



“Making the Case for Entrepreneurship Education”

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International Labour Organization, with Najib Tayara, Young Entrepreneur
from Homs, Syria*

« Fish Bowl »

objective of session

- shared understanding of the role of entrepreneurship education in tackling the global youth employment challenge
- sharing views on:
 - Definitions of youth entrepreneurship
 - The ILO's Know About Business (KAB) program
 - Impact on youth
 - Advocacy and policy lessons

we hope

the session will contribute to the continuous
building of a global community of
entrepreneurship education promoters
and practitioners

Let us start with a few questions

“Can you define entrepreneurship? What does it mean to be entrepreneurial?”

“What is “youth entrepreneurship” and is this different to entrepreneurship in general? Why or why not?”

“What do you see as the barriers and constraints, but also opportunities, for young women and men who want to become entrepreneurs?”

Definitions of Youth Entrepreneurship

There is no agreed upon definitions of the terms “entrepreneurship”, “entrepreneur” or “youth entrepreneurship” in the literature yet

“Entrepreneurship is the recognition of an opportunity to create value, and the process of acting on this opportunity, whether or not it involves the formation of a new entity.”

Schoof, 2006

“Youth entrepreneurship is the practical application of enterprising qualities, such as initiative, innovation, creativity, and risk taking into the work environment (either in self-employment or employment in small start-up firms) using the appropriate skills necessary for success in that environment and culture.”

- Chigunta, 2002

“The only difference is the age of the entrepreneur. What differs between youth and adult entrepreneurship - given the inherently different levels of intellectual and behavioural maturity – is how entrepreneurship is taught and how it is learned.”

- World Economic Forum, 2009

“The pursuit of opportunity beyond the
resources you currently control”

- *Stevenson 1983*

“Most of what you hear about entrepreneurship is all wrong. It’s not magic; it’s not mysterious and it has nothing to do with genes. It’s a discipline and, like any discipline, it can be learned.”

- Peter F. Drucker

So, many forms and meaning of the word “entrepreneurship”

Entrepreneur = the individual

Entrepreneurship = the process

Entrepreneurial = attitudes, skills and behaviours

Entrepreneurial ecosystem = the role of society

What does the literature say?

- “What makes and entrepreneur?” or the “nurture” vs. “nature” debate
 - Nurture (family characteristics, social background, history of entrepreneurs in family) have the strongest influence on becoming an entrepreneur.
 - Nature (attitudes towards risk, IQ levels, self-confidence) have the strongest influence on success as an entrepreneurs

Djankov et al, 2008

- The “necessity” vs. “opportunity” entrepreneur debate:
 - “necessity” entrepreneurs are less educated, cannot find other forms of employment, they remain small, informal, low contribution to employment creation
 - “opportunity” entrepreneurs are better educated, most are male, they seize opportunities, growth oriented enterprises, high contribution to employment creation

Llisterri et al., 2006

The global youth population

- *there are more than 1 billion young people aged 15-24 in the world today*
- *more than 850 million (85 percent) live in developing countries*
- *100 million young people will be entering the global workforce every year for the next 10 years*

The youth employment challenge

- *youth are generally three times more likely than adults to be unemployed*
- *in 2008 unemployed youth was 76 million making up 47% of the world's unemployed*
- *underemployment and indecent working conditions are prominent*
- *the current economic crisis makes the youth employment challenge even more worrisome*

Current policy directions

- *Comprehensive programmes with a combination of economic and social policies directly aimed at promoting young entrepreneurs*
- *Integrated approaches spanning education and training, labour market services, situated and experiential learning (e.g. UK experience)*
- *“Systemic thinking”, i.e. seeing the entire system and analysing the constraints and bottlenecks at meta, macro, meso and micro levels*

Enterprise culture, values and norms (meta level)

Macro level

National Youth
Employment Policies
and Action Plans

Youth Business climate
surveys and business
regulatory reforms

Entrepreneurship
culture campaigns and
promotion of successful
young entrepreneurs
as role models

Business idea
competitions for young
entrepreneurs

Meso level

Entrepreneurship
education

Business start-up &
improvement programs

Young entrepreneur
associations and
cooperatives

Establishment of
finance schemes

Youth funds to finance
innovative youth led
projects

Public-Private-
Partnerships

Micro level

Stimulate demand for
entrepreneurship
among young peoples

Turn on and ignite their
passion to be
entrepreneurial

Provide information on
where to access
business support

Facilitating business
linkages and access to
mentorships

Gender mainstreaming

The “4Es” of youth employment strategies

- *Employability*
 - *ensuring young women and men have the right skills*
- *Equal opportunities*
 - *combating gender discrimination in the labour market*
- *Entrepreneurship*
 - *enterprise education and training for in-school and out-of-school youth*
- *Employment creation*
 - *Policies and sector strategies to boost job-rich economic growth*

High level panel on youth employment created by Kofi Annan

ILO youth entrepreneurship “education” and “training” tools

- *Entrepreneurship education for in-school youth*
 - *Know about Business (KAB)*
- *Entrepreneurship training for out-of school youth (start-ups)*
 - *Generate Your Business Idea (GYB)*
 - *Start Your Business (SYB)*
 - *Gender and Enterprise development Together (GET Ahead)*
- *Enterprise development for existing young entrepreneurs*
 - *Improve Your Business (IYB)*
- *Business expansion for growth-oriented young entrepreneurs*
 - *Expand Your Business (EYB)*

Broad areas of ILO work in youth employment

- *Youth Employment Programme (YEP) coordinates action through 60 ILO offices world wide*
- *lead role in the global youth employment network (YEN), which also includes the UN and the World Bank*
- *partnerships with governments, employers' and workers' organizations (the tri-partite structure of the ILO) as major players in the development of youth policies and programmes*

Rationale for entrepreneurship education

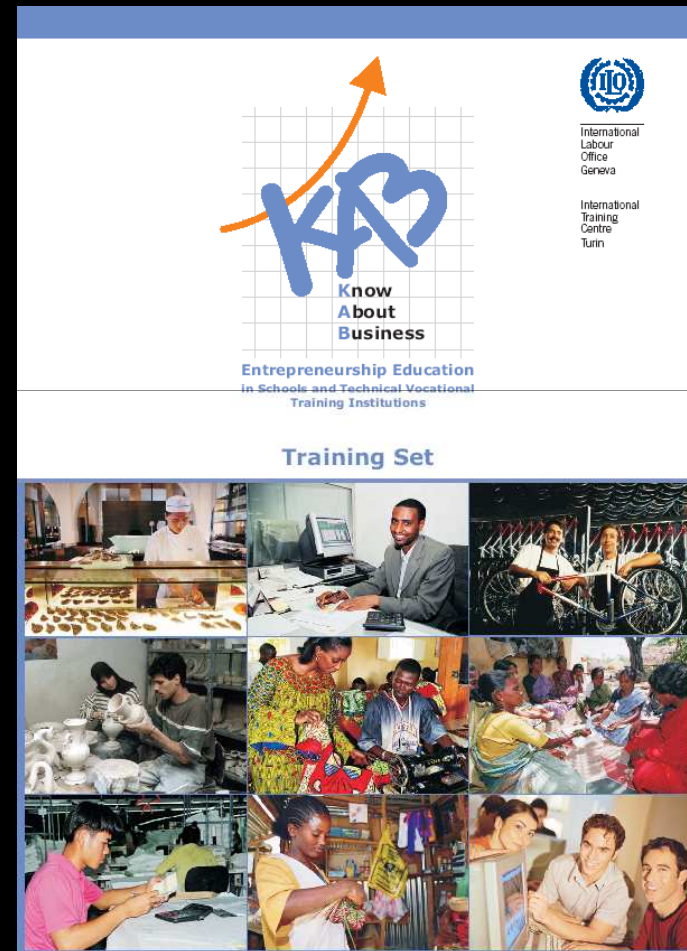
The role of entrepreneurship education is ever important to create future young entrepreneurs. There are no “quick fixes” or short cuts to creating young entrepreneurs and intrapreneurs. It requires a long term investment. Creating entrepreneurial societies starts with education and making sure that education fosters creativity, problem solving skills, risk taking attitudes and enterprising mindsets

Labour market entrance for youth

- University graduates
- Vocational Training graduates
- Diploma holders secondary level
- School leavers primary level
- School drop-outs
- Those with no formal education

Objectives of KAB

Create awareness about entrepreneurial competencies; enterprise creation and self-employment as a career option for trainees in secondary, vocational and technical institutions and higher education



- Develop positive attitudes towards the role of enterprises in the society and self-employment
- Provide knowledge and practice of the required attributes and challenges for starting and operating a successful enterprise
- Prepare trainees to work productively in small and medium-sized enterprises and more generally for an environment in which formal, full-time wage employment may be scarce or unavailable.

KAB Beneficiaries

- Students in secondary schools
- Trainees/students in vocational and technical training institutions;
- University students and other higher education students



Target group

- Trainers/teachers in secondary, vocational and technical training institutions with diploma or higher level education
- Professors and lecturers from higher education institutions



Contents of the programme

- Facilitator's Guide
- Learner's Workbook
- The Business Game

Training materials for the teacher/instructor:

- Module 1: What is enterprising?
- Module 2: Why entrepreneurship?
- Module 3: Who are entrepreneurs?
- Module 4: How do I become an entrepreneur?

Learning about risk-taking



- Module 5: How do I find a good business idea?
- Module 6: How do I organise an enterprise?
- Module 7: How do I operate the enterprise?
- Module 8: What are the next steps to becoming an entrepreneur?
- Module 9: How to develop a business plan?
- *Module 10 How do I become a social entrepreneur?
(forthcoming)*

KAB STORIES

Telling their stories



The Story of a Milagros, a KAB Graduate in Peru

Milagros

Sells All Natural Fruit Juices District of Comas, northern Lima

Nineteen year old Milagros got her idea for an all natural fruit juice business while participating in Know About Business (KAB) lessons. This was during her fifth year of secondary school at the *Simon Bolivar* Technical School in 2005, where she specialized in textile manufacturing. During KAB education, a group project exercise on starting a business, which covered topics including marketing research, developing a client base and how to get financing, helped Milagros to see the market potential for natural fruit juices. A small loan from a local financial institution and support from her family in setting up her business at the family's carwash allowed her to get started. Located near Lima's International Airport, a busy area surrounded by many businesses such as car garages and telephone shops, Milagros' business benefits from having little competition and offers a steady stream of income. She uses profits from her business to pay back her loan, continue her studies and contribute to household expenses and rent for a house she shares with her sister.

Lessons learned shows that when young women have improved access to resources they also have improved access to education.

Milagros credits KAB with introducing her to business principles previously unknown to her: marketing,

inventory, bookkeeping, product sales, pricing and profitability. On pricing, she says, "calculations made during KAB education allowed me to establish prices for my products, which are higher than usual for similar products in the area, but they are paid by my clients without protest". Milagros also says that knowledge acquired through KAB has given her business confidence.

Today, her clients include laborers from nearby businesses and local residents. In the near future, she plans to relocate her business to a larger commercial area that will allow her to generate more income and profits to reinvest in her business.

Slowly, Milagros is realizing her dreams of achieving economic independence, professional development and higher education. She says she plans to continue her fruit juice business after she finishes her studies in Clinical Laboratory Science.

KAB contributes to changing entrepreneurship cultures and instills the need to feel confident and capable of starting a business, which is often one of the obstacles for young entrepreneurs.

Entrepreneurship education also contributes to gender equality. Milagros is studying in the sciences to take her business to another level.



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Confederaziun svizra

KAB STORIES

Telling their stories



The Story of Najib, a KAB Graduate in Syria

Najib

Provides communication and network services to local companies

Homs, western Syria

Growing up with two highly educated and hard working parents, Najib Tayyara always knew that in order to achieve things in life, you had to work hard. And so, this 20 year old recently graduated assistant engineer from the Computer Technical Institute of Homs, worked his way through his studies not only to earn a little money but also to get on-the-job experience in various communication and networking companies.

Then, in 2008, Najib participated in the Know About Business programme of the International Labour Organization. This program, first introduced in Syria through a pilot project in 2006, is an education program seeking to provide youth with the knowledge, skills and attitudes in order to be entrepreneurial not only in their working lives and careers but in their personal lives as well. The program's wide success in the country is mostly thanks to ILO's partnering with SHABAB (Strategy Highlighting And Building Abilities for Business), a national NGO committed to helping improve youth employability by helping young people prepare for and look for work, and by developing entrepreneurial skills and support to youth in the country.



Najib was thus, one of the thousands of young Syrians who participated in the KAB program in 2008, learning about the decision making process, what makes an entrepreneur, and how to manage time, identify opportunities and secure funding for starting a business. Najib also benefited from the good guidance and advice from his KAB teachers, who never failed to encourage him.

These skills, alongside his technical computer knowledge and a well researched market study, finally convinced Najib to open with a friend their own business: the "Tayyara Internetworks Systems" - a business aimed at providing the growing number of companies in Homs, with the network and communication services they needed. He had identified a clear gap between demand and supply and thus, was confident that his idea would be a good business opportunity.

So, despite initial difficulties to secure the necessary start up capital and find the right business location, Najib was able to circumvent these obstacles by convincing his parents to lend him the necessary seed money, and making a name for himself and his business by using the media and undertaking personal visits to companies and factories in the area.

Today, Najib is already dreaming about his next step. To expand his business and become a national pioneer in offering a wide range of services in information and telecommunication!



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Opinion Poll

« Did we make the case for
entpreneurship education »?

