

EXECUTIVE SUMMARY

The Global Entrepreneurship Monitor (GEM) is the largest international comparative study on entrepreneurship, in which Lithuania participated in 2014 and returned in 2021. In 2022, the global GEM survey represented more than 64% of the global population. The GEM Lithuania team is led by Vilnius University Business School in cooperation with the Innovation Agency, supported by Moody's Corporation and the Ministry of Economics and Innovation in Lithuania.

This country report for the year 2022/2023 analyses the dynamics of the domestic entrepreneurial landscape, founding rates and business activities, the attitude of the population towards entrepreneurship, special characteristics of entrepreneurs and the necessary framework conditions like education, research, infrastructure, etc. The empirical research of GEM Lithuania is based on a representative survey of the working-age population (n = 2000), supplemented by 38 experts assessing the state of the entrepreneurial ecosystem. Benchmark comparisons of similar economies like Latvia, Sweden, Slovakia and Poland and the analysis of the data from 2014 and 2022 result in corresponding actions in decision-making and further research.

DYNAMICS: SUSTAINABLE GROWTH AND CHALLENGES

2 of 10

plan to start a
business

- Positive perceptions towards good conditions in the area of entrepreneurship increased notably, especially for women from 29% in 2014 to over 40% in 2022.
- Self-confidence and knowledge in entrepreneurial capabilities increased considerably, the share among men consisted of over 43% in 2014, while in 2022 it went up to over 58%; meanwhile, for women, in 2014, the share was 24%, but in 2022 it measured at over 41%.
- 5 of 10 women and 6 of 10 men in 2022 would abstain from starting a business because of fear of failure and reached the highest level recorded by GEM.
- Just 6% of adults invested in someone else's new business in 2022.
- 30% of adults reported that the pandemic had reduced their household income in 2022.

"The resilience of small businesses over the recent years has provided both inspiration and support to our economy, innovation, social, education, and healthcare sectors." A. Armonaite, Minister of the Economy and Innovation, Republic of Lithuania

OPPORTUNITIES AND MOTIVES

36.5%

easy to start a
business

- Almost half of the entrepreneurs in 2022 started businesses because they wanted to make a difference in the world.
- Overall early and experienced entrepreneurs took environmental or social aspects into account when making business decisions in 2022.
- The least popular motive to start a business in 2022 was to continue a family tradition.
- Men were twice as likely as women to be starting a new business in 2022.
- Half of adults reported in 2022 that starting a business is more difficult than a year ago.

“Lithuania’s response to the economic effects of the pandemic is rated as excellent, scoring highest of all the GEM economies.” Global Entrepreneurship Monitor 2022/2023

IMPACT: EDUCATION, RESEARCH AND INNOVATION AS DRIVERS OF ENTREPRENEURIAL ACTIVITY

25-34 y.o.

the most active
age group in
business

- The highest share of early entrepreneurs in 2022 was recorded with higher education, still, the number of new entrepreneurs with the lowest education level has increased four times since 2014.
- The group of 18-24 years old in early businesses has continued to grow since 2014.
- Entrepreneurial education has improved since 2014, however, Lithuania still maintains the lowest scores regarding adequate attention to entrepreneurship at post-school.
- Research and development transfers remain far above the global GEM average.
- Less government attention was given to the new and growing businesses access to new research and technology.

“Lithuania is a small economy, but it demonstrates the value of entrepreneurial leadership in challenging and even difficult times. I believe that entrepreneurs of all ages and genders can create sustainable and innovative value by providing solutions worldwide.” M.A. Gonzalez, Moody’s Corporation.

ENTREPRENEURIAL ENVIRONMENT: RESILIENT IN TIMES OF UNCERTAINTIES

12.7%

adults in early
entrepreneurial
activity

- The overall assessment of the entrepreneurial ecosystem places Lithuania among the leaders (ranked sixth) in 2022.
- Almost 30% of early entrepreneurs in 2022 pursued new opportunities due to the pandemic.
- Less than a third of early entrepreneurs, and as little as a fifth of established businesses in 2022 expected to use more digital tools in the future.
- The physical, professional and commercial infrastructures had the highest-rated conditions in 2022.
- Two in five new entrepreneurs had customers beyond its borders in 2022.
- In 2022 Lithuania had a sustainable ratio of three new to every two established business owners.

“Many economies with much higher incomes would welcome such a supportive entrepreneurial environment.” Global Entrepreneurship Monitor 2022/2023



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