

Fast facts – Amway Global Entrepreneurship Report

THOUGH South Africa was not included in the survey, the report offers valuable insights into entrepreneurship.

Survey design

§ Face-to-face and telephone interviews

§ Carried out between March 8 and May 19 last year.

§ 26 009 respondents, women and men

§ 24 countries

Why are some people and nations more willing to take risks than others?

§ Lack of encouragement and support – a major aspect of the unfavourable situation in many countries is the lack of entrepreneurial encouragement and education. Survey participants are willing to try self-employment, but often feel they lack the necessary education, knowledge and social encouragement.

§ National culture and fear of failure – the economic and financial crises greatly affect entrepreneurship. But above that, fear of failure is what discourages most would-be entrepreneurs. The survey shows that fear varies. Respondents in Japan (94 percent), Italy and Czech Republic (each 91 percent) were extremely frightened of failure when trying to start an enterprise. The US (37 percent), the Netherlands (43 percent), and Mexico (47 percent) show the lowest percentages of fear.

What prevents people from becoming entrepreneurs?

§ Lack of starting capital

§ Uncertain economic situation

§ Fear of failure (with its multiple facets such as financial ramifications, legal responsibilities, or disappointment of family)

The importance of entrepreneurship

§ Entrepreneurship leads to economic growth

§ Entrepreneurship is based on individual initiative and on the insight that professional life is more than just getting a job

§ Entrepreneurship achieves self-fulfilment, gains respect and enables real innovation by looking at the next necessary

steps towards a better world

– Professor Isabell M Welp, of Technische Universität München, Germany as quoted in the Amway Global Entrepreneurship Report 2013

Why people become entrepreneurs

§ Independence – Independence from an employer, self-fulfilment and the possibility to realise your own ideas rank high as motivational factors. But traditional values like family, friends and leisure time have become more important to potential self-employers in some countries.

§ Necessity – Two patterns suggest that people think of starting a business out of necessity rather than due to opportunity: 1. In countries with relatively low gross domestic product per capita, entrepreneurship as a second source of income becomes a main driver; 2. In countries involved in the European economic crisis, people consider entrepreneurship as a way out of unemployment.

How you can encourage entrepreneurship

§ Value entrepreneurs – Society can contribute to increasing the rate of entrepreneurship and innovation by valuing entrepreneurship and people who act entrepreneurially.

§ Public appreciation – By conferring social status, esteem and appreciation for entrepreneurs and entrepreneurial behaviour of individuals, society can create sustainable entrepreneurship.

Typical profile of an entrepreneur

The profile of possible entrepreneurs was quite easily defined worldwide: young, male and university graduates.

Surprise findings: Germany is not entrepreneurial

§ Though Germany has one of the strongest economies in the world, it lags behind other countries when it comes to entrepreneurial spirit.

§ The Japanese were the least entrepreneurial of all – only 17 percent of respondents will consider it.