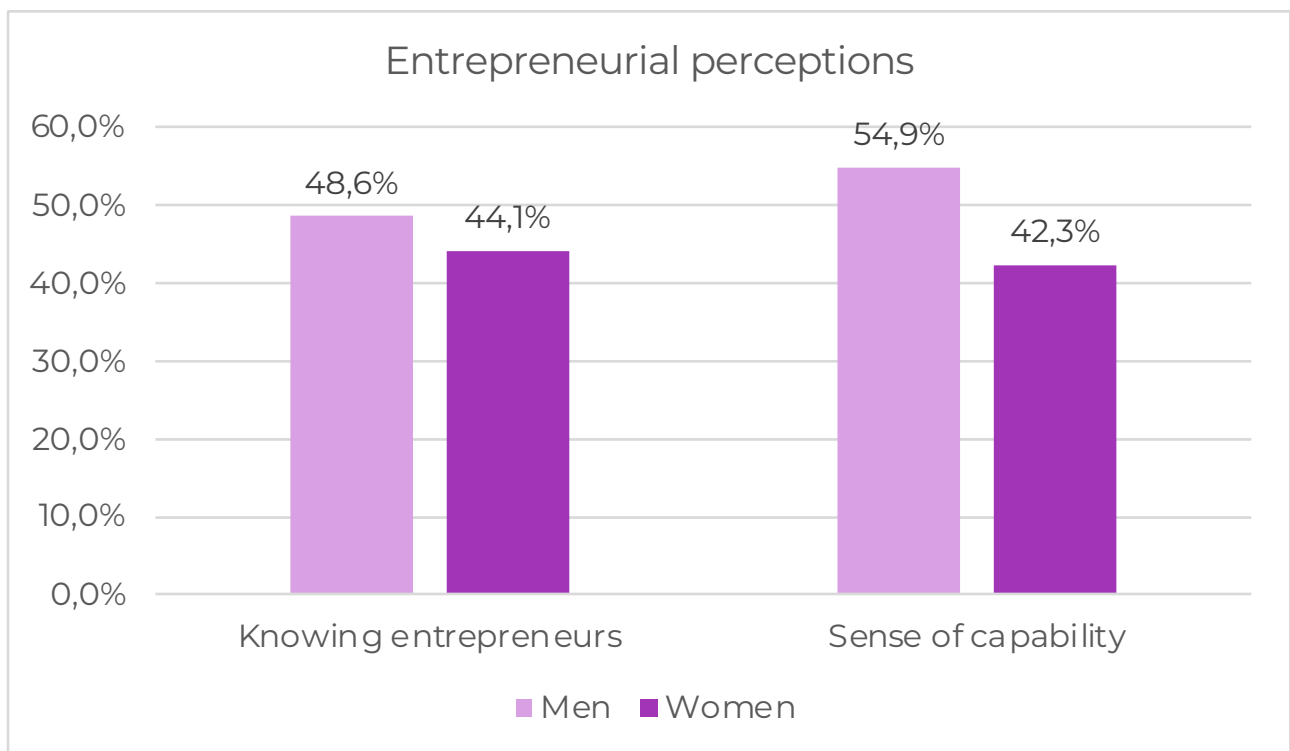
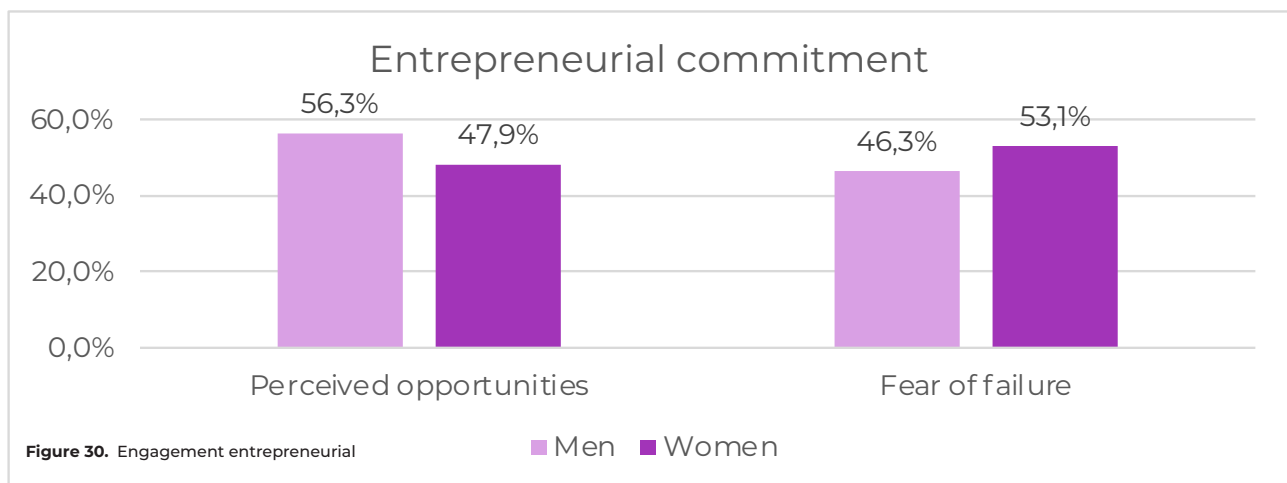
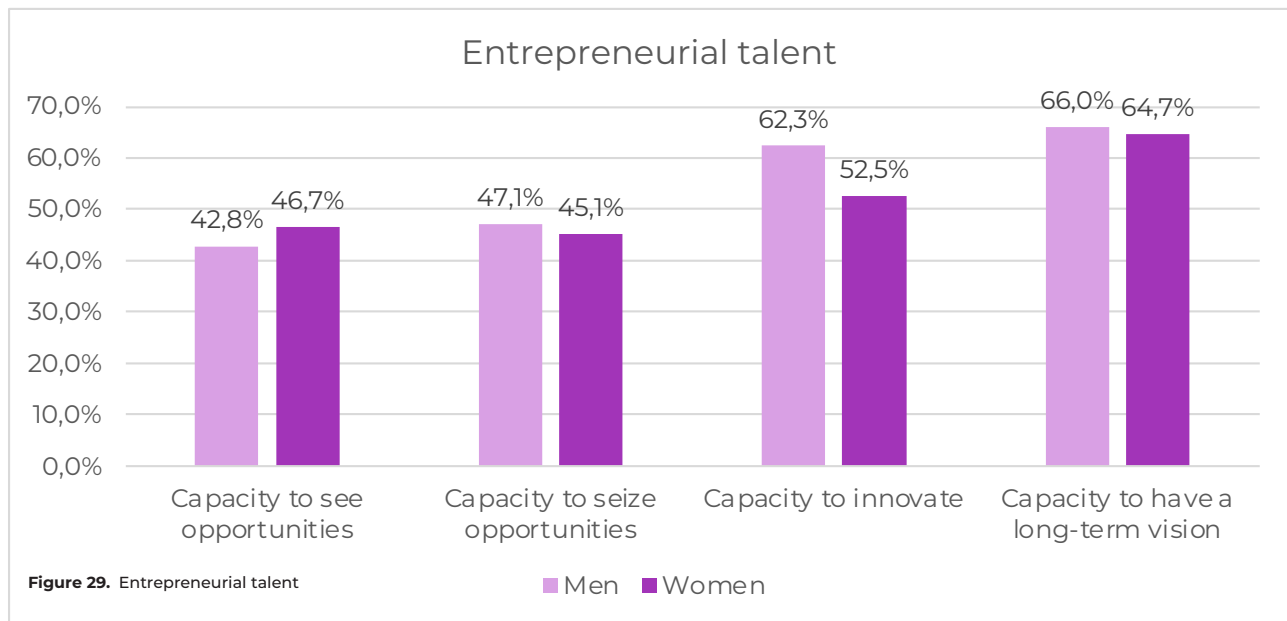


Figure 28. Entrepreneurial perceptions



whereas men seem to have a greater capacity for innovation (62.3% vs 52.5%), or at least believe they do (Figure 29).

Taken together, these results appear to indicate that substantial efforts remain to support female entrepreneurship, and in particular help them value their skills more and develop the courage to tackle the entrepreneurial adventure.

## Female entrepreneurial activity

Although nowadays women occupy a central place in the entrepreneurial landscape, Figure 31 shows that men are in the majority among early-stage entrepreneurs in the G7. In France, 7.1% of the working population are women embarking on an entrepreneurial adventure, compared to 8.4% for men. The proportion of female entrepreneurs is higher than in Italy (3.5%) or Japan (4%). However, France lags far behind the

United States (15.2%) and Canada, where the TEA among women stands at 15.8%. It is also in Canada where the TEA gap is most significant between men and women with a difference of : 8.6% points (Figure 31).

However, France has the smallest gap between men and women when it comes to established entrepreneurs: just 1.4% compared to 4.9% in Japan for example.

Figure 32 shows that France has one of the lowest percentages (2.9%) of women among established entrepreneurs (2.9%). By way of comparison, the figure is 7.6% in the US and 6.6% in Canada. Only Japan scores lower, with 2.3%.

So while female entrepreneurship needs to be further developed in France in order to catch up with the rest of the G7, the narrow gap between female and male entrepreneurship is worth highlighting, an encouraging sign of the fall in gender bias.

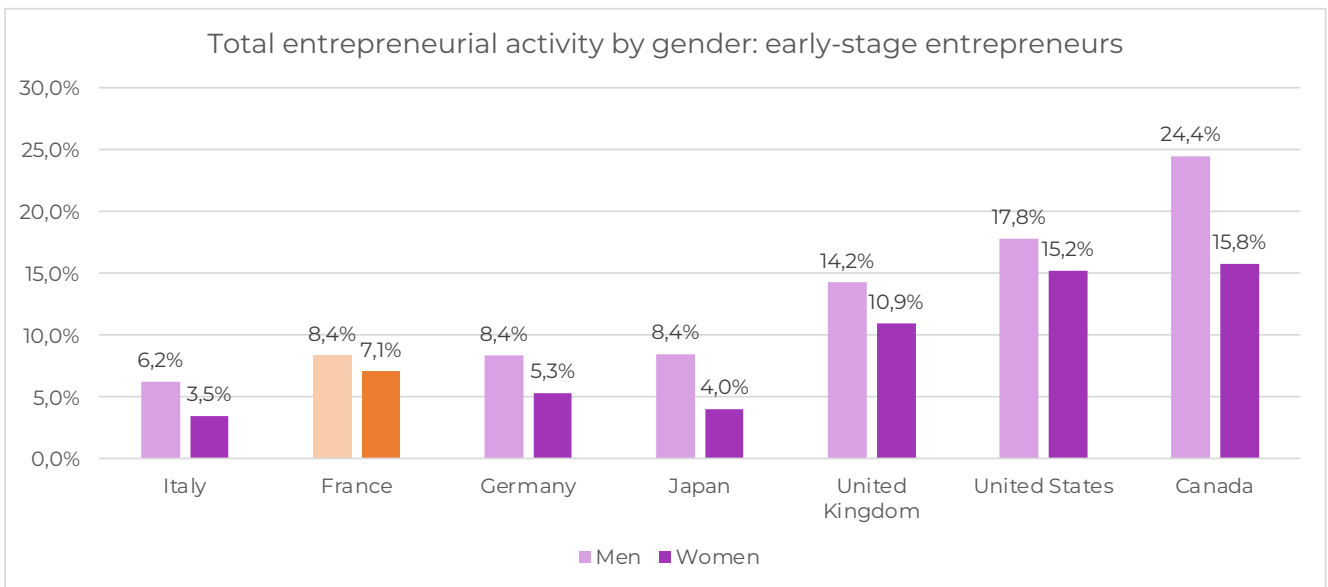


Figure 31. Total entrepreneurial activity by gender (early-stage entrepreneurs)

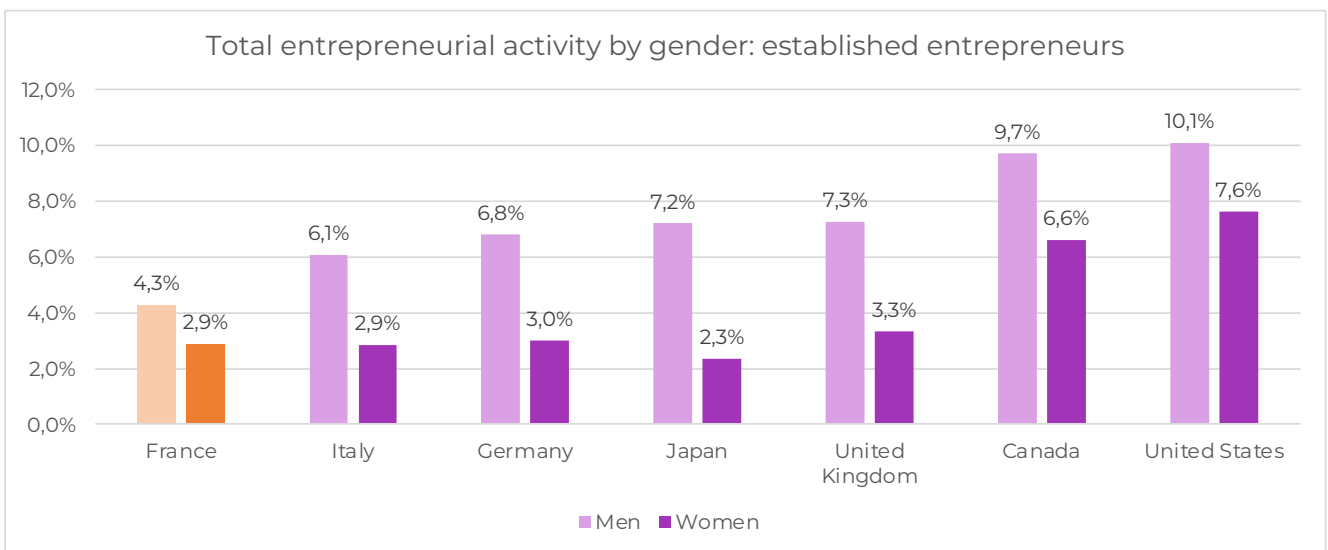


Figure 32. Total entrepreneurial activity by gender (established entrepreneurs)

## The institutional conditions favouring female entrepreneurship

Given that entrepreneurial activity continues to be lower among women than men, we asked our national experts about the institutional conditions that favour female entrepreneurship to pinpoint the areas for improvement. They had to indicate the extent to which they agreed with each statement on a 10-point Likert scale (1 = totally disagree / 5 = neither agree nor disagree / 10 = totally agree).

### PERCEPTIONS OF EXTRA-PROFESSIONAL SUPPORT

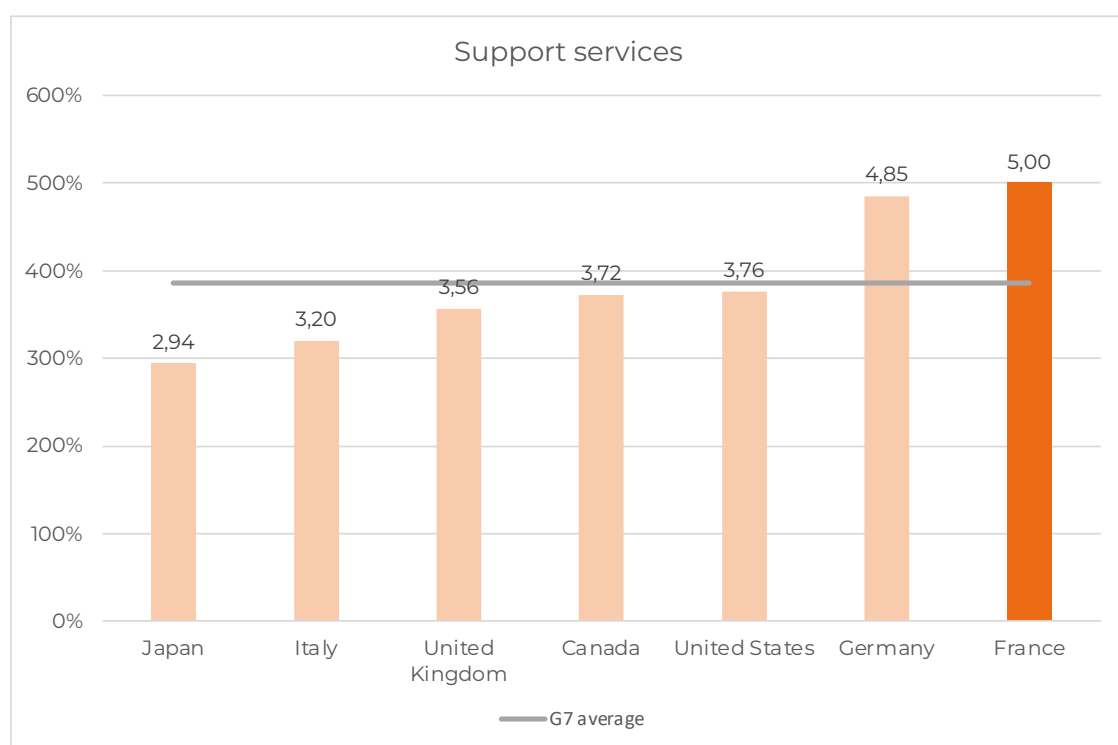


Figure 33. Support services

**Caption: In my country there are sufficient and affordable support services (childcare, services in the home, extra-curricular programmes, care for the elderly, etc.) to ensure women can continue to manage their business even after establishing a family.**

This figure appears to show that, compared to the rest of the G7, it is France that offers the most favourable conditions (childcare, services in the home, etc.) to female entrepreneurs so they can manage their business with ease. However, this finding needs to be seen in light of the fact that the average score given by the participating experts was just 5/10.

## PERCEPTIONS OF REGULATIONS FAVOURING ENTREPRENEURSHIP

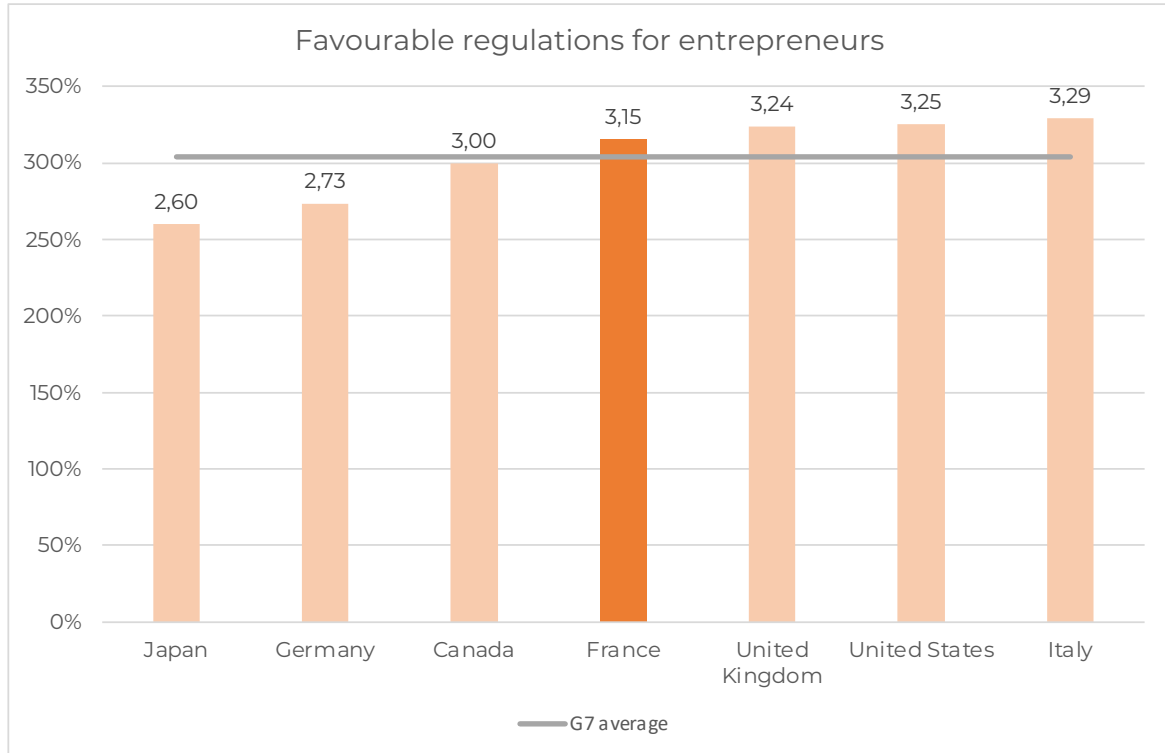


Figure 34. Favourable regulations for entrepreneurs

**Caption: In my country, regulations for entrepreneurs are so favourable that women prefer to become entrepreneurs rather than employees.**

In the G7 as a whole, there are largely unfavourable perceptions of the regulatory factors that would motivate women to become entrepreneurs compared to the opportunity of salary-paid work. France is no exception. In a report by the economic, social and environmental council (CESE) as part of its “Women and entrepreneurship” study published in 2020 (CESE, 2020), it emphasised the need to offer better support and protection to female entrepreneurs.

## PERCEPTIONS OF THE EFFECT OF NATIONAL CULTURE ON ENTREPRENEURSHIP

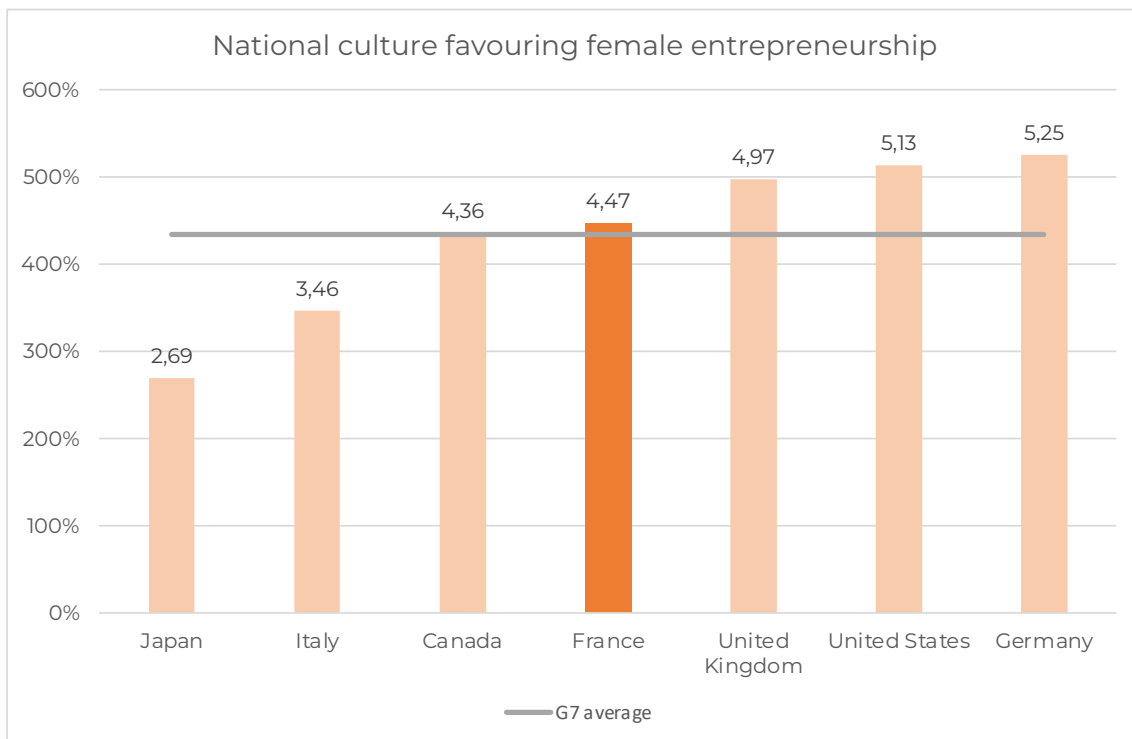


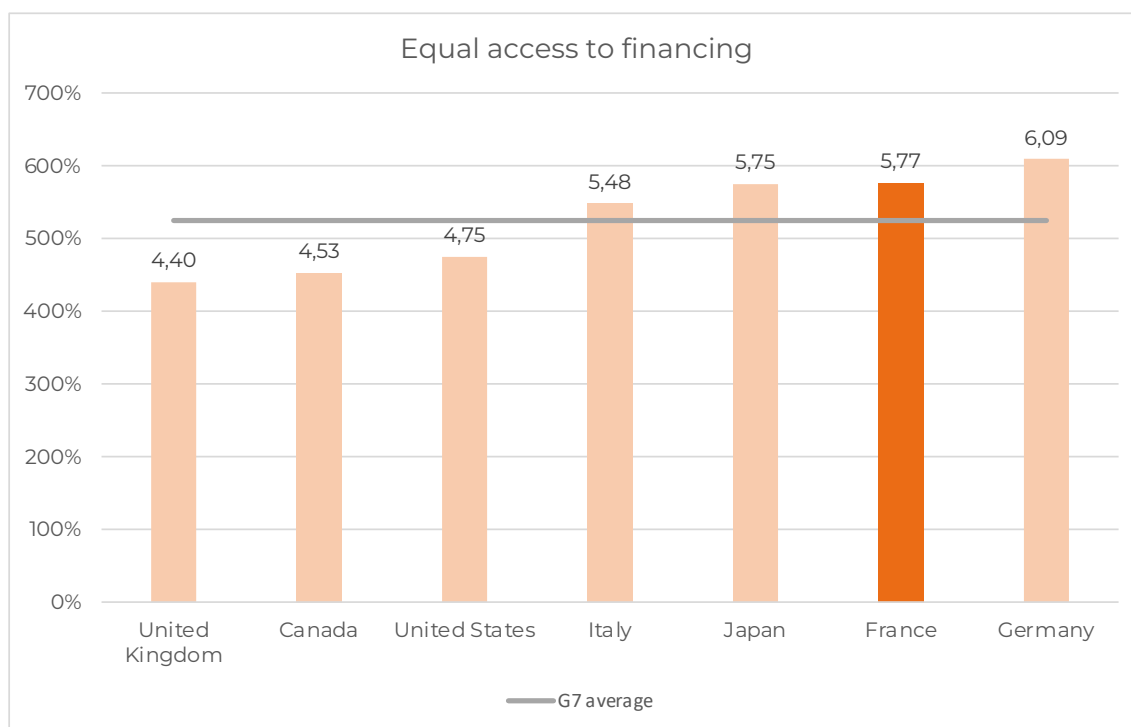
Figure 35. National culture favouring female entrepreneurship

**Caption: In my country, the national culture encourages women as much as men to become independent or set up a new business.**

National culture is of central importance in encouraging entrepreneurship. Among the G7 countries, Germany has the most positive perceptions in terms of a national culture that is favourable to female entrepreneurship. As this figure shows, France is in the middle of the rankings with slightly unfavourable perceptions, whereas Japan's national culture appears least favourable. In France entrepreneurship continues to be stereotyped as "masculine": young women and women making a career change do not project themselves towards business creation as spontaneously as men; a cultural shift has yet to be made.



## PERCEPTIONS OF ACCESS TO FINANCING



**Figure 36.** Equal access to financing

**Caption: In my country, access to financing is equally available to male and female entrepreneurs.**

Access to financial resources has an impact on one's capacity to take on an entrepreneurial project, for which such resources are of course necessary. Figure 36 shows that in France experts are quite divided on the disparities in access to financing for women and men, with a slightly above average score (5.77/10). It has however been well established that inequalities in terms of revenue and capital constitute an unfavourable bias for female entrepreneurship. Similarly, investment funds seem more reluctant to finance start-ups or other companies run by women (CESE, 2020). Nonetheless, it is possible that access to bank lending has become easier due to requirements put in place for statistical monitoring of the breakdown of financing given to female and male entrepreneurs. This may explain the perceptions of our national experts, which despite everything are slightly positive and score second highest among the G7. It is in the United Kingdom where women are the most dissatisfied with the unequal treatment of the two sexes.

## PERCEPTIONS OF WORK-LIFE BALANCE

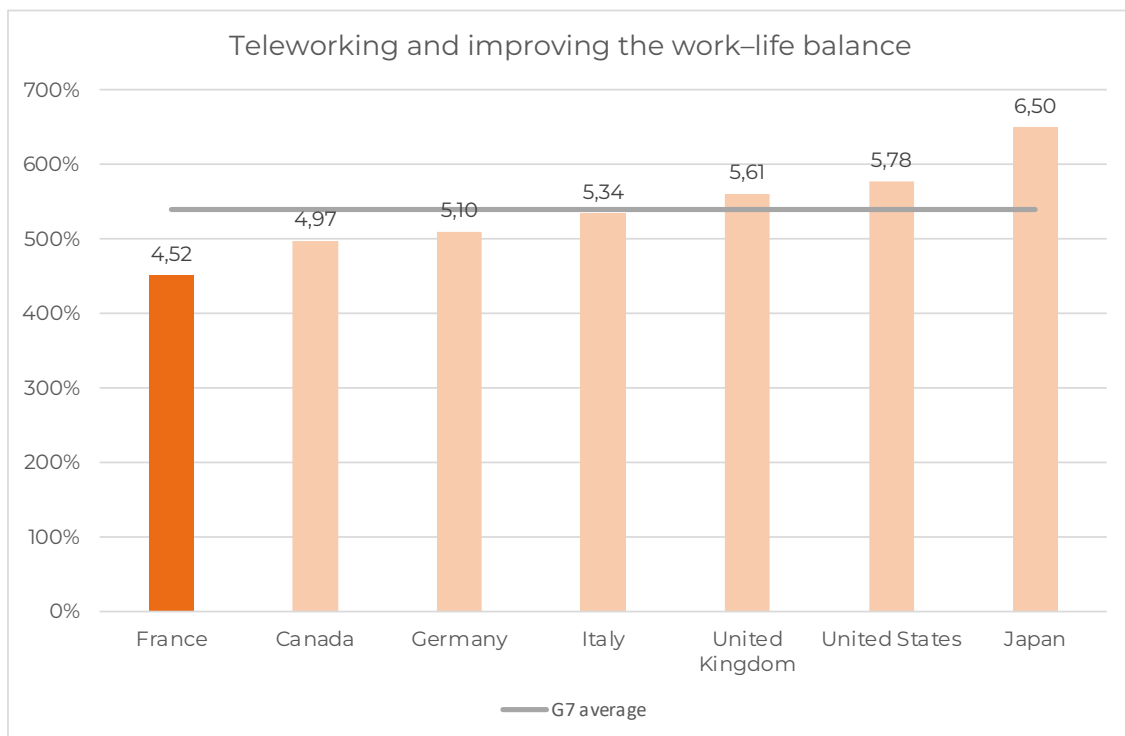


Figure 37. Tele-working and improving the work-life balance

**Caption: In my country, following the pandemic, the rise in teleworking has improved the work-life balance for women.**

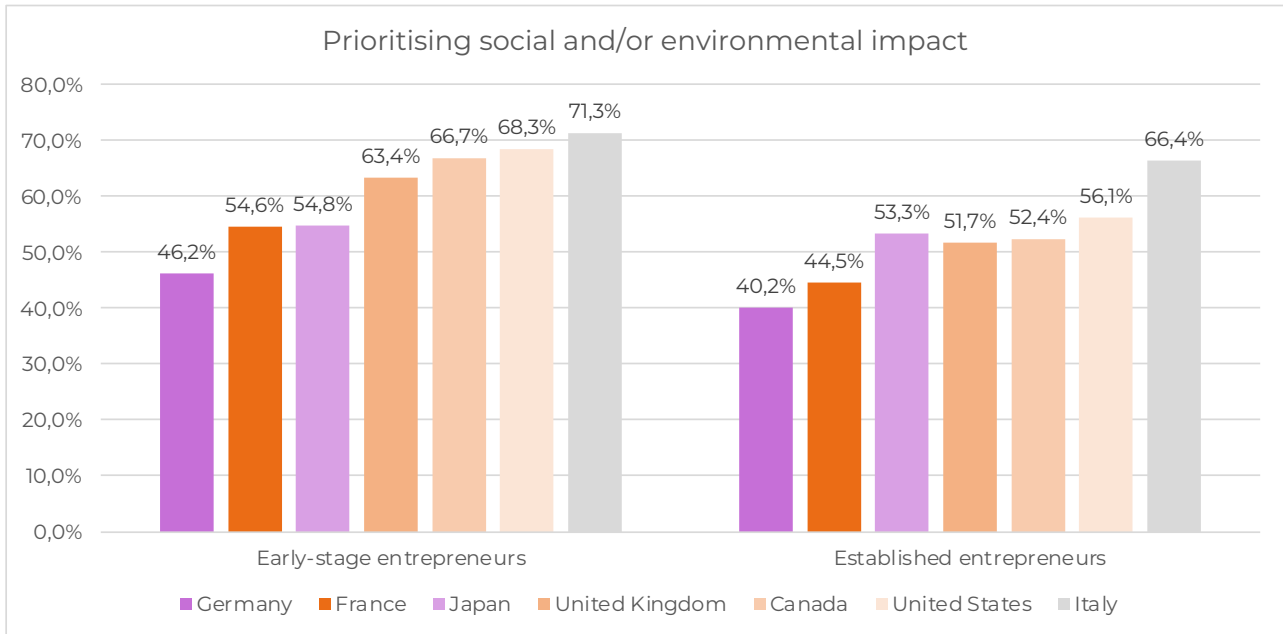
The work-life balance continues to be a major concern for women, whether in employment or entrepreneurs. One might have imagined that teleworking, made easier by the Covid-19 pandemic, would be a positive development for women allowing them to better manage their various responsibilities. However, it is clear that this is not the case in France in comparison to the rest of the G7. The bulk of domestic and parental tasks continue to be borne by women, hindering their availability to devote themselves to entrepreneurship, even where it is possible to work from home.



# Sustainable entrepreneurship



Corporate social responsibility (CSR) is when businesses or entrepreneurial projects take sustainable development issues into account. The European Commission (2011) defines it as “the responsibility of enterprises for their impacts on society”.



**Figure 38.** Prioritising social and/or environmental impact

## A paradigm shift?

Being a socially responsible entrepreneur means not only fully meeting the applicable legal and regulatory obligations, but also voluntarily integrating social and environmental concerns into all of the company's activities and its relationships with stakeholders. More than half (51.4%) of entrepreneurs in the GEM France survey sample (established and early-stage entrepreneurs) said they prioritise the social and/or environmental impact of their business over profitability or growth.

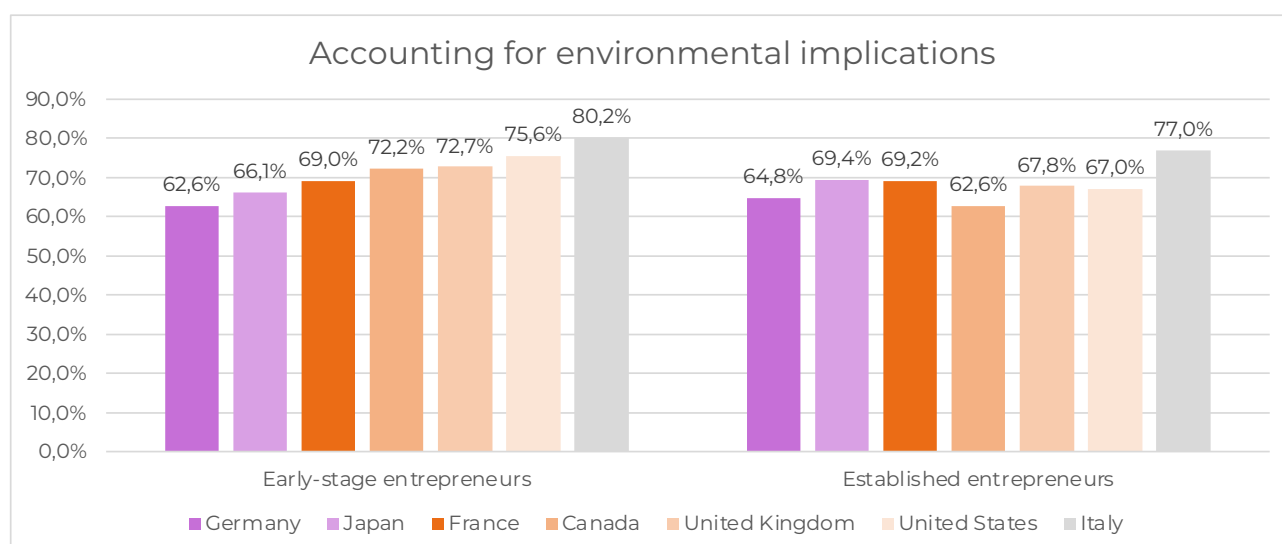
Indicating that they wish to place environmental and social issues above economic objectives doubtless reflects the desire among respondents to adopt an approach targeting overall performance. There is clearly growing awareness among entrepreneurs and this has changed the way financial criteria are seen in their conception of business performance. Furthermore, an increasing number of entrepreneurial projects are now trying to address social and environmental issues seen

as entrepreneurial opportunities.

This vision is more marked among early-stage entrepreneurs (54.6%) than established entrepreneurs (44.5%), as Figure 38 shows. The gap, also found in other national samples, is no doubt a sign of increased awareness, beyond the start-up phase, of the practical difficulties of implementing strategies aligned with the principles of sustainable development (conflicting stakeholder expectations, having to choose between short-term and long-term results, etc.).

## Accounting for environmental impact

A considerable majority of entrepreneurs in the GEM France survey sample (69% early-stage and 69.2% established) say they always take into account the environmental consequences of the decisions they make for their business. This is around average among G7 countries (Figure 39).



**Figure 39.** Accounting for environmental implications

When they were then asked about the tangible steps taken over the previous year, respondents' scores in terms of what had been achieved were significantly lower (Figure 40): 49.4% of established entrepreneurs and just 24.3 of early-stage entrepreneurs said they had adopted measures in favour of the environment. This places them at the bottom of the table, in particular early-stage entrepreneurs, in dead last.

The desirability bias associated with principled statements likely has a lesser impact on the question relating to concrete actions taken. The difficulty of having to face reality explains the difference in percentages: even if motivated, entrepreneurs are confronted with the complexity of implementation, the frequent lack of readily available technical solutions and the scarcity of resources on which to depend.

Early-stage and especially nascent entrepreneurs have a rate of commitment to environmental action that is twice as low (24.3%) as that of established entrepreneurs (49.4%). As long as a product or service does not set out to address an environmental issue, the early-stage entrepreneur is not often confronted with the rapid

and significant impact of their business on the environment. Economic concerns are predominant during this phase in which the entrepreneurial project is very fragile. Environmental concerns – and therefore actions – come later. They are not always integrated into the project from the outset and can arise suddenly depending on pressure from stakeholders.

### Accounting for social impact

The concept of social impact has taken on more weight over the last decade. This is linked to the emergence of social entrepreneurship, which the OECD defines as “any private activity conducted in the public interest, organised with an entrepreneurial strategy, whose main purpose is not the maximisation of profit but the attainment of certain economic and social goals”. It is about using the spirit of entrepreneurship to meet social and/or environmental needs and making initiative, creativity and social innovation key factors of social change. France does not escape this phenomenon, with the social and solidarity economy, for example, representing around 14% of private employment (more than 2.35 million employees) and the creation

of around 200,000 businesses and other structures.

Like other early-stage entrepreneurs in the G7, 71.5% of entrepreneurs in this category in France report that when taking strategic decisions they take account of social implications such as access to education and health care, safety, inclusion in the workplace, housing, transport, quality of life at work, etc. Figure 41 also shows that French entrepreneurs are behind other countries in the G7. In Italy, more than 86% of early-stage entrepreneurs make these social issues central to their strategy. In France, among established entrepreneurs, this figure plummets to just 58.6%. This points to the efforts still required by business owners if they are to systematically account for the social impact of their decision-making process.

Implementing actions to maximize one's social impact could include creating positions for young jobseekers and other groups with limited access to the labour market, including social

enterprises in the supply chain, giving priority to businesses and/or suppliers that adopt measures in favour of human rights and the environment when purchasing a product or service, or combating all forms of child labour (or forced labour).

As with environmental issues, a significant disparity can be observed between principled statements and implementation. 71.5% of early-stage entrepreneurs in France say they always consider the social implications of the decisions they make for their company (Figure 41), but just 14.2% report having taken concrete steps recently. The respective figures for established entrepreneurs are 58.6% and 26.1% (Figure 42).

The more marked disparity among early-stage entrepreneurs can be explained by the entrepreneurial phase in which they find themselves. Nascent and new entrepreneurs are often less concerned by HRM issues. These become more pressing as the organization expands.

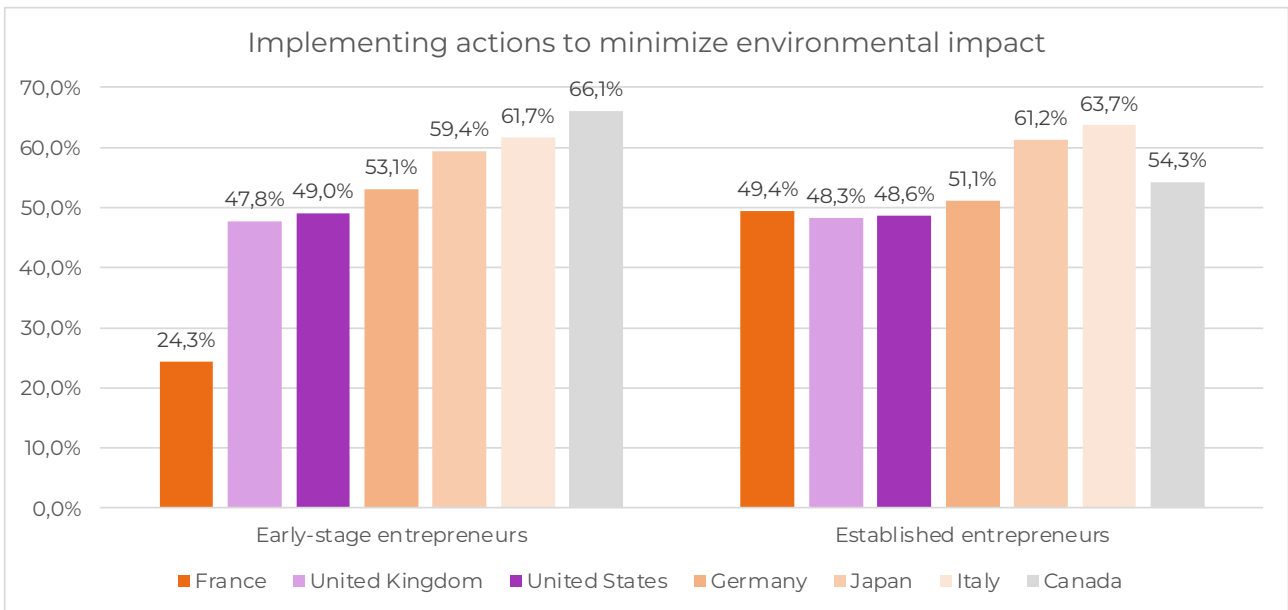
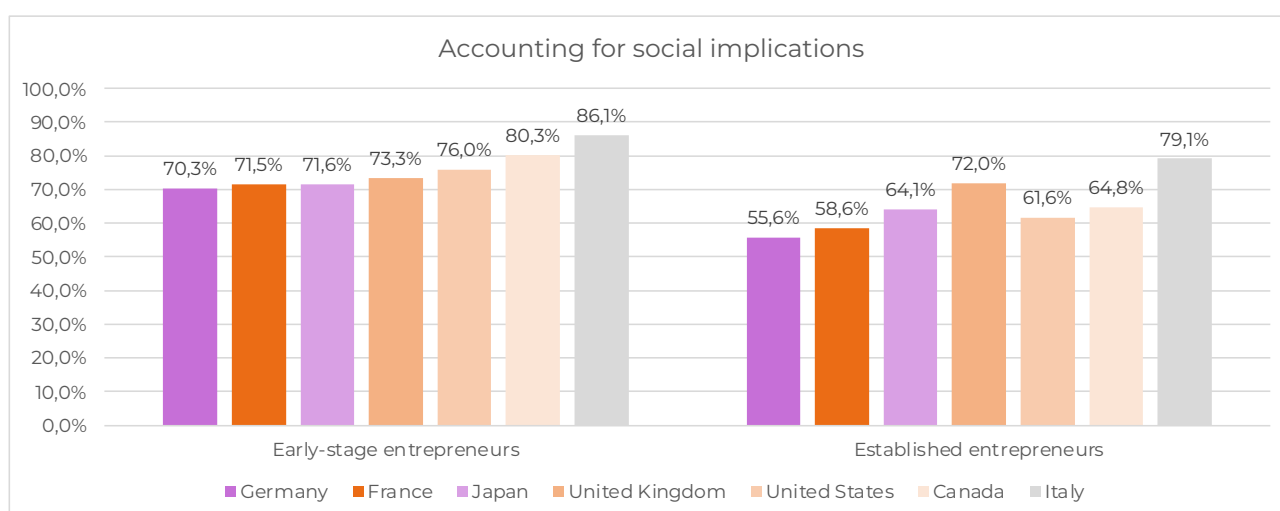
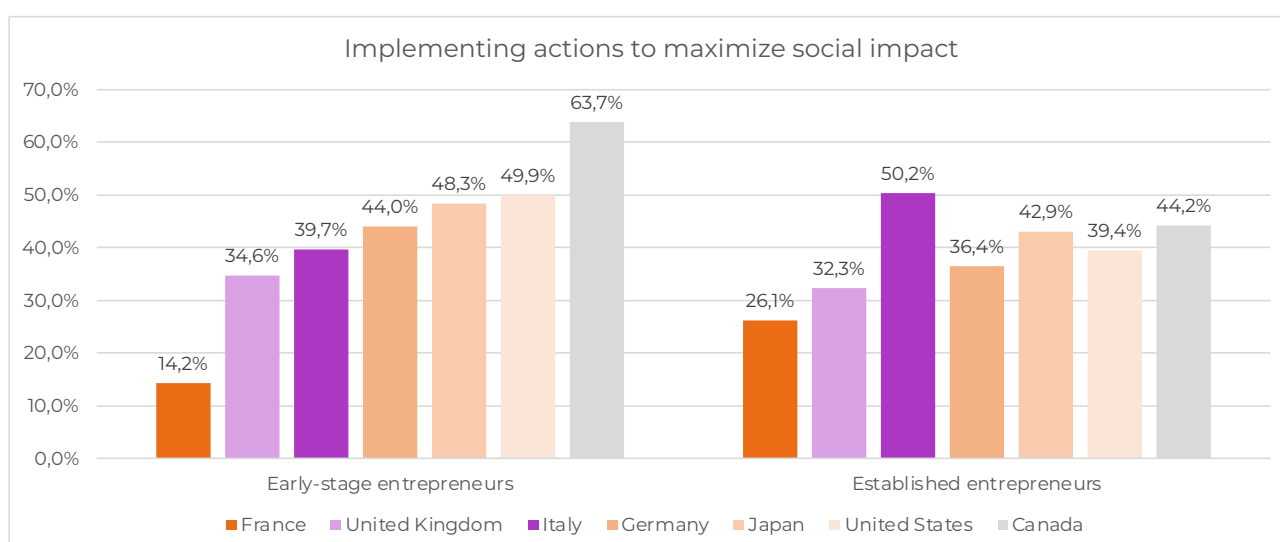


Figure 40. Implementing actions to minimize environmental impact



**Figure 41.** Accounting for social implications



**Figure 42.** Implementing actions to maximize social impact

French entrepreneurs rank second last of the G7 countries when it comes to accounting for social implications, and last in terms of implementing actions. This result should be interpreted with caution. As pointed out above, legislation and regulatory obligations on social issues are already perceived as highly burdensome by entrepreneurs, who do not see the need to make matters worse in the name of social responsibility, particularly in small businesses not long in existence.

The level of commitment to social action among French entrepreneurs is nearly twice as low as the figure for environmental action (14.2% vs 26.1% and 24.3% vs 49.4%, for early-stage and established entrepreneurs respectively; see previous paragraph). In France, the predominant conception of sustainable development is that it is about assuming one's responsibilities more on environmental than social matters: sustainable development is very widely seen as synonymous with the environmental chal-



allenges of climate change, biodiversity, etc. And so the responsibility of entrepreneurs focuses more on the environment, especially as many social challenges that fall under sustainable development are already covered by the legal obligations incumbent on businesses in France.

This pattern of lower levels of commitment to social and environmental issues is also found in the other national samples.

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# Pandemic and entrepreneurial health

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The effects of the public health crisis were felt keenly in 2021, especially with a long period in lockdown. The public authorities gave support to businesses to attenuate the negative consequences, in particular by compensating loss of revenue. This period also served to accelerate the digital transformation and created new business opportunities. In these exceptional circumstances, the health of entrepreneurs was put to the test. Beyond the consequences of the Covid-19 crisis for entrepreneurial activity, it is therefore important to pay particular attention to entrepreneurial health.

## Entrepreneurial activity in times of Covid

The pandemic had direct consequences for entrepreneurial activity, but some positive factors compensated for the negative effects. First, this period was marked by unprecedented intervention by the public authorities (state and regions). Second, like any crisis, it provided a favourable context for innovation and the identification of new opportunities. Lastly, it is worth asking whether this experience was perceived by early-stage entrepreneurs as more difficult in terms of business creation and whether it helped change the behaviours of entrepreneurs, particularly in terms of reliance on digital technologies and their expectations in terms of growth.

### GOVERNMENT RESPONSE

Throughout the public health crisis, the public authorities allocated significant resources to support the economy, and entrepreneurial

activity in particular. These measures prioritised established businesses with the state-guaranteed loan (prêt garanti par l'Etat, PGE) scheme. According to the committee responsible for monitoring and evaluating the financial support measures for businesses in response to the Covid-19 epidemic, some €230 billion were mobilised from the beginning of the crisis up to June 2021, €160 billion of which came in the form of loans. It is interesting to note that established entrepreneurs have a more favourable perception of the government response than early-stage entrepreneurs (53.9% vs 42.7%). France scores highly on an international level in this regard, just behind Canada and the United Kingdom. Canada in particular stands out, with two-thirds of early-stage entrepreneurs seeing the government's Covid-19 response as effective (Figure 43).

Entrepreneurial activity can be seen as a process of identification, evaluation and exploitation of opportunities. In times of crisis, attitudes,

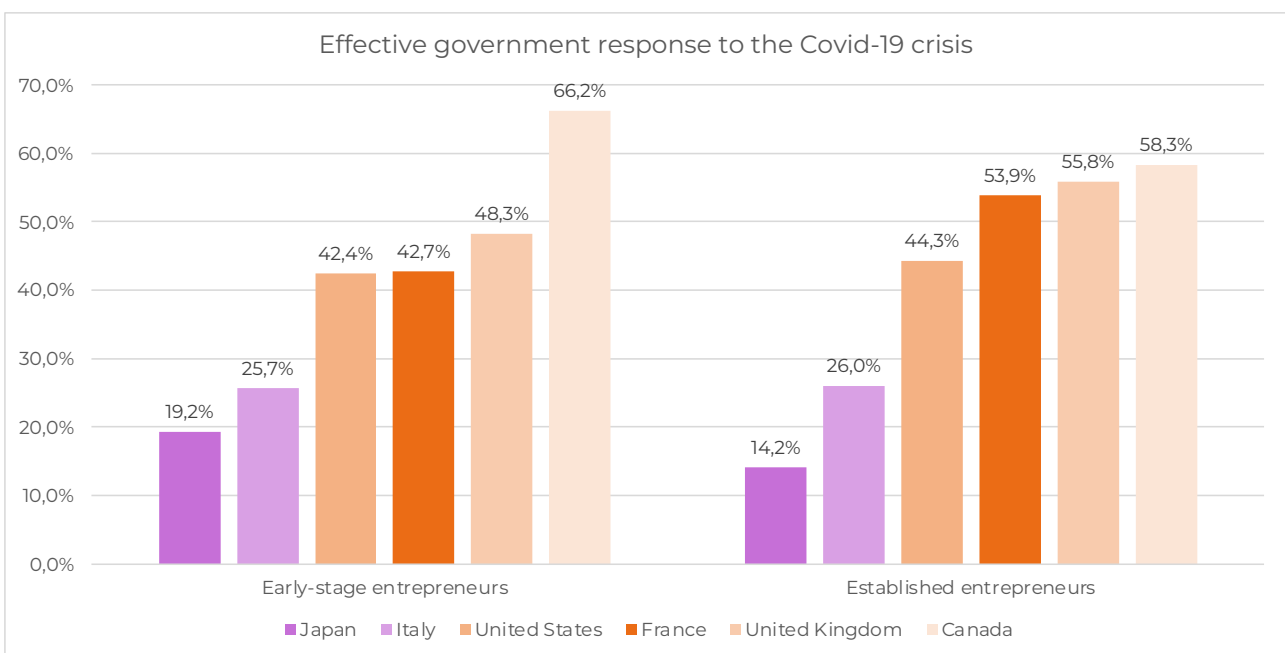


Figure 43. Effective government response to the Covid-19 crisis

expectations and behaviours can change, creating new opportunities. Companies, especially young ones, can react by developing new value propositions. Our results show that early-stage entrepreneurs are different to established entrepreneurs in this regard. They believe that the pandemic provided new opportunities they would like to exploit (39.9% vs 30.9%; Figure 44). The same disparity is found internationally. France appears to be behind other G7 countries like Canada (67.1% vs 41.9%) and the United Kingdom (57.4% vs 38.0%), where a majority of early-stage entrepreneurs perceived new opportunities to exploit.

## COVID'S INFLUENCE ON ENTREPRENEURIAL ACTIVITY

The Covid-19 context is ambivalent, with on the one hand major constraints linked to the crisis and on the other public measures to ease the difficulties facing businesses as well

as new opportunities. Against such a backdrop, is business creation perceived as more difficult by early-stage entrepreneurs? Almost 2/3 of respondents in this category (64.8%) said it is not made more difficult (Figure 45). This perception should be viewed alongside the number of companies set up, with a new record set in 2021: 995,900 new companies, a 17% rise on 2020, according to the INSEE (2022). This highly favourable perception in France ranks above the other G7 countries, albeit with similar figures for the United States (64.6%) and the United Kingdom (64.3%).

## DIGITALISATION

The public health crisis encouraged the use of digital technologies in many areas. It is interesting to focus on their use in the commercialisation of products and services. In France, it would appear that in 2021 the pandemic did not lead to a significant change in the use of digital technologies to sell products or services: fewer than 20% of early-stage entrepreneurs and

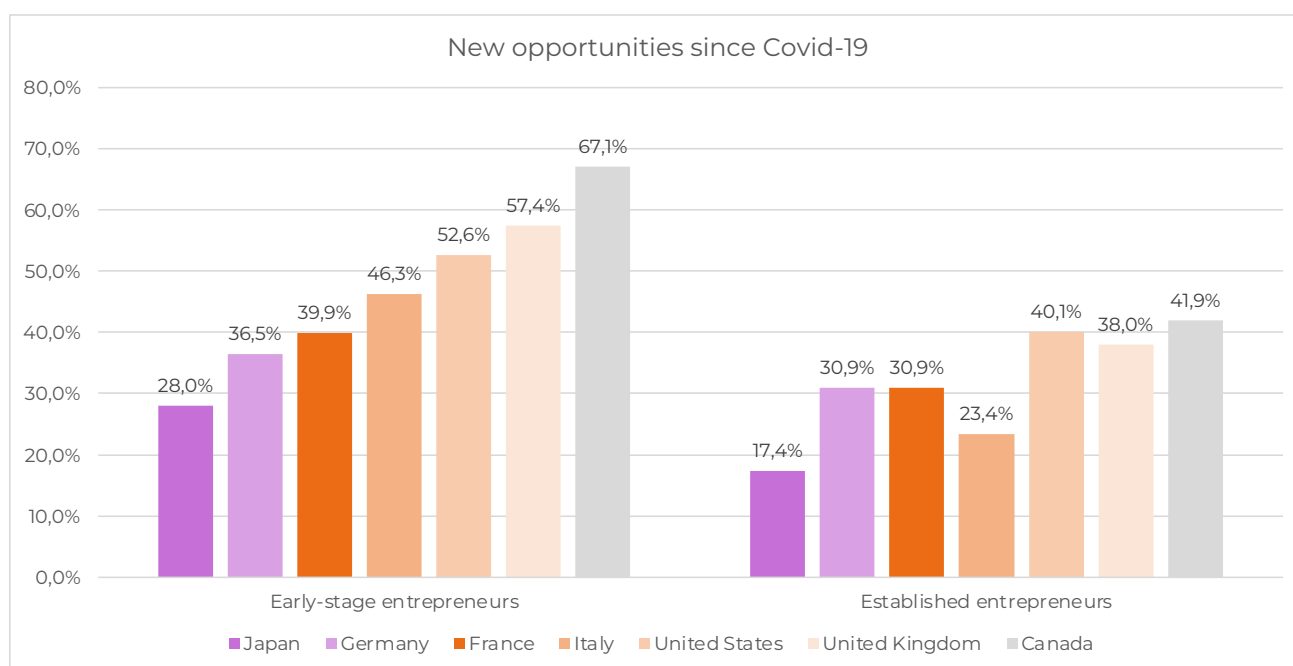


Figure 44. New opportunities since Covid-19

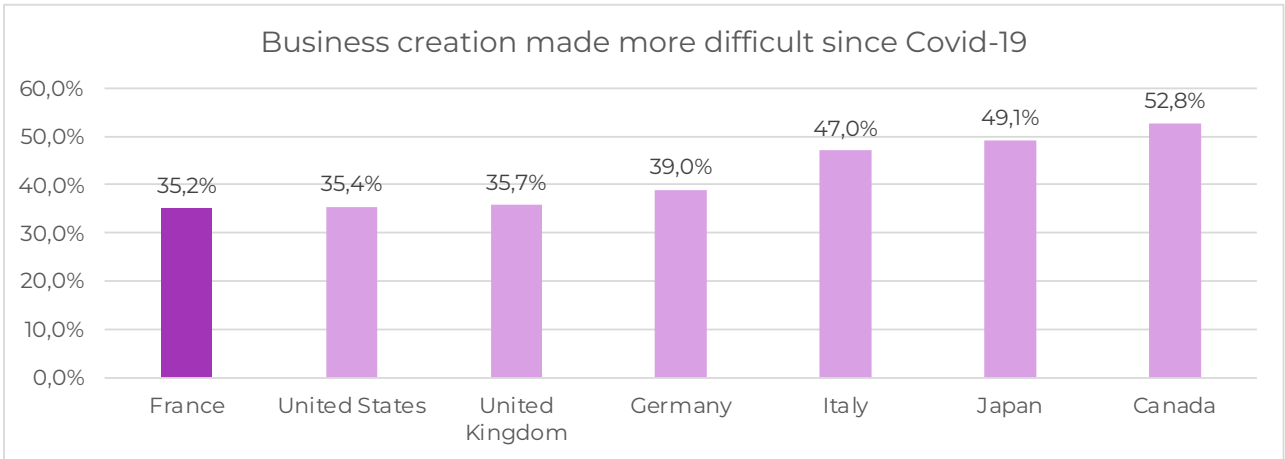


Figure 45. Business creation made more difficult since Covid-19

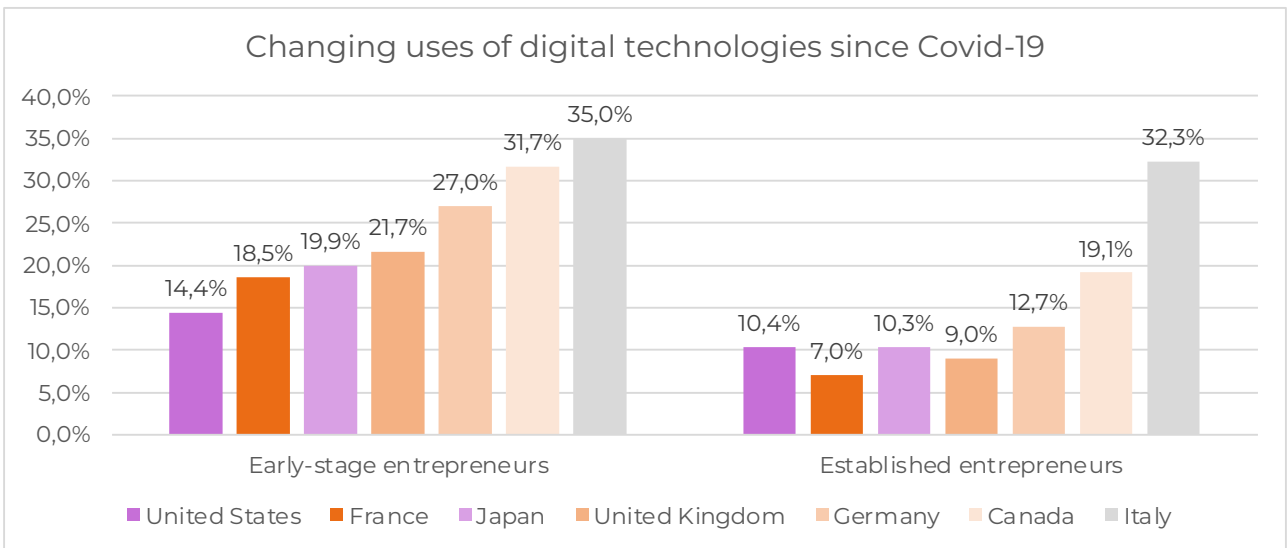


Figure 46. Changing uses of digital technologies since Covid-19

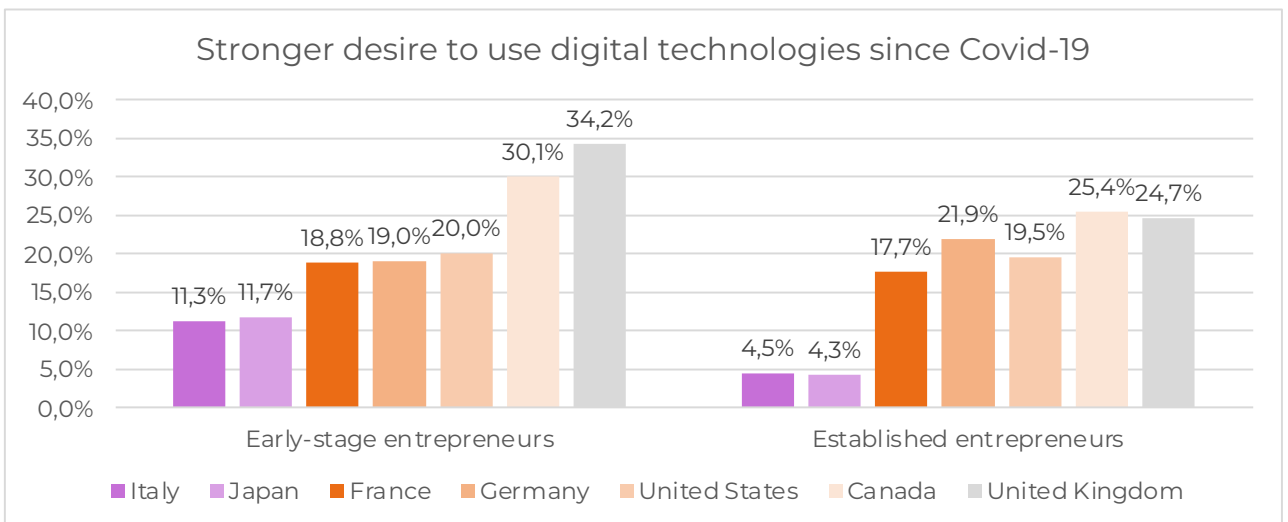


Figure 47. Stronger desire to use digital technologies since Covid-19

just 7% of established entrepreneurs reported a change in their practices. Furthermore, just under 20% of early-stage and established entrepreneurs believe that their business will use more digital technologies to sell their product or service in the next six months. The figures differ across the G7, but most entrepreneurs perceive no major changes (Figure 46).

## GROWTH

To conclude on the effects of the public health crisis, we asked about business growth. Did the restrictions weigh on expectations in terms of growth? The results seem positive. Only 26.2% of early-stage and 32.3% of established entrepreneurs felt that their expectations for growth were much lower than a year earlier (Figure 48). These expectations should be seen in light of GDP growth which in France reached 7% after an unprecedented recession in 2020 (-8%). These figures are around average for the G7. In all of these countries, the majority of entrepreneurs expressed optimism for growth in 2021.

## Health

The GEM France team decided to pay particular attention to an issue all too often overlooked in the field of entrepreneurship: the health of entrepreneurs. LABEX Entreprendre measured this crucial question (there can be no lasting entrepreneurship without good health) by creating a research chair focused on entrepreneurial health, but this is an aspect that merits further investigation. And so it was only natural for GEM France to add a question using the “self-rated health” measurement scale, the most commonly used to assess public health perceptions.

This addition reveals not a fundamental difference but one of scale between early-stage and established entrepreneurs. Not fundamental insofar as the statistics are quite similar: the reported figures for perceived poor health are 13.1% for the former and 14.2% for the latter (Figure 49). This finding supports the view that the vast majority of entrepreneurs are in good health.

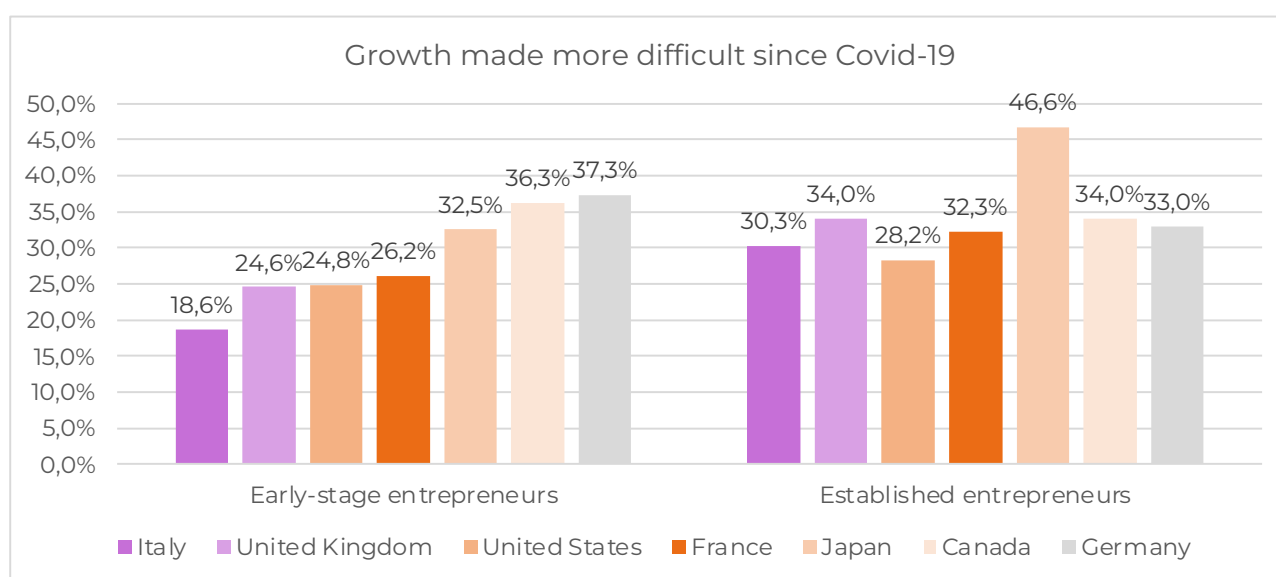


Figure 48. Growth made more difficult since Covid-19

But there is a difference of scale: whereas 34.9% of established entrepreneurs report good or excellent health, this rises to 49.2% among early-stage entrepreneurs. We believe this reflects a well-known phenomenon, that of the euphoria experienced at the beginning of an entrepreneurial project. This leads us to look at the consequences of the pandemic for the health of French entrepreneurs.

More than two years after the first lockdown was announced on 17 March 2020 due to the spread of the Covid-19 virus, what lessons from this crisis can we capitalise on in the world of entrepreneurship?

The Covid pandemic not only affected the health of business but also – perhaps more importantly – that of entrepreneurs. In two national surveys conducted in April 2020 and March 2021<sup>1</sup>, the Amarok Observatory highlighted an unprecedented rise in the risk of burnout (Torres et al., 2022). In addition to this increase in levels of exhaustion, another more unique phenomenon emerged, called the “impediment syndrome”. Business owners, generally hyperactive members of the population, found themselves hampered in the running of their companies. For the first time ever, some shop owners and artisans for example found their stores shut down for several weeks, deemed non-essential.

The determining factors of this exhaustion among business owners are a sense of being trapped and powerlessness, relegating to the background the usual determinants of frenetic exhaustion like fatigue, lack of sleep, listlessness and a sense of disappointment.

As surprising as it may seem, the two national surveys also revealed that the probability of bankruptcy had a more negative effect on their health than that of contracting a serious form of the illness. This counterintuitive finding – a normal person could be expected to worry more about their health than their work – strengthens the argument we make here: entrepreneurs have an existential relationship with their work.

Business owners do not have the same relationship with work as other workers (whether private or public sector employees). Not only do they work a lot (more than 50 hours a week, as against less than 40 for employees), but they generally do so by putting their own capital at stake. It has been shown that they also dip into their hours of sleep to work more and take fewer holidays than the rest of the population. In summary, they work more hours per day, more days per week, more weeks per year and more years over the course of their career.

Added to this overcommitment in terms of work and capital is the weight of an ideology of entrepreneurship that overvalues action and performance, often due to the all-consuming nature of competition inherent in economic life. Doing nothing or doing things badly is worse than doing too much. Although work overload is the most frequent stressor in entrepreneurial life, it generates more pride and joy than it does negative emotions.

The other – more positive – lesson from this crisis is the high capacity for adaptation shown by entrepreneurs. In response to the State's decrees, they adopted a kind of decree of will-

1 <http://www.observatoire-amarok.net/sites/wordpress/wp-content/uploads/2021/04/Enquête-nationale-AMAROK-seconde-vague-11-mars-2021.pdf> and <http://www.observatoire-amarok.net/sites/wordpress/wp-content/uploads/2020/05/L%C3%A9tat-de-l'entrepreneuriat-fran%C3%A7ais-et-le-red%C3%A9marrage-%C3%A9conomique-post-crise-sanitaire-Observatoire-Amarok-VF.pdf>.

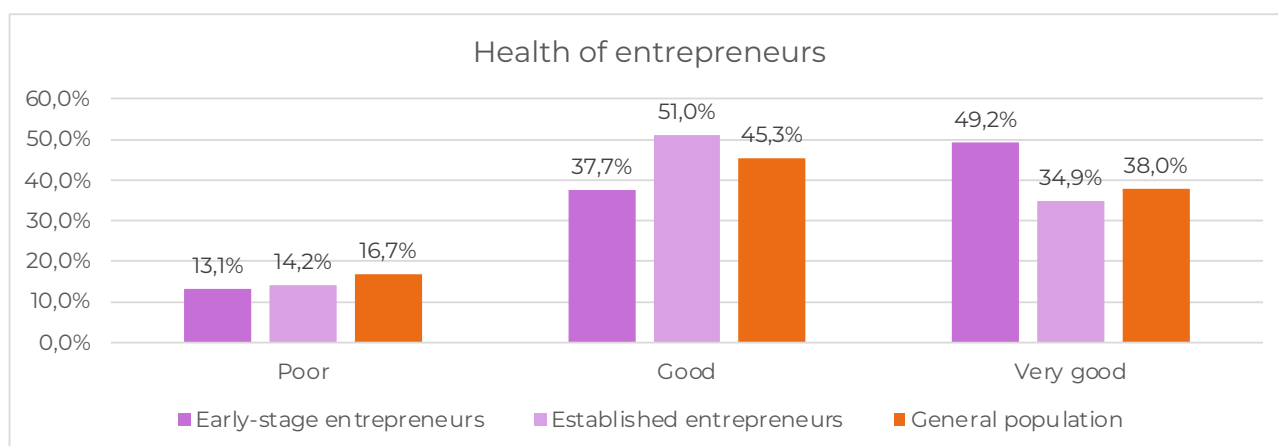


Figure 49. Health of entrepreneurs

power, combining resilience, self-efficacy and strong alignment with their values, all traits which the psychology of health describes as salutogenic, i.e. good for our health.

Linking health to entrepreneurship means tackling two existential questions for mankind head-on: that of Life and that of Liberty. Whether a quest for liberty (opportunity) or an act of liberation (necessity), entrepreneurship always boils down to the same reality: humans who want their work to allow them to live freely.

Nobody forces anyone to become an entrepreneur. This decision – taken with more or less deliberation and wise reflection – usually amounts to a life choice whose professional orientation it is hoped will facilitate greater harmony with one’s own values and convictions. But entrepreneurship also comes with greater risk. The thirst for Liberty often leads to parched failure and a fair share of suffering. In Existentialism is a Humanism, Sartre defines a morality of action and commitment, saying, “Man is nothing other than his own project. He exists only to the extent that he realizes himself, therefore he is nothing more than the sum of his actions, nothing more than his life”. There can be no more optimistic doctrine, he adds, “since Man’s destiny lies within you”.

Finally, the Covid-19 crisis was an opportunity to look at entrepreneurs from the perspective of their health, to consider them first and foremost as living human beings, and tackling the question of their health rightly brings them back to that natural state which the law seems to have ignored until very recently (France had to wait until the “Lecocq Grandjean” legislation of 2 August 2021 before work-related health services were finally opened up to non-salary-paid workers). This crisis has opened up a new perspective of sustainable entrepreneurship without exhaustion, an opportunity perhaps to promote “Entrepreneurship Care” in the 21st-century.





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# Conclusion and propositions

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This report published by Labex Entreprendre marks France's return to the Global Entrepreneurship Monitor after a four-year absence. These past few years have seen unprecedented growth in entrepreneurial activity, and 2021 was no exception, setting a new record (+17%) for business creation (INSEE, 2022). The data generated from the two surveys involving a representative sample of the French population (APS) and a panel of 50 experts (NES) enables us to delve into entrepreneurial activity in France and better understand the French entrepreneurial ecosystem. The analyses conducted also offer a better understanding of the effects of the pandemic and the resilient nature of this ecosystem.

This report confirms the entrepreneurial transformation under way in the French economy. However, international comparisons, in particular with other G7 countries, point to the need to nuance certain representations and pursue the efforts undertaken by all actors in the entrepreneurial ecosystem. France ranks average, with entrepreneurial activity of 7.7% and entrepreneurial intentions of 16.9%. It must therefore maintain the efforts being made to promote all forms of entrepreneurship and facilitate entrepreneurial commitment. Public policy on entrepreneurship is needed to specify priorities, encourage coordination between actors and measure the impact of actions taken at both national and regional levels.

The public health crisis has not had a damaging effect on business creation. Nearly 2/3 of early-stage entrepreneurs feel that business creation has not been made more difficult since Covid-19, with France ranked top of the G7. Government support is perceived positively, more among established entrepreneurs (53.9%) than early-stage entrepreneurs (42.7%). A significant number of entrepreneurs (39.9%) detected new opportunities linked to the crisis. However, France stands out from other countries regarding the use of digital technologies to facilitate the sale of products and services. In 2021, the pandemic did not fundamentally change the use of such technologies. On the other hand, neither early-stage nor established entrepreneurs feel that growth has been made more difficult since Covid-19. This finding should be seen alongside the recovery of activity levels in 2021, with a 7% rise in GDP.

The surveys, conducted in an unusual context, lead us to issue five proposals to favour the development of entrepreneurial activity in France. These may be useful for policymakers at na-

tional and regional levels and could form part of an entrepreneurship strategy that addresses the challenges of the social, environmental and digital transformation.

## **1. Pursue efforts to raise awareness of entrepreneurship**

This report confirms that France is becoming an entrepreneurial society, even though the entrepreneurial culture does not yet seem to pervade all of society. Further action is needed to remove certain obstacles. Significant upstream measures must be taken to diffuse entrepreneurial norms and values. As the panel of experts emphasised, France lags behind other wealthy nations when it comes to entrepreneurial education at primary and secondary levels. The policies introduced in higher education have borne fruit, particularly with the creation of the PEPITEs and the implementation of national and regional policies and coordination. A solid foundation in entrepreneurial education at primary and secondary levels would be a way, first of all, to understand best practices both in France and abroad, and secondly to design a strategy adapted to a diverse range of contexts.

## **2. Facilitate access to the market for new companies**

People starting out in business often face the challenge of winning over clients who have no

knowledge of the company or even the product or service, in a context of innovation. Researchers working on entrepreneurship describe this as a handicap or “liability of newness”, which compounds the “liability of smallness”. To remedy this, new companies must be able to build a certain legitimacy. This search for legitimacy can be made easier by securing contracts with big firms or public bodies. The objective is to encourage and facilitate access to the market for new companies, but also to protect young businesses in these asymmetric relationships. Significant efforts have been made by the public authorities to facilitate access to public procurement, such as French law no. 2020-1525 of 7 December 2020, designed to accelerate and simplify public actions, or the measures taken during the pandemic to facilitate public orders. These initiatives for SMEs and micro-businesses essentially take into account the size of the company, but the length of time they have been in business should be better taken into consideration.

### 3. Develop a national policy for female entrepreneurship

The proportion of women in business creation has risen by 10 points in 20 years. According to the INSEE, they represent 41% of start-up entrepreneurs (INSEE, 2022). However, over the last few years this proportion has stagnated around 40%. In 2021, the figures for total entrepreneurial activity were 8.4% for men and 7.1% for women. Among the obstacles identified, fear of failure is higher among women than men (53.1% vs 46.3%). The panel of experts pointed to a national culture that is not very conducive. The public health crisis and teleworking have not seen

any improvement in women’s work–life balance. Entrepreneurship continues to be stereotyped as “masculine”. The goal of achieving parity is a realistic one, but it will require the collective engagement of society and entrepreneurial ecosystems. There is great diversity in the actors who support female entrepreneurship, and the public authorities should draw on this strength if they wish to implement a national action plan in favour of female entrepreneurship. The worlds of education and business have a decisive role to play in helping to advance the culture and encouraging forms of support such as mentoring and coaching.

### 4. Encourage entrepreneurs to factor in sustainable development

The pandemic gave fresh impetus to the debate on sustainable development issues. A slight majority of respondent entrepreneurs said they prioritise the social and/or environmental impact of their business, even ahead of profitability or growth. A gap can be observed, however, between principled statements and concrete actions. Around 69% of entrepreneurs said they account for environmental implications, but only 24% of early-stage entrepreneurs and 49% of established entrepreneurs have taken steps to minimize their impact on the environment. 71.5% of early-stage and 58.6% of established entrepreneurs report that when making strategic decisions they consider social implications. But just 14.2% and 26.1% respectively say they have taken concrete steps to maximize social impact. This leaves France ranked in last position among the G7. The challenge ahead is not so much to raise awareness of sustainable development, but rather to support entrepreneurs in the implementation of tangible actions with a social and environmental impact.

## 5. Promote entrepreneurial health

The GEM France team decided to take an interest in the question of entrepreneurial health, using the measurement scale of perceived health. The results show that the vast majority of entrepreneurs are in good health. There is a disparity between early-stage and established entrepreneurs, with 49.2% of the former and 34.9% of the latter saying they feel in good or excellent health. This gap, which can be partly explained by the euphoria experienced by entrepreneurs at the beginning of their project, raises questions about entrepreneurial health in the long term and the impact of the pandemic. The national surveys conducted in April 2020 and March 2021 by the Amarok Observatory revealed an unprecedented rise in the risk of burnout.

In addition to this increase in exhaustion levels, another more unique phenomenon emerged, known as impediment syndrome. The two surveys also showed that the probability of bankruptcy had a more negative effect on entrepreneurial health than that of contracting a serious form of the illness. The Covid crisis has been an opportunity to consider entrepreneurs

from a health perspective. This realisation resulted in French lawmakers passing the “Lecocq Grandjean” legislation on 2 August 2021, making work-related preventive health services available to freelancers entrepreneurs and employers (owner-managers and self-employed individuals). The initial objective is to consider health issues as early as the emergence phase, raising awareness and offering training to those in entrepreneurship support roles. We also recommend developing digital tools and systems to enable business owners to regularly assess their health and detect any risk of exhaustion.

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