Entrepreneurship in Africa

The report into attitudes towards entrepreneurship among ABE’s African students
Entrepreneurship in Africa

Entrepreneurial skills could be the key factor required for countries to develop economically, but what is the attitude towards entrepreneurship in Africa?

The Association of Business Executives (ABE) is a British qualifications body, which provides a range of business management qualifications to more than 50,000 students worldwide every year. ABE was interested to find out about attitudes to entrepreneurship to tie in with its new Diploma in Entrepreneurship and so undertook a survey of more than 12,000 of its students in Africa.

The results are as follows:

1 Would you rather be employed or self-employed?

72% would rather be self-employed compared to 28% who would rather be employed. There was a slight difference between men and women in that 74% of men would rather be self-employed as opposed to 69% of women. Similarly for younger students (up to 29 years old), 73% would rather be self-employed compared to 69% of older students (30 years old and above).

2 Would you like to be the boss of other people?

93% would like to be the boss of other people. There was no difference between men and women and younger and older students in the answers to this question.

3 Do you see yourself setting up your own business?

Nineteen in every twenty students (95%) see themselves setting up their own business. This figure was consistent between both male and female and young and old.

4 If yes, over what time frame will you start your business?

One fifth (21%) of respondents plan to start in two years. The numbers planning to start in 1, 3 and 5 years were broadly similar (15%), but 14% plan to start within a year.
5 If yes, what do you envisage as your place of work?

- A street / market stall: 3%
- An industrial unit: 3%
- A self-employed sole trader with no premises: 6%
- A built retail unit: 6%
- A business with multiple locations across Africa: 7%
- An agricultural property: 7%
- A business with multiple locations in different continents: 9%
- A home office: 11%
- A single building with multiple offices: 12%
- A single rented office: 16%
- A business with multiple locations nationally: 17%

6 Which business person do you admire most?

There were some interesting differences in responses across the gender and age demographics. Both sexes admired Bill Gates equally (37%), but Steve Jobs was more popular with females (19%) than males (15%) and Richard Branson was more popular with males (11%) than females (9%).

When split by age, Bill Gates was more admired by older students (41%) than younger (34%), whereas Steve Jobs was more admired by younger students (19%) than older (13%).

Nineteen in every twenty students (95%) see themselves setting up their own business.
7 What are the most important qualities necessary for an entrepreneur? (Choose 3)

- Innovation and creativity (68%)
- Strategic vision (44%)
- Self confidence (32%)
- Developing networks of contacts (20%)
- Tolerance of risk (28%)
- Hard work and stamina (22%)
- Opportunity spotting and perception (22%)
- Ability to harness resources (21%)
- Tenacity, commitment and dedication (21%)
- Hunger to succeed (18%)
- Reactivity and self-motivation (13%)
- Product commercialisation (7%)

8 Why might you or someone you know be motivated to start a business?

- To prove personal ability or achievement (32%)
- The lack of employment opportunities means it is necessary to create profitable work (29%)
- An identified opportunity (16%)
- To achieve social recognition, prestige or make a mark (7%)
- To attain wealth (7%)
- To build a legacy for family members (6%)
- A dislike of imposed authority (3%)

9 What do you believe is the greatest barrier to people who want to start their own business in your country?

- Attaining finance and business banking services (37%)
- Lack of skills, knowledge and abilities (22%)
- A non-entrepreneurial culture (16%)
- Lack of confidence (8%)
- Corruption (7%)
- Bureaucracy and regulation (4%)
- International competition (2%)
- Lack of infrastructure (2%)
- Lack of competent staff (1%)

93% of respondents would like to be the boss of other people
10 In what sector do you see the most opportunities to start a business?

- Agriculture, animals, fishing, forestry: 20%
- Fast moving consumer goods: 11%
- Hospitality, restaurants and catering: 10%
- Information technology, electronics and telecommunications: 8%
- Construction and property: 6%
- Human resources, recruitment, education and training: 5%
- Administration and accountancy: 5%
- Financial services, banking and insurance: 4%
- Transport and logistics: 4%
- Customer service: 3%
- Retail and fashion: 3%
- Commodities: 3%
- Media and marketing: 3%
- Tourism, travel and leisure: 3%
- Art, entertainment and sport: 2%
- Mining and natural resources extraction: 2%
- Manufacturing and engineering: 1%
- Healthcare: 1%
- Personal services and beauty: 1%
- Automotive: 1%
- Utilities - water and energy: 1%
- Others: 3%

11 What is the key policy your government needs to implement to encourage people to launch their own business?

- Access to loans and investment funding (35%)
- Education of people to establish and develop their own businesses (20%)
- Start-up loans and grants for innovation development (12%)
- Using the products and services of local entrepreneurs and small businesses (10%)
- Availability of business support (7%)
- Enterprise friendly taxation policies (6%)
- Supporting international market access and export trade development (3%)
- Encouraging development partnerships with larger businesses (3%)
- Tax incentives to encourage risk-investment (3%)
- Encouraging collaboration with academic research (1%)
12 Which three things are primarily needed to support the growth of your economy? (Choose three)

- Better government and regulatory reform to the business environment (74%)
- Improved education (43%)
- Infrastructure improvements (33%)
- More diverse economies and creation of new markets (33%)
- Political reform and stability (26%)
- Reduction in trade boundaries and improvements in regional trade / intra-Africa trade (25%)
- Foreign investment in local companies (21%)
- Improved internet connectivity and telecommunications (10%)
- Foreign aid and support from aid agencies (9%)
- More affordable skilled staff and return of skilled migrants (9%)
- The presence of multi-national organisations (8%)
- Privatisation (6%)
- More urbanisation (3%)
- More foreign workers (1%)

37% of students said the European Union offers the most profit potential for trade

13 Which international region do you see as offering the most profit potential for trade with your country?

- European Union (37%)
- East Asia (24%)
- Africa (18%)
- Indo-Asia (8%)
- Middle East (6%)
- North America (3%)
- South America (2%)
- Russia and non-EU Eastern European States (2%)
The UN’s Organisation for Economic Cooperation and Development (OECD) says there is a jobs crisis in Africa. What does the Continent primarily need to create jobs?

- Support for people to set up their own business (47%)
- Education geared to skills that match available jobs (14%)
- More foreign investment in African countries (13%)
- More multi-nationals establishing operations in Africa (10%)
- Professionalisation of the informal employment sector (4%)
- Better infrastructure (4%)
- Greater deployment of new technologies (4%)
- More people directly employed by governments (2%)
- Greater access to information about available jobs (1%)
- More foreign aid (1%)

Data

The survey is representative of ABE students. In detail:

- The survey was sent to 12,313 ABE students in October 2012
- The responses are statistically valid with an error of +/- 2.1%
- 51.4% of responses were from males, 48.6% females
- The largest number of responses was from Malawi followed by (in order) Zambia, Kenya, Ghana, Mauritius, Botswana, Tanzania, Sierra Leone, Cameroon, Nigeria, Zimbabwe, Namibia and all other 17 countries in Africa where ABE has students
- The average age (mean) of respondents was 29 years old and the largest single age group to respond was 23 years old. Half the respondents were under 28 years old and three-quarters were under 34 years old. The range was from 15 to 59 years old
- Respondents were offered the chance to win a reward as an incentive to respond
About ABE

ABE is a not-for-profit organisation, founded in 1973, which is recognised by Ofqual, the UK’s regulatory authority, as an awarding body for qualifications. It offers qualifications from Level 4 Diploma up to Level 7 Diploma on the Qualifications and Credit Framework (QCF). Level 4 is the same level of learning as the first year of university, Level 6 is the same as an Honour’s degree and Level 7 is post-graduate level.

ABE provides qualifications in Business Management (in its own right and with optional alternative pathways in Financial Management or the Management of Information Systems), Human Resource Management, Marketing Management, Travel, Tourism and Hospitality Management and now Entrepreneurship. More than 50,000 students study worldwide for ABE qualifications every year through its network of accredited colleges. All ABE students have access to comprehensive online and published study support material. More than 80 universities worldwide (40 in the UK) accept ABE qualifications for entry on to different stages of their university degrees.

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