Entrepreneurship Aspirations in the MENA Region

Listening to the Voices of Young Arabs
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Overview

• Methodology
• Private vs. Public Sector Preferences
• Views of Entrepreneurship
• Entrepreneurship Intentions
• Aspiring Entrepreneurs’ Profile
• Attitudes Toward Business Entry vs. Business Outcomes
• Summary
Methodology

- 20 countries in the Arab League (plus Somaliland region of Somalia)
- Random probability samples
- Face-to-face interviews of Arab nationals aged 15 and older
- At least 1,000 interviews conducted in each country twice a year
- Urban and rural areas
- Margin of error range: +/- 3.4% to +/- 4.1%
Private vs. Public Sector Preferences
Majority Prefer Public Sector Employment

- All young Arabs (aged 15-29):
  - Business: 23%
  - Government: 52%
  - Either: 21%
  - Don't Know/Refused: 4%

- Young aspiring entrepreneurs:
  - Business: 33%
  - Government: 45%
  - Either: 20%
  - Don't Know/Refused: 2%

- Non-entrepreneurial Arab youth:
  - Business: 21%
  - Government: 53%
  - Either: 22%
  - Don't Know/Refused: 4%
Work Environment Preference by Country

- Kuwait
- Yemen
- UAE
- Tunisia
- Jordan
- Egypt
- Iraq
- Syria
- Pal. Terr.
- Bahrain
- Lebanon
- Saudi Arabia
- Mauritania
- Algeria
- Morocco
- Comoros
- Sudan
- Somaliland region
- Libya

- Government
- Business
- Either
- Don't Know/Refused
Views of Entrepreneurship
Positive Views of Entrepreneurship

- Favorable opinions of entrepreneurs: 67%
- Local communities are good places to live for new entrepreneurs: 63%
Entrepreneurship Intentions by Region (among those aged 15-29)

- Arab League Countries Surveyed: 15%
- United States: 4%
Young Arabs’ Business Creation Intentions – by GDP

- High-income countries: 12%
- Middle-income countries: 57%
- Low-income countries: 32%
Aspiring Entrepreneurs’ Profile
Business Creation Intentions by Gender

HIGHEST IN:
- Djibouti
- Lebanon
- Sudan
- Yemen
- Saudi Arabia
- Comoros
- Iraq
- Somaliland region

19%

HIGHEST IN:
- Sudan
- Comoros
- Djibouti
- Kuwait

11%
# Aspiring Entrepreneurs - Attributes

<table>
<thead>
<tr>
<th></th>
<th>Aspiring Entrepreneurs</th>
<th>Non-Entrepreneurial Youth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Full Time</td>
<td>34%</td>
<td>21%</td>
</tr>
<tr>
<td>Volunteered Time</td>
<td>18%</td>
<td>10%</td>
</tr>
<tr>
<td>Helped a Stranger</td>
<td>59%</td>
<td>48%</td>
</tr>
<tr>
<td>Would Like to Emigrate</td>
<td>42%</td>
<td>29%</td>
</tr>
</tbody>
</table>
Attitudes Toward Business Entry vs. Business Outcomes
### Young Arabs’ Perspectives – Business Entry

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feel confident they will find qualified employees</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>64%</td>
</tr>
<tr>
<td>No</td>
<td>25%</td>
</tr>
<tr>
<td>Don't know/Refused</td>
<td>10%</td>
</tr>
<tr>
<td>Government makes paperwork easy enough</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>58%</td>
</tr>
<tr>
<td>No</td>
<td>27%</td>
</tr>
<tr>
<td>Don't know/Refused</td>
<td>15%</td>
</tr>
<tr>
<td>Easy to obtain a business loan</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>60%</td>
</tr>
<tr>
<td>No</td>
<td>28%</td>
</tr>
<tr>
<td>Don't know/Refused</td>
<td>12%</td>
</tr>
</tbody>
</table>
Young Arabs’ Perspectives – Business Outcomes

- Trust their assets and property would be safe at all times:
  - Yes: 59%
  - Don't know/Refused: 34%
  - No: 7%

- Trust the government would allow their business to make a lot of money:
  - Yes: 48%
  - Don't know/Refused: 42%
  - No: 11%
Summary

• Entrepreneurship is a critical component to address the youth bulge challenge.

• Majority of young Arabs prefer the public over the private sector, but large proportions are undecided, which represents an opportunity to “sell” the benefits of entrepreneurship to youth.

• However, widespread perceptions of important business entry and outcome barriers exist.

• Those most committed to entrepreneurship are also the ones most likely to emigrate, suggesting that business formation may not benefit their countries of origin.
For more information

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