

Soaring ambition: the aspiration to become an entrepreneur in the mena region is ...

[Business](#), [Entrepreneurship](#)



It is hard to think of a time when the economic and job-related conditions in the Middle East and North Africa (MENA) region were static or predictable. The region is highly dynamic to the extent that daily occurrences create new and critical data for those of us keen on navigating our respective industries and job markets. Given how damaging the evergrowing instability has been to the region's economies, the automatic prediction would point to a stagnant environment for all types of employment, , and entrepreneurship. Yet, it comes to many as striking that aspiring entrepreneurs are on the rise across the MENA region and are taking more steps and exerting more effort to join the force of the self-employed.

Entrepreneurship represents a key process in creating economic value and employment opportunities across all industries and sectors. Entrepreneurs often revolutionize existing products and services; they fill in the gaps by addressing unmet and desires, shake up dormant competition, and, along the way, generate new investment platforms and career opportunities for their countries. Therefore, it is undisputable that entrepreneurship is a positive phenomenon and is becoming a more integral part of the MENA economy.

When Bayt. com conducted the *Entrepreneurship in the Middle East and North Africa Survey*, August 2016, it was evident that more people, when compared to the survey findings of 2015, are opting for self-employment. Additionally, more aspiring entrepreneurs in 2016 are taking the necessary steps to launch their businesses. For instance, 71% of the 2016 survey respondents prefer self-employment while 64% preferred self-employment in

2015. It is not merely about preference, as more respondents in 2016 said that they have taken the first steps towards establishing their own business and have, hence, began implementing their ideas on the ground.

Based on the survey findings, entrepreneurship is certainly not declining in the MENA region; in fact, it is appearing more favorable and stronger than before. This is particularly true among , currently experiencing the highest unemployment levels in the world.

Reasons for preferring to seek employment in a company

Why entrepreneurship is on the rise

It may still sound counterintuitive that more startups are popping up across the MENA today when the economic conditions seem more challenging than ever. There are, in fact, a few factors that further explain this trend.

1. The unemployment effect

We can think of self-employment and unemployment as alternatives. It is a simple analogy to show how higher unemployment works as an incentive for aspiring entrepreneurs. At the end of the day, many of us prefer self-employment over unemployment. 2016 brings about a highly enriched, yet challenging, environment for employment and retention; one in four young people in the MENA region are unemployed. This number is much higher, in fact, if we include informal unemployment and underemployment figures. Despite the fact that persistent unemployment is economically and psychologically taxing, it can motivate job seekers to explore alternative

routes such as entrepreneurship. This ultimately creates jobs for the entrepreneur and for many others.

In its Middle East Job Index Survey, February 2016, Bayt. com measures the Hiring Expectancy Index (HEI) for countries in the MENA region. This year the index presents a three-point decrease as compared to June 2015, which suggests that those seeking employment in a company may face even more difficulty in the future. However, if entrepreneurship continues to grow as an alternative for unemployment, we can assume that those who launch a successful business will help offset the decrease in hiring expectancy. Entrepreneurs who seek to grow their business and survive the competition will most likely need to build a team and will hire more job seekers. Ultimately, those who pursue the self-employment path will secure jobs for themselves and a few others. Today's entrepreneur can be thought of as tomorrow's employer.

Perceived image of entrepreneurs

2. The millennial effect

The fact that the MENA region is very youthful cannot be overlooked when it comes to entrepreneurship. Millennials comprising the largest proportion of the job-seeker population means that they highly influence the trends and changes of the job market. First of all, unemployment is more prevalent among the millennials. As indicated in the Bayt. com *Millennials in the Middle East and North Africa* Survey, February 2014, eight in 10 respondents state that unemployment is a significant issue in their respective countries. Higher

unemployment among millennials suggests that more of them are likely to seek selfemployment as an alternative.

Another area that explains the millennial effect on entrepreneurship in the MENA region is the career attributes that millennials value the most.

According to the Bayt. com *Millennials in the Middle East and North Africa* Survey, among respondents who are looking for a job, work-life balance and personal fulfillment come on top. Millennials look beyond the salary; they are interested in a career that parallels their passion and career goals; a career that is ethically sound; and a career that affords them a balanced life. Without doubt, seeking a higher salary is a significant incentive for a millennial to enter and exit a specific field. Yet, there are other equally valuable attributes that millennials are looking for in their job search.

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In fact, many of these attributes are also what make self-employment very attractive. The Bayt. com *Entrepreneurship in the Middle East and North Africa* Survey looked at the reasons entrepreneurship is so desirable nowadays. The most cited motive was the greater sense of independence at work (39% of respondents). Being able to choose working hours, dress code, and vacation allowances are highly wanted perks of entrepreneurship. Large companies with excessive hierarchy often diminish independence at work. Entrepreneurs value self-management and find that it enables them to better focus on what they want to achieve in their careers.

Another reason many individuals in the MENA region prefer self-employment is that it allows them to do exactly what they are interested in. According to the same survey, 58% of respondents find that starting their own business affords them a sense of personal fulfillment. Millennials who are driven by a mission, more so than a dollar figure, will find entrepreneurship ideal for realizing their passion. Those who seek to start a new business often start with their passion as a guiding map to formulating their business idea.

Best time to start a business

What these trends mean for your country

The aspiration to become an entrepreneur is evidently on the rise, and so are the physical attempts at establishing a business. Nonetheless, succeeding at establishing a business that adds economic value and survives the competition is partially dependent on the host environment. The Middle East and North Africa is a very diverse region and its entrepreneurial environment varies greatly from one country to another and from one city to another. There is a number of factors that aspiring entrepreneurs consider before launching an investment in a particular city. These factors include laws and regulations of setting up a business, regulations of existing competition, taxes, and access to investors and talent.

The Bayt. com *Entrepreneurship in the Middle East and North Africa* Survey found out that the most important factor for entrepreneurs was the ease of setting up the business. What this means is that potential entrepreneurs will look at the process of obtaining a licence, registering a business, and setting up the facilities and evaluate whether it is inviting enough. Based on that,

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different cities will witness different levels of entrepreneurial activity. Indeed, entrepreneurs have had diverse experiences setting up business operations across the MENA region. Some of these differences are as perceived, but the attractiveness of the host environment remains different across the region. The Bayt. com Top Cities in the Middle East and North Africa Survey, October 2015, examined the attractiveness of cities based on many economic and entrepreneurial variables.

The entrepreneurship factors consist of aspects that have an impact on a city's economic prosperity. These include taxes, ease of setting up a business, bureaucracy level, ability to find finance and talent, market willingness to accept new ideas, as well as market saturation. Some of the cities that scored highest on the entrepreneurship factors include Dubai, Abu Dhabi and Manama. This means that these cities are more likely to experience most of the entrepreneurial fever and incubate more startups in 2016, when compared to other cities in the region.