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List of Abbreviations

APS    Adult Population Survey
GERA   Global Entrepreneurship Research Association
GEM    Global Entrepreneurship Monitor
NES    National Expert Survey
TEA    Total Early-Stage Entrepreneurial Activity
WEF    World Economic Forum
Executive Summary
The Global Entrepreneurship Monitor (GEM) is the most important and comprehensive study of entrepreneurship and the entrepreneurial environment internationally. The GEM study now covers 75% of the world’s population and 90% of its GDP. In 2013, the Arthur Lok Jack Graduate School of Business and the FHR Lim A Po Institute for Social Studies undertook the first GEM study in Suriname. A total of 2,290 adults (aged 18 and over) were interviewed in the Adult Population Survey (APS) for this study in 2013. Aside from the views of the general public, 36 ‘experts’ from various fields related to entrepreneurship were also interviewed in the National Expert Survey (NES).

The key indicator of GEM research is the rate of Total Entrepreneurial Activity (TEA). This is the percentage of adults who are operating or in the process of starting a new business. The Suriname TEA rate in 2013 was approximately 5%. This TEA rate is relatively low compared to other countries, as is the rate of entrepreneurial intent.

The majority of the early entrepreneurs in Suriname were in the age group 35-44, educated up to at least secondary level, and were found to finance their businesses form personal savings rather than to access venture financing from banks and other financial institutions.

TEA firms in Suriname were not observed to be highly innovative in their products, services, or processes, and the growth expectations, as well as, export orientation levels were very low.

Several challenges were observed in the entrepreneurial framework conditions of Suriname, particularly in the areas of access to finance and support programmes for entrepreneurs, market openness, and the transfer of research and development. Despite the relatively favourable attitudes towards entrepreneurs in Suriname, cultural and social norms were observed to pose possible barriers to entrepreneurial intent. There may be opportunities in the education system to mitigate the effect of these cultural issues.

The report ends with some preliminary policy recommendations to address issues raising entrepreneurial intent, activity, and outcomes. These include measures to encourage and support entrepreneurial activity and to provide effective support programmes for entrepreneurs as have been developed in other countries. Some recommendations for further research are also presented which will help policy makers to evaluate and further improve the existing support arrangements.
Acknowledgments

The authors are grateful to the GEM coordination team: Mr. Chris Aylett (Project Administrator), Ms. Yana Litovsky (Data Manager) and Ms. Alicia Coduras (NES coordinator) for their support through the GEM cycle. Dr. Rodrigo Varela and his team at Universidad ICESI continued to provide tremendous support in so many ways through the project as they have done in previous years. We thank the Inter-American Development Bank for their generous sponsorship and Mr. Musheer Kamau of the IADB and the team from the Suriname Business Forum for their assistance and support with the project. We also thank Carolina Robino, Lisa Burley, and the International Development Research Centre (IDRC) for their sponsorship. The authors also acknowledge the work of the research teams at the Centre for Strategy and Competitiveness at the Arthur Lok Jack Graduate School of Business and at the FHR Lim A Po Institute for Social Studies in Suriname in providing research support, along with Chris Harricharan for the cover design. Finally, we thank Karen Lynch and SacodaServ Ltd as well as Karin Refos and her team at STAS International for their data collection work.
Introduction

The Global Entrepreneurship Research Association (GERA) is a not-for-profit academic research consortium that was established to contribute to economic development through research into entrepreneurship.

The GERA research agenda aims to increase worldwide knowledge about entrepreneurship by conducting and disseminating world-class research that:

1. Investigates factors impacting the level of entrepreneurial dynamics among economies,
2. Helps to identify policies that may lead to appropriate levels of entrepreneurial activity, and
3. Increases the influence of education in supporting successful entrepreneurship.

This research produces—among other outputs—the Global Entrepreneurship Monitor (GEM) Reports each year for participating national teams. GERA began as a collaborative effort between the London Business School and Babson College in 1997. The first GEM Study was undertaken in 1999 covering 10 countries. By 2013, the GEM project covered 70 economies, comprising 75% of the world’s population and 90% of global GDP.

GEM focuses on these main objectives:

- To allow for comparisons with regard to the level and characteristics of entrepreneurial activity among different economies;
- To determine the extent to which entrepreneurial activity influences economic growth within individual economies;
- To identify factors which encourage and/or hinder entrepreneurial activity; and
- To guide the formulation of effective and targeted policies aimed at stimulating entrepreneurship

The GEM Report for a country or region is based on two main survey instruments: the Adult Population Survey (APS) and the National Expert Survey (NES). In 2013, over 197,000 respondents were interviewed worldwide for the APS and 3,800 national experts were interviewed for the NES.

A strong and dynamic entrepreneurship sector can make a tremendous contribution to economic prosperity. GEM research seeks to provide an understanding of the attitudes,
perceptions and aspirations of citizens regarding entrepreneurship. In addition to this, GEM research also looks at the profile of the entrepreneurs: in terms of demographics, expectations, and motivations. Finally, GEM research examines the entrepreneurial environment of a country: the institutions, policies, programmes, infrastructure, etc. that together create the conditions under which entrepreneurial firms emerge and operate.

The GEM model is explained in the GEM 2013 Global Report. Figure 1 presents an outline of the model.

*Figure 1: The Entrepreneurship Process and GEM Operational Definitions*


The GEM model recognizes five key phases of entrepreneurial activity as displayed in Figure 1, which the APS and NES instruments investigate.

The process begins with potential entrepreneurs. These are individuals who see opportunities in the environment, believe that they have the ability to start a new business in pursuit of the perceived opportunities, and are not deterred by fear of failure. Here GEM research investigates the perceptions, attitudes and entrepreneurial aspirations of the general public.

The next phase in the GEM model is known as Nascent Entrepreneurship. This comprises individuals who are in the process of starting and operating a new business – up to the business being a maximum of 3 months old.
The New Business phase in the GEM model includes businesses that are between 3 and 42 months old. The business then becomes an Established Business. Together, nascent and new entrepreneurs comprise Total Early-stage Entrepreneurial Activity (TEA). This is a key measure in GEM Research. The GEM model also considers the discontinuance of a business, as well as the perceptions, motivations and activities of the entrepreneur upon and after discontinuance of the business. For example, many entrepreneurs exit a business by selling it and/or moving into a new business venture. Such individuals may also provide financing, mentorship, or other support for other entrepreneurs.

At each phase of the model in Figure 1, GEM research investigates the motivations, aspirations, perceptions of the entrepreneurs, and the entrepreneurial conditions in which they operate.

The GEM conceptual framework is displayed in Figure 2. This framework highlights the complex interrelationships among the elements of the GEM model and between the entrepreneurial environment, activities and economic development.

In this conceptual framework, the contribution that the entrepreneurial sector makes to the economy, and the nature of the institutional setting as a determinant of the entrepreneurial environment vary among countries according to the level of economic development (Bosma and Levie 2010). GEM research thus separates countries into the categories of the World Economic Forum’s (WEF) Global Competitiveness Report:

- **Factor-Driven** economies comprise mainly extractive industries, subsistence agriculture leveraging on unskilled labour, and natural resources. The focus tends to be on building a foundation of basic requirements.

- **Efficiency-Driven** economies exhibit some industrialization with larger capital-intensive firms. The focus shifts towards developing the efficiency enhancers in the economy.

- **Innovation-Driven** economies comprise knowledge intensive businesses and large services sectors. Basic requirements and efficiency enhancers tend to be well-established and developed. The focus is on innovation.
In the Caribbean region, GEM research is now conducted in Trinidad and Tobago, Barbados, Jamaica, Puerto Rico, and the Dominican Republic. In 2013, research for Suriname was conducted by the Trinidad and Tobago GEM team in collaboration with the FHR Lim A Po Institute for Social Studies.

The countries that participated in the Project GEM for the year 2013 are listed in Table 1 by phase of economic development. Suriname is in the Efficiency-Driven group, along with the other Latin American and Caribbean economies with the exception of Trinidad and Tobago.
Table 1: GEM Economies by Geographic Region and Development Level in 2013

<table>
<thead>
<tr>
<th>Region</th>
<th>Factor-Driven Economies</th>
<th>Efficiency-Driven Economies</th>
<th>Innovation-driven Economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>Argentina, Brazil, Barbados, Chile, Colombia, Ecuador, Guatemala, Jamaica, Mexico, Panama, Peru, Suriname, Uruguay</td>
<td></td>
<td>Trinidad and Tobago</td>
</tr>
<tr>
<td>Middle East &amp; North Africa</td>
<td>Algeria, Iran, Libya</td>
<td></td>
<td>Israel</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>Angola, Botswana, Ghana, Malawi, Nigeria, Uganda, Zambia</td>
<td>Namibia, South Africa</td>
<td></td>
</tr>
<tr>
<td>Asia Pacific &amp; South Asia</td>
<td>India, Philippines, Vietnam</td>
<td>China, Indonesia, Malaysia, Thailand</td>
<td>Japan, Korea, Singapore, Taiwan</td>
</tr>
<tr>
<td>Europe – EU28</td>
<td>Croatia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia</td>
<td>Belgium, Czech Republic, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Slovenia, Spain, Sweden, United Kingdom</td>
<td></td>
</tr>
<tr>
<td>Europe – Non EU28</td>
<td>Bosnia and Herzegovina, Macedonia, Russia, Turkey</td>
<td></td>
<td>Norway, Switzerland</td>
</tr>
<tr>
<td>North America</td>
<td>Canada, Puerto Rico, United States</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 3 shows patterns in the overall entrepreneurial perceptions and intentions among the countries that participated in the GEM research, by stage of economic development.

*Fear of failure was assessed for those seeing opportunities.
**Intentions were assessed among the non-entrepreneur population.

In moving from factor-driven to innovation-driven economies, perceived opportunities show a decline. This is explained as being linked to the type of business that a respondent has in mind when answering questions dealing with whether they perceive that the economy holds opportunities for new businesses. This in turn may be linked to the necessity versus opportunity motives which are discussed in the next section of this report. In moving from factor-oriented economies towards more developed economies, the data suggest decreasing perceptions of respondents concerning their ability to operate a business along with an increasing fear of failure.

Factor-driven economies generally show relatively more favourable attitudes towards entrepreneurship compared to more developed economies, as well as markedly higher levels of entrepreneurial intentions.
Entrepreneurial Activity in Suriname

The perceptions and aspirations of a population towards entrepreneurship are important drivers of the level of entrepreneurial activity. A society that holds strong biases against entrepreneurial behaviour will be less likely to produce high levels of entrepreneurial activity. The GEM survey includes the following indicators of attitudes about starting a business:

Individual Self-perceptions

- Awareness about good opportunities for starting a business in one’s area
- Belief in one’s skills and experience to start a business
- Attitude towards failure

Societal Impressions

- Whether starting a business is considered a good career choice
- Opinion about the association of entrepreneurship with high status
- Awareness of positive media attention for entrepreneurship

One key element is the level of awareness among the adult population of good opportunities for starting a business. Figure 4 shows the percentage of adults in the APS who reported being aware of such opportunities. The data are presented by geographic region.

53% of the respondents in Suriname reported being aware of good opportunities to start a new business. Latin American and Caribbean countries tend to score relatively high on this measure when compared to other regions. More than half of the APS respondents in Suriname who reported being aware of good opportunities for a business in their area also reported being capable of starting and operating a business. The 63 countries for which this measure is available in the APS are presented in Figure 5.
Figure 4: The percentage of respondents answering ‘Yes’ to the question ‘In the next six months, will there be good opportunities for starting a business in the area where you live?’.

Figure 5: The percentage of APS Respondents answering ‘Yes’ when asked if they were capable of starting and operating a new business.
At 54% Suriname ranks below the average for Latin America and the Caribbean on Perceived Capabilities, and just above the average for all countries of 50%. The respondents who reported being aware of good opportunities for a business were also asked whether fear of failure would prevent them from actually starting a new business. Here, as seen in Figure 6, Suriname ranks among the very lowest in the world. Five sub-Saharan African countries and Trinidad and Tobago are the only countries with lower rates of fear of failure as a deterrent to starting a business than Suriname. High levels of confidence in this regard are known to be associated with other traits that are commonly found in entrepreneurs such as ‘excessive optimism’ and risk under-assessment (Bernardo and Welch 1998). Very high levels of fear of failure can represent a barrier to entrepreneurial intent or activity. On the other hand, very high levels of confidence, and/or very low levels of fear of failure have been found to be associated with high rates of business failure (Caliendo et al 2010, Ucbasaran et al 2010). The low level of fear of failure and moderate perception of capability would be expected to predispose Suriname to high levels of entrepreneurial activity.

In addition to confidence in their own ability to start and operate a business and fear of failure, perceptions about entrepreneurship and entrepreneurs will also influence the decision to enter into entrepreneurship. The media plays a role in shaping the image of the entrepreneur in the minds of people. 66% of the APS respondents in Suriname reported the media image of entrepreneurs to be favourable, placing Suriname 26th out of the 62 countries for which this measure was included in the APS. 79% of the APS respondents in Suriname believed the entrepreneur to enjoy a high status in society, placing the country in the 15th highest position. Finally, 76% of the APS respondents in Suriname saw becoming an entrepreneur as a good career choice, again placing the country in the 15th position. Generally, Latin American and Caribbean countries score relatively well on these measures, and Suriname occupies a position at the average for the region or higher. Figures 7 through 9 show Suriname relative to all other countries on these three measures.

To summarize thus far, more than half of the APS respondents in Suriname reported being aware of good opportunities to start a new business, more than half of these respondents believe that they are capable of starting and operating a new business, and fewer than one quarter of those who perceive good opportunities are deterred by fear of failure. Entrepreneurs enjoy a high status in Suriname when compared to other countries in Latin America and in the rest of the world. Despite this, the country scores very low on the important issue of entrepreneurial intent. 13% of the APS respondents reported an intention to start their own business within the next 3 years. This is relatively low (lowest for Latin America and the Caribbean, and 44th out of 63 countries worldwide) especially for a country with the perceptions presented in Figures 4 through 9. The position of Suriname on entrepreneurial intent relative to all 63 countries for which data are available is presented in Figure 10.
Figure 6: The percentage of respondents answering ‘Yes’ to the question “Would fear of failure prevent you from starting a new business?”

Figure 7: The percentage of respondents answering ‘Yes’ when asked if they agree with the statement: “In my country, you will often see stories in the public media about successful new businesses.”
Figure 8: The percentage of respondents answering ‘Yes’ when asked if they agree with the statement: “In my country, those successful at starting a new business have a high level of status and respect.”

Figure 9: The percentage of respondents answering ‘Yes’ when asked if they agree with the statement: “In my country, most people consider starting a new business to be a desirable career choice.”
Figure 10: Entrepreneurial Intentions by Country
The average rate of entrepreneurial intent for the Latin America and Caribbean is 33%. The average for all countries is 24%. Despite its favourable position on entrepreneurial perceptions, Suriname scores approximately one half of the global average and one third of the regional average on entrepreneurial intent. The relatively low rate of entrepreneurial intent in Suriname is considered further with the findings of the National Expert Survey and in the Recommendations presented at the end of this report.

Following the phases of entrepreneurship as outlined in Figure 2, the GEM model moves into entrepreneurial activity. The first stage of entrepreneurial activity in the GEM model (Figure 1) is Nascent Entrepreneurship—in which the individual moves from being a potential entrepreneur to someone who is actively in the process of starting up or operating a new business (up to the point where the business is 3 months old). Once the business has been in existence for 3 months, the entrepreneur moves from the nascent entrepreneur phase into the ‘New Business’ phase. A new business in the GEM model is one that is more than 3 months but less than 42 months old. Once the business has existed for 42 months i.e 3 ½ years, it is considered to be an established business. One key measure of the GEM model is the rate of Total Early-Stage Entrepreneurial Activity (TEA). This combines the nascent entrepreneurship phase with the new business phase. Table 2 shows the TEA rates along with their constituent parts for the Latin American and Caribbean countries. Figure 11 presents the TEA data for all available countries. At 5.1%, Suriname ranks lowest in the region, and of the 67 economies for which TEA data are available, Suriname ranks 7th lowest. Looking at the components of TEA, 3.9% of the APS respondents in Suriname reported being involved in nascent entrepreneurship (actively working towards starting or operating a nascent business) being the lowest level for the region, and 18th lowest among all countries.
Table 2: Total Early–Stage Entrepreneurial Activity (TEA) for Latin American and the Caribbean

<table>
<thead>
<tr>
<th>Entrepreneurial Activity and Perceptions in the GEM Economies in 2013 by Geographic Region</th>
<th>Nascent entrepreneurship rate</th>
<th>New business ownership rate</th>
<th>Early-stage entrepreneurial activity (TEA)</th>
<th>Established business ownership rate</th>
<th>Discontinuation of businesses</th>
<th>Necessity-driven (% of TEA)</th>
<th>Improvement-driven opportunity (% of TEA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>Argentina</td>
<td>10.5</td>
<td>5.6</td>
<td>15.9</td>
<td>9.6</td>
<td>5.5</td>
<td>29.8</td>
</tr>
<tr>
<td>Brazil</td>
<td>5.1</td>
<td>12.6</td>
<td>17.3</td>
<td>15.4</td>
<td>4.7</td>
<td>28.6</td>
<td>57.4</td>
</tr>
<tr>
<td>Chile</td>
<td>15.4</td>
<td>9.6</td>
<td>24.3</td>
<td>8.5</td>
<td>7.6</td>
<td>20.1</td>
<td>57.7</td>
</tr>
<tr>
<td>Colombia</td>
<td>13.6</td>
<td>10.3</td>
<td>23.7</td>
<td>5.9</td>
<td>5.4</td>
<td>18.1</td>
<td>26.7</td>
</tr>
<tr>
<td>Ecuador</td>
<td>25.3</td>
<td>13.6</td>
<td>36.0</td>
<td>18.0</td>
<td>8.3</td>
<td>33.6</td>
<td>32.1</td>
</tr>
<tr>
<td>Guatemala</td>
<td>7.6</td>
<td>4.9</td>
<td>12.3</td>
<td>5.1</td>
<td>3.0</td>
<td>31.4</td>
<td>44.2</td>
</tr>
<tr>
<td>Jamaica</td>
<td>8.0</td>
<td>6.0</td>
<td>13.8</td>
<td>6.3</td>
<td>7.4</td>
<td>40.6</td>
<td>34.2</td>
</tr>
<tr>
<td>Mexico</td>
<td>11.9</td>
<td>3.3</td>
<td>14.8</td>
<td>4.2</td>
<td>6.6</td>
<td>6.7</td>
<td>26.3</td>
</tr>
<tr>
<td>Panama</td>
<td>15.4</td>
<td>5.2</td>
<td>20.6</td>
<td>3.5</td>
<td>3.4</td>
<td>18.6</td>
<td>39.8</td>
</tr>
<tr>
<td>Peru</td>
<td>17.8</td>
<td>5.9</td>
<td>23.4</td>
<td>5.4</td>
<td>4.2</td>
<td>22.5</td>
<td>54.2</td>
</tr>
<tr>
<td>Suriname</td>
<td>3.9</td>
<td>1.3</td>
<td>5.1</td>
<td>1.7</td>
<td>0.8</td>
<td>17.8</td>
<td>57.6</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>11.4</td>
<td>8.5</td>
<td>19.5</td>
<td>11.4</td>
<td>4.1</td>
<td>11.2</td>
<td>76.0</td>
</tr>
<tr>
<td>Uruguay</td>
<td>8.5</td>
<td>5.7</td>
<td>14.1</td>
<td>4.9</td>
<td>3.4</td>
<td>12.0</td>
<td>36.8</td>
</tr>
<tr>
<td>Average (unweighted)</td>
<td>11.9</td>
<td>7.1</td>
<td>18.5</td>
<td>7.7</td>
<td>4.9</td>
<td>22.4</td>
<td>45.4</td>
</tr>
</tbody>
</table>
Figure 11: TEA Rates by Country by Region.
For the new businesses rate (APS respondents operating a business that is between 3 and 42 months old), at 1.3%, Suriname ranks lowest in the region and second lowest among all countries (behind Italy). The low nascent and new business rates for Suriname are consistent with the low rate of entrepreneurial intent, but these are inconsistent with the status and perceptions concerning entrepreneurship among the population of Suriname.

The GEM model recognizes different motivations for entrepreneurship. An individual may decide to enter into entrepreneurship in order to pursue an opportunity, independence or enhanced income (a phenomenon known as ‘opportunity-driven’ entrepreneurship). Conversely, an individual may enter into entrepreneurship because they have no other source of income (known as necessity-driven entrepreneurship). Generally, as economies develop, fewer people are ‘pushed’ into entrepreneurship, so the rate of opportunity-driven entrepreneurship grows faster relative to the rate of necessity-driven entrepreneurship.

The rates of necessity- and improvement-driven entrepreneurship for Suriname are presented in Figure 12. With a necessity-driven rate of 18%, Suriname is below the regional average of 22%, and with an opportunity-driven rate of 58%, Suriname is above the regional average of 45%.
Total Early-Stage Entrepreneurial Activity by Industry Sector

GEM identifies four industry sectors: extractive, transforming, business services and consumer oriented services. Examples of the extractive sector are agriculture and mining businesses, whereas the transforming sector includes manufacturing and construction businesses. The business services sector is comprised of business support services such as accounting, marketing and information technology and the consumer oriented consists mainly of retail businesses.

In factor-driven economies, the extractive sector tends to dominate TEA, whereas in innovation driven economies, the TEA has higher levels of transforming sector businesses and lower levels of extractive and consumer sector businesses.

Figure 13 shows the composition of TEA by sector for Suriname. Over three quarters of the TEA businesses are in the transforming and consumer oriented sectors.
Finance is the key resource that helps bring together all other resources to aid the realization of business goals and objectives. Figure 14 shows the sources of financing for TEA in 2013 in the APS. 64% of all TEA participants rely on personal savings as their source of finance. 6% of nascent entrepreneurs, and 36% of new business owners obtain their financing from family savings. Thus 70% of the nascent entrepreneurs and all of the new business owners obtain their financing from outside of the formal financial sector. (7% of the nascent entrepreneurs refused to answer this question).
Entrepreneurship by Gender, Age and Education (TEA)
Internationally the TEA tends to be higher among men than it is among women. Suriname follows this pattern that is seen through almost the entire region.

Figure 15: Percentage of Entrepreneurial Activity between males and females 2013
Figure 16a shows the level of TEA participation among the different age groups, and Figure 16b shows the breakdown of TEA participants by age. This bell shaped distribution of entrepreneurial activity across age groups is consistent with international data, however the highest rates are typically found in the 25-34 age group, and the second highest in the 35-44 age group. In Suriname, this is the other way around, producing a higher median age. In keeping with regional and international patterns, more than half of all entrepreneurs are in the combined 25-44 age group.

Figure 16a: Percentage of Entrepreneurial Activity among the different age groups 2013
Figure 16b: Age breakdown of TEA participants 2013

Figure 17 shows the highest level of education attained by TEA participants. No single educational level dominates TEA, however, over 25% of TEA participants have completed post-secondary technical training.

Figure 17: Entrepreneurial Activity by level of Education 2013

Business Discontinuance

The discontinuance rate is the percentage of the adult population that had sold, shut down, discontinued or quit a business that they owned and managed in the twelve months preceding the survey.

Figure 18 shows that Suriname has the lowest business discontinuance rate for the region. This is expected based on the very low levels of entrepreneurial activity and TEA in Suriname. The absolute numbers are very small. Of the 2,256 APS respondents who answered this question in Suriname, 18 individuals had closed a business down in the previous 12 months. Of these 18 cases, businesses continued after the departure of the owner in 4 cases.
Figure 19 shows the main reasons for business discontinuance. Profitability features in less than 20% of the responses. Consideration could be given to having future GEM studies in Suriname investigate the nature of the ‘Personal Reasons’ category.
Figure 19: Reason for Exit (% Respondents who Discontinued Businesses)

<table>
<thead>
<tr>
<th>Reason for Exit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal reasons</td>
<td>35%</td>
</tr>
<tr>
<td>Other</td>
<td>25%</td>
</tr>
<tr>
<td>Another job or business opportunity</td>
<td>20%</td>
</tr>
<tr>
<td>Business not profitable</td>
<td>15%</td>
</tr>
<tr>
<td>The exit was planned in advance</td>
<td>5%</td>
</tr>
</tbody>
</table>

Entrepreneurial Performance

GEM attempts to assess not only the quantity of entrepreneurial activity in a country but also the quality of the business ventures. The capacity of entrepreneurial firms to become a platform for growth and transformation of an economy is enhanced by the levels of innovation, growth potential and the ability of these firms to compete in export markets.

Innovation

Figure 20 provides an indication of the innovativeness of TEA firms in Suriname. 24% of TEA firms in Suriname offer products that are new to some or all customers. For the Latin America and Caribbean region, this figure is just under 40%. 41% of the TEA firms in Suriname offer products that few or no competitors offer—similar to the average for Latin America and Caribbean.

Figure 20: Innovation in Total Early-Stage Entrepreneurship, Suriname 2013
The APS respondents reported a complete absence of any activity in high or medium technology sectors. This absence should be investigated and measures to encourage activity in these sectors could be considered. Entrepreneurial activity in technology sectors has the potential to enhance the productivity and competitiveness of firms in other sectors. Figure 21 shows that the absence of activity in the technology sectors extends to established firms, as do the relatively low levels of activity in new products / new markets.

*Figure 21: Innovation for Established Businesses, Suriname 2013*
Entrepreneurial Aspirations

Figure 22 shows the number of jobs created by TEA firms and established businesses in Suriname. More than half of the established firms only employ the owner, and 80% of TEA firms and 93% of established businesses create 5 jobs or less.

In terms of job creation aspirations, almost three quarters of TEA firms and almost two thirds of the established firms expect to create 1-5 jobs (Figure 23). This is relatively high.
While the job creation expectations of TEA firms in Suriname are relatively high, the number of TEA firms is relatively low. The net effect of this is that job growth expectations from TEA firms are the lowest in the Latin America region (and lowest in the world). Figure 24 shows the figures for the Latin America region.

Figure 24: Job Growth Expectation for Early-Stage Entrepreneurial Activity 2013 within 5 years (% of TEA Enterprises)
International Orientation

The international orientation of the entrepreneur is another indicator used by GEM to determine the nature of entrepreneurial aspirations within a country. This measure provides some insight into the ambition of the entrepreneur with regard to gaining an international presence for their products. Figure 25 shows that roughly half of the entrepreneurs in Suriname do not explore international opportunities thus limiting the potential of their businesses to the domestic market. Both the TEA and established businesses have relatively low levels of international orientation. 10% of the TEA firms and 16% of the established entrepreneurial firms have 25% or more of their customers outside of Suriname. Given the small number of entrepreneurial firms in Suriname, this points to a very small contribution of export business from this sector.

Figure 25: Percentage of Entrepreneurs with International Orientation (% of customers outside of Suriname)
Entrepreneurship and Well-being

In 2013, the global APS included the Satisfaction With Life Scale (Pavot and Diener 2008) and 54 countries (including Suriname) included further questions relating to work-life balance and work satisfaction. These questions are listed in Figure 26 and were included to provide insight into any differences between the subjective well-being of entrepreneurs and employees.

Internationally the findings were that the self-employed overwhelmingly reported higher levels of satisfaction than workers who are not involved in entrepreneurial activity. However, data for Suriname do not follow this pattern (as shown in Figure 26). In terms of work-life balance, the two groups in Suriname reported very similar levels of agreement with the two statements, as employees reported marginally high levels of satisfaction than entrepreneurs. In terms of satisfaction with work and income, entrepreneurs followed international patterns and reported higher levels of satisfaction than employees. In terms of overall satisfaction with life (the last four measures in Figure 26), the results were mixed with neither group reporting clearly stronger agreement. This contrasts with the international findings in which entrepreneurs generally reported higher satisfaction with life than employees.

The inclusion of the Well-being questions in the APS was a new initiative for GEM. Further research will be undertaken to understand the reasons for the differences in subjective Well-being between Surinamese entrepreneurs and those of other countries.
Figure 26: Quality of Life as reported by Entrepreneurs and Employees

I am satisfied with the opportunity to perform well at work and to substantially contribute to home related responsibilities at the same time.

I am satisfied with my ability to balance the needs of my work with those of my personal or family life.

I am satisfied with the way that my time is divided between work and private life.

I am satisfied with my current income from my work.

I am satisfied with my current work.

At work I am not exposed to excessive stress.

The work that I do is meaningful to me.

I can decide on how I go about doing my work.

If I could live my life again I would not change anything.

So far I have obtained the important things that I want in life.

I am satisfied with my life

The conditions of my life are excellent.

In most ways my life is close to ideal.
National Expert Survey

GEM assesses the state of the entrepreneurial framework conditions existing within a country through the use of the National Expert Survey (NES). This survey attempts to capture the expert opinion of individuals with over ten years of experience working in nine social spheres:

- Finance: bankers, public managers of financial programmes or subsidies, venture capitalists, business angels, entrepreneurs, and business people in general.
- Policy Makers: public officers involved in economics, taxation, and development agencies.
- Public Program Administrators: personnel in government programmes, public agencies, business associations, development agencies, entrepreneurs and people to whom the programmes are addressed.
- Education: Professors, lecturers, teachers (school, college, university, professional or vocational education), and other personnel involved in education.
- R&D Transfer: personnel in industry, innovation, development and growth, public or private agencies, scientific parks personnel, university researchers, engineers, some technological and scientific entrepreneurs.
- Commercial and business services: lawyers, accountants, advisors, economists, market analysts, and survey vendors.
- Market openness: market analysts, some researchers at universities or business schools, business associations, commerce chambers, governmental agencies involved with the economy and development.
- Physical infrastructure: personnel from businesses and enterprises that provide utilities (water, phone, and electricity), engineering, real estate, governmental agencies related to infrastructure, industrial parks, etc.
- Cultural and social norms: business associations, press, media in general, customers, providers, sociologists, entrepreneurs, foundations, researchers, and trade unions.

A total of 36 experts were interviewed for the Suriname NES. In addition to providing an understanding of the entrepreneurial framework conditions, the NES facilitates the triangulation of the findings of the adult population survey. NES respondents are provided with a set of statements about the attitudes, perceptions, and aspirations of entrepreneurs that mirror questions asked of the general population in the Adult Population Survey (APS) and
asked to express the extent of their agreement on a Likert scale. This allows for a direct comparison of perceptions among the general public with the perceptions of experts. The following sections will include a more detailed examination of each of the conditions necessary to foster a healthy entrepreneurial environment.

Table 3: Scores on Entrepreneurship Framework Conditions Rated by National Experts across Latin America and the Caribbean

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Table 3 shows a breakdown of elements of an enabling environment that foster entrepreneurship. Based on a rating scale of 1 (worst) to 5 (best), the data show that Suriname was rated most positively by NES respondents on its Physical Infrastructure and the access to and quality of its Post-Secondary Education system (3.3) which was common among most other LAC countries. However, the country received a lower rating from the NES respondents on most of the other conditions particularly R&D Transfer (1.8) which was the second lowest rating in the region. These findings suggest that there may be some hindrances to the development and continued success of entrepreneurial firms in Suriname. These framework conditions are now discussed individually.

**Finance**

One of the key concerns of any entrepreneurial venture is the availability and access to finance for start-up and for growth. In Suriname, the majority of experts believe that funding is an issue
that requires further attention. The NES respondents reported several issues associated with funding. As seen in Figure 27, 85% of the NES respondents believe that IPO funding is insufficient. The funding available from government subsidies, debt and equity was reported as being insufficient by 63%, 52% and 54% of the NES respondents respectively. With regard to private funding, and potential angel investors, 52% of the NES respondents felt that there were sufficient funds for these services.

*Figure 27: Perceptions of NES Respondents Concerning Finance*

There has been some discussion concerning the degree of risk aversion on the part of the banking sector with regard to entrepreneurial firms. The frequency with which loans to small enterprises are declared 'non-bankable' has been cited as an issue. The ratio of non-performing loans is relatively low at 3-7%. The loan portfolio of the banking sector has also been criticized as lacking support for small enterprises. This issue has been recognized by the Banking Association (Hindori 2014). As seen in Figure 14, 70% of the nascent entrepreneurs and all of the new business owners obtain their financing from outside of the formal financial sector.
Government Policy and Programmes

Government plays a pivotal role in fostering an enabling environment through its policies and the array of programmes that are offered. Government support for businesses is crucial particularly during the nascent and new stages of business. The NES respondents reported a number of concerns with regard to government policy and programmes. Based on the NES data in Figure 28, 69% of the respondents stated that government bureaucracy regulations and licensing requirements limit the ease of doing business for new and growing firms, while 88% reported that it lengthens the time to acquire the requisite permits and licenses. Further, 54% of the respondents believed that Government policies are generally not seen as favouring new firms, and 58% of the experts did not agree that support for new and growing firms is of priority for the government. Experts were more or less evenly divided on the tax regime and the use of government’s fiscal policy.

Figure 28: Perceptions of NES Respondents Concerning Policy

These findings of the NES are consistent with the ranking of Suriname on the World Bank’s Doing Business Index (World Bank 2014). The government of Suriname has made some strides over the past 2-3 areas to simplify the process of starting a new business however, the NES
findings suggest that there is still opportunity for improvement. Historically, while the government has shown an increasing interest in private sector initiatives, many of these have inevitably run into the capital and labour market constraints also observed in the NES data. There has been some discussion about the tax system in Suriname. Tax revenues comprise mainly mining royalties, income and corporate taxes, and import duties. The proposed introduction of a value-added tax system will broaden the tax base and enable the government to reduce corporate taxes which could potentially have a positive impact on entrepreneurial activity.

Government programme initiatives should ideally work in tandem with policy directives to provide the necessary support to entrepreneurs at all stages during the life of their businesses. As seen in Figure 29, 86% of the NES respondents believed that there is a deficiency in the number of programmes that are available for new and growing businesses and 67% of the NES respondents believed that the agencies responsible for their delivery are not perceived to be competently staffed. 63% of the NES respondents reported that government programmes are generally considered to be ineffective and 72% of them believed that government assistance is considered difficult to access.

*Figure 29: Perceptions of NES Respondents Concerning Government Programmes*
High Growth Enterprises and Support for Such Enterprises

High growth start-ups are considered important because of the increased probability of survival and the potential to generate significant employment opportunities and contribution to gross domestic product. It is important then that these types of firms receive the necessary customized support to facilitate and fast track their growth. The NES respondents reported several concerns associated with high growth enterprises. For instance, Figure 30 shows that 67% of the NES respondents reported an absence of support initiatives that are specially tailored for high-growth entrepreneurial activity. Interestingly, there was the perception that the people working on entrepreneurship support initiatives had the necessary skillset to properly serve high growth enterprises as reported by 68% of the experts. The NES respondents were fairly equally divided in their perception of government’s use of growth potential as a selection criterion when choosing recipients of entrepreneurship support and the awareness of policy makers about the importance of these types of firms. The APS data also revealed that great gains can be achieved in Suriname by targeting high growth potential entrepreneurial firms (Figures 24 and 25).

Figure 30: NES Respondents’ Perceptions Regarding Support for Entrepreneurs
Market Openness

The world has become an increasingly global market place where firms engage in large volumes of cross-border business to meet their strategic objectives. Surinamese firms may be seen as an ideal market for many multinational firms looking for new markets to explore. Similarly, Surinamese firms should be focused on not only dominating their local markets, but also taking advantage of opportunities that exist beyond their geographic boundaries. As part of the South American continent, Suriname is ideally placed to take advantage of large emerging markets located nearby. Based on findings in Figure 31, the NES respondents reported several issues with regard to market openness. 71% of the NES respondents indicated that new and growing firms were not able to enter markets without being unfairly blocked by established firms. 89% stated that the anti-trust legislation was not effective or properly enforced, while 63% responded that market entry was considered to be too expensive for new and growing firms thus acting as a barrier to entry. The markets for both business to business and consumer goods and services were reported as being generally stable by 68% and 49% of the NES respondents respectively, making them more predictable which in turn facilitates strategy formulation.

In principle the market in Suriname is a 'free market'. However, in addition to the regulatory challenges observed by the NES respondents, the small size of the market and economies of scale lead to dominance of certain segments and high entry barriers. Specific legislation - in the form of a Competition Law and a Law on Principles of Good Governance to prevent and penalize anti-competitive business conduct, and avoid the possible negative impacts of certain subsidies and allowances - are in the process of being developed.
Education and Training

Easy access to formal education and training ensures that entrepreneurs possess the necessary competence and confidence to start up and manage high growth firms. Figure 32 shows that in Suriname, post-secondary education institutions appear to provide the necessary vocational and management skills required to start up and grow firms as reported by 52% and 81% of the NES respondents respectively. However, the NES respondents also reported deficiencies in the education curriculum at the primary and secondary level in the areas of entrepreneurship and new firm creation, market economic principles and encouraging creativity, self-sufficiency and personal initiative (86%, 77% and 64% of the NES respondents respectively).
The APS data show that the group with technical, post-secondary but non-tertiary education represents the highest percentage of entrepreneurs in Suriname. Less than 7% of the entrepreneurs in Suriname have accessed tertiary education. NES data suggests that there may be some gains to be made by shifting education emphasis and resources away from the higher-end towards lower-education levels.

The priorities of the ministry of education at this time are aimed at providing basic education to children living in the interior. Consideration could be given to looking at the educational curriculum with a view to including the development of skills that will be promote entrepreneurship. Such initiatives have been successful in other Caribbean territories. Business education is available mostly from private institutions at the graduate and post graduate level. Similarly, consideration could be given to examining the programmes offered in the tertiary education sector to ensure that not only business students, but professionals from all fields can access training programmes that develop the skills necessary to start and lead high growth firms.
Interest in Innovation/Research and Development Transfer

Innovation allows firms to remain competitive by strengthening their value position. Product innovation is important because firms are able to continuously improve existing products or develop new products to stay ahead of the competition and maintain their level of differentiation. Process, marketing and organizational innovation, on the other hand, are essential to enhance efficiency of production of goods or the delivery of services which improves overall competitiveness of entrepreneurial firms. Innovation and the fluent transfer of R&D therefore are seen as some of the building blocks for the creation of high growth entrepreneurial firms. As seen in Figure 33, consumers and companies that place a high value on innovation were reported by 94% and 68% of the NES respondent’s respectively. 83% of the NES respondents also stated that consumers are also very open to buying products and services from new entrepreneurial companies. However, 53% of the respondents reported that Surinamese companies appear to be risk averse with regard to experimenting with new technologies and new ways of doing things.

Figure 33: Perceptions of NES Respondents Concerning Interest in Innovation

NES respondents reported a low level of satisfaction with the level of R&D transfer in Suriname. The level of support for scientists and engineers to have their ideas commercialized through new and growing firms, the level of government subsidies for firms to acquire new technology,
and the lack of efficiency with which knowledge is transferred from universities and public research centers to new and growing firms were reported as being unsatisfactory by 84%, 94% and 85% of the NES respondents respectively. New and growing firms were perceived to be in a disadvantaged position in terms of their access to new research and technology and ability to afford the latest technology as reported by 73% and 75% of the NES respondents respectively. Finally, respondents were fairly evenly divided on the suitability of the science and technology base to efficiently support the creation of world class technology-based ventures in at least one area.

*Figure 34: Perceptions of NES Respondents Concerning R&D Transfer*

The concerns expressed by NES respondents concerning the use of new technology by entrepreneurial firms are consistent with the low levels of technology reported in the APS. The interest for innovation in Suriname is high, but the level and transfer of innovation are weak. This follows the patterns observed in other Caribbean countries.

**Intellectual Property Rights (IPR)**

While innovation and the proper dissemination of R&D are important, it is equally important that creative ideas and innovative processes be protected and that businesses be aware of their
intellectual property rights. It is important to have legislation that motivates entrepreneurs to be innovative by safeguarding their ideas and creations. The NES respondents were closely divided about their perceptions of the comprehensiveness of IPR legislation and the extent to which there is respect for inventors’ rights for their inventions. However, as seen in Figure 35, the NES respondents reported a lack of efficient enforcement of IPR legislation and a low level of respect for the trademarks, patents and copyrights held by new and growing firms.

Figure 35: Perceptions of NES Respondents Concerning Interest in Innovation

There may be opportunities for improvement by way of specific legislation regarding intellectual property rights. Modernization of the legislation to enhance the scope of enforcement is on the agenda and consideration could be given to making this a priority.

Physical, Commercial & Services Infrastructure

The physical, commercial and services infrastructure of a country are necessary amenities that allow firms to operate effectively. This category spans items such as utilities and transportation networks as well as the prevalence and sophistication of business services offered to support.
Overall, Figure 36 shows that Suriname’s physical infrastructure and the cost of basic utilities and communication network were rated with high levels of satisfaction by 72% and 78% of the NES respondents respectively. 71% reported that it is possible to obtain access to communications in about 1 week. However, despite this, 78% stated that it would be difficult for new or growing firms to access basic utilities in approximately one month.

Figure 36: Perceptions of NES Respondents Concerning Physical Infrastructure

The commercial infrastructure appears to be less developed than the physical infrastructure. In Figure 37, access to good subcontractors, suppliers and consultants have been reported by 69% of the NES respondents as a continuing challenge for new and growing firms. 72% of the NES respondents stated that this may be due to the associated high cost. The experts were approximately evenly split in their perception relating to the ease for new firms to access good banking services, professional, legal and accounting services and the availability of suitable subcontractors, suppliers and consultants.
Cultural and Social Norms/Motivation and Entrepreneurship as a Career Choice

Cultural and social norms have some bearing on the level of entrepreneurship within a country as it pertains to developing the entrepreneurial mindset. An entrepreneurial mindset refers to the willingness of individuals to accept risk and engage in entrepreneurial behaviour because it is considered socially acceptable to do so. As seen in Figure 38, 68% of the respondent reported that the Surinamese culture is not seen as encouraging of risk-taking or creativity and innovativeness. According to 53% of the respondents, the culture does emphasize individualism. 50% agreed that it supports individual success through personal efforts.
Although the NES respondents believe that the national culture does not encourage creativity and entrepreneurial risk-taking, 92% stated that successful entrepreneurs are given a high level of status and respect. 57% of the NES respondents reported that entrepreneurs generally have a positive social image and are viewed as resourceful competent individuals. As shown in Figure 39, 60% of the respondents believed that entrepreneurship is seen as a desirable career choice, and 61% also agreed it is an appropriate way to become rich. Despite this, 61% believed that not enough media attention is given to successful entrepreneurs. Having a strong media presence is important because entrepreneurs are motivational figures who inspire other individuals to be more comfortable undertaking risk which ensures that entrepreneurial activity is perpetuated in the country. These findings of the positive image of entrepreneurs and entrepreneurship mirror the perceptions found in the APS.
Entrepreneurial Opportunities in the Economy

Opportunity identification is an important step in the entrepreneurial process. A strong economic environment creates significant business opportunities and encourages the proliferation of entrepreneurial activity. Surinamese experts generally had a positive economic outlook. As seen in Figure 40, 75% of the NES respondents were of the perception that there was an abundance of opportunities for new firm creation. A further 67% of the respondents agreed that the opportunities were in excess of the number of people able to take advantage of them. The number of opportunities available has been steadily increasing over the last five years according to 74% of the NES respondents. Furthermore, 62% of the respondents indicated that the adult population was generally considered to be well placed to take advantage of these opportunities. Most importantly to the development of Suriname however was the fact that 53% of the respondents considered the country to be rife with opportunities specifically related to high growth firms. More than half of the APS respondents reported being aware of opportunities in their environment. Despite the levels of opportunity and the image of the entrepreneur, the tendency for Surinamese citizens to act on these opportunities (in terms of entrepreneurial intent and new business creation) are extremely low.
The relatively low rate of entrepreneurial intent and TEA in Suriname can be attributed to a number of factors which have been seen in the APS and the NES data. Suriname is characterized by levels of 'uncertainty avoidance' and 'power distance', and has a low level of 'masculinity'. Such characteristics predispose the society to low levels of entrepreneurial inclination and a preference for working within an environment of established organizational norms and rules. Out of the 74 countries and regions in Hofstede’s (2005) study of national culture, Suriname ranks as the 9th and 11th positions on the dimensions of uncertainty avoidance and power distance respectively, and is in 61st position on the masculinity dimension. In addition, the opportunity cost of being self-employed rather than wage-employed can be significant in Suriname. Both in the private sector and the public sector (which employs 50% of the labour force), the opportunity costs of self-employment are high due to attractive fringe benefits (vacation and allowances, medical care, pension entitlements) and job security in both the private and public sector. This reinforces the impact of the high uncertainty avoidance in Suriname.
Entrepreneurial Ability to Facilitate New Venture Start-ups

Individuals must have the necessary ability and knowledge to take advantage of the opportunities in the economy. The state of readiness of the adult population is a critical indicator of the quality of businesses that are likely to be established. The heavy emphasis on high growth enterprises requires a highly skilled labor force that is properly equipped to develop more sophisticated businesses. Figure 41 shows that 86% of the NES respondents do not perceive many people to have the ability to organize the resources required for a new business. 80% of the NES respondents did not believe that many people in Suriname have the experience necessary for starting a new business, far less a high growth business according to 77% of the NES respondents. Moreover, 80% believed that not many people are considered to have the ability to react quickly to good opportunities. The last finding provides reason for concern since successful entrepreneurs are characterized as being very dynamic and being able to quickly respond to changes in the environment.

Figure 41: NES Respondents’ Perceptions Regarding Entrepreneurial Ability

The perspective of the NES respondents contrasts with the perspectives of the general public. While 80% of the experts believe that most people do not possess the necessary skills for starting a new business, 54% of the APS respondents believe that they do. The NES
respondents also pointed to what they perceived as inadequate coverage of entrepreneurial skill development at the primary and secondary school levels (Figure 32).

**Women Entrepreneurship and Support**

There is the need for gender equality in entrepreneurship to ensure that both males and females are empowered to start up and manage new businesses. Traditionally GEM data from Latin America and the Caribbean have found that more men than women are involved in entrepreneurial activity in the region and that some bias exists in favour of men. However, this appears to be less of an issue in Suriname based on 83% of NES respondents who agreed that men and women have the same level of knowledge and skills to start a new business (Figure 42). In fact, 58% of respondents believe that women are actually encouraged to become self-employed or start a new business. 54% of the NES respondents saw this as a socially acceptable career option for women. However, 67% of the respondents agreed that there is evidence of the insufficient availability of social services which allow women to continue to work after they have started a family. This suggests that there is still room for improvement in bridging the gender gap and establishing equity among the sexes.

*Figure 42: NES Respondents’ Perceptions Concerning Gender*
Youth/Young Adults and Entrepreneurship

An important demographic that drives entrepreneurship and innovation through an infusion of creative ideologies and unorthodox approaches is the youth/young adult segment. This group is usually much more globally connected through social media and exposed to a wider array of experiences through the use of the internet, foreign education and extensive travel. 57% of the respondents agreed that youth (aged 14-20) population are pushed into business activity primarily out of necessity (Figure 43). A further 61% stated that families generally tend to expect youth to contribute to the family. However, 83% reported that government programmes do not effectively train and support youth entrepreneurs. In fact, 65% of the NES respondents believed that opportunities for this group to develop micro business is limited. 85% were in full agreement that self-employed youth learn to develop their business activities largely through their own experience and relationships.

Figure 43: Perceptions of NES Respondents Concerning Youth (14-20)

Figure 44 shows that 56% of the NES respondents were of the view that the young adult population (21-34 yrs.) is not sufficiently involved in entrepreneurship. 89% agreed that this may be due to the lack of an adequate incubator system that can be accessed by young adults.
Start-ups are therefore largely funded through families, close relatives or friends according to 89% and 81% of the NES respondents respectively, rather than through dedicated financiers such as banks, venture capitalists or angel investors as indicated by 64% of the NES respondents. Additionally, 56% agreed that micro-credit facilities are considered to be inefficient. These factors (according to 84% of NES the respondents) ultimately contribute toward strengthening the allure of work/life opportunities outside of Suriname for young adults.

*Figure 44: Perceptions of NES Respondents Concerning Young Adults (21-34)*
Conclusions and Recommendations

Conclusions

Suriname received a relatively low ranking from the NES respondents on most of the entrepreneurial framework conditions. Certain issues in the institutional setting of the country are perceived as hindrances to the development of entrepreneurial firms. These hindrances can, to a large extent, be removed through government policies which are conducive to business in general and new start-ups in particular. These policies would address the absence of a level playing field for businesses, focus on improvement of the effectiveness of the legal and administrative systems, introduce specific business supporting policies and programmes and eliminate dysfunctional informal institutions and constraints in the labour and capital markets.

Level playing field

More than half of the NES respondents pointed to deficiencies in the regulatory legal and administrative framework. At the highest level this perception is related to the concept of a 'level playing field' for entrepreneurs, i.e. a fair and predictable system of rules and enforcement mechanisms. Effective policies and initiatives in this area would have a tremendous impact on making the entrepreneurial environment more conducive. Entrepreneurship is served by a constitutional practice that guarantees not only property rights but also distributive justice. Therefore, regulations of general application to ensure legitimacy, equality, and proper priority setting with regard to government subsidies and incentives have to be embedded in the legal system. Over half of the NES respondents would like to see an improvement in this regard resulting in an even-handedly applied system of enabling administrative conditions for new and established entrepreneurs. Legally enshrined 'good governance regulations', associated with accountability and transparency norms are a key dimension of an effective overall social fabric of society.
Administrative Framework

At the secondary level, the NES respondents reported that Government policies do not sufficiently favour business development, particularly for small firms. More than two-thirds of the NES respondents suggested that the legal and administrative framework of Suriname is very cumbersome. Government regulations and licensing requirements are incentives for entrepreneurs to circumvent the formal administrative framework and become evasive entrepreneurs operating in the informal sector of the economy. There are opportunities to improve the entrepreneurial environment and in turn positively impact entrepreneurial intent, activity and outcomes in this area. Informal associations and affiliations may not have the same positive outcome as legal regulations in the service of productive entrepreneurship. Consideration could be given to investigating new laws and regulations that would further promote stable business conditions and fair competition to stimulate the creation of new and growth of established businesses.

Support Programmes

NES data also revealed that there are opportunities for improvement by developing and implementing government policies that would further favour the business environment. One example of this would be Government's facilitation of and support for business, particularly during the nascent and new stages of business development. Several Caribbean countries have made some progress in this regard – particularly in the area of public procurement, ‘fast-tracking’ support for innovative, high-growth, export-competitive firms. More than half of the NES respondents believed that the Government has an opportunity to improve conditions for new and growing firms by increasing and streamlining the number of programmes available to assist them. This should lead to the programmes becoming easier to access and more effectively implemented. The NES data highlights the importance of support for the start-up of high growth firms. By granting these types of firms the tailor made support they need to facilitate their start-up and promote their fast track their growth, the Government will increase the probability of their survival and enhance their potential to generate significant employment opportunities and make large contributions to gross domestic product and economic development.
The Entrepreneurial Environment

NES respondents have addressed the social and cultural norms concerning entrepreneurial intent and initiatives. The culture of Suriname was seen as presenting special challenges to entrepreneurial intent and activity when compared to other countries, given its high levels of uncertainty avoidance and power distance, and its low level of masculinity. Further, the NES respondents generally perceived the national culture as not emphasizing assertiveness, self-sufficiency, autonomy, and personal initiative and as not being highly supportive of individual success through personal efforts. These characterizations of national culture suggest an incentive structure of the economy which attracts entrepreneurs to engage in activities which are not geared towards creating social wealth. Measures to stimulate productive entrepreneurship, in line with the high level of status and respect for entrepreneurs which respondents attribute to them, requires a national rethinking of the current investment structure.

Two thirds of the NES respondents indicated that the national and educational culture should be addressed to encourage creativity and entrepreneurial risk-taking. The education system can be used as a means of overcoming such cultural obstacles. NES and APS data pointed to the mismatch between the education system and the profile of entrepreneurs in Suriname.

Market Dynamics

NES respondents reported several issues with regard to market openness. Market entry for start-ups is expensive due to costs associated with government regulations and the absence of anti-trust legislation allows established firms to maintain high entry barriers. Both issues are being addressed in the context of complying with the provisions of the regional single market and economy. The labour market in Suriname is subject to stringent dismissal regulations. This adversely impacts negatively in two ways: it raises the cost of business in general, and it raises also the opportunity cost of being self-employed compared to being wage-employed. This is an issue that in the interest of improving the conditions for entrepreneurship should be resolved within the tri-partite consultation mechanism of government, employers’ associations, and trade unions.

NES respondents believed that opportunities for funding start-ups are very limited which seems to suggest a conservative perspective of financiers. Banks and other formal lenders tend to be risk averse and show a lack of confidence in entrepreneurial capabilities, in particular with respect to persons trying to start new businesses. This drives new starters to informal lenders who make available capital against excessive interest rates and inequitable conditions.
Policy Recommendations

The APS and NES surveys both indicated that there is no shortage of opportunities for entrepreneurship in Suriname. The key challenge is to identify and formulate effective and targeted policies aimed at stimulating entrepreneurship. Those policies must take into consideration the country's level of development and in essence focus on institutional quality, i.e. on 'getting the institutions right'.

Specifically, policies should provide strong entrepreneurial incentives and enhance abilities. The government also needs to address the issue of high start-up costs and administrative barriers. The government should also increase its support for technological entrepreneurship.

Several key initiatives for improving entrepreneurial intent, activity, and outcomes emerge from this report. Consideration could be given to the following:

- Changes to the social security system to reduce any bias towards promoting wage-employment at the expense of entrepreneurial development. This may include programmes to enhance the facilities and benefits of business development.
- Investigation of the education curriculum to develop entrepreneurial motivation and abilities, as well as, the necessary skills among the population.
- Development of a national system that effectively supports innovation that gives rise to technological entrepreneurship, including support for the introduction of business incubators and other initiatives.
- Examination of existing institutions in order to remove obstacles to start-ups, including capital and labour market reforms, and interventions in the market to ensure fair competition and better access to finance.
- Measures to improve access to financing for entrepreneurial firms. Immediate priority should be given to innovative, high-growth, high export-potential firms.
- Revisit existing government support programmes for entrepreneurship to evaluate access, any gaps or overlap in provision and opportunities for improvement.
Recommendations for Further Research

Further research should be undertaken into two key issues in this report. The low levels of entrepreneurial activity and intent that were observed in the APS data and the key findings of the NES gave some insight into this issue. Great gains can be made for the entrepreneurial sector in Suriname by addressing these low rates. Further research in matching the policy and environment issues with perceptions among the population will be undertaken in future GEM studies. The second key issue is related to the perceived opportunities for development of support initiatives and agencies in Suriname. The next GEM Report will include an overview of these agencies to identify any overlaps, gaps, or improvements in the ways in which such support is configured and delivered in Suriname. This mapping exercise will provide policy makers with an overview that can be used as a basis for evaluating the configuration and delivery of support programmes for entrepreneurial firms.
Glossary of Terms

**Adult Population Survey**
A survey that samples the non-institutionalized adult population; adults 18 years and over, both in and out of labour force from all geographic regions of the country about their perceptions, attitudes capabilities and awareness concerning the entrepreneurial environment in the country.

**Business Discontinuance Rate**
The percentage of adults (18 and older) who in the past 12 months have discontinued a business either by selling, shutting down operations or otherwise discontinuing an owner/manager relationship with the business.

**Entrepreneurial Aspirations**
The efforts of the early-stage entrepreneur to introduce new products and services, develop new production processes, penetrate foreign markets, substantially increase the number of firm employees, and finance the business with either formal or informal venture capital, or both.

**Entrepreneurship as a Desirable Career Choice**
The percentage of the population aged 18 and over who agree with the statement that in their country most people consider starting a business as a desirable career choice.

**Established Business Owners**
Individuals who are currently owner-managers of an operating business that has paid salaries, wages or any other payment to the owners for more than 42 months.

**Fear of Failure**
The percentage of the population (18 and older) who are aware of good opportunities to start a new business, but indicate that the fear of failure would prevent them from actually starting a business.

**High-Growth Expectation**
The percentage of the early-stage entrepreneurs who expect to employ at least 20 employees in five years’ time.
**High Status of Successful Entrepreneurs**  
The percentage of the population aged 18 and over who agree with the statement that in their country, successful entrepreneurs receive high status.

**International Orientation**  
The percentage of the Early-Stage entrepreneurs with more than 25% of the customers coming from other countries.

**Media Attention for Entrepreneurship**  
The percentage of the population (18 and over) who agree with the statement that in their country, stories about successful new businesses are often seen in the public media.

**Nascent Entrepreneurs**  
Individuals who are currently actively involved in setting up a business they will own or co-own which has not yet paid salaries, wages or any other payment to the owners for more than three months.

**National Experts Survey**  
A survey that studies the views of experts who are directly involved in delivering or assessing a major aspect of an entrepreneurial framework condition in their country.

**Necessity-Driven Entrepreneurship**  
The percentage of those involved in Total Early-Stage entrepreneurial activity who are involved in entrepreneurship because they had no other option for work.

**New Business Owners**  
The percentage of adults 18 and over, who are currently an owner-manager of a new business; that is owner-manager of an operating business that has paid salaries, wages, or any other payment to the owners for more than three months but not more than 42 months.

**New Product Market Oriented**  
The percentage of the Early-Stage entrepreneurs who indicate that their product or service is new to at least some customers and indicate that not many businesses offer the same product or service.
Opportunity-Driven Entrepreneurship
The percentage of those involved in Total Early-Stage entrepreneurial activity who (i) claim to be driven by opportunity as against having no other option for work; and (ii) who identify being independent or increasing their income rather than just maintaining their income as the main driver for being involved in the business.

Perceived Opportunity
The percentage of population (18 and over) who see good opportunities for entrepreneurship in the area where they live.

Perceived Capability
The percentage of population (18 and over) who believe they have the skills and knowledge required to start a business.

Total Early-Stage Entrepreneurs
Adults 18 and over who are either nascent entrepreneurs or owner-managers of a new business.
References


## Appendix 1 - Entrepreneurial Activity in the Countries Participating in GEM in 2013.

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<td>Established business ownership rate</td>
<td>Discontinuation of businesses</td>
<td>Necessity-driven (% of TEA)</td>
<td>Improvement-driven opportunity (% of TEA)</td>
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(Source: GEM Global Report 2013)
Appendix 2 - Author Biographies

Miguel Carrillo

Miguel Carrillo is one of the most sought after experts in the area of Strategy and Innovation by governments across all continents, multi-lateral agencies like World Bank, Inter-American Development Bank and private sector organizations such as Ernst and Young, Coca Cola, CEMEX, Volkswagen, Novartis. He also generously gives his time, knowledge and expertise to non-profit and non-governmental organizations. He has lectured in over 15 countries and has been a visiting lecturer at MIT, University of Massachusetts, HEC Paris and University of Texas in Austin. He is the pioneer or champion of several nova research agendas for the region in the areas of Business Analytics, Cluster Mapping, Sustainable Innovation, and Governance, in addition to his involvement with GEM research in Chile, Trinidad and Tobago, and now Suriname. He holds a PhD in Strategy from the joint PhD. Program of Concordia and McGill University in Montreal, Canada. Prior positions include Dean, Adolfo Ibanez School of Management, Miami Campus; Dean, School of Business, Monterrey Institute of Technology, Mexico; Finance Manager, Hewlett Packard; Association Consultant, McKinsey & Company. In 2009, he assumed position as the Executive Director and Professor of Strategy Arthur Lok Jack Graduate School of Business.

Henry Bailey

Henry Bailey lectures in Economics and Applied Economics courses at the Arthur Lok Jack Graduate School of Business. He holds a PhD in economics from the University of the West Indies, and an MBA from Brunel University. He also has BSc and MSc degrees in economics. He has published in several international journals in the areas of utility construction, health economics and health outcomes research, and he has presented at various research forums in Health Economics and Development. He is a member of the EuroQol Research Foundation, and a founding member of the Global Health Delivery Network of Harvard University. In 2013 he received the Quality in Tertiary Education Award for Academic and Applied Research from the Accreditation Council of Trinidad and Tobago and in 2014 he received the NGC-UWI Award for the most Outstanding Researcher in the Social Sciences/Humanities/Arts at UWI. Prior to his career in academia, he worked for Johnson & Johnson for over 25 years in the pharmaceutical and medical device industries in the Caribbean and Central America.
Marvin Pacheco

Marvin Pacheco holds Bachelor’s and Master’s degrees in Management Studies from the University of the West Indies St. Augustine where he is presently pursuing a PhD in Business Administration. He is the Lead Researcher on several key projects with the Centre for Strategy and Competitiveness at the Arthur Lok Jack Graduate School of Business in the areas of innovation, the Small and Micro-Enterprise Sector and Regional Cluster Development Initiatives. He has held research and consultancy positions with the Centre for Social Responsibility, the Centre for Entrepreneurship and Innovation at the Arthur Lok Jack Graduate School of Business, and with the Inter-American Development Bank’s FINPYME Project. He is also a Part-Time Lecturer in Marketing at the University of the West Indies.

Sieglien Burleson

Sieglien Burleson is the founder and Executive Director of the Competitiveness Unit Suriname and senior advisor to the Vice President of the Republic of Suriname in promoting entrepreneurship development and in improving productivity and competitiveness. She holds a masters degree in law and is a lecturer at the University of Suriname in company and trade law. Within the Faculty of Social Science and Law at the University of Suriname she has held several positions including permanent secretary and dean of the faculty. Previously she has worked in the Ministry of Foreign Affairs and the Central Bank of Suriname. She represents the University of Suriname on the board of the Suriname Business Forum and has served as the chair for one term. She has contributed as a member of several government commissions including renewal of the Civil Code and Intellectual Property Rights and is currently working on several legal reforms.

Hans Rudolf Lim A Po

Hans Rudolf Lim A Po, a lawyer by training was in private law practice from 1963 to 1981. Thereafter he joined Billiton International Metals - at that time the mining arm of Royal Dutch Shell - where he held various senior executive positions until his retirement in 2000. He established the FHR Lim A Po Institute for Social Studies (FHR) of which he is the Director. The institute conducts international masters Programmes and related research in governance, business management and law in cooperation with a number of renowned Dutch academic
institutions. In 2012 FHR also assumed responsibility for the undergraduate FHR School of Business Hans Lim A Po has acted (2004-2007) as co-agent for the Republic of Suriname in the maritime boundary arbitration between Suriname and Guyana and in 2006-2011 as agent for Suriname in various matters before the Inter American Human Rights Commission and Court. He was Member and Chairman of the Social Economic Council of Suriname from 2009-2011 and has been a Member of the CARICOM Competition Commission since 2009.

Ollye Rita Chin A Sen

Ollye Rita Chin A Sen (Paramaribo, Suriname 27-10-47) has a masters degree in sociology from the University of Utrecht in the Netherlands. She has served the Government of Suriname in various management, academic research and advisory positions in a number of ministries from 1973-1978 and 1981-1995. During these periods she spearheaded the development of a Women’s Bureau and research and policy formulation on gender issues. From 1978-1980 she was employed by the United Nations Development Program (UNDP) and assigned to the Manila-Philippines Country Office as a Program Officer. Mrs Chin A Sen joined Surinam Airways Ltd, in 1995 and was Regional Director for the Caribbean and 1999 Human Resource Manager. In 2007 she became Course Director at the FHR Lim A Po Institute for Social Studies.

Christopher Healy

Christopher Healy is an artist, art historian and anthropologist by training. He taught anthropology at the ADEK University of Suriname from 1985-1989. Between 1974 and 1984 he studied at Cooper Union College and Yale University. From 1989 to 2001 he managed the Office of the United Nations High Commissioner for Refugees in Suriname. From 1992 to 2000, he was Resident Assistant Coordinator of the OAS Special Mission to Suriname, with a mandate in post-conflict peace maintenance and the strengthening of democracy. Mr. Healy has help organize over a dozen electoral observations mission in the Caribbean, Sierra Leone and Fiji. In 2000 Healy established Culturecom Consulting, a social science consultancy which has provided services in several fields including eco-tourism, community development, environmental and social Impact Assessment. Mr. Healy received the Alexander Bouchet prize for outstanding academic achievements in the Department of Afro-American Studies, Yale University (1981) and he was awarded the Rotary Vocational Excellence Award (2008).