

Entrepreneurship In Spain: An Analysis Based on GEI Model

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ARTICLE INFO	ABSTRACT
<p><i>Article History:</i> Received: 15 Apr 2022 Revised: 23 May 2022 Accepted: 28 June 2022 Available Online: 04 July 2022</p> <hr/> <p><i>Keywords:</i> Entrepreneurship, Spain. Ecosystem.</p> <hr/> <p><i>JEL Classification:</i> M1</p>	<p>The aim of this paper is to analyze the entrepreneurial ecosystem in Spain, using the global entrepreneurship index (GEI) developed by (Szerb et al., 2019) and find the strengths and weaknesses in the entrepreneurial structure of Spain based on fourteen Pillars of Global Entrepreneurship Index. In this paper, first, the existing literature on entrepreneurship in Spain is reviewed, followed by a review of the Entrepreneurial Ecosystem concept. After that, the level of entrepreneurship in Spain is analyzed with the help of indicators such as Self-employment and Total Entrepreneurial Activity (TEA). To analyze both individual and institutional indicators, the Global Entrepreneurship Index has been utilized. The Entrepreneurial Ecosystem (EE) in Spain is compared with France and Germany, it is found that Spain is lagging in 12 pillars of Entrepreneurial Ecosystem sub-indices in contrast with these countries. Then based on Penalty for Bottleneck methodology, policy suggestions have been made for Spain. This study suggested Spain to exert 3% more efforts in opportunity perception, increase efforts by 18% to improve cultural support and 13% efforts to enhance product innovation.</p>

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Introduction

Background of the study:

Spain is a developed country situated in Southwestern Europe. It is considered a high-income country and it is included in highly populated European countries with a population of 47.1 million in 2019. The per capita income of Spain is \$27057 (World Bank, 2020). Spain is a member of EU (European Union), "International Bank for Reconstruction and Development — the World Bank", IDA (International Development Association), MIGA (the Multilateral Investment Guarantee Agency), IFC (International Finance Corporation), and ICSID (the International Centre for Settlement of Investment Disputes). Spain is one of those countries which suffered a lot during the financial crisis from 2008 to 2014 but still it maintained its position in the list of developed countries with a lower rate of entrepreneurship. Self-employment and SMEs account for 74% of the Spanish economy but these are not equally situated in all regions of Spain. In some of the

regions of Spain, entrepreneurial activity is stronger, due to specific factors i.e, regional policies and historical environment (e.g., Catalonia, Madrid, Valencia) while other regions demonstrate medium entrepreneurial activity (e.g., Asturias, Cantabria, and Galicia) and low entrepreneurial activity (Andalusia, the two Castile regions, Extremadura, and Murcia). This decentralized structure of Spain affects the internal arrangement of the EE (García-Tabuenca et al., 2011; Saeed & Badar, 2021). There is a lack of public initiatives to solve problems of rural Spanish entrepreneurship, particularly in depopulated areas (López et al., 2019). Spain lacks the global-level policies focused on the stimulation of entrepreneurial activity, as well as the elimination of barriers by offering grants and administrative process simplification (Luis-Rico et al., 2020).

During the consolidation of Spain's EE, structural weaknesses can be overcome through greater maturity (Peña-Legazkue et al., 2019). In the last couple of years, Spanish policies have paid attention towards encouraging entrepreneurship i.e., national policies have promoted entrepreneurship among school-going children and youth with schemes such as "Entrepreneurship in My School" and "Young European Company" targeting specifically to primary schooling and compulsory secondary schooling (Luis-Rico et al., 2020). The government of Spain announced several ways to provide liquidity support to self-employed and SMEs which includes a moratorium on social security obligation and tax debt, the opportunity to calculate taxes based on estimated current activity level instead of business volume in the year 2019, a deferral option for tax payment, a policy tool to provide guarantees for a public loan up to 13% of GDP.

Literature Review

Entrepreneurship:

Entrepreneurs are broadly considered as catalysts and employment creators for economic development (Acs et al., 2016). Entrepreneurs acknowledge and take an action on opportunities available in the market. Entrepreneurs moved the market towards “equilibrium” Israel Kirzner (1979). According to Schumpeter (1934), an entrepreneur can be characterized as an innovator who executes change in the markets by bringing combinations. Bringing the new combination can be in the form of:

- Introducing new quality and good or quality.
- Introducing a new process of production.
- Launching of new markets.
- Acquisition of new sources of supply of new parts and materials.
- Developing of new firms of any industry.

Entrepreneurships enforce “creative destruction” in the industries and markets, at the same time making new products and business frameworks. Thus “creative destruction” to a great extent is accountable for the dynamism of the “industries” and long-term economic development Schumpeter (1934). Entrepreneurship is the presentation of a newly introduced mix of elements in the economy and the entrepreneur has the role to move the production process upward. According to him, innovation is the central part of development and growth. He argued that entrepreneurship represents the introduction of new combinations of factors in the economy and that the role of the entrepreneur is to shift the production function upwards. Therefore, for Schumpeter, innovation is at the heart of growth and development (Schumpeter, 1934). Country-level entrepreneurship” is

characterized as the dynamic and institutionally ingrained interaction' between aspiration, abilities and attitude of individuals that leads towards the allotment of resources by the way of creating and operating new businesses (Acs et al., 2014; Nemati et al., 2021). The world progressively has looked for procedures to encourage entrepreneurial activities and back entrepreneurial ventures (Auerswald, 2015). Generally, there are three types of entrepreneurships prevailing in different societies, (i)“Productive entrepreneurship” which implies creating and expanding new ventures (ii)“Unproductive entrepreneurship” is linked with those activities which provide rental income. (iii) “Destructive entrepreneurship” refers to trafficking in unlawful products. Although all entrepreneurship types generate financial activities, only productive entrepreneurship leads towards the advancement of institutions and the development of society (Auerswald, 2015).

The Entrepreneurial Ecosystem:

The EE plays an important role in the growth of an economy (Acs et al., 2018). It is a concept used by scholars and policymakers to contextualize the interdependent and complex social structures and institutions that surround entrepreneurial activity (Ács et al., 2017). In general, an ecosystem can be explained as a meaningful cooperating network of effective coordinating "systems and sub-systems" that have a continuously changing group of dependencies in a specific context. Unlike a system, an ecosystem includes both non-living and living constituents. Further, there are outcomes of the ecosystem which are expressed as "ecosystem services" and there is also "ecosystem management" (Ács et al., 2017). An entrepreneurial ecosystem is a set of mutually connected players (both existing and potential), entrepreneurial corporations (for example, business angels, firms, banks, venture capitalists), institutions (public agencies, financial bodies, universities), and entrepreneurial processes (for example, the birth rate of businesses, blockbuster entrepreneurship's levels, numbers of high growth ventures, "number of serial entrepreneurs", the extent of sell-out

mindset within companies and entrepreneurial ambition levels) which informally and formally integrate to associate, mediate and lead the performance within the domestic entrepreneurial environment '(Mason & Brown, 2013).

The entrepreneurial ecosystem is not simply a plethora or characteristic of specific key variables of resources and production that frame the "economic performance", it is additionally how that financial activity is shaped or organized in geographical scope. The entrepreneurial ecosystem leads to two outcomes, first the allocation of resources in profitable uses, second the high growth and innovative start-ups. The process of handling and increasing the advantages of the ecosystem is called "ecosystem management" which can be achieved through public-private partnerships, universities, banks, aid agencies, governments, and foundations (Ács et al., 2019).

Every model of EE (i.e., Stam's model, Isenberg's model) contains the regulatory, market, cultural, networking, infrastructural, strategy, monetary, and personnel capital angels (Alvedalen & Boschma, 2017; Jamal et al., 2021). These elements frame different setups that are distinct to each country or region, calling for vigilantly tailored entrepreneurial strategy instead of straightforwardly increasing activities related to entrepreneurship (Szerb & Trumbull, 2018; Ács et al., 2017).

Data And Methodology:

Acs & Szerb (2009) introduced the GEI (Global Entrepreneurship Index). It is considered one of the most famous and comprehensive measures of entrepreneurship. It has been developed to measure the entrepreneurial ecosystem on a country level. GEI has superiority over other measures of an entrepreneurial ecosystem because of four main reasons, firstly GEI is a proper tool that incorporates the quality feature of entrepreneurship instead of relying on a quantity-oriented approach. Secondly, GEI also examines institutional elements along with individual aspects of

entrepreneurship and several entrepreneurship variables which interact to make EE (entrepreneurial ecosystem). Thirdly, the 14 pillars of GEI are not addressed as individual variables rather as an integrated set of entrepreneurship elements. Lastly, GEI furnishes the point of view about entrepreneurship policy through normalizing/equalizing the equal marginal effect for the 14 pillar's average values, it focuses on the bottleneck or weakest pillars of the system (Szerb et al., 2018).

The global entrepreneurship Index (GEI) is a multi-layered structure, comprised of three sub-indexes (abilities, aspiration, and attitude). Each of the three indexes consists of four to five "pillars" (altogether into 14 pillars) that integrate both individual and country-level institutional elements which are representative of all environmental features of entrepreneurship (Szerb & Trumbull, 2018; Acs et al., 2018; Ayub et al., 2020). The structure of the GEI is presented below in table no 1. These pillars are the primary building blocks of the three sub-indices and the value of each sub-index is measured as the average of its PFB (the penalty for bottleneck) adjusted pillars for each sub-index which is multiplied by a hundred. The remarkable index, GEI is simply the average of the three sub-indices (Szerb et al., 2016). Whereas the previous measures mostly considered individual elements, GEI integrates individual data with context-specific institutional elements which provide us a precise presentation of the ecosystem by incorporating both individual and institutional factors (Szerb & Trumbull, 2018).

Table no. 1

Table 1. The GEI Structure of the entrepreneurial ecosystem of a given economy

Global Entrepreneurship Index	Sub-indexes	Pillars	Variables (ind. / inst.)
	Attitudes Sub-index	Opportunity Perception	
Startup Skills			Skill Perception Education
Risk Acceptance			Risk Perception Country Risk
Networking			Know Entrepreneur Agglomeration
Cultural Support			Carrier Status Corruption
Abilities Sub-index	Opportunity Startup		Opportunity Motivation Governance
	Technology Absorption		Technology Level Technology Absorption
	Human Capital		Educational Level Labor Market
	Competition		Competitors Competitiveness
Aspiration Sub-index	Product Innovation		New Product Techtransfer
	Process Innovation		New Technology Science
	High Growth		Gazelle Finance and Strategy
	Internationalization		Export Economic Complexity
	Risk Capital		Informal Investment Depth of Capital Market

Source: Ács et al., (2013, p. 217).

GEI has certain specifications (i) GEI is a multidimensional phenomenon that needs a complex assessment. (ii) instead of using a quantitative approach, an appropriate measure to evaluate quality perspective ought to be used. (iii) both aspects of entrepreneurship individual capabilities/efforts and institutional/environmental have significance. GEI integrates individual information with relevant institutional elements. GEI has some building blocks named as pillars, connected with each other which means that poor performance of one pillar, drags back the performance of all pillars. The GEI model provides a systematic vision of entrepreneurship, where index value is decided by that pillar that has the lowest value instead of the high-value pillars. Poor-performing pillars function as a bottleneck that negatively interferes and interacts with the remaining pillars.

In this manner, the benefits of the pillars that are performing well cannot be completely realized, in the case of unbalance. The estimate of the penalty is dependent on the size of the 'bottleneck'. The bigger the gap between the bottleneck pillar and a specific pillar, the higher the penalty. (Szerb & Trumbull, 2018; Páger et al., 2016; Zaki et al., 2020).

After the measurement of all pillars and analysis of the three sub-indices (attitude, abilities, and aspiration) on individual and institutional elements, finally, GEI proposes the PFB methodology to offer suggested policy directions to the countries which participate. In the PFB (penalty for bottleneck) approach, a bottleneck is referred to as the "worst-performing" pillar in a country's entrepreneurial dynamic, in simple words, it is a poorly performing pillar. The size of the PFB is dependent on the difference among entrepreneurship elements, the bigger the difference among variables of entrepreneurship, the higher the PFB. Therefore, the PFB will be increased by normalizing the scores of all elements of the index. Each element's value is 'penalized' by connecting it to the value of the pillar with the worst performance in every country. This encourages the concept of bottleneck, if the bottleneck pillars are improved, the specific sub-index and consequently GEI index will exhibit a remarkable improvement.

Analysis of Spain's entrepreneurial profile using simple measures:

There are many methods to analyze a country's entrepreneurial profile. Nevertheless, not all these methods are holistic and comprehensive. The following two methods are used to highlight this issue.

Total Entrepreneurship Activity (TEA):

TEA (Total early-stage Entrepreneurial activity) is a single-level measure of entrepreneurship developed by GEM (Global Entrepreneurship Monitor). TEA is explained as the percentage of the population aged from 18 to 64 years that either owns a business (aged not more than three and half

years) or are nascent entrepreneurs. As for Spain, officially, the TEA rate is 4.9%. which means 4.9% of the Spanish population owns a business that is not older than 3.5 years.

Self-employment:

Measurement of the Self-employed people is the measurement of sole proprietors with no other employees (Audretsch and Robinson, 2016). In the Spanish economy, 15.87% of people were Self-employed in the year 2019. We can see in figure no.1. Female representation as an owner (11.7%) is lower than males (19%) in the economy of Spain.

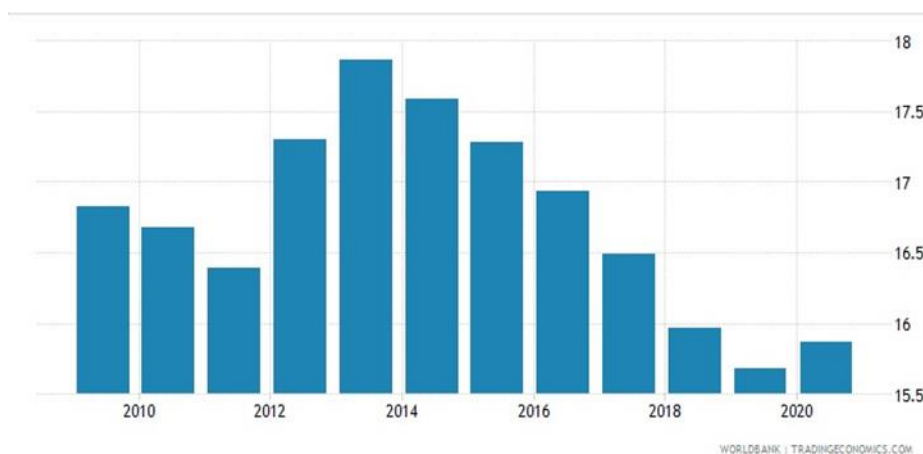


Figure no: 1 Self- Employment

Source: World bank report

Ease of Doing Business:

A high ease of doing business is linked with the high level of "entrepreneurship" (World Bank Report on Ease of Doing Business, 2020). Spain has a good overall ranking i.e., 30th among 190 countries in "Ease of Doing Business" with 77.9 scores and it is ranked at 97th for starting a new business, 79th for dealing with construction permit, 55th for the ease in getting a permanent

electricity connection, 59th to register the commercial real estate/property, 80th for getting credit, 28th for protecting minority investors, 35th for returns filling and taxes payment, 1st for trading across borders, 26th for enforcing contracts and 18th for resolving insolvency. This means that it is easy to keep doing business in Spain, but when it comes to starting a new venture, conditions are not that supportive, this could be the reason for declining the New Business Registration measure. Spain reformed the protection of minority investors through clarification of the ownership and control system (World Bank report, 2020).

Criticism:

Although these indicators are widely used to measure entrepreneurship, there are some limitations in using them. For instance, these "single-level measures" like TEA are suitable only if entrepreneurship is measured as a startup (Szerb & Trumbull, 2018; Hussan, 2020). As a process of transition many new private ventures increased the entrepreneur's supply but in many countries in this transition was measured with TEA rate, lagged compared to similarly developed countries (Szerb & Trumbull, 2018). Self-employment indicator includes the mix of all different kinds of firms which range from very low-quality firms to exceedingly powerful organizations (Songbird & Coad 2014). Both the "TEA (Total Early-phase Entrepreneurship Activity) rate" and Self-employment are adversely correlated per capita gross domestic product which suggest a normally diminishing rate over development' (Szerb & Trumbull, 2018). Ease of doing business (EBD) does not provide information on the actual creation of the firm. EBD restricts its data to just a standardized firm, that is supposed to be a registered company with five to fifty workers in its first operational month and revenue exceeding its start-up capital by 10 times (Acs et al., 2014). But unlike these single-level entrepreneurship measures, GEI (Global Entrepreneurship Index) provides

a process to measure quality-oriented individual and institutional characteristics from the point of view of a system (Szerb & Trumbull, 2018).

Analysis of the Spain Based on GEI (overall GEI score and GEI score overtime, 2015 to 17).

Among 73 countries in the GEI dataset, Spain is ranked the 29th country, with a per capita GDP of 33295 and a 45.8 GEI score. The GEI score of Spain is lower than many EU countries including Germany, which is ranked 13th with a GDP per capita of 44533 and 65.6 GEI score, and France, which is ranked 9th with an average GDP of 38334 and 67.7 GEI score. GEI values comparison of EU countries shows that Spain has performed poorly relative to other member states. As depicted in figure no. 2, the GEI overall score of Spain is below the world's average trend line, taking into consideration countries' GDP.

Analysis of Spain based on sub-indices level and results:

Figure no. 2 also represents the three sub-indices (Attitudes, Abilities, and Aspirations) of GEI. Firstly, we can see that Spain is on the global trend line in the Attitudes sub-index. This means that the Entrepreneurial Attitudes sub-index in Spain is average compared to the other countries in the GEI, taking into consideration their GDP. As for the Abilities sub-index, it is a little below average compared to the other countries in the GEI. Lastly, the Entrepreneurial Aspirations sub-index in Spain is well below the global trendline, which means it is well below average when it comes to some aspects of entrepreneurial aspirations. The reason for these shortcomings will be discussed further in the analysis of individual pillars.

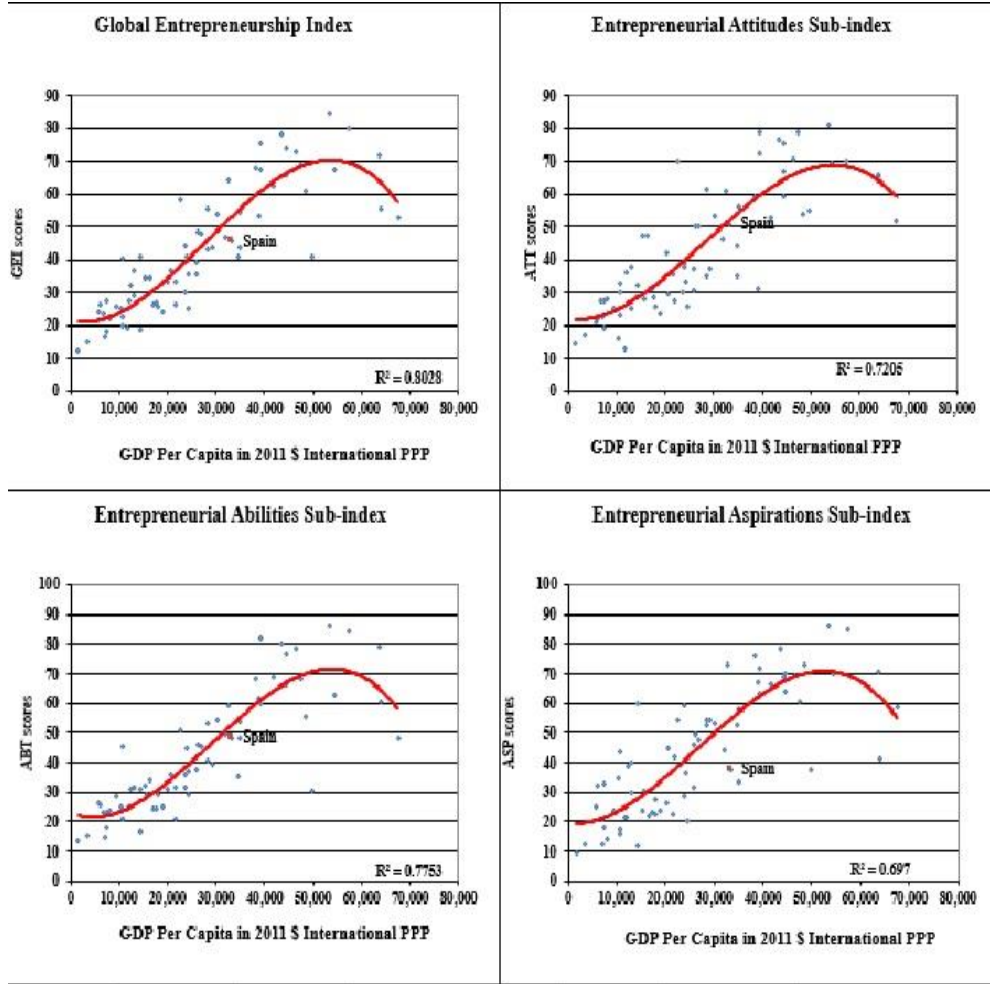


Figure no. 2: sub-indices of GEI

Source: Own elaboration based on GEI data (2015-2017)

Figure no.3 demonstrates the fourteen pillars' data for Spain for 2015 to 2017. It can be observed that two pillars of aspiration namely Internationalization and High Growth are performing poorly, with the values being within the 33% percentile. While four pillars, i.e., Start-up Skills, Risk Acceptance, Networking, and Technology Absorption are performing better, landing Spain in the 67% percentile.

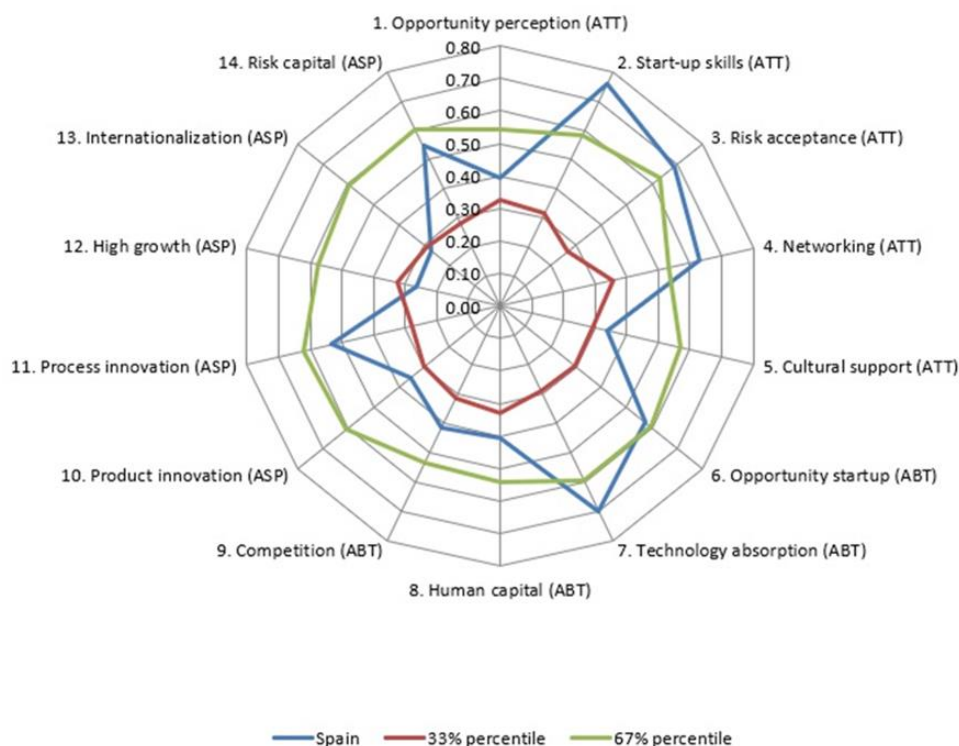


Figure no.3: sub-indices

Source: Own elaboration based on GEI data (2015-2017)

Fourteen Pillars Analysis (country development):

Table no.2 shows the overall entrepreneurial profile of Spain based on individual and institutional factors, three primary sub-indices i.e., Attitudes, Abilities, and Aspirations, containing fourteen pillars with individual and institutional variables. We can see that Spain's performance in general, is better in institutional factors than individual factors with only one institutional component, Labor Market, belonging to the Abilities sub-index is included in worst-performing countries (worst 25%). However, in total, five individual variables in Spain's EE are among the worst-performing countries (worst 25%). Three of these variables belong to the Attitudes sub-index namely Opportunity Recognition, Risk Perception, Career Status, ad two variables belonging to the Aspirations sub-index namely Gazelle and Exports.

Spain is among the best-performing countries (best 25%) in only one individual variable which is Technology level, and the rest in the Attitudes sub-index related institutional components namely Education, Country Risk, Connectivity and Networking, Start-up Skills and one Abilities sub-index related component which is technology absorption.

Comparing this information with the global trend line in figure 2, it is obvious that Spain's excellent performance in the Institutional Variables side of the Attitudes sub-index makes up for its very poor performance in the Individual Variables side of the same sub-index, which helps Spain in being average and on the trendline in this sub-index. The same cannot be said about the other two sub-indices. It is also obvious from table 2 that Spain performs much better on the Institutional Variables level than it does on the Individual Variables level. This perhaps is noteworthy for any policymaker wanting to improve on the EE of Spain.

	PILLARS		INSTITUTIONAL VARIABLES		INDIVIDUAL VARIABLES	
Entrepreneurial Attitudes	Opportunity Perception	0.39	Freedom	0.68	Opportunity Recognition	0.41
	Start-up skills	0.76	Education	0.85	Skill Perception	0.55
	Risk Acceptance	0.69	Country Risk	1.00	Risk Perception	0.46
	Networking	0.63	Connectivity	0.84	Know Entrepreneurs	0.53
	Cultural Support	0.34	Corruption	0.65	Career Status	0.31
	Entrepreneurial Attitudes	50.9				
Entrepreneurial Abilities	Opportunity Startup	0.57	Governance	0.75	Opportunity Motivation	0.56
	Technology Absorption	0.70	Tech Absorption	0.50	Technology Level	0.86
	Human Capital	0.41	Labor Market	0.47	Educational Level	0.69
	Competition	0.41	Competitiveness and Regulation	0.56	Competitors	0.58
	Entrepreneurial Abilities	48.6				
Entrepreneurial Aspirations	Product Innovation	0.35	Technology Transfer	0.65	New Product	0.50
	Process Innovation	0.53	Science	0.67	New Technology	0.59
	High Growth	0.26	Finance and strategy	0.61	Gazelle	0.39
	Internationalization	0.27	Economic complexity	0.72	Export	0.39
	Risk Capital	0.55	Depth of Capital Market	0.84	Informal Investment	0.64
	Entrepreneurial Aspirations	37.8				
	GEI	45.8	Institutional	0.70	Individual	0.53

Table no. 2: Fourteen Pillars Analysis

Color scheme: dark blue: best 25%; light blue: 50-75%; yellow: worst 25-50%; red: worst 25%.

Source: Own elaboration based on GEI data (2015-2017).

Spain's Comparison with other countries (Germany and France):

Figure no.4 compares Spain's EE with two neighboring countries i.e., Germany and France. These countries also belong to Europe and are considered highly populated European countries like Spain. These three countries are members of the European Union which means that these countries have almost the same regional rules to follow and enjoy similar subsidiaries in some areas. Spain is the under-performing country in the region in almost all pillars other than the Start-up Skills. Spanish people have high start-up skills compared to France and Germany. In the rest of all pillars either Germany or France are the leading countries. We can also see that Spain exceeds Germany in Networking. As for the Startup skills pillar, we note from table 2 that the Skill Perception on the individual side is not performing very well compared to other countries in the GEI (lower third quartile). However, Education on the Institutional side performs exceedingly better (first quartile), and this is where Spain excels compared to other countries. This is also apparent in the pillar Networking, where Spain's strength lies in its institutional variable Connectivity, which is also in the first quartile compared to other countries in the GEI.



Figure no. 4: Spain's Comparison with other countries

Source: Own elaboration based on GEI data (2015-2017)

Overall entrepreneurial profile (individual and institutional components):

In figure no. 5, we can see that the EE has had a steady trend throughout the years. There is no betterment in GEI scores compared to the previous years, in the period from 2006-2008 to 2009-2012 it showed a downward trend which means a decrease in entrepreneurship and after that, it is at the point 45 from 2009-2012 to 2012-2014 and then from 2015-2018 which means that no improvement efforts have been made in this regard and it has been left as it is. Policymakers are not focusing on Entrepreneurial activities for the last many years.

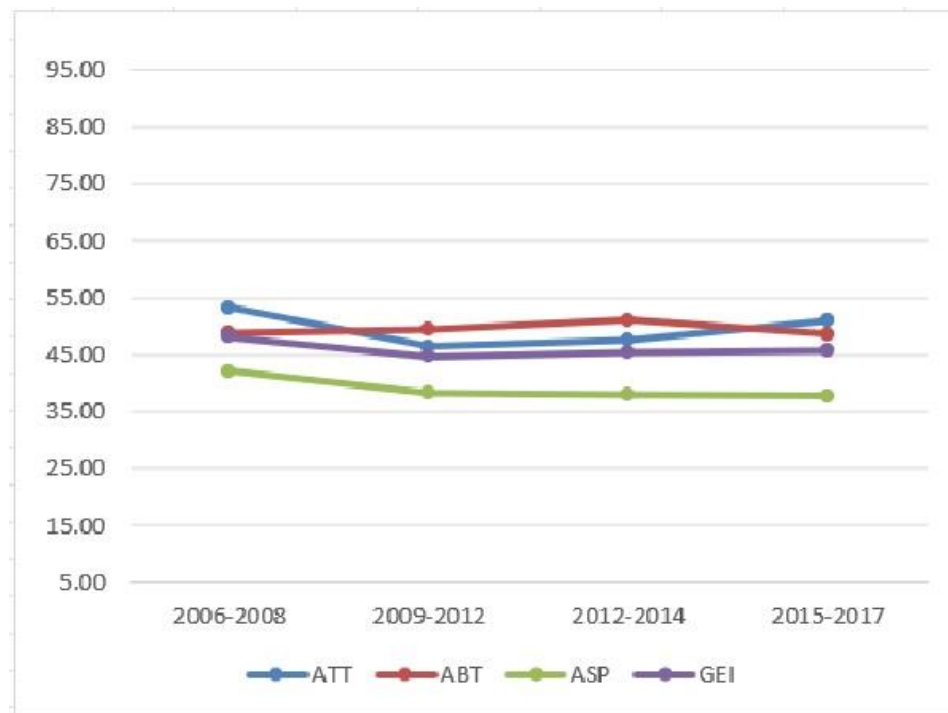


Figure no. 5: entrepreneurial profile

Source: Own elaboration based on GEI data (2015-2017)

Policy Recommendations (for 10% increase in overall score):

Pillar	Required Increase in Pillar	Percentage of total new effort
<i>Opportunity Perception</i>	0.01	3%
<i>Start-up Skills</i>	0.00	0%
<i>Risk Acceptance</i>	0.00	0%
<i>Networking</i>	0.00	0%
<i>Cultural Support</i>	0.07	18%
<i>Opportunity Startup</i>	0.00	0%
<i>Technology Absorption</i>	0.00	0%
<i>Human Capital</i>	0.00	0%
<i>Competition</i>	0.00	0%
<i>Product Innovation</i>	0.05	13%
<i>Process Innovation</i>	0.00	0%
<i>High Growth</i>	0.14	35%
<i>Internationalisation</i>	0.13	33%
<i>Risk Capital</i>	0.00	0%
Total effort	0.40	100%

Table no. 3: Overall entrepreneurial profile

Source: Own elaboration based on GEI data (2015-2017)

Szerb et al. (2016) stated that the focus of the policymakers should be the development of an absolute policy for addressing the entrepreneurial ecosystem (EE). The idea of the Bottleneck rises directly from the concept that all components work together and interreact to co-produce the output. Because pillars are unable to substitute one another poorly performing pillars will turn into a Bottleneck and will create trouble for ecosystem working at full capacity. That is why the GEI approach applies penalties on worst-performing components. Numerous policymakers around the globe explicitly seek policies aimed at increasing the number and amount of entrepreneurship (Acs et al., 2016).

Table no. 3 shows the policy optimization table. Opportunity Perception which is the poor performing component in the case of Spain should have 3% of the total improvement effort. This pillar analyzes the "Opportunity Perception" of a country's population by considering the regulatory issues and rights of property that can create a hindrance in the utilization of identified entrepreneurial opportunities. It includes Opportunity Recognition financial freedom and rights over the property.

This pillar "Cultural Support" needs 18% of the total policy effort. Cultural Support merges three elements, the point of view of a country's residents about entrepreneurship in terms of a choice of career and status, and the effect of the extent of corruption on this point of view. This needs policy focus to enhance the EE. Internationalization is also a low performer. It needs a 33% focus of the effort. And High Growth, with 35% of the total new effort, is the pillar that needs the most focus by policymakers to enhance the ecosystem. High Growth is the percentage of highly growing businesses that have an intention to hire at least ten workers and expect to grow double in the coming five years with business strategy factor and start-up capital. Product innovation also needs a 13% focus of the intervention effort. Product/service innovation is the ability of a country to introduce completely new products instead of imitating already available products/services. It has two components, technological transfer, and new product which should be the focus.

The Spanish policymakers need to put efforts to improve their cultural support context and make it more supportive and entrepreneurship oriented. Moreover, either there are a very small number of entrepreneurship opportunities, or the opportunities are not visible to the Spanish individuals due to which they do not identify any entrepreneurial opportunities. The general size of firms in Spain is small due to which scores of High Growth and Internationalization are very low. To overcome the penalties of these Bottlenecks, there is a need to provide training to people and

particularly to university students about the identification of opportunities, innovation Entrepreneurial culture to the potential entrepreneurs. Further training should be arranged for owners of small businesses about the extension and markets penetrations so that "High Growth" and "Internationalization" can be attained.

Conclusions and Policy Implementations

Entrepreneurship has a significant role in regional and national economic development. It is important to increase work opportunities, promote technical innovations and enhance economic growth (Liñán and Fernandez-Serrano, 2014). An entrepreneurial ecosystem is made up of both individual-level and institutions level factors. So, for the measurement of entrepreneurship in the selected country, Spain, the GEI is used. According to the GEI analysis, it is found that Spain is strong in three Attitude sub-index pillars which are Start-up Skills, Risk Acceptance, and Networking, and one Abilities sub-index pillar which is Technology Absorption, and one Aspirations sub-index pillar which is Process Innovation.

In remaining all factors Spain has performed poorly, particularly in Cultural Support. Culture in Spain does not support entrepreneurship. As per the findings of Liñán and Fernandez-Serrano (2014) Entrepreneurship and cultural norms are adequately graphic of a country's economy to permit the identification of its development and income level. So, Spain's Policymakers need to pay attention to culture betterment to increase entrepreneurship and economic growth. the innovation level of Spain is very low too, creating a culture of innovation and entrepreneurship is largely dependent on the improvement of the general competencies of the students Edwards-Schachter et al., (2015). Fourteen Pillars analysis highlighted areas that fall below 25%, it can be stated that Bottleneck analysis includes one institutional level factor which is Labor Market, and five individual-level factors including Opportunity Recognition, Risk Perception, and Career

Status, Gezelle, and export. So, Policymakers should highlight this area. Spanish policymakers need to put efforts to increase entrepreneurship to increase economic growth. The GEI system has provided valuable insight to policymakers in the case of Spain.

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