

# Why are entrepreneurship levels so low in Japan?

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## Abstract

This paper explores the characteristics of individuals involved in entrepreneurial activities. Using data provided by Global Entrepreneurship Monitor (GEM), we examine what factors influence individuals to engage in business start-up and to invest in a new business. It is found that personal attributes and entrepreneurial attitudes are associated with business start-up and new business investment. In addition, the results reveal that entrepreneurship levels are lower in Japan. However, we provide evidence that those who have higher knowledge, skill, and experience required to start a new business, and those who have lower levels of fear of failure are more likely to engage in business start-up in Japan compared to other countries. Furthermore, those who know other entrepreneurs are more likely to invest in a new business in Japan compared to other countries.

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