



Ashish J. Thakkar
Global Entrepreneurship Index
2016

About Mara Foundation

Mara Foundation was established in 2009 as the social enterprise of Mara Group - a young and dynamic pan-African investment group with operations in banking, real estate, infrastructure, and technology. Mara Group was founded by Ashish J Thakkar who began his entrepreneurial journey at the age of 15 and, together with his family, has built up Mara Group into a company with investments and operations spanning 25 African countries and 3 continents.

Mara Foundation is the Group's social enterprise that focuses on emerging entrepreneurs. The Foundation's flagship initiative - Mara Mentor – is a free online mentoring platform, through which entrepreneurs gain encouragement, support, guidance and most significantly, vital feedback required for the progression of business ideas and plans. Mara Mentor enables sustainable economic and business development opportunities for entrepreneurs.

The online platform is available on mobile applications, on iOS and Android, with a strong focus on empowering youth and women entrepreneurs. Start-ups through to businesses at expansion stage are supported through the platform.

Directly and indirectly, many of the Sustainable Development Goals impacted through the Foundations work.

www.mentor.mara.com



Rona Kotecha

Executive Director
Mara Foundation

“The Ashish J. Thakkar Global Entrepreneurship Index offers a powerful insight into various areas which impact entrepreneurship globally. Whilst Mara Mentor enables and empowers entrepreneurs, the Index will compliment this by identifying changes that will need to be implemented in order to create a more enabling entrepreneurial environment.”

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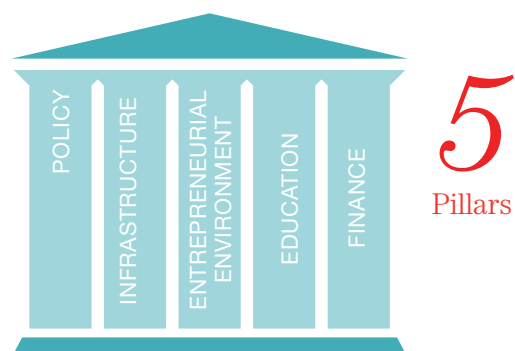
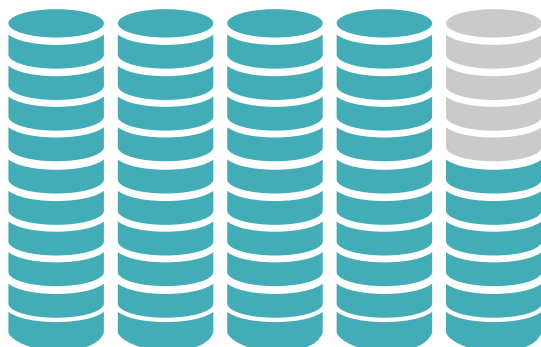
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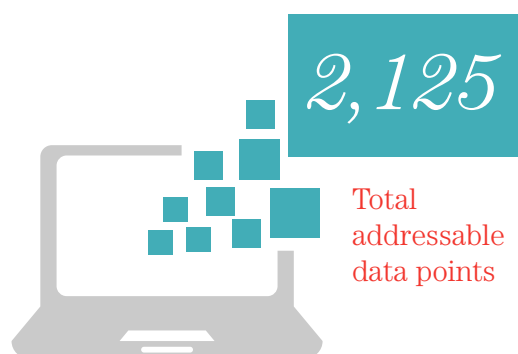
What this report covers



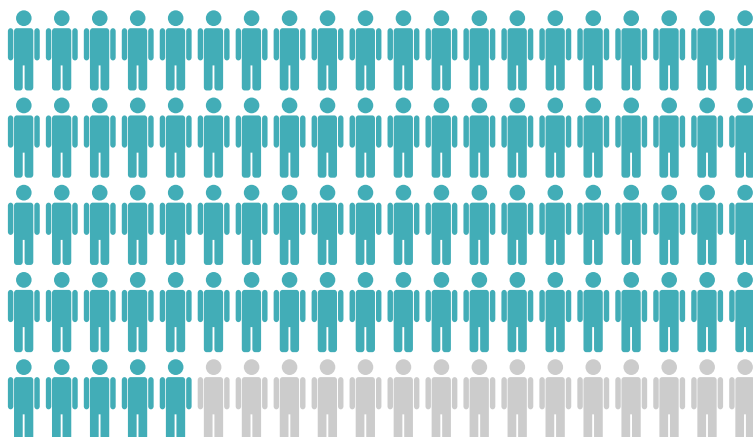
92% of world GDP



25 Input indices



85% of the world's population



Foreword



Ashish J. Thakkar

‘Founder, Mara Group & Mara Foundation’

Welcome to the inaugural ‘Ashish J. Thakkar Global Entrepreneurship Index’. The Index is a Mara Foundation initiative that has been developed with support from an independent research consultancy to create a wide-ranging and thorough analysis of the state of entrepreneurship globally.

The result is a unique tool that measures entrepreneurial environments around the world, assessing each country against a set of criteria that spans cultural, educational, administrative, infrastructural, financial and policy factors. We will measure performance over time, looking out for innovative solutions that are setting new benchmarks and hold the potential to be adopted elsewhere. Through the findings of the Index, we provide clear policy recommendations to the public and private sectors that we hope will, in turn, further the success of a great number of promising entrepreneurs around the world.

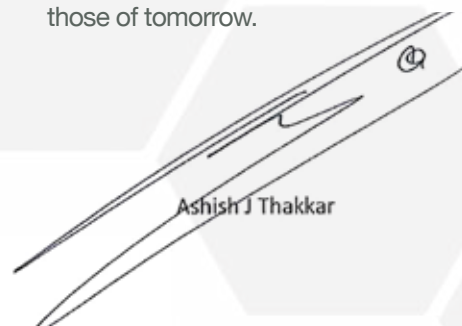
Having started my own business at the age of 15, I have experienced first-hand the many obstacles that face entrepreneurs trying to build a business from scratch – from securing finance and basic infrastructure, through to building a team and expanding into new markets. Those obstacles are particularly prominent in developing countries.

Through the work of Mara Group and Mara Foundation over the past 20 years, I have come to recognise the immense contribution that entrepreneurs make to economies and societies around the world – particularly in relation to job creation. With global populations ballooning year-on-year, governments will increasingly look to entrepreneurs to help them diversify their economies and create job security for future generations.

My compliments must also go to Singapore, the top-scoring country in our Index, for its robust pro-entrepreneurial policies, high level of education and strong entrepreneurial culture. Singapore has done particularly well in developing itself as a regional hub for venture capital investment. One reason it scores so highly is due to schemes such as the government-backed Early Stage Venture Investment Fund which, each year, awards five venture capitalists with matching government funding that enables them to invest widely and confidently.

I would like to thank all of our friends and partners who have contributed to the development of this report. I hope you find it a useful tool and wholeheartedly welcome your feedback so that we can refine and strengthen our approach as we continue to update the Index in the coming years.

Our entrepreneurs are our future. They must be cultivated, motivated and remunerated to an appropriate degree. It's time we recognised their contribution to business and society, and continue to put the appropriate foundations in place to help them thrive. Through the Index and the work of Mara Foundation we hope to drive forward the spirit of today's entrepreneurs and set the course for those of tomorrow.



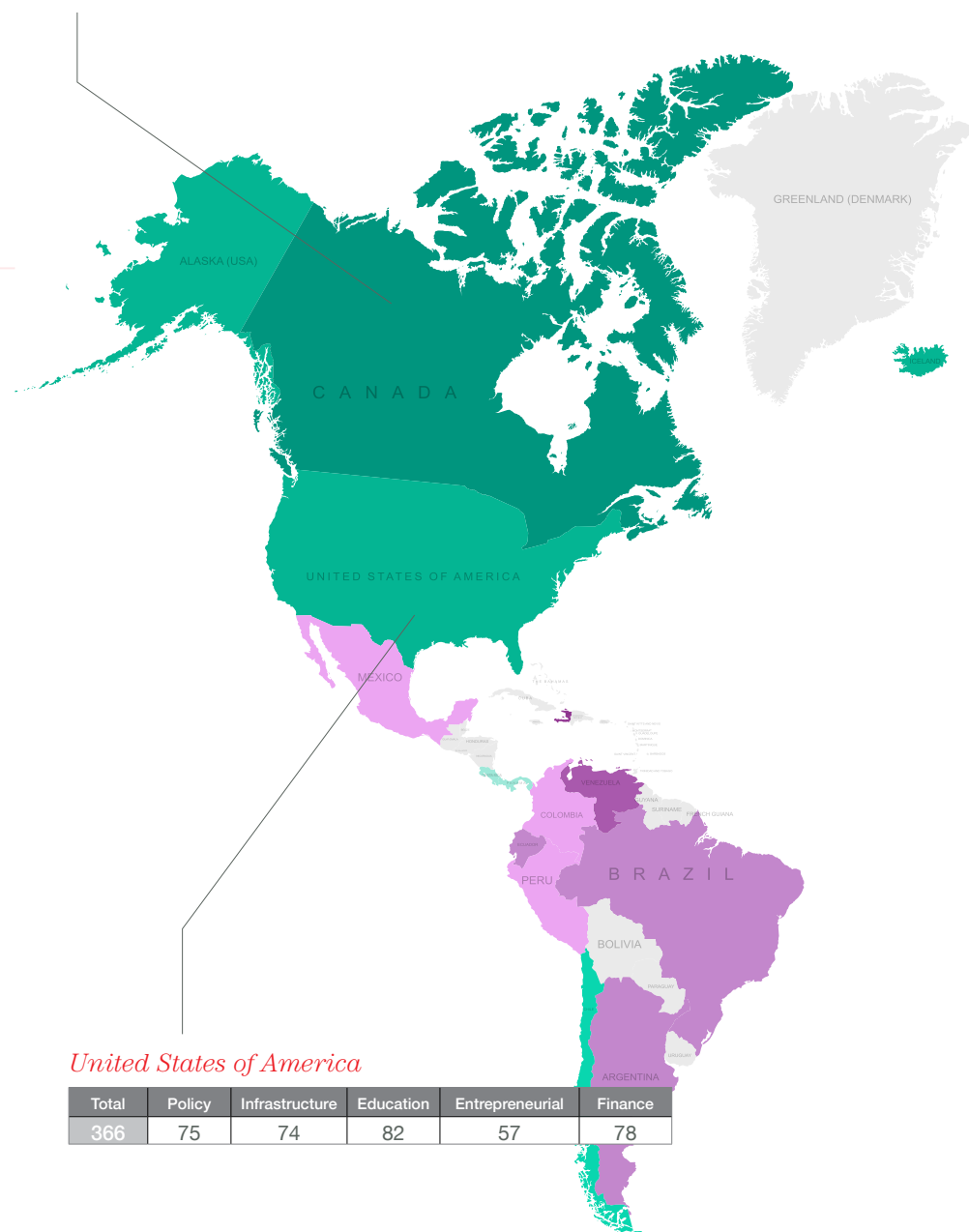
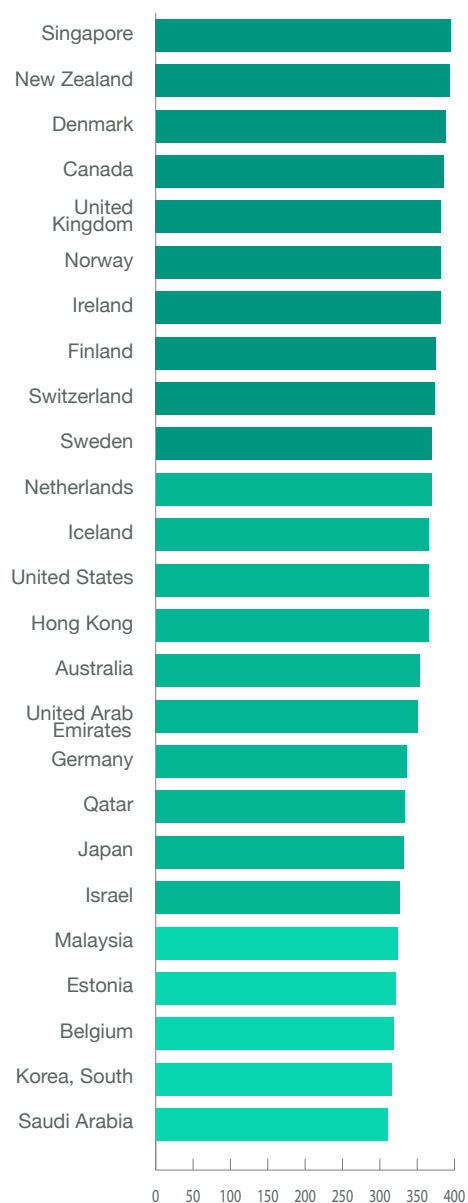
Ashish J Thakkar

Global Overview

Canada

Total	Policy	Infrastructure	Education	Entrepreneurial	Finance
386	88	69	73	67	89

Top 25 countries by Overall Index Score



United States of America

Total	Policy	Infrastructure	Education	Entrepreneurial	Finance
366	75	74	82	57	78

Countries ranked by Overall Index Score



We are pleased to present the Ashish J. Thakkar Global Entrepreneurship Index 2016. Entrepreneurial growth is key to reducing unemployment and powering growth globally. The objective of this Index is to highlight which countries are performing well and which countries could improve. The Index shows that while Europe and North America performed particularly well, Singapore was the top country for entrepreneurship. This report will show that while Europe and North America have a stable legislative framework, established financial systems and a solid physical infrastructure and thus dominate the top ranks of the Index, African countries perform well on the status of entrepreneurs and have narrowed the gap for digital infrastructure. This Index is the first in an annual series where we will monitor the movement of these countries.

Denmark

Total	Policy	Infrastructure	Education	Entrepreneurial	Finance
388	83	72	81	67	85

United Arab Emirates

Total	Policy	Infrastructure	Education	Entrepreneurial	Finance
351	77	75	61	68	69

Singapore

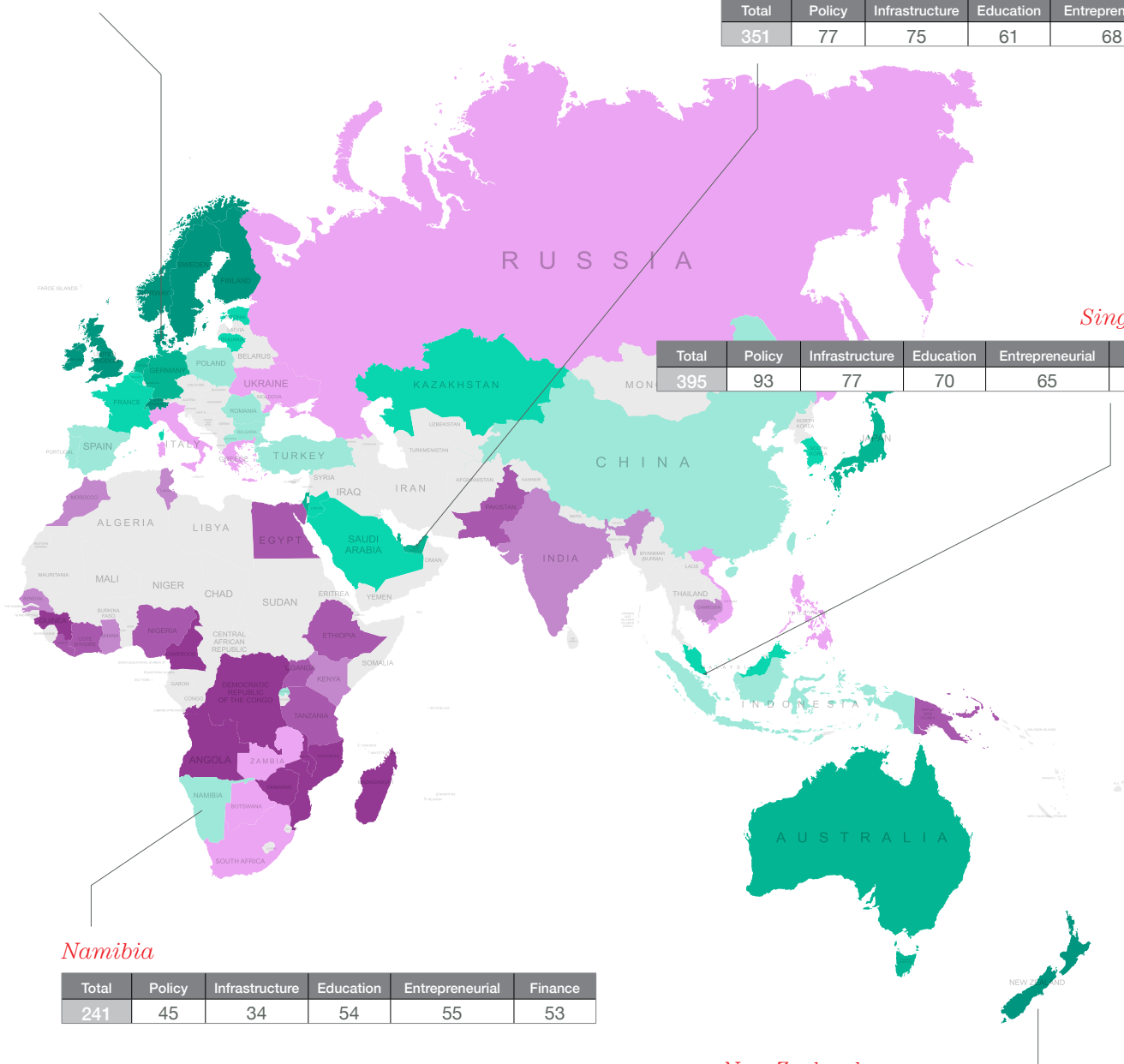
Total	Policy	Infrastructure	Education	Entrepreneurial	Finance
395	93	77	70	65	90

Namibia

Total	Policy	Infrastructure	Education	Entrepreneurial	Finance
241	45	34	54	55	53

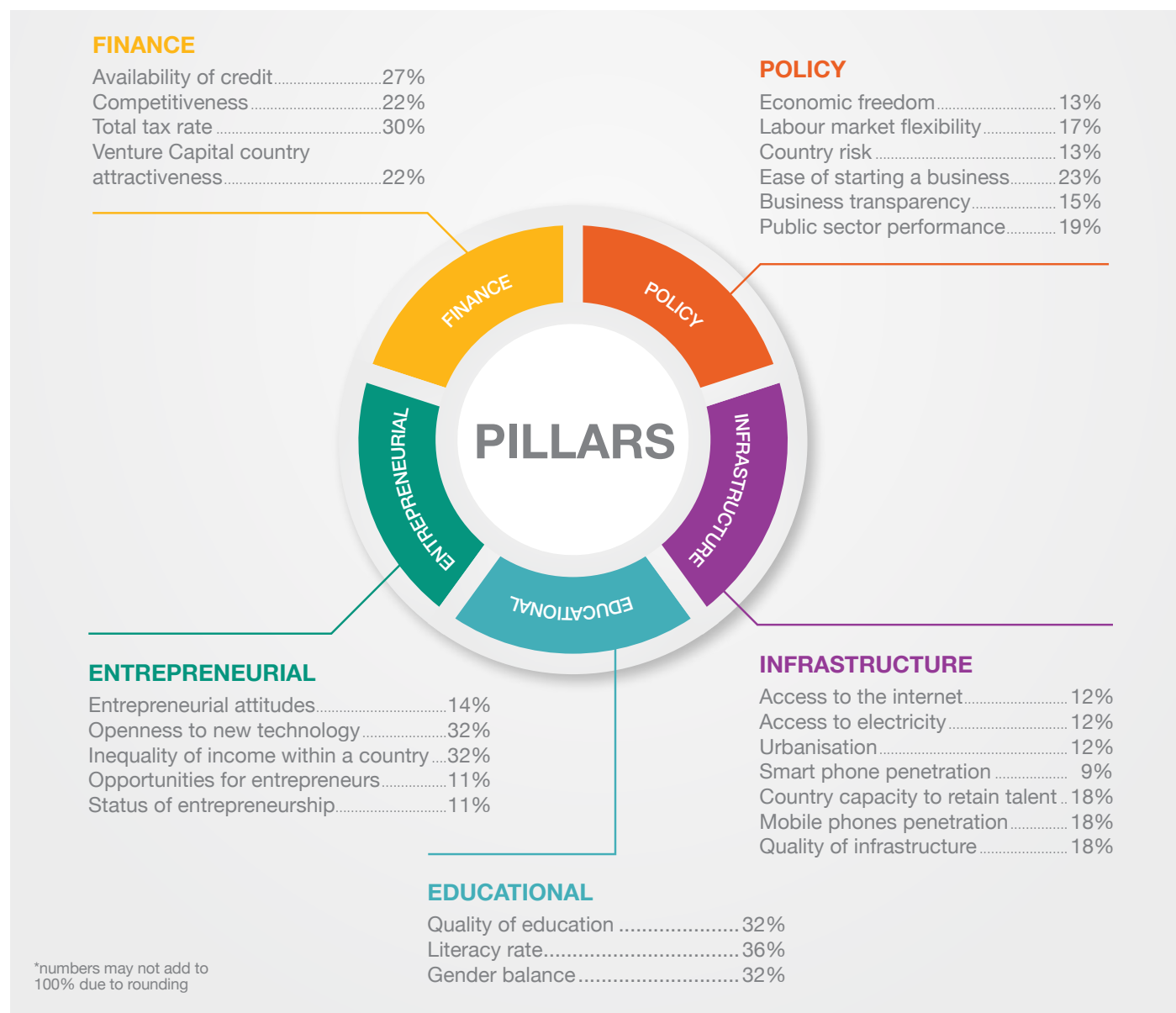
New Zealand

Total	Policy	Infrastructure	Education	Entrepreneurial	Finance
394	96	66	92	58	82





The Ashish J. Thakkar Global Entrepreneurship Index is based on 5 broad pillars, each containing between three and seven indices. These indices were sourced from a variety of sources such as United Nations and World Trade Organisation statistics. The 5 pillars aim to give a balance of physical barriers to entrepreneurship such as poor infrastructure, government policies preventing entrepreneurship and also assessing the entrepreneurial environment.



Sources :

ACET (African Center for Economic Transformation
Africa Business Review
BBC
Bloomberg
DfID
Global Off Grid Lighting Association
Government of South Africa

IRENA (International Renewable Energy Agency)
OECD
Quartz Africa
Renewable Energy World
The Economist
The Guardian
UN
World bank

UNESCO
Coface
Transparency International
World Economic Forum
Heritage Foundation
Prosperity Index
GEM
IESE

IRENA
UNIDO
Belgian Technical Cooperation
Diplomatic Courier
SIDA
European Digital Forum
Jena Economic
WIPO

Insead
ITC
WTO
OECD
Lexology
GSEA
Slush
Cebit
GSDRC

Doing Business
FT
GSMA
QZ
We are Teachers
Good
JSE
Uwezeshaji
PEW

Entrepreneurial environment

Country	No.	Total	Policy	Infrastructure	Education	Entrepreneurial	Finance
Singapore	1	395	93	77	70	65	90
New Zealand	2	394	96	66	92	58	82
Denmark	3	388	83	72	81	67	85
Canada	4	386	88	69	73	67	89
United Kingdom	5	382	85	71	76	65	84
Norway	6	382	85	73	85	75	64
Ireland	7	382	79	61	86	76	80
Finland	8	375	74	76	86	76	63
Switzerland	9	374	86	74	67	67	80
Sweden	10	369	83	72	79	78	56
Netherlands	11	369	83	77	79	70	60
Iceland	12	366	77	76	87	68	57
United States	13	366	75	74	82	57	78
Hong Kong	14	365	90	75	59	55	86
Australia	15	354	74	68	83	61	68
United Arab Emirates	16	351	77	75	61	68	69
Germany	17	336	67	69	65	67	68
Qatar	18	334	75	75	60	64	62
Japan	19	332	76	69	68	61	57
Israel	20	327	58	63	86	64	56
Malaysia	21	324	79	66	63	43	72
Estonia	22	321	84	55	65	65	53
Belgium	23	319	65	71	71	63	49
Korea, South	24	316	60	69	88	41	58
Saudi Arabia	25	311	57	60	73	53	69
Jordan	26	305	60	53	75	69	49
Kazakhstan	27	304	58	48	79	61	59
Chile	28	303	70	65	67	50	50
Lithuania	29	292	64	50	65	60	53
France	30	290	61	61	70	53	45
Macedonia	31	289	67	41	71	46	63
Poland	32	280	54	41	69	47	69
Portugal	33	276	58	54	59	55	50
Spain	34	275	45	59	78	41	52
Costa Rica	35	272	47	47	74	45	59
Romania	36	269	53	35	59	64	57
Panama	37	268	57	50	63	39	60
Turkey	38	262	45	50	65	51	50
Indonesia	39	258	35	37	63	62	60
Bulgaria	40	251	51	39	59	40	61
China	41	247	41	52	71	40	43
Namibia	42	241	45	34	54	55	53
Rwanda	43	240	61	29	35	50	65

Country	No.	Total	Policy	Infrastructure	Education	Entrepreneurial	Finance
Botswana	44	232	56	32	48	48	48
Colombia	45	231	47	39	61	41	44
South Africa	46	230	35	42	51	36	66
Peru	47	230	41	39	48	42	60
Italy	48	229	40	44	61	41	43
Philippines	49	226	38	33	68	50	37
Greece	50	224	33	47	65	44	36
Ukraine	51	223	31	37	65	50	40
Mexico	52	223	43	45	55	32	48
Russia	53	220	39	46	63	23	48
Vietnam	54	219	34	32	60	37	56
Zambia	55	214	37	26	39	40	72
Morocco	56	210	53	47	24	55	31
Tunisia	57	206	39	37	58	51	21
India	58	201	42	34	48	29	48
Ecuador	59	201	25	37	60	36	42
Kenya	60	197	36	29	36	43	53
Senegal	61	197	50	28	34	56	30
Ghana	62	197	39	29	32	43	54
Brazil	63	193	17	45	61	39	32
Cambodia	64	190	21	20	27	61	62
Argentina	65	189	12	47	84	22	25
Egypt	66	189	28	30	45	54	33
Cote d'Ivoire	67	172	55	37	8	51	22
Pakistan	68	159	22	28	11	65	34
Uganda	69	156	28	16	27	43	42
Nigeria	70	155	29	23	20	35	47
Tanzania	71	152	32	13	38	45	25
Ethiopia	72	148	27	18	9	59	35
Papua New Guinea	73	144	31	15	11	56	31
Venezuela	74	144	2	37	75	21	10
Liberia	75	135	44	21	10	38	22
Cameroon	76	131	28	20	22	35	26
Congo, Rep. of the	77	130	8	20	46	40	16
Malawi	78	127	23	9	32	35	27
Madagascar	79	120	29	10	15	45	21
Mozambique	80	119	21	15	9	48	26
Zimbabwe	81	116	4	15	30	34	33
Haiti	82	111	19	14	28	34	16
Angola	83	104	17	19	14	39	14
Guinea	84	104	29	8	6	49	12
Congo, Dem. Rep.	85	94	21	11	15	35	11

Countries ranked by Overall Index Score





Top performers

Overall



Policy



Infrastructure



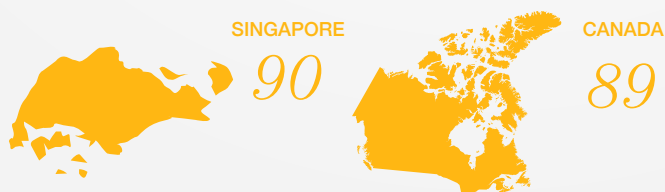
Education



Entrepreneurial Environment



Finance



Correlation between the Ashish J. Thakkar Global Entrepreneurship Index and component Pillars

The Infrastructure and Policy Pillars had the highest correlation with the final results indicating that countries that have the right policies and infrastructure to support entrepreneurial behavior are more likely to succeed.

The Entrepreneurial Environment Pillar had the lowest correlation with the final results highlighting that certain jurisdictions may be open to new technological concepts and have a high status of entrepreneurship, but are unable to follow through due to poor government policy and/or infrastructure.

Policy

0.92

Infrastructure

0.94

Education

0.82

Entrepreneurial Environment

0.69

Finance

0.86



Richard Branson
Virgin Group Founder

“The Mara Foundation has done some great work supporting entrepreneurs all over the world. I’m delighted to see their new entrepreneurship index that will help identify opportunities for business, not for profits and government to work together to create the right environment for entrepreneurs to thrive and to create jobs.”

“I commend Ashish J. Thakkar and the Mara Foundation for creating this timely index. It provides useful insights on how Africa can unlock the potential of its youth and boost entrepreneurship. As populations are aging rapidly in much of the rest of the world, Africa can reap the economic dividends of its growing labor force. Africa is poised to become the next center for entrepreneurship, but we must provide Africa’s youth with the required skills and create an environment that will enable them to become the business leaders of tomorrow.”



President
Akinwumi Adesina

President of the African
Development Bank

Policy Pillar

Europe leads the way for policy encouraging entrepreneurship

The Policy Pillar is designed to measure the framework that governments put in place to encourage entrepreneurship. The Mara Foundation believe that government policy is key to encouraging entrepreneurship within countries - those which have open, flexible, market based economies are better for entrepreneurs.

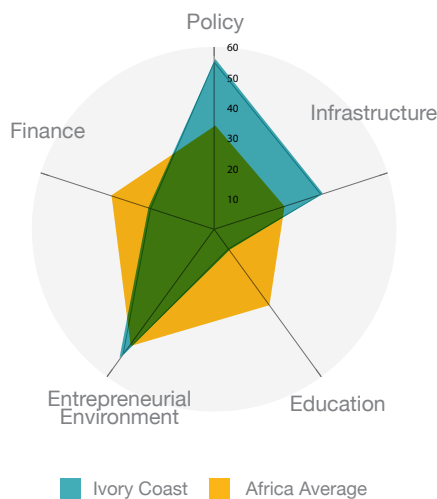
This Pillar also looks at the risk associated with doing business in a country and the perceptions of corruption in country - both of which impact the state of entrepreneurship.

New Zealand leads the Index with a total score of 96 in the policy segment. Singapore and Hong Kong round out an Asia-Pacific monopoly of the top three.

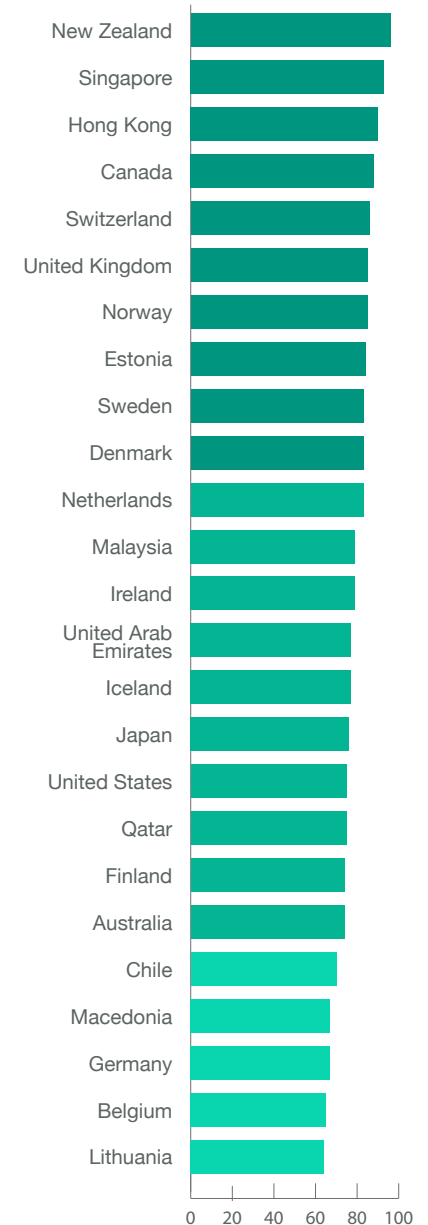
The Ivory Coast performed particularly strongly in policy compared to its overall performance; its policy score being 21% higher than its average performance over the index.

Various eastern European countries perform well on the Index: Estonia ranked 8th with 85 while Macedonia and Lithuania also appear in the top 25 with scores of 67 and 64 respectively.

At the bottom of the table are Venezuela, Zimbabwe, and the Republic of Congo with respective scores of two, four, and eight. Given the political challenges in both Venezuela and Zimbabwe, few would be surprised to see their presence there. However, should reformist governments come to power, they could rise substantially up the Index.

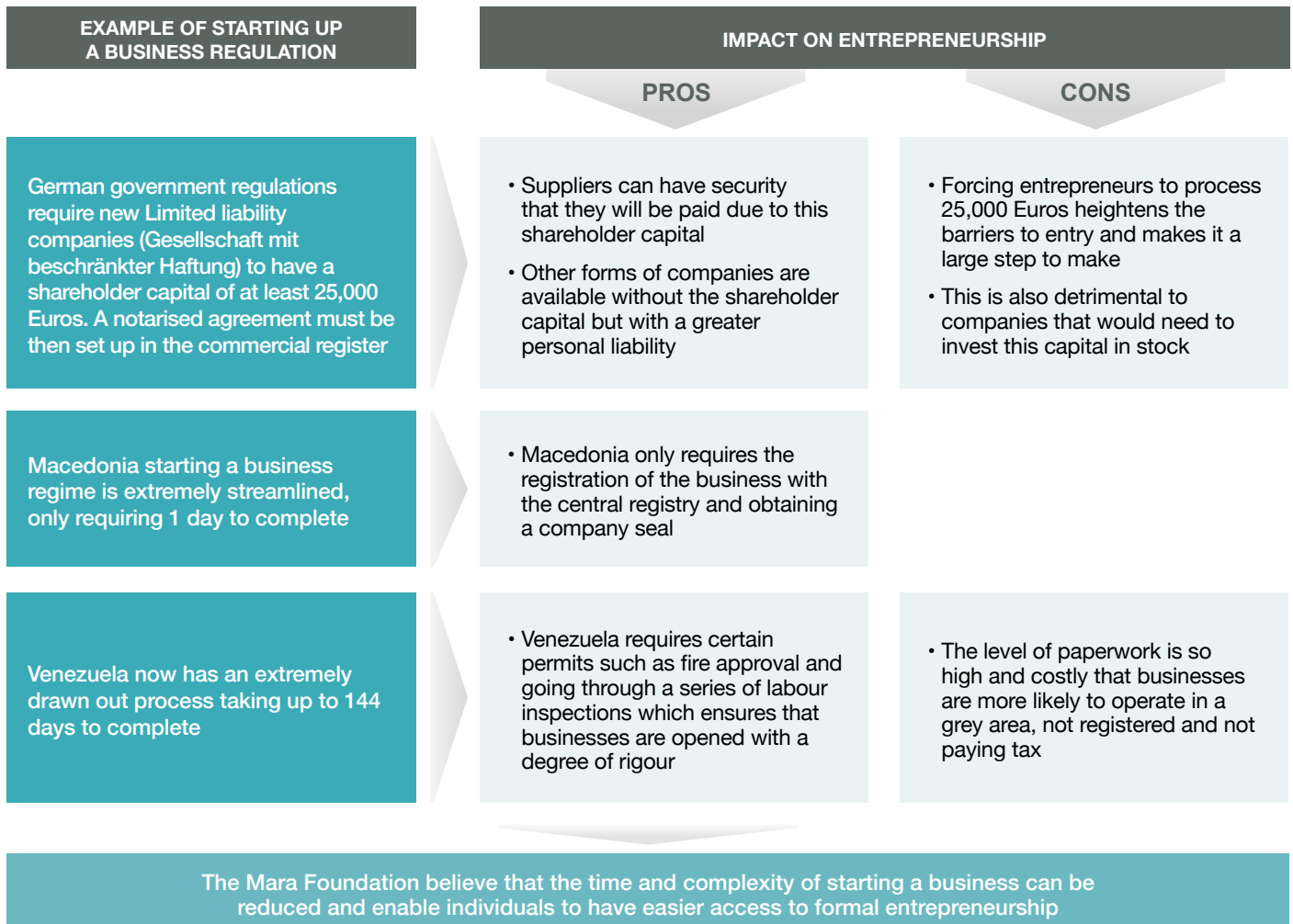


Top 25 for Policy



Focus on starting a business and IP Law

Countries have very differing procedures to starting up a business - ranging from 1 day to 144 days

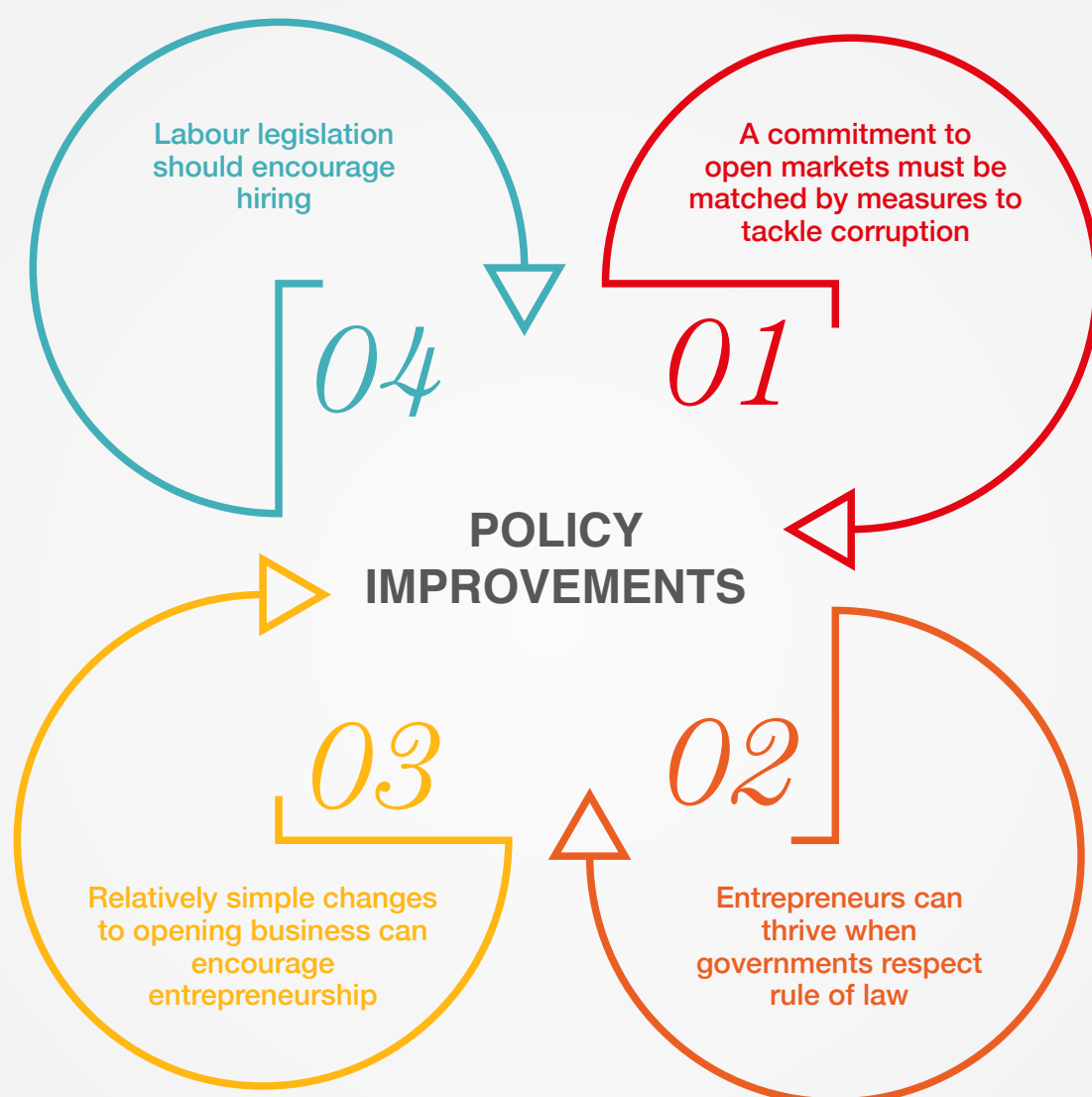


FOCUS ON IP LAW

In addition to a streamlined company formation process, entrepreneurs need to protect their ideas to ensure that their creativity isn't copied by others. Intellectual Property (IP) laws enable entrepreneurs to both protect the idea that they are working on and indeed be sure they are not replicating someone else's product.

Some jurisdictions have strong IP protection with patents, copyrights and trademarks being respected, others have a state supported grey area. One country that has made steps to improve its IP laws is Ghana. Ghana introduced the National Intellectual Property Policy and Strategy (NIPPS) aimed at strengthening IP in Ghana. The legislation covers areas such as protection, trademarks, industrial designs and patents. This policy was formulated in conjunction with the Swiss government via the Swiss-Ghana Intellectual Property Project which strengthened and developed the government of Ghana's capacity in relation to both developing IP laws and effective enforcement in the country.





1

- In order for entrepreneurship to succeed, governments need to commit to having open markets. Entrepreneurs are innovators and need a relatively free, balanced regulatory environment.
- They need an environment where consumers are free to choose their preferred product and entrepreneurs are free to sell it. However, while governments should have a commitment to free markets, they must take steps to ensure that economic rents are not kept by the well connected few.
- Entrepreneurship can best succeed when governments are both committed to a market economy and also take steps to make business practices as open as possible.
- For example, although not featured in the Index, the Bangladeshi government has been taking steps to reduce corruption in local government contracting via the Local Government Support Project II sponsored by the World Bank. This process has promoted greater transparency and accountability by making decision-making in local communities more inclusive, with an emphasis on women's participation.

2

- Rule of law hugely impacts the scale of entrepreneurship in a country. When it is respected it gives entrepreneurs the confidence and support needed to enter the economy and, also significant, become a player in the country's economic growth and development.
- In Rwanda - which scores the highest of the African continent for the policy pillar (61)- there has been large scale decentralisation including civil sector reform. This movement has ensured political stability, improved transparency, and rebuilt trust. For example, to ensure contract enforcement, the government established additional commercial courts so that there would be practical repercussions for those who violated business contracts.
- By sending the message that no one is above the law, the economy and entrepreneurship in Rwanda has grown as demonstrated by their ranking in the index (especially coming out among the top of Africa).

3

- Encouraging entrepreneurship can include relatively simple changes to make it easier for businesses to become established, operate, and grow. Something as simple as the government identifying entrepreneurship as a priority is probably the best place to start.
- In the UK, for example, a company can be registered within 48 hours. This consideration, among many others of course, contributes to the UK coming out fifth on the Entrepreneurship Index, and tied for second among Europe for the policy pillar with a score of 85.
- Another simple change is to adjust zoning/planning codes to reduce business costs. These codes can sometimes prohibit common sense/best use of space. For example, a business owner who operates their shop from the ground floor of the building and lives on the other floors is much more appealing for business owners opposed to zoning where they wouldn't be able to live side by side to their shop.

4

- Labour market flexibility is a complex, multifaceted concept where there are different countries at different stages of their development that should be treated in different ways. South Africa has extremely inflexible labour laws which are designed around the needs of employees working in large industrial or mining enterprises.
- These laws mean that entrepreneurs in South Africa are less inclined to hire staff legally and pay taxes for them. As a result, South Africa scores 35 on the policy pillar. Similarly, in India there are strict labour laws prohibiting easy hiring and firing of employees. However, this results in a large number of Indian workers being employed informally, with around 90% of Indians being in informal labour. Laws need to be more flexible to encourage entrepreneurs to hire staff formally.

Infrastructure Pillar

The Netherlands and Singapore are joint top for infrastructure

The Infrastructure Pillar is designed to assess a country's capacity to enable entrepreneurship. Entrepreneurship is possible in many surroundings but having a stable supply of energy, a functioning transportation system, access to the internet, and a population connected with mobile phones is a strong facilitator of entrepreneurial growth.

The growth of digital infrastructure is key to entrepreneurial growth. The gap between the top performers in physical infrastructure (such as ports and roads) is unlikely to narrow any time soon, and this physical infrastructure is important to entrepreneurialism. However, digital infrastructure can be built much cheaper and much more quickly. The growth of mobile phones in Africa and Asia is one example where big, significant changes can happen quickly.

This Pillar also looks at the country's capacity to retain talent; being able to keep your best and brightest certainly impacts entrepreneurialism. It also suggests that some migrant populations are indeed some of the most entrepreneurial, just not in their home country perhaps.

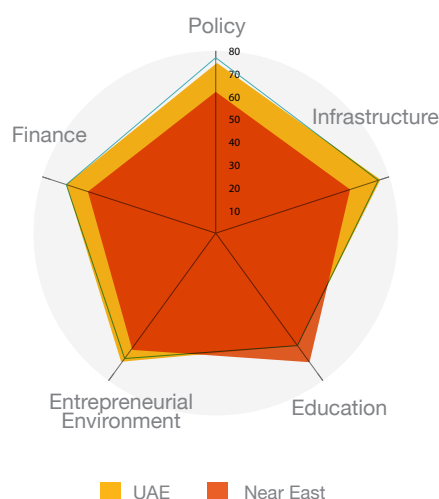
The UAE performed strongly in the Infrastructure segment overall, and across the majority of indices too. It was able to have both a strong physical infrastructure as well as score highly on digital infrastructure.

The Netherlands and Singapore are the top performers (tied) with Iceland, Hong Kong, Qatar and the UAE following close behind. Given this Pillar's focus includes urbanisation and various different elements of physical infrastructure, it is no surprise to see that city states and small countries perform well.

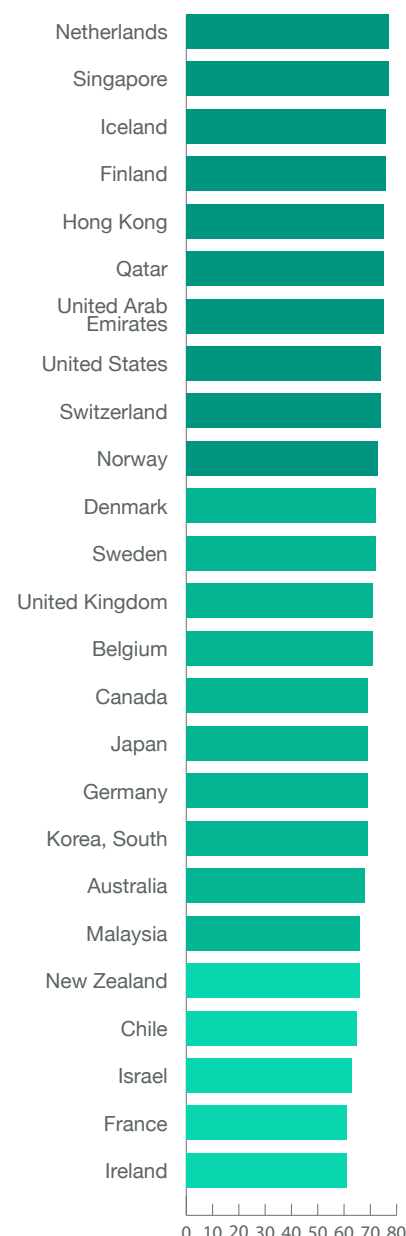
Having said that, the USA performs well (8th place) largely driven by its ability to retain trained, skilled staff, and its extremely high smartphone penetration rate.

South Korea also performed strongly with a score of 69. Perhaps unsurprisingly it had the highest smartphone penetration rates with 88% of adults owning a smartphone.

Certain African countries performed extremely highly on mobile phone penetration highlighting how their digital infrastructure is changing. Botswana, for example, scored higher than the UK, the USA, and Singapore.



Top 25 for Infrastructure

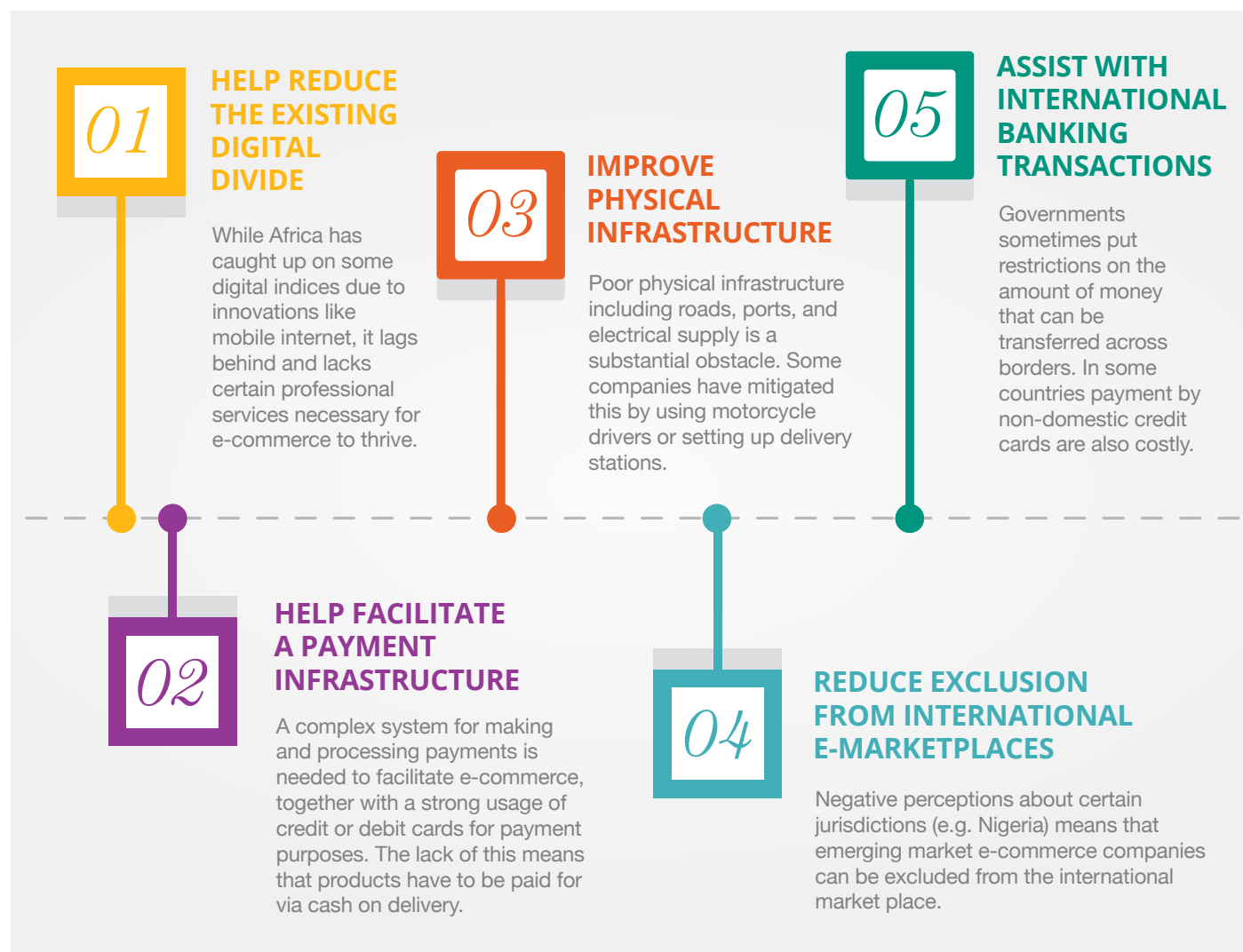


E-Commerce offers Africa's entrepreneurs a way of bypassing its poor physical infrastructure

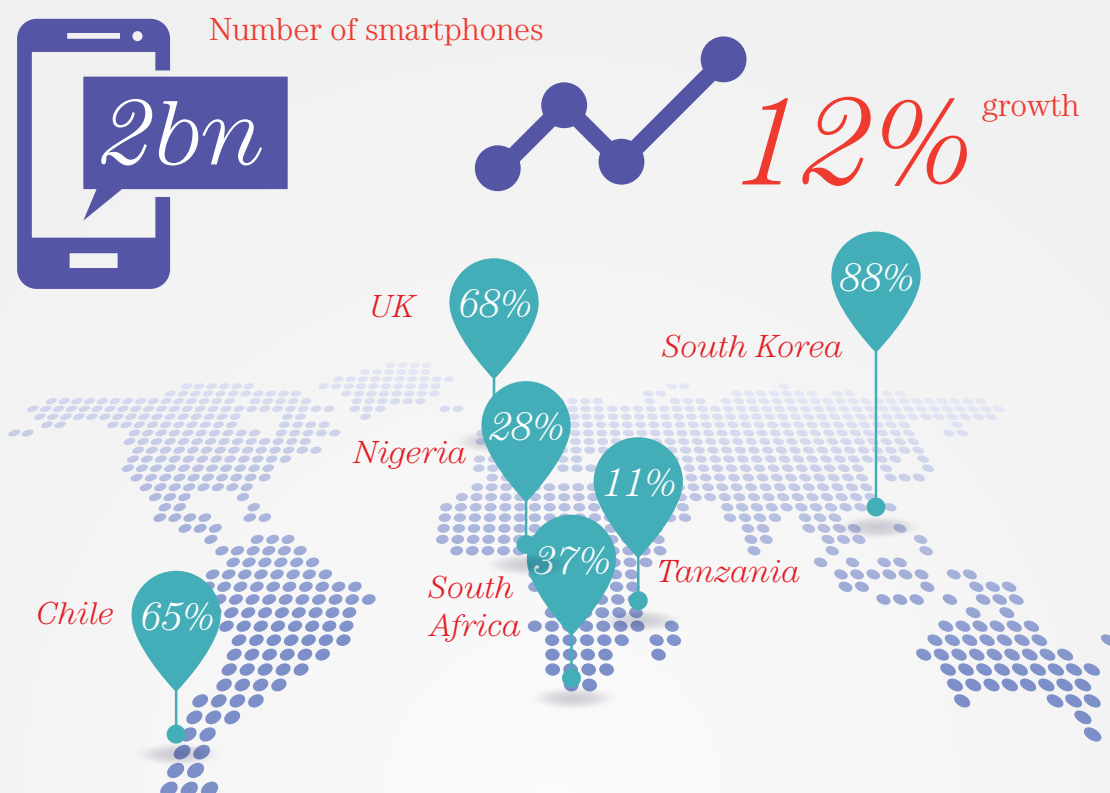
E-commerce is one of the global growth businesses. Joint research from Accenture and AliResearch (Alibaba's global research group) forecast the global e-commerce market to be worth \$2.1trillion USD in 2016. The e-commerce sector in developed countries is very much developed, if not profitable, with entrepreneur driven companies such as Amazon and eBay leading the way as opposed to company spin-offs or intrapreneurs.

E-commerce in Africa tends to be more domestically driven with entrepreneurs failing to take advantage of international opportunities. There are also opportunities for entrepreneurs to take advantage of developing forms of e-commerce such as m-Commerce (e-commerce conducted over mobile phone and networks) and s-Commerce (e-commerce promoted and potentially conducted over social networking platforms).

What can African governments do to assist entrepreneurs with expanding e-commerce? Five policy suggestions:



Smartphones and their impact on entrepreneurship



4 ways that smartphones have enabled entrepreneurship



BANKING

A wide range of financial institutions from established banks, to e-commerce companies and even mobile companies are bringing banking to the masses.

This existed with standard functionality mobiles but smart phones allow for more complex products to be marketed.



ORDERING

Smartphones can be used to place online orders from suppliers via dedicated online system.



FILE MANAGEMENT WITHOUT ACCESS TO ELECTRICITY

Smartphones enable on the go entrepreneurs to access files allowing for the formalization of company records. Entrepreneurs can budget and manage their calendar even if typical infrastructure fails them.



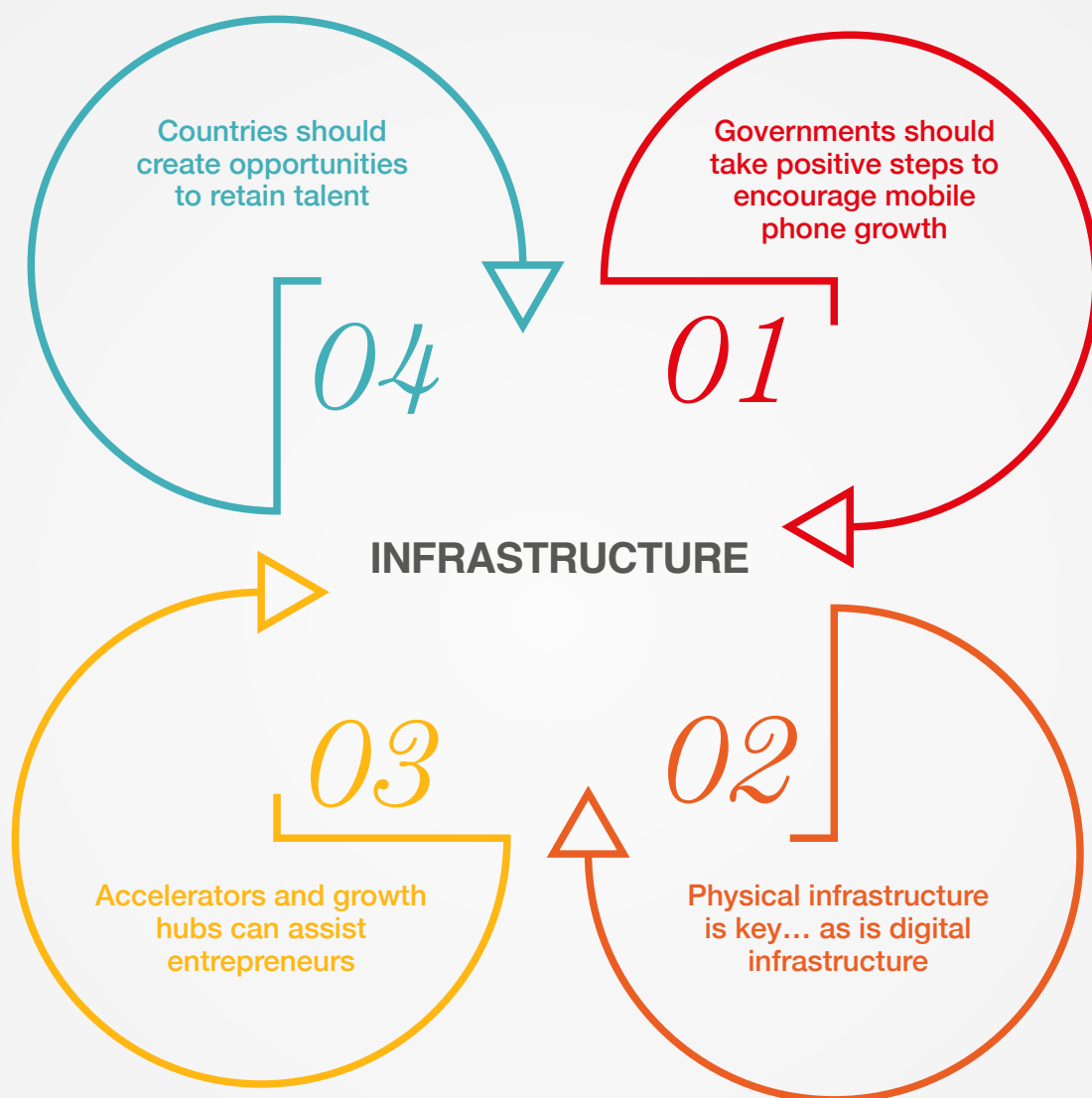
MESSAGING AND COMMUNICATION

Smartphones have enabled entrepreneurs to directly access market information and communicate with business partners via email.





Infrastructure recommendations



- 1 • Mobile phones are a form of digital infrastructure that drives social and economic transformation. To encourage mobile phone growth, governments can remove taxes on handsets, subscriptions and connections. In countries such as the Democratic Republic of Congo, Cameroon, and Chad the costs of owning a mobile phone would decrease 25%, 24%, and 22% respectively if such taxes were removed. By making mobile phone ownership cheaper, mobile phone adoption would rise, potentially stimulating even greater economic growth. What the government may seem to lose in tax revenue, it may recover directly and indirectly from the growth of business.
- As a whole, the African continent scores the lowest on the Infrastructure Pillar (24) so although some of these countries may lack physical infrastructure, increased mobile phone adoption and accessibility of smartphones provides the opportunity for businesses to grow.
- Another way governments can encourage mobile phone growth is to make electricity cheaper. For example, in Burundi, it costs financially insecure families 20 percent of their monthly income just to charge their phone. By bringing down electricity costs, more people might be able to afford a mobile phone.
- 2 • Physical infrastructure like electricity and transport networks are key to establishing a business. Indeed one of the pillars of the United Nations Sustainable Development Goals is to “build resilient infrastructure, promote sustainable industrialization and foster innovation”. With the rise of technology based companies, transport networks may be of less importance if there are no physical goods that need to make it to market, however electricity is paramount.
- With more than 15% of the world’s population still lacking access to electricity, one way for countries to get more electricity to their population is pay-as-you-go solar. This has worked especially well in Tanzania and Rwanda where one solar energy startup, connects 10,000 households per month in Tanzania and covers a quarter of households in Rwanda.
- The solar energy system powers basic lights and devices (i.e. radios and television). Customers pay an installation fee and then can buy credit through a mobile platform monthly.
- The improvement of digital infrastructure is also key. In 2010, Finland was the first country in the world to make broadband internet a legal right to all citizens. By doing so, it ensured everyone could access high speed internet which has had positive implications socially and economically. This is just one way Finland has fortified their infrastructure, making it fourth overall on the Entrepreneurship Index for infrastructure (76).
- 3 • Getting a business off the ground can be extremely difficult but accelerators and growth hubs can greatly assist entrepreneurs by providing capital, training, mentors, and support to improve their chances of success. In Latin America, Start-Up Chile - a government programme - has supported more than 3,000 entrepreneurs (1,309 start-ups). It has invested 40 million USD in the last six years and has a portfolio valued in excess of 1.6 billion USD, not to mention it has created more than 1,500 jobs in Chile.
- Denmark is one of Europe’s most entrepreneur-friendly countries and is another example of the positive impact accelerators and growth hubs can have on entrepreneurs. One such accelerator is Start-up Denmark which is an initiative of the Danish government. Although it is targeted at foreign entrepreneurs, it creates jobs, boosts connections in the global start up network, and increases the competitiveness of Denmark.
- 4 • Switzerland has a successful apprenticeship programme in which young people attend school and train in a workplace or sector organization. In total, 70% of teenagers are in such an apprentice programme. These programmes are hands-on and carry much responsibility. For example a teenager could be advising clients at Credit Suisse, or carrying out basic medical procedures at a hospital. This means that Switzerland has a talent pipeline of young professionals who are more likely to remain in Switzerland and the companies they have had an apprenticeship with after they complete their three years. Switzerland scores a 74 on the infrastructure pillar (tied with the United States) and is just 3 points behind the leader.

Education Pillar

The Educational Pillar saw a geographical mix of top performers

The Education Pillar is aimed at assessing the educational foundation of a country enabling it to produce entrepreneurs.

Mara Foundation believes that female empowerment is a crucial factor in entrepreneurial growth. Thus, school enrolment gender balance has been selected as a criteria, although it cannot entirely reflect the status of women in a country.

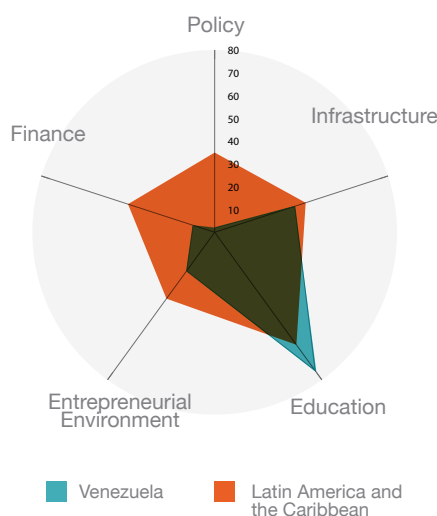
Entrepreneurship can thrive under many challenging circumstances, but it is better suited to succeed in a sustainable environment when citizens can read and write, and girls attend school.

Venezuela also performed strongly with a score of 75 and a ranking of 17th. Venezuela has gone through, and continues to experience, significant political and economic unrest. Despite this unrest its strong performance in education shows it is a country with great potential.

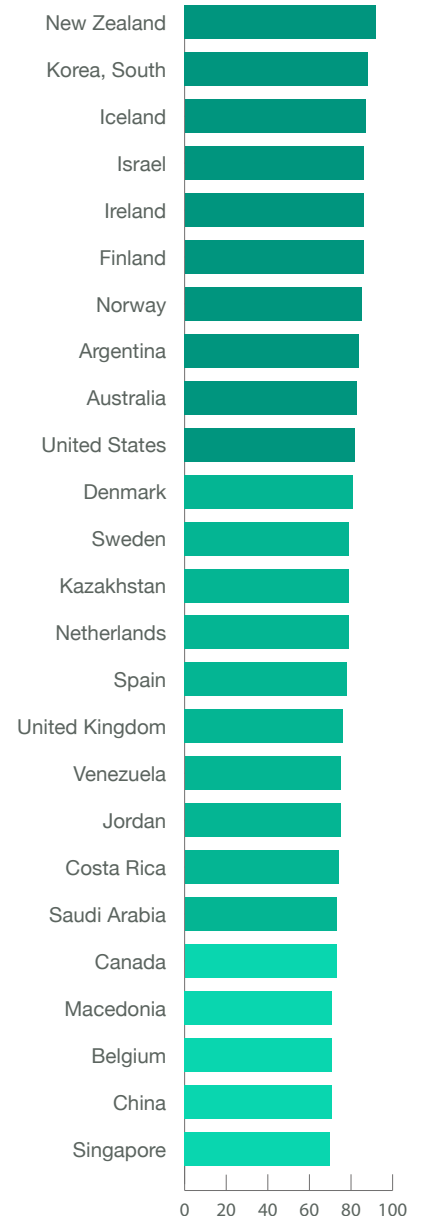
New Zealand was the top performing country with a score of 92 which is four percent higher than the next closest, South Korea.

South American countries scored strongly in this section. Argentina was 8th with 83, although this score contrasts with its substantially below average performance across the rest of the Index.

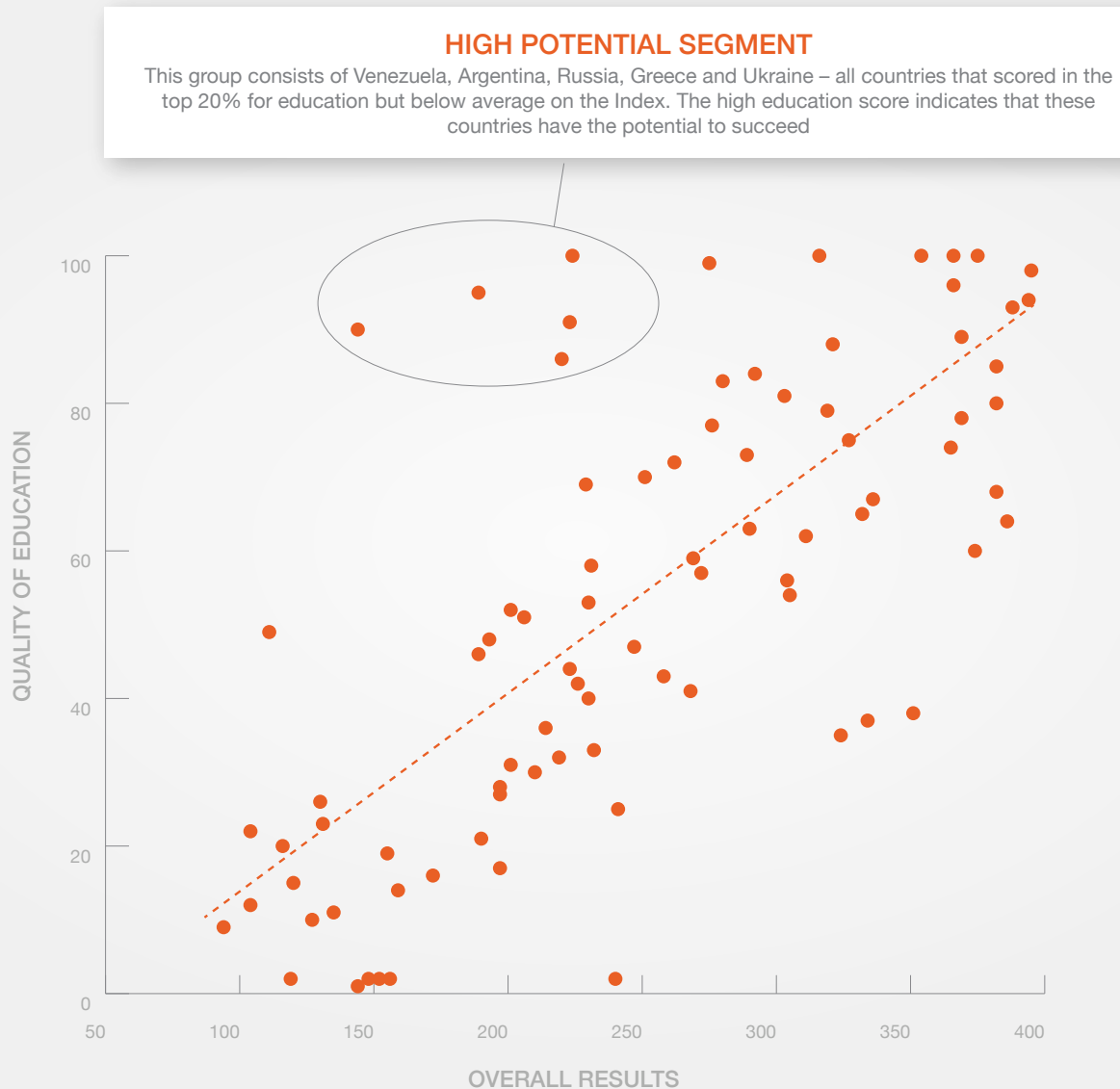
Europe also performed strongly with an average education score of 72. The Asia & Pacific averaged a score of 62, and Latin America & the Caribbean with 61.



Top 25 for Education

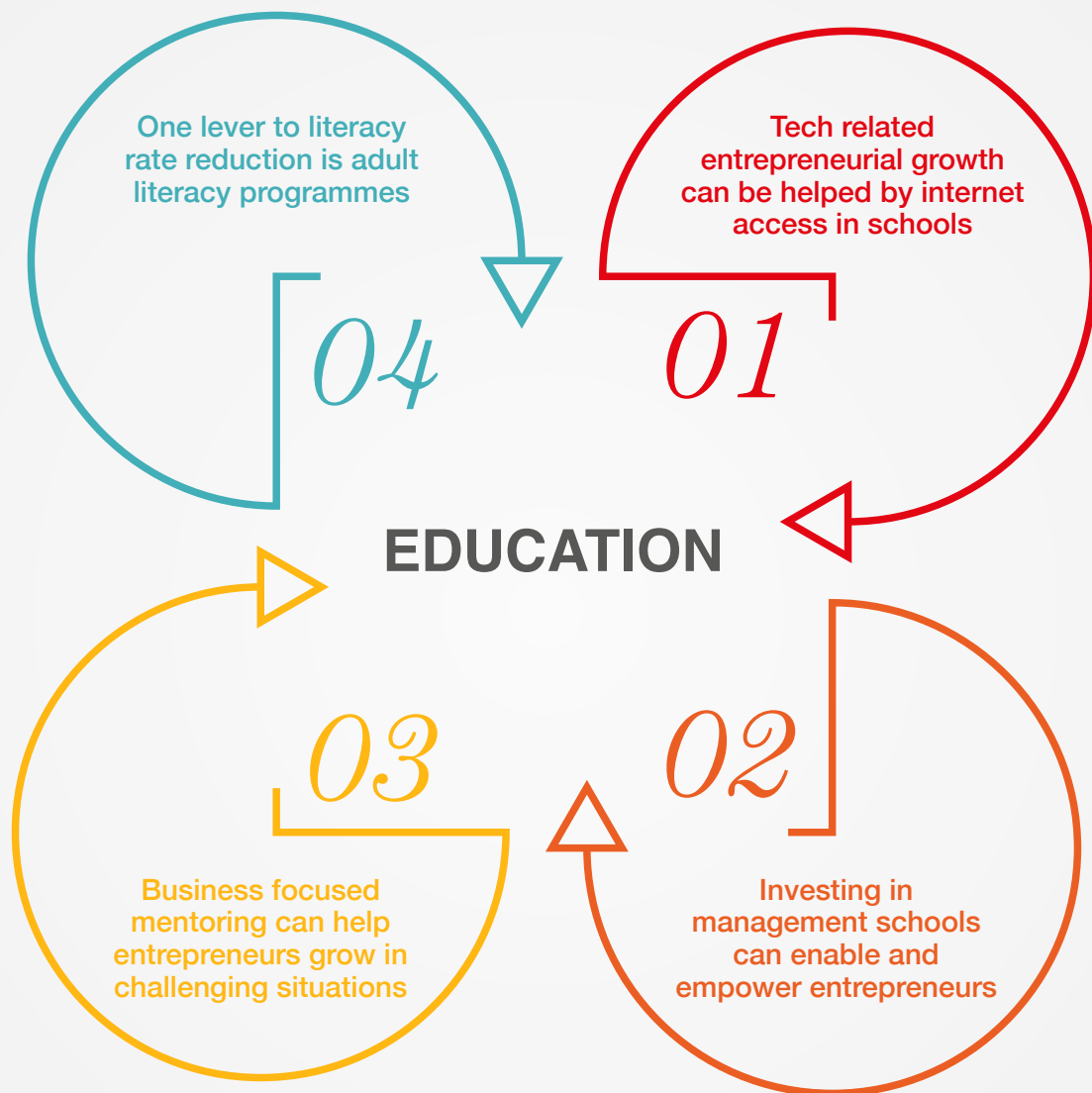


Correlation between quality of education and overall score



There is a 0.72 correlation between quality of education and overall score

Education recommendations



1

- One of the United Nation's Sustainable Development Goals is to “ensure inclusive and quality education for all and promote lifelong learning”. Within the Ashish J. Thakkar Global Entrepreneurship Index, South Korea is second on the Education Pillar (88) and it was the first country in the world to provide high-speed internet to every student. To make learning material more accessible in their schools, they have digital textbooks that can be read on computers, tablets, or phones.
- Also, there is an online programme to help students with their after-school learning (Cyber Home Learning System) which was created by the Ministry of Education. As a result, the education quality in South Korea is one of the highest. In Uruguay, the government launched a one-to-one programme called CEIBAL which provides laptops to all students and teachers in public primary and secondary education.
- When children learn how to effectively use technology and the internet as a tool, it offers them the potential to start businesses of their own in the future.

2

- The purpose of management schools are fundamentally to teach students how to tackle and solve problems in business. The goal of such institutions is to enhance management skills like leadership, teamwork, and good business practices.
- In India, there are 19 Indian Institutes of Management which are public business schools offering postgraduate, doctoral, and executive education programmes. The first Indian Institute of Management was established in 1961 and, over the years, the number of campuses has grown across India to meet the rising demand for management professionals. First year students at IIM Bangalore will take such courses as Financial Accounting, Operations Management, Managerial Communication, Marketing Management, and more—all these courses cover the key aspects of running a business.

3

- Business focussed mentoring can provide entrepreneurs with additional knowledge, resources, and skills to take their business to the next level. It can include anything from having someone to bounce their ideas off of, a chance to grow their business network, or a way to build confidence.
- The benefits of mentoring are numerous and a study of businesses with and without a programme in place found that mentored businesses were more likely to increase their revenue (84% vs 16%, non-mentored) and survive (83% vs 74%, non-mentored). Canada (fourth on the Entrepreneurship Index overall) has a six month, one-on-one mentoring programme that pairs entrepreneurs with a qualified mentor to support them during the early phases of starting their business.

4

- Literacy is one of the bedrocks of entrepreneurship. Those who are literate have more access to other education as well as improved employment opportunities. As a whole, literate societies are better positioned to meet development challenges.
- Although Morocco scores low for the Education Pillar (24), the government is doing a number of things to tackle illiteracy. “Mahou al Omiya” (Erasing Illiteracy) was launched by King Mohammed VI and teaches basic Arabic reading and writing, in addition to mathematics and religious studies. The programme is accessible online, on a designated television channel, and through tutors and classes at mosques.
- The “Maisons de Citoyenneté” are Morocco's first adult education centres where women learn basic reading, writing, and numeracy skills on a 300 hour course. In a country where there is a significant gender gap in literacy, the programme has benefitted over 20,000 women and girls since 2007.

Entrepreneurial Environment Pillar

Entrepreneurial Environment sees the UAE and Jordan perform strongly

The Entrepreneurial Environment Pillar aims at highlighting the conditions in society that a potential entrepreneur has. It looks at perception-based results examining the status of entrepreneurship in a country as well as attitudes to entrepreneurship. It also assesses the availability of new technology and ideas, and if there are equal opportunities available for all.

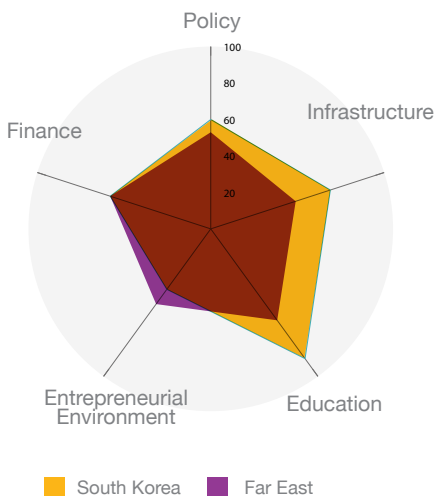
Facilitating favourable policy and investing in physical and digital infrastructure is important. Equally, entrepreneurship needs to be promoted in the hearts and minds of the population so that entrepreneurs will emerge to promote growth.

South Korea lags behind on this criteria. While it scored extremely high in openness to technology, it performed quite poorly on its attitude towards entrepreneurship and whether entrepreneurship is considered to be a high status profession. This criteria meant that while South Korea scored high on providing supportive policy and level of education, the data suggests that it has yet to foster a strong entrepreneurial atmosphere.

The Scandinavian countries perform extremely well in this category; with Sweden at the top, Finland in second, Norway in fourth, and Denmark in 12th place.

Jordan and the UAE also perform very strongly in this category with Jordan in 6th place with 69, and the UAE narrowly behind in 7th place with 68. Qatar also performed well with a score of 64 placing it 18th.

Entrepreneurial Environment saw average scores for Asia & Pacific very close to the European continent, with scores of 50 and 55 respectively. Europe's strong performance was largely driven by their strong scores in income equality. Africa scored 5 percentage points higher than Latin America & the Caribbean.



Top 25 for Entrepreneurial Environment





Jamie Oliver

Celebrity chef,
restauranteur and
campaigner

1. To move from a celebrity chef to a business entrepreneur can be a big step, what inspired you to take the step to start your own business?

I didn't really think about it! I just wanted to create great experiences for people – and to do that you need people, money, bricks and mortar for the restaurants... food is theatre, it's about channelling culture and energy... and building the business was the way of doing that... it certainly wasn't ever about making a quick buck.

2. What do you think are the main barriers that stop entrepreneurs?

Seed funding... At the beginning getting that first bit of money and people to believe in you is really hard ... and it's not just the money but the way it is structured... What you need is small structured chunks of cash that backs you to think big but act small, that is geared to get you to focus on learning and growing, that's the magic key.

3. Did you ever think you were going to fail?

I'm not sure whether this is the best answer, but really I didn't care...I was in it, doing it ,win or lose. And I have lost and failed a few times along the way...

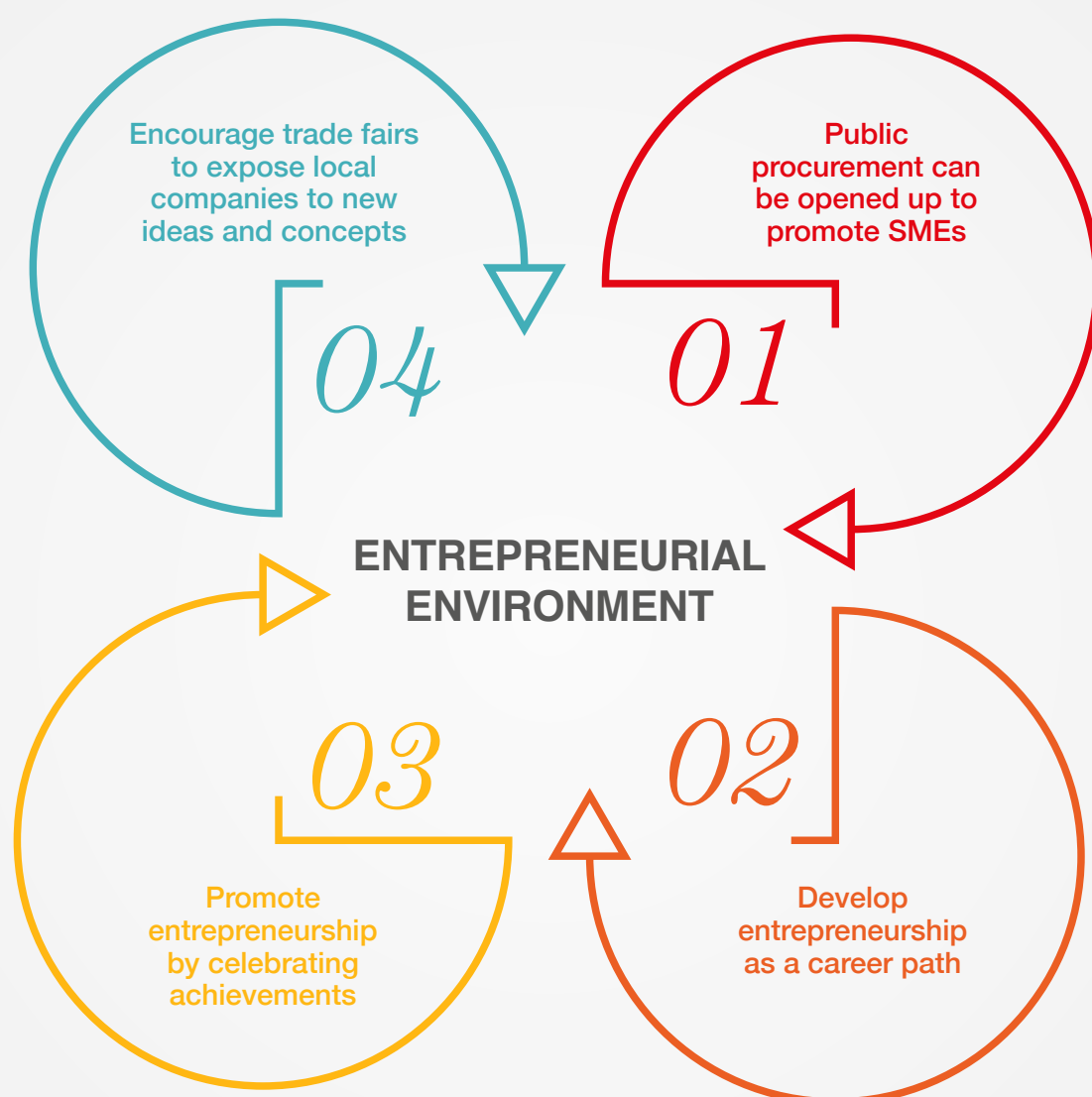
4. What was your biggest challenge when you were setting up your business?

My business acumen has always been my weakest link... I am in a better place now, having learned some good and bad lessons... and I have tried to get a good crew around me to lean on.

5. What do you think has been your biggest achievement as an entrepreneur?

I am proudest of the social impact we have had... helping people build careers, empowering people to enjoy food and the children's health campaigns, that I think have made a positive difference.

Entrepreneurial Environment recommendations



1

- Public procurement can be challenging for entrepreneurs to the point they may not have the time, resources, or capacity to become involved in it. When the government includes SMEs in public procurement, it can be good for the economy and sends a powerful message that the government supports entrepreneurship.
- There are numerous ways public procurement can be opened up to encourage SMEs. For example, some procurement tenders can be earmarked for SMEs only or SMEs given preferential treatment. It's also crucial to remove entry barriers for SMEs. This may include teaching them the key information and rules as well as keeping them up-to-date with new procurement opportunities.
- Additionally, procurement tenders could be divided up into manageable chunks so that they are not too large for SMEs to handle. Although China scores 40 on Entrepreneurial Environment Pillar (15 points below the Asia continent average for the pillar), the Chinese government is encouraging more SMEs in public procurement having passed Government Procurement Law 2002 which facilitates the development of SMEs. The government allocates 30% of the procurement budget for purchasing from SMEs and 60% of contracts are awarded to SMEs.

2

- Entrepreneurship is a wide, open career path as it's not constrained to specific industries, job titles, or or typical career progression patterns. To foster more of an entrepreneurial environment, it's important for countries to develop entrepreneurship as a career path. Essentially view it as a career route equal to working in a big company, and encourage more people to pursue it.
- Developing entrepreneurship as a career path may also mean changing or adjusting cultural perceptions and attitudes. Among Aboriginals in Australia, there are changing perceptions with more and more starting their own companies; in 2001, there were 4,600 small firms, and in 2011 there were 13,000. Instead of a "hand out" (welfare), there's a push for a "hand up" with the creation of Indigenous Business Australia- a government agency designated to help Aboriginals start businesses.
- These Aboriginal businesses have an average turnover of 850,000 AUD, so where once cultural attitudes favoured just accepting welfare. Now people are embarking on what is hopefully a career path of entrepreneurship opposed to returning to welfare.

3

- Human psychology tells us that recognition (a reward) reinforces and promotes behaviour. Components of an entrepreneurial environment should include celebrating those who advance entrepreneurship, increasing awareness of the importance of strengthening an entrepreneurially minded culture, and even incentivising efforts from the entrepreneurial community. When entrepreneurial achievements are celebrated, it recognises the individual and inspires others.
- For example, the African Entrepreneurship Award is more than just the prestige of receiving the award itself, but it includes mentoring and boot camps for applicants throughout the process until the final winners are announced. This year, the Top 50 (Round 3) of the award represents 26 countries in Africa.

4

- Trade fairs are beneficial for a number of reasons. They stimulate new ideas, provide exposure to new trends, needs, or markets, and offer a way to interact with other companies where they previously may have been unable to do so. Trade fairs are also where entrepreneurs can access skilled talent.
- For example, in Finland "Slush" is a two-day event that connects entrepreneurs and talent with investors, managers, and media. It is attended by 15,000 people and last year 1,700 start-ups and 800 investors pre-booked over 4,000 meetings during the event. Finland scored 76 on the Entrepreneurial Environment Pillar.
- Similarly, CeBIT, which is hosted in Germany, is a global event for digital businesses. It brings together professionals and top-tier speakers, while exploring the latest trends and showcasing product innovations from all over the world. By hosting more of these events, and inviting new, local companies to attend these global events, it will be hugely beneficial in creating a more encouraging entrepreneurial environment.





“Entrepreneurs are a great engine for development. In Africa, you need to encourage and create the right environment for their success. I really wish to congratulate The Mara Foundation for developing its important index which is a useful tool for all of us”

Mo Ibrahim

Founding Chairman of
Satya Capital Limited

Founder and Chair of the
Mo Ibrahim Foundation

“Entrepreneurs transform lives and communities – by creating jobs and income, and inspiring others to lead change. But they need the right environment to thrive. Through this index, the Mara foundation will show which regions do this well and why, thereby helping more economies enjoy sustainable and inclusive growth. There is no silver bullet for entrepreneurial success, and so comparisons shouldn’t be about competition – they should provide a platform for a ‘race to the top’.”



Mark A. Weinberger

Chairman
& CEO, EY

Finance Pillar

Singapore ranks top on the Finance Pillar

The Finance Pillar looks at assessing a country's ability to provide a supportive financial environment where entrepreneurs can raise capital and where venture capitalists are attracted to. It also examines the total tax rate for a country and whether a market is monopolistic or not.

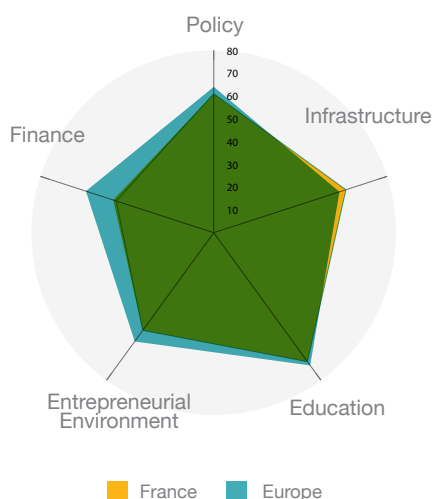
In order for entrepreneurship to grow it is vital that people have access to credit and that the market isn't restricted by monopolistic players. The Finance Pillar also looks at the availability of credit information which facilitates purchases, lending to suppliers, as well as typical financial institution lending.

Within Europe, France was a poor performer in the Finance category with a score of 45. This low score was driven by a very high tax rate and poor availability of credit. It performed well in market competitiveness, and attractiveness for venture capitalists.

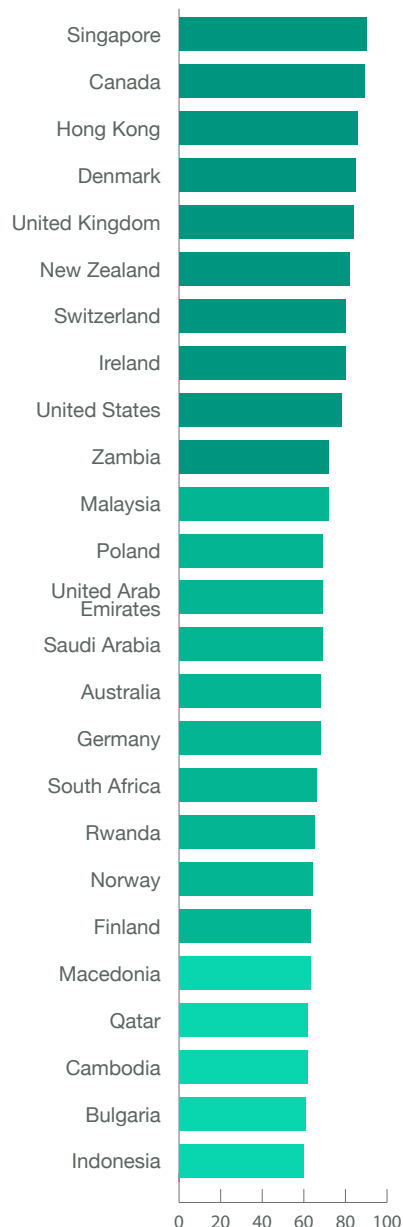
The Finance Pillar was led by the countries which are typically associated with being financial centres: Singapore, Hong Kong, the UK, and the USA.

Various African countries also performed strongly in this category with Zambia featuring in the top ten with a score of 72. South Africa and Rwanda also perform strongly with scores of 66 and 65 respectively.

Europe and Asia & Pacific tied for top place with average scores of 59.



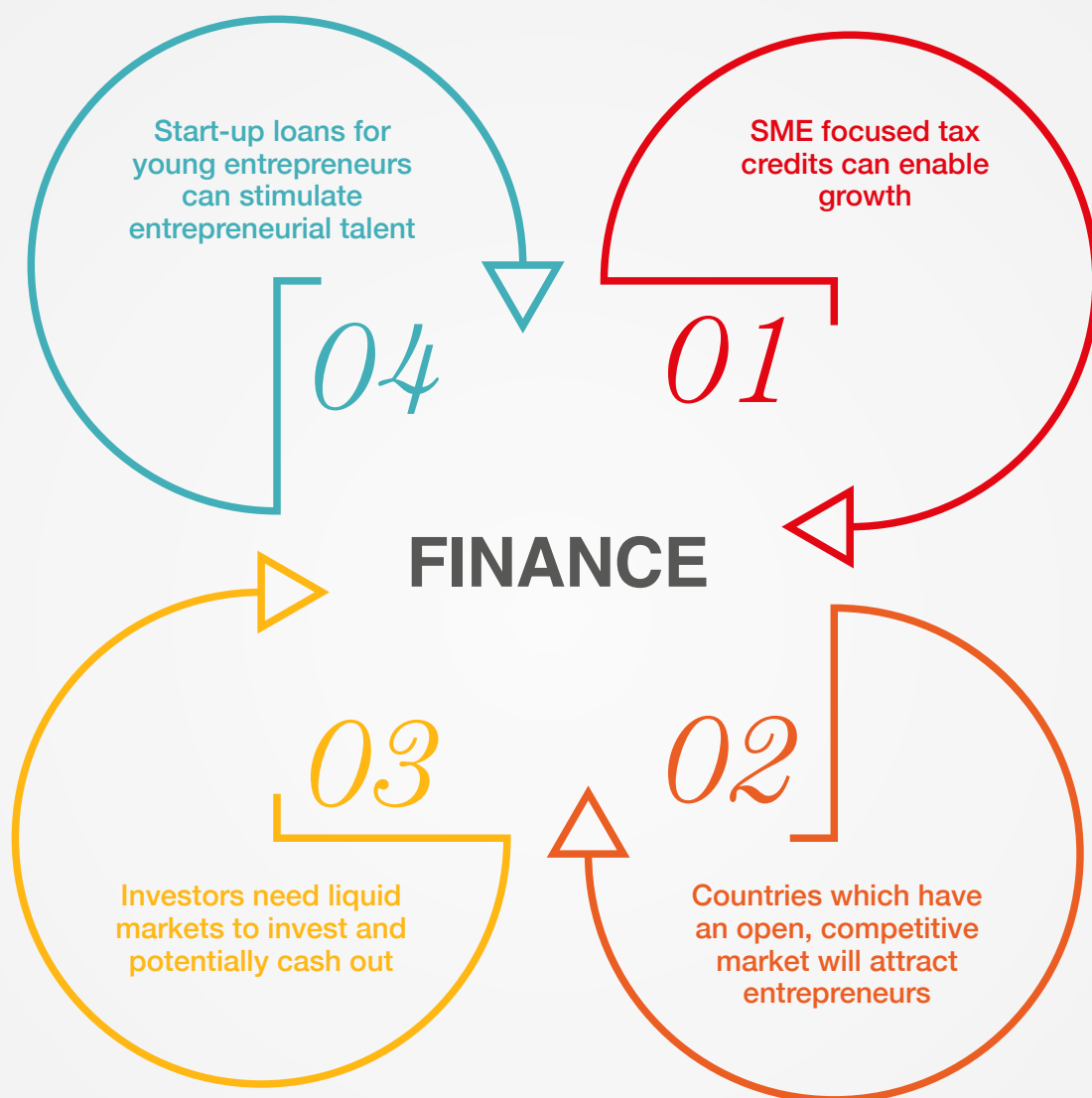
Top 25 for Finance



Microloans are an established financial product but can suffer from the same challenges as traditional financial institutions

MARKET TRENDS	DESCRIPTION	EXAMPLES	BREADTH	IMPACT ON ENTREPRENEURSHIP
<p><i>Encourage Entrepreneurship</i></p> <p>Growth in microloans as a concept</p>	<p>A Micro-finance loans are typically accompanied with training on how to manage money</p>	<p>Mentoring</p> <p>Support Networks</p>	Local	Greater chance of entrepreneurial success due to a stronger support network
	<p>B Microfinance can empower entrepreneurs to build economies of scale</p>	<p>Stock Purchase</p> <p>Staff Hire</p>	National	Ability to purchase in bulk and possibly supply credit to suppliers
	<p>C Microfinancing is often aimed at women who could be excluded from traditional banking as their assets may be in a husband/fathers' name</p>		Societal	Enables and empowers female entrepreneurs
<p>Regulatory challenges due to growth</p> <p><i>Discourage Entrepreneurship</i></p>	<p>D Increased regulation has resulted in difficulties in potential entrepreneurs obtaining microloans</p>	<p>Inaccessible loan officers</p> <p>Corruption</p>	Local / systemic	Entrepreneurs may resort to expensive informal money lenders
	<p>E Non-performing loans</p> <p>F Lack of funding means that disproportional high interest rates are charged</p>	<p>Failed Entrepreneurs</p> <p>Need to be commercially viable</p>	Systemic	<p>Entrepreneurs may find their credit source suddenly dried up</p> <p>Entrepreneurs risk increased as they may face unmanageable debt repayments</p>

Definition: "Micro finance is the provision of a broad range of financial services such as deposits (savings), loans, payment services, money transfers and insurance to poor and low-income households and their micro-enterprises " *Source : Micro Financing Gateway*



1

- In South Africa, there is a simplified tax system for small businesses (turnover less than R1 million). It replaces Income Tax, VAT, Provisional Tax, Capital Gains Tax and Dividends Tax into a single tax: Turnover Tax.
- The purpose of this system is to make it easier for small businesses to fulfil their tax obligations. As over half of VAT vendors (55%), have a turnover of less than R1 million this is a more beneficial tax system than the straight 28% corporate tax larger businesses face. South Africa scores a 66 on the Financial Pillar which is almost double that of the average for Africa (35).
- In Spain, small and medium-sized companies are eligible for tax relief including more favourable bad debt provisions or accelerated depreciation/amortisation. Also, small businesses can reduce their taxable profits by 10% by reinvesting in new fixed assets or property used for their business.

2

- Entrepreneurs are more likely to thrive in countries where there is an open, competitive market. When anticompetitive or monopolistic business rules and practices exist, it can mean higher prices for customers on even essentials like rice, flour and milk. In Kenya, South Africa, and Zambia, if the price of food staples was reduced by just 10% by tackling cartels and improving regulations that limit competition, it could save consumers over \$700 million a year and lift 500,000 people out of poverty, thus enabling them to achieve the first the first UN Sustainable Development Goal - “No Poverty”.
- Mexico, on the other hand, has a thriving manufacturing base, growing labour force, and access to global markets with its 44 free trade agreements (the most in the world). Recent energy reforms allow private firms to sell electricity back to the national grid allowing entrepreneurs space to grow and prosper. Mexico scores a 56 on the Financial Pillar which puts it above the Latin America & Caribbean average of 40.

3

- Market liquidity is the extent to which assets can be bought and sold without causing much change in the asset's price. Investors will favour markets that provide a way to invest and cash-out as opposed to a convoluted process or no means for sale. In South Africa, the Johannesburg Stock Exchange (JSE) is the largest exchange in Africa, and the 19th largest stock exchange in the world.
- By providing secure, efficient access to primary and secondary capital markets, both local and international investors use the JSE. In 2003, they launched AltX for small and mid-sized listings. All this has contributed to South Africa scoring highest on the African continent on the venture capitalist attractiveness measure, and second highest of the African continent for the Financial Pillar.

4

- By providing start-up loans to youth it can kick-start more business within a country and tackle youth unemployment. In the UK, the government launched a £82.5m scheme to provide loans (and mentoring) to young entrepreneurs entitled Start-up Loans. Start-up Direct funded over a 1000 businesses and Virgin StartUP has provided £12m of loans to over 1200 entrepreneurs (both are delivery partners of this scheme). The UK scores fifth on the Financial Pillar with 84, and fifth on the Entrepreneurship Index overall.
- Tanzania introduced a national programme called Kijana Jiajiri for young entrepreneurs to provide access to finance, entrepreneurship training, and mentoring. The pilot has only just wrapped up in March 2016, but already they have taken on 240 youths. Across many programmes, it would appear successful entrepreneurship isn't just about providing the start-up loans per se, but also offering support enabling these loans to be productively used.



Focus on Africa

Starting-up

As anyone who has been to Africa will tell you, the people of its varied and diverse countries share a common entrepreneurial spirit. From the souks of Marrakech or the shopping malls of Cape Town to the metropolis of Lagos, businessmen and women are making their mark. With young and growing populations, rapid urbanisation, and improving economic and policy conditions, many African countries are primed to become centres of entrepreneurship. However, Africa is not yet meeting its entrepreneurial potential. Significant challenges exist in terms of political stability, underdeveloped infrastructure, poor education and under-diversified economies.

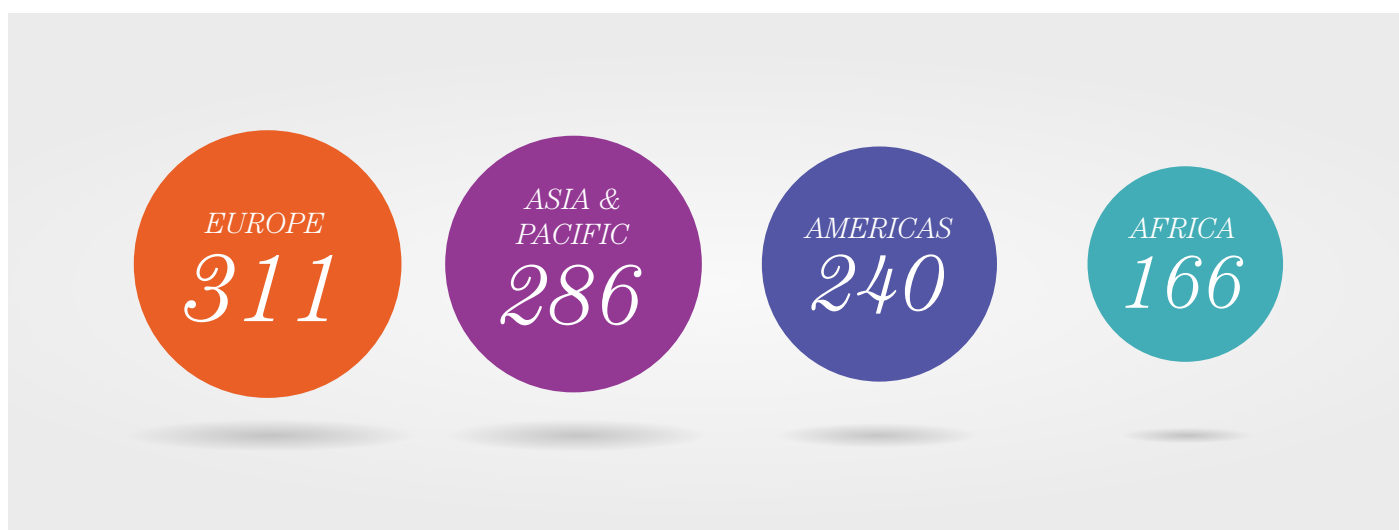
Within this context, Africa as a continent comes much lower down the Ashish J. Thakkar Global Entrepreneurship Index. The highest scoring country in the region, Namibia (with a score of 241), only enters at half way in the 85 country index at number 42.

While African countries tend to have lower scores across all five pillars on the index, infrastructure and education are the pillars in which Africa is particularly weak. Comparatively lower scores for infrastructure are primarily driven by a lack of electrical access and the technology that comes with reliable access to energy, such as telecommunications and internet access.

Tanzania, Liberia and Malawi have some of the lowest levels of access to electricity across the countries under investigation. Areas with no or only limited access to electricity will continue to lag behind as the capabilities of entrepreneurs and businesses are unable to progress.

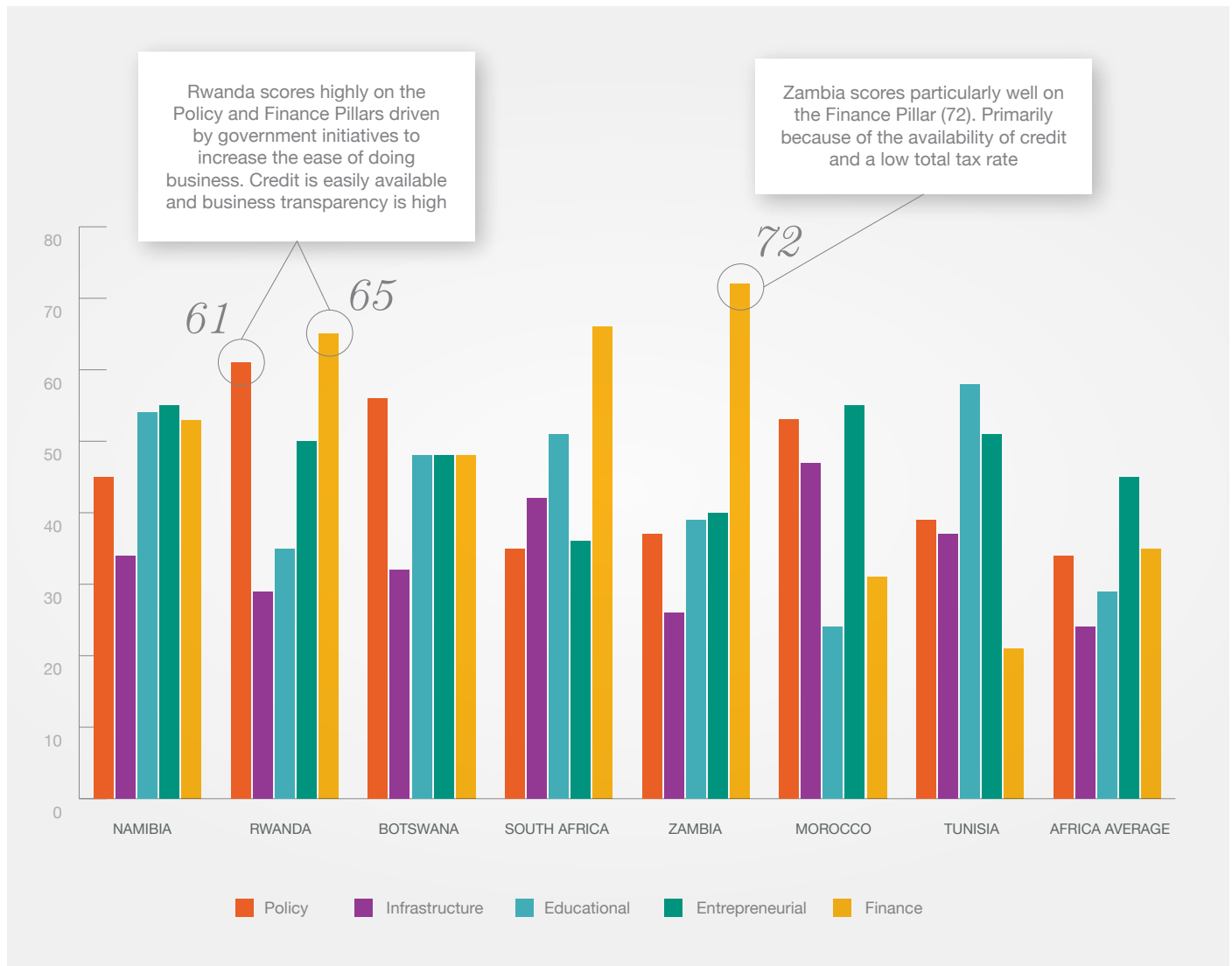
Lower scores for education are due to the overall quality of education and lower literacy rates. Boosting opportunities for a quality education is imperative for increasing the region's quality of entrepreneurs and start-ups and providing a suitable workforce.

Average Index Score (By continent)



Top 5 African Countries

Overall scores and Pillar scores



Policy	Infrastructure	Education	Entrepreneurial Environment	Finance
Rwanda (61)	Morocco (47)	Tunisia (58)	Ethiopia (59)	Zambia (72)
Botswana (56)	South Africa (43)	Namibia (54)	Senegal (56)	South Africa (66)
Cote d'Ivoire (55)	Cote d'Ivoire (37)	South Africa (51)	Namibia (55)	Rwanda (65)
Morocco (53)	Tunisia (37)	Botswana (48)	Morocco (55)	Ghana (54)
Senegal (50)	Namibia (34)	Rep. of Congo (46)	Egypt (54)	Kenya (53)/Namibia (53)

Namibia, Rwanda and Botswana lead the way

The top countries for entrepreneurship in Africa are Namibia, Rwanda, Botswana, South Africa and Zambia.

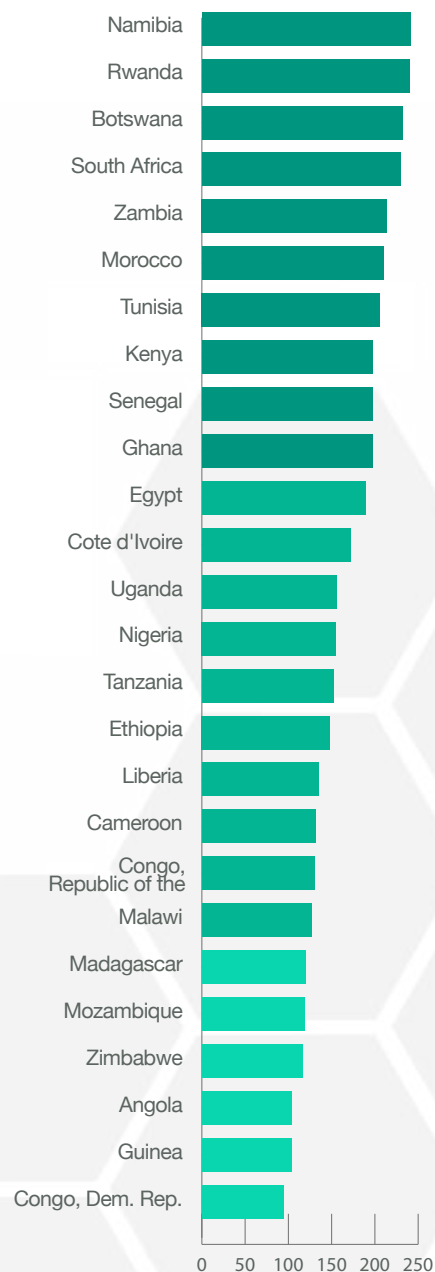
Of the top three African countries in the Index, Namibia and Botswana are stronger on the education pillar because of comparatively higher levels of literacy and quality in education. Both countries have made education central to their development. According to the World Bank, Namibia set aside 26% of its national budget for education in 2010 and Botswana 20% in 2009.

What Rwanda lacks in terms of the quality of education, it makes up for in policy. Rwanda has some of the highest scores in the Index for public sector performance, labour market flexibility and business transparency, placing it 27th out of all 85 countries for policy, above South Korea, Israel and Portugal. This is a result of a deliberate policy of decentralisation of government and civil sector reform. This movement has ensured political stability, improved transparency, and rebuilt trust. The government has established additional commercial courts to ensure contract enforcement, so that there are practical repercussions for those who have violated business contracts.

Zambia, South Africa and Rwanda, the top 3 countries in Africa on the Finance pillar, stand head and shoulders above their peers, with scores of 72, 66 and 65 respectively. This places Zambia in the top 10 of all countries globally on the Finance Pillar, just behind the USA (78). Low tax rates and access to finance are vital to encouraging investment and nurturing young start-ups.

As in other countries, but especially those in Africa, making the Pillars work together in harmony is critical, and arguably more than in other regions will require the initiative and action of senior policy makers both within each country and at cross-border level.

Ranked by overall Index score





Jay Ireland

President &
CEO GE- Africa

“Africa’s growth will continue to be driven by entrepreneurs. This index will highlight the operating environment and issues that have to be solved for entrepreneurs to flourish.”



Arianna Huffington

Founder & CEO,
Thrive Global



Frank Sixt

Director,
Li Ka Shing Foundations

“The Ashish J. Thakkar Global Entrepreneurship Index will be a valuable tool to identify and create environments where entrepreneurs can thrive.”

“Nothing is sadder than vital seeds falling on fallow ground. Imagine that the most important idea in a generation for our future is stillborn simply because it emerges in an environment where there is no entrepreneurial support. For any society, supporting entrepreneurship is not a skill or an edge, it is a duty. This index rightly holds societies to account in meeting the call to duty.”



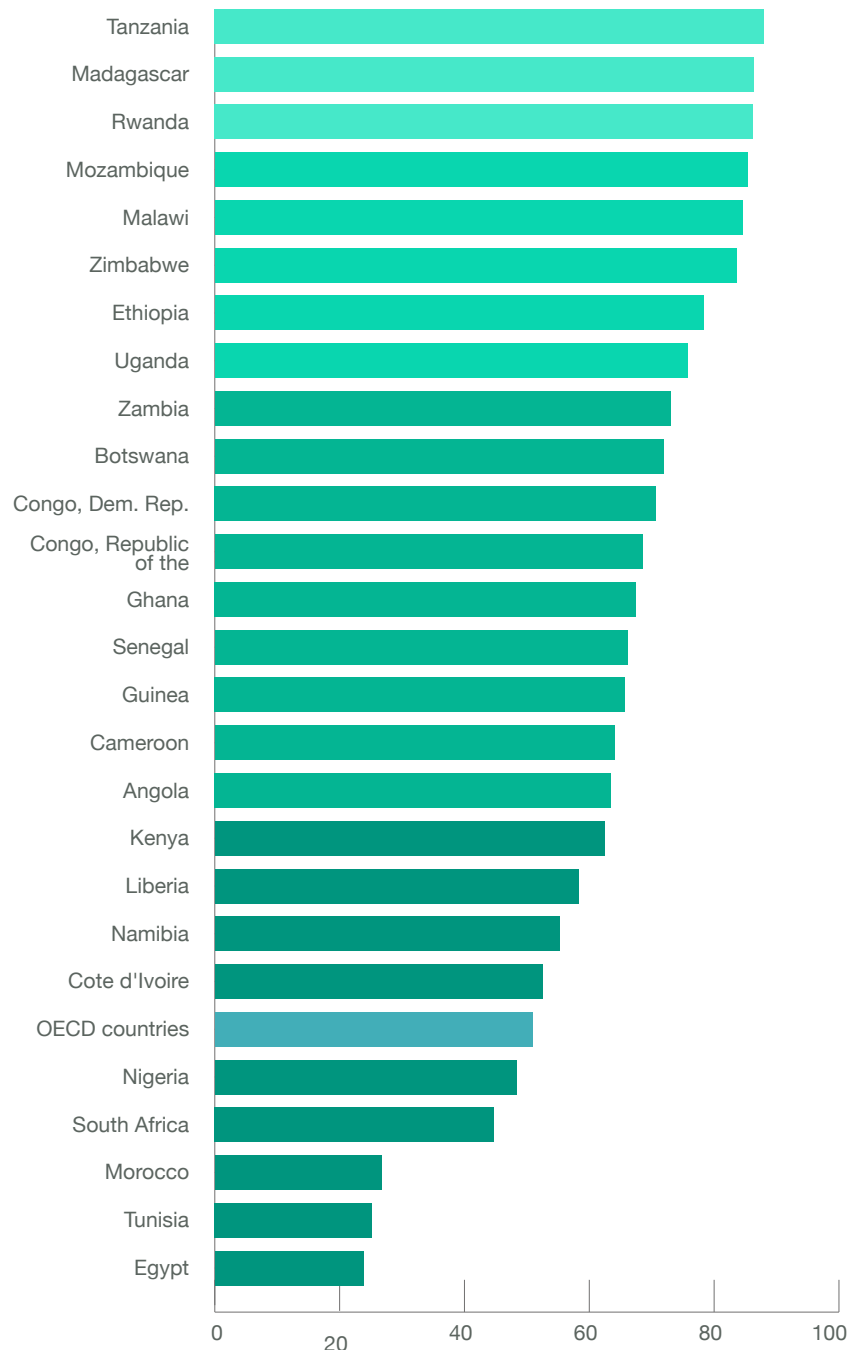
Women in the workplace

Proportion of women in the workplace

African countries show huge potential not only for entrepreneurship in general, but especially among women. The majority of women in sub-Saharan African countries are employed, far higher than the OECD average.

However, women are often employed in informal and low-skilled labour, rather than in managerial or ownership positions. The OECD estimates that approximately 70% of agricultural labour are women and that women produce about 90% of all food. Encouraging women to explore their business potential and making sure opportunities are open to them, will help create a diverse and thriving culture of entrepreneurs and build the wider economies of each country. Women are also less likely to be educated and literate.

Different elements are at play in North Africa, where conservative Islamic societies limit the roles that women can take despite women in these countries often being better educated than elsewhere in Africa.



Youth unemployment is a significant challenge in Africa

Unlike much of the world, Africa's youth population is growing. There are already around 200 million people aged 15 to 24. This brings significant challenges to developing economies and many countries have high proportions of unemployed young people (aged 15-24). In South Africa and Egypt, two of Africa's largest economies, around half of young people are unemployed.

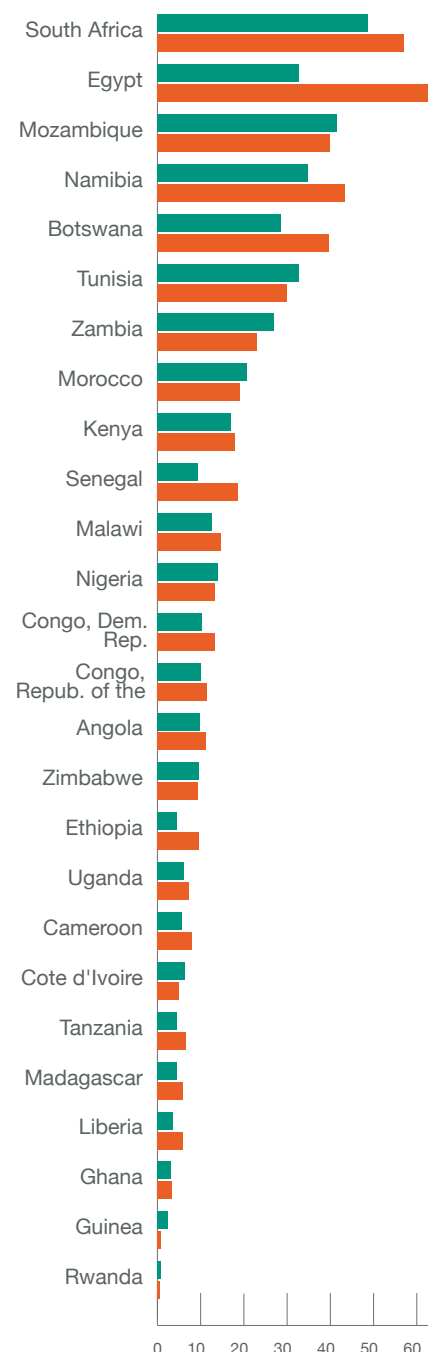
South Africa admits to having a youth unemployment crisis. This is partly due to a shift from more labour intense primary industries, such as mining to a more tertiary, service economy and because of a high concentration of the high skilled jobs in two areas, Western Cape and Gauteng.

Since January 2014 the South African government has gone some way to encourage employers to hire younger people through an Employment Tax Incentive (ETI). This allows private companies to pay less tax for an employee under 30 without affecting the employee's take home pay. However, this policy is due to be reviewed in December 2016.

While countries like Ghana have relatively low levels of youth unemployment, most people are employed as low-skilled, agricultural labour and the country is seeking to develop youth skills, through converting Polytechnics into technical universities.

Significant unemployment presents a strain on these economies, on families and on public services, but could be an opportunity for investment and entrepreneurship. Where employment laws are more liberal and flexible, those requiring easy access to workers to either start or scale up a business may find opportunity. Where businesses are easy to start, young people with ambition may be encouraged to start their own enterprises, learning on the job, and even diversifying economies away from resources and commodities. Providing mentoring and direction to these young people may help establish new start-ups and a wider culture of entrepreneurship.

Youth unemployment - male / female %



A new dawn for Africa's entrepreneurs

One of the main barriers to Africa's economies and entrepreneurs is the lack of infrastructure, especially access to electricity. There is simply not enough power for the needs of its population and its businesses. Where supply exists, it is often sporadic and unreliable. From factories that have to halt production, to small farmers or retailers who waste their goods because of a lack of refrigeration. Africa's businesses, and especially entrepreneurs are limited in their capacity to succeed and grow. 600 million people in sub-Saharan Africa are currently without electricity access - 70% of the population; 50% of businesses in sub-Saharan Africa view a lack of reliable electricity access as a major constraint to doing business and power outages cost countries in sub-Saharan Africa 1-2% of their GDP annually. According to the World Bank, Nigeria faces 33 hours of power outages a month compared to the global average of 8 hours. Demand for energy is only going to increase and increasing access to electricity would boost African countries scores on the infrastructure pillar. Providing a regular, reliable supply of electricity enables large, medium and micro businesses to thrive.

One solution lies with Africa's most abundant natural resource – the sun. The theoretical reserves of Africa's solar energy are estimated at 60,000,000 TWh/year, 40% of the global total. Multiple agencies, such as the United Nations (UN) are already focussed on improving

energy access, especially from solar power, driven by a green agenda, the reduced technological cost and the investment opportunity. The UN's Sustainable Development Goal number seven states the aim to "ensure access to affordable, reliable, sustainable and modern energy for all". As a result of this, the African Renewable Energy Initiative has set a goal of 300 GW of renewable energy capacity by 2030. In collaboration, last year DfID launched its Energy Africa campaign, aiming to achieve universal energy access by 2030 by accelerating "the development of the emerging solar market in Africa".

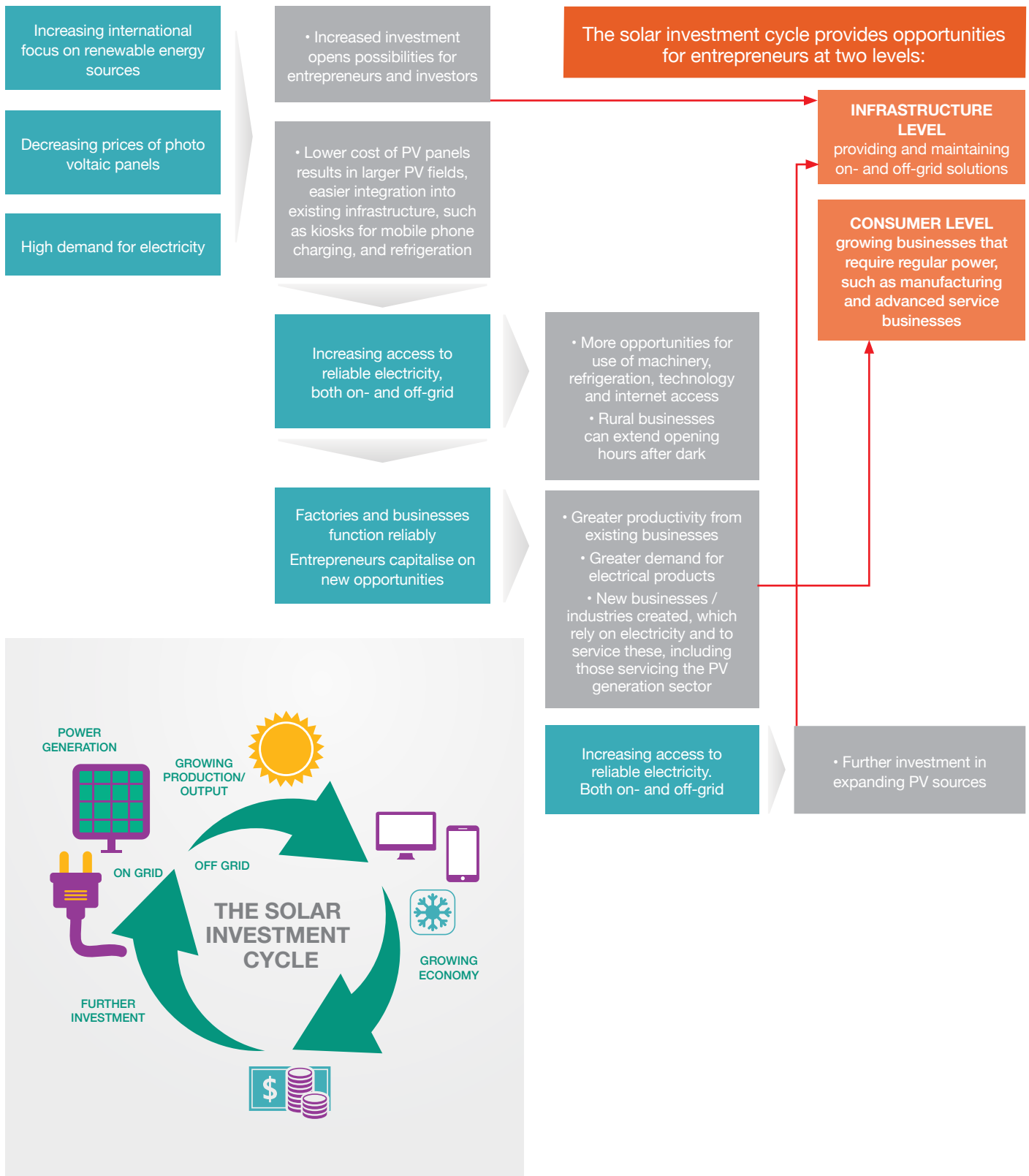
Achieving these goals will require leadership from governments – creating the policy and regulatory conditions and incentives to attract local entrepreneurs and outside investors – which in turn will benefit entrepreneurs as the market opens up.

Morocco, Ghana, Uganda and Rwanda operate, or are building, some of the world's largest photovoltaic power plants. These will provide power to hundreds of thousands of homes. In Rwanda one plant boasts of being the 'fastest project in Africa', built within a year of the contract being signed. It is a triumph of outside investment and local labour. It employs 350 local people, powers local homes and trains local young people.

Solar solutions don't necessarily require large solar farms and don't require connections to wider grids. There are already innovative solutions in the field. Solar kiosks are allowing people to sell consumables into the night and to sell refrigerated goods. Other solar kiosks provide phone-charging, paid for by text message. Shipping containers with secure solar panels are powering schools. These require very little investment and no existing infrastructure. At a slightly larger scale, George Airport, South Africa, is designed to eventually unplug from the wider grid, following the example of India's Cochin International Airport, and there is even a solar powered football pitch in Lagos, Nigeria.

Investment in solar could lead to a cycle of ever greater returns for investors, entrepreneurs and communities. It will create a need for companies to service the solar infrastructure while opening up opportunities for other business and services to benefit from the power generated. Even small, off-grid power plants can be the catalyst and incubator for start-up hubs. Looking further forward, the development of batteries capable of storing large quantities of surplus power in the day will continue to benefit communities and create new revenue streams. Being able to show their renewable credentials may also help entrepreneurs to attract investment, especially from organisations outside Africa.

The solar investment cycle



Focus on Female Entrepreneurship

Low female participation in schools

There are roughly 63 million girls globally not in full-time education and in some countries females receive an abbreviated education compared to their male counterparts. Participation in schools is important because educating and keeping women in school can help break cycles of poverty. When girls attend school they are more knowledgeable of their rights, marry and have children later, educate their own children, and are far more likely to start a business. Education has the power to change the world— communities are safer, with greater financial security and generally better off. Female education is one of the best investments the world can make to empower women to become entrepreneurs.

EXAMPLE

Since 1945 Sri Lanka has had free education for all children through to university level. This has significantly benefitted women. Where once they may have been kept from school to help at home with domestic tasks or due to societal beliefs that education was a male arena, parents are fined for not sending any child aged five to fourteen years old to school.

OTHER BARRIERS

- Attitudes and beliefs about the status of women where their contribution to the household is valued more than an education, or that women are of a lower social status so therefore don't belong in school.
- Direct costs such as fees, clothes, supplies. In Haiti it costs nearly \$131 USD annually to send a child to school which is way beyond the reach of many in the impoverished country.
- When a family member suffers from illness, girls are more likely to care for sick family member.

Lack of collateral for credit

Women entrepreneurs may struggle to come up with collateral due to property restrictions or assets being in their husbands' (or other male figures') name. They may also find it difficult due to inflexible definitions of what constitutes suitable collateral (i.e., only property and cash). In order to empower females to become entrepreneurs it's important that zero-collateral lending programmes and collective guarantee schemes are established and expanded. Also, broadening definitions of suitable collateral to include jewellery and other personal assets could empower women entrepreneurs. For any entrepreneur, credit is much needed to establish and develop a business.

EXAMPLE

In Nicaragua, there has been a significant increase in the number of women landowners due to legislation and tenure programmes. Few women (10 percent) received land in the 1981 Agrarian Reform Act as the land was distributed to the applicant (who was the head of household and typically male). In 1997, a Property Act mandated that the land titles be issued to both spouses. As a result, by the year 2000 42 percent of land titles were issued to women.

OTHER BARRIERS

- Perceptions of lacking suitable collateral mean a lot of entrepreneurs don't even apply for credit because they think they'll be rejected.
- In some places, women have no property rights when a male family member passes away or they separate or divorce. This could leave a woman homeless and without anything unless taken in by family or forcing them to remarry.

BASIC

Barriers to female entrepreneurial empowerment

Lack of access to formal credit institutions

Often, the largest perceived obstacle for women entrepreneurs is finance. Many credit schemes are not gender-responsive, meaning that credit institutions may knowingly or unknowingly regard men as safer investments due to blatant sociocultural reasons or because they have a stronger history of interaction with the institution (Interestingly, women are actually more likely to pay back loans, accept smaller loans, and have more aversion to debt than men). It's important to empower women so that they can access credit from credit institutions to fund their entrepreneurial endeavours which also build up communities by extension.

EXAMPLE

One of the first places microfinance became popular was India. Across the country, there are many institutions that provide not only microfinance but specialise in providing it for women; Mann Deshi Mahila Sahakari Bank and MahilaSewa Cooperative bank to name a few. The Indian government recognises the importance of microfinance specifically for women. In particular in 2013 the then finance minister, Minister Chidambaram, announced a \$185 million budget to establish a small public bank run by and for women.

OTHER BARRIERS

- Globally, women are less likely than men to have formal bank accounts contributing to a reduced credit history in comparison to their male counterparts. Having little or no credit makes it even more difficult to obtain credit from formal credit institutions. In Saudi Arabia it's illegal for a woman to open a bank account without her husband's permission.
- Other times knowledge for financing is limited and most women entrepreneurs simply don't know where to go or what's available for financial assistance.

Lack of women in leadership positions

There is a lack of women in leadership positions globally. This has implications for female entrepreneurship because there are a lack of female role models. Who can women look to if they don't see other women having been successful in making it to the top of business? This barrier is one of the most complex facing women entrepreneurs because it partially lies in unconscious bias which first needs to be fixed on the individual level so that society can follow suit. When women are empowered—even just given permission—to believe in themselves, they can discover and realise their unrestrained potential.

EXAMPLE

When parenting is more equally split, it creates better work-life balance for both parties and enables women to achieve those leadership positions. Sweden is one of the best countries for supporting new parents with paid time off: new parents can take up to 480 days of leave at 80% of their normal pay on top of the standard 18 weeks for mothers and 90 days for fathers. The amount of paternity leave correlates with greater gender diversity in leadership positions in countries.

OTHER BARRIERS

- Sexual discrimination is a barrier because it means that women are overlooked for promotions to leadership. For female entrepreneurship it's especially an issue because women may be overlooked for financing, or as extreme as customers may not support a business simply because it's run by a female.
- Hostile work environments intimidate and can put a woman off of working for a company or pursuing opportunities. It prevents professional development and at its most severe has significant psychological implications.

SOPHISTICATED

Conclusion

1 *Foundations are being built*

The Ashish J. Thakkar Global Entrepreneurship Index demonstrates that governments across the globe are acknowledging and putting forward policies that encourage entrepreneurship. The state of entrepreneurship globally is strong. However, there is still work to be done.

2 *Easy access to labour and finance are vital*

The Ashish J. Thakkar Global Entrepreneurship Index has highlighted 20 potential policy recommendations for governments globally. Not every policy will be appropriate for each country but it will act as stimuli for discussion. In particular, Mara Foundation believes a greater focus on creating flexible labour markets and access to capital will help make countries, wherever they are, more attractive to entrepreneurs and more likely to be start-up hubs.

3 *Some regulation is needed*

While reducing regulation in some areas, such as labour laws, will help countries to foster entrepreneurship, governments should consider how they can also protect start-up businesses. Ensuring the rule of law within industry will reassure entrepreneurs that their businesses are not at risk from failed contracts or unfair competition. For example, with technological innovation being a growth area for entrepreneurship, governments should look for ways to ensure start-ups can easily preserve and protect their intellectual property.

4 *We should all be involved*

For entrepreneurship to prosper it requires not just governments to introduce supportive policy and willing investors to provide the capital for growth. It also requires the support of civil society. There is still a need to create an atmosphere where individuals feel comfortable taking the risks involved in starting their own company. Free enterprise economies can only go so far. Mara Foundation would like to see society engage further with businesses not only as consumers, but as investors; contributing to start-ups through innovative crowdfunding and microloan platforms, becoming advocates for new businesses they care about and committing to the long-term success of their country's and the world's entrepreneurs.

