

# FEAR TO FAIL AND ENTREPRENEURSHIP: DETERRENT FACTOR FOR SUSTAINABLE DEVELOPMENT IN THE MIDDLE EAST?

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# Entrepreneurship Concept

## **GEM's entrepreneurship definition**

*“Any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business” (Bosma, Coduras, Litovsky, Seaman, 2012, 20).*

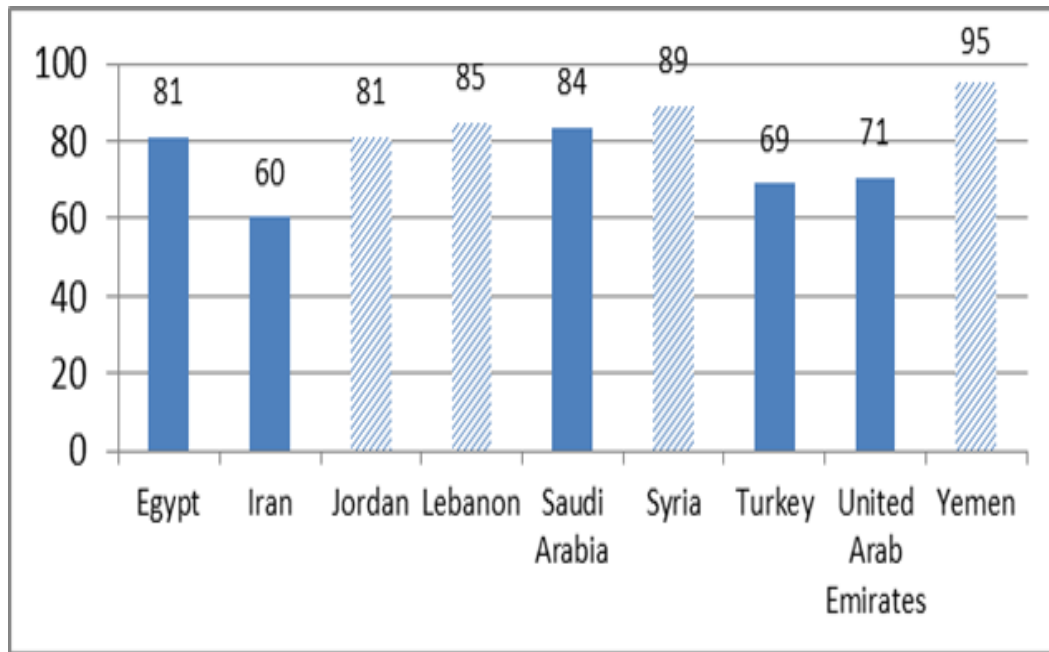
# Research Methodology

- **Data source:** GEM's quantitative Adult Population Surveys.
- **Countries:** Egypt, Iran, Jordan, Saudi Arabia, Syria, Lebanon, Turkey, UAE, and Yemen.
- **Research sample:** representative (at least 2000 individuals in each country).
- **Time:** 2009 - 2012.
- **Empirical data analysis method:** descriptive statistics analysis.

# Empirical Analysis

<b>Entrepreneurial attitudes</b>	<b>Actual actions</b>
Entrepreneurship as desirable career choice	Nascent entrepreneurship rate
Entrepreneurial intension	New business ownership rate
Fear of failure	Established business ownership rate

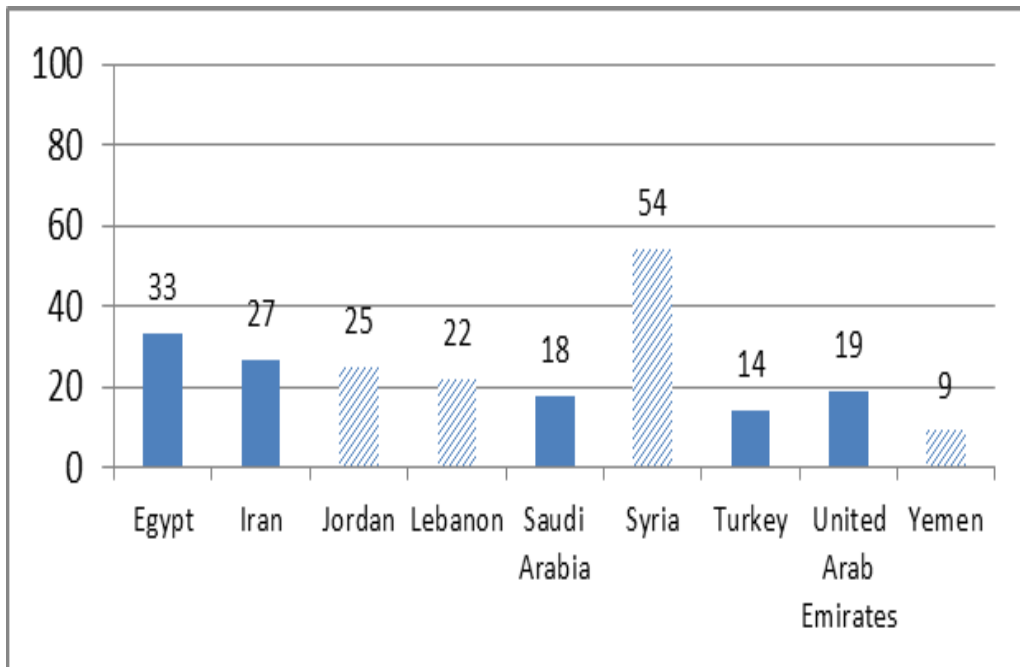
# Entrepreneurship as Desirable Career Choice



Country	Career choice				Average
	2009	2010	2011	2012	
Egypt	-	78	-	83	81
Iran	56	64	61	60	60
Jordan	81	-	-	-	81
Lebanon	85	-	-	-	85
Saudi Arabia	80	87	-	-	84
Syria	89	-	-	-	89
Turkey	-	71	-	67	69
United Arab Emirates	70	-	71	-	71
Yemen	95	-	-	-	95

Variable '*Entrepreneurship as desirable career choice*' measures percentage of 18-64 years old individuals who agree with the statement that in their country, most people consider starting a business as a desirable career choice.

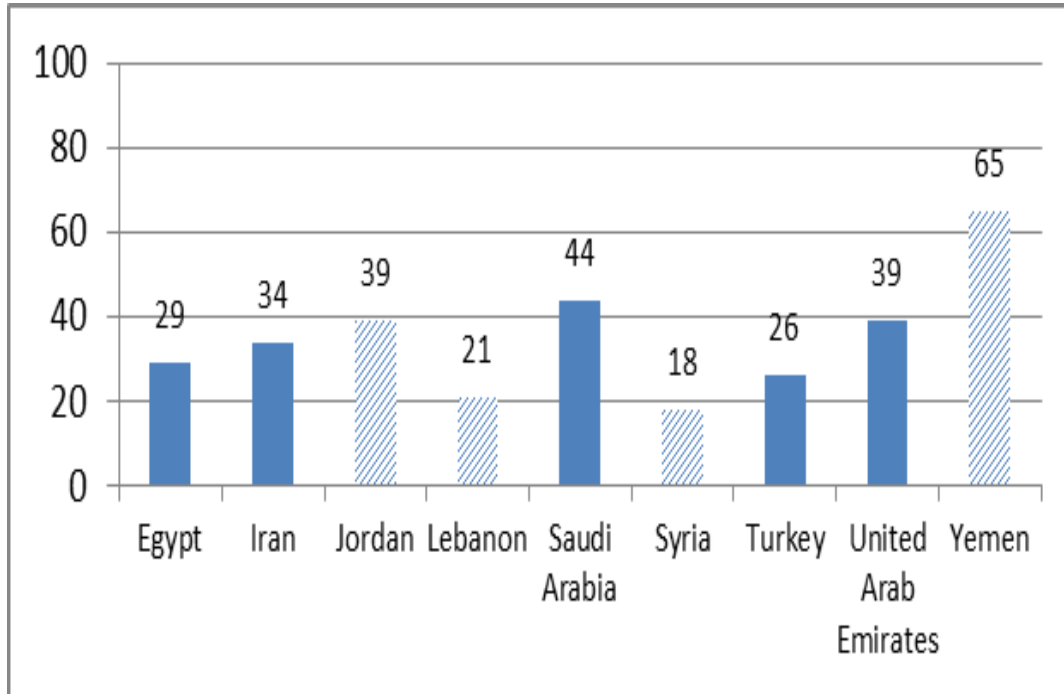
# Entrepreneurial Intentions



Country	Intention				Average
	2009	2010	2011	2012	
Egypt	-	24	-	42	33
Iran	22	31	30	23	27
Jordan	25	-	-	-	25
Lebanon	22	-	-	-	22
Saudi Arabia	34	1	-	-	18
Syria	54	-	-	-	54
Turkey	-	19	9	15	14
United Arab Emirates	36	-	2	-	19
Yemen	9	-	-	-	9

Variable '*Entrepreneurial intension*' measures percentage of 18-64 years old individuals who intend to start a business within three years.

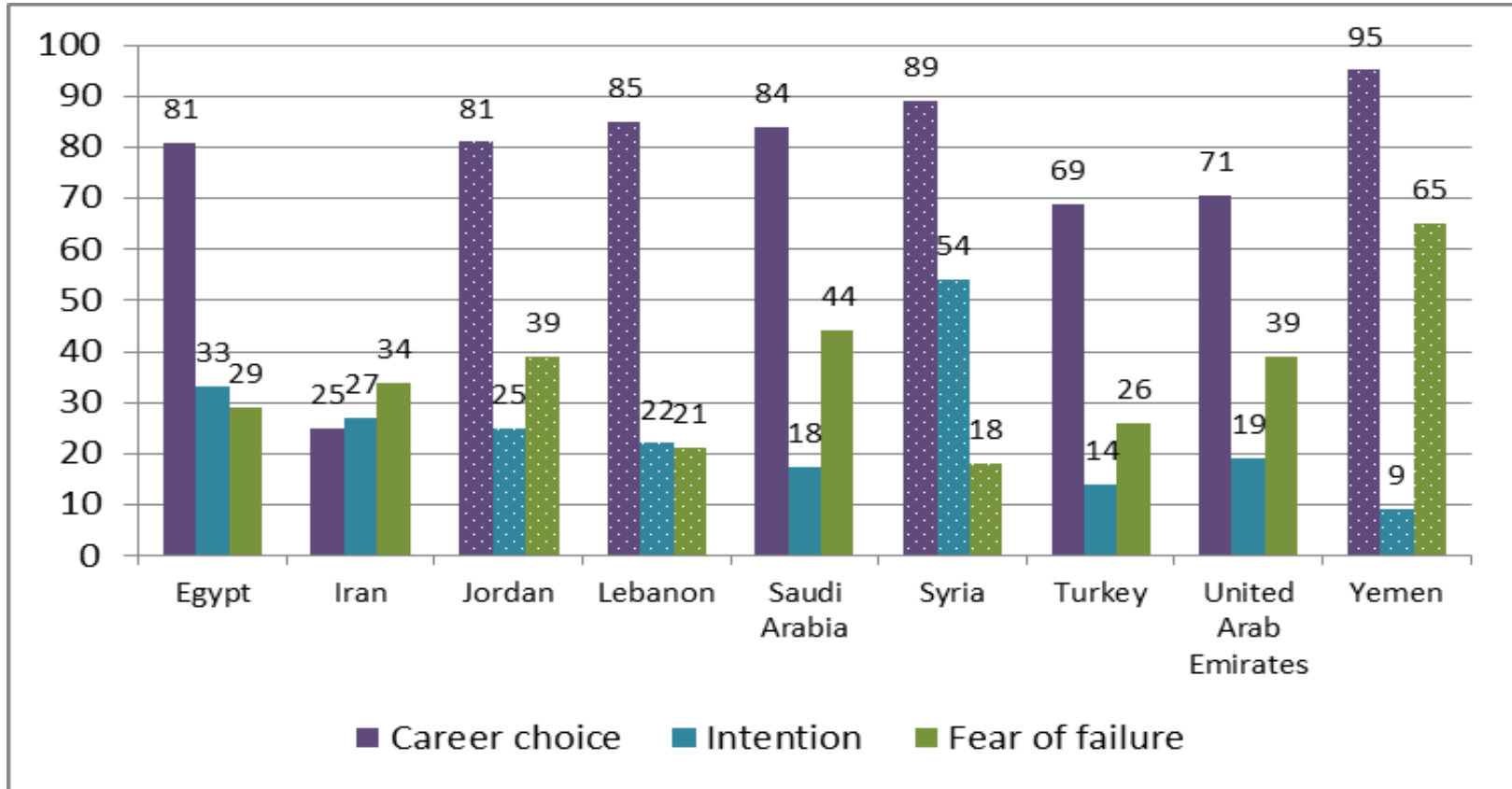
# Fear of Failure



Country	Fear of failure				Average
	2009	2010	2011	2012	
Egypt	-	25	-	33	29
Iran	32	30	33	41	34
Jordan	39	-	-	-	39
Lebanon	21	-	-	-	21
Saudi Arabia	49	39	-	-	44
Syria	18	-	-	-	18
Turkey	-	25	22	30	26
United Arab Emirates	26	-	51	-	39
Yemen	65	-	-	-	65

Variable '*Fear of failure*' measures percentage of 18-64 years old population with positively perceived opportunities who indicate that fear of failure would prevent them from setting up a business.

# Summary of Entrepreneurial Attitudes

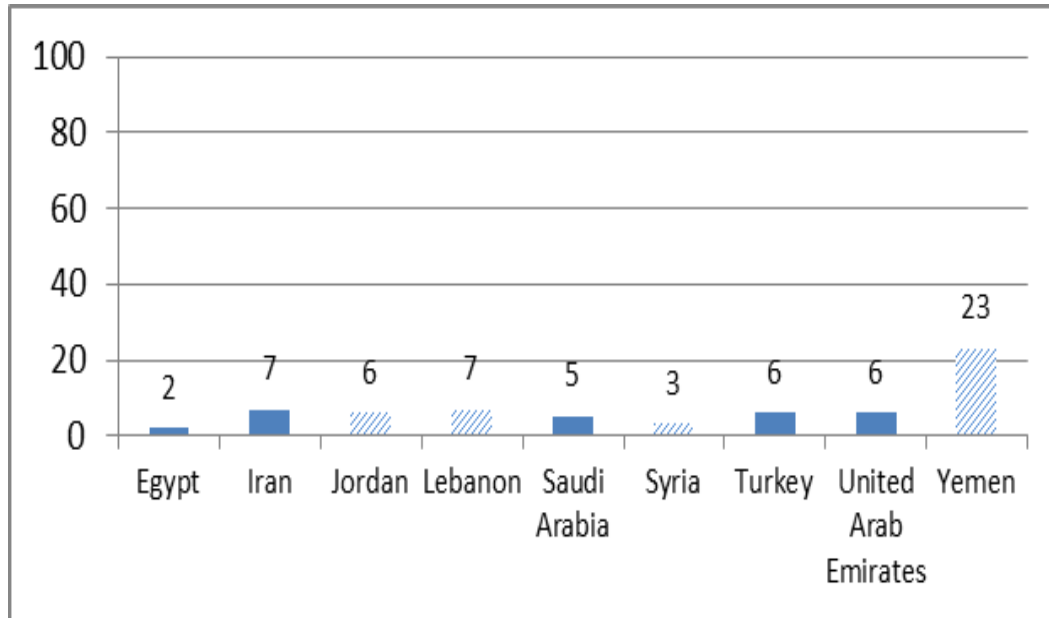




# Empirical Analysis

<b>Entrepreneurial attitudes</b>	<b>Actual actions</b>
Entrepreneurship as desirable career choice	Nascent entrepreneurship rate
Entrepreneurial intension	New business ownership rate
Fear of failure	Established business ownership rate

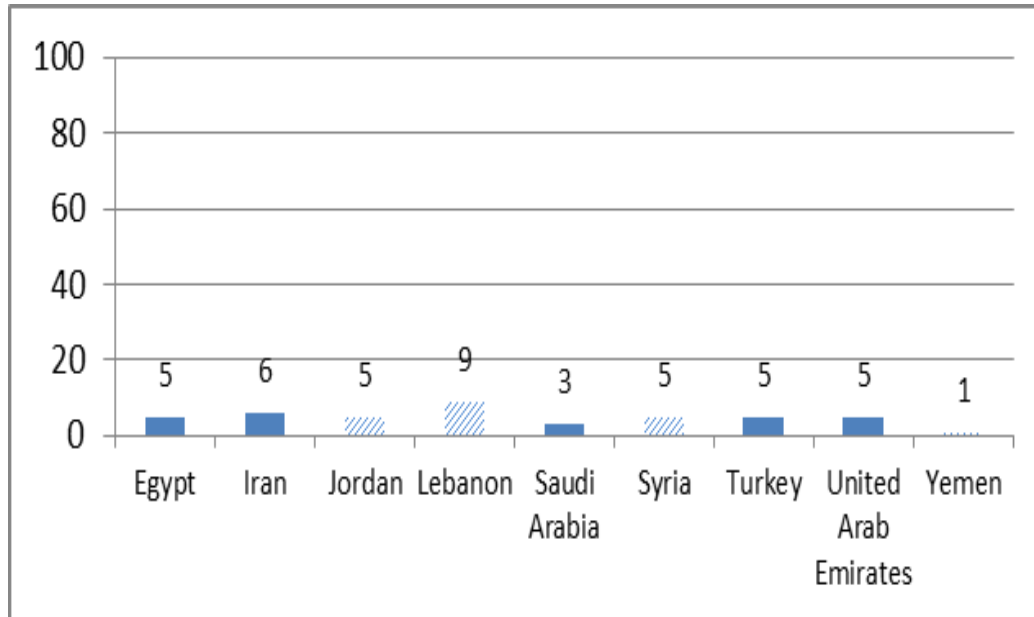
# Nascent Entrepreneurship Rate



	Nascent entrepreneurship rate				
Country	2009	2010	2011	2012	Average
Egypt	-	2	1	3	2
Iran	8	5	11	5	7
Jordan	6	-	-	-	6
Lebanon	7	-	-	-	7
Saudi Arabia	3	6	-	-	5
Syria	3	-	-	-	3
Turkey	-	4	6	7	6
United Arab Emirates	7	-	4	-	6
Yemen	23	-	-	-	23

Variable '*Nascent entrepreneurship rate*' measures percentage of 18-64 years old population who are currently actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages, or any other payments to the owners for more than three months.

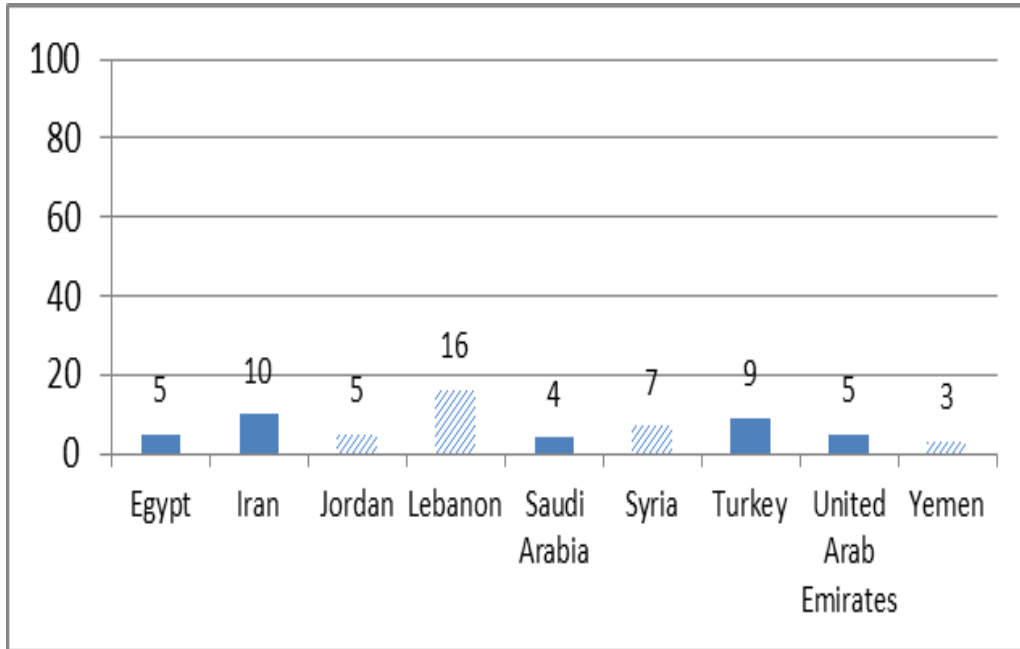
# Established Business Ownership Rate



Country	New business ownership rate				Average
	2009	2010	2011	2012	
Egypt	-	5	-	5	5
Iran	4	8	4	7	6
Jordan	5	-	-	-	5
Lebanon	9	-	-	-	9
Saudi Arabia	2	3	-	-	3
Syria	5	-	-	-	5
Turkey	-	5	6	5	5
United Arab Emirates	7	-	3	-	5
Yemen	1	-	-	-	1

Variable '*New business ownership rate*' measures percentage of 18-64 years old population who are currently owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than three months, but not more than 42 months.

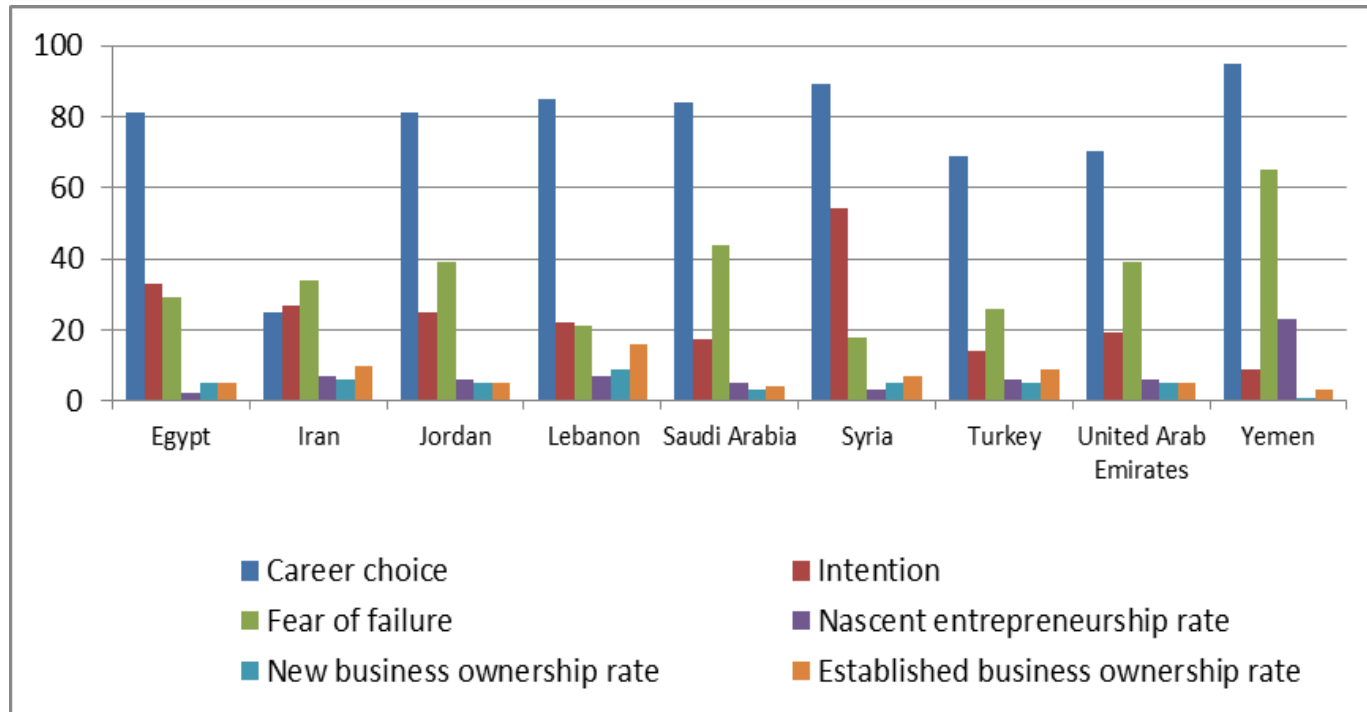
# New Business Ownership Rate



Country	Established business ownership				Average
	2009	2010	2011	2012	
Egypt	-	5	-	4	5
Iran	6	12	11	10	10
Jordan	5	-	-	-	5
Lebanon	16	-	-	-	16
Saudi Arabia	4	4	-	-	4
Syria	7	-	-	-	7
Turkey	-	11	8	9	9
United Arab Emirates	6	-	3	-	5
Yemen	3	-	-	-	3

*Variable 'Established business ownership rate'* is understood as a percentage of 18-64 years old population who are currently owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than 42 months.

# Summary of Entrepreneurial Actions



# Conclusions

- Entrepreneurship can stimulate economy with the dynamism on macro level, future job creation and innovation. Positive entrepreneurial attitudes are generally linked to higher business start-up rates, but in the end – actual entrepreneurial actions (owning or co-owning) reveal the state of entrepreneurship in particular country.
- Entrepreneurship in this region is interpreted as very desirable career choice. Despite the fact, not so many individuals have entrepreneurial intentions or/ and some of them also fear to fail, which could be one of the deter factors for starting new business.
- GEM data show that in Middle East is very low percentage of individuals who are setting up new business, entrepreneurs who own and manage a new business and entrepreneurs who own and manage an already established business.
- In the end, there are many individuals in Middle East region who wants to start their entrepreneurial venture, but not so many are materializing this idea.



**Thank you for attention!**