ARE ENTREPRENEURS BORN OR MADE?

For 55 years, Amway has been helping people realize their potential by providing them an opportunity to start their own business. As the business environment has grown and changed through the years, so have the reasons people decide to venture out on their own. In an effort to deepen our understanding of what motivates entrepreneurs and gain greater insight into the world in which they operate, we have launched Amway’s Global Entrepreneurship Report. And this year, it has yielded some intriguing new facts.

In the 2014 edition of the Amway Global Entrepreneurship Report, we explore one of the key factors for growth and wealth – entrepreneurship education. One aspect of our survey made the importance of entrepreneurship education overwhelmingly clear – in 37 of the 38 global markets participating in this year’s report, people believe entrepreneurship can be taught and that entrepreneurs are “made”. This is especially true among Millennial or Generation Y respondents, who are also most positive about entrepreneurship. Those young respondents represent a big opportunity for the development of the global economy and are also of indisputable importance for the national economies. They have the chance to emerge in a new generation of founders.

We are excited by the results of this survey. We see many countries encouraging entrepreneurs around the world and we are hopeful that the findings in this study will help further the development of more supportive environments for entrepreneurs both locally as well as globally.

Ultimately, entrepreneurs help drive economic growth and prosperity. So we look forward to continuing our efforts to advance the cause of business ownership and to inspire those with a dream of being their own boss. We strive to help every business owner understand that they have what it takes to reach their goals and be successful.

Steve Van Andel Doug DeVos
Chairman President
The Amway Global Entrepreneurship Report 2014 provides representative results for 38 countries coming from every continent around the world on people’s opinions of entrepreneurship. The respondents’ attitude toward entrepreneurship is generally positive worldwide. Most respondents name independence and self-fulfilment as the most important motives for becoming self-employed. While a vast majority of the respondents think that entrepreneurship can be taught, not even half of the respondents think that the existing offer for entrepreneurship education is sufficient. To respondents, basic business and leadership skills as well as practical experience are the most important components of entrepreneurship education, which should be taught in schools, universities, and public programs. Overall, the report yields a positive picture about the situation of entrepreneurship. However, the situation on entrepreneurship education seems to be less bright. Policy makers are well advised to improve the offer for entrepreneurship education and to get more people to participate, in order to encourage potential entrepreneurs to take the necessary steps into self-employment.

Entrepreneurship, Yes. But Me?

Entrepreneurship is an important source of renewal and competitiveness for economies. The 2014 AGER shows that entrepreneurship is highly valued around the world and that a considerable portion of the respondents can imagine starting a business themselves. In fact, the respondents’ personal attitude toward entrepreneurship is very positive. Seventy-five percent of the respondents indicated having a positive attitude. In the countries surveyed in 2013, the report even observes an increase in positive attitude, by 4%. Furthermore, entrepreneurial potential—the portion of respondents who can imagine starting a business—remained high (42%) with a slight increase by 2% in the countries surveyed last year. Finally, a person’s positive attitude should foster that person’s intentions to start a business. The survey reflects this: in the countries surveyed where respondents are more positive about entrepreneurship, more respondents can also imagine starting a business (see Figure Page 8).

Demographic groups provide a more nuanced picture. Generally, it can be interpreted as a positive sign for initiatives aiming to foster female entrepreneurship that women and men are equally positive about entrepreneurship. It is only in countries that are culturally more masculine that men respond more positively to entrepreneurship as well as less open to starting their own business. With increasing age future payments from an entrepreneurial activity become less attractive, and entrepreneurship appears less age-appropriate. This presents a dilemma. While older people who have already accumulated relevant experience are less willing to start a business with increasing age, younger people will more readily start a business but are likely to be less experienced. One way to promote entrepreneurship in older age might be to increase its acceptance and attractiveness in the society. Entrepreneurship education— as discussed later in detail—may especially assist younger people in providing the necessary skills and tools for starting a business, and importantly help them to decide whether being self-employed is the right career choice. In fact, we find support for a positive relationship with education. Respondents with a university degree are more positive about entrepreneurship and considerably more able to imagine becoming self-employed than respondents without a degree.

When comparing across countries two interesting facts appear. First, entrepreneurial activity has been found to be lower the more individuals earn as employees. Similarly, we find that the higher the economic output per person in a country on average, the fewer respondents can imagine starting a business. Secondly, and not surprisingly, countries whose culture is characterized by avoiding uncertainty are less positive about entrepreneurship since entrepreneurship involves risk and uncertain future returns. However, despite this negative relationship, respondents’ entrepreneurial potential seems to be unrelated to the national level of uncertainty avoidance.

Two important drivers of entrepreneurial intentions are independence and income prospects. As with last year, respondents favor independence from an employer or self-fulfilment clearly over income-related aspects such as return to the job market or a second income. Importantly, the lower a country’s economic output per capita the less important independence becomes as a driver for entrepreneurship.

The findings pose the question as to how potential entrepreneurs can be supported in their decision over whether starting a business is a path they wish to pursue. Especially among young respondents, we find high entrepreneurial potential. One promising route in supporting people is represented by entrepreneurship education.

Entrepreneurship Education, Yes. But Where and What?

Nearly two-thirds of the 2014 AGER respondents (63%) believe that entrepreneurship can be taught rather than entrepreneurs being born, not made. Respondents under 25 years have the strongest belief in this fact (70%), differing from respondents aged 35 to 49 years (65%) and those over 50 years (57%).
While this opinion varies across the countries surveyed, all but one are convinced by a majority about the positive effect of entrepreneurship education (see Figure Page 11).

Research also shows that entrepreneurship can be taught. For example, entrepreneurship education strengthens people’s beliefs in their ability to successfully start a business, helps in evaluating entrepreneurship as a career option, and strengthens entrepreneurial intentions. It is no coincidence that entrepreneurship education has evolved into an important topic for policy makers around the world to fight unemployment and bolster economic growth.

This being said, not even half of the respondents perceive the existing offer of entrepreneurship education as satisfactory; only 11% state that the offer is sufficient, with only small differences between gender and age groups. Further, only 23% of respondents state having participated in at least one entrepreneurship education activity outlined in Figure Page 12. Together, this raises the question why so few people in the countries surveyed participate in entrepreneurship education. Therefore, it is important to assess what should be taught in entrepreneurship education, and how.

On average, respondents clearly see schools, state programs, and the universities as institutions responsible for entrepreneurship education, in this respective order. It is interesting to note that more respondents see schools and universities responsible for teaching entrepreneurship in countries with higher participation rates in entrepreneurship education. Offering entrepreneurship education earlier in schools, in addition to many university programs that already exist, may help in promoting entrepreneurship in the future – even though the results may take time to unfold. Policy makers should seize this chance to initiate a positive culture of entrepreneurship in the younger generation.

Research suggests that entrepreneurship education should incorporate skills and practical experience as well as exchange and learning from active entrepreneurs. The respondents clearly state that entrepreneurship education should include basic business and leadership skills and that entrepreneurship should be practiced (see Figure Page 12). Innovation techniques, role models, and success stories are seen as less crucial components of entrepreneurship education. Two components seem to be evaluated differently depending on the countries’ economic output. The higher a country’s economic output, the higher the rating for the importance of basic business skills. Conversely, the lower the economic output, the higher respondents rate success stories as an important component of entrepreneurship education.

Taken all together, a considerable proportion of the respondents have a positive view of entrepreneurship, and many respondents can imagine starting a business. However, policy makers should seriously consider measures to get more people to participate in entrepreneurship education. Respondents are clear that they see schools as the most important place for delivering and experiencing entrepreneurial knowledge. Exposing more people to entrepreneurship through education may not only increase new venture creation, it could also spread a more entrepreneurial mindset into companies and our everyday decision-making. It will pay off.

REFERENCES
1. Anway Global Entrepreneurship Report
4. Masculinity is a cultural dimension and “represents a preference in society for achievement, heroism, assertiveness and material rewards for success. Society at large is more competitive.” (http://geert-hofstede.com/dimensions.html). Countries high in masculinity and with high gaps are, e.g., Austria, Hungary, and Switzerland.
6. China is the only country where more women than men can imagine starting a business. In Belgium, Canada, Greece and Mexico less than 5% more men than women can imagine starting a business.
12. Uncertainty avoidance is a cultural dimension and “expresses the degree to which members of a society feel uncomfortable with uncertainty and ambiguity.” (http://geert-hofstede.com/dimensions.html).
14. Among respondents younger than 35 years 51% can imagine starting a business.
18. E.g. in business plans, competitions, simulations, mini-company programs.
Entrepreneurial ATTITUDE and POTENTIAL

**QUESTION:** How do you see entrepreneurship and can you imagine starting an own business?

Blue lines represent averages for all surveyed countries for positive attitude (vertical) and entrepreneurship potential (horizontal). The red line depicts a linear relationship between the positive attitude towards entrepreneurship and the entrepreneurship potential which is measured as the portion of respondents who can imagine starting a business.

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**INDEPENDENCE and SELF-FULFILLMENT**

**QUESTION:** In your opinion, which aspects appeal to you as reasons to start up your own business?

1. BETTER COMPATIBILITY OF FAMILY, LEISURE, TIME AND CAREER
2. SECOND INCOME PROSPECTS
3. SELF-FULFILLMENT, POSSIBILITY TO REALIZE OWN IDEAS
4. INDEPENDENCE FROM AN EMPLOYER, BEING MY OWN BOSS
5. RETURN TO JOB MARKET, ALTERNATIVE TO UNEMPLOYMENT
Entrepreneurship-Friendliness
OF SOCIETY

Entrepreneurship
CAN BE TAUGHT

QUESTION: If you please think about politics, media coverage and the people you know: How entrepreneurship-friendly is the society in your country in general?

QUESTION: In your opinion, can entrepreneurship be taught or are entrepreneurs on the contrary rather born than made?
**BUSINESS SKILLS** wanted

**42%**

Basic business skills, e.g. in financial controlling, marketing or computer applications

**37%**

Leadership and management skills and rhetorical abilities, e.g. decision making, customer management, leading and motivating employees

**37%**

Entrepreneurship in practice, e.g. business plans, business competitions, business simulations, mini-company programs

**31%**

Innovation, e.g. teaching of creativity and solution approaches to problems

**28%**

Entrepreneurial role models: mentoring programs and personal interaction with entrepreneurs

**24%**

Learning from analyzing entrepreneurial success stories

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**RESPONSIBILITY** for Entrepreneurial Education

**36%**

Schools and secondary education

**33%**

Special start-up programs provided by non-profit organizations, chambers of commerce or government programs

**32%**

Universities, higher education

**26%**

Special start-up programs provided by companies

**23%**

Individuals should be held to learn on their own responsibility

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**QUESTION:** In your opinion, which aspects of entrepreneurship education are crucial to prepare people to start their own business?

**QUESTION:** We would like to know your opinion towards the responsibility for preparing entrepreneurs for starting their business. Where should entrepreneurship education primarily take place?
QUESTION: In your opinion, is the existing offer of entrepreneurship education in schools, universities and other facilities such as government programs, or private companies in your country satisfactory and sufficient?

SATISFACTION with Entrepreneurial Education

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, sufficient</td>
<td>11%</td>
</tr>
<tr>
<td>Yes, but could be further improved</td>
<td>32%</td>
</tr>
<tr>
<td>No, but there are efforts</td>
<td>18%</td>
</tr>
<tr>
<td>No, insufficient</td>
<td>25%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>14%</td>
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</tbody>
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