

Fear and lack of capital hold us back

There is great potential for self-employment everywhere, but actual self-employment rates remain at a low level. The latest Amway Global Entrepreneurship Report explains why

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TO BETTER understand attitudes and motivations behind entrepreneurship, Amway surveyed 26 000 respondents in 24 countries.

Findings from the Amway Global Entrepreneurship Report 2013 indicate that 70 percent of respondents have a positive attitude towards entrepreneurship, yet the gap between potential entrepreneurs – people that have a latent preparedness to embrace entrepreneurial opportunity – and actual entrepreneurs is large.

These and other findings were announced at a special event in Longmeadow earlier this month.

One important finding of the report is that there is great potential for self-employment everywhere, but actual self-employment rates remain at an ever-low level globally.

What is preventing people from taking the move into self-employment? On the one hand, “lack of starting capital”, the “uncertain economic situation” and especially the “fear of failure” with its multiple facets such as financial ramifications, legal responsibilities, or disappointment of family, have consistently been identified as the greatest obstacles to self-employment.

On the other hand, it is also a question of legislative bodies



BUSINESS SENSE: The world needs more entrepreneurs like Mark Shuttleworth, says the latest Amway Global Entrepreneurship Report. Shuttleworth is pictured showing off his Hip2B® wardrobe and watch.

PICTURE: ANGELO KALMEYER

and educational institutions remaining challenged in improving the conditions and regulations affecting entrepreneurship.

“Independence and income are important drivers of entrepreneurial intent, whereas perceptions of risk represent an obstacle to becoming self-employed,” said Michael Meissner, vice-president corporate affairs for Europe and Southern Africa.

According to the report, entrepreneurship enjoys a high reputation all over the world.

“People associate entrepre-

neurship with independence and the freedom to realise their own ideas,” Meissner explained.

“However, the majority of the respondents say that they don’t live in business-friendly societies.

“Also, more than two thirds of the respondents say that fear of failure is an obstacle to founding a business.”

Raj Parshotam, general manager of the company in South Africa, stated that having had a presence in this country for the past 16 years, it recognises that many of the

People associate entrepreneurship with independence

obstacles identified in the report also ring true for South Africa.

“Convinced that society as a whole benefits from entrepreneurial innovation and drive,

we continue to actively support a culture of entrepreneurship and self-employment in South Africa,” he said.

Parshotam pointed out that the firm supports efforts by policy makers to stimulate entrepreneurship and that the company will continue to do so by sharing its expertise and business support activities with policy makers, NGOs, established entrepreneurs and those who are interested in becoming entrepreneurs.

As indicated in the report, factors that encourage self-employment across the world

include public funding and start-up loans; entrepreneurship education and teaching of business skills, backing from family and social networks and mentoring/support through business networks.

“Amway’s roadmap to encouraging self-employment includes turning self-employment potential into a real opportunity, promoting new forms of entrepreneurship, removing the stigma of failure and easing the starting up of businesses, thereby fostering entrepreneurial growth in South Africa,” said Parshotam.