

# Bayt.com Entrepreneurship in the MENA Survey

November 2015



Section 1

# RESEARCH OBJECTIVE

## Objective

- This research was conducted to gain insights into the current level of understanding and interest in entrepreneurship within the region. The key information areas covered in this research were to understand:
  - Current work preferences and reasons for being self employed vs. employed
  - Current level of entrepreneurship in the region
  - The perceived barriers to starting a business
  - The ease of setting up own business in current country of residence
  - Perception of entrepreneurs in the region

Section 2

# RESEARCH METHODOLOGY

# Sample Definition

## **Age and Gender:**

Males and females

Aged 18 plus years

## **Nationalities:**

GCC Arabs, North Africans, Levant, Western Expats & Asians

## **Country of Residence**

GCC: UAE, KSA, Kuwait, Oman, Qatar, Bahrain

Levant: Lebanon, Syria, Jordan

North Africa: Egypt, Morocco, Algeria, Tunisia

## **Data Collection**

All data were collected online. Fieldwork was done between 27<sup>th</sup> September to 4<sup>th</sup> October, 2015. The total number of respondents achieved was 8,164.

Section 3

# RESEARCH FINDINGS

Section 3a

# WORK STYLE PREFERENCES

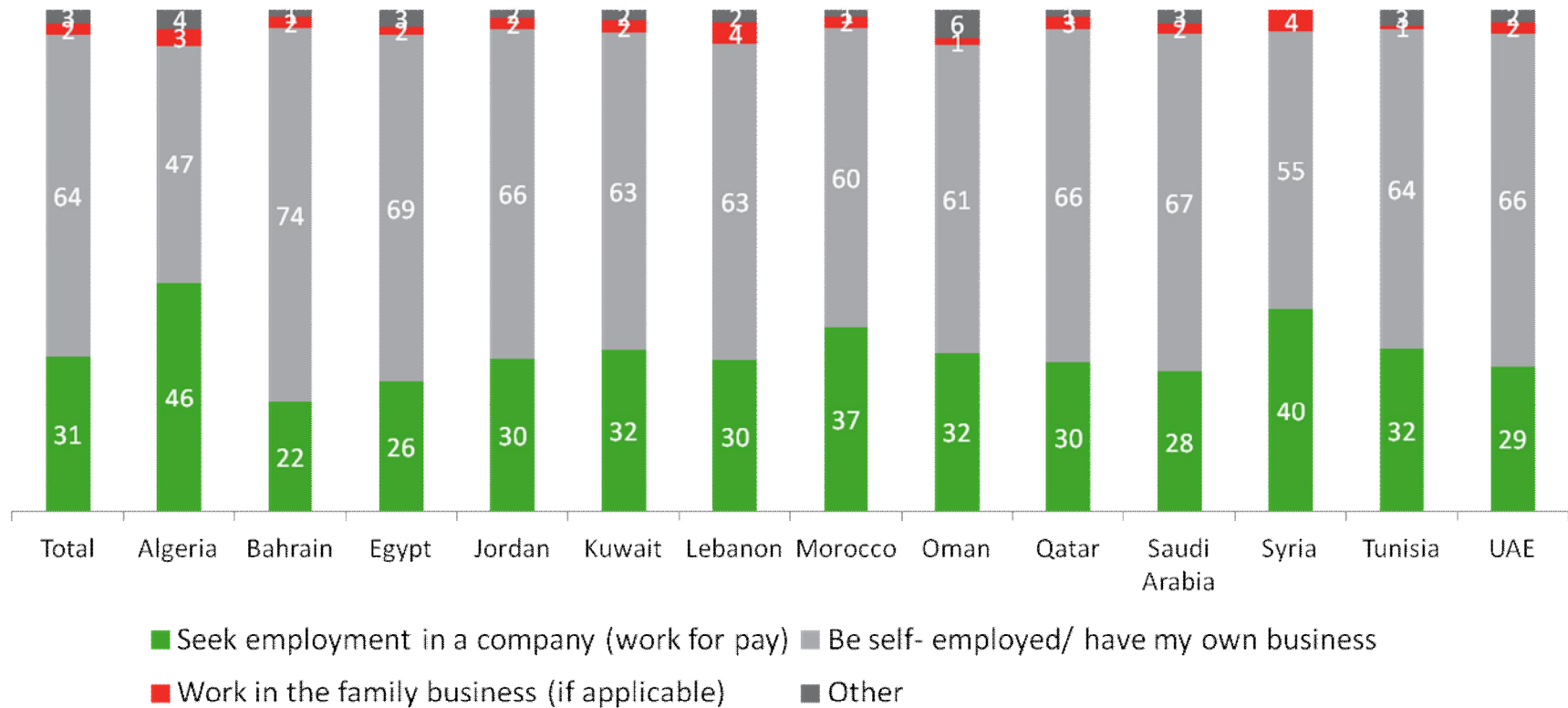
## Summary

- Given a choice, 64% of respondents would prefer to be 'self-employed'. Respondents from Algeria are evenly split with 46% preferring employment and 47% preferring to be self-employed.
- Of those who prefer to 'seek employment', 57% say they would prefer to be employed in a private sector company. Respondents in Algeria (64%), Morocco (52%), Qatar (52%) and Tunisia (57%) would somewhat prefer to work in the public sector.
- The key reasons for preferring to seek employment is the guarantee of regular income (34%), stability of employment (32%), and learning new skills (31%).
- On the other hand, personal fulfillment (54%) is the top reason for preferring self-employment.



## Work style preference

Q. Given the choice, what would you like to do? Please select one option from below.



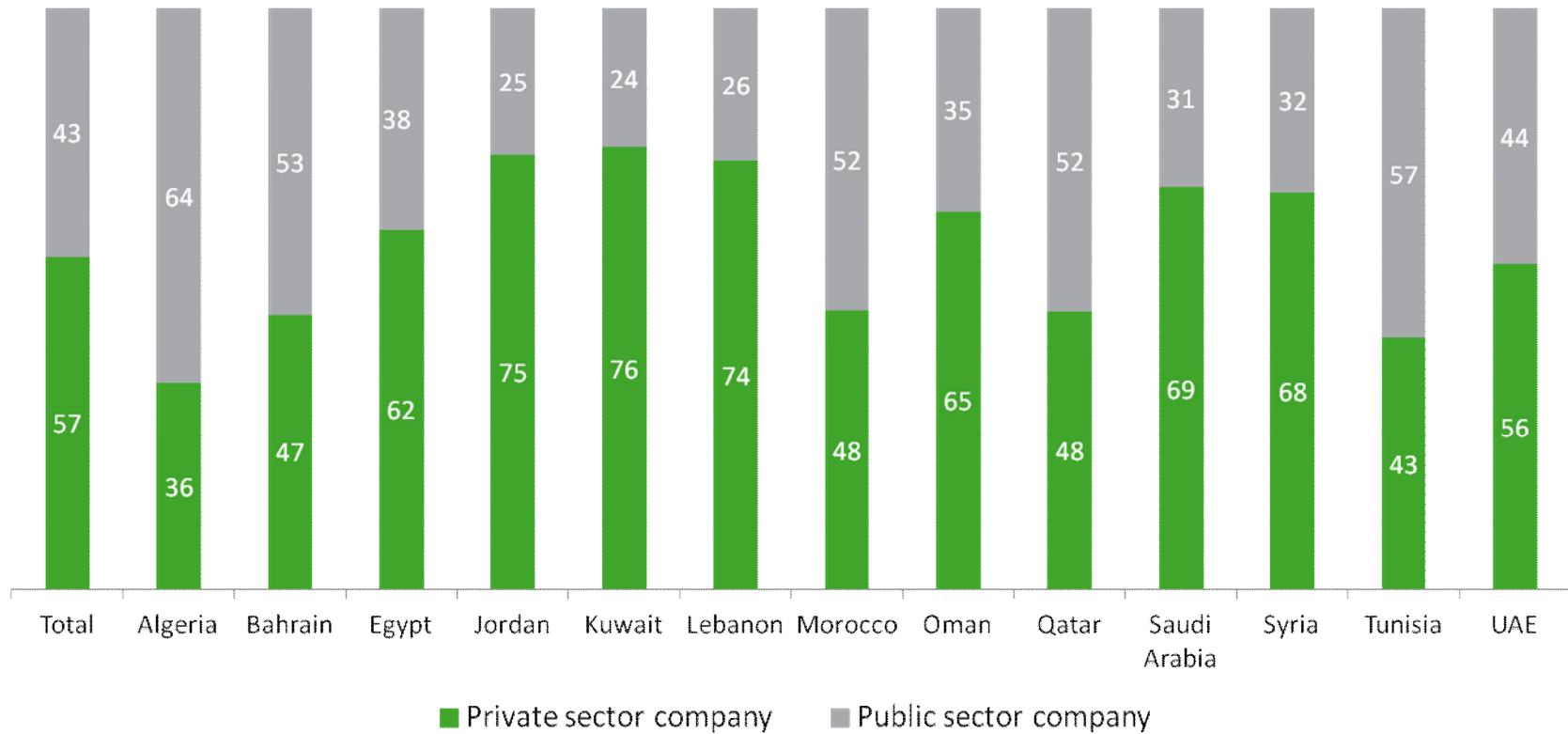
Base: Total (8,164)

All figures are %'s

Small bases for Bahrain (86 respondents) and Syria (47 respondents)

# Choice of sector

Q. Would you prefer to work for a .....



Base: Those who say they would prefer to 'seek employment in a company (work for pay)' (2,523)

All figures are %'s

Small base for Kuwait (80), Lebanon (73), Qatar (71), very small base for Bahrain (19), Oman (46), Syria (19)

## Reasons for preferring to 'seek employment in a company'

Q. Why do you say that you would prefer to 'seek employment in a company (work for pay)'?



Base: Those who say they would prefer to 'seek employment in a company (work for pay)' (2,523)

All figures are %'s

## Reasons for preferring to 'seek employment in a company' By country (1/2)

**Q. Why do you say that you would prefer to 'seek employment in a company (work for pay)'**

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
<b>Base:</b>	2,523	416	19	548	160	80	73	214	46	71	437	19	99	341
Regular income	34	33	26	36	36	43	23	25	20	25	32	47	31	41
Stability of employment	32	43	5	28	21	29	34	37	22	30	29	32	49	29
Learning new skills/ techniques	31	37	37	31	28	35	41	30	33	24	29	32	29	30
Lack of finances to start own business	27	22	21	28	34	24	16	24	28	31	30	32	27	27
Benefits and perks (social security, medical insurance, etc.)	25	33	26	24	28	24	18	25	17	18	24	21	30	22
Fixed working hours	20	20	32	19	15	28	22	15	15	23	21	11	23	20
Security of employee status	17	20	21	15	13	16	18	17	11	18	16	16	8	21
Unfavorable economic conditions (in relation to starting/ running a business)	14	11	21	21	19	18	12	13	9	10	13	21	13	11
Enjoy an office environment (camaraderie, water cooler talk, etc.)	12	14	16	10	16	15	7	10	9	10	11	32	22	11
Little risk involved	11	8	11	14	14	14	4	6	9	7	11	11	8	13

Base: Those who say they would prefer to 'seek employment in a company (work for pay)' (2,523)

All figures are %'s  
Small base for Kuwait (80), Lebanon (73), Qatar (71), very small base for Bahrain (19), Oman (46), Syria (19)

## Reasons for preferring to 'seek employment in a company' – By country (2/2)

**Q. Why do you say that you would prefer to 'seek employment in a company (work for pay)'?**

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
<b>Base:</b>	2,523	416	19	548	160	80	73	214	46	71	437	19	99	341
Current political system/ government makes starting own business difficult	9	11	5	13	7	6	11	3	9	4	8	11	8	5
Consistent resources/ flow of work	8	8	5	6	6	10	7	6	7	6	10	21	6	12
Lack of an appropriate business idea	8	10	21	9	8	14	7	5	7	8	7	-	8	8
No investment required	8	6	21	6	6	13	1	3	11	17	7	5	9	15
Lack of necessary skills to be self-employed	7	10	5	6	9	5	7	4	7	8	8	5	8	7
Lack the confidence for running own business	7	6	11	8	8	6	5	5	4	7	7	5	9	9
Severity of the self- employment decision	4	5	5	5	3	4	1	6	4	3	4	-	3	5

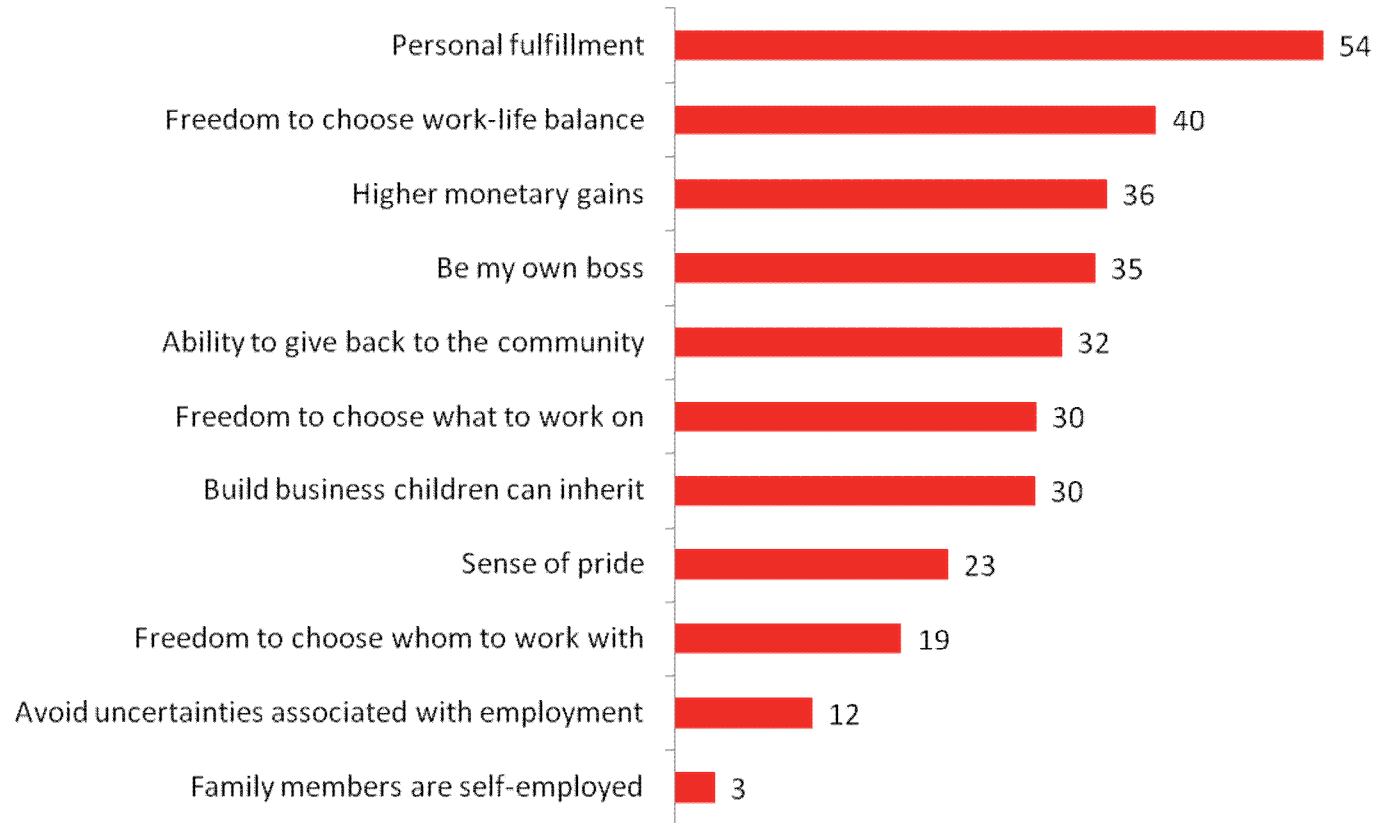
Base: Those who say they would prefer to 'seek employment in a company (work for pay)' (2,523)

All figures are %'s

Small base for Kuwait (80), Lebanon (73), Qatar (71), very small base for Bahrain (19), Oman (46), Syria (19)

## Reasons for preferring to be 'self-employed'

Q. Why do you say that you would prefer to 'be self- employed/ have my own business'?



Base: Those who say they would prefer to 'be self- employed/ have my own business' (5,249)

All figures are %'s

## Reasons for preferring to be 'self-employed' – By country

Q. Why do you say that you would prefer to 'be self- employed/ have my own businesses'?

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
<b>Base:</b>	5,249	429	64	1,457	346	156	152	348	89	158	1,048	26	195	781
Personal fulfillment	54	34	45	60	57	48	50	56	55	51	58	54	48	52
Freedom to choose work-life balance	40	42	39	35	43	40	34	40	45	43	42	46	43	46
Higher monetary gains	36	30	42	37	42	37	36	24	31	28	43	54	33	34
Be my own boss	35	36	42	27	38	42	39	32	38	45	37	35	45	41
Ability to give back to the community	32	33	28	28	35	28	25	43	45	37	34	38	36	31
Freedom to choose what to work on	30	27	33	25	32	36	28	28	33	34	34	38	28	36
Build business children can inherit	30	18	30	34	33	29	26	20	26	30	37	35	18	28
Sense of pride	23	18	20	19	26	24	20	23	34	21	28	15	21	25
Freedom to choose whom to work with	19	16	19	16	22	23	18	19	13	23	21	19	16	22
Avoid uncertainties associated with employment	12	9	13	9	13	14	13	8	16	19	11	15	6	17
Family members are self-employed	3	3	2	3	3	4	7	2	4	3	3	-	3	5

Base: Those who say they would prefer to 'be self-employed/ have my own business' (5,249)

All figures are %'s Small base for Bahrain (64), Oman (89), very small base for Syria (26)

Section 3b

# SELF-EMPLOYMENT

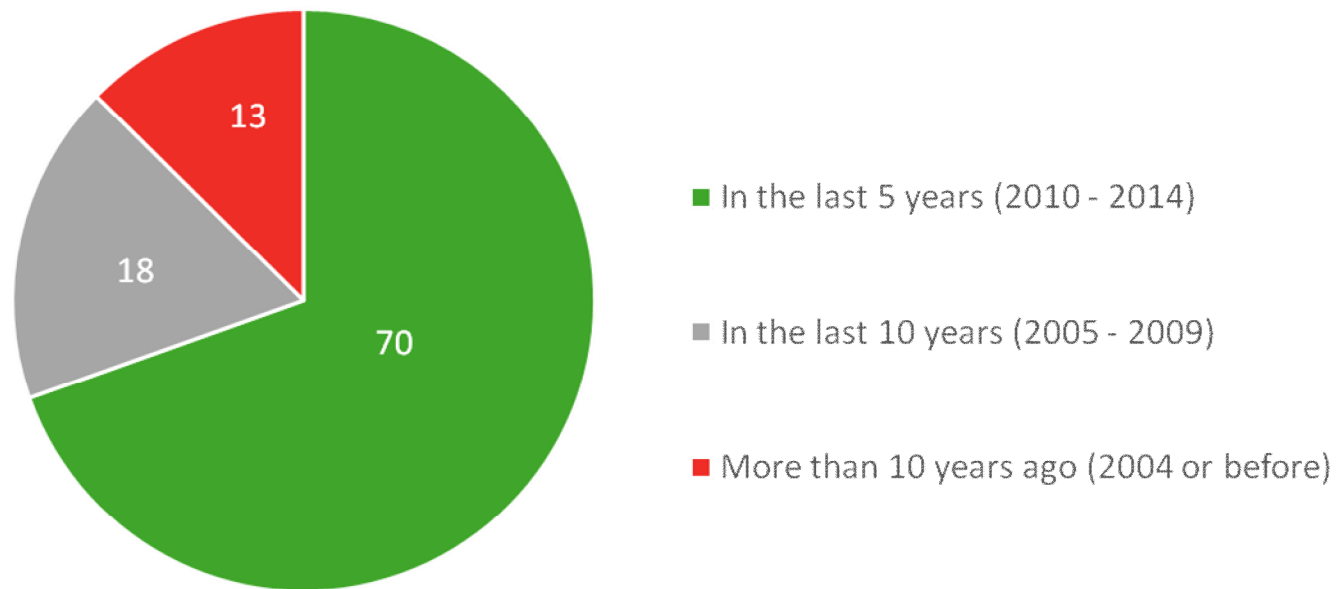


## Summary

- Majority of those who are self-employed (70%) claim that they took the first steps to establish their business in the last 5 years.
- Just over a third claim that they are at the start-up stage of the business. 22% claim that their business is established and currently performing well, while another 23% claim that their business is established but currently not performing well.
- 'More income' (34%) followed by 'greater independence' (31%) emerge as the top two reasons to start a business.
- 62% of those who are currently employed in the private or public sector think of starting their own business.
- Of those who tried to start a business in the past, 'inability to self-finance' (53%) and 'not being able to get financial support' (51%) are the main barriers that have prevented respondents from starting their own business.

## Age of business (those self-employed)

**Q. You said you are self-employed / have your own business. When did you take the first step to establish it?**

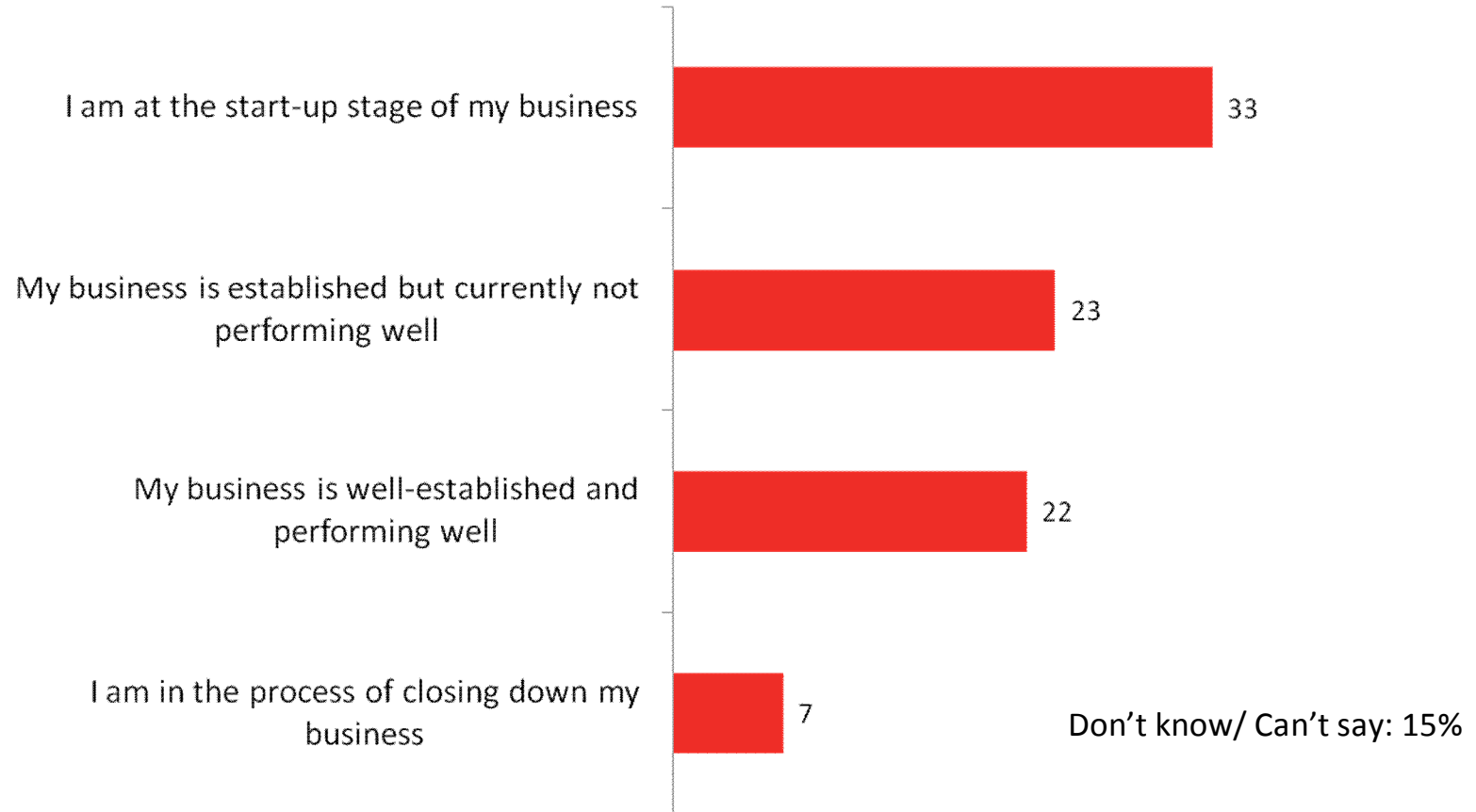


Base: Those self-employed (460)

All figures are %'s

## Current stage of business (those self-employed)

Q. Which of the following best applies to the business you have established?



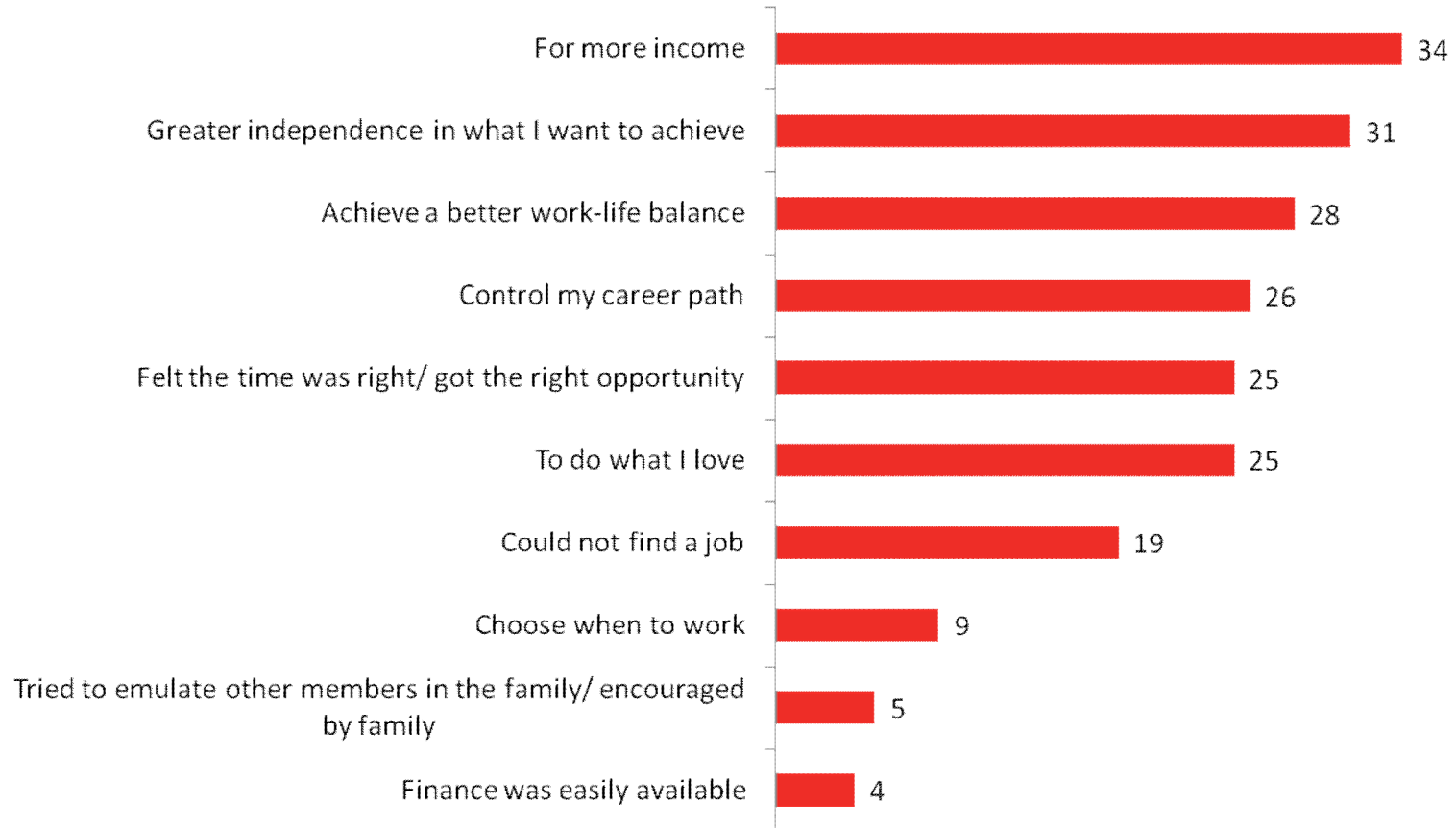
Base: Those self-employed (460)

All figures are %'s



## Reason for starting own business (those self-employed)

**Q. Why did you decide to start your own business in the first instance?**

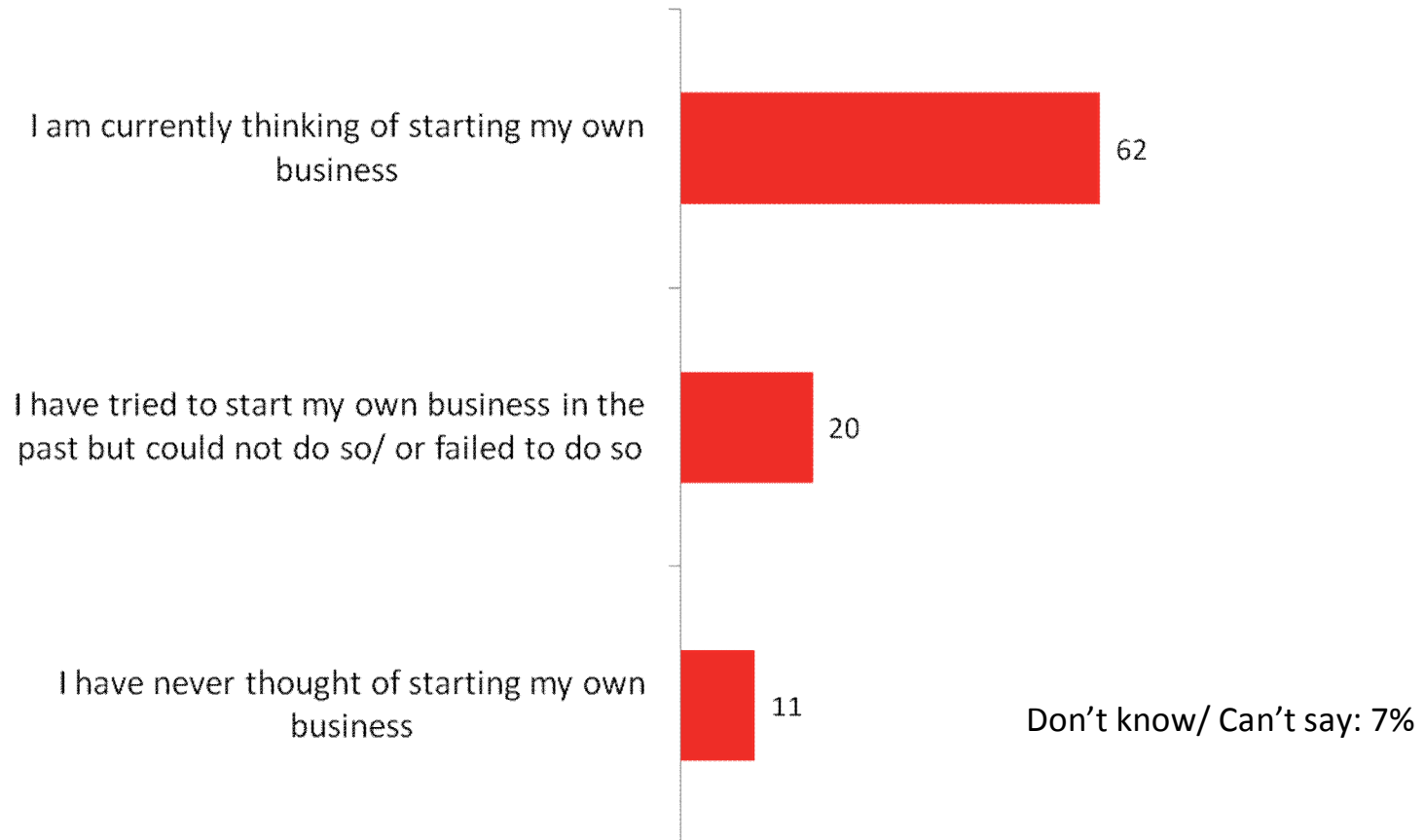


Base: Those self-employed (460)

All figures are %'s

## Attempt to start own business (those currently employed)

Q. Which of the following best describes you with regards to starting your own business?



Base: Those currently employed in the public/ private sector (4,797)

All figures are %'s

## Attempt to start own business (those currently employed) – By country

Q. Which of the following best describes you with regards to starting your own business?

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
<b>Base:</b>	4,797	398	59	1,214	293	187	122	169	102	182	1,094	25	125	827
I have tried to start my own business in the past but could not do so/ or failed to do so	20	19	24	22	20	18	9	15	18	19	23	24	17	16
I am currently thinking of starting my own business	62	52	64	62	57	63	54	64	61	67	62	40	58	70
I have never thought of starting my own business	11	17	8	10	15	13	25	14	10	8	8	32	19	9
Don't know/ Can't say	7	13	3	7	8	6	12	7	12	6	8	4	6	6

Base: Those currently employed in the public/ private sector (4,797)

All figures are %'s Small base for Bahrain (59), very small base for Syria (25)

## Challenges faced in starting a business (those who tried but couldn't/ failed to do so)

**Q. Given below are some reasons that people have identified which could prevent one from starting one's own business. Which of these prevented you from starting your own business?**



Base: Those who tried to start a business in the past but could not do so (938)

All figures are %'s

Section 3c

# ENTREPRENEURSHIP IN COUNTRY OF RESIDENCE

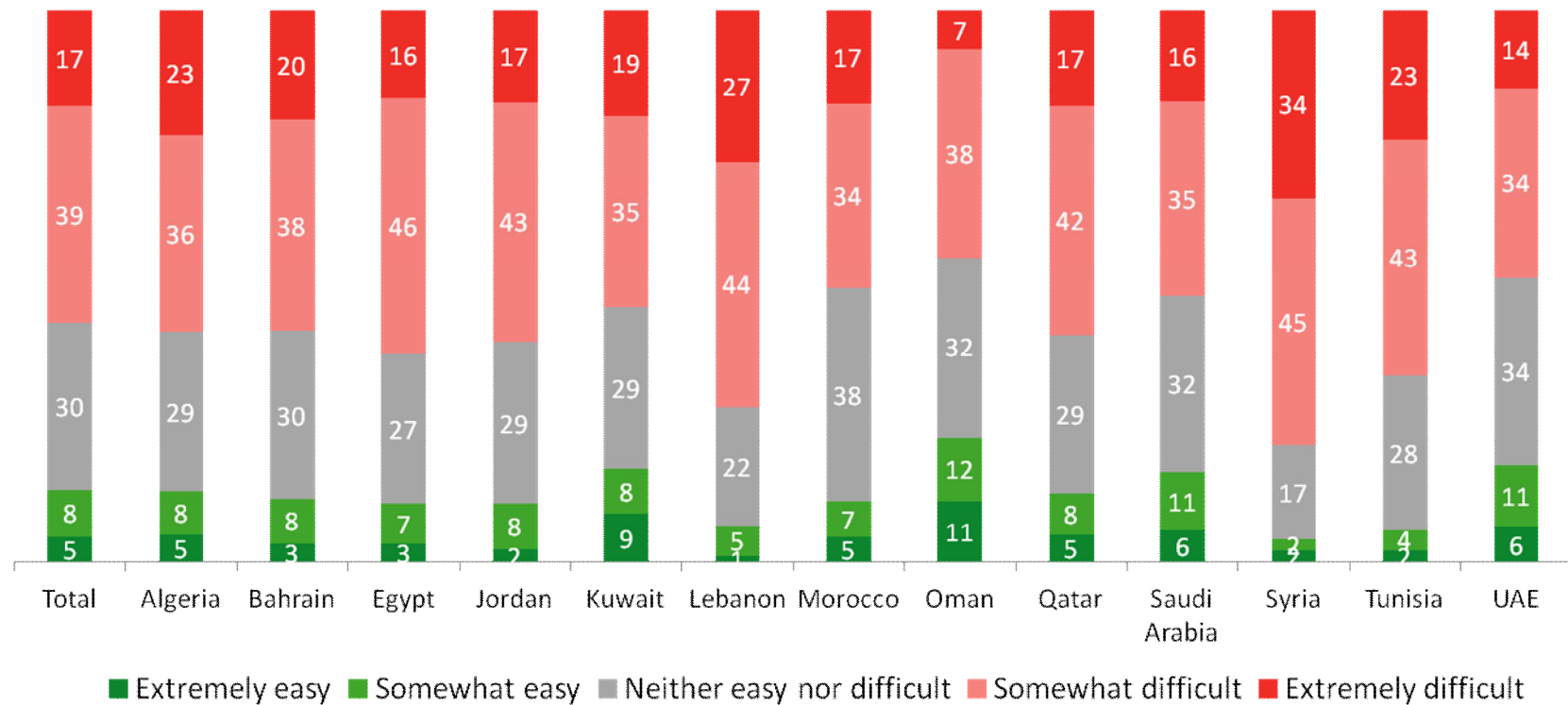


## Summary

- Approximately 6 in 10 respondents believe that starting a business in their country of residence is difficult. Respondents in Lebanon seem to believe that to a higher extent (71%) as compared to other Middle East and North Africa countries.
- ‘Unavailability of finance’ emerges as the top difficulty (65%). ‘Economic instability’, ‘need to establish the right contacts (or wasta)’, and ‘strict rules/ regulations by government’ all follow at 28%. ‘Unavailability of finance’ seems to be more common in Jordan (80%), Morocco (80%) and Tunisia (77%).
- 7 in 10 respondents state that they personally know people who have started their own business.

## Ease of setting up own business

Q. In your opinion, on a scale of 1-5 where 1 is 'extremely easy' and 5 is 'extremely difficult', how easy/ difficult would you say it is to start your own business in your country of residence?



Base: Total (8,164)

All figures are %'s Small base for Bahrain (86), very small base for Syria (47)

## Difficulties faced in setting up own business

Q. Why do you say it is difficult to start your own business in your country of residence?

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
<b>Base:</b>	4,625	530	50	1313	315	133	173	293	65	140	805	37	202	569
Unavailability of finance	65	57	68	67	80	58	54	80	51	59	56	59	77	71
Economic instability	28	28	30	43	33	14	65	11	11	11	11	68	48	15
Need to establish the 'right' contacts / 'wasta'	28	29	38	24	28	48	34	31	29	38	28	11	23	29
Strict rules and regulations laid out by government	28	17	28	18	22	44	9	12	57	45	57	16	21	30
High levels of corruption	22	38	12	30	21	14	42	19	3	4	12	41	28	3
Highly competitive marketplace	21	8	22	19	29	23	20	20	20	24	20	-	14	38
Too much bureaucracy	21	51	14	21	14	22	16	11	15	16	16	32	21	10
Political instability	15	7	18	27	5	5	62	2	2	4	4	73	30	3
Lack of skilled workforce	10	11	14	10	7	5	8	5	17	9	15	8	5	7

Base: Those who say somewhat difficult/extremely difficult (4,625)

All figures are %'s Small base for Bahrain (50), very small base for Syria (37)

# Knowledge of entrepreneurs

Q. How many people do you personally know who have started their own business in your country of residence?

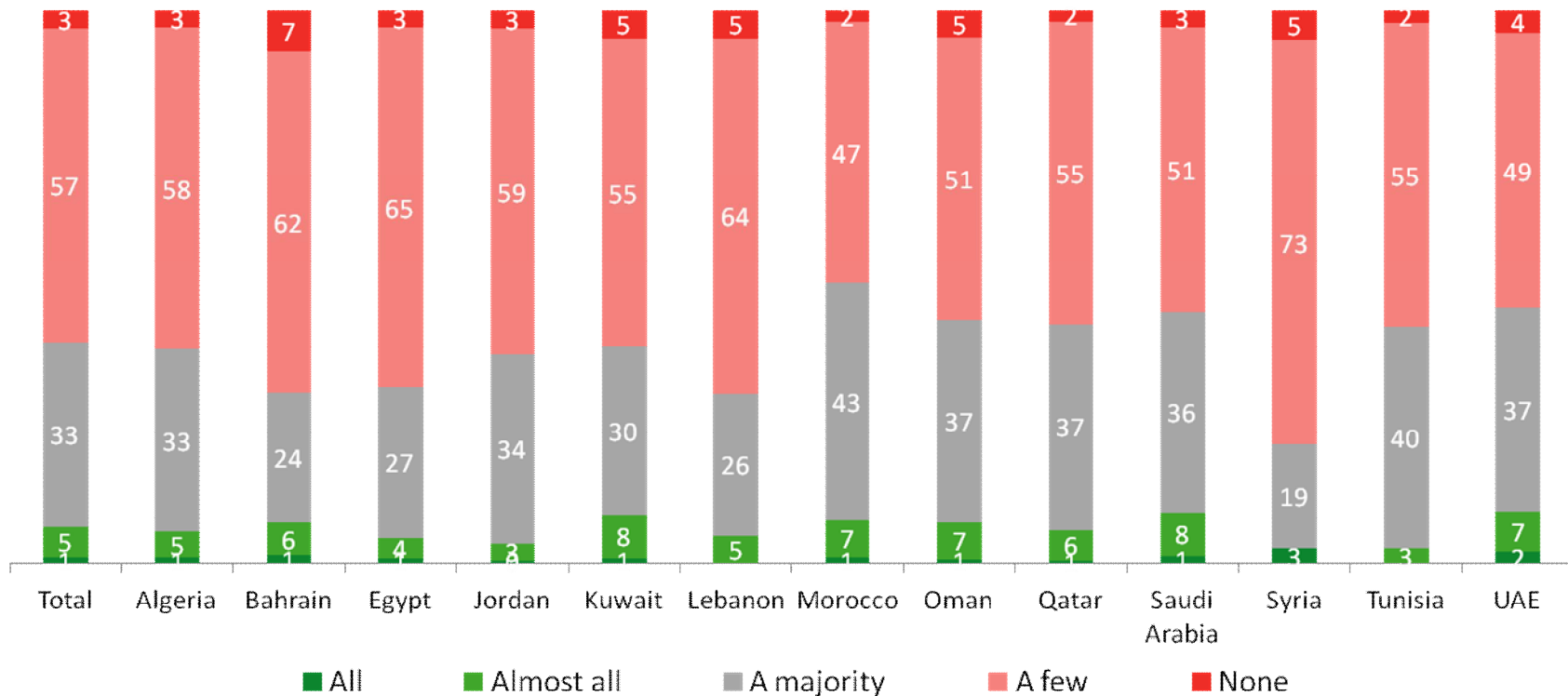


Base: Total (8,164)

All figures are %'s Small base for Bahrain (86), very small base for Syria (47)

## Knowledge of successful entrepreneurs

Q. And how many entrepreneurs that you know in your country of residence are successful in your opinion?



Base: Those who personally know people who have started their business (6,765)

All figures are %'s Small base for Bahrain (68), very small base for Syria (37)

Section 3c

# PERCEPTION OF ENTREPRENEURSHIP

## Summary

- 48% of the respondents believe that the best time to start one's own business is 'any time'. Another 39% say that 'mid-career' is the best time.
- 'Don't be afraid of failure' (38%) emerges as the top advice for to an aspiring entrepreneur.
- 'Communication/ Information Technology' is the most appealing industry for entrepreneurship, with 19% of respondents saying so. This industry is somewhat less appealing in Qatar and Oman where 'Architecture and Engineering' seems to be a better choice for entrepreneurship.
- 'Procuring startup finance' (65%) is by far the top concern for setting up a business. 'Hiring the wrong people' (37%), 'uncertainty of profit/ income' (37%), 'making a loss' (36%), and 'need to establish the right contacts (or wasta)' (35%) follow.

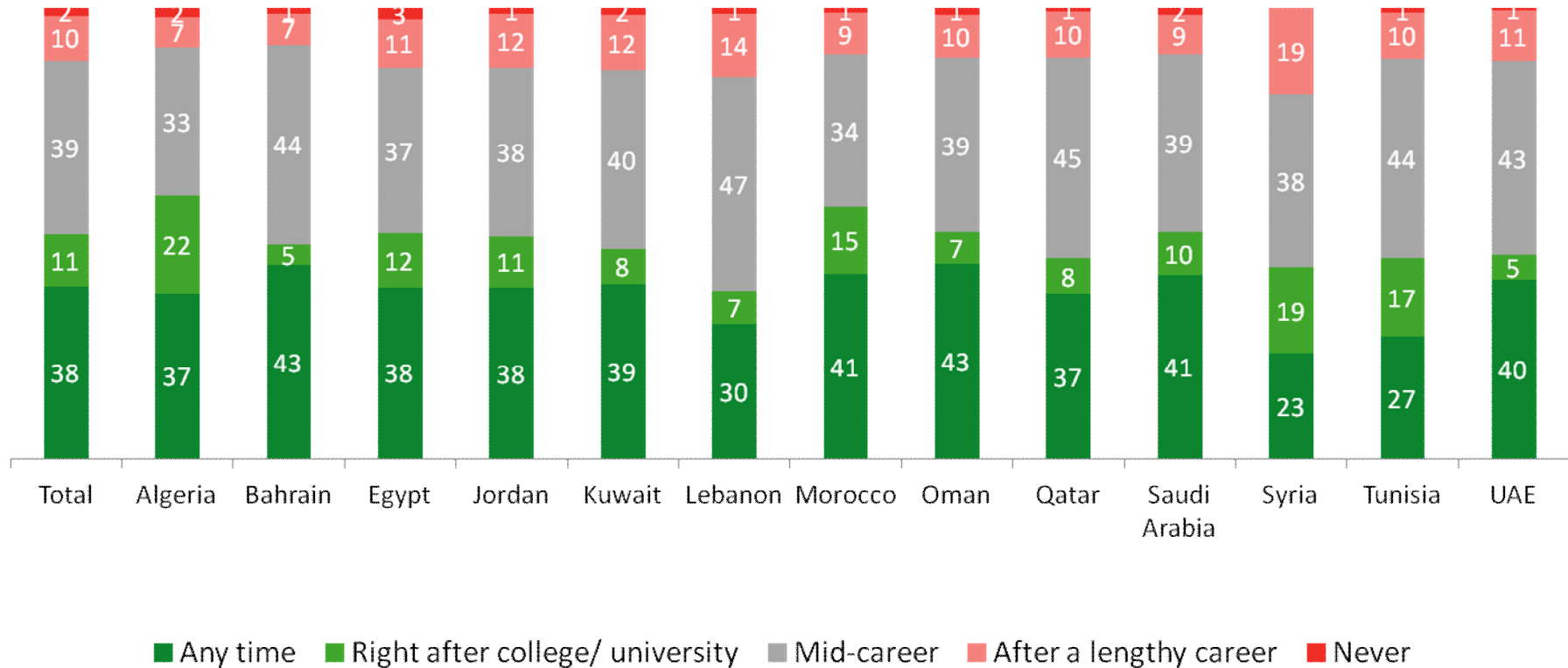
## Summary

- When asked about the role education has played in their entrepreneurial endeavors:
  - Approximately 7 in 10 respondents claim that the education they received has helped them develop an entrepreneurial attitude. Respondents in Oman (82%) and Qatar (81%) believe that to a higher extent.
  - 73% say education has helped me acquire the necessary skills and know-how to become an entrepreneur.
  - 7 in 10 claim education has helped them understand the role entrepreneurs play in the society.
  - 70% state that education made them interested in becoming an entrepreneur
- 66% believe that entrepreneurs create new products/services for the society.
- Approximately 8 in 10 respondents believe that entrepreneurs help in creating new jobs.



# Best time to start a business

Q. In your opinion when is it the best time to start one's own business?

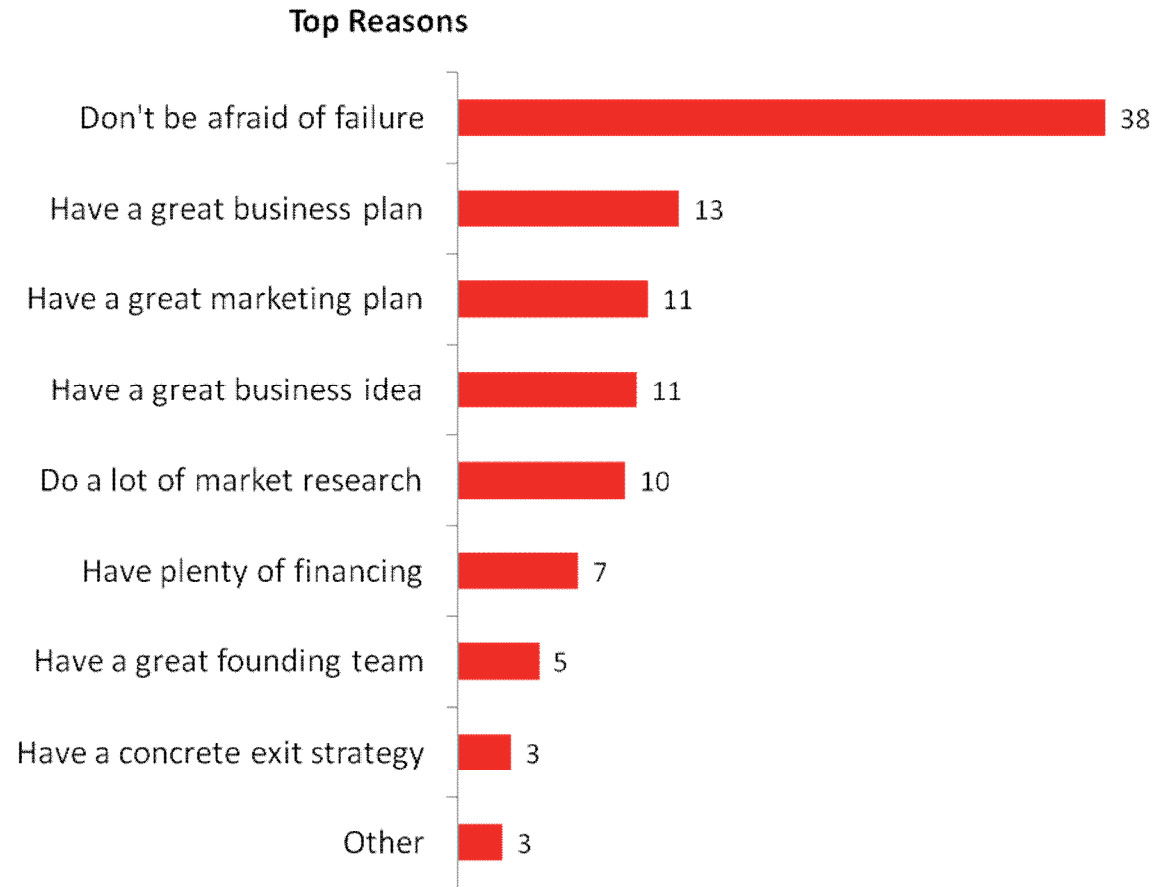


Base: Total (8,164)

All figures are %'s    Small base for Bahrain (86), very small base for Syria (47)

## Advice to aspiring entrepreneurs

Q. Given the choice, what would you like to do? Please select one option from below.



Base: Total (8,164)

All figures are %'s

## Most appealing industry for entrepreneurship

**Q. Which industry in your country of residence do you think is most appealing for entrepreneurship?**

	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
<b>Base:</b>	8,164	909	86	2,108	525	247	241	582	145	238	1,556	47	305	1,175
Communications/ Information Technology	19	24	12	23	18	15	16	26	6	8	17	26	29	10
Hospitality and Leisure	15	5	23	14	19	18	22	13	15	14	14	6	9	24
Advertising/ Marketing/ Public Relations	15	12	17	16	13	19	16	14	12	12	15	6	18	14
Architecture and Engineering	13	18	8	11	7	13	8	11	19	24	17	17	11	13
Finance/ Insurance/ Real Estate	13	15	14	13	15	8	12	12	18	12	13	15	12	10
Education	6	6	6	5	9	4	5	8	6	7	5	15	5	6
Consulting services (law, tax, management)	5	7	5	4	5	4	9	6	6	5	5	4	5	5
Personnel Management/ Human Resources	3	3	8	3	3	6	3	3	3	4	4	4	2	4
Design	2	1	1	2	2	2	2	2	3	1	2	2	2	3
Trading and Contracting	2	3	-	2	2	1	2	1	1	3	2	-	1	2

Base: Total (8,164)

Only industries > 1% are presented

All figures are %'s

Small base for Bahrain (86), very small base for Syria (47)

## Top concerns while setting up business

**Q. Imagine if you were to set up your own business today (in your current country of residence), what are the top 3 things that you would be most concerned about?**



Base: Total (8,164)

All figures are %'s

## Top concerns while setting up business – By country

**Q. Imagine if you were to set up your own business today (in your current country of residence), what are the top 3 things that you would be most concerned about?**

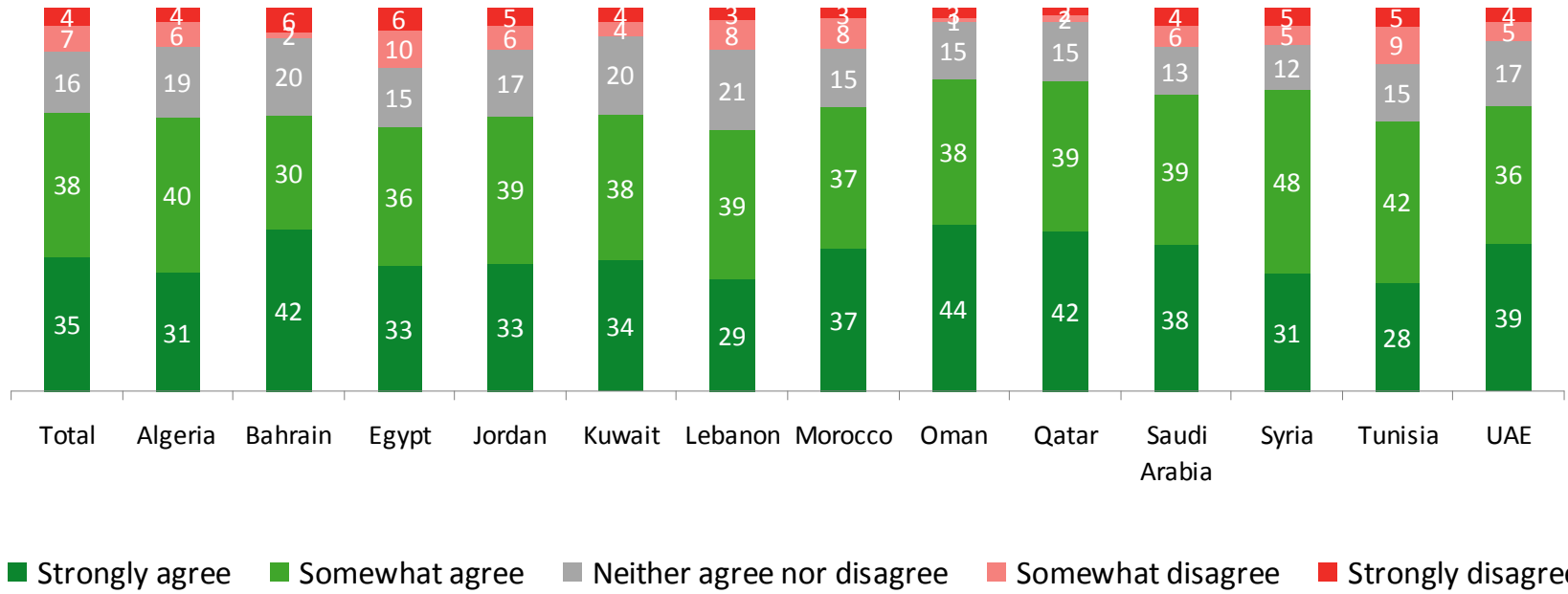
	Total	Algeria	Bahrain	Egypt	Jordan	Kuwait	Lebanon	Morocco	Oman	Qatar	Saudi Arabia	Syria	Tunisia	UAE
<b>Base:</b>	8,164	909	86	2,108	525	247	241	582	145	238	1,556	47	305	1,175
Procuring finances to start	65	63	71	65	68	64	57	69	61	62	62	72	71	65
Hiring the wrong people	37	52	27	37	34	25	27	49	32	25	35	38	41	27
Uncertainty of profit/income	37	26	47	34	36	38	54	28	39	41	37	23	28	50
Making a loss	36	34	22	47	44	28	29	37	28	22	34	32	34	26
Need to establish the 'right' contacts/ 'wasta'	35	35	44	31	32	48	42	33	33	48	34	30	34	41
Need to put in a lot of time and energy	31	29	38	24	30	37	27	31	43	42	33	28	30	37
Business idea not being accepted in the marketplace	26	28	21	28	29	26	36	24	28	23	24	23	28	23
Finding the correct insurance cover	17	16	14	17	18	15	15	20	21	14	19	17	18	15
Failure to comply with legislation, regulation and/or standards	14	15	13	14	7	17	10	9	15	20	19	28	13	14
Other	2	3	3	2	2	2	3	0	1	3	3	9	3	2

Base: Total (8,164)

All figures are %'s Small base for Bahrain (86), very small base for Syria (47)

# Role of education in developing an entrepreneurial spirit

**Q. Given below are some statements that people have made about the education they have received and the role it plays in making them an entrepreneur. To what extent do you agree or disagree with each of these.**

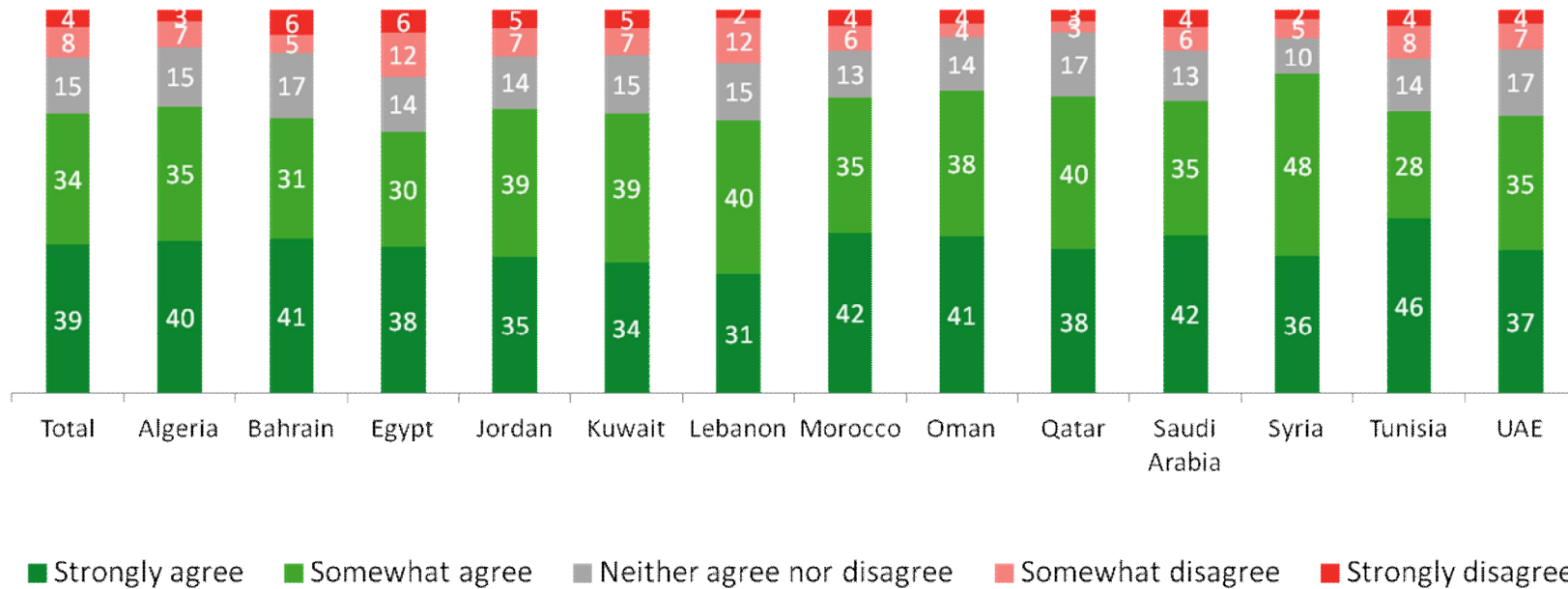


Base: Respondents with higher education (6,771)

All figures are %'s    Small base for Bahrain (64), very small base for Syria (42)

## Role of education in acquiring necessary skills and know-how for entrepreneurship

**Q. Given below are some statements that people have made about the education they have received and the role it plays in making them an entrepreneur. To what extent do you agree or disagree with each of these.**

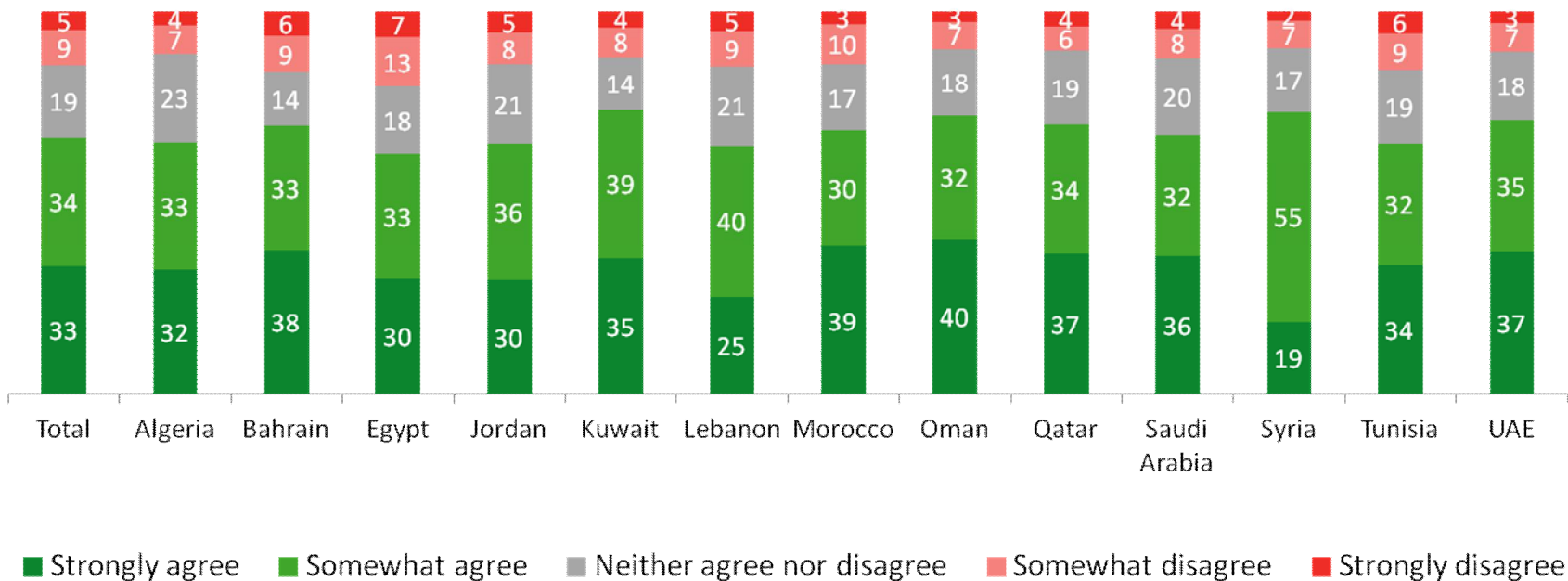


Base: Respondents with higher education (6,771)

All figures are %'s Small base for Bahrain (64), very small base for Syria (42)

## Role of education in understanding the role of entrepreneurs

Q. Given below are some statements that people have made about the education they have received and the role it plays in making them an entrepreneur. To what extent do you agree or disagree with each of these.



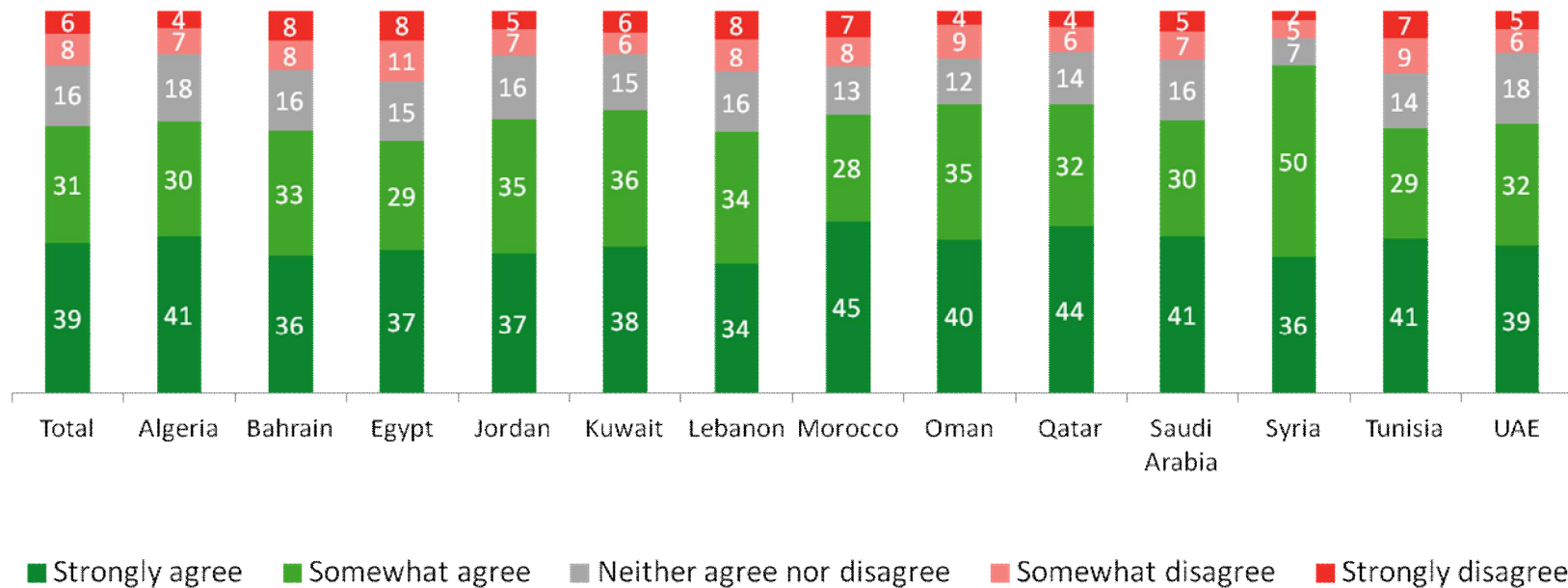
Base: Respondents with higher education (6,771)

All figures are %'s Small base for Bahrain (64), very small base for Syria (42)



# Role of education in developing an interest for entrepreneurship

**Q. Given below are some statements that people have made about the education they have received and the role it plays in making them an entrepreneur. To what extent do you agree or disagree with each of these.**

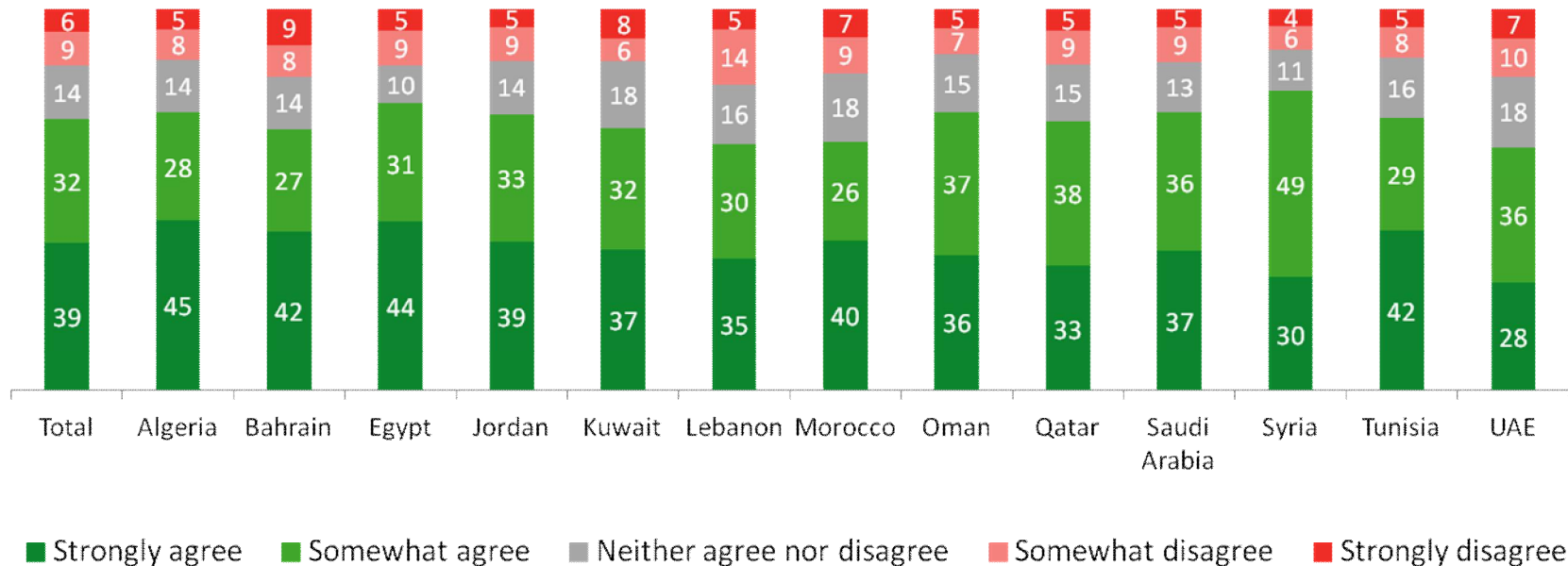


Base: Respondents with higher education (6,771)

All figures are %'s    Small base for Bahrain (64), very small base for Syria (42)

## Perceived image of entrepreneurs – Are they profit-driven?

Q. Could you please tell us to what extent you agree or disagree with the following statements related to entrepreneurs?... Entrepreneurs are profit-driven



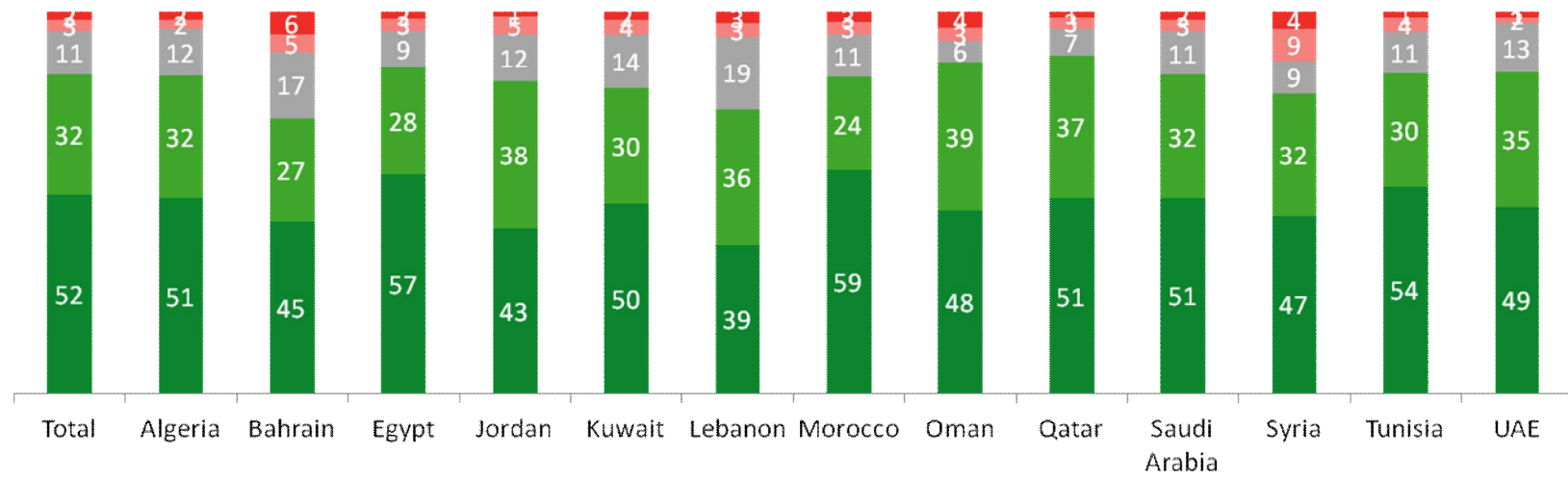
Base: Total (8,164)

All figures are %'s

Small base for Bahrain (86), very small base for Syria (47)

## Perceived image of entrepreneurs – Are they opportunity-driven?

Q. Could you please tell us to what extent you agree or disagree with the following statements related to entrepreneurs?... Entrepreneurs are opportunity-driven



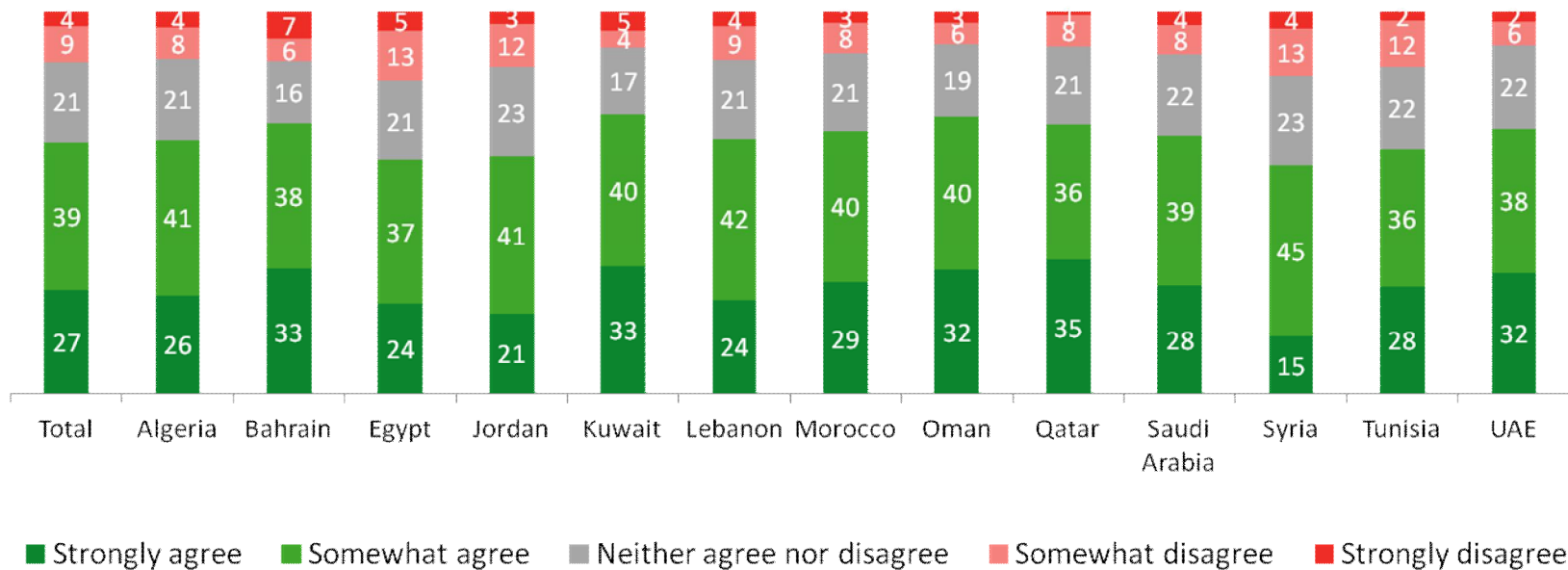
■ Strongly agree   
 ■ Somewhat agree   
 ■ Neither agree nor disagree   
 ■ Somewhat disagree   
 ■ Strongly disagree

Base: Total (8,164)

All figures are %'s    Small base for Bahrain (86), very small base for Syria (47)

## Perceived image of entrepreneurs – Creation of products and services

Q. Could you please tell us to what extent you agree or disagree with the following statements related to entrepreneurs?... Entrepreneurs help in creating new products and services

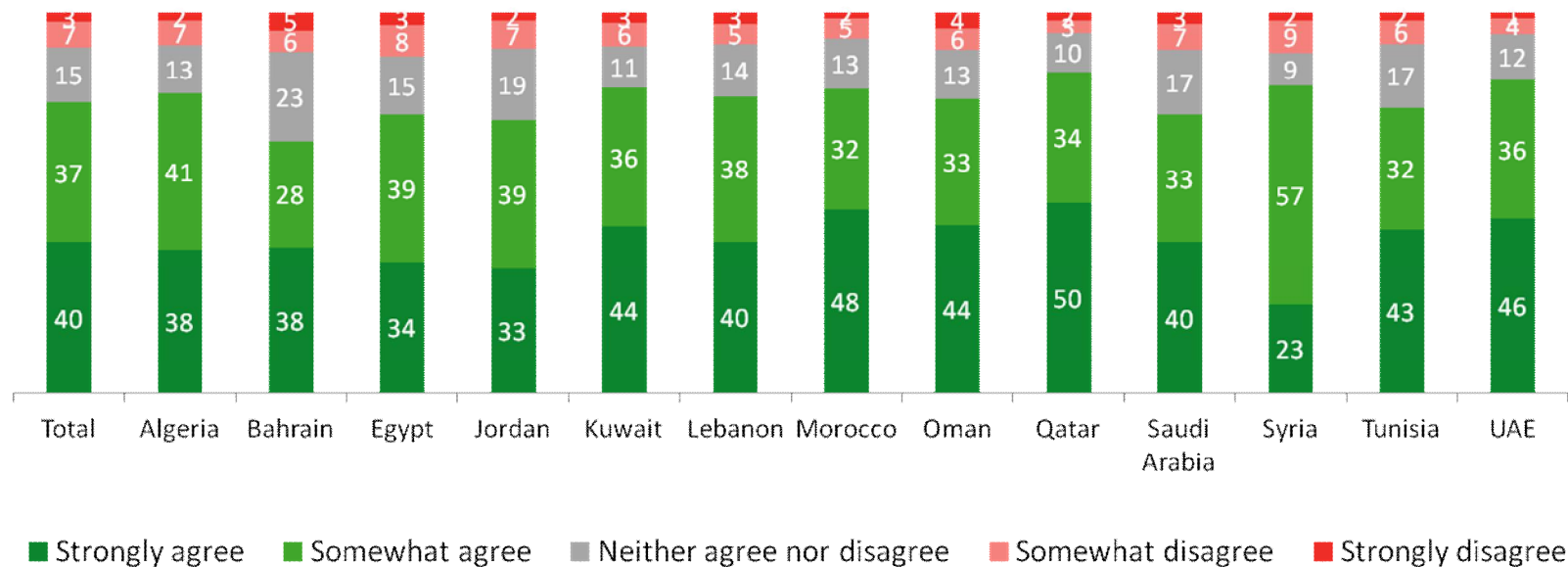


Base: Total (8,164)

All figures are %'s    Small base for Bahrain (86), very small base for Syria (47)

## Perceived image of entrepreneurs – Creation of new jobs

Q. Could you please tell us to what extent you agree or disagree with the following statements related to entrepreneurs?... Entrepreneurs help in creating new jobs

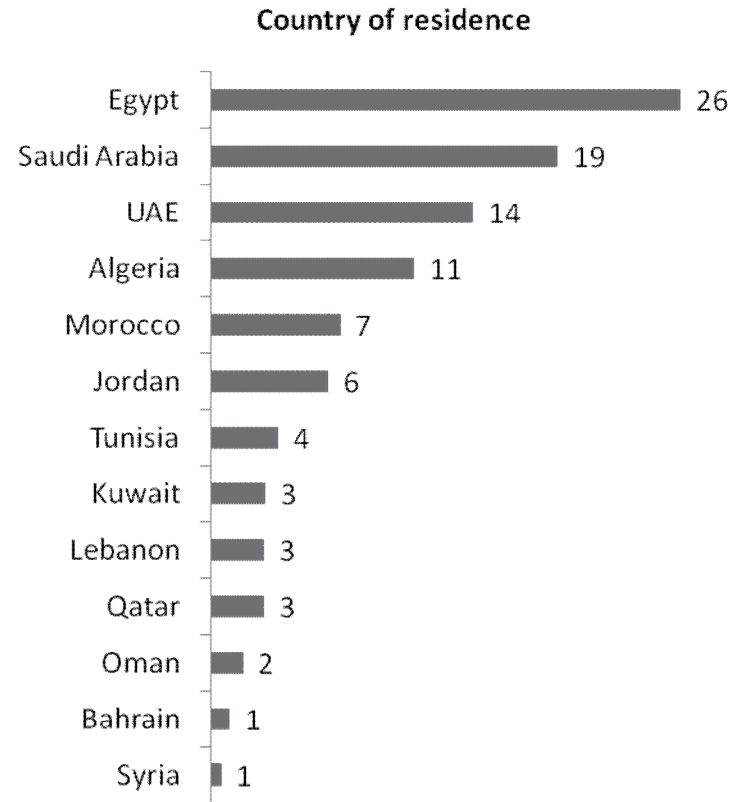
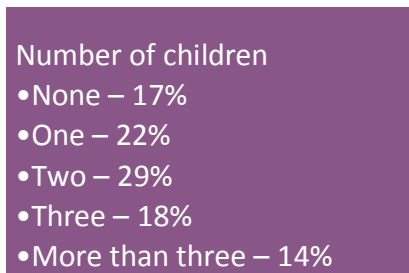
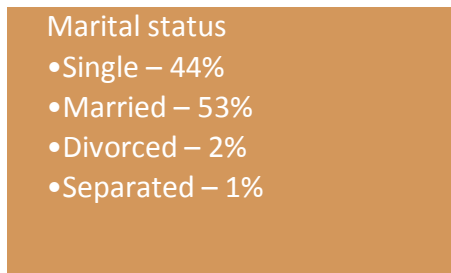
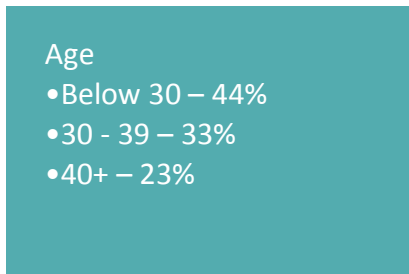
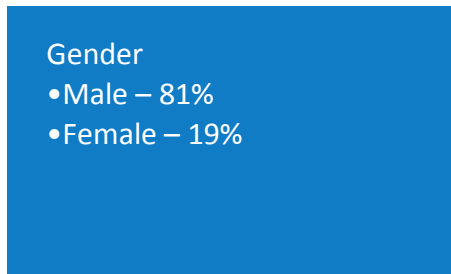


Base: Total (8,164)

All figures are %'s    Small base for Bahrain (86), very small base for Syria (47)

Section 3  
**DEMOGRAPHICS**

# Respondent Profile (1/3)

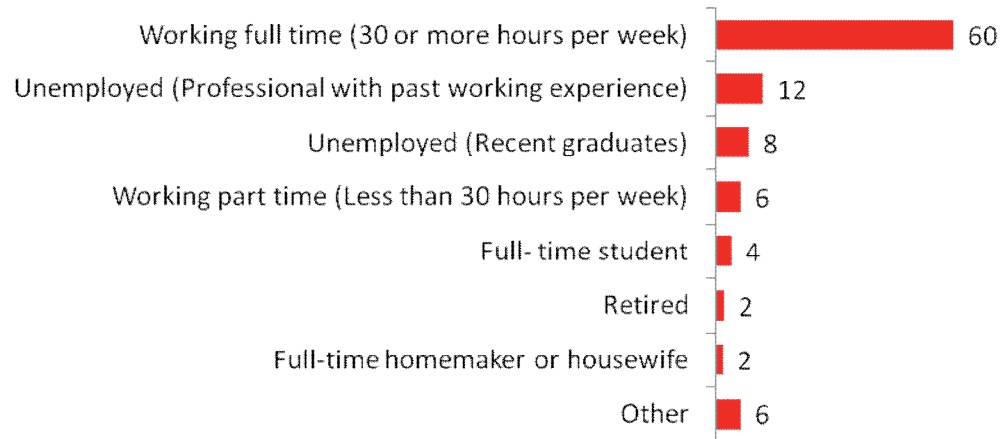


Base: Total (8,164)

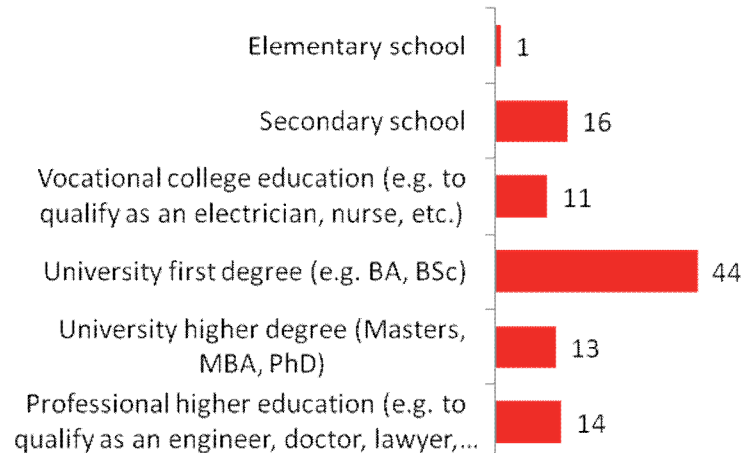
All figures are %'s

# Respondent Profile (2/3)

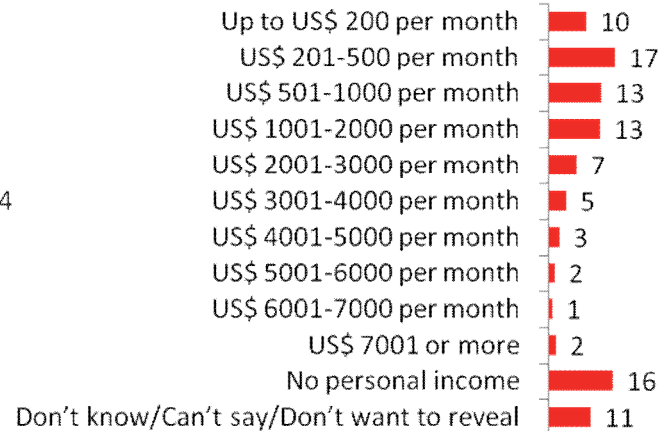
## Working status



## Education



## Monthly income



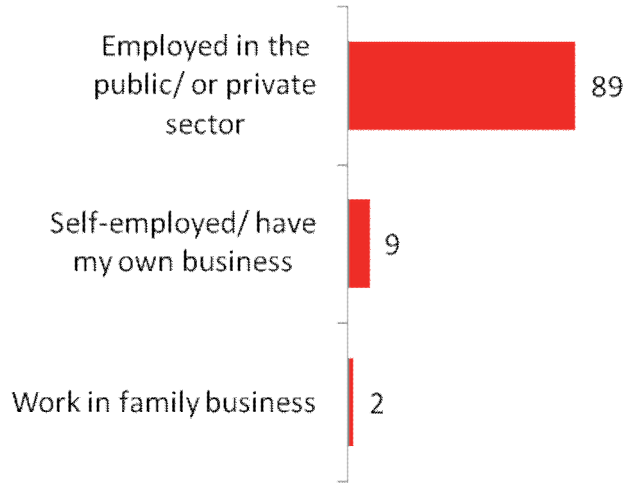
Base: Total (8,164)

All figures are %'s

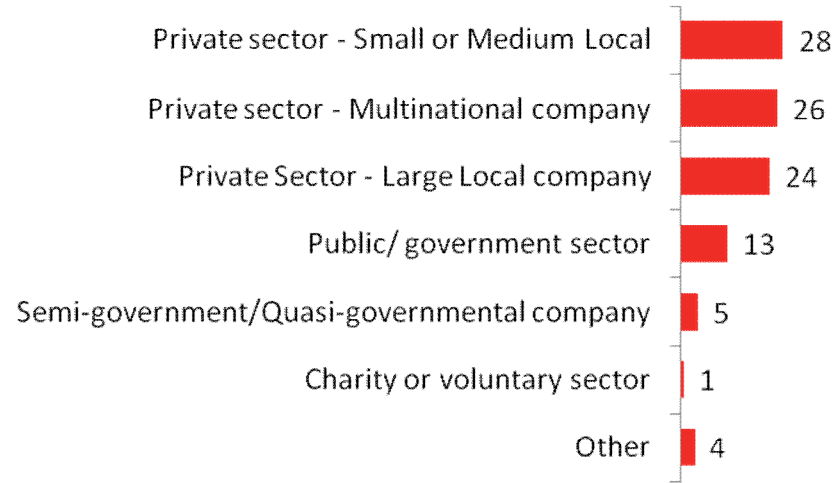


# Respondent Profile (3/3)

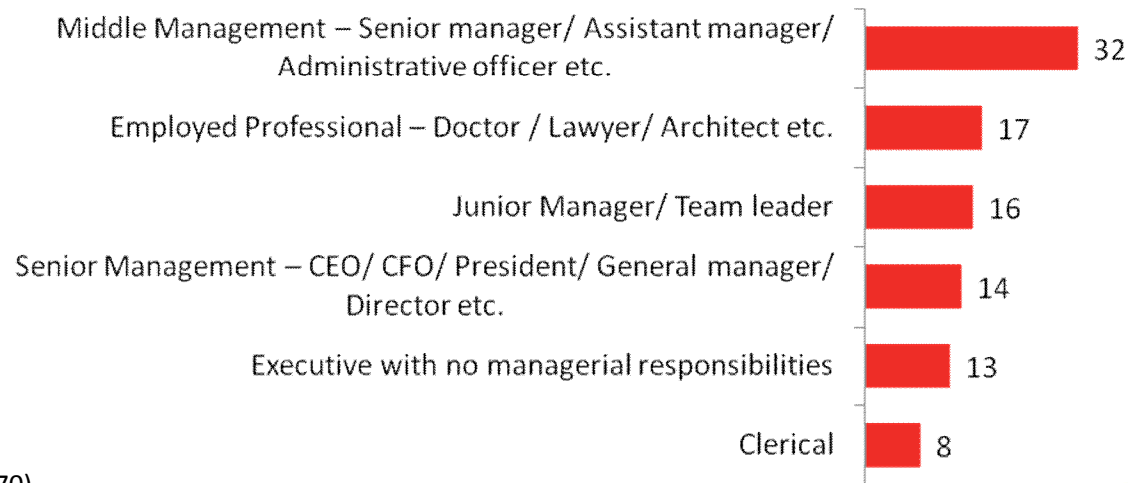
Type of employment



Sector of employment



Level of seniority at work



Base: Those employed (5,370)

All figures are %'s

**Thank You!**

