

National Factors Affecting Firm Creation: Regulations and Legal Features in the MENA Region

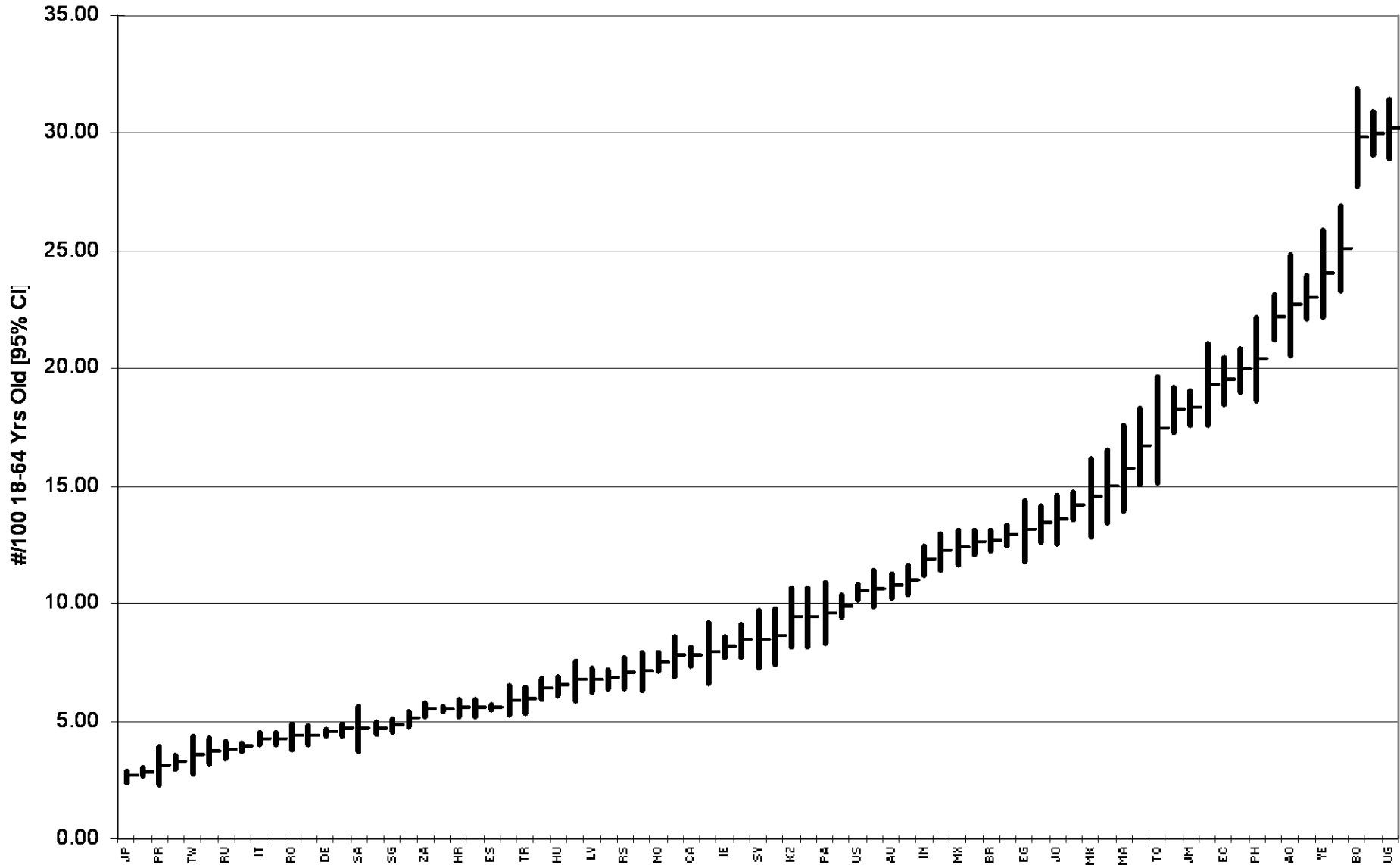
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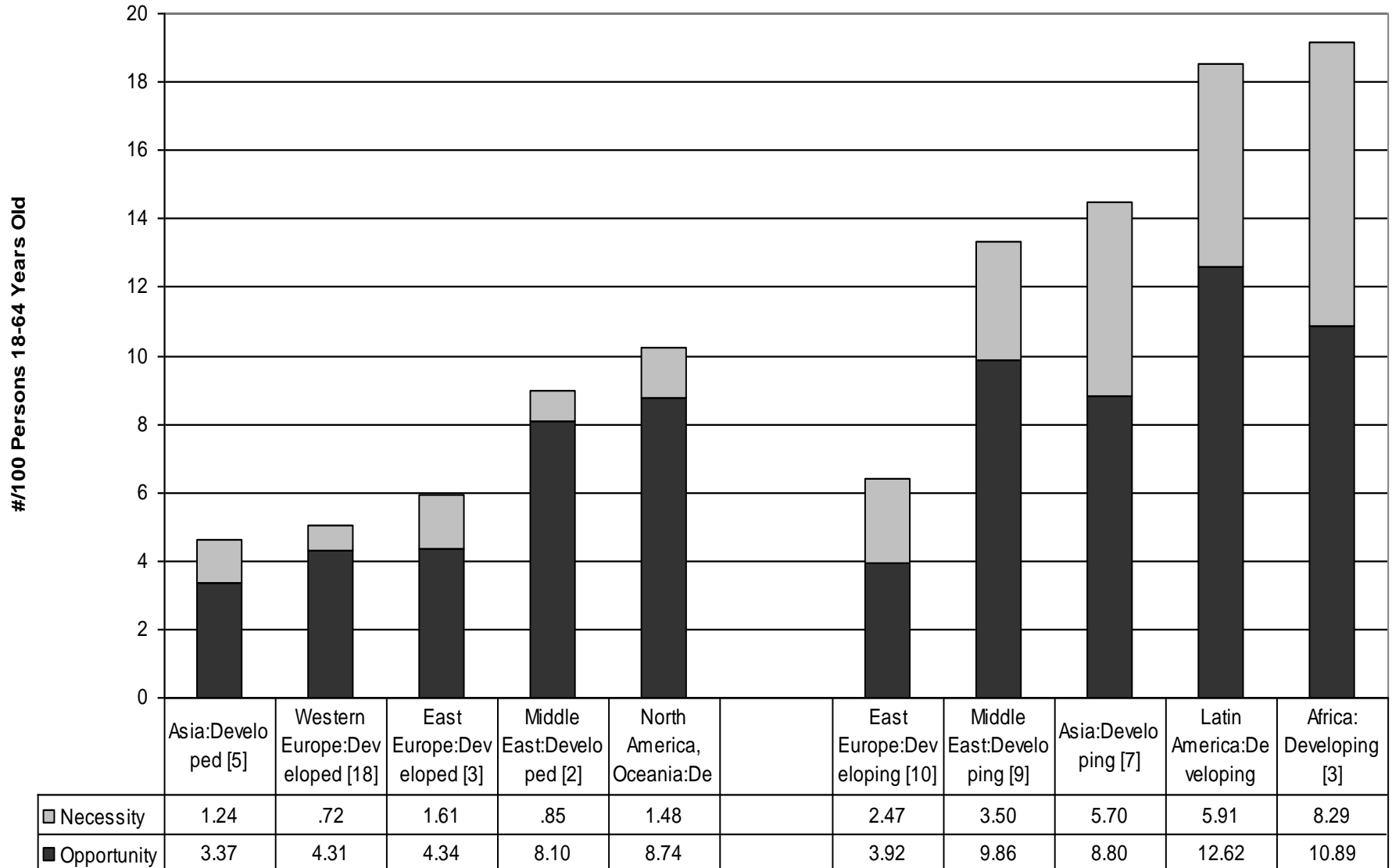
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TEA Active Prevalance Rates Average: 2000-2009



Prevalence of TEA Participation by World Region and Motivation



Explaining Business Creation: Results of Regressions with 24 Factors [n=75]: Selected examples [9 of 23]

Total Entrepreneurial Activity Index	89.7 %
Nascent entrepreneurs	82.3 %
New firm owner managers	92.9 %
TEA Ventures: High Tech Sectors	63.3 %
TEA Ventures: Market Impact	71.6 %
TEA Ventures: Expected job growth	80.5 %
TEA Ventures: Export emphasis	66.0 %
TEA Ventures: Male entrepreneur	82.5 %
TEA Ventures: Female entrepreneur	88.7 %

Factors Associated with Business Creation

Major factor	No of Models
Population readiness for entrepreneurship: Index	18/23
Presence of small business	15/23
Women participating in the labor force	13/23
Prevalence of informal investors	13/23
Traditional values (versus secular-rational values)	10/23
Percent population 25-44 years of age	9/23
Income inequality	9/23
Lower costs to register a business [5/1]	6/23
Percent of population graduated from high school	5/23
Recent increase in GDP per Capita {1/4}	5/23
General support for entrepreneurship: Index [2/3]	5/23
Government workers as a percent of all workers [3/2]	5/23
Men participation in the labor force [2/2]	4/23
Unemployment rate [3/1]	4/23

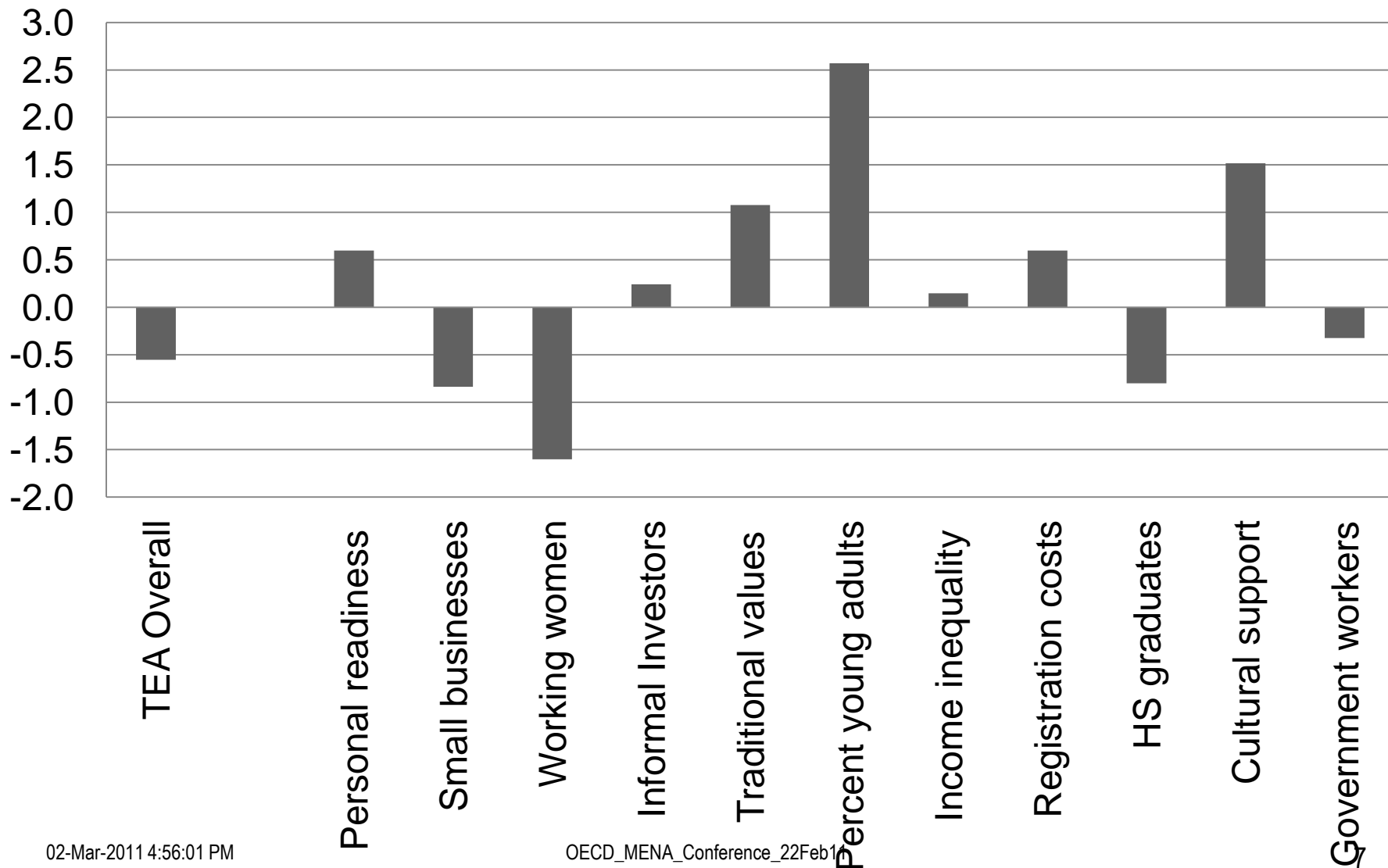
MAJOR INFERENCE

Compared to features with a major impact on the presence of business creation, measures associated with regulations and legal structure have limited impact, including:

- Cost of new business registration
- Formal recognition of physical property rights
- Formal recognition of intellectual property rights
- Costs for commercial legal activity
- Perception of corruption

Factors in Business Creation - MENA, Hi Income

■ Difference from Global Mean



Factors in Business Creation - MENA, Low Income

■ Difference from Global Mean

