Global Entrepreneurship Monitor

GLOBAL ENTREPRENEURSHIP MONITOR: GEM-BELARUS 2024–2025

The Global Entrepreneurship Monitor GEM-BELARUS 2024–2025 was prepared by a team of experts from the BEROC Economic Research Center (BEROC tyrimų centras), Vilnius, Lithuania.

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ABOUT THE GLOBAL ENTREPRENEURSHIP MONITOR[1]

WHAT IS GEM?

The period following the COVID-19 pandemic has been more turbulent than expected. Geopolitical confrontation, armed conflicts, increased migration flows, inflation, and other crises have created a new reality for business. Despite these challenges, entrepreneurship continues to play a key role in economic recovery and social development.

Entrepreneurs are demonstrating exceptional adaptability by adopting digital technologies and implementing new business models to overcome emerging constraints and challenges. However, uncertainty and increased risks require greater flexibility and readiness for change from both entrepreneurs and government officials responsible for business development. In this regard, there has been a significant increase in demand for data on entrepreneurship that allows for assessing companies' ability to adapt to new conditions and implement innovations. Policymakers and investors are increasingly turning to studies such as the Global Entrepreneurship Monitor (GEM) to understand how to support sustainable development and innovation in their countries.

GEM is a large-scale international collaborative research initiative that analyzes various forms of entrepreneurial activity and related factors. In particular, postulating the crucial role of entrepreneurship in productivity growth, job creation, and innovation, the GEM project examines the characteristics of the thinking, motivation, and aspirations of nascent and established entrepreneurs, as well as the state of the environment necessary for the development of entrepreneurship in a country. For more than 25 years, GEM has been conducted through the joint efforts of the non-profit Global Entrepreneurship Research Association, the founding institutions of the London Business School (UK) and Babson College (US), and a consortium of national teams from different countries consisting of researchers and analysts. Today, GEM is one of the few research initiatives that systematically collects and analyzes comparable data on entrepreneurship on a global scale on an annual basis. The established methodology and strict data collection requirements make it possible to conduct cross-country comparisons and track the dynamics of various indicators of entrepreneurial activity and the conditions necessary for it over a long period of time in the same country. In addition, thanks to a carefully developed theoretical framework, the data obtained within the framework of the GEM project are used annually in dozens of publications in peer-reviewed scientific journals.

In this regard, the project's results, in the form of global and country reports, attract the closest attention from government agencies, think tanks, non-governmental and international organizations, and are used to develop and analyze scientifically sound policy initiatives in the field of entrepreneurship.

The main results of the GEM study are presented annually in the Global Report, which provides an overview of entrepreneurial activity through the prism of various indicators and socio-demographic characteristics, motives, and aspirations based on data collected in dozens of countries around the world.

The GEM Global Report 2024–2025 compares the situation in 56 countries based on responses from more than 150,000 people. The implementation of such a large-scale

[1] For consistency, the introductory section, which includes a description of the conceptual framework and methodology of the GEM study, is largely adapted from Chapter 1 of the GEM Global Report 2024–2025.

research project is made possible by the participation of national teams, each of which uses a unified research methodology, approach to sampling, and tools for collecting representative data on entrepreneurship at the national level. National teams conduct an Adult Population Survey (APS) on a representative sample of at least 2,000 respondents. In addition, each participating country conducts a National Expert Survey (NES) to obtain expert assessments of the conditions for entrepreneurship, including economic, political, infrastructural, and value components. Furthermore, each team is responsible for funding the research in its country and publishes an annual national report containing a more detailed analysis of entrepreneurship at the country level, taking into account local changes, characteristics, conditions, and initiatives that affect entrepreneurial activity.

As a result, GEM data and tools are in demand by numerous stakeholder groups:

- Government agencies use GEM research data to make more informed decisions that promote the development of entrepreneurial ecosystems in their countries, address poverty and social inequality, empower vulnerable populations, and tackle environmental issues.
- International organizations use information from the GEM study in their reports and analytical materials, combining it with their own data sets to provide higher-quality and more comprehensive analysis.
- Entrepreneurs gain a more complete picture of trends in entrepreneurship and the business environment, enabling them to make more informed decisions.
- Researchers use unique approaches and data sets to study the phenomenon of entrepreneurship at the individual, regional, and country levels, advancing the science of entrepreneurship.

GEM CONCEPTUAL FRAMEWORK

Numerous studies (Busenitz, et al., 2000; Krasniqi & Desai, 2016; Guerrero & Marozau, 2023), including GEM findings, show that the level and nature of entrepreneurial activity can vary significantly even among countries with similar levels of economic development.

With this in mind, the conceptual framework of GEM (Figure 1) is based on the understanding that economic growth is the result of an increase in total factor productivity. Total factor productivity is determined, among other things, by the ability of people to identify and exploit opportunities for entrepreneurship (Erken et al., 2018), as well as by external conditions that influence individuals' decisions to engage in entrepreneurial activity (Guerrero et al., 2020). According to the GEM methodology, entrepreneurial activity is seen as the result of the interaction between individual attributes (skills, experience, motivation) and institutional context at the regional and national levels (access to resources, cultural and value attitudes, policy). These factors influence both the decision to start a business and the nature of entrepreneurial activity—the choice of industry, the level of innovation, and the scale of business goals. As a result, these factors also determine the contribution of entrepreneurship to the economy (job creation and value added). At the same time, the development of entrepreneurship over time also influences societal values, shaping a more positive attitude towards business and encouraging new entrants.

This cyclical relationship is reflected in the GEM conceptual framework, which contains the following components:

- **Social, cultural, political, and economic context** shapes the national entrepreneurial ecosystem and includes instruments for financing entrepreneurship, government policies and programs to support entrepreneurship, entrepreneurial education, the

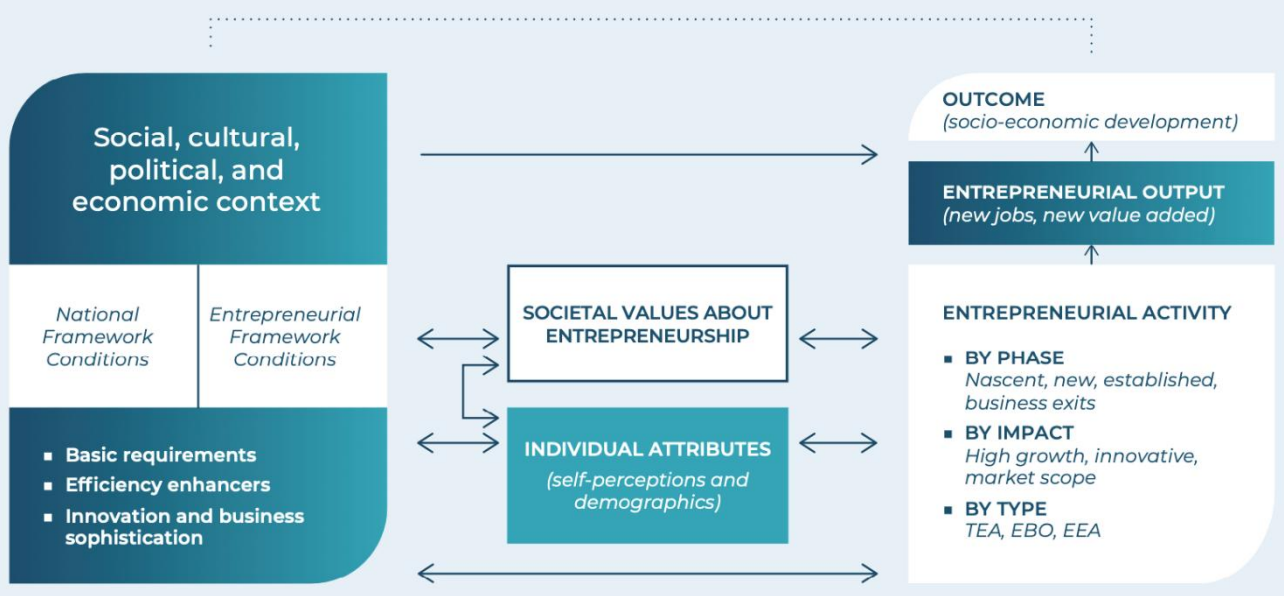
implementation of scientific and technical developments, commercial, physical, and professional infrastructure, the dynamics and openness of the domestic market, as well as cultural and social norms.

- **Societal values about entrepreneurship** reflect public beliefs about how successful entrepreneurship is perceived as a career choice, how high the social status of entrepreneurs is, how positively entrepreneurship is portrayed in the country's media, and how easy it is to start a business.
- **Individual attributes of entrepreneurs** include demographic indicators (gender, age, level of education), individual entrepreneurial self-perceptions (assessment of entrepreneurial opportunities, assessment of knowledge and skills, fear of failure), and motivational aspects (i.e., the need or opportunity to engage in business).
- **Entrepreneurial activity** covers various stages of the business development process (nascent, new, established, and business exits), impact on socio-economic development (high growth, innovation, market scope), and types of entrepreneurial activity: Total Early-Stage Entrepreneurship (TEA), Established Business Ownership (EBO), and Intrapreneurship (EEA).

In this regard, understanding the conceptual framework and using GEM data allows us to:

- identify factors that stimulate or limit entrepreneurial activity, especially in terms of social values, individual attributes, and the entrepreneurial ecosystem;
- assess the level of influence of entrepreneurial activity on socio-economic development;
- develop measures to increase entrepreneurial activity and its effectiveness for the country's economy.

Figure 1. GEM Conceptual Framework



Source: GEM Global Report 2024–2025.

GEM METHODOLOGY

To identify the relationships reflected in the GEM conceptual framework between entrepreneurial activity and the external environment, each country participating in the GEM project conducts two surveys: **the Adult Population Survey (APS**) and **the National Expert Survey (NES)**[2] . National teams are solely responsible for collecting GEM research data through surveys (APS) and interviews (NES). These two complementary surveys form the core of the GEM research.

The Adult Population Survey (APS) provides data on the characteristics, motivations, and ambitions of people who are starting or running a business, as well as on society's attitudes toward entrepreneurship. Each national team selects an independent organization to conduct the survey, which is approved by a group of GEM experts. The approved organization conducts a survey of a representative and stratified sample of at least 2,000 people aged 18 to 64. This approach opens up broad opportunities for in-depth research, allowing for comparisons between different social groups based on demographic characteristics and identifying patterns related to age, gender, and place of residence.

The survey uses a standardized APS questionnaire translated into one or more official languages of the country, with questions about respondents' entrepreneurial activity, their attitude towards entrepreneurship, motivation, and business opportunities in the country. APS surveys are conducted by telephone, in person, and sometimes online.

After the data collection phase, a group of GEM technical specialists checks, verifies, and weights the data received from the organizations that conducted the surveys. Despite the possible bias inherent in such studies, the APS helps to create a unique entrepreneurial profile of society. Surveying individuals and determining their attitude towards entrepreneurship allows us to analyze and understand what lies behind the personal decision to start a business and how such a business will develop in the future. Such questions are rarely asked by official statistical agencies, or the answers to such questions are received and published by official statistics with a time lag. Information on the survey methodology used by the Belarusian team is provided in Appendix 2. The results of the GEM survey of the adult working-age population, which was conducted in Belarus in 2024, are described in Chapters 1 and 2.

The second survey, **the National Expert Survey (NES)**, is conducted in the form of interviews with experts. Its purpose is to assess the economic, social, cultural, and political conditions that may either promote or hinder entrepreneurial activity in the country. To assess the current conditions for entrepreneurship in the country, each national team identifies and justifies the selection of at least 36 individuals with the appropriate level of expertise and/or experience in key areas related to entrepreneurship development. National experts approved by the GEM team are asked to complete a standard survey questionnaire: the questionnaire requires them to give their assessments of the conditions for entrepreneurship in the country based on a broad list of factors defined in the GEM project. A complete list and description of these categories, as well as the results of the Belarusian NES, are provided in Chapter 3.

[2] Appendix 1 provides a glossary of key terms and abbreviations used in the GEM study.

ASSESSMENT OF ENTREPRENEURIAL ACTIVITY

Responses to the APS questionnaire are used to describe the various stages of business creation and development:

- the emergence of an idea and consideration of business opportunities (conception),
- starting a business by allocating resources to realize business opportunities (birth),
- transformation into an established business (persistence),
- exiting the business.

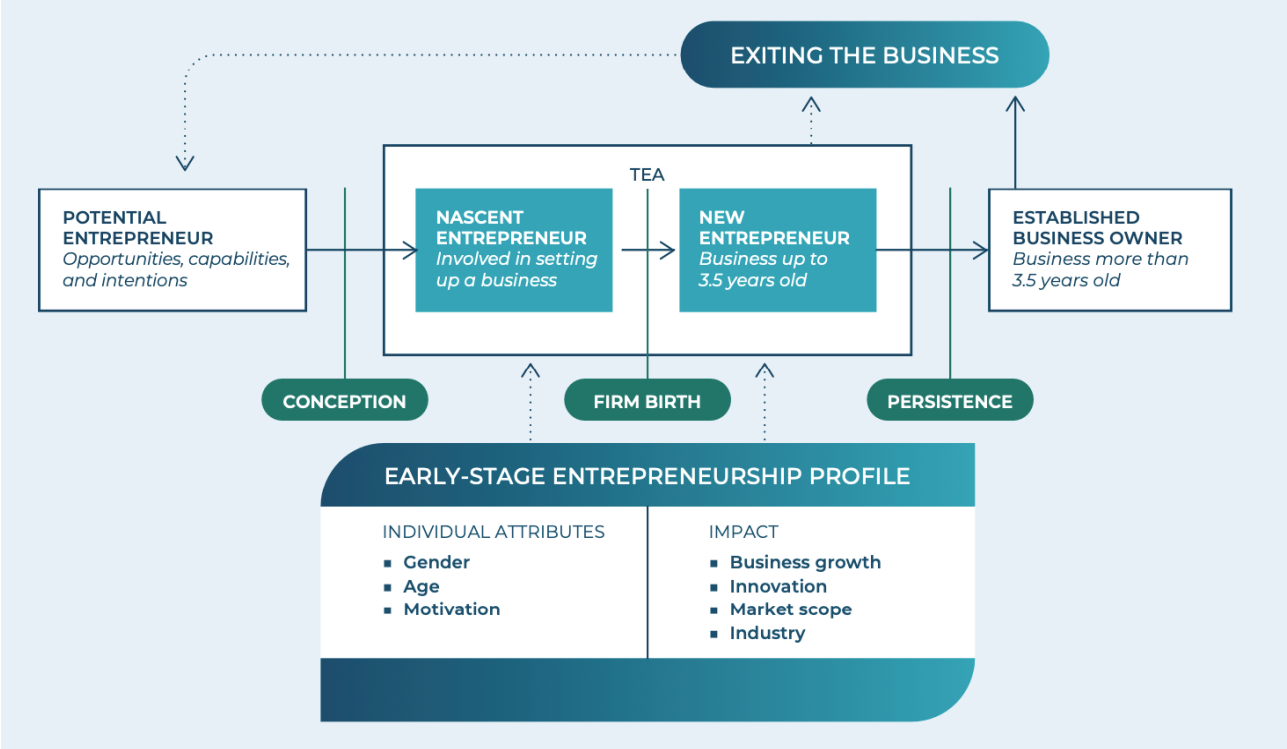
In accordance with these stages, GEM distinguishes three categories of entrepreneurs:

- **Nascent entrepreneurs** — entrepreneurs who are actively involved in creating a new business that has been in existence for no more than 3 months and has not yet made any salary or other payments, including to the founders;
- **New entrepreneurs** — entrepreneurs who run a newly established business and have already made salary or other payments, including to founders, for 3 months or more;
- **Established business owners** are experienced entrepreneurs who have been running a business and paying salaries or other payments, including to founders, for 42 months or more.

The categories of entrepreneurs, stages, and key indicators of entrepreneurial activity analyzed within the GEM framework are shown in Figure 2.

One of the main indicators of the GEM project is the Total Early-Stage Entrepreneurial Activity Index – TEA, which represents the percentage of the population aged 18 to 64 who are in the process of starting a business or who own or manage a new business. Specifically, the term TEA covers nascent entrepreneurs and owners of newly created businesses. However, if a respondent can be classified as being in both stages of entrepreneurial activity, their entrepreneurial activity is only counted once.

Figure 2. Indicators of entrepreneurial activity



Source: GEM Global Report 2024–2025.

COUNTRIES THAT PARTICIPATED IN THE GEM STUDY IN 2024

In 2024, 56 countries (Table 1) participated in the GEM project, with APS conducted in 51 countries, and 4 countries participating only in national expert interviews (NES). All countries were grouped by income level based on World Bank data on GDP per capita as follows:

- **Group A – 23 high-income countries:** GDP per capita over US$50,000.
- **Group B – 19 middle-income countries:** GDP per capita between US$25,000 and US$50,000.
- **Group C – 14 low-income countries:** GDP per capita less than US$25,000.

This grouping was used in the GEM Global Report to take into account the level of economic development in a country when comparing and interpreting key indicators related to entrepreneurial activity.

Table 1. Countries participating in the GEM in 2024, by income level

Level A (over $50,000)	Level B (from $25,000 to $50,000)	Level C (less than $25,000)
Austria	Argentina	Armenia
Bahrain*	Belarus	Bosnia and Herzegovina
United Kingdom	Hungary	Brazil
Germany	Venezuela	Guatemala
Israel	Greece	Egypt
Spain	Kazakhstan	India
Italy	Costa Rica	Indonesia*
Canada	Latvia	Jordan
Cyprus	Mexico	China
Qatar	Oman	Morocco
Lithuania	Poland	Thailand
Luxembourg	Puerto Rico	Ukraine
Norway	Romania	Ecuador
UAE	Serbia	South Africa*
Republic of Korea	Slovakia	
Saudi Arabia	Uruguay*	
Slovenia	Croatia	
United States	Chile	
Taiwan	Estonia	
France		
Sweden		
Switzerland		
Japan*		

Source: GEM Global Report 2024–2025
Note: Countries that conducted only NES are marked with *.

KEY FINDINGS OF GEM-BELARUS, 2024–2025

The results of the GEM study show that the level of entrepreneurial activity in Belarus has been growing in recent years. Key indicators such as the percentage of the population engaged in early-stage entrepreneurship, the percentage of potential entrepreneurs, and assessments of the ease and opportunities for starting a business are increasing despite unfavorable external factors. At the same time, although fear of failure has increased since 2019 due to risks and uncertainty, it has not become a deterrent to starting one's own business, which reflects the resilience, adaptability, and self-sufficiency of Belarusian entrepreneurs.

The positive attitude towards entrepreneurship in society remains stable: Belarusians still see business as a prospect for themselves and their children, associating it with opportunities for self-realization, freedom, and financial well-being. At the same time, the motivation of Belarusians to start their own business is changing. Although many entrepreneurs are still driven by the need to secure a source of income, their share has decreased significantly. At the same time, the proportion of those motivated by a desire to "make a difference in the world" is growing. This shift from survival to self-fulfillment and social influence can be attributed to the dynamics of socio-economic development and the willingness of entrepreneurs to take on new social roles.

Despite positive attitudes in society, the entrepreneurial environment in Belarus is under pressure from political and social factors. Increasing state regulation and instability in the legal system create an atmosphere of uncertainty. The contrast between the population's positive attitude towards entrepreneurship and the difficult reality could become a fundamental fork in the road. Entrepreneurship could either become a real driver of sustainable development in the country or a "missed opportunity" (BEROC, 2024) if a favourable and predictable institutional environment is not created.

Table 2 shows the dynamics of key indicators, allowing for a comparison of the main results obtained in the GEM-Belarus study in 2019, 2021, and 2024. All indicators presented in the table are explained in detail and interpreted in the following chapters of the study.

Table 2. Key GEM indicators

	2019	2021	2024	Change from 2021 to 2024, p.p.
External factors and self-assessment: % of population aged 18–64				
Perception of opportunities: see good opportunities for starting a business in the next 6 months	29.5	25.0	46.9	21.9
Ease: it is easy to start a business in Belarus	35.8	34.5	48.1	13.6
Entrepreneurial knowledge, skills, and experience required to start a new business	42.3	52.0	52.1	0.2
Fear of failure: would not start a business for fear it might fail	36.9	52.9	52.1	-0.9
Entrepreneurial dynamics				
Entrepreneurial intentions: expect to start-up a business in the next 3 years	9.7	30.1	38.7	8.6

	2019	2021	2024	Change from 2021 to 2024, p.p.
Exit from business: in the past 12 months, sold, shut down, discontinued, or quit a business previously owned and managed	1.7	7.4	5.4	-1.9
Investors: in the past three years, provided funds for a new business started by someone else	2.0	5.1	5.9	0.8
Early-stage entrepreneurs (TEA)	5.8	13.5	16.6	3.1
Early-stage entrepreneurs (TEA): women	5.2	12.8	17.1	4.2
Early-stage entrepreneurs (TEA): men	6.4	14.2	16.1	2.0
Early-stage entrepreneurs (TEA): % of the population aged 18–64 involved in entrepreneurial ventures created in the last 3.5 years				
TEA: export-oriented	21.9	29.1	23.7	-5.4
Motivations of early-stage entrepreneurs				
To make a difference in the world	23.2	25.6	36.1	10.6
To build great wealth or a very high income	75.0	76.1	76.4	0.3
To continue family tradition	20	15	20.8	5.8
To earn a living because jobs are scarce	51.8	71.5	53.3	-18.2
Early-stage entrepreneurs: Sectors				
Extractive	3.6	7.6	3.9	-3.7
Manufacturing	39.1	32.9	35.0	2.0
Business services	10.9	20.3	18.8	-1.5
Consumer services	46.4	39.2	42.4	3.2
Early-stage entrepreneurs: Number of employees				
No employees	34.5	35.0	30.1	-4.8
1–5 employees	58.2	46.6	50.6	4.0
6–19 employees	7.3	9.8	14.8	5.0
More than 20 employees	0.0	8.7	4.4	-4.3
Early-stage entrepreneurs: Technological level				
Low technological level	93.9	93.9	93.4	-0.5
Middle technological level	4.3	2.9	2.2	-0.7
High technological level	1.7	3.2	4.4	1.2

Source: GEM-Belarus, 2019, 2021, and 2024.

CHAPTER 1. THE PHENOMENON OF ENTREPRENEURSHIP

1.1. VALUES, PERCEPTIONS, AND ATTITUDES TOWARD ENTREPRENEURSHIP

1.1.1. ATTITUDES TOWARD ENTREPRENEURSHIP IN SOCIETY

Attitudes towards entrepreneurship in society reflect the general opinion about the importance of entrepreneurial activity in the country. The GEM research methodology reflects the perception of entrepreneurship among the adult working-age population based on four indicators: entrepreneurship as a desirable career; perception of an equal standard of living; attractiveness of the status of a successful entrepreneur; and perception of the importance of entrepreneurship in the media.

This study reflects the opinions of 2,000 Belarusians aged 18 to 64 — both those involved and those not involved in entrepreneurial initiatives — on society's attitude towards entrepreneurship. In particular, Figure 3 shows that 60% of non-entrepreneurs and 64% of entrepreneurs believe that **most citizens of the country would prefer to have the same standard of living.** This can be explained by the enduring post-Soviet legacy, accompanied by the state-promoted idea of a socially oriented economy. Comparing the results with previous waves of the survey, there has been a noticeable increase in support for this statement, especially among entrepreneurs: the share of entrepreneurs who believe that most citizens would prefer to have the same standard of living has grown from 46% in 2019 to 64% in 2024.

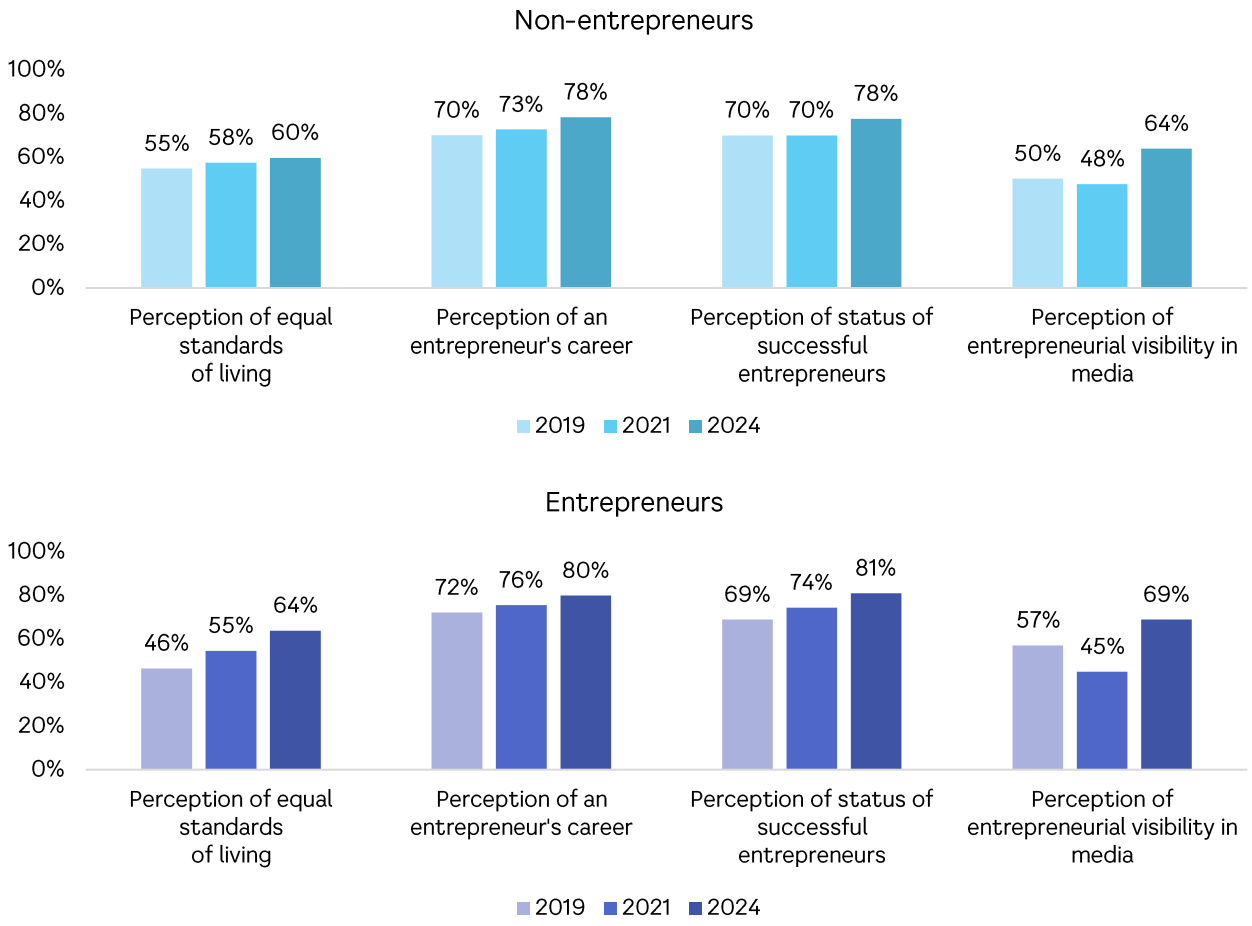
As for public perception of entrepreneurship/business ownership as a professional career, the GEM-Belarus 2024 study shows that 78% of non-entrepreneurs and 80% of entrepreneurs believe that **going into business is a good career choice**. In 2019 and 2021, the GEM-Belarus study also showed that more than 70% of respondents from both groups considered business to be a good career choice. However, over the course of five years, support for a business career grew by 8 percentage points among both entrepreneurs and non-entrepreneurs.

Public support for the statement that **people who have succeeded in starting a new business have a higher social status** than those who work in the paid employment sector has also increased. Among those not involved in entrepreneurial initiatives, the change was slightly smaller (70% in 2019 and 78% in 2024) than among those involved in entrepreneurial initiatives (from 69% in 2019 to 81% in 2021).

The most significant positive change among people not involved in entrepreneurial activities occurred in the assessment of the role of the media: the share of people who believe that **stories about successful new businesses can often be found in the media and on the Internet** increased from 50% in 2019 to 64% in 2024. Entrepreneurs also rate this factor much more positively: the share of businesspeople who agree with this statement has grown by 12 percentage points to 69% in 2024. As expected, entrepreneurs on average note mentions of successful businesses in the media and on the Internet (69%) more often than non-entrepreneurs (64%). It is noteworthy that of the four indicators assessing the attitude towards entrepreneurship in society, only the assessment of the role of the media showed negative dynamics over the entire observation period: in 2021, less than half of the respondents noted that they noticed stories about successful businesses in the media. This change can be explained by both pressure on entrepreneurs and their desire not to attract additional attention against the backdrop of the political and social crisis in Belarus, as well as by a shift in the focus of media audiences.

Thus, all indicators assessing society's attitude towards entrepreneurs show a positive trend: respondents note that a career as a businessman is seen as preferable, and entrepreneurs themselves are considered successful, while more examples of successful businesses appear in the media. At the same time, entrepreneurs have become more active in noting the demand for income equality among Belarusian residents.

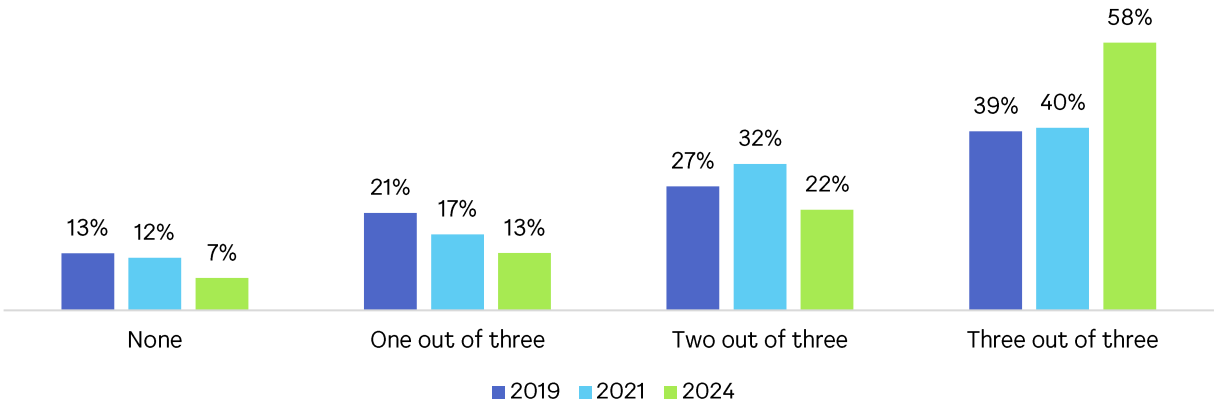
Figure 3. Perception of entrepreneurship, % of the adult population aged 18–64



Source: GEM-Belarus, 2019, 2021, 2024.

Figure 4 shows **the National Entrepreneurship Perception Index.** The index values range from three (if the respondent agrees with all statements about the role of entrepreneurship) to zero (if they disagree with all of them). In 2024, there was a significant increase in the share of respondents who agreed with all three statements: that entrepreneurship is a good career choice, that entrepreneurs are respected in society, and that the media often publishes stories about successful businesses. Moreover, the share of people who disagreed with all three statements was the lowest in the entire period of GEM observations, at 7%.

Figure 4. National Entrepreneurship Perception Index



Source: GEM-Belarus, 2019, 2021, 2024.

1.1.2. ATTITUDES TOWARD ENTREPRENEURSHIP AMONG MEN AND WOMEN IN SOCIETY

Belonging to different socio-economic and demographic groups influences perceptions of entrepreneurial activity to a certain extent. Interestingly, gender differences are mainly evident among people who are not involved in entrepreneurial activity. Entrepreneurs, on the other hand, demonstrate more uniform assessments of their perception of business (

Table 3).

Thus, the 2024 GEM-Belarus study shows that among people not involved in entrepreneurial activity, men are more likely to note that most Belarusian citizens would prefer the same standard of living (63%), while women more often note that for most people, entrepreneurship is the preferred career choice (82%). It is noteworthy that in the previous wave of the GEM-2021 study, entrepreneurship as an attractive career option was more often noted by men.

Most men and women equally agree with the statement: "In Belarus, those who have successfully started a new business occupy a high position and are respected in society." In both 2021 and 2024, female entrepreneurs were more likely than male entrepreneurs to notice mentions of successful business stories in the media and on the internet. Moreover, the gender gap in the views of non-entrepreneurs increased significantly in 2024: 72% of women and 56% of men noted the media's attention to entrepreneurship.

Table 3. Assessment of the characteristics of public perception of entrepreneurship among men and women

	Non-entrepreneurs (%)			Entrepreneurs (%)		
	Men	Women	Total	Men	Women	Total
Same standard of living	63	57	60	64	63	64
Entrepreneurial career	74	82	78	80	80	80
Entrepreneur status	76	79	78	81	81	81
Media attention to business	55	71	64	66	72	69

Source: GEM-Belarus, 2024.

1.1.3. ASSESSMENT OF ENTREPRENEURIAL SELF-ASSESSMENT CHARACTERISTICS

The level of entrepreneurial self-assessment can explain why some people decide to start a business and others do not. The GEM research methodology includes four indicators: assessment of the favorable conditions for starting a business, perception of the knowledge, skills, and experience necessary to start a new business, assessment of fear of failure, and perception of role models (acquaintance with entrepreneurs). Figure 5 presents the main results of the GEM-Belarus 2024 study, with the exception of the indicator "acquaintance with entrepreneurs," which was not taken into account due to methodological inaccuracy.

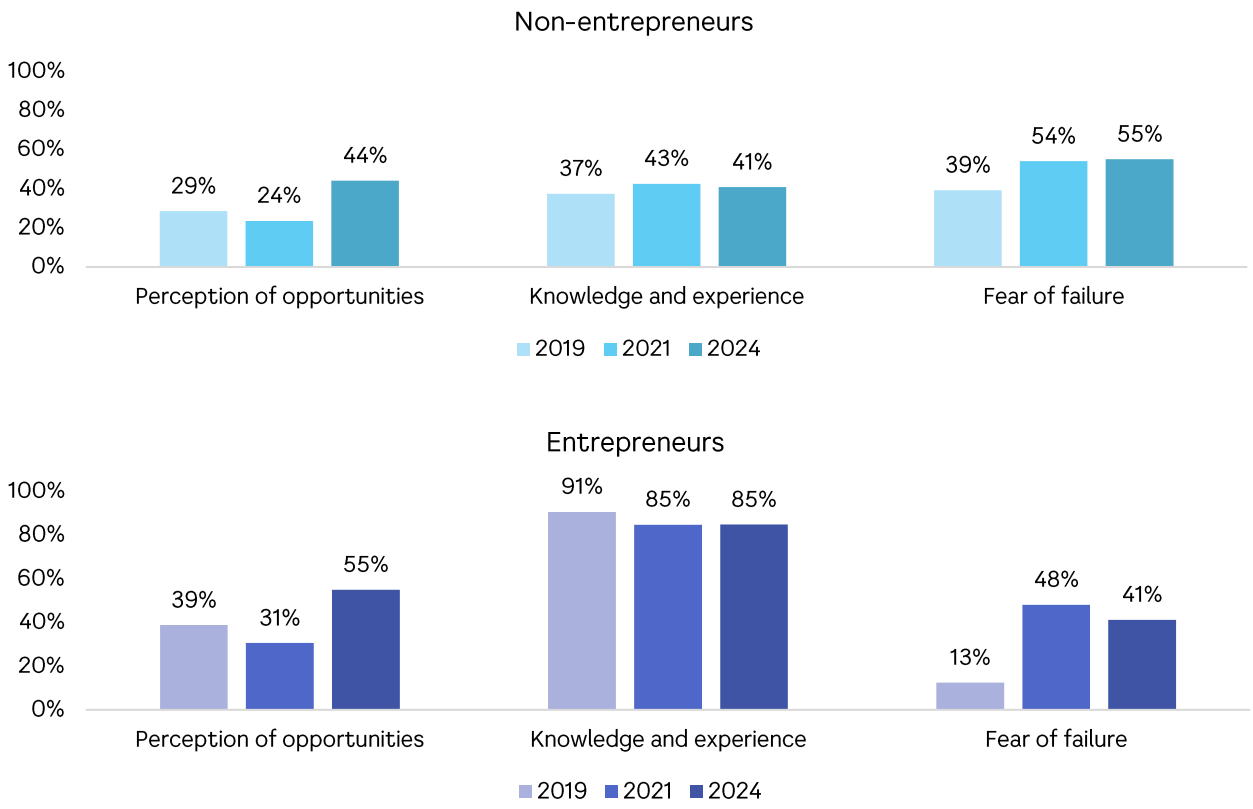
The assessment of the favorable conditions for starting a business in Belarus has improved significantly compared to 2019 and 2021. Thus, 44% of the adult population not engaged in entrepreneurship believe that **there will be good opportunities to start a business** in their region in the next six months. In 2019–2021, this share was only 24–29%. The assessments of entrepreneurs themselves were even more positive: 55% of respondents involved in entrepreneurial activity noted the existence of favorable conditions for starting a business. For comparison, in 2019–2021, the figures ranged from 31% to 39%. It is worth noting that, despite the growth in positive assessments, the share of those who favorably assess the external conditions for starting a business has not yet exceeded half and stands at 47% of the adult population.

Naturally, the share of entrepreneurs **who have the knowledge, skills, and experience to start a new business** is significantly higher than among the population not involved in entrepreneurial activity. Moreover, these indicators have not changed significantly over the past five years and in 2024 amounted to 85% of entrepreneurs and 41% of non-entrepreneurs.

Fear of failure as an obstacle to starting and running a business is obviously more characteristic of non-entrepreneurs than entrepreneurs. Thus, 55% of non-entrepreneurs agreed with the statement that they would not start a business because of fears that it might end in failure, and this figure is consistent with the data for 2021. The share of entrepreneurs reporting fear of failure decreased by 7 percentage points compared to 2021 and amounted to 48% in 2024.

Thus, entrepreneurs differ from non-entrepreneurs in that they have a higher self-assessment of the knowledge and skills necessary to run a business, a more positive perception of external conditions for entrepreneurship, and a lower tendency to view fear of failure as an obstacle to doing business.

Figure 5. Characteristics of entrepreneurial self-assessment, % of the adult population aged 18–64



Source: GEM-Belarus, 2019, 2021, 2024.

1.1.4. ENTREPRENEURIAL SELF-ASSESSMENT AMONG MEN AND WOMEN

From a gender perspective, the greatest differences are observed in the assessment of external conditions for starting a business (Table 4): **male entrepreneurs (58%) generally assess the opportunities for starting a business more positively than female entrepreneurs (52%).** Conversely, among people not involved in business, women demonstrate more positive assessments of external conditions (46%) than men (42%).

A positive shift is noted in the entrepreneurial self-assessment of the knowledge, skills, and experience necessary to start a business. Thus, in 2021, men rated their skills significantly better than women (91% of male entrepreneurs versus 77% of female entrepreneurs believed they had the necessary skills). In 2024, the gender gap narrowed: **84% of male entrepreneurs and 85% of female entrepreneurs positively assessed their personal ability to start a business.** However, differences remain among the population not involved in entrepreneurship: 45% of men and 37% of women reported that they had the necessary skills, which is consistent with the picture in 2021.

A similar trend can be seen in the fear of failure indicator. **In 2021, 53% of female entrepreneurs and 44% of male entrepreneurs reported having such fears, while in 2024 the gap narrowed to 42% and 41%, respectively.** Among non-entrepreneurs, the dynamics remained unchanged: 57% of women and 53% of men do not start a business because of fears of failure.

The main trend in 2024 was a reduction in the gender gap in the above indicators and an improvement in the self-esteem of female entrepreneurs.

Table 4. Characteristics of entrepreneurial self-esteem among men and women

	Non-entrepreneurs (%)			Entrepreneurs (%)		
	Men	Women	Total	Men	Women	Total
Perception of opportunities	42	46	44	58	51	55
Ease of starting a business	42	46	44	60	60	60
Knowledge and experience	45	37	41	84	85	85
Fear of failure	53	57%	55%	41	42	41

Source: GEM-Belarus, 2024.

1.2. INDICATORS OF ENTREPRENEURIAL ACTIVITY

The GEM project uses five indicators of entrepreneurial activity depending on the stage of business development (Figure 6):

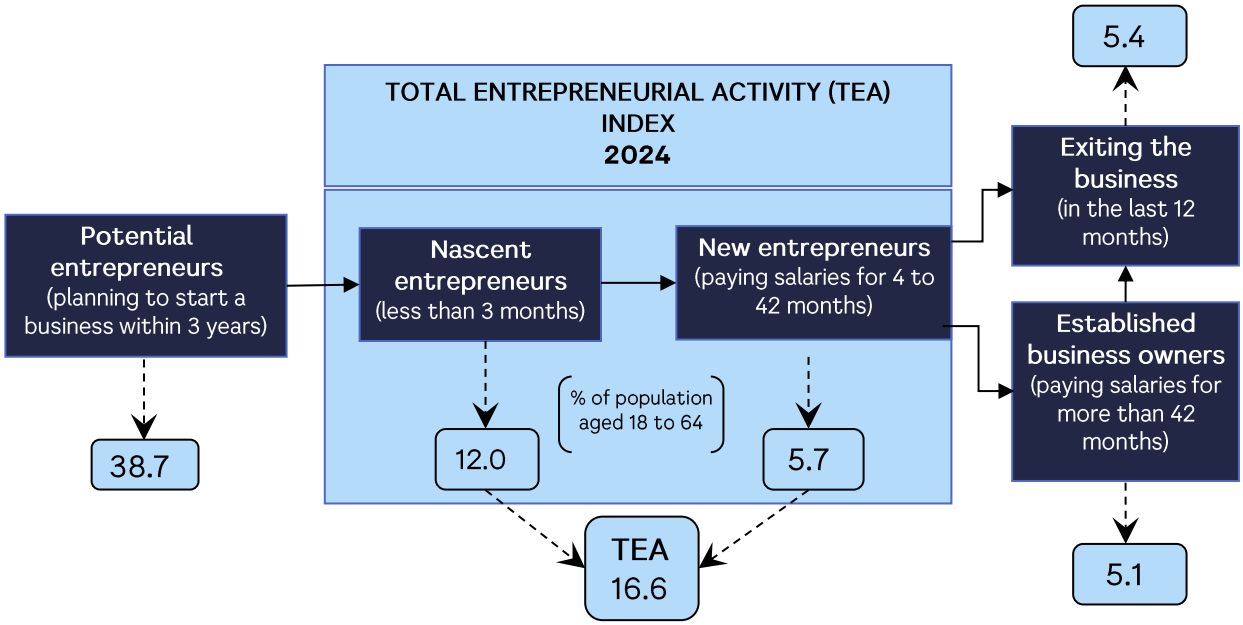
- Potential entrepreneurs — the percentage of the population aged 18–64 who have not yet started their own business but plan to do so in the next three years.
- Nascent entrepreneurs — the percentage of the population aged 18–64 who are currently starting a business. The company has been in existence for no more than 3 months, and no salaries or other forms of remuneration have been paid yet.
- New entrepreneurs — the percentage of the population aged 18–64 who currently own and manage a business. The company has been in existence for more than 3 months but less than 42 months and pays wages and remuneration to the owner.
- Established business owners — the percentage of the population aged 18–64 who currently own and manage an established business that has been in existence for more than 42 months.
- Business exit rate — the percentage of the population aged 18–64 who have sold, closed, or otherwise ceased to be owners and managers of a business in the last 12 months.

Emerging entrepreneurs, together with owners of newly established businesses, form the Total Early-Stage Entrepreneurship (TEA) index. The TEA index is the percentage of the population aged 18 to 64 who are actively in the process of starting or have recently started a business. This indicator is significant because it determines the current potential for the formation of sustainable businesses from among nascent entrepreneurs and new business owners.

The share of potential entrepreneurs in Belarus in 2024 was 38.7% of respondents: this indicator increased by 8.6 percentage points compared to 2021 and became the highest in the three waves of the study. The share of the population involved in early-stage entrepreneurial initiatives also increased: 12% of respondents in 2024 were in the process of starting a business (+3 p.p. compared to 2021), and 5.7% were owners of newly created businesses (+1.4 p.p. compared to 2021). Thus, the TEA index rose by 3.1 p.p. to 16.6%.

As for businesses that have been in operation for more than 3.5 years, 5.1% of the population reported that they are owners of established businesses, which is in line with the 2021 figure. Fewer respondents reported leaving the business than in the crisis year of 2021: 5.4% left the business compared to 7.4% in 2021.

Figure 6. Indicators of entrepreneurial activity



Source: GEM-Belarus, 2024.

Table 5 compares Belarus with four reference countries: Ukraine, Poland, Lithuania, and Latvia. The population of Belarus demonstrates the highest potential for entrepreneurship (38.7%), significantly ahead of all neighboring countries, especially Poland (3.2%). This potential translates into the highest level of TEA in Belarus (16.6%) among all countries in the region, indicating strong dynamics in the creation of new enterprises. However, despite an active start, Belarus lags significantly behind in terms of established business ownership (5.2%), being the lowest in this category, which contrasts sharply with Latvia (8.9%) and Poland (12.8%). Thus, the low level of established business ownership and the relatively high rate of business exit indicate that, **despite an active start, a significant proportion of new businesses in Belarus do not achieve long-term sustainability.**

Table 5. Entrepreneurial activity in Belarus and the reference countries.

	Belarus	Ukraine	Lithuania	Latvia	Poland
Potential entrepreneurs	38.7	30.6	25.5	26.1	3.2
Nascent entrepreneurs	12.1	9.7	9.0	8.6	1.4
New entrepreneurs	5.7	5.3	4.5	3.7	1.1
Early-stage entrepreneurs (TEA)	16.6	12.8	11.6	12.1	2.5
Established business owners	5.2	4.8	3.2	8.9	12.8
Entrepreneurs who have left the business	5.4	5.4	7.1	2.6	2.4

Source: GEM Global Report 2024–2025

1.3. SOCIO-DEMOGRAPHIC CHARACTERISTICS OF ENTREPRENEURS

The decision to start a business is influenced by a combination of socio-demographic and economic factors. An analysis of the differences between individual social groups of entrepreneurs allows us to assess the degree of involvement in entrepreneurial activity among men and women, representatives of different age groups, and people with different levels of education and income.

1.3.1. AGE

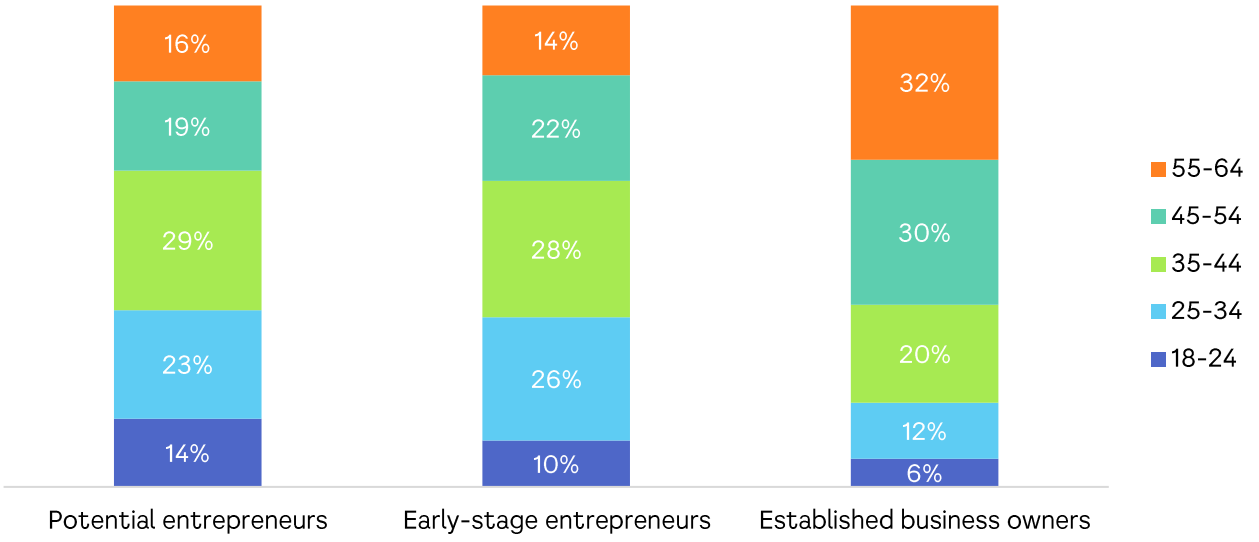
The stage of entrepreneurial activity correlates significantly with the age of entrepreneurs: established businesses are more often owned by people aged 45–64, while respondents aged 25–44 are more likely to report ambitions to start and develop a business (Figure 7).

The most even involvement of different age groups in entrepreneurial activity is characteristic of potential entrepreneurs, with a prevalence of respondents aged 25 to 54. Thus, 23% of potential entrepreneurs belong to the 25–34 age group, slightly more—29%—to the 35–44 age group, and 19% of respondents are aged 45–54. The lowest level of involvement in the creation of a potential business is observed among people aged 18–24 and 55–64.

The structure of age groups involved in early-stage entrepreneurial initiatives is similar to the distribution among potential entrepreneurs. Thus, 76% of early-stage entrepreneurs are aged 25 to 54, while the lowest level of involvement is characteristic of the youngest and oldest participants in the survey. Compared to 2019, the share of older respondents (aged 55–64) among early and potential entrepreneurs has increased, and people aged 25–34 are no longer the leading age group.

Among the established business owners, people aged 55–64 (32%) and 45–54 (30%) are the most common. Moreover, compared to 2019 data, there is a noticeable positive trend in the level of involvement of more mature people: in 2019, only 19% of respondents aged 55–64 were involved in entrepreneurial activity. The least active were and remain people aged 18–34: 17% in 2019 and 18% in 2024.

Figure 7. Entrepreneurial activity by age group of entrepreneurs



Source: GEM-Belarus, 2024.

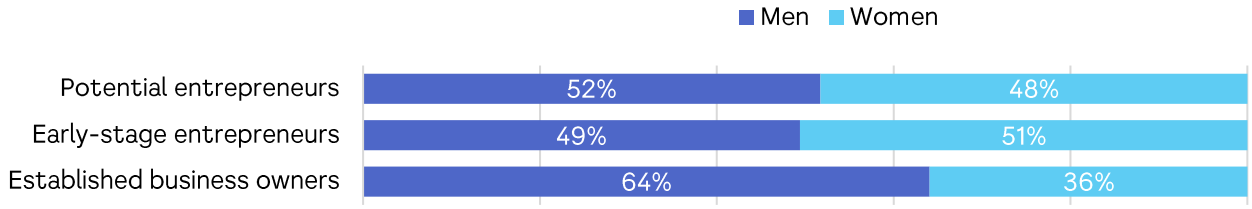
1.3.2. GENDER

In previous waves of the GEM study, the gender structure of Belarusian entrepreneurship corresponded to the global structure, where men predominate at almost all stages of business development. In 2024, gender imbalance is observed only among established business owners (Figure 8).

Among potential entrepreneurs in 2024, there were more men (52%) than women (48%). This gender structure differs significantly from the 2019 data, when the gender gap was 10 percentage points (55% of potential entrepreneurs and 45% of female entrepreneurs). At the same time, in 2024, gender equality was achieved among early-stage entrepreneurs: 49% of men and 51% of women reported starting a new business. For comparison, in 2019, the gender gap was 7% with a predominance of men.

The gender structure of established business owners corresponds to the structure of 2019: in 2024, 64% of business owners and managers were men and 36% were women.

Figure 8. Entrepreneurial activity by gender

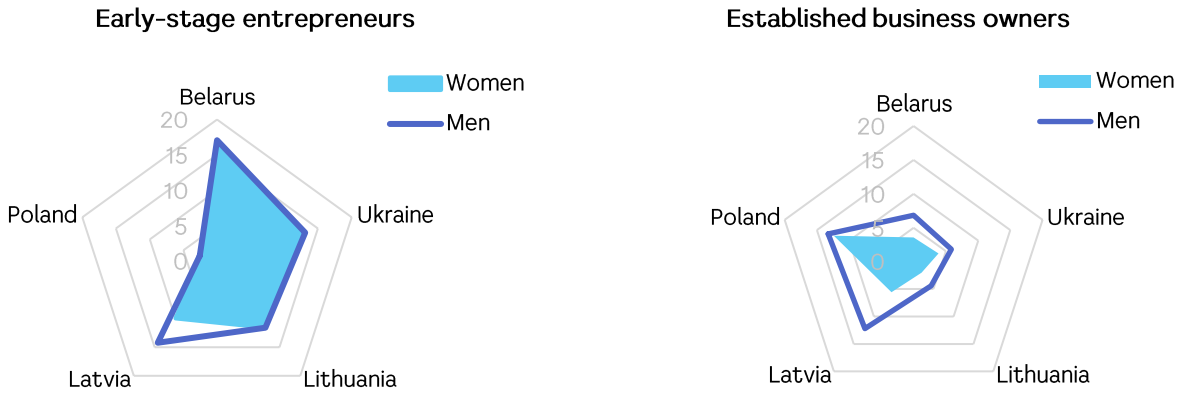


Source: GEM-Belarus, 2024.

When comparing the proportions of men and women involved in entrepreneurial initiatives, it can be seen that in many neighboring countries the ratio is similar to that in Belarus. Thus, among early-stage entrepreneurs in Ukraine, Lithuania, and Poland, there is no significant gender imbalance, as in Belarus. However, in Latvia, slightly more men (14%) than women (10%) have recently started a business (Figure 9).

Nevertheless, **the gender gap persists among established business owners**: in Belarus, Ukraine, Lithuania, and Latvia, the proportion of men who own and manage businesses is higher than that of women. In contrast, in Poland, there is no gender imbalance among either early-stage or established entrepreneurs.

Figure 9. Entrepreneurial activity by gender in comparison with reference countries



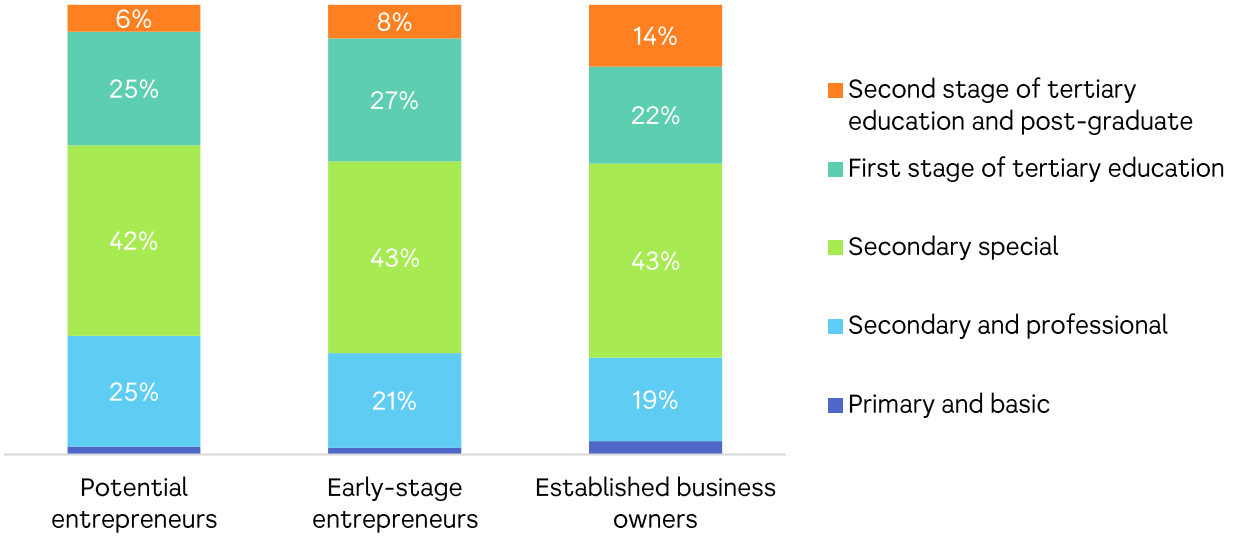
Source: GEM Global Report 2024–2025.

1.3.3. EDUCATION

In terms of education, business representatives at all stages of entrepreneurial activity are similar (Figure 10). **Thus, most entrepreneurs have received secondary specialized education (42–43%)** and secondary vocational education (19–25% of respondents). The share of people with higher education is highest among early-stage entrepreneurs (27%)

and lowest among established business owners (22%). Respondents with a master's degree or higher are the least common among potential entrepreneurs (6%), but 14% of respondents with this level of education reported that they are owners and managers of established businesses. The share of entrepreneurs with basic or primary education is 2–3% at all levels of entrepreneurial activity.

Figure 10. Entrepreneurial activity by level of education



Source: GEM-Belarus, 2024.

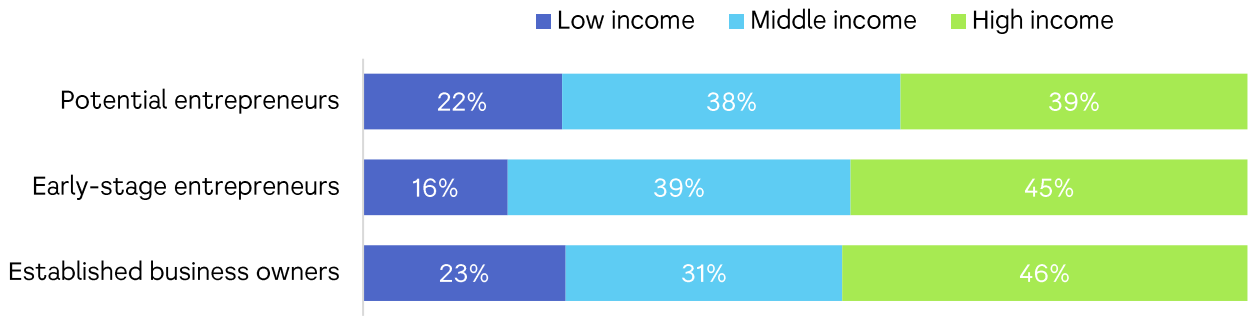
1.3.4. INCOME LEVEL

An analysis of the relationship between income level and entrepreneurial activity shows that **income level correlates with the likelihood of engaging in business.** Respondents whose income level is in the top tertile account for a large share of all types of entrepreneurial activity (Figure 11). **Almost half of early-stage (45%) and established (46%) entrepreneurs earn high incomes,** while among potential entrepreneurs, this share is 39%. For comparison, the share of people who are not involved in entrepreneurial activity and have high incomes is 34%.

It is noteworthy that the share of people with low income is the same among both established and potential entrepreneurs, at 22–23%. Among non-entrepreneurs, the share of people with low income is about 28%.

An average income level was reported by 38% of non-entrepreneurs, as well as potential and early-stage entrepreneurs. The share of established business owners with an average income level is slightly lower – 31%.

Figure 11. Entrepreneurial activity by income level

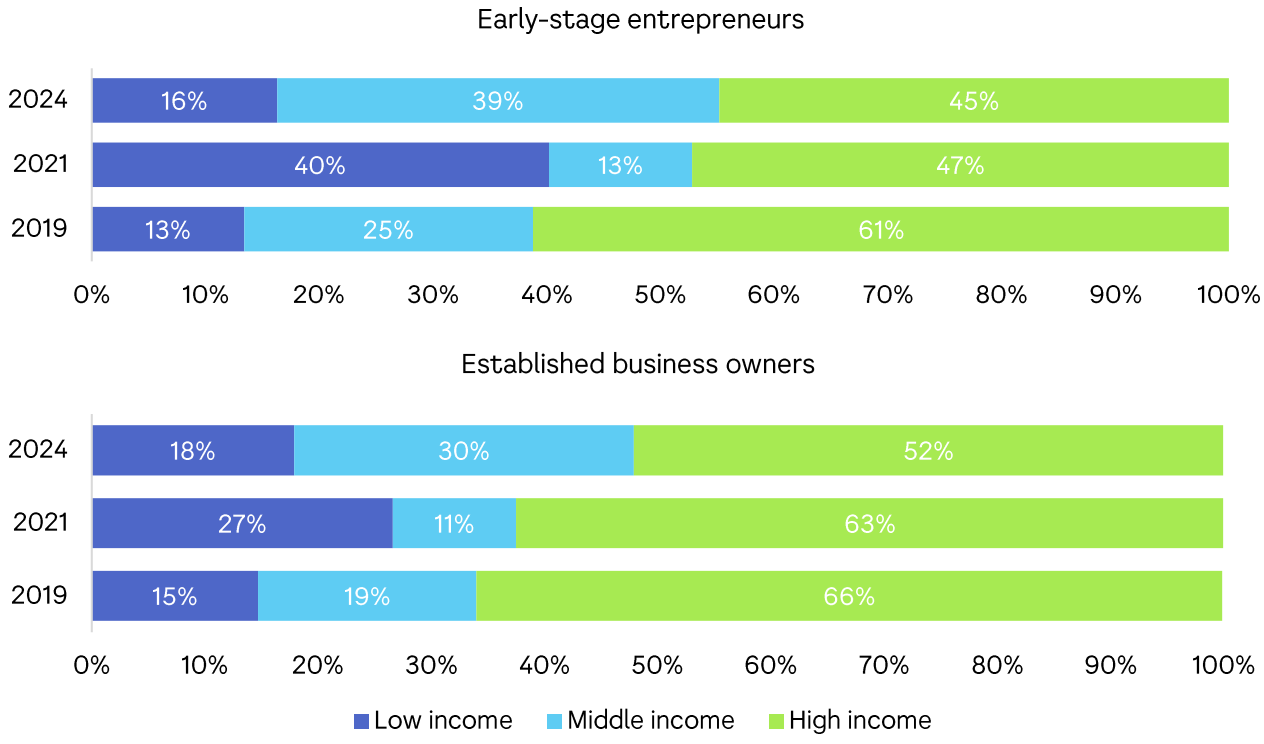


Note: the groups correspond to the lower (33%), middle (33%), and upper (33%) tertiles of the income distribution.
Source: GEM-Belarus, 2024.

Among early-stage entrepreneurs, there has been a significant redistribution of income between 2019 and 2024 (Figure 12). While in 2019 a significant proportion of entrepreneurs (61%) reported high income levels, by 2024 this proportion had fallen to 45%. At the same time, the share of entrepreneurs with average income has grown from 25% to 39%. The share of respondents with low income has also increased, but not as significantly (from 13% to 16%).

Established business owners, on the other hand, show a stable income distribution, although a similar trend can be seen among them. The share of high-income representatives decreased from 66% in 2019 to 52% in 2024, while the share of medium-income representatives increased from 19% to 30%. Despite the increase in the share of low-income entrepreneurs (from 15% to 18%), the income structure remains more favorable than that of start-up entrepreneurs, which indicates greater business stability.

Figure 12. Early-stage and established entrepreneurs by income level



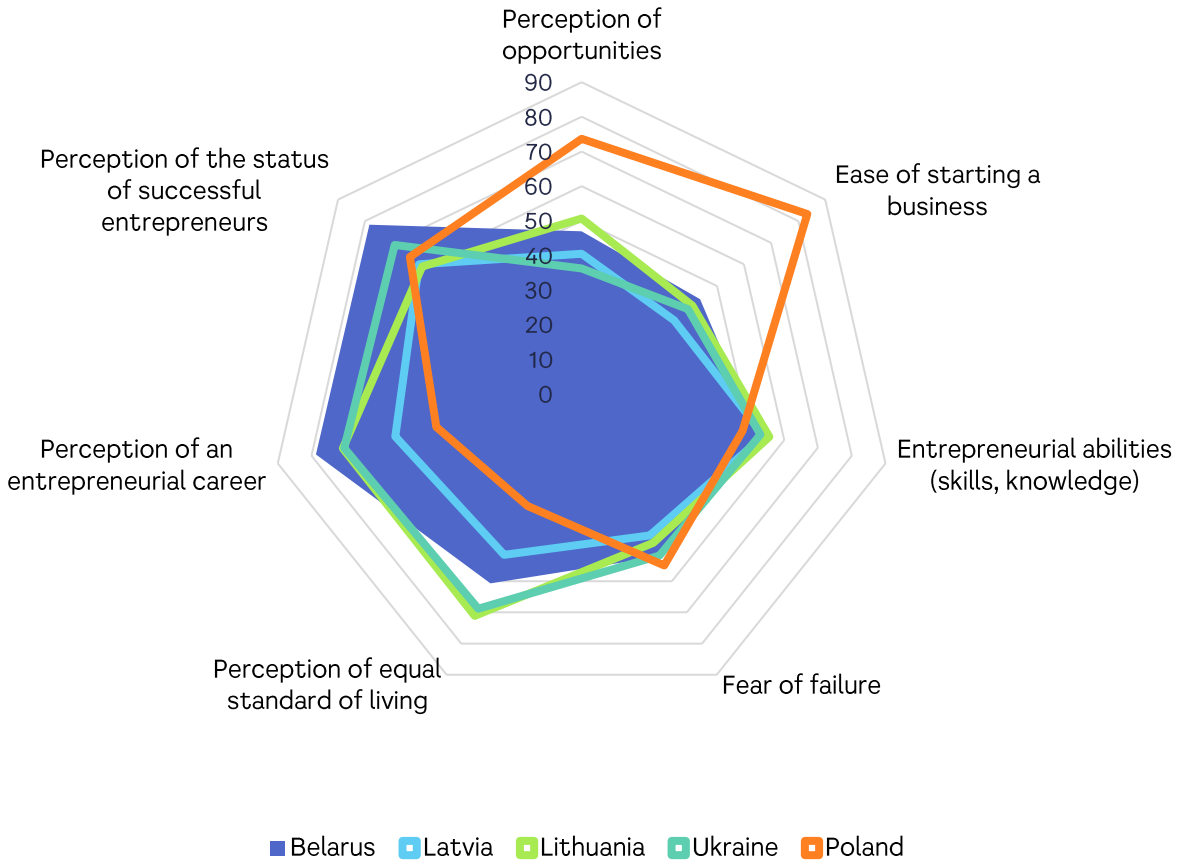
Source: GEM-Belarus, 2024.

1.4. INTERNATIONAL COMPARISON

1.4.1. COMPARISON OF THE PERCEPTION OF ENTREPRENEURSHIP IN SOCIETY AND CHARACTERISTICS OF ENTREPRENEURIAL SELF-ASSESSMENT

This section presents a comparative analysis of the situation in Belarus and its neighboring countries, namely Latvia, Lithuania, and Poland. All the countries exhibit similar characteristics of entrepreneurial self-assessment (Figure 13). About half of the population reports having the necessary knowledge, skills, and experience to start a business. At the same time, about half of the respondents indicate fear of failure as an obstacle to starting a business; the lowest share of such responses is recorded in Latvia (45%), and the highest in Poland (55%).

Figure 13. Attitudes toward entrepreneurship in Belarus compared to neighboring countries



Source: GEM Global Report 2024–2025.

Respondents' assessments vary on the question of the favorable conditions for starting a business (perception of opportunities): only 36% of the population of Ukraine sees good opportunities for business, while in Poland this figure reaches 74%. In Belarus, Lithuania, and Latvia, the perception of external conditions is similar, with 40–50% of respondents positively assessing the opportunities for starting a business.

Significant country differences are also evident in the perception of the number of successful business stories in the media and in the assessment of an entrepreneurial career as an attractive choice. It is noteworthy that the most negative responses to these questions in 2024 were received in Poland. At the same time, **the largest share of the population considering an entrepreneurial career to be a good choice was recorded in**

Belarus (79%), and the most positive assessments of the media's work were in Lithuania (75%).

In all countries, respondents generally agree that entrepreneurs occupy a high position and are respected in society. The lowest share of respondents who agree with this statement was recorded in Lithuania (59%), and the highest in Belarus (78%).

Figure 14 shows Belarus's position among all 51 countries participating in the Adult Population Survey (APS) as part of GEM 2024. In terms of perceived opportunity, Belarus ranks 36th (47%), between Luxembourg and Austria. Belarus has significantly improved its position relative to other countries (48th place with 30% in 2019 and 45th place with 25% in 2021) compared to previous waves of the study. The average share of respondents who reported good opportunities for doing business in middle-income countries was 55%, and in low-income countries, this figure was even higher – 61%. Only in 19 countries, including Belarus, did less than half of respondents note the availability of opportunities, with the worst ratings observed in Hungary (32%) and Spain (29%).

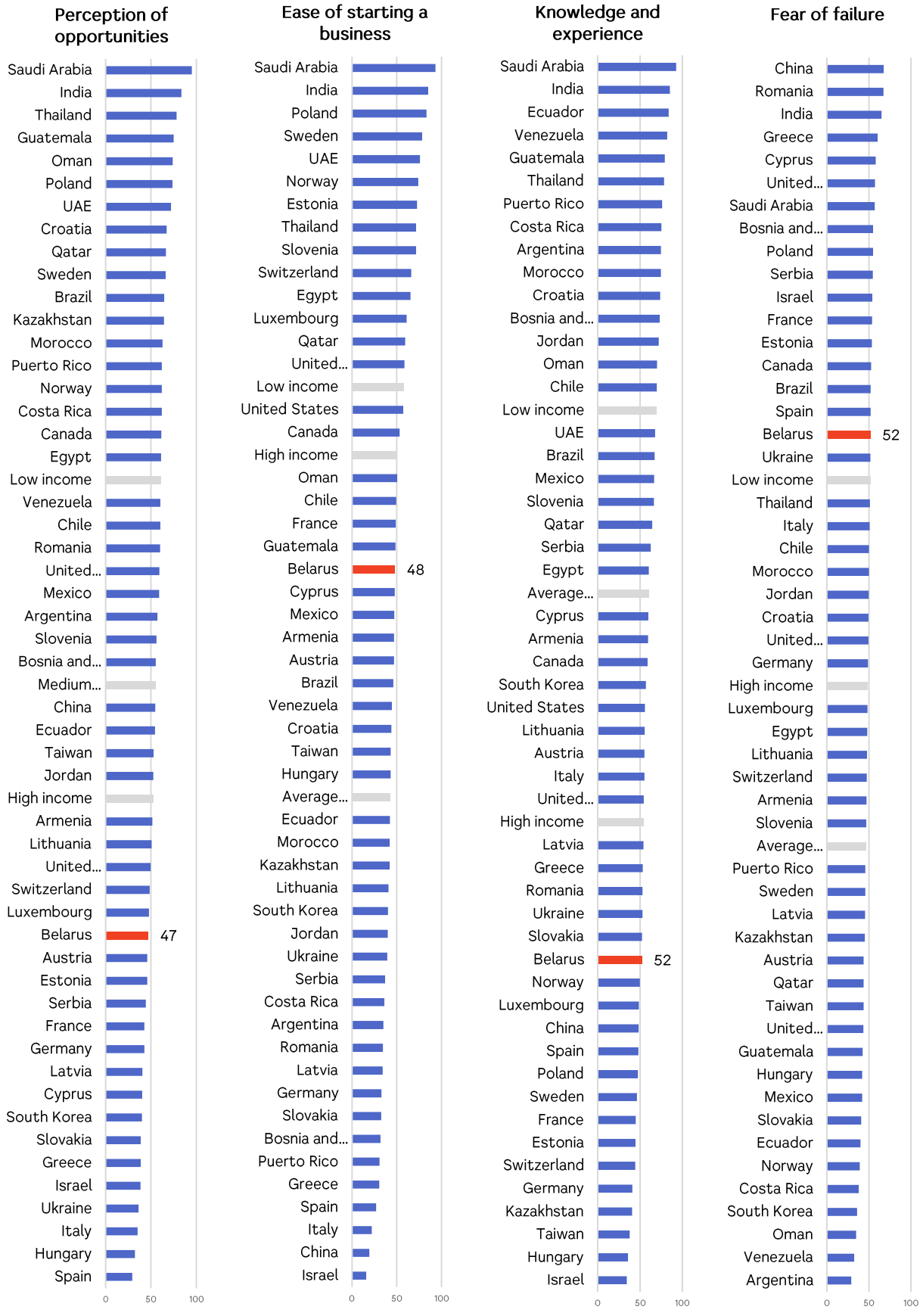
In terms of public and personal perceptions of entrepreneurship, Belarus ranks highest in the ease of starting a business category, with 48% of respondents reporting this, which allowed Belarus to take 21st place. Compared to previous waves, this share has grown significantly (36% in 2019 and 35% in 2021). The average value for middle-income countries is 42%, and in high-income countries, the share is close to the Belarusian value, 50%. According to respondents, it is most difficult to start a business in China (19%) and Israel (16%).

In terms of assessing their own entrepreneurial skills, Belarusians rank 37th (52% of respondents rated their knowledge and experience positively) and are between Slovaks and Norwegians. This share has not changed since 2021. It is noteworthy that such self-assessment is typical for most high-income countries: the average value in 2024 was 54% of respondents who rated their entrepreneurial ambitions positively. In contrast, in low- and middle-income countries, this share is significantly higher: 70% and 60% of the population, respectively. The residents of Hungary (36%) and Israel (35%) rate their skills and knowledge the lowest.

The leaders in the assessment of all three characteristics of public and personal perception of entrepreneurship were Saudi Arabia, scoring more than 93% on each criterion, and India, with scores of 84-85%.

About half of Belarusians (52%) do not start a business because of fear of failure, which puts Belarus in 17th place in the ranking. The level of fear of failure has increased significantly since 2019 (37%) but remained roughly at the 2021 level (53%). In high- and middle-income countries, the level of fear is slightly lower: 49% and 47%, respectively. The leaders in terms of fear in 2024 are the residents of China (68%) and Romania (67%), while the least fearful are the residents of Argentina (29%) and Venezuela (32%).

Figure 14. Public and personal perceptions of entrepreneurship by country, % of adult population aged 18–64



Source: GEM Global Report 2024–2025.

1.4.2. BELARUS' POSITION ON THE ENTREPRENEURSHIP DEVELOPMENT MAP

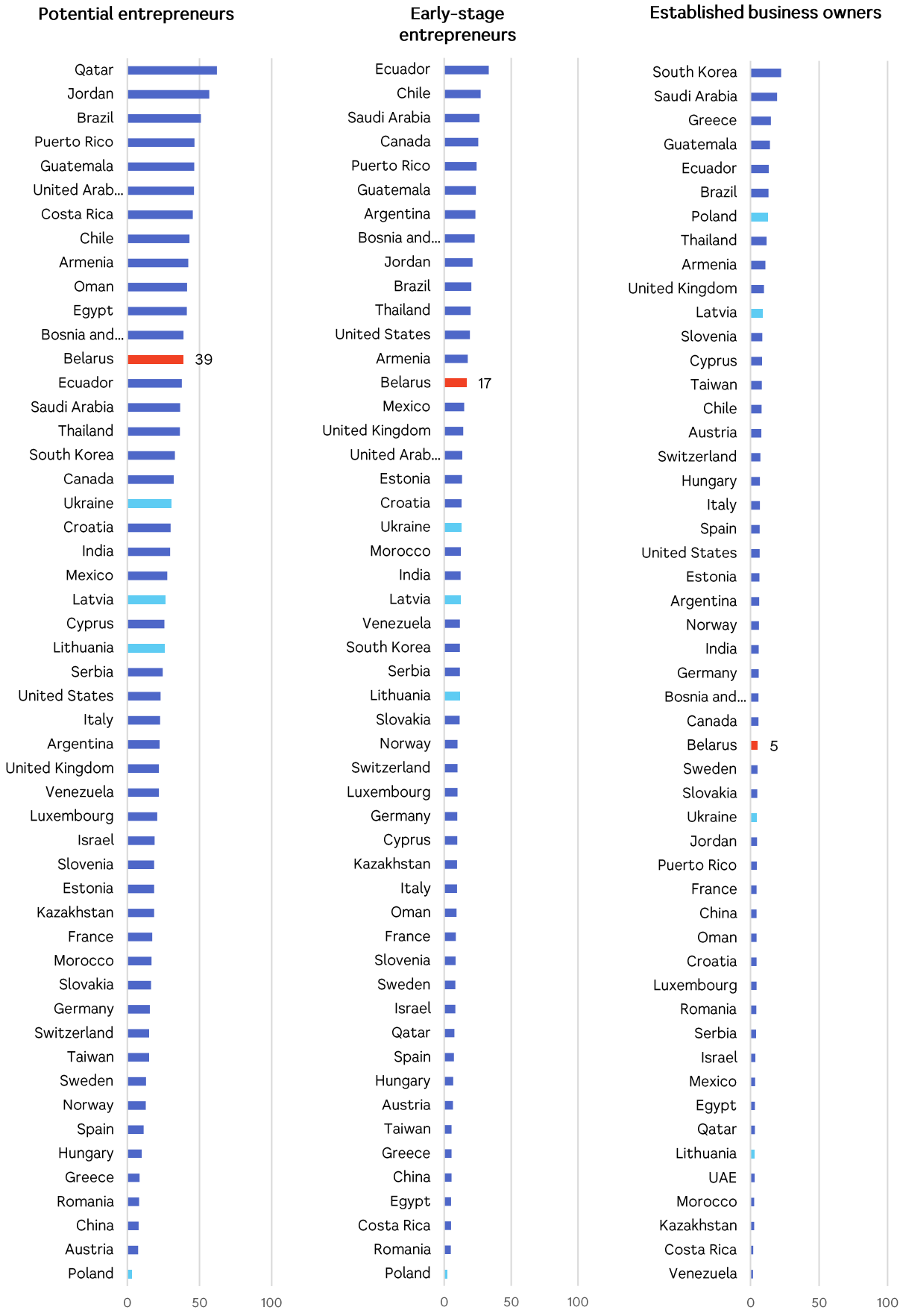
Figure 15 shows Belarus' position among all countries participating in the GEM study by the share of the population involved in various stages of the entrepreneurial process. **In terms of the number of potential entrepreneurs, Belarus ranked 13th** (39%) among 51 countries, between Ecuador and Bosnia and Herzegovina. The highest share of potential entrepreneurs in 2024 was recorded in Qatar (62%) and Jordan (57%), while the lowest was in Austria (8%) and Poland (3%). It is noteworthy that **the share of the population willing to start a business is higher in Belarus than in neighboring countries:** for example, in Lithuania and Latvia, 26% of respondents would like to become entrepreneurs.

In terms of total early-stage entrepreneurial activity (TEA), Belarus ranks 14th (17%) between Armenia and Mexico. The highest proportions of the population involved in entrepreneurial initiatives in the early stages of development are recorded in Ecuador (33%) and Chile (27%), and the lowest in Poland (2%) and Romania (5%). The share of early-stage entrepreneurs in Belarus is also higher than in Ukraine, Lithuania, Latvia, and Poland.

The dynamics are different for established business owners: Belarus ranks 29th (5%) between Canada and Sweden in this indicator. Among neighboring countries, the highest level of population involvement in entrepreneurial initiatives is recorded in Poland (13%), followed by Latvia (9%), and the lowest in Ukraine (5%) and Lithuania (3%). In the global ranking, the highest share of established business owners is observed in South Korea (22%) and Saudi Arabia (19%), and the lowest in Costa Rica (2%) and Venezuela (2%).

Overall, Belarus has high entrepreneurial potential and shows noticeable positive dynamics at the stage of business inception. The country ranks quite high among its neighbors in terms of the share of potential entrepreneurs and the level of early-stage entrepreneurial activity. However, this positive trend contrasts sharply with the indicator of established business owners, where Belarus is only in the lower half of the ranking, significantly lagging behind countries such as Poland and Latvia. This significant **gap between high start-up potential and a low share of mature companies points to a key problem of scaling and long-term sustainability** of new enterprises in the Belarusian context.

Figure 15. Indicators of entrepreneurial activity by country, % of adult population aged 18–64



Source: GEM Global Report 2024–2025

An important indicator of entrepreneurial activity in a country is the ratio of established to early-stage entrepreneurs. A high level of business survival, reflected in a higher value of this indicator, may indicate favorable conditions for business development and a long-term orientation. A low value of the indicator indicates a dynamic market and the attractiveness of starting new businesses.

According to this indicator, Belarus (0.3) ranks 38th in the group of countries with a low ratio of established and early-stage entrepreneurs (Figure 16), on a par with Lithuania and Ukraine. It is noteworthy that for Belarus, this ratio has not changed compared to 2021 (0.3) and has decreased compared to 2019 (0.5), reflecting rapidly changing market conditions, economic instability, and institutional barriers to sustainable business development.

Figure 16. Ratio of established to early-stage entrepreneurs

Source: GEM Global Report 2024–2025

1.5. THE RELATIONSHIP BETWEEN ENTREPRENEURIAL ACTIVITY AND ECONOMIC DEVELOPMENT

Entrepreneurial activity is a key factor in economic development, contributing to job creation, increased competitiveness, accelerated industry dynamics, and growth in public welfare. However, the relationship between entrepreneurial activity and GDP per capita is not linear and unambiguous (Wennekers et al., 2010).

Analysis based on long-term GEM data has shown a U-shaped relationship, albeit not a pronounced one, between the Total Early-Stage Entrepreneurial Activity (TEA) index and the level of economic development (GDP per capita). This relationship indicates that countries with low GDP per capita have high levels of entrepreneurial activity, primarily due to the need to secure livelihoods in conditions of limited opportunities in the labor market (Figure 17). The economies of such countries may not show significant economic growth if entrepreneurial activity does not develop in the direction of job creation, the introduction of new technologies, and business scaling, which requires the creation of a favorable institutional environment.

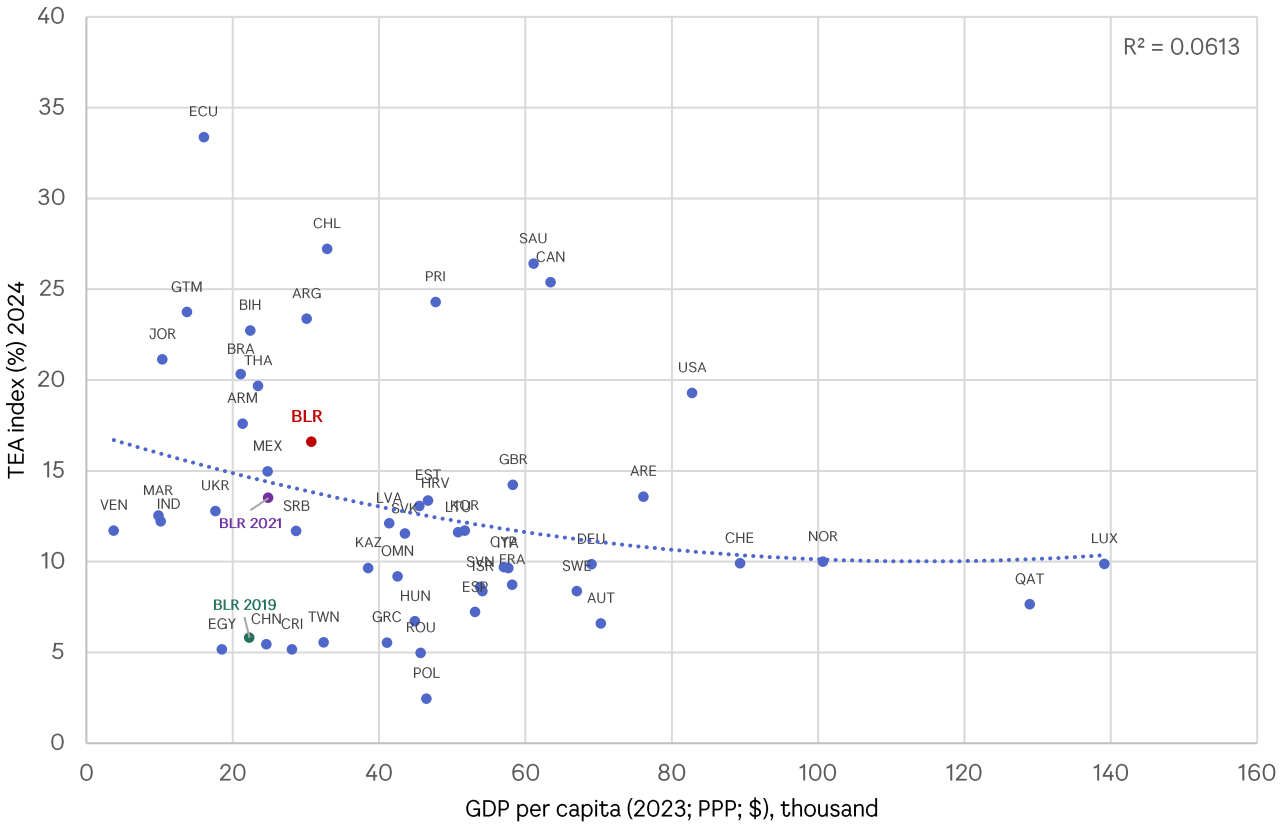
In countries with an average GDP per capita, the level of entrepreneurial activity tends to be lower. This may be due to the development of the formal sector of the economy, the consolidation of companies, and economies of scale. All this expands employment opportunities and reduces the attractiveness of low-productivity entrepreneurship and self-employment. The quality of institutions, such as the legal system, the level of corruption, and the effectiveness of public administration, is of key importance at this stage of development of the Belarusian economy.

Countries with high GDP per capita tend to have higher levels of entrepreneurial activity, but of a qualitatively different nature. At this stage of economic development, entrepreneurship is driven by opportunities, innovation, and the desire to create value. The quality of entrepreneurship, i.e., the ability of entrepreneurs to create innovative and scalable businesses, is crucial and depends on the creation of a favorable institutional environment, including access to finance, support for innovation, protection of property rights, and human capital development. The level of education and skills of the population, the availability of entrepreneurial competencies, along with the development of technologies, especially digital ones, opens up new opportunities for entrepreneurship and contributes to the creation of innovative businesses. Thus, at certain stages of economic development, the share of those involved in entrepreneurial activity may reasonably decline.

As Belarus' economy grew, such dynamics could have been expected. However, the TEA index, on the contrary, increased from 5.8% to 16.6%, and the country ended up above the trend line (Figure 17). This means that, **based on the level and dynamics of economic development, the level of entrepreneurial activity in the country is higher than expected.** There may be several possible explanations for this. First, after the socio-political upheavals that began in 2020, institutions (ensuring the rule of law, independence of the judiciary, guarantees of property rights) may have a restraining effect on the growth and scaling of established businesses and international companies, while small businesses and self-employment, given the introduction of digital technologies and the development of platform business models, may seem like an attractive career choice. Second, most Belarusians associate entrepreneurship with freedom and self-fulfillment (BEROC, 2024), and owning a business can be seen as a "way out of bondage" or an alternative to emigration. Third, sanctions and counter-sanctions have freed up some niches and created new

business opportunities in both Belarus and Russia, where it was previously impossible for small businesses to compete.

Figure 17. Total Early-Stage Entrepreneurial Activity (TEA) and GDP per capita



Source: GEM Global Report 2024–2025; World Bank.

CHAPTER 2. EFFECTIVE ENTREPRENEURSHIP

One of the key features of APS is that the survey targets and units of analysis are individuals rather than businesses, so the results in this chapter should be viewed and interpreted with a degree of caution. In 2024, the APS sample included 332 early-stage and 103 established entrepreneurs, which is sufficient for quantitative analysis without stratification by size, region, and sector. At the same time, the GEM methodology does not involve comparing the results obtained with data from government agencies on the number and characteristics of business entities.

2.1. SECTORAL STRUCTURE OF ENTREPRENEURSHIP

In accordance with the GEM methodology, depending on the field of activity, all businesses can be conditionally divided into four broad sectors:

1) extractive sector (including agriculture and mining),
2) manufacturing sector (including manufacturing, transport, and logistics),
3) business services sector (including information and communication technologies, professional services),
4) consumer services sector (including retail trade, catering, and personal services).

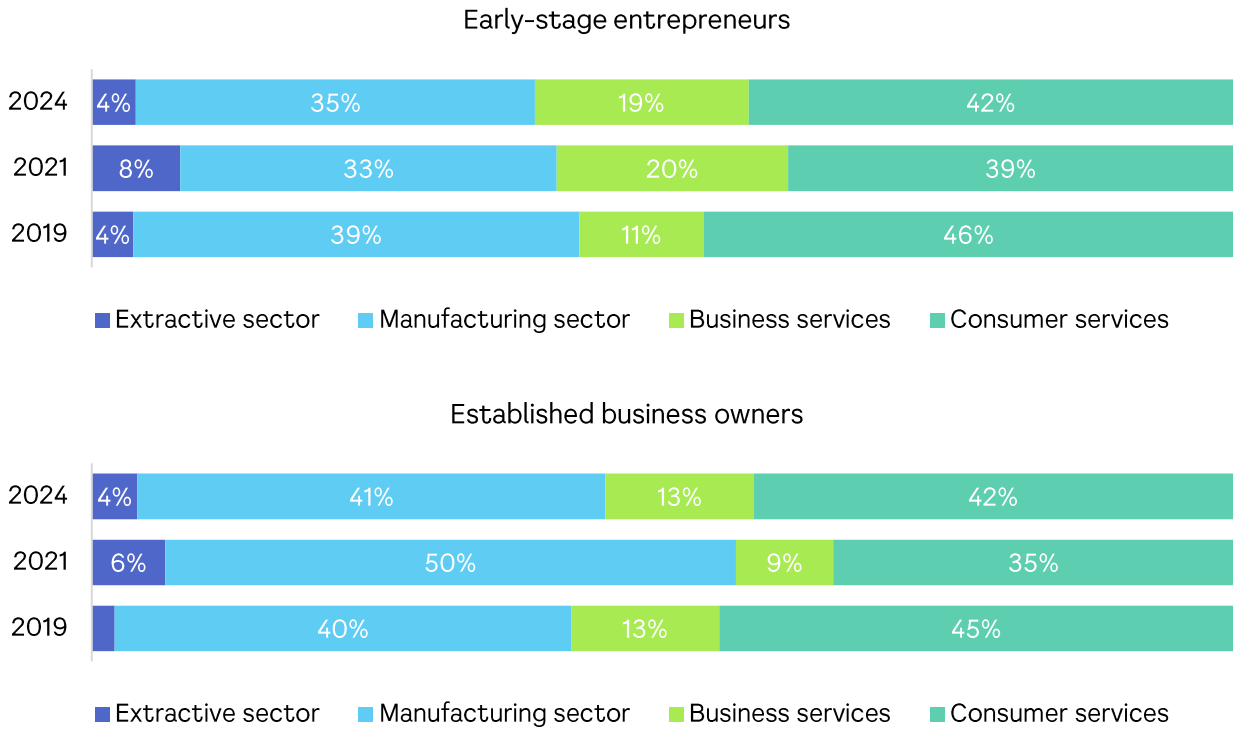
The economies of countries vary significantly in terms of their sectoral structure, and the sectoral distribution of new enterprises can both reflect this structure and indicate changes in it. New enterprises are more likely to gravitate toward new and growing sectors or sectors with low barriers to entry.

In 2024, there were no dramatic changes in the distribution of businesses by sector, and overall, the sectoral structure was quite similar for early-stage and established entrepreneurs (Figure 18). Nevertheless, it can be noted that the distribution in 2024 was closer to that of 2019 than to that of 2021, which is due to the anomaly of the COVID-19 pandemic and the post-election year in Belarus.

When comparing different stages of entrepreneurial activity in 2024, early-stage entrepreneurs are more likely (19%) than established entrepreneurs (13%) to focus on providing business services and less likely to focus on manufacturing (35% and 41%, respectively).

It is noteworthy that **Belarus ranks first by a significant margin in terms of the share of** early and established entrepreneurs in the manufacturing sector, i.e., **those engaged in manufacturing and transport.** This may be due to the traditions of industrial production, the availability of skilled labor, and the country's geographical location, as well as the level of state support for manufacturing, transport, and logistics businesses as perceived by entrepreneurs. At the same time, the relative stability of this share over time indicates that the impact of sanctions and import substitution is not decisive.

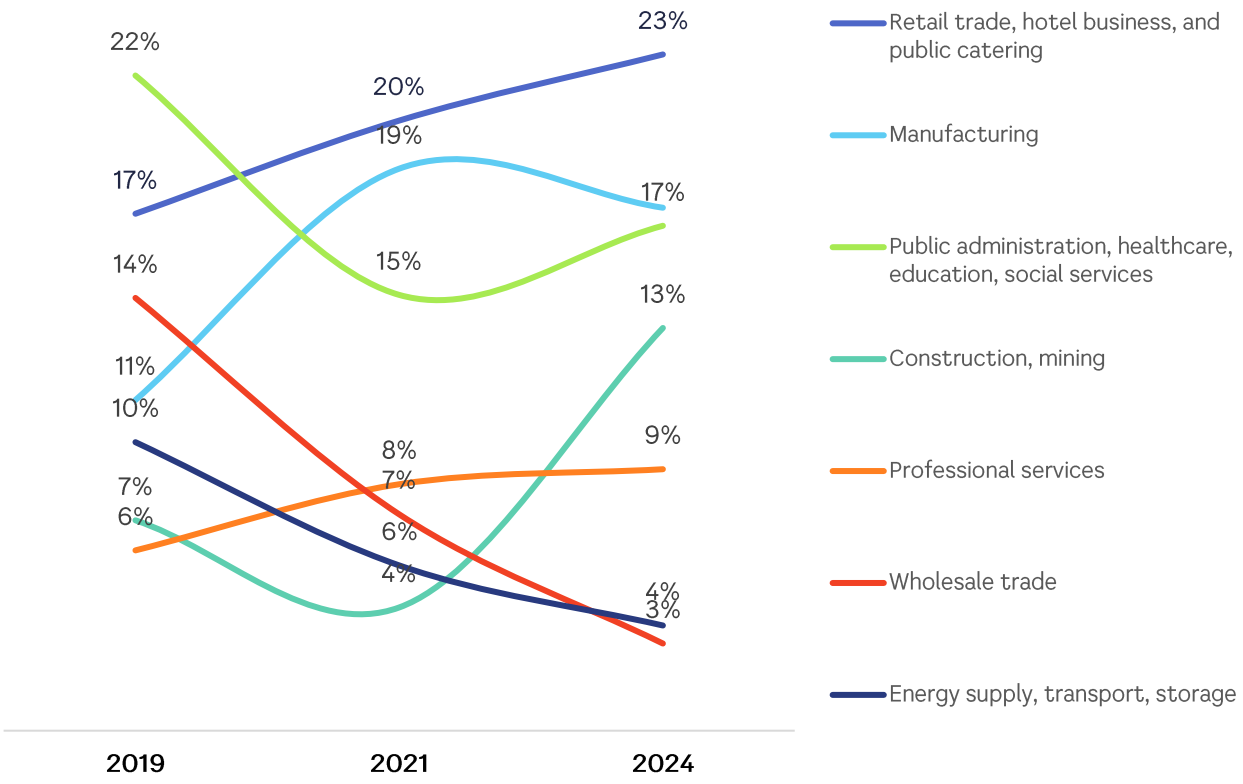
Figure 18. Distribution of early-stage and established entrepreneurs by broad sectors



Source: GEM-Belarus, 2024.

When considering a more detailed breakdown by sector in accordance with the International Standard Industrial Classification of All Economic Activities (ISIC v4), trends in the sectoral structure become more noticeable (Figure 19). In particular, **there has been an increase in the share of early-stage entrepreneurs in retail, hospitality, and catering.** This can largely be attributed to the rapid development of online commerce through large, primarily Russian, platforms such as Wildberries and Ozon, which significantly lower the barriers to entry for aspiring entrepreneurs. At the same time, there has been a steady **decline in the share of early-stage entrepreneurs in the wholesale trade sector, as well as in the energy supply, transport, and storage sector.** This trend reflects the difficulties that have arisen as a result of the introduction of sanctions and the partial closure of borders. It can be assumed that small groups of large companies have been most successful in overcoming these restrictions, making these sectors unattractive to new businesses.

Figure 19. Distribution of early-stage entrepreneurs by ISIC sectors

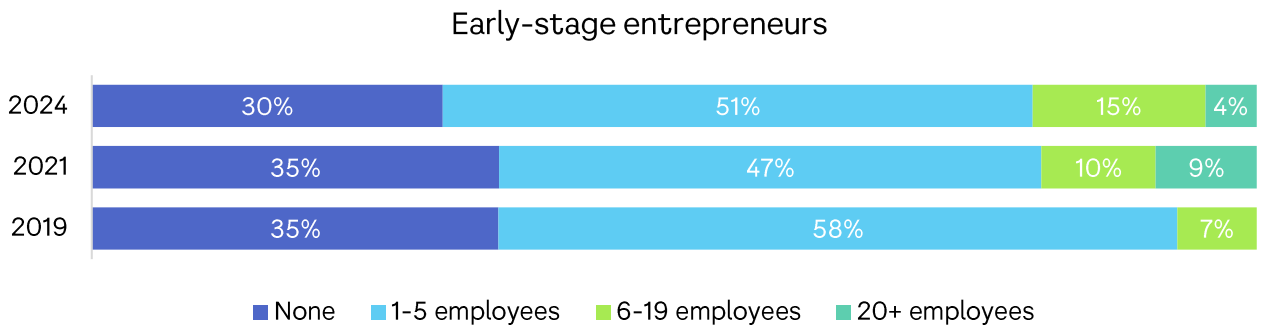


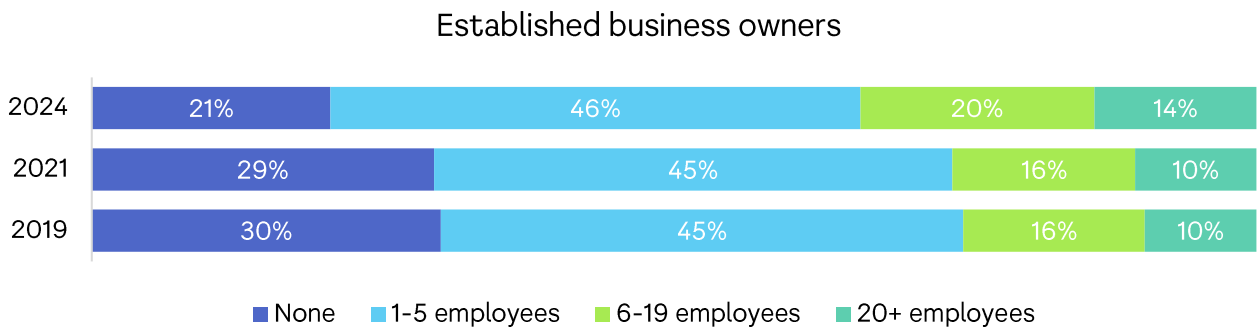
Source: GEM-Belarus, 2024.

2.2. NUMBER OF EMPLOYEES AND GROWTH PROSPECTS

The APS results in Belarus show that **businesses with one to five employees, in addition to the founder, still account for the largest share** (Figure 20). Among businesses in the early stages of development, their share was 51%, and among established businesses, 46%. It is noteworthy that the share of businesses without employees decreased, compared to 2021, to 30% in the early stages and to 21% among established businesses. At the same time, both groups saw an increase in the share of businesses with more than five employees.

Figure 20. Early-stage and established entrepreneurs by the current number of employees



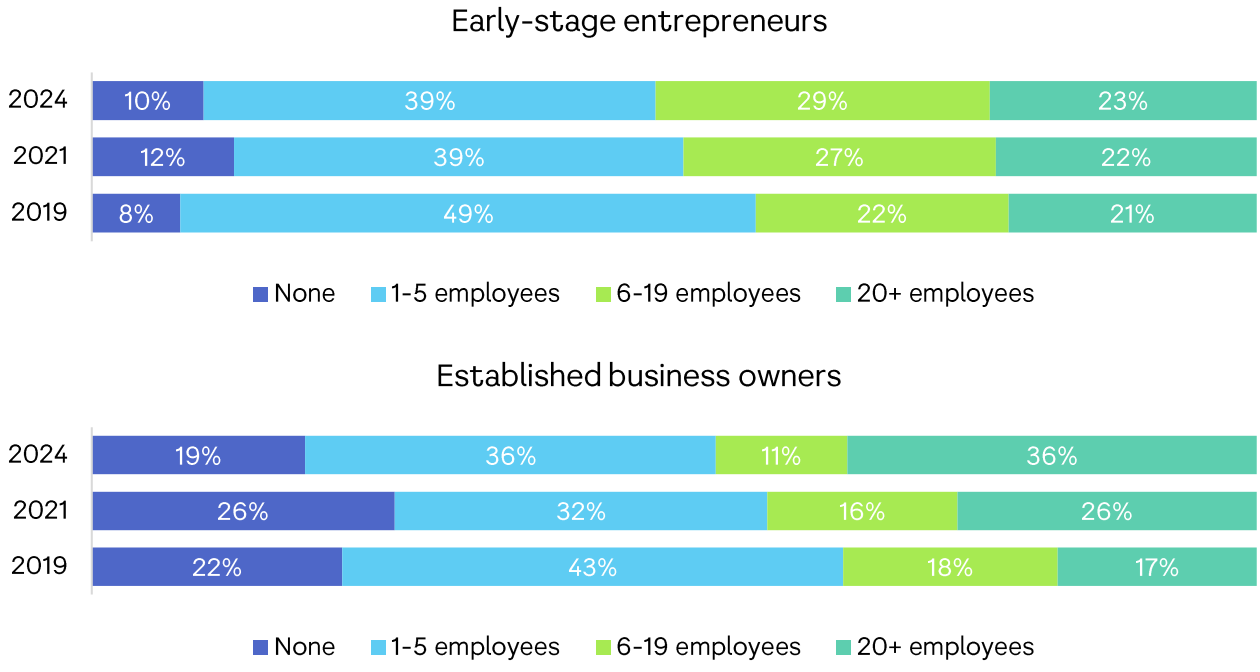


Source: GEM-Belarus, 2024.

There is also a noticeable **positive trend in expectations for employee growth** in both groups of entrepreneurs: the share of those expecting a staff of 1–5 employees is decreasing, while the share of those expecting more than 20 employees is increasing (Figure 21). In particular, 39% of early-stage entrepreneurs expect to have 1-5 employees in 5 years, compared to 49% in 2019. At the same time, the share of entrepreneurs expecting to have more than 5 employees in their business increased by 9 p.p. to 52% in 2024. At the same time, early-stage entrepreneurs are more optimistic about creating new jobs than established ones, which is particularly noticeable in the share of those who do not expect to have employees in five years (i.e., the self-employed).

A similar situation is observed in most of the countries studied. It is believed that established business owners may have a more realistic, experience-based vision of the future.

Figure 21. Early-stage and established entrepreneurs by the expected number of employees



Source: GEM-Belarus, 2024.

This trend indicates that **Belarusian entrepreneurs have begun to form more sustainable structures with potential for further growth.** Reasons for optimism include the recovery of the Belarusian economy, a significant increase in real incomes and, as a result, demand for goods and services, as well as legislative initiatives aimed at transitioning individual entrepreneurs into legal entities.

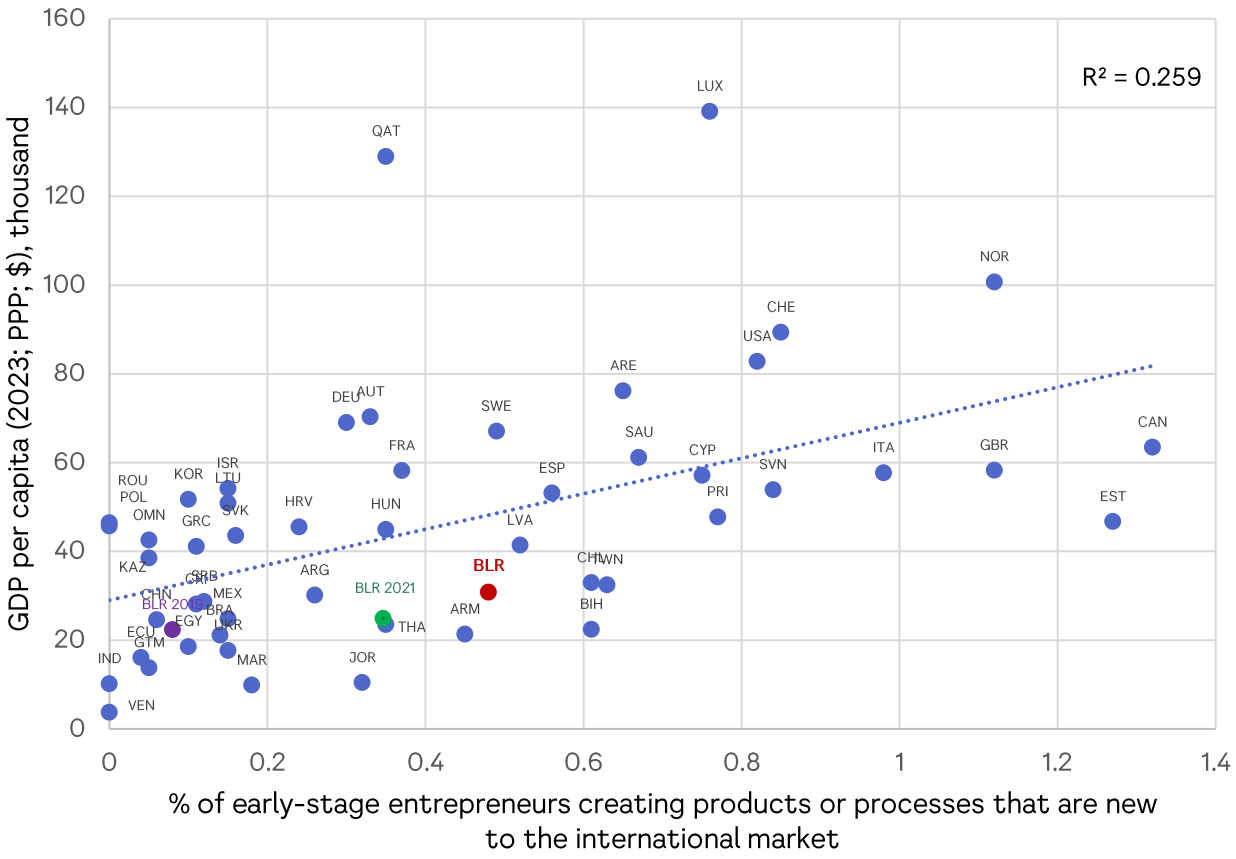
2.3. INNOVATION

Business innovation is an important predictor of technological change and total factor productivity (Erken et al, 2018). According to the GEM methodology, the innovativeness of entrepreneurial activity is assessed using two indicators: (a) the degree of novelty of products and processes (technologies) introduced by businesses, and (b) entrepreneurial activity in medium- and high-tech sectors.

The importance of innovative entrepreneurship can be illustrated by the correlation between (a) GDP per capita and the percentage of early-stage entrepreneurs creating new products or processes for the international market (Figure 22), (b) GDP per capita and the level of early-stage entrepreneurship in medium- and high-tech sectors (Figure 23).

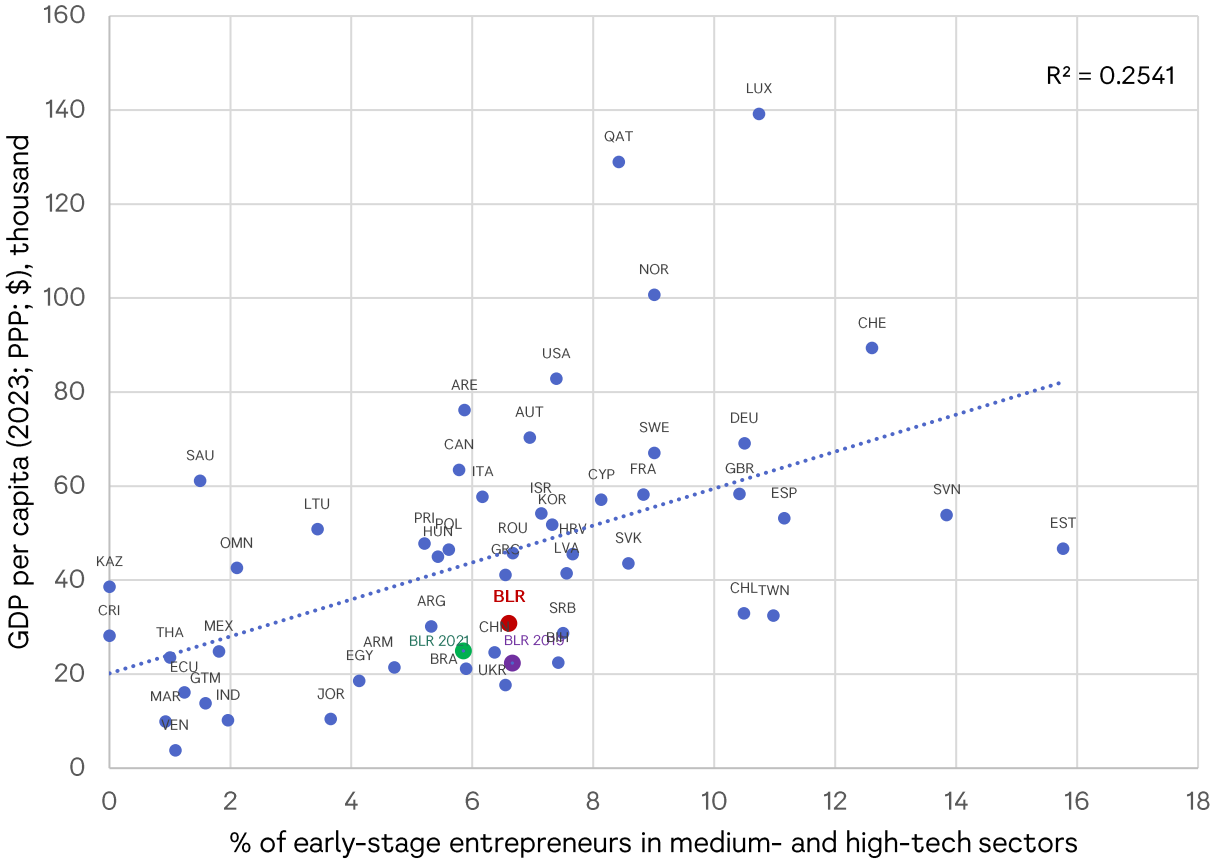
Belarus' position below the trend line for both indicators suggests that, **given the current level of innovation and technological entrepreneurship, GDP per capita in Belarus is lower than might be expected based on general patterns.** Given that a similar situation was observed in 2019 and 2021, it can be assumed that **there are structural and institutional factors hindering the transformation of entrepreneurial initiatives into sustainable economic growth.**

Figure 22. The relationship between GDP per capita and the percentage of early-stage entrepreneurs creating products or processes that are new to the international market



Source: GEM Global Report 2024–2025; World Bank.

Figure 23. Relationship between the share of early-stage entrepreneurs in medium- and high-tech sectors and GDP per capita

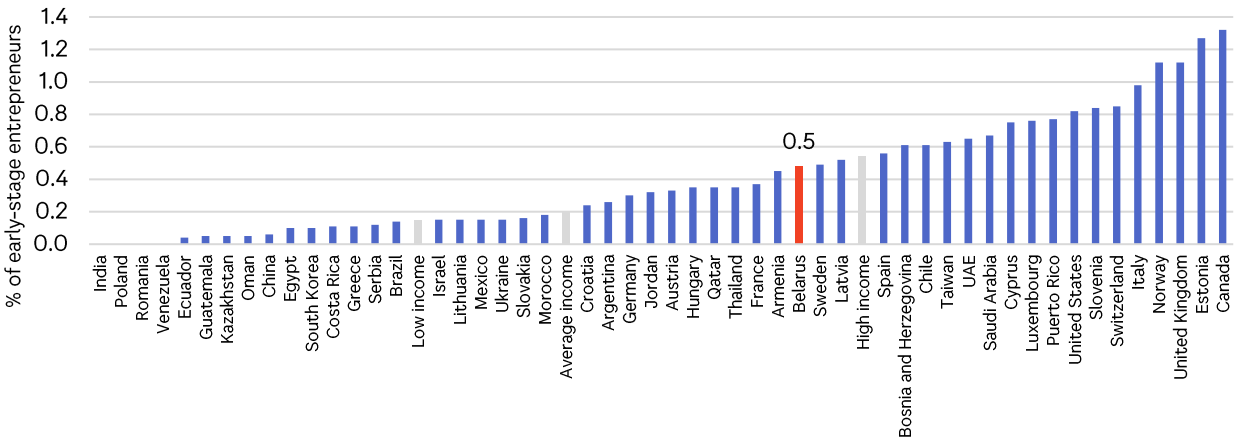


Source: GEM Global Report 2024–2025; World Bank.

A comparison of the share of early-stage entrepreneurs creating new products and processes for national and international markets across different countries shows that Belarus is close to the average for high-income countries (Figure 24), ahead of Poland, Ukraine, and Lithuania, and slightly behind Latvia.

Belarus's steady positive dynamics in this indicator are noteworthy: from 0.1 in 2019 to 0.5 in 2024.

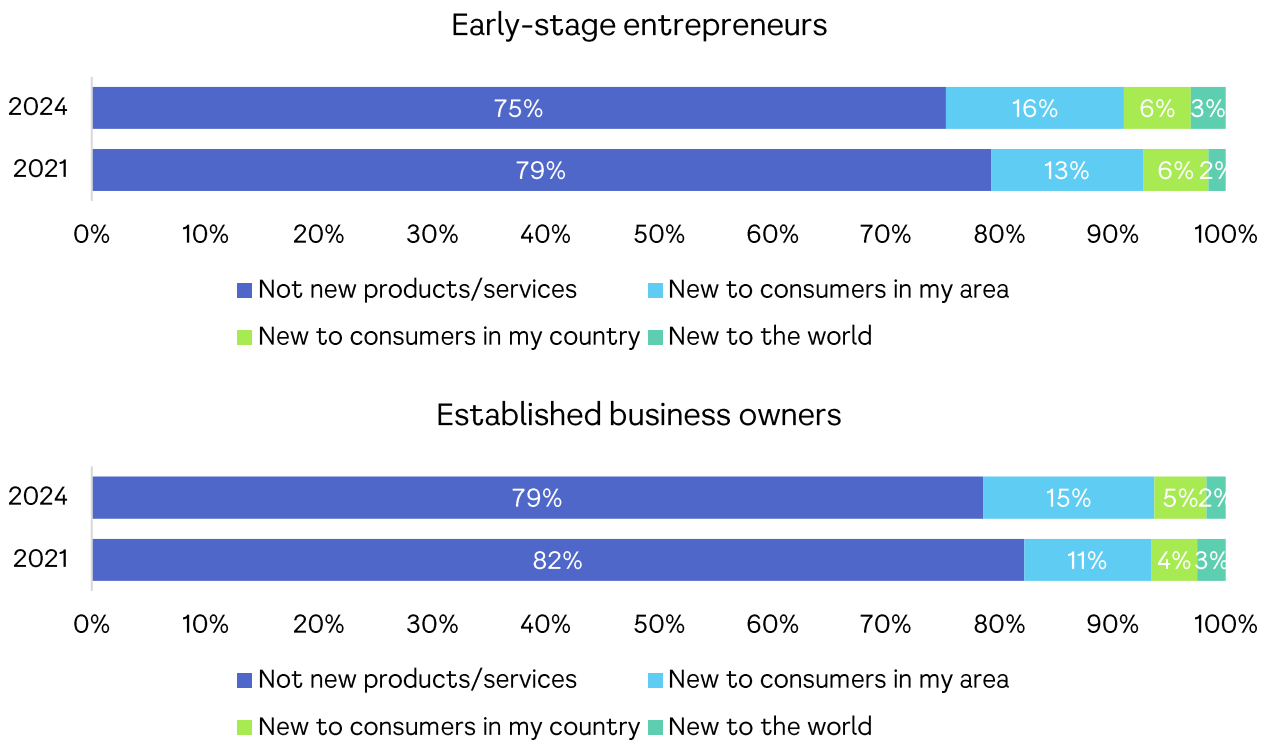
Figure 24. Share of early-stage entrepreneurs creating new products and processes for national and international markets



Source: GEM Global Report 2024–2025

Figure 25 shows that in 2024, **most businesses did not create innovative products or services** (75% of early-stage companies and 78% of established businesses). However, compared to 2021, these shares decreased slightly. Accordingly, the share of businesses that produced and sold new products or services, primarily for the local market, has increased.

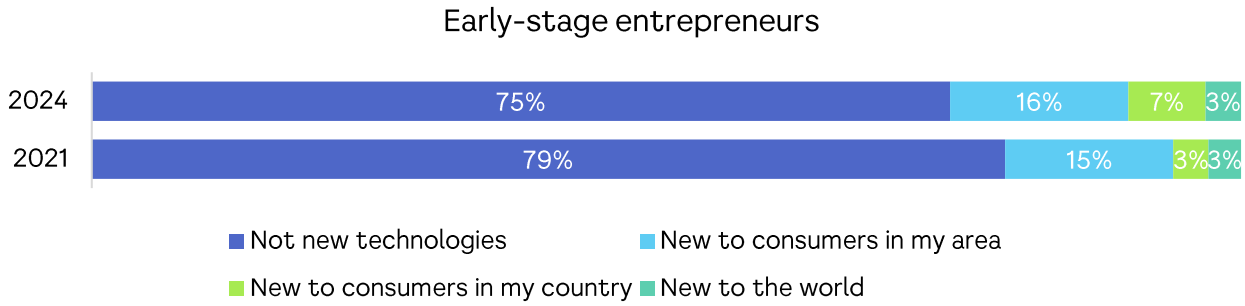
Figure 25. Distribution of early-stage and established entrepreneurs by product innovation

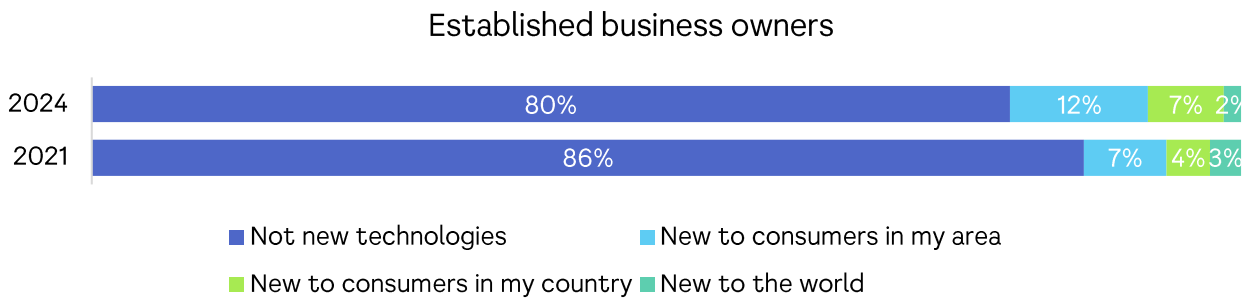


Source: GEM-Belarus

The situation is almost identical when it comes to the introduction of new technologies and processes used to create and implement products or services (Figure 26): **about three-quarters of early-stage and established entrepreneurs noted that new technologies and processes were not introduced.**

Figure 26. Distribution of early-stage and established entrepreneurs by the implementation of new technologies and processes

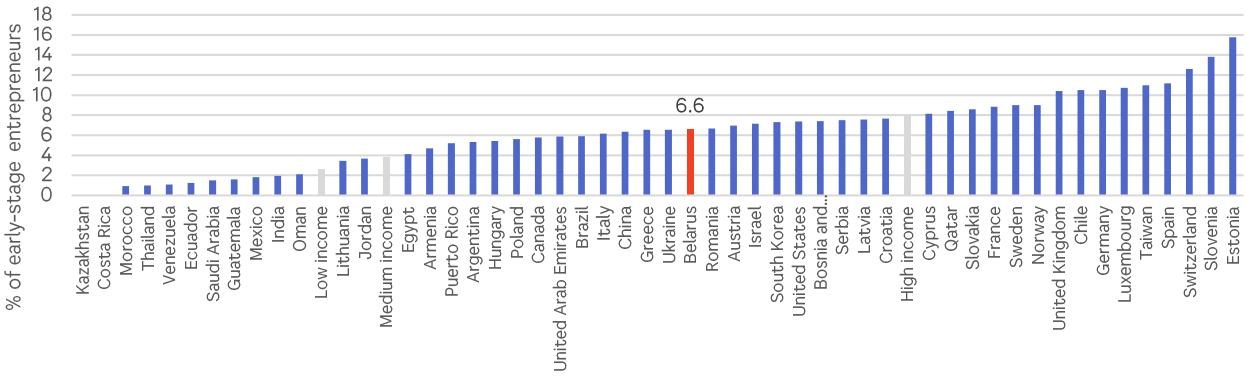




Source: GEM-Belarus, 2024.

The second indicator, which gives some idea of the development of innovative entrepreneurship and entrepreneurship with high growth potential, is entrepreneurial activity in medium- and high-tech sectors (according to the International Standard of Industrial Classification of All Economic Activities – ISIC methodology). Belarus ranked approximately at the same level as China, Italy, Austria, and Israel, and among its neighbors, only Latvia ranked higher than Belarus (Figure 27).

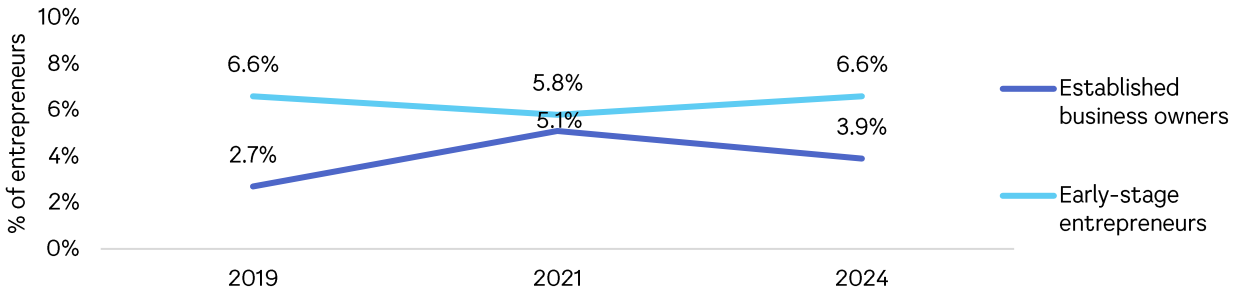
Figure 27. Entrepreneurial activity in medium- and high-tech sectors



Source: GEM Global Report 2024–2025.

Figure 28 shows the dynamics of the share of businesses operating in medium- and high-tech sectors. In Belarus, as in most countries, **early-stage businesses were more technology-intensive (6.6%) than established businesses (3.9%).** Compared to pre-crisis 2019, the share of early-stage entrepreneurs in medium- and high-tech sectors remained unchanged, while established businesses grew slightly. A similar situation was observed in 2019.

Figure 28. Dynamics of early-stage and established businesses by level of technological sophistication



Source: GEM-Belarus, 2024.

2.4. FOCUS ON THE INTERNATIONAL MARKET

Successful expansion into foreign markets is an objective indicator of a company's competitiveness and opens up new prospects for its growth and innovative development. In the context of geopolitical instability and sanctions restrictions, expanding the presence of Belarusian companies in international markets is not just a desirable option but a strategic necessity that ensures the sustainability and further development of business.

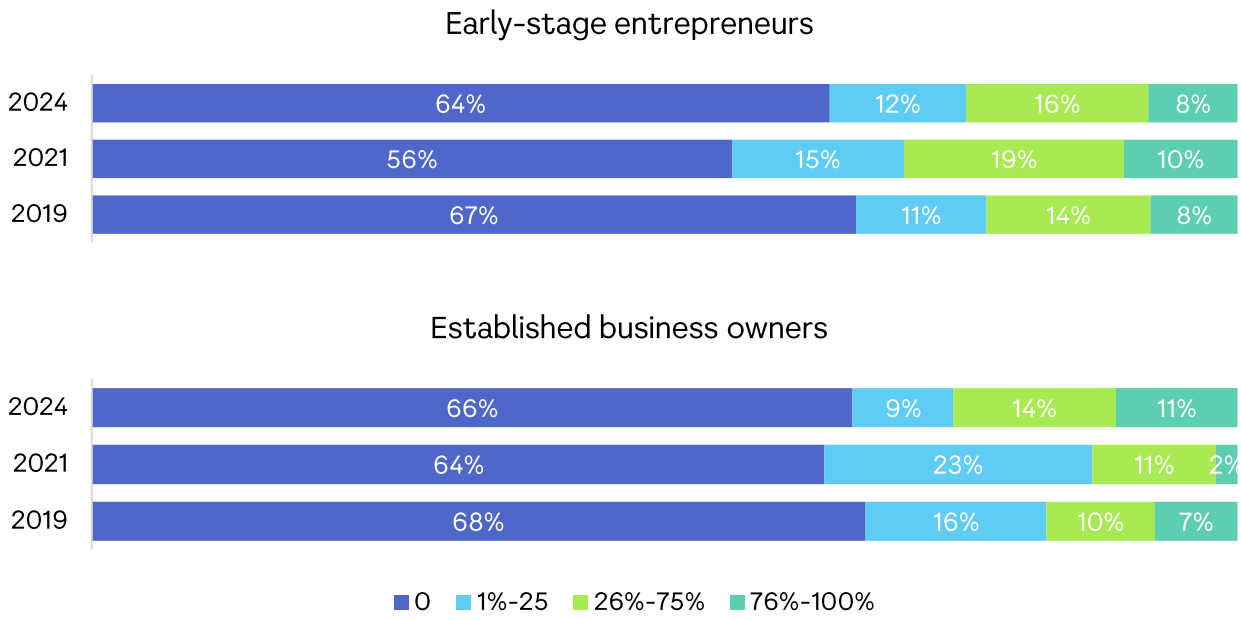
As part of the GEM study, business internationalization is assessed by export revenues (Figure 29). In 2024**, 36% of early-stage entrepreneurs received revenue from abroad** (9 percentage points less than in 2021), while 64% did not export any products or services at all. At the same time, only 8% of businesses received almost all of their revenue from abroad.

Among established business owners, 33.6% reported export sales, which is comparable to the results for 2019. At the same time, the share of those who receive most of their income from abroad has increased significantly: 10.6% of established businesses in 2024 reported that more than 75% of their revenue comes from exports.

Thus, **Belarus maintains a relatively high level of internationalization of established businesses.** In terms of the share of export-oriented companies (with export revenues exceeding 25%), the country is classified in the group of economies with a high orientation of business towards foreign markets (Figure 30). However, compared to 2021, Belarus has dropped its position in the GEM international ranking for this indicator from 2nd to 9th place.

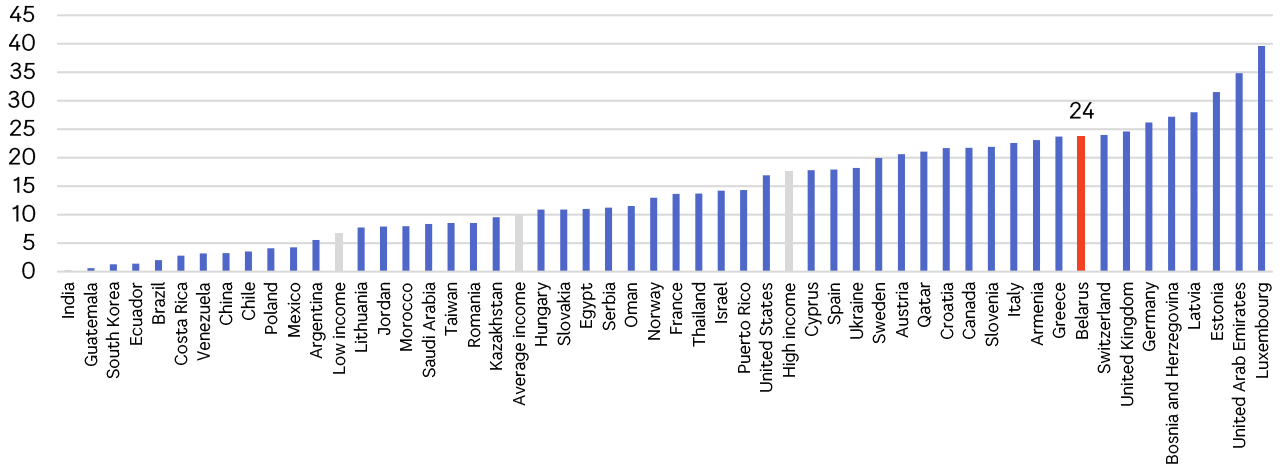
It should be noted that countries with a higher level of business internationalization tend to have a relatively small domestic market and belong to the category of high-income countries, where access to global markets is a key factor in business sustainability.

Figure 29. Percentage of early-stage and established entrepreneurs focused on international markets



Source: GEM-Belarus, 2024.

Figure 30. Level of export orientation by country



Source: GEM-Belarus, 2024.

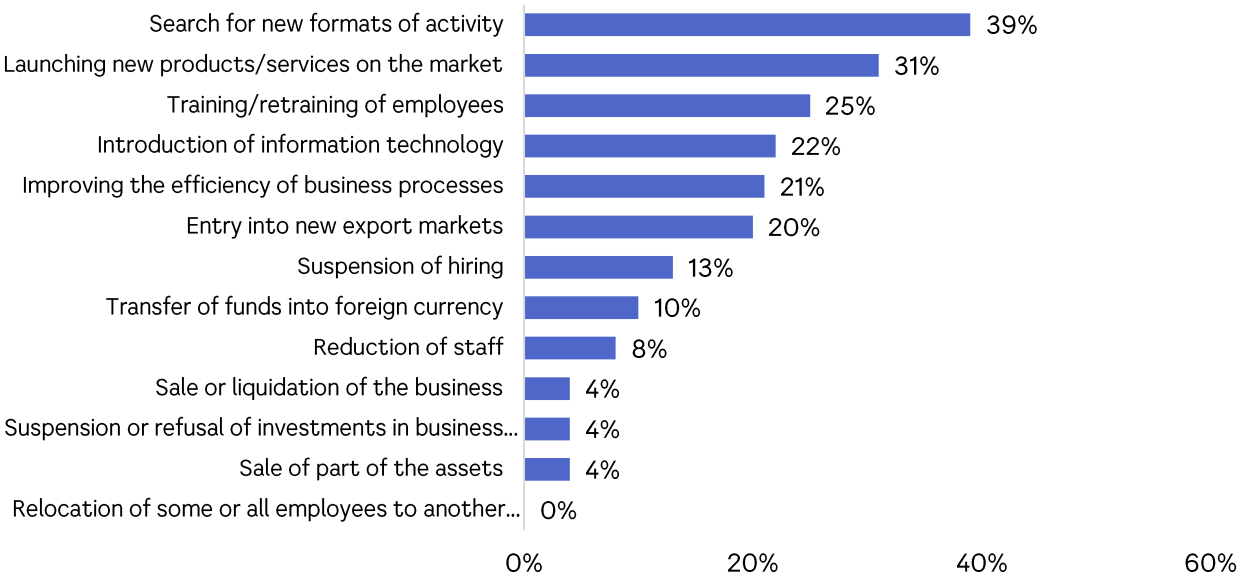
2.5. RESPONSE TO EXTERNAL CONSTRAINTS

In 2024, Belarusian established business owners were asked an additional question about what steps they had taken over the past three years to ensure that their businesses continued to develop despite unfavorable external conditions (Figure 31).

The response of Belarusian businesses to external constraints proved to be **adaptive and focused on internal reorganization and product diversification**. The main strategy chosen by almost two-fifths of respondents (39%) was to search for new formats of activity. This indicator **testifies to a fundamental restructuring of business models** in an effort to remain relevant in the new conditions. Closely related and second in importance is the launch of new products/services (31%), which underscores **entrepreneurs' commitment to product innovation** as a key tool for overcoming the crisis and stimulating growth. In addition, about a quarter of companies (25%) invested in employee training/retraining, which, along with the introduction of information technology (22%) and the improvement of business process efficiency (21%), indicates the formation of a more flexible and technologically equipped workforce. These data allow us to conclude that Belarusian businesses are actively seeking internal growth points, using innovation and increased operational efficiency as a basis for sustainability.

It is noteworthy that 20% of entrepreneurs focused on entering new export markets, which was a critical response to the closure of traditional markets and indicates a continued focus on exports. At the same time, only 8% resorted to staff reductions, and only 4% decided to completely liquidate or sell their businesses, which indicates an attempt to preserve workforces and core activities. It is worth noting that none of the entrepreneurs in the sample mentioned the relocation of some or all of their employees or the entire enterprise as a measure.

Figure 31. Responses of established business owners to adverse external conditions



Source: GEM-Belarus, 2024.
Note: Respondents could select an unlimited number of answers.

CHAPTER 3. CONDITIONS FOR ENTREPRENEURSHIP DEVELOPMENT

3.1. NATIONAL EXPERT SURVEY (NES) METHODOLOGY

3.1.1. ENTREPRENEURIAL FRAMEWORK CONDITIONS

National Expert Surveys (NES) are conducted to assess the main characteristics of the socio-economic environment or, in GEM terminology, the framework conditions for entrepreneurship (Entrepreneurial Framework Conditions — EFCs). Expert interviews are part of the standard GEM methodology and are aimed at systematically assessing the existing conditions that affect the quality of entrepreneurial activity in a country. NES allows key factors to be identified and recommendations to be formulated that contribute to the development of entrepreneurial activity.

In 2024, NES in Belarus was conducted with 38 experts to analyze 13 framework conditions, the list and description of which are presented in Table 6. Experts were asked to rate their level of agreement with each statement using an 11-point Likert scale ranging from 0 ("strongly disagree") to 10 ("strongly agree"). Using the same set of statements across countries and over time allows for comparable comparisons.

In 2024, the interview questionnaire included three additional sections: adherence to sustainable development goals, relative access of women to entrepreneurial resources, and awareness of the need to develop and implement AI solutions.

Table 6. Entrepreneurial Framework Conditions (EFCs)

	Section title	Description
A1.	Entrepreneurial Finance	Measures the adequacy of financing for new and growing firms from various sources, including own funds, business angels, venture capital funds, banks, government subsidies, grants, IPOs, and crowdfunding.
A2.	Ease of Access to Entrepreneurial Finance	Assesses the ease of access to financing for entrepreneurs, including obtaining bank loans, hiring financial advisors at a reasonable price, attracting seed capital at the start-up stage, and investors for business growth.
B1.	Government Policy — Support and Relevance	This assesses the support and relevance of public policy in Belarus in the context of startup and entrepreneurship development, including public procurement, legislation, tax regulation, and the priority of support at the national and local levels.
B2.	Government Policy — Taxes and Bureaucracy	This reflects the acceptability and balance of taxation for entrepreneurs and shows whether taxes are a burden on start-ups and growing businesses. This indicator also assesses the level of bureaucracy in doing business and raising finance for entrepreneurial activities.
C.	Government Entrepreneurial Programmes	Assesses the availability and effectiveness of government instruments to support entrepreneurship. This includes subsidies, incubators, and organizations that provide support to entrepreneurs.
D1.	Entrepreneurial Education at School	Assesses the extent to which entrepreneurship subjects are included in school curricula and whether schools instill entrepreneurial values in students.
D2.	Entrepreneurial Education Post-School	Assesses the inclusion of entrepreneurship subjects in the curricula of higher education institutions, secondary vocational education institutions, business schools, and supplementary education institutions. Reflects the effectiveness of the post-school education system in developing entrepreneurial skills and values among learners.

E.	Research and Development Transfers	This block assesses the ease of transferring research results to the entrepreneurial environment through access to technology, government support, and assistance in commercializing the ideas of scientists and engineers by new and growing firms.
F.	Commercial and Professional Infrastructure	Assesses the availability and accessibility of specialists and firms that provide services to entrepreneurs (including accountants, lawyers, and consultants) for starting and managing new businesses.
G1.	Ease of Entry — Market Dynamics	Analyzes whether there is a free and open market and how well growing firms can adapt to its constant changes.
G2.	Ease of Entry — Burdens and Regulations	Assesses the overall state of the market in terms of the restrictions faced by entrepreneurs when entering the market, as well as the existence of regulations that can facilitate rather than complicate this process.
H.	Physical Infrastructure	Assesses the availability of communications and transportation infrastructure in the market that facilitates business activities at the national and international levels; for example, access to high-speed Internet and cellular communications, real estate (land and buildings), reliable utility infrastructure, roads, railways, ports, and airports.
I.	Social and Cultural Norms	Indicates the extent to which society is oriented towards entrepreneurial activity within its culture, behavioral norms, beliefs, language, and customs.

Source: GEM Global Report 2024–2025

In 2024, three additional sections were included in the questions for national experts, related to 1) entrepreneurs' awareness of the need to develop and implement AI solutions, 2) women's participation in entrepreneurship, and 3) adherence to sustainable development goals.

3.1.2. PROFILE OF BELARUSIAN EXPERTS

The survey involved national experts with in-depth knowledge and experience in the field of the entrepreneurial environment in Belarus. Experts were selected based on their professional responsibilities, positions, and experience, which enable them to competently assess the framework conditions for business development. The experts included entrepreneurs, investors, bankers, journalists, teachers, and researchers in the field of business, as well as representatives of organizations involved in supporting entrepreneurship. Experts could indicate several types of professional activity (Table 7).

Table 7. Profile of Belarusian experts

Average age	44.5 years
Gender	
Male	57.9%
Female	42.1%
Level of education	
Higher education	29.7%
Postgraduate education (master's/postgraduate/doctoral)	70.3%
Field of specialization	
Entrepreneur	39.5%
Investor, financer, banker	2.6%
Business service provider/representative of an organization supporting entrepreneurship	47.4%
Educator, teacher, researcher	31.6%
Other	15.8%
Permanently residing abroad	63.2%
Average length of professional experience	17.4 years

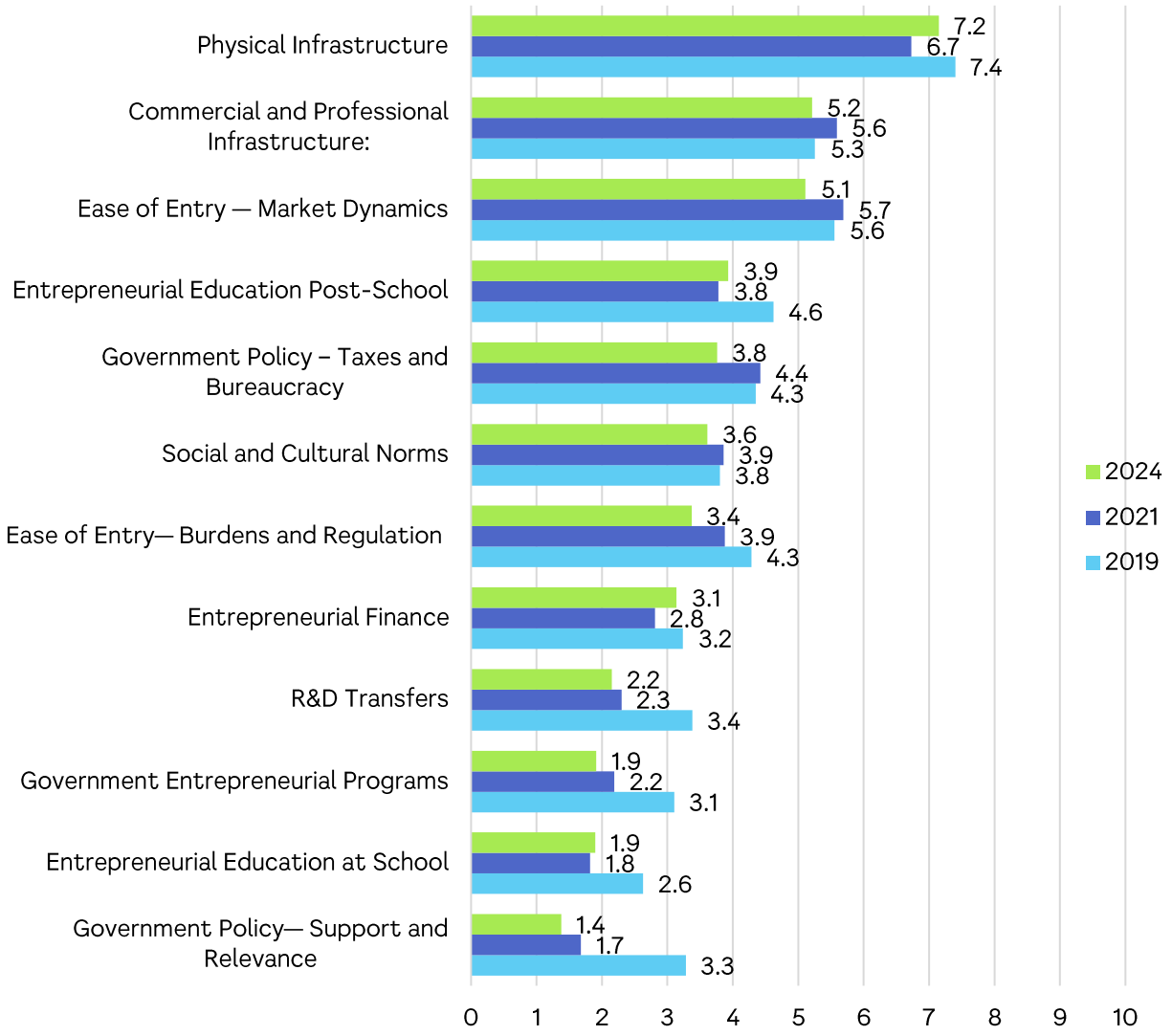
Source: GEM-Belarus, 2024.

3.2. ASSESSMENT OF ENTREPRENEURIAL FRAMEWORK CONDITIONS IN BELARUS

The results of interviews with national experts in 2024 showed that conditions for entrepreneurship in Belarus had deteriorated in almost all framework categories compared to 2021 and 2019 (Figure 32).

The following framework conditions for the entrepreneurial environment received **the lowest ratings** in the survey: **"Government Policy — Support and Relevance," "Entrepreneurial Education at School," and "Government Entrepreneurial Programmes."** The indicator "Government Policy — Support and Relevance" in 2024 was 1.4, which is lower than in 2021 (1.7) and significantly lower than in 2019 (3.3). This reflects a noticeable decline in the level of government support for entrepreneurs. The indicator “Entrepreneurial Education at School" (1.9) in 2024 remained roughly at the 2021 level (1.8), but was significantly worse than the 2019 result (2.6). The indicator "Government Entrepreneurial Programmes" in 2024 was 1.9, which is lower than the values for 2021 (2.2) and 2019 (3.1) and indicates a reduction in the availability and effectiveness of such programs.

Figure 32. Entrepreneurial Framework Conditions in Belarus



Source: GEM-Belarus, 2019, 2021, 2024.
Note: for comparison purposes, the indicators "Entrepreneurial Finance " and "Ease of Access to Entrepreneurial Finance" were combined to make the results comparable to GEM 2019 and 2021 studies.

The implementation of research and development results remains a problem area. The "Research and Development Transfers" indicator fell to 2.2, which is lower than both the 2021 level (2.3) and, in particular, the 2019 level (3.4), demonstrating growing difficulties in the field of science and innovation. "Entrepreneurship financing" shows a slight improvement compared to 2021 (an increase from 2.8 to 3.1), but remains below the 2019 level (3.2).

The indicator "Ease of Entry — Burdens and Regulations" also declined to 3.4 compared to 3.9 in 2021 and 4.3 in 2019, indicating an increase in administrative barriers and tighter government regulation. "Social and Cultural Norms" show negative dynamics: from 3.8 in 2019 and 3.9 in 2021, the indicator fell to 3.6, which may indicate a slight decline in public support for individualism, risk-taking, and personal initiative. Also noteworthy is the decline in the “Government Policy — Taxes and Bureaucracy” indicator from 4.4 in 2019 and 2021 to 3.8 in 2024, indicating an increase in the administrative and tax burden.

Only **three framework conditions received above-average ratings (5 points): "Ease of Entry — Market Dynamics" (5.1), "Commercial and Professional Infrastructure" (5.2), and "Physical Infrastructure" (7.2).** Meanwhile, the "Ease of Entry — Market Dynamics" indicator decreased compared to 2021 (5.7) and 2019 (5.6), which indicates that the Belarusian market has become less free and open for business. The "Commercial and Professional infrastructure" indicator showed a decline in 2024 to 5.2 from 5.5 in 2021. At the same time, the "Physical Infrastructure" indicator rose to 7.2 in 2024, which is higher than the 2021 level (6.7) but slightly lower than the 2019 indicator (7.4). This confirms the continued high quality and accessibility of physical infrastructure for business creation and development.

Table 8 shows the indicators for individual statements from all blocks that demonstrated the most significant changes in 2024 compared to 2021. One of the most significant changes **was a sharp decline in the availability of financing from professional business angels**, from 4.4 in 2021 to 1.9 in 2024. This 2.5-point decline indicates a significant reduction in access to investment and expertise for new and growing companies. This is primarily due to a decrease in the number of active business angels caused by their emigration, uncertainty in law-enforcement practices, and an overall decline in the country's investment attractiveness. This trend could negatively affect the development of innovative startups, as business angels are often key sources of funding in the early stages. **The assessment of the effectiveness of business incubators has deteriorated** significantly as well. The indicator fell from 4.1 to 2.5, indicating a weakening of resource support for new and growing firms. **There are also more difficulties with administrative procedures:** the indicator for the ease of obtaining the necessary permits and licenses fell from 4.4 to 2.8.

Table 8. Indicators with the greatest change from 2024 to 2021.

Indicators	2021	2024	+
Sufficient funding available from professional Business Angels for new and growing firms	4.4	1.9	-2.5
It is easy to hire financial support services at a reasonable cost for new and growing firms	2.7	4.7	+2.0
It is easy to get debt funding (bank loans and similar) for new and growing firms	2.7	3.7	+1.0
New firms can get most of the required permits and licenses in about a week	4.4	2.8	-1.6
Business incubators are available and provide effective support for new and growing firms	4.1	2.5	-1.6

Source: GEM-Belarus 2021, 2024.

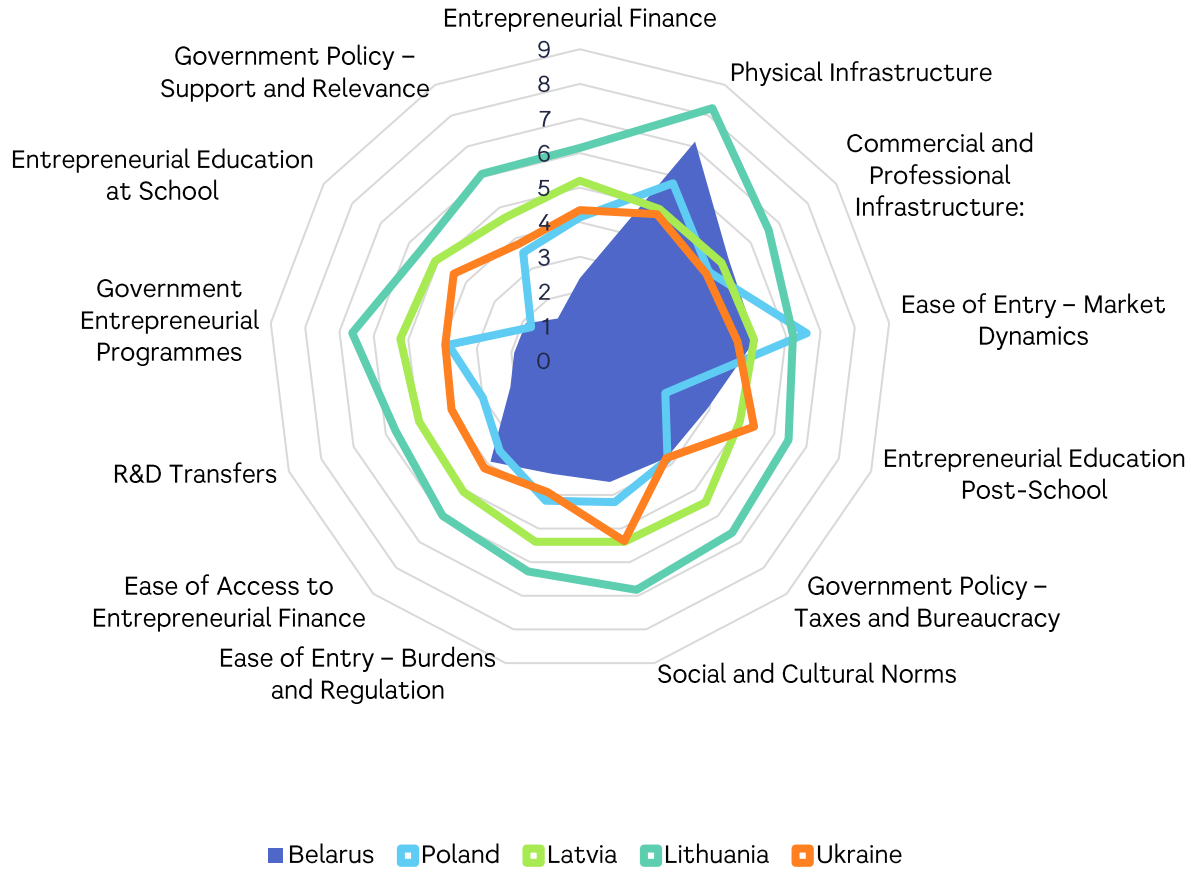
Against the backdrop of these negative changes, a number of indicators show positive dynamics. **Access to debt financing has improved**, with the indicator rising from 2.7 to 3.7. **Bank loans and other forms of debt financing have become more accessible** to entrepreneurs. There has also been noticeable **progress in the ease of attracting financial advisors at a reasonable price.** This indicator rose from 2.7 to 4.7.

Thus, despite positive changes in the availability of borrowed funds and professional advice, the overall picture is complicated by reduced access to financing from business angels, weakened effectiveness of business incubators, and increased administrative barriers.

3.3. COMPARATIVE ANALYSIS OF FRAMEWORK CONDITIONS IN BELARUS

An analysis of the entrepreneurial environment in Belarus based on thirteen framework conditions for business development shows that the country lags significantly behind Poland, Latvia, Lithuania, and Ukraine in key indicators. In particular, Belarus **shows the worst results among all the countries considered on seven of the thirteen indicators related primarily to public policy** (Figure 33): "Entrepreneurial Finance," "Government Policy — Support and Relevance," "Government Entrepreneurial Programmes," "Research and Development Transfers," "Ease of Entry — Burdens and Regulations," and "Social and Cultural Norms."

Figure 33. Comparison of EFCs with neighboring countries



Source: GEM-Belarus 2024.

The situation is particularly critical in terms of the indicator "Government Policy — Support and Relevance," for which Belarus received the lowest score of 1.4, which is four times lower than in Lithuania, three times lower than in Latvia, and more than twice lower than in Ukraine. Even in such basic institutional aspects as "Government Policy — Taxes and Bureaucracy," Belarus remains on par with Ukraine (3.8), but significantly lags behind Lithuania (6.6) and Latvia (5.5). In terms of Social and Cultural Norms, Belarus shows a weak position with 3.6 points, compared to 6.8 in Lithuania and 5.4 in Latvia.

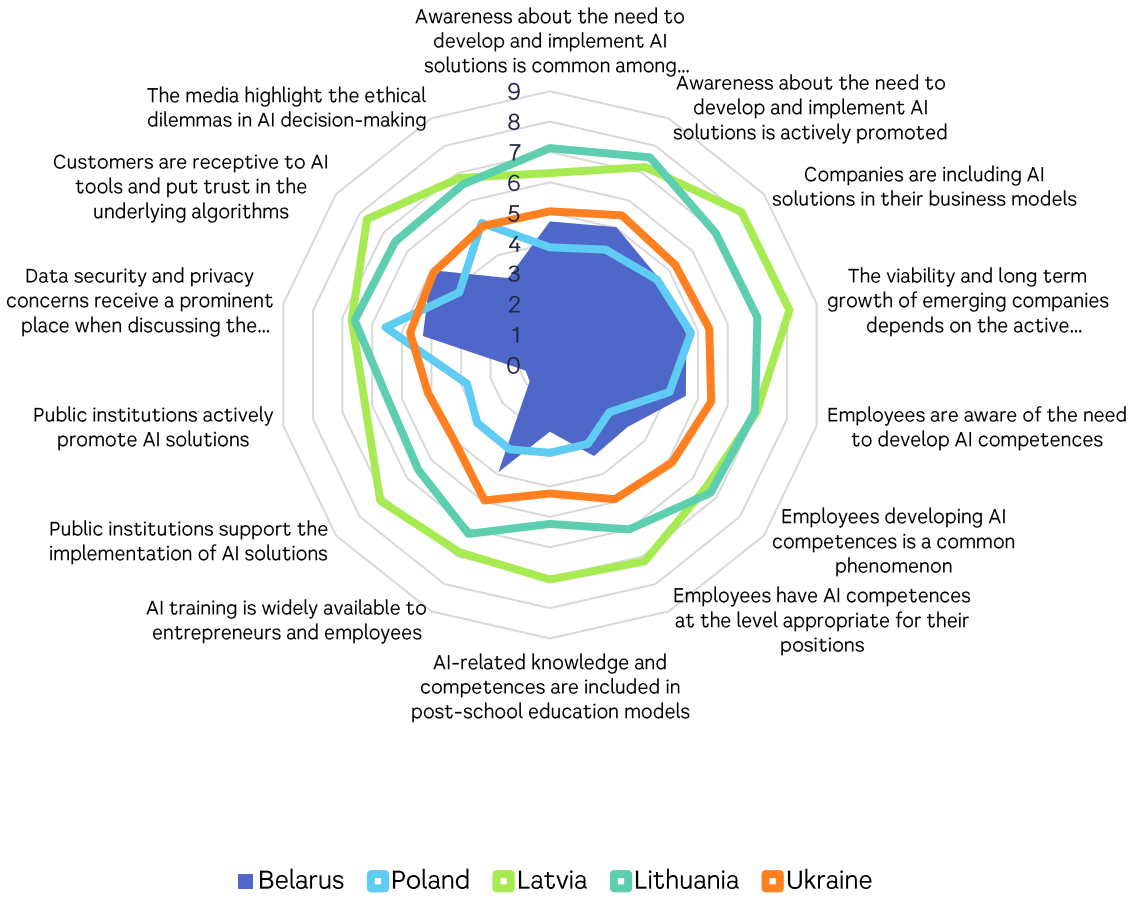
Belarus demonstrates stronger positions in infrastructure and market aspects. The development of Physical Infrastructure is rated at 7.2 points, which is the second-best result among its neighbors after Lithuania (8.2) and significantly higher than Poland (5.8), Latvia (5.0), and Ukraine (4.8).

Thus, the gaps between Belarus and other countries in the region often reach 2–4 times the difference, especially in areas requiring systematic coordination between the state, business, and education.

3.3.1. ARTIFICIAL INTELLIGENCE AND ENTREPRENEURSHIP

The section "Artificial Intelligence and Entrepreneurship" reflects the level of awareness of the importance of artificial intelligence (AI) among entrepreneurs, the degree of its implementation in business models, the availability of AI competencies among employees, the availability of educational programs and government support, as well as the attitude of customers and society towards AI and ethical issues related to its use (Figure 34).

Figure 34. Artificial intelligence and entrepreneurship compared to other countries



Source: GEM-Belarus 2024.

Belarus' position in comparison with Poland, Latvia, Lithuania, and Ukraine shows that **the country is at an initial or intermediate level of AI implementation in the entrepreneurial and educational environment.** In 2024, there was moderate awareness of the importance of AI among entrepreneurs (4.7) and activity of the business community in promoting AI solutions (5.0), which is higher than in Poland (3.9 and 4.2, respectively), but significantly lower than in Latvia (6.3 and 7.2) and Lithuania (7.1 and 7.6). The country lags significantly behind in several key areas: the assessment of the inclusion of AI competencies in educational programs is only 2.2 points (compared to 7.1 in Latvia and 5.2 in Lithuania), the development of AI competencies among employees is 3.3 (in Lithuania — 6.8), and state

support for AI implementation through subsidies and training is rated at only 0.9 points (compared to 7.2 in Latvia). These data indicate a lack of systemic infrastructure for AI development in business, education, and at the level of state policy.

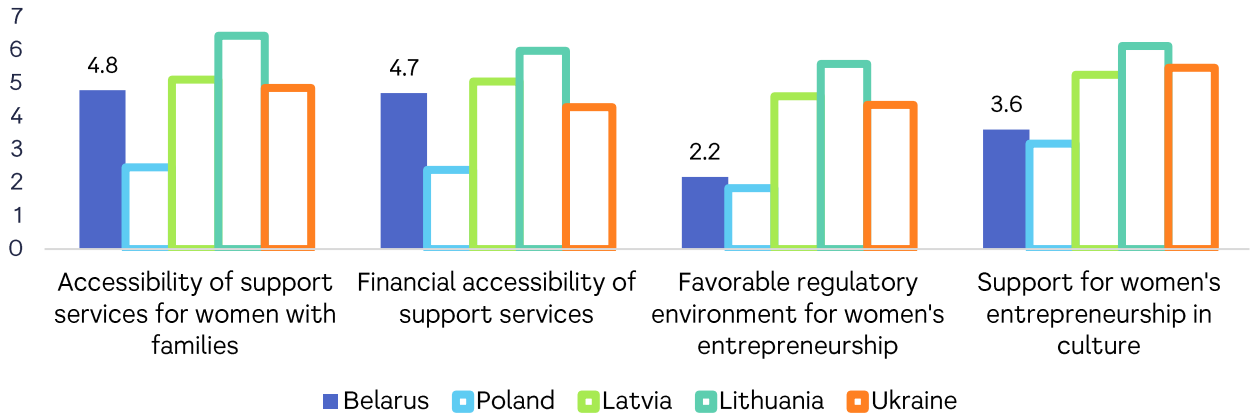
Against the backdrop of rapid progress in neighboring countries, especially Latvia and Lithuania, **Belarus finds itself in a position of catching up.** Insufficient attention to the development of digital skills (AI competency level — 3.3 points), limited access to training (3.9), poor integration of AI into educational programs (2.2), and a lack of government support for education and subsidies (0.8) are holding back the growth of digital potential. At the same time, there is still some groundwork for development: the level of customer confidence in AI (5.0) and a basic understanding of its importance among entrepreneurs create the conditions for moving forward.

3.3.2. SUPPORT FOR WOMEN'S ENTREPRENEURSHIP

This set of questions was aimed at a comprehensive assessment of the conditions and barriers faced by women entrepreneurs in Belarus. Experts assessed the availability of support services for women with families, perceptions of the regulatory environment, cultural attitudes, and equal access to key entrepreneurial resources compared to men. The structure of the block includes two complementary sections.

The first section focused on positive conditions conducive to the development of women's entrepreneurship: access to support services, favorable regulation, and cultural support for women's business activity. Here, a higher score indicates better conditions for women. The results for the first section (Figure 35) show that Belarus ranks low among the countries in the region. **Institutional and cultural conditions received the lowest scores.** The regulatory environment score is only 2.2, one of the lowest among all GEM participating countries. The level of cultural support for female entrepreneurship was also low (3.6), but it allowed Belarus to outperform Poland (3.2). These data **indicate the need to strengthen both the regulatory and socio-cultural foundations for the development of female entrepreneurship** in Belarus, especially against the backdrop of a more favorable situation in neighboring countries.

Figure 35. Support for female entrepreneurship

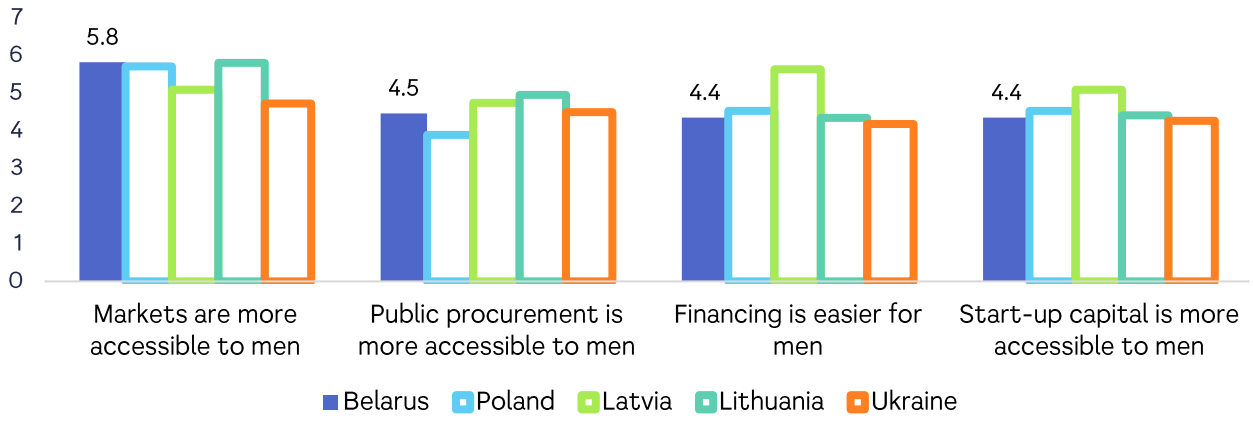


Source: GEM-Belarus 2024.

The second block focused on identifying gender inequality in access to markets, public procurement, financing, and start-up capital. In this case, high values, on the contrary, indicate an advantage for men and, accordingly, a less favorable situation for women. The results for the second section are presented in Figure 36. Despite the **high value of the**

gender inequality indicator in access to markets, Belarus shows a number of relatively positive results. In particular, the country shows moderate values for access to finance (4.4) and start-up capital (4.4), which are lower than in Latvia and Poland and close to the values for Lithuania and Ukraine. Belarus also occupies an intermediate position in terms of access to public procurement (4.5). These data indicate that, in financial terms, gender inequality in entrepreneurship in Belarus is less pronounced than in the neighboring countries.

Figure 36. Conditions for women entrepreneurs



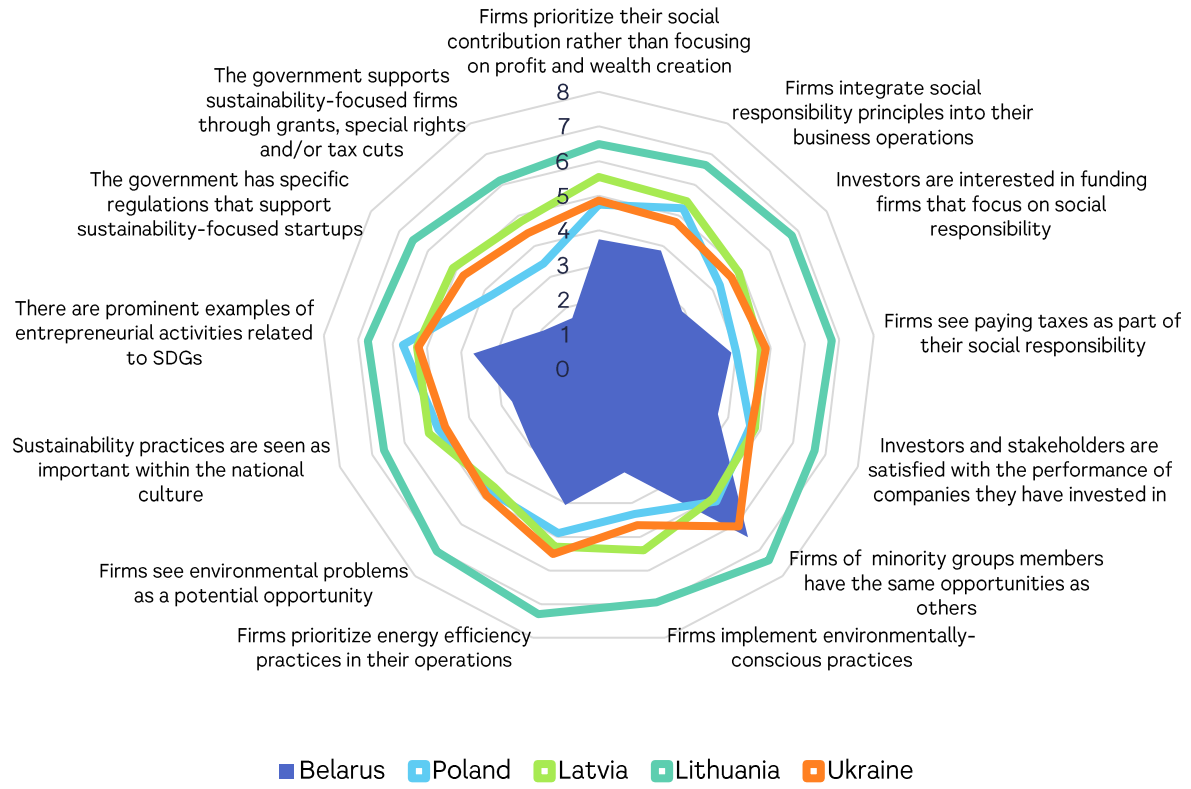
Source: GEM-Belarus 2024.

3.3.3. PURSUIT OF SUSTAINABLE DEVELOPMENT GOALS

The "Pursuing Sustainable Development Goals" section shows whether companies take social and environmental aspects into account in their activities, whether they receive support from investors in doing so, and whether the state creates conditions conducive to their development.

Belarus demonstrated the lowest scores on most parameters among the countries compared (Figure 37). The lag is particularly noticeable in areas such as government support for startups pursuing sustainable development goals (SDGs) (1.7), legislative support (1.9), perception of sustainable development as part of national culture (2.7), and investment support for socially responsible companies (2.9). Belarus also lags significantly behind other countries, especially Lithuania and Latvia, in such important areas as the implementation of environmental practices (3.1), focus on energy efficiency (4.1), and perception of tax payment as a social responsibility (3.9). The only area where Belarus stands out is in equal economic opportunities for firms owned by minorities (6.5), which exceeds the performance of its neighbors. Overall, **Belarus lags far behind in terms of integrating SDGs into business practices, cultural attitudes, and public policy.**

Figure 37. Sustainable Development Goals



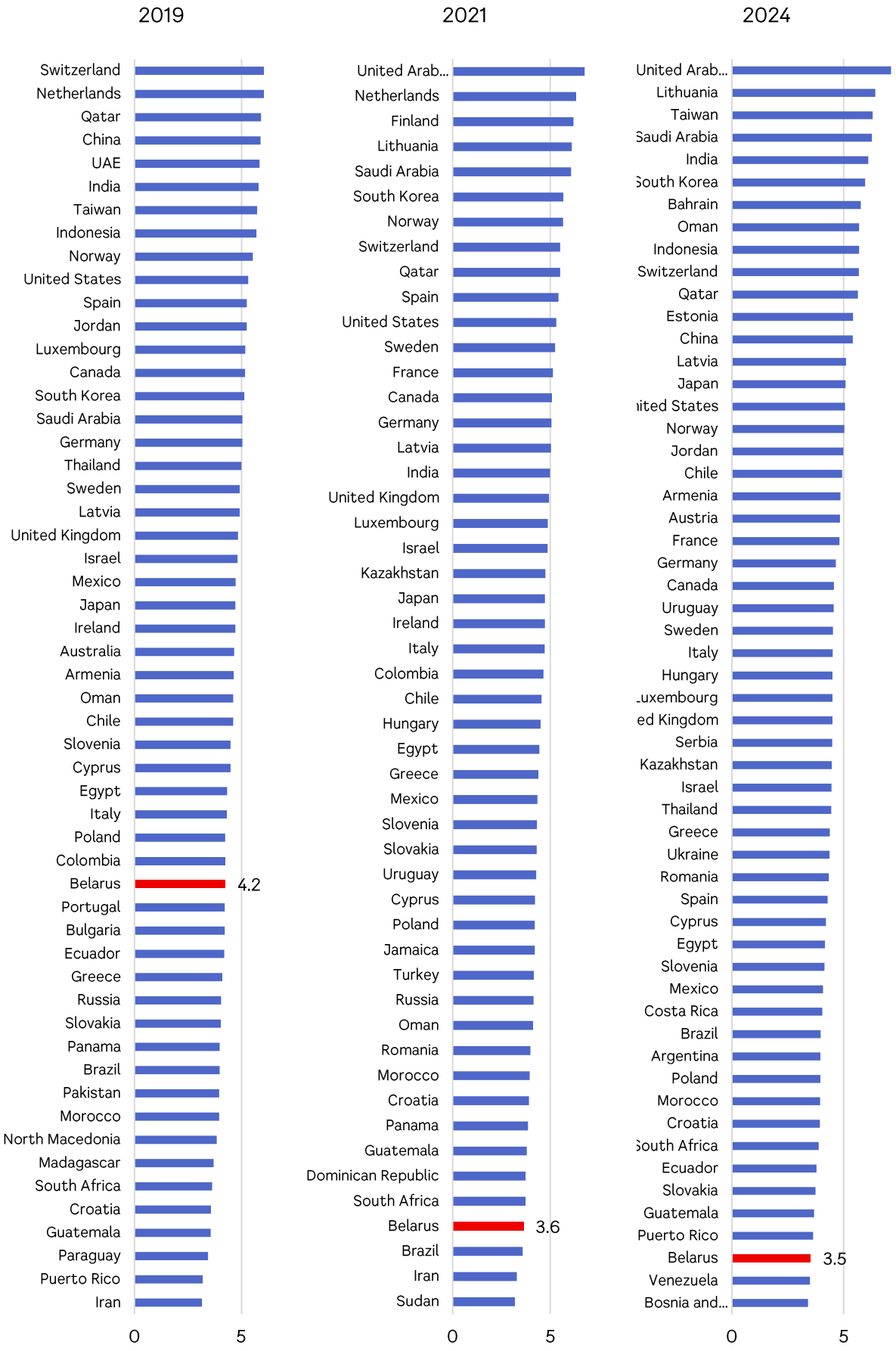
Source: GEM-Belarus 2024.

3.4. NATIONAL ENTREPRENEURSHIP CONTEXT INDEX (NECI)

Since 2018, the GEM study has calculated the National Entrepreneurship Context Index (NECI). This index is based on assessments of 13 key framework conditions for entrepreneurship (EFCs), combining them into a single aggregated indicator. The use of the NECI allows not only to track the dynamics of changes in the entrepreneurial environment within a country, but also to compare it with other economies.

The NECI results are presented as a global ranking, ordering countries from the highest to the lowest scores. In 2024, the United Arab Emirates, Lithuania, and Taiwan topped the ranking. Bosnia and Herzegovina, Venezuela, and Belarus were at the bottom of the list (Figure 38).

Figure 38. National Entrepreneurship Context Index (NECI) by year



Source: GEM-Belarus, 2019, 2021, 2024.

Belarus continues to lose ground in the NECI Index, indicating a relative deterioration in business conditions. In 2019, the country ranked 36th out of 54 countries with a value of 4.2, on par with Poland, Colombia, and Slovakia. In 2021, the index fell to 3.6, causing Belarus to drop to 47th place out of 50. By 2024, the index had fallen even further to 3.5, and Belarus had dropped to 54th place out of 56 countries in the group of countries with the most unfavorable conditions for business, such as Venezuela, Sudan, and Iran. As a result, Belarus has the lowest score among the GEM study's middle-income countries. This decline is due not so much to the socio-political situation as to a general decline in the quality of formal and informal institutions.

Belarus has significant gaps in key conditions for entrepreneurship compared to neighboring countries. However, **strengths such as developed physical infrastructure create growth potential, provided that reforms are implemented to improve the business environment,** simplify bureaucratic procedures, increase access to finance, and develop educational initiatives.

CONCLUSION

The formation of a strong private sector is critical not only for economic growth but also for ensuring long-term sovereignty and progress toward democratic transformation. A self-sufficient private sector is the foundation of economic independence, ensuring market diversification and reducing dependence on state monopolies and external political and economic pressure. Creating conditions for the development of and investment in innovative and globally oriented private companies is a widely recognized path to socio-economic prosperity.

Entrepreneurship cultivates qualities such as autonomy, self-organization, and responsibility, which are directly linked to democratic transformation. In modern Belarus, for many citizens, their own business is a space for "internal emigration" — a sphere of independent self-realization where interaction with the authorities and the public sector is minimized. Supporting this sector means supporting the most independent, proactive, and creative part of society.

The results of the latest GEM wave conducted in Belarus in 2024 revealed a paradoxical stability of entrepreneurial potential in Belarus. Despite the degradation of the institutional environment, activity in the private sector not only remains stable but also shows growth in key indicators.

The level of TEA and the share of potential entrepreneurs are increasing. This highlights the high adaptability and self-sufficiency of the Belarusian business community. Increased fear of failure, although reflecting real political uncertainty, has not become a decisive deterrent to launching new projects.

There has been a qualitative transformation in motivation: the share of entrepreneurs starting a business out of necessity (to secure income) is significantly decreasing, while the share of those who seek to "make a difference in the world" is growing. This trend signals a shift from entrepreneurship as a means of survival to a tool for social influence and self-realization.

Society continues to have a strong positive attitude toward entrepreneurship. Most citizens associate business with independence, high status, and freedom.

Therefore, the main conclusion is that there is a growing contradiction between the high public aspiration for entrepreneurship and the unfavorable external environment. This contrast presents the country with a choice: either the private sector will become the engine of economic and social development, or its unique potential will be lost forever. Realizing this potential requires targeted action by all stakeholders.

I. Internal stakeholders (entrepreneurs and business associations). The main task of internal stakeholders is to preserve human capital and create a self-regulating, horizontal environment:

1. Creating and supporting informal and professional associations (both within the country and in the diaspora) for mentoring, experience sharing, and mutual support.
2. Actively promoting success stories, especially in non-technological sectors, to reduce risk perception and strengthen the positive image of entrepreneurs.

3. Stimulating the development of women's and youth entrepreneurship as a key reserve for reproducing potential, given that family values already shape positive attitudes towards business.

II. External stakeholders (international organizations, governments, diaspora). External stakeholders should focus on targeted support for private companies, preservation of human capital, and mobility:

1. Ensuring simplified access to loan and non-repayable financing (grants, preferential loans) for relocated businesses and entrepreneurs aiming to move to EU countries.
2. Developing mentoring and training programs focused on Western markets, corporate governance, and ESG (Environmental, Social, Governance) standards.
3. Support transnational business education for Belarusian entrepreneurs and the diaspora through international MBA programs.
4. Support mobility programs that allow entrepreneurs to maintain professional connections and capital.

III. State/institutional structures. It is critical for institutional structures to ensure predictability, reduce risks, and create a favorable regulatory climate:

1. Debureaucratization, elimination of excessive regulatory barriers, and ensuring the stability of tax legislation.
2. Guaranteeing the inviolability of private property, including the assets of foreign investors, and ending politically motivated pressure on business.
3. Publicly recognizing the private sector as a key source of innovation, employment, and economic stability, which is a necessary condition for restoring trust.

The unique potential of Belarusian entrepreneurship, backed by public demand for freedom and self-realization, remains untapped. Failure to take steps to create a predictable and favorable institutional environment will turn this potential into a "missed opportunity" (BEROC, 2024). Active support for horizontal ties and investment in human capital will preserve the entrepreneurial culture and lay a solid socio-economic foundation for the country's sovereign and democratic future.

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APPENDIX 1. GLOSSARY

Adult Population Survey (APS)	The Adult Population Survey (APS) is a comprehensive questionnaire completed by at least 2,000 adults in each country participating in the GEM study and is designed to collect detailed information about entrepreneurial activity, attitudes/perceptions, and aspirations of respondents.
National Expert Survey (NES)	The National Expert Survey (NES) involves selected experts from each GEM country and gathers opinions on the context in which entrepreneurship takes place in a given country. It provides information on aspects of a country's socio-economic characteristics — the so-called Entrepreneurship Framework Conditions (EFCs) — which, according to research, have a significant impact on national entrepreneurship.
Total Early-Stage Entrepreneurial Activity (TEA) Index	The percentage of adults (aged 18–64) who start or manage a new business.
Established Business Ownership (EBO) Index	Percentage of adults (aged 18–64) who are currently owners-managers of established businesses, i.e., who own and manage a business that has paid wages or made other payments to its owners for more than 42 months.
Intrapreneurship (Entrepreneurial Employee Activity — EEA)	The degree to which employees are involved — within the scope of their job responsibilities — in entrepreneurial activities such as developing or launching new products or services, or creating a new business unit, enterprise, or subsidiary.
Entrepreneurial Framework Conditions (EFCs)	Conditions identified in the GEM study as conducive (or hindering) to the creation of new businesses in a given economy, which serve as a starting point for the National Expert Survey (NES). These conditions are as follows: A1. Entrepreneurial Finance: there are sufficient funds for new startups A2. Ease of Access to Entrepreneurial Finance: and those funds are easy to access B1. Government Policy — Support and Relevance: policies promote and support startups B2. Government Policy — Taxes and Bureaucracy: new businesses are not over-burdened C. Government Entrepreneurial Programmes: quality support programmes are widely available D1. Entrepreneurial Education at School: schools introduce entrepreneurial ideas D2. Entrepreneurial Education Post-School: colleges offer courses in how to start a business E. Research and Development Transfers: research is easily transferred into new businesses F. Commercial and Professional infrastructure: quality services are available and affordable G1. Ease of Entry — Market Dynamics: markets are free, open, and growing

	G2. Ease of Entry — Burdens and Regulations: regulations encourage, not restrict entry H. Physical Infrastructure: good-quality, available, and affordable I. Social and Cultural Norms: encourage and celebrate entrepreneurship
National Entrepreneurial Context Index (NECI)	The National Entrepreneurial Context Index (NECI) summarizes and presents in a single indicator the average state of 13 national framework conditions for entrepreneurship selected by GEM researchers as the most important factors determining a favorable environment for entrepreneurship. It is calculated as a simple average of 13 variables representing the framework conditions for entrepreneurship, which were measured using blocks of questions rated on an 11-point Likert scale and summed using factor analysis (principal component method).
National team of experts	GEM is a consortium of "national teams." Each team is led by a local university or other institution with a strong interest in entrepreneurship. The team is the official national representative of the project: it is responsible for collecting GEM survey data in the country on an annual basis, preparing the "National Report," and acting as a contact point for inquiries related to the GEM survey.

Source: GEM Global Report 2024–2025

APPENDIX 2. DESCRIPTION OF METHODOLOGY

ADULT POPULATION SURVEY (APS)	
Statistical population	Urban working-age population aged 18–64
General population	5,862,866 individuals
Sample	2,000 individuals
Confidence level	95%
Margin of error	± 2.19%
Variance	P=Q=50%
Data collection	July–August 2024
Methodology	Online (CAWI)

Sample description

Sample	Gender		Age				
	Men	Women	18–24	25	35	45–54	55–64
2,000	961	1,039	224	403	511	431	431

The data set collected by a team of Belarusian researchers in preparation for the publication of the GEM-Belarus 2024–2025 report is the property of the Global Entrepreneurship Monitor (GEM) Consortium. For more details, see: http://www.gemconsortium.org/.

APPENDIX 3. GEM STUDY: BELARUS INDICATORS

Attitudes and perceptions

	% Adults	Rank/51*
Know someone who has started a new business	–	–
Good opportunities to start a business in my area	46.9	36
It is easy to start a business	48.1	21
Personally have the skills and knowledge	52.1	37
Fear of failure (opportunity)	48.2	18
Entrepreneurial intentions**	32.4	14

Entrepreneurship impact

	% Adults	Rank/51
Job expectations (expecting to employ six or more people in five years' time)	4.9	10=
	% TEA	**Rank/51**
International (25%+ revenue)	23.7	9=
Always consider social impact	61.5	45
Always consider environmental impact	69.7	36
Prioritise social and/or environmental impact above profit or growth	42.8	45
Industry (% TEA in business services)	18.8	29

Motivational

(somewhat or strongly agree)

	% TEA	Rank/51
To make a difference in the world	36.1	38
To build great wealth or very high income	76.4	10
To continue a family tradition	20.8	43
To earn a living because jobs are scarce	53.3	39

Activity

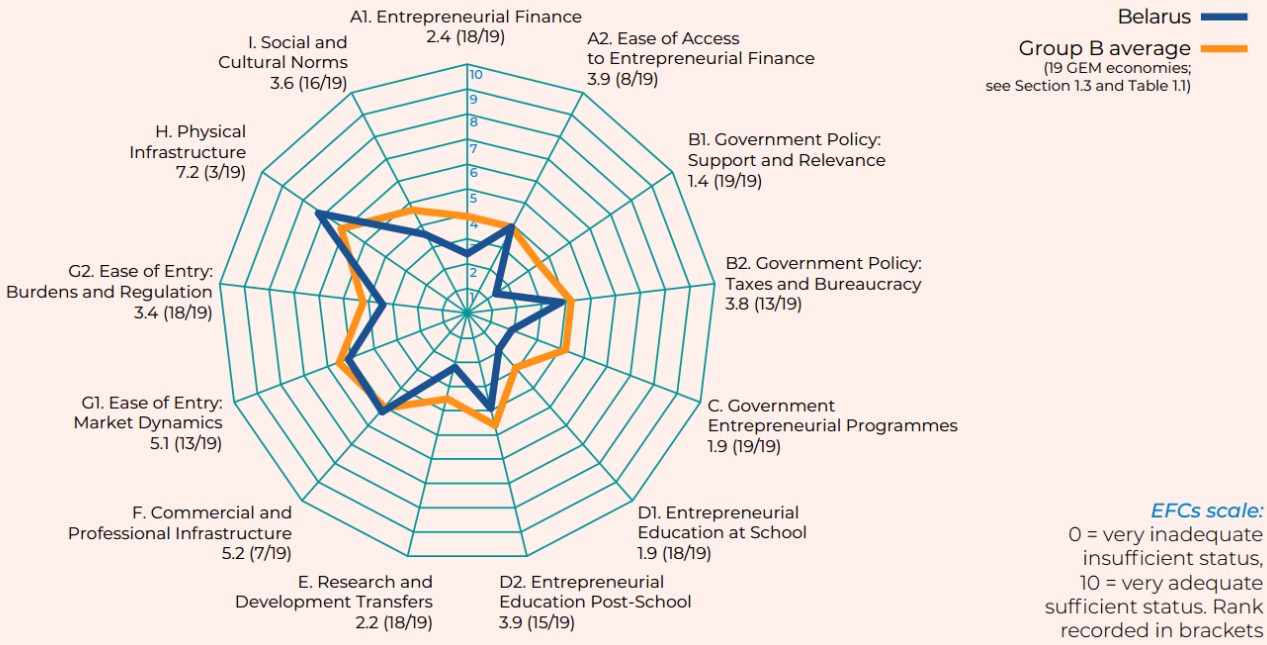
	% Adults	Rank/51	% Female	% Male
TEA (Total early-stage Entrepreneurial Activity)	16.6	14	16.1	17.1

Recent changes

	% Adults	Rank/51
Household income has decreased in the current year***	32.4	23
	% TEA	**Rank/51**
Starting a business is more difficult than a year ago	37.5	37
Use more digital technology to sell products or services	44.2	38

An equals sign (=) indicates that the ranking position is tied with another economy or economies.
** Belarus' "Know someone who has started a new business" rate missing; ranking for this rate is out of 50.*
*** Entrepreneurial intentions of those who are not currently involved in business activity.*
**** Either somewhat decrease or strongly decrease.*

EXPERT RATINGS OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS



EFCs scale:
0 = very inadequate insufficient status, 10 = very adequate sufficient status. Rank recorded in brackets

Source: GEM Global Report 2024–2025

ALL DATA USED IN THE PREPARATION OF THIS REPORT WAS COLLECTED BY THE GLOBAL ENTREPRENEURSHIP MONITOR (GEM) CONSORTIUM.

THE AUTHORS ARE RESPONSIBLE FOR THE ANALYSIS AND INTERPRETATION OF THE DATA.