

# SEED WORKING PAPER No. 59

*Series on Youth and Entrepreneurship*

## **Facilitating Youth Entrepreneurship Part I**

**An analysis of awareness and promotion programmes  
in formal and non-formal education**

by

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## Foreword

Five hundred million young people will enter the workforce within the next decade. Today, 66 million young people are unemployed and an even higher number are underemployed. Overall, the unemployment rate for young people is two to three times higher than for adults.

A generation without the hope of a stable job is a burden for the whole of society. Poor employment in the early stages of a young person's career can harm job prospects for life. The economic investment of governments in education and training will be wasted if young people do not move into productive jobs that enable them to pay taxes and support public services.

Having reduced youth unemployment to half by 2015 is one of the goals that Heads of State of all member countries of the United Nations adopted in the Millennium Declaration. The ILO is exploring ways to increase youth employment which will help end the vicious cycle of poverty and social exclusion. ILO member states, employers' and workers' organizations are being made aware of youth employment issues, which helps them formulate effective policies and programmes. The ILO also documents innovative ways to keep young people from dropping out of education so they can enter the world of work with better training and higher-paid skills. The ILO's Know About Business (KAB) training package is offered at vocational and technical training institutions. It is a comprehensive set of materials on entrepreneurship education. KAB encourages young people to consider self-employment as a career. By using the package, schools can help trainees who aspire to entrepreneurship to learn to face some of the challenges of managing a small business.

The ILO is acting as the Secretariat of the Youth Employment Network (YEN) set up by the Secretary-General of the UN. A panel of 12 civil society and industrial leaders is responsible for the formulation of recommendations on ways to reduce youth unemployment. These focus on four key areas: Employment creation, Entrepreneurship, Employability and Equal opportunities – the four "E"s. As a contribution to the work of the panel, IFP/SEED established a research series entitled "Youth and Entrepreneurship", led by Klaus Haftendorn of IFP/SEED.

The present Working Paper – the first in the series – addresses education for entrepreneurship. It takes up one of the recommendations of the panel's working group on Entrepreneurship, stipulating that "the education system must recognize the need for developing the skills and attitudes that make up an entrepreneurial mindset such as lateral thinking, questioning, independence and self-reliance. This education should continue through vocational training, business incubation and the start-up phase for young entrepreneurs."

The review presented in Part I of this paper analyses awareness and promotion programmes in formal and non-formal education from around the world. Part II, published separately, contains an extensive directory with short descriptions of more than 100 current and recently completed programmes for entrepreneurship education. Together, they constitute a rich source of information for use by planners and decision makers on youth employment and education policies. In addition, the wealth of details and references on the implementation of such policies may inspire and guide the many practitioners of youth training and job creation programmes.

Particular thanks is given to the co-author of this study, Ms. Carmela Salzano who carried out the main part of the research work of identifying and analysing the programmes. Acknowledgement is due to Takafumi Ueda and Jim Tanburn of IFP/SEED for their constructive comments on the draft and to Geraldeen Fitzgerald and Barbara Cooper for their careful editing. Finally, the publication of this paper would not have been possible without the consistent and meticulous logistical and editorial support of Christine Vuilleumier.

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## Abbreviations

AIDS	acquired immunodeficiency syndrome
AIMS	Assessment of the Impact of Microfinance Services
APCE	Agence pour la Création d'Entreprises
ATSIC	Aboriginal and Torres Strait Islander Commission
BDS	Business development services
BENE	Business Educators Network for Entrepreneurship
BYST	Bharatiya Yuva Shakti Trust (India)
CADEC	Catholic Development Commission
CECTEC	Centro de Educación, Capacitación y Tecnología
CEED	Centre for Education and Enterprise Development
CEFE	Competency-based Economies through Formation of Enterprises
CIDA	Canadian International Development Agency
CIDE	Centre for Educational Research and Development
CIS	Commonwealth of Independent States
CTEC	Certified Technical Education Centre
CYCI	Commonwealth Youth Credit Initiative
CYP	Commonwealth Youth Program
DAPP	Drug Abuse and Prevention Programme
DAPPA	Drug Abuse Prevention Programme in Asia
DFID	Department for International Development, United Kingdom
DIEPES	Distance education programme (Finland)
DUBS	Durham University Business School
EDC	Entrepreneurship Development Centre
ECJC	Educación y Capacitación de Jóvenes Campesinos (Education and Training for Rural Youth)
EDI-I	Entrepreneurship Development Institute of India
EED	Entrepreneurship Education Programme
EMPRETEC	Emprendedores (y) tecnología
ESDP	Entrepreneurial Skills Development Programme
ETF	European Training Foundation
EU	European Union
FEBDEV	Foundation for Entrepreneurial and Business Development
FEED	Forum on Entrepreneurship and Enterprise Development
FRG	Federal Republic of Germany
GEM	Global Entrepreneurship Monitor
GGLS	Group Guaranteed Lending and Savings
GPYD	Global Partnership for Youth Development
GTZ	Gesellschaft für Technische Zusammenarbeit
HIV	human immunodeficiency virus
HMG/N	His Majesty's Government of Nepal
IAWGYD	Inter-American Working Group on Youth Development
IAYD	Integrated Approach to Youth Development
ICTs	Information and communication technologies
IDRC	International Development Research Centre
ILC	International Labour Conference
ILO	International Labour Organization
ITE	Institute of Technical Education
IUT	Institut Universitaire de Technologie
IYB	Improve Your Business
IYF	International Youth Foundation
JEP	Joint Enrichment Project

KAB	Know About Business
K-MAP	Kenya Management Assistance Programme
KYTEC	Kenya Youth Training and Employment Creation Project
LMI	Labour market information
MSE	Micro and Small Enterprise
NGO	Non-Governmental Organization
NHO	Confederation of Norwegian Business and Industry
NIC	Newly industrializing countries
OECD	Organization for Economic Co-operation and Development
OSCE	Organization for Security and Cooperation in Europe
PAAZ	Potential Agribusiness Association of Zambia
PECs	Personal entrepreneurial competencies
PHARE	EU assistance programme for Central and Eastern Europe
POs	Partner Organizations
RCED	Regional Centre for Entrepreneurship Development
RIT	Rajamangala Institute of Technology
RSTP	Refugee and Sudanese Training Programme
SACBC	South African Catholic Bishops Conference
SACC	South African Council of Churches
SBPP	Small Business Promotion Project
SDSR	Skills Development for Self-Reliance
SIDA	Swedish International Development Cooperation Agency
SIYB	Start and Improve Your Business
SME	Small and Medium Enterprise
STEP-IN	Integrated Skills Training for Employment Promotion
SYB	Start Your Business
TACIS	EU assistance programme for CIS
TEA	Total Entrepreneurial Activity
TEDI	The Entrepreneurial Development Institute
TRYSEM	Training for Rural Youth for Self Employment
TOT	Training-of-Trainers
TVET	Technical and vocational education and training systems
UA	University of Arizona
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UP ISSI	University of the Philippines, Institute for Small-Scale Industries
USAID	United States Agency for International Development
YBI	Youth Business International
YEN	Youth Employment Network
YES	The Golden Vale Young Entrepreneurs Scheme
YOP	Youth Outreach Programme
YSA	Youth Service America
YTE	Youth Tech Entrepreneurs
ZNFU	Zambia National Farmers Union

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## Introduction

“More than 1 billion people today are between 15 and 25 years of age and nearly 40 per cent of the world’s population is below the age of 20. Eighty-five per cent of these young people live in developing countries where many are especially vulnerable to extreme poverty. The ILO estimates that around 74 million young women and men are unemployed throughout the world, accounting for 41 per cent of all 180 million unemployed<sup>1</sup> persons globally. These figures do not take into consideration worldwide underemployed (estimated at 310 million). Many more young people are working long hours for low pay, struggling to eke out a living in the informal economy. An estimated 59 million young people between 15 and 17 years old are engaged in hazardous forms of work. Young people actively seeking to participate in the world of work are two to three times more likely than older generations to find themselves unemployed.”<sup>2</sup>

The Fight against Youth Unemployment is part of the Millennium Goals set by the Heads of State and Governments who met at the Millennium Summit. A Youth Employment Network (YEN) was initiated by the Secretary-General of the United Nations in association with the World Bank and the International Labour Organization. The ILO acts as the Secretariat for YEN.

Questions related to youth employment are treated in a number of ILO Conventions and Recommendations. Following up on the Millennium Summit, the ILO has strengthened its activities on policy recommendation programmes and tools for its member countries that are targeting the reduction of youth unemployment.

Self-employment and micro and small enterprise creation are routes that young people can actively explore to forge their futures. Enterprises are the places where the jobs are. Promoting a positive enterprise culture is also a way to facilitate youth employment.

The present paper is the first part of an empirical research project on the effects of awareness-raising programmes and their impact on promoting self-employment and entrepreneurship as career options for young people entering the labour market.

The project objective is the development of recommendations for a comprehensive framework and proven programmes for awareness-raising and entrepreneurship promotion with impact on the reduction of youth unemployment through self-employment and enterprise creation.

The research started with a mapping exercise to identify programmes implemented by governments, employers’ organizations, craft guilds, workers’ organizations, international donors, NGOs and other civil society associations to facilitate the transition from school and higher education into self-employment and entrepreneurship, through a variety of modalities including:

- formal education, university, technical high schools, commercial schools, vocational training
- promotion of unemployed diploma-holders for self-employment and enterprise creation

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<sup>1</sup> According to the ILO definition, an “unemployed person is without work but makes him/herself available for employment and has worked less than one hour in a reference week”.

<sup>2</sup> ILO Governing Body document GB.286/ESP/5 Context of Youth Employment.

- achievement motivation programmes for identification of potential entrepreneurs
- entrepreneurship training programmes for youth
- coaching programmes through senior managers and entrepreneurs
- training companies
- business activities run by young people and linked to schools, vocational training centres and universities
- start-up funding programmes and micro-finance schemes
- youth chamber of entrepreneurs, awards for youth entrepreneurs
- programmes targeting youth entrepreneurship in the informal economy.

The paper presents the results of the mapping exercise with an analysis of the programmes and first conclusions for replication.

All programmes identified throughout this mapping exercise are documented in a separate Directory attached to the present paper. This Directory is also available online on the IFP/SEED's web page and is frequently updated.

## **Executive Summary**

The world's different nations view entrepreneurial activities differently, in accordance with their prevailing culture towards entrepreneurship. Promoting a positive attitude to entrepreneurship is increasingly becoming the policy of governments whose objective is to generate more employment through enterprise creation. In this context, youth entrepreneurship programmes are promoted in schools and communities across the world and on the Internet. Many examples of enterprise and entrepreneurship education programmes can be found within national education systems at secondary, vocational, tertiary and university levels. Programmes have also evolved within the informal economy targeting potential young entrepreneurs, unemployed, out-of-school or at-risk youth.

Interventions have been designed and implemented by a range of providers, including public agencies, inter-governmental and bilateral technical assistance partners, the private sector and non-governmental organizations in a variety of settings. In developed countries, emphasis is on activities that will nurture the skills and creativity of youth with the potential to set up their own businesses and, at the same time, make them more employable in formal labour markets. In developing and transition countries, there is also a growing recognition of the enormous importance and potential of the informal economy to provide employment and income-generation opportunities. Training is being reformed to facilitate the insertion of youth into local economic activities through small enterprises in the informal economy.

### **Secondary level**

At secondary level, many interventions are designed to impart a spirit of entrepreneurship and teach business concepts through team-based, experiential learning. Entrepreneurship and enterprise can be integrated throughout the curriculum, as an optional subject or as an after-school activity. Activities in the classroom are based on managing a project and are often presented through the simulation of how an entrepreneur operates when setting up and running a small business, as distinct from operating in a large company where individual roles and responsibilities are clearly designated. Tools and resources used depend on country context, but generally include group and one-to-one mentoring with volunteers from the business and not-for-profit community, work placements, business simulation games, entrepreneurship competitions, etc. In addition, students can participate in national and international networks of simulation or practice-firms that have been created in other schools and thus acquire global economic knowledge. In some cases, students use technology as applied in business, including the use of the Internet for global transactions and communications.

In industrialized countries such as Australia, Canada and the United States, there are numerous examples of enterprise education at secondary level. Curriculum guidelines, materials and resources for enterprise programmes and interventions are at a fairly advanced level, relying on specially designed supplementary course materials, multimedia and Internet. These are either designed or supplied by national education systems (often the case in Europe) or are purchased from not-for-profits specializing in enterprise education (as is often the case in the United States). The research identified fewer examples in developing and transition countries, where education systems are overwhelmed by problems of implementing proposed reforms, scant resources, lack of materials and overcrowding.

## **Technical and vocational education**

Many countries are reforming their technical and vocational education and training systems (TVET) as part of efforts to reorient national training systems towards new areas of growth in national economies. TVET is becoming more targeted towards the needs of the business community with a less rigid emphasis on training for waged employment.

In the area of enterprise education, students obtain direct experience in applying their technical knowledge in a commercial environment, or participate in creating and developing a real company that markets its own products.

Reforms in developing and transition countries are taking place with the assistance of inter-governmental and bilateral technical assistance partners. Private sector firms also occasionally supply curriculum guidelines and materials, or subsidize courses as part of a particular sponsorship programme. In some countries, there are even examples of training offered by large companies to non-employees.

## **University level**

Universities around the world supply highly skilled manpower to the public sector, commerce and industry. Within the faculty of business, or independently, several universities in North America and Europe, as well as further afield, now offer entrepreneurship courses at undergraduate and graduate levels. Many have established Centres for Entrepreneurship to engage in training, research and development, consultancy and information dissemination and provide follow-up services for students.

In recent years, universities have developed closer linkages with government and industry to new growth areas and to promote technology and innovation. Entrepreneurship education is a natural extension of this trend and universities are engaging in the job of not only training potential and existing entrepreneurs, but raising awareness about the importance of entrepreneurship throughout the university community at national and international levels. For example, the Scottish Institute for Enterprise works with Scottish universities to enhance, encourage and develop entrepreneurship education and to promote an enterprise culture that is supportive of technology entrepreneurship, leading to a greater number of business start-ups emerging from Scottish universities into the commercial marketplace.

## **Non-formal education**

Programmes targeting the informal economy recognize that many children – for social, economic or cultural reasons – do not make it through the school system or else come out of it lacking the skills required in the formal labour market. In developing countries in particular, where state welfare systems are non-existent, many children enter straight into low-wage exploitative work or start their own subsistence-level activities in the informal sector. Worse, they become prey to drugs, disease, sex work, etc.

Non-formal programmes by definition are implemented outside of any established or structured formal system of learning. A diverse range of support is available to young people either to train as artisans and/or become self-employed in the informal sector. Interventions range from the provision of credit and mentoring, counselling support, outreach, awards and competitions, trainers of trainers, etc. through a variety of partners and modalities. Most methods try to integrate the natural learning processes and assets of youth living in difficult circumstances and help them to develop small businesses, avoid drugs and crime, sharpen

their academic skills and form positive attitudes about themselves and their communities, as well as bolstering the self-confidence and leadership skills required in the workplace.

Some of the programmes have evolved a sectoral focus (e.g. new technologies, e-commerce) or are offered as part of a livelihoods or life skills package (e.g. HIV/AIDS prevention, drug rehabilitation or adolescent reproductive health), particularly in the developing world. Some programmes also specifically target different population groups, such as minority or indigenous groups, young girls and women or else have a geographic focus, i.e. rural areas or urban slum dwellings.

In developed countries, programmes are implemented at centre facilities, public schools, after-school programmes at community-based organizations and intensive summer business camps. They often rely on support of local business and community development through sponsorship of programmes and active involvement of voluntary mentors.

In developing and transition countries, the design and implementation of interventions takes place within a community development or poverty reduction framework and as a collaborative effort between United Nations agencies, bilateral technical assistance, partners with external funding (whether from NGOs, bilateral or multilateral agencies), working directly or indirectly (either through funding local NGOs or through direct funding) to encourage the development of small-scale industries.

### **Common features**

In spite of the broad differences in economic, social and cultural contexts for entrepreneurship and enterprise education across regions and countries, there are nevertheless some similarities in the way that these programmes at different levels of education have been conceived and are delivered. All the projects and programmes suggest, to varying degrees, that the key to promoting entrepreneurial initiative is in engaging the imagination of students, that is, in assisting them to think of developing their own business ideas, by showing them, at least in part, what it could be like to establish and run their own businesses.

Most programmes tend to combine classroom-based instruction with mentoring, guidance and counselling, practical experience and a menu of support that is adapted to the socio-economic circumstances of the participants and is flexible enough to evolve as their needs and priorities change. In North America, not-for-profits specializing in enterprise and entrepreneurship education are now servicing programmes in both the formal and non-formal sectors. In the developing world, tool kits and methodologies such as KAB and SIYB from ILO, CEFE from GTZ, the Commonwealth Youth Credit Initiative and Street Kids International, to name a few, have been developed and replicated widely.

A common theme running through entrepreneurship and enterprise education programmes, irrespective of socio-economic context, is that they are often delivered within the framework of partnership arrangements<sup>3</sup> and coalitions at both national and international levels. The rise in popularity of public/private sector partnership arrangements within the formal sector is often primarily to facilitate learning and promote sustainability within the framework of a coherent plan for local economic development. In Western countries, they often take the form of strengthened cooperation between education and training authorities

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<sup>3</sup> Here, partnership means arrangements where governments, the international community, businesses and schools commit through mutual beneficial activities to give students greater insights into questions related to the world of work and business and to prepare them for self-employment.

and business associations and enterprise boards. The Golden Vale Young Entrepreneurs Scheme Awards (YES) in Ireland, for example, is carried out in association with City and County Enterprise Boards throughout the country.

In developing countries, strategic partnerships are formed to enable the Centre for Education and Enterprise Development (South Africa) to deliver a holistic and integrated programme to its target group. The private sector, for example Shell LiveWire in Singapore, runs an outreach campaign to ensure that potential entrepreneurs outside the student population are able to participate in workshops, an awards scheme and a mentoring programme.

## **Impact**

Ultimately the outcomes of these programmes are intended not only to stimulate economic growth opportunities in line with new market realities, but also to deal with the increasing problems facing under-employed and unemployed youth in lagging regions of developed countries and developing and transition countries in general. Such programmes are seen as a fundamental component of national strategies to reduce the risks and vulnerabilities that young people face. Preventive measures are needed that promote and facilitate the social and economic integration of at-risk youth into society in urban and rural communities.

However, it is difficult to get a clear measure of the impact of programmes towards entrepreneurship and self-employment. At secondary level, most programmes only last for a one-year period, while at vocational, university and non-formal levels, the general programme cycle is 2-3 years. But the effects are only generally felt after a period of 5-10 years, as most young people who wish to go into business usually begin with a period of waged employment. Unfortunately, there are few tracer studies available for both formal and informal sectors, i.e. tracing graduates of enterprise education and self-employment programmes to see whether they have become business owners or gone into self-employment. Added to this, the measurement of entrepreneurial skills is inherently difficult. Perhaps more importantly, it is extremely difficult to isolate the impact of a particular intervention without considering the interaction among the different social, cultural and economic influences on entrepreneurial behaviour in any given regional or country context.

We can measure impact in terms of numbers of young people trained or loans disbursed, and even numbers of new businesses created within the immediate follow-up period. However, again, there are few tracer studies to see how many of these businesses survive after the critical three-year period. Beyond quantifiable indicators, however, the success of youth entrepreneurship interventions can also be measured in terms of impact on government policy and the community. In India, for example, the encouraging results of the (BYST) programme led to a decision by the national government to permit all banks to give loans worth Rs. 0.5 million to start-up businesses without collateral and security. Some programmes, such as the Barefoot College in India, combine targeted assistance to poverty issues with economic empowerment for self-reliance, so as to have an all-round development of the community.

Measuring the success of entrepreneurship and enterprise education programmes, as well as programmes towards self-employment, is nevertheless a major challenge. It is clear that different programmes are likely to succeed where the government, at local and national levels, is already providing broad-based support to the creation of SMEs within the framework of national enterprise policy, local stakeholders are engaged in policy dialogue,

market-based business support institutions and legal frameworks are evolved and youth as a population group are receiving targeted assistance through national policy frameworks. In Italy, for example, the Marco Polo project implemented in secondary schools in Padova, benefits from the tri-sector partnership that already sustains small business clusters in Emilia Romagna. Here, young people with entrepreneurial initiative are more likely to make a seamless transition from business simulation into the real economy. Without an enabling environment, interventions can only have a short-term effect and there is little chance of young entrepreneurs growing and surviving outside of the programme framework.

Best practices and model programmes of youth development are being shared through conferences, audio-visual materials, publications, television programming, press articles, newsletters, Internet web sites and the creation of project-specific databases. This document is a first step towards identifying the ways in which countries are beginning to overcome the problems facing youth in the economic and social spheres and developing guidelines for youth entrepreneurship programmes.

# 1. Socio-economic context affecting youth entrepreneurship

## 1.1 Cultural influence on entrepreneurship

On 17 June 1998 in Geneva, the International Labour Conference adopted Recommendation No. 189 concerning the General Conditions to Stimulate Job Creation in Small and Medium-sized Enterprises. An important issue of the Recommendation is recognition by the member States of the ILO present in the ILC of the importance of social and cultural influences on entrepreneurship and the formation of new enterprises.

Recent research tries to ascertain how the national cultural attitude influences the entrepreneurial activities of the population of a country or a region.

*Cultural standards* are determinant for a national culture. They are understood as all kinds of recognition, thinking, values and activities that the majority of members belonging to the same culture considers as normal, natural, typical and binding. Behaviour is controlled on the basis of recognized cultural standards. The individual form and the group-specific form of cultural standards differ within a certain range. Central cultural standards in one culture can be completely missing in another culture or only have peripheral meanings or fundamental different functions.<sup>4</sup>

Entrepreneurship is understood in a wide social, cultural and economic context, as well as being innovative at home, school, leisure and at work. Entrepreneurship involves life attitudes, including the readiness and the courage to act in the social, cultural and economic context.

Entrepreneurial qualities or behaviour include:

- creativity and curiosity
- motivation by success
- willingness to take risks
- ability to cooperate
- identification of opportunities
- ability to be innovative and tolerate uncertainty.

Cultures that value and reward such behaviour promote a propensity to develop and introduce radical innovations, whereas cultures that reinforce conformity, group interests, and control over the future are not likely to show risk-taking and entrepreneurial behaviour (P. A. Herbig and J. C. Miller, 1992).

Hofstede conducted perhaps the most comprehensive study on how values in the workplace are influenced by culture. From 1967 to 1973, while working at IBM as a psychologist, he collected and analysed data from more than 100,000 individuals from 40 countries. From those results he developed a model that identifies four primary dimensions to differentiate cultures.

- *Power distance* focuses on the degree of equality or inequality between people in the country's society.

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<sup>4</sup> From an article "National Culture and Entrepreneurship: A Review of Behavioural Research" from James C. Hayton, Gerard George and Shaher A. Yahra, published in *Entrepreneurship, Theory and Practice*, Volume 26, No. 4, Summer 2002, Baylor University.



- *Individualism* focuses on the degree to which the society reinforces individual or collective achievement and interpersonal relationship.
- *Masculinity* focuses on the degree to which the society reinforces or does not reinforce the traditional masculine role model of male achievement, control and power.
- *Uncertainty avoidance* focuses on the degree to which the society reinforces – or does not reinforce – uncertainty and ambiguity within it.

A fifth dimension was included after conducting an additional study using a survey instrument developed with Chinese employees and managers (called Confucian dynamism) to look at a culture's long-term orientation.

- *Long-term orientation* focuses on the degree to which the society embraces – or does not embrace – long-term devotion to traditional, forward thinking values.

Based on Hofstede's model, Shane (1992 and 1993)<sup>5</sup> conducted studies on national culture and entrepreneurship in 33 countries to find out "the effect of national culture on national rates of innovation" by using the dimensions of individualism, power distance, uncertainty and masculinity. He observed that national rates of innovation are positively correlated with individualism and negatively correlated with uncertainty avoidance and power distance.

Other studies were conducted to explore the relationship between national culture and characteristics of entrepreneurs (Scheinberg and MacMillan, 1988<sup>6</sup> who surveyed 1,402 entrepreneurs in 11 countries). The research question was "Are the motives of entrepreneurs to start a business similar or different across cultures?" The following indicators were used: need for approval, perceived instrumentality of wealth, communitarianism, need for personal development, need for independence and need for escape. The major finding was that the importance of these motives varies systematically across cultures.

A study (conducted by Shane, Kolvereid and Westhead, 1991)<sup>7</sup> researching motivation for start-ups (597 entrepreneurs interviewed in 3 countries) obtained the same findings. The reasons for starting a business (recognition of achievement, independence from others, learning and development, and roles) vary systematically across countries.

This cultural difference may explain why different countries show very different figures on entrepreneurial activities as monitored by the 2002 Global Entrepreneurship Monitor Report<sup>8</sup> published by the London Business School, the Kauffman Foundation and Babson College.

The GEM report researches the Total Entrepreneurial Activity (TEA) of a country based on the percentage of its labour force that is actively starting up a business or is the owner/manager of a business that is less than 42 months old. It then examines why those countries' level of TEA differ. The latest rankings are given below.

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<sup>5</sup> See also footnote 4.

<sup>6</sup> See also footnote 4.

<sup>7</sup> See also footnote 4.

<sup>8</sup> Their fourth report covers 37 countries and can be found at [www.gemconsortium.org](http://www.gemconsortium.org).

**Table 1.1 Total Entrepreneurial Activities (TEA) in selected countries in 2002**

Country	TEA %	Country	TEA %	Country	TEA %
Thailand	19	Norway	9	Netherlands	5
India	18	Australia	9	Finland	5
Chile	16	Switzerland	7	Poland	4
Korea	15	Israel	7	Taipei	4
Argentina	14	Hungary	7	Sweden	4
New Zealand	14	South Africa	7	Croatia	4
Brazil	14	Denmark	7	Hong Kong	3
Mexico	12	Singapore	6	France	3
China	12	Italy	6	Belgium	3
Iceland	11	UK	5	Russia	3
USA	11	Germany	5	Japan	2
Ireland	9	Spain	5		
Canada	9	Slovenia	5		

However, the cultural difference is not the only reason that people become entrepreneurs.

The report identifies two types of entrepreneurs: those voluntarily pursuing an attractive business opportunity and those who are engaged in entrepreneurship out of necessity, because they can find no other suitable work. These split 60:40. Young people seeking work, particularly in the developing world, fall mainly into this “necessity” group.

## 1.2 Relationship between cultural patterns and entrepreneurship

Research work and also the GEM report clearly show the strong influence of national culture on enterprise creation.

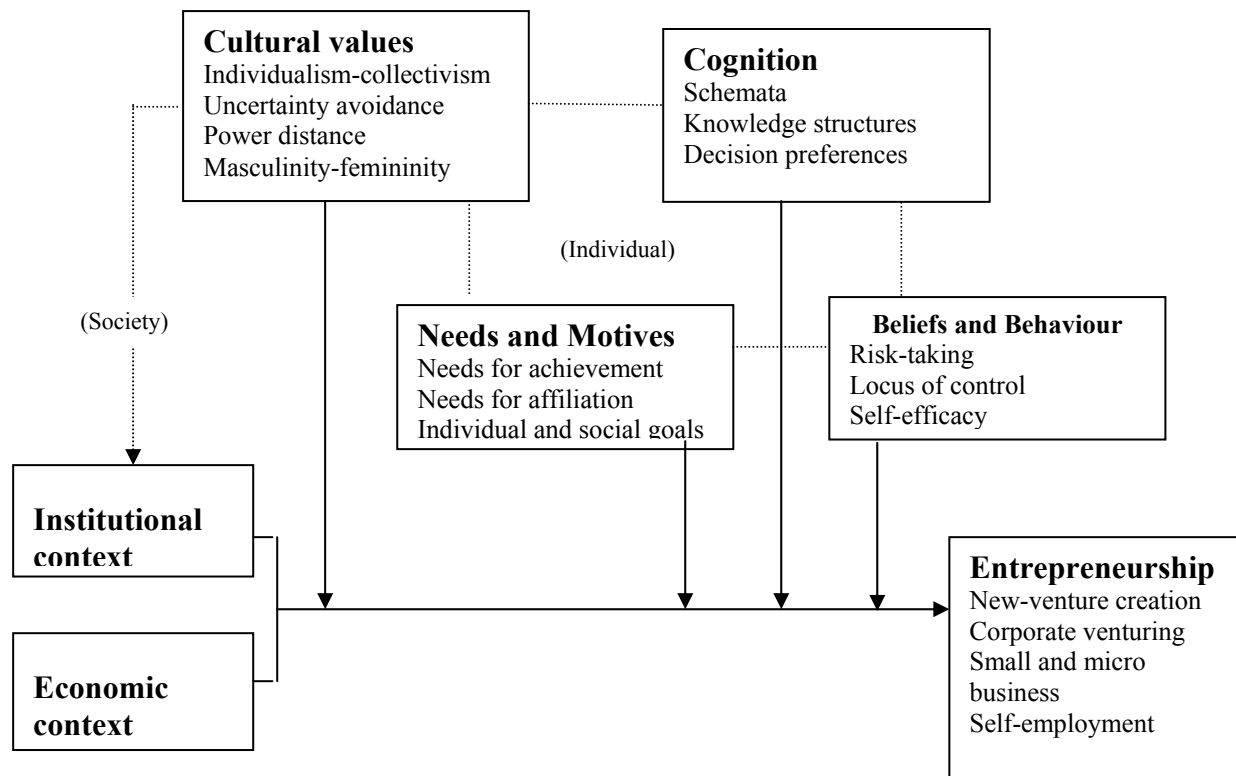
A model of how culture is associated with entrepreneurship was developed by Hayton, George and Zahra<sup>9</sup> that takes in consideration the studies described above. This model is quite similar to that used for the GEM report.

As figure 1.1 shows, the model includes the individual aspect that consists of cognition, needs and motives, beliefs and behaviour and the cultural values at individual and societal level. The complementarities of cultural characteristics and institutional and economic context influence entrepreneurship.

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<sup>9</sup> See also footnote 4.

**Figure 1.1: How cultural characteristics influence entrepreneurship**



Source: Hayton, George and Zahra, 2002.

This model could be used to explain at which level action has to be taken in order to create the broad acceptance of a society towards entrepreneurship and to favour the development of an enterprise culture that also targets youth.

To change the pattern of cultural determinates is a medium or long-term process. It needs social campaigns to create positive attitudes towards entrepreneurship and entrepreneurs. Entrepreneurial education has to be an integrated part of national curricula in primary, secondary, vocational and higher education. Focusing on awareness-raising programmes at education institutions and start-up programmes for youth allows governments to influence the cultural attitudes towards a positive perception of entrepreneurial activities.

The ILO Recommendation No. 189<sup>10</sup> indicates how these cultural attitudes could be influenced.

“Member States (of the ILO) should adopt measures, drawn up in consultation with the most representative organizations of employers and workers, to create and strengthen an enterprise culture which favours initiatives, enterprise creation, productivity, environmental consciousness, quality, good labour and industrial relations, and adequate social practices which are equitable. Members should consider:

- 1) pursuing the development of entrepreneurial attitudes, through the system and programmes of education, entrepreneurship and training linked to job needs and the attainment of economic growth and development, with particular emphasis

<sup>10</sup> This Recommendation, concerning general conditions to stimulate job creation in small and medium enterprises, was adopted by the International Labour Conference in 1998.

being given to the importance of good labour relations and multiple vocational and managerial skills needed by small and medium-sized enterprises;

- 2) seeking, through appropriate means, to encourage a more positive attitude towards risk-taking and business failure by recognizing their value as a learning experience, while at the same time recognizing their impact on both entrepreneurs and workers;
- 3) encouraging a process of lifelong learning for all categories of workers and entrepreneurs;
- 4) designing and implementing, with full involvement of the organizations of employers and workers concerned, awareness campaigns to promote
  - a) respect for the rule of law and workers' rights, better working conditions, higher productivity and improved quality of goods and services;
  - b) entrepreneurial role models, and award schemes, taking due account of the specific needs of women and disadvantaged and marginalized groups.”

The **institutional context**, which comprises the social systems institutions, the social partners, and the regulatory and legal system, also reflects the cultural background of a society. Changes within the institutional context towards a conducive enterprise culture, however, can be reached in the medium term if there is a strong political will.

**Economic growth** is the key element for enterprise creation and enterprise growth. Entrepreneurial activities will reinforce the dynamic of growth. Policy that favours enterprise creation and enterprise expansion will amplify the process of economic growth and create new and more employment – needed to absorb young people entering the labour market.

In conclusion, the main characteristics that influence the labour market and the entrepreneurship situation in a country are:

- enterprise culture
- institutional context
  - policy framework
  - outreach of the social network
  - education and skills level
  - enterprise promotion
- strength of the economy and its sectors.

### **1.3 Labour market and employment situation of youth**

The world's population is growing at a time when traditional, stable labour markets are shrinking. In developed and developing countries alike, rapid globalization and technological change have altered both how national economies are organized and what is produced. Countries differ widely in their restructuring practices, depending on tradition and culture, as well as the legal and regulatory framework. But a common factor is that traditional employees, entrepreneurs, managers and the roles of men and women are changing throughout the world. In most countries, redundancies and unemployment have been one of the main social costs of the restructuring that continues to take place.

**Figure 1.2: Labour market movements, entrances and exits**

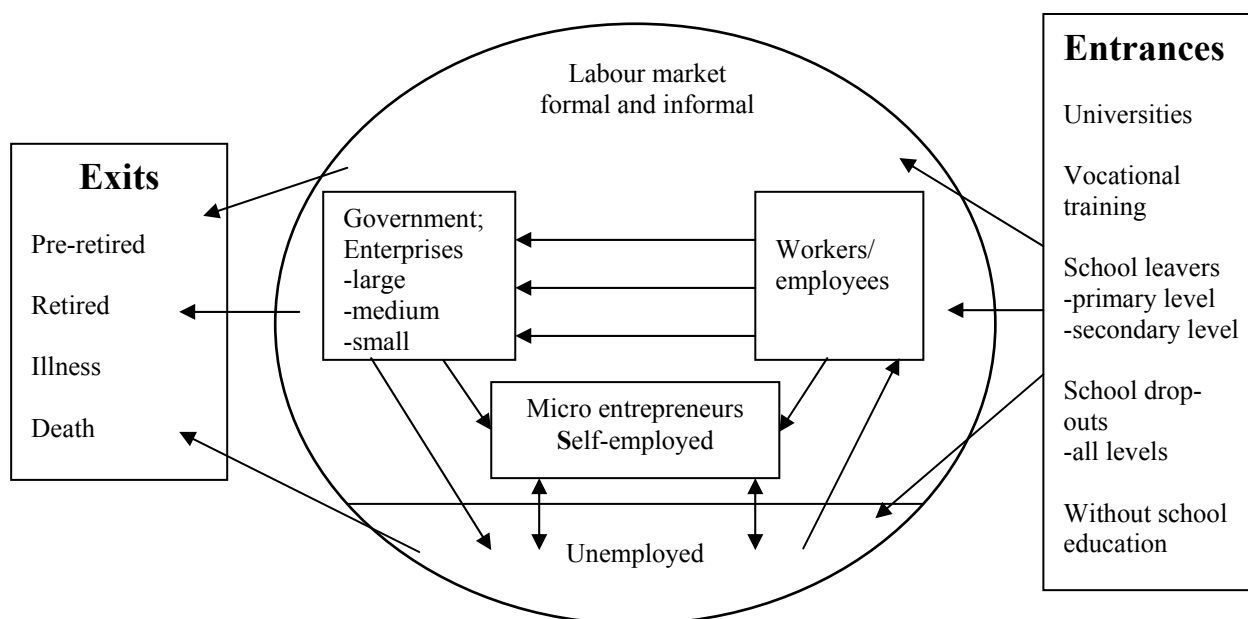


Figure 1.2 shows movements within the labour market as well as the entrances and the exits. The demand for wage labour comes from the public sector with its administration, public facilities and state-owned companies. However, the trend in recent years was to decrease employment in the public sector by increasing the productivity of its administration, by reducing the services provided to the population and by the privatization of public enterprises. The private sector with its large, medium and small enterprises could not absorb, in most cases, this labour. On the contrary, in an economic crisis period, this sector released workers and employees that upped the unemployment rate and consequently self-employment and the creation of micro enterprises operating in the informal economy.

In such a situation young people entering the labour market have little chance of finding employment. Self-employment is often a survival strategy to generate some income for subsistence.

Becoming the owner of a micro or small enterprise could be an alternative for a young person who has an entrepreneurial mindset but who also possesses some of the basic skills and knowledge requirements. Awareness of this career option *and* an enabling environment for enterprise creation play a crucial role for a successful start-up.

However, only a small percentage of the labour market population belongs to the group of private entrepreneurs or self-employed. The number depends on the prevailing political system, the cultural acceptance of entrepreneurship and the economic strength of the country.

## **1.4 Socio-economic context by category of countries**

### **1.4.1 Industrialized countries**

The policy of industrialized countries favoured in general market economy and private sector development move within a range from liberalism (little involvement of the State) to a

social market economy. These countries developed strong economies with a high-tech, export-oriented production sector and a large service sector – both dominated by private enterprises of medium and small size. Agriculture in terms of employment is insignificant.

The social protection and labour market measures are well developed. Workers and employees in industrialized countries are highly protected. Reduction of unemployment has highest political priority. Unemployed persons can obtain financial support, benefit from retraining measures, and apply for support and loans for start-ups, etc. Active labour market interventions facilitate the re-integration of unemployed into the labour market. Social transfer payments can even be higher than minimum wages.

Education and skills level is high due to compulsory school attendance, a large high school and university system and a modern vocational training system.

In industrialized countries entrepreneurship development and enterprise creation is facilitated in many ways. There is buying power for goods and services and a variety of promotion programmes and training facilities through Chambers of Commerce, Chambers of Crafters, business associations, government-subsidized programmes, start-up financing and many others. But there is also tough competition that prevents many potential starters from taking the risk of becoming an entrepreneur.

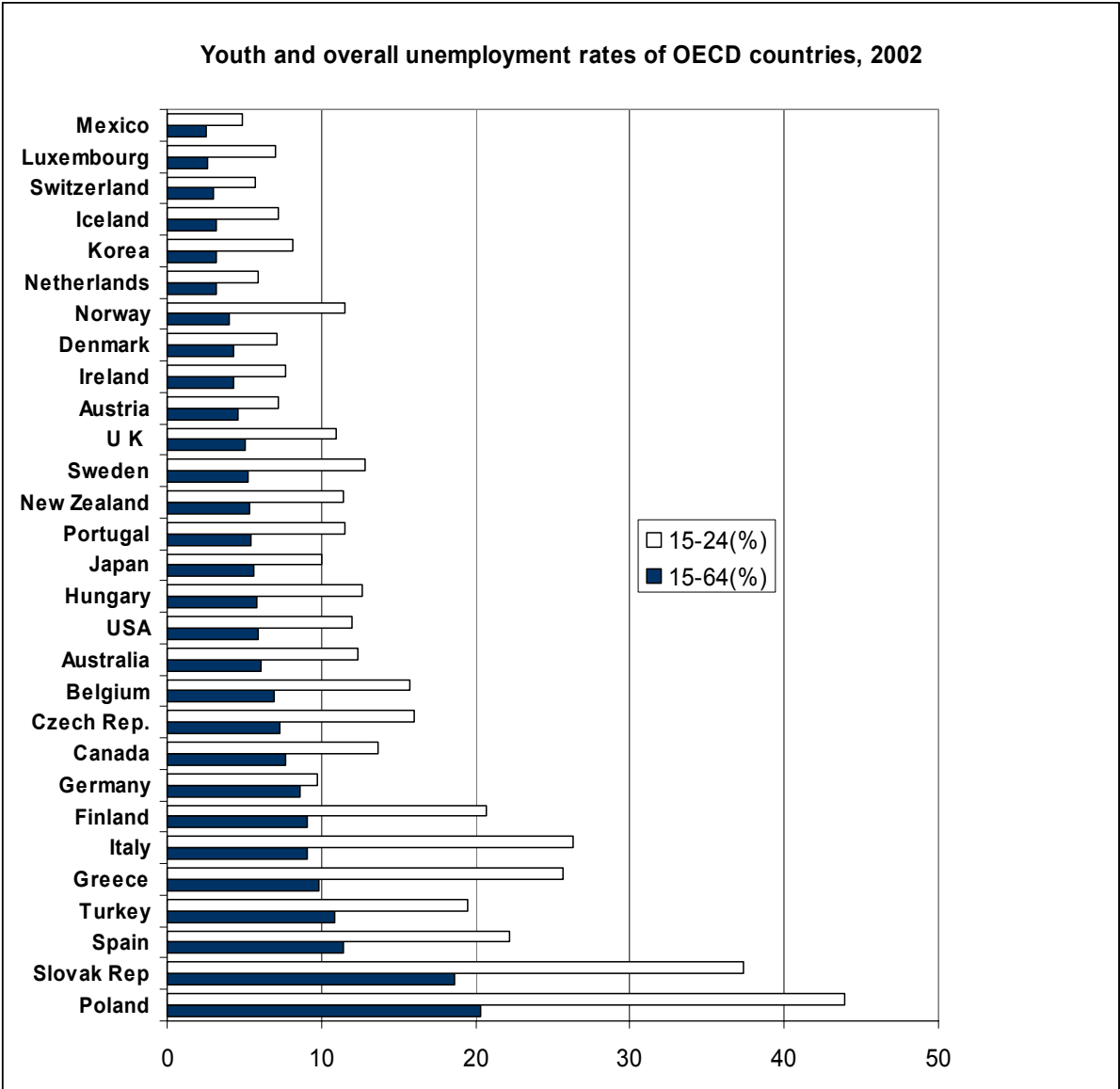
Potential business starters are often highly qualified persons with strong motivation that create their enterprises as a spin-off from bigger enterprises in high-tech sectors. Young university diploma holders with some enterprise experiences are targeted frequently by this sector. Crafters and artisans who gained experience in small enterprises very often create an enterprise to be “on their own account”.

Another group of potential business starters constitutes laid-off workers who have not found wage employment and therefore start a business – frequently in the service sector. Depending on their qualifications, individuals from the laid-off worker group can perform very well but usually prefer to opt for social security benefits and return to wage employment as soon as possible.

Mixed patterns were found concerning the enterprise culture. The social status of an entrepreneur is highly estimated in some countries; in others the entrepreneur is considered as the “capitalist”. However, there is a change of attitude in recent years and in particular young university diploma-holders, skilled workers and artisans are considering the possibility of becoming entrepreneurs as a valuable option.

In spite of sustained economic growth throughout the 1990s, many people are still living in poverty. Income inequality is increasing year-on-year. Rapid technological change, international competition and the shift from an industrial to a knowledge- and information-based economy have all contributed to greater uncertainty and turbulence in markets and the business environment.

**Figure 1.3 Youth and overall unemployment rates (percentage, 1994)**



The situation of youth employment in most of the surveyed countries is worse than the general employment situation. Youth unemployment is twice to three times higher than the average unemployment rate, mainly because of those young with low-level education and no vocational training. As figure 1.3 shows, there are only a few countries in the world where the general unemployment rate and the youth unemployment rate are the same, among them Germany and Austria.

In economically disadvantaged areas, local labour markets cannot even absorb the graduates of their basic and higher education systems. Under-employment poses a major problem. Young people usually move further afield in search of jobs that match their skills set, resulting in significant brain drain and the emptying out of areas. Furthermore, high-school graduates are increasingly worse off than those with higher degrees over the past 15 years, since the possession of higher degrees is increasingly perceived by employers as implying the possession of qualities that are more useful in the labour market. For those less well educated, where once a strong back and a will to work guaranteed steady employment, these people now find themselves in low-paid, high-turnover service sector jobs.

#### 1.4.2 Transition countries

Since the beginning of the 1990s the countries with centrally planned economies were transforming their political and economic system into parliamentary democracies and market economies. This process was accompanied by political instability, local armed conflicts, emergence of economic sectors without legal control and the impoverishment of a large share of the population – in particular older people.

Now, ten years into the transition process, political stability has improved and the legal framework is adapting to the new political and economic conditions. The start of European Union accession negotiations indicates the comparatively successful progress of these countries towards full democracy and free-market enterprise. Naturally, however, some problems persist. In areas such as environmental standards, governance and law enforcement, there is a wide discrepancy with the EU norms.

In addition, for some of these countries (including some in the process of accession), their economic performance has not yet reached their pre-transition levels. A number of state-owned unprofitable companies are not yet privatized or closed. The agriculture sector faces similar problems. State-owned production units were dismantled but privatization of land did not follow and/or the individual plots distributed to farmers were too small for mechanized production. Self-employment for survival as street-vendors, day-labourers or subsistence farmers is often the only source of income. The informal sector emerged as a substantial part of the economy.

In these countries, the economy is still weak and not able to generate sufficient taxes to allow their governments to maintain the social security network. Unemployed persons obtain scant benefits and little help to reintegrate into the labour market. Retired people cannot live on their pensions.

The education system also suffered from the transition process, as the State could not afford to cover the costs for schooling and for higher education. Skills training was linked to the state-owned enterprise sector and training centres disappeared along with enterprises. A new vocational training system that could take over these centres and adapt them to the needs of modern technology requires a huge investment. That being said, the transition countries still dispose of a well-educated and technically well trained labour force that can facilitate adaptation for modernized enterprises.

Enterprise creation does not occur as an idea to unemployed persons or wage labourers threatened with dismissal, as there is no private enterprise culture. Here is a real chance for young people who during the transition period to a market economy have studied modern management and who are willing to take risks.

Unemployment is but one dimension of the employment problems that confront youth. There are those who are able to cope, those who exercise their entrepreneurial spirit by carving out a living from activities in the informal sector (such as artisan crafts, street vending, cooperative work and recycling). However their social, economic and cultural isolation and lack of ties makes them vulnerable to exploitation and a multitude of dangers that include organized and random crime, unemployment, sexually transmitted diseases, cultural intolerance, and escalating drug and alcohol abuse. The problems facing youth are more significant in rural areas due to the lack of support systems. In poorer countries, where public or family sources provide little income support, jobless young people are often denied



the “luxury” of remaining unemployed. They eke out a living by means of low productivity work in the lower, subsistence-oriented, reaches of the informal economy or in such low-yield activities as odd jobs, hawking and car washing. Here the problem may not be short hours but excessively long hours with little reward. The widespread stagnation and decline of employment opportunities in the formal sectors of most developing countries has intensified the problem in recent years, with young women bearing a disproportionate burden.

### 1.4.3 Developing countries

Developing countries are characterized by their extreme poverty, high demographic pressure, dominant agriculture sector and little integration in the global economy.

The prevailing political division of the world in communist/socialist countries and democratic/capitalist countries determined the political development of these countries after their independence. Those that followed the socialist model faced all the problems of central planning, aggravated by the incapacity of the administration and the discouragement of the private sector. Those who followed the capitalist model could in the beginning attract considerable foreign investment, in particular for exploitation of their natural resources.

However, both models failed in most cases: lack of democracy resulted in dictatorship, military rule, political unrest, civil war and hostilities among neighbouring states.

Today most of the developing countries have adapted their legal framework to democratic rules with parliaments, multi-party systems and market economy. Poverty reduction is the highest priority for these countries. Governments consider micro and small enterprise development as a promising way for employment creation.

The economy is mainly based on exploitation of local resources for exportation, agriculture products and a few manufactured products for the local market. Administrations were forced to dismiss a substantial number of civil servants in order to cope with their limited resources. The agriculture sector and the informal sector in urban areas provide nearly all employment.

Schooling is not generalized and vocational training centres are insufficient in numbers and quality. In the main, universities offered studies that would lead to employment in the administration or the formal enterprise sector; however, the absorption capacity of this segment of the labour market is very limited.

Nowadays in most of these countries, entrepreneurs have a rather positive reputation and governments are willing to promote business creation. This generates a favourable environment, in particular for young people with a good educational background and skills and the risk-taking necessary to start an enterprise. It should be noted that entrepreneurs reported they are often exposed to red tape and corruption.

In these countries, youth unemployment can be classified into two groups: primary school leavers not selected for secondary school education and secondary school leavers who are unable to gain employment in the formal sector. Official unemployment rates are much higher among youth and rural women – although most young people will attempt to earn a

living in the informal economy.<sup>11</sup> The size of the informal economy in terms of employment stands around 40 per cent in Bangladesh, India, Indonesia, Nepal and Pakistan.<sup>12</sup> In a survey of those living in the slums of Bangkok, 87 per cent of those in employment earned a living through the informal sector. Undoubtedly a large number of these will have had little or no education.<sup>13</sup> According to the ILO's *World Employment Report 1998-99*, "the lack of jobs in the formal sector of the economy as well as the lack of skills in a large part of the labour force has resulted in the growth of a substantial informal sector in which most workers are in low-paid employment under unregulated and poor working conditions."

Young women typically face higher unemployment rates than young men or have lower participation rates, although the situation varies considerably between countries. In many developing countries, girls are outperforming boys at school, but this does not necessarily translate into greater labour market success. This is still the case, partly because many girls remain concentrated in traditional fields of study, often not related to rapidly evolving labour market needs. In addition, some girls may still be the intended or unintended targets of gender discrimination. In other countries, such as Ghana, India and Kenya, girls' access to education and training is limited, forcing young women disproportionately into the informal sector and subsistence-oriented activities. In some countries, economic inactivity is imposed on young women.

#### 1.4.4 Other countries

The main characteristics of industrialized, developing and transition countries are described above. However, there are also countries with different characteristics and internal regional or sector differences of development. They belong partly to industrialized countries and partly still to developing countries. The newly industrializing countries (NICs) respond to these criteria. They have strong growth poles that favour micro and small enterprise development but also have a share of population living in poverty.

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<sup>11</sup> This encompasses largely unrecognized, unrecorded and unregulated small-scale activities. It includes small enterprises with hired workers, household enterprises using family labour and the self-employed. Production processes characteristically rely on high levels of working capital as against fixed capital. Formal contracts between employers and employees or between buyers and sellers are rare and the often invisible activities involved usually fall below, or outside, the fiscal net.

<sup>12</sup> ILO Yearbook of Labour Statistics, 1995.

<sup>13</sup> Ratanakomut, S. C. 1994. Urban Poverty in Thailand: Critical Issues and Policy Measures, *Asian Development Review*, Vol. 12, No. 1.

## 2. Promoting youth entrepreneurship and enterprise creation: Approaches and general findings

Over 510 million young women and 540 million young men live in the world today according to United Nations (UN) estimates. This means that approximately one person in five is between the ages of 15 and 24 years, or that young people comprise almost 18 per cent of the world's population. Although the proportion of youth in the world is dwindling (by 2025 it is forecast to fall to 16 per cent) their absolute numbers have increased and will continue to do so well into the twenty-first century. The majority of young people, 85 per cent, live in developing countries, with approximately 60 per cent in Asia alone. By 2020, the number living in developing countries will grow to about 89 per cent.

The importance of education and training for an entrepreneurial society has been underlined on several occasions through United Nations Declarations and Conventions. ILO Recommendation No. 189, adopted in 1998, refers to entrepreneurship education as a way of promoting a positive enterprise culture.

A recent key event in the international development of enterprise education was the Intergovernmental Conference on Education and the Economy in a Changing Society held under the auspices of the Organization for Economic Co-operation and Development (OECD) in Paris in 1988. The OECD educational monograph, *Towards an Enterprising Culture*, issued soon after that conference, stated:

*Changes in educational method are needed to foster competence in 'being enterprising' as a vitally important qualification needed by the young as they enter society. This competence means having the ability to be creative and flexible, to be flexible to take and exercise initiative and to be able to solve problems.*

The importance given by the European Community to entrepreneurship education was recently underlined in the [European Charter for Small Enterprises](#) (adopted by the General Affairs Council, 13 June 2000, and welcomed by the [Feira European Council](#), 19/20 June 2000) which stated:

*Europe will nurture entrepreneurial spirit and new skills from an earlier age. General knowledge about business and entrepreneurship needs to be taught at all school levels. Specific business-related modules should be made an essential ingredient of education schemes at secondary level and at colleges and universities. We will encourage and promote youngsters' entrepreneurial endeavours, and develop appropriate training schemes for managers in small enterprises.*

Promoting entrepreneurship and enterprise creation is high on the policy agenda of almost all countries in the world, as successful enterprises generate additional employment. But governments should realize that awareness programmes at primary and secondary school level only have long-term effects. Programmes at vocational training schools are supposed to have medium-term effects while university programmes can produce results in terms of business creation in the medium- and short-term.

Entrepreneurship education stimulates young people to think about entrepreneurship and the role of the business community in economic and social development. Students also get an opportunity to analyse the changes taking place in their countries and are encouraged to consider self-employment as a career choice.

## 2.1 National government policy

Few, if any, countries have created clear and comprehensive policy frameworks to promote youth entrepreneurship and self-employment. Instead, we find elements of education and training policy at different levels as they relate to the world of work and the world of business. Increasingly, the concern of governments is to foster a spirit of enterprise and a number of countries, especially in the European Union, promote self-employment as an important part of their efforts to reduce youth unemployment.

The responsibility for appropriate education and training programmes is therefore located within the Ministry of Education in collaboration with the Ministry of Labour and sometimes with the Ministries of Trade and Industry. In some cases, special inter-ministerial committees have been convened. Concrete actions focus on programme interventions at secondary and tertiary levels (see later chapters), awareness-raising campaigns or technical and financial support and training provided through specifically-designed government interventions.

Awareness-raising programmes at primary and secondary school level designed to familiarize pupils with the philosophy of entrepreneurship by developing beliefs, behaviours and motivation will have a long-term effect; they are expected to exert a positive influence on enterprise culture. Such programmes integrated in vocational training curricula and university courses will prepare the ground for entrepreneurship as a career option.

Programmes that aim at immediate enterprise creation for young people can be run at vocational training schools or universities, but they will have the greatest effect outside the educational system with people already in their twenties.

Within national education systems, there has been some debate on the meaning of entrepreneurship and the form that entrepreneurship or enterprise education should take.<sup>14</sup> The Australian Ministerial Council on Education, Employment and Training and Youth Affairs adopts the following definition of enterprise education:

*Learning directed towards developing in young people those skills, competencies, understandings, and attributes which equip them to be innovative, and to identify, create, initiate, and successfully manage personal, community, business and work opportunities, including working for themselves.*

The University of Durham (United Kingdom) suggests that there are a number of different objectives and outcomes that can be achieved.

- Firstly, and most universally, enterprise education can be a path towards developing enterprising skills, behaviours and attitudes through any curriculum subject at every phase of education to provide a wider preparation for autonomy in life including work, family or leisure.
- Secondly, it can provide insight into and help young people understand *about* the entrepreneurial and business development processes through business education in

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<sup>14</sup> Enterprise education is a highly contested theme. There is tension between what might be termed pedagogical preoccupations on the one hand, and political and labour market versions of enterprise on the other. Many teachers are hostile to the notion of pupils being oriented to the free market in what may be termed the externally-driven models of enterprise. On the other side, politicians and policy makers look to enterprise education as a way of making pupils and students more ‘realistic’ or more ambitious about the world of work that lies ahead.

secondary schools and in further and higher education allowing young people to work more effectively in a flexible labour market economy or working in a small business.

- Finally, it can develop awareness of, and capability for, setting up a business now or sometime in the future. This approach can be used in vocational and professional education.

The learning effectiveness of such programmes should be measured not in terms of rote knowledge but the acquisition of practical life skills and the ability of students to anticipate and respond to societal changes more easily.

## **2.2 Teacher training and professional development**

Within schools and non-formal education programmes, the agents of change are teachers or facilitators.

Studies by the European Commission have highlighted the need for special training courses to give teachers the confidence to develop enterprise education and make them more aware of how they can help pupils or students gain entrepreneurial attitudes and skills.

Many countries now require teachers to take part in training courses, such as the Skelleftea School Project in Sweden. In Scotland, a series of guides for secondary school teachers have been developed which encourage reflection on the relationship between the curricular aims of “Education for Work” – “*Primary Teachers Guide for work experience*” and teaching and learning within the 5-14 curriculum and also for subjects taught to older students.

The National Centre: Education for Work and Enterprise has been established at Strathclyde University. The role of the National Centre is to raise awareness among educators in Scotland of the vital role they play in providing young people with the skills and abilities they need. It seeks to encourage employers and entrepreneurs to involve themselves fully in education. The Centre is working with partners in Scotland to: promote the cause of Education for Work and Enterprise with educators and employers; to develop teacher capability, undertake research, promote new ideas and generally ensure that Education for Work is given high priority by all.

The German Development Bank DtA funded a training package for teachers on “Entrepreneur Culture” for students aged 15 and over.<sup>15</sup>

In the United States, EdTec (an international not-for-profit organization) provides teacher training through videoconferencing and the EDGE University “certified entrepreneurship instructor” training, as well as an annual entrepreneurship educators’ conference. The *New Youth Entrepreneur Instructor’s Guide*, developed in conjunction with the Ewing Marion Kauffman Foundation, is a 239-page companion guide to the New Youth Entrepreneur curriculum. It provides information on implementing the curriculum, module overview, supplemental learning activities and handouts.

In the developing world, entrepreneurship training is mostly provided outside the formal education system, using stand-alone training courses such as ILO’s Start and Improve Your Business (SIYB). The agents of change in these programmes are trainers with hands-on experience from the business world. Programme proliferation is based on the Training-of-

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<sup>15</sup> Developed by Bundesarbeitsgemeinschaft SCHULE-WIRTSCHAFT.

Trainers (TOT) courses. The experience gained with this methodology was used to train vocational training school teachers to give the Know About Business (KAB) programme in East Africa and Central Asia.

Another example is the CEFE<sup>16</sup> programme from GTZ, which has developed methodologies for training teachers at different educational levels. This programme was employed by the Department of Vocational Education's Small Entrepreneur Development Project in Thailand for several TOT courses at the Rajamangala Institute of Technology (RIT). The teachers applied their new skills in the diploma and bachelor level curricula. A Small-Scale Industry curriculum was developed with the objectives of making students understand: (a) how to start a business (b) how to raise funds (c) entrepreneurial techniques (d) systems of production and services, and (e) attitudes required for creating a job opportunity. The Foundation for Entrepreneurial and Business Development (FEBDEV) in South Africa trains educators to teach entrepreneurial skills, and believes it contributes to creating a spirit of enterprise through workshops and networking with decision makers.

The need for support for teachers has been reflected in a number of projects and initiatives undertaken in Central and Eastern Europe. An example is the Slovenian national programme to develop enterprise and business understanding within secondary schools; the programme was taught between September 1996 and March 1998. The overall aim was to provide a solid base for the national development of enterprise and business understanding within the core curriculum of all general secondary schools in Slovenia. Under this programme a core group of teachers attended a "train the trainers" type workshop, in order that they could disseminate their knowledge and skills to other schools across the country.

At University and Business School level, the difficulty in finding appropriate trainers with first-hand experience of managing a business is being resolved by the Centre for Enterprise at Leicester University (UK) through an exchange programme. The programme recognizes that entrepreneurship might best be learned from successful entrepreneurs and that these rarely find the time to give seminars. The scheme therefore offers academics the chance to change places with business people for part of the week. This gives entrepreneurs the opportunity to work within an academic institution and to share their experience of managing an SME with students.

A number of countries have provided additional support for teachers through dedicated web sites. In the United Kingdom, the Department of Trade and Industry *Enterprise Guide* site provides suggestions to help teachers develop enterprise education and entrepreneurial skills among pupils in the 11 to 16 age range. Through information and case studies it shows teachers how they can incorporate enterprise education into their schemes of work. The *Enterprise Education* web site in Australia has been developed with support from the Australian Department of Education through the Enterprise Education in Schools programme.

### **2.3 Resource materials and training packages**

The emergence of entrepreneurship education over the past few decades has increased the need for curricula, training packages and resource materials. The latter vary in the scope of the information and methods presented, according to the intended socio-economic and educational audience. At lower levels of schooling, many educational materials are intended

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<sup>16</sup> Competency-based Economies through Formation of Enterprise, a GTZ-conceived form of training to promote small business growth.

to impart a basic-to-intermediate understanding of business and market systems, and will inculcate in students a desire to learn more about entrepreneurship and business in the future. At higher levels, texts are designed to provide a balance between theory and practice. Other materials are designed for older students, and some are intended for young people living in disadvantaged communities, offering them an alternative to drugs, violence, and many other problems prevalent in the inner-city.

## 2.4 Partnership arrangements

National Ministries of Education are beginning to forge genuine alliances with agencies that possess comparative advantage in various aspects of training provision. In Western countries, this usually involves collaboration with enterprise promotion agencies, local Chambers of Commerce, the business community, public education and training institutions, community-based organizations and regional or local government. In developing and transition countries, national Ministries of Education are working with international development assistance partners, local and international NGOs, and the private sector.

Partnerships with the business community are not limited to providing infrastructure and financial support to the implementation partner. Some programmes have established partnerships with the local business community on the basis of linkages into local supply chains, which further strengthen the sustainability of the programme. Two examples are the Philippines Agribusiness project and the Mukti Sadana project in India.

Partnership arrangements<sup>17</sup> have proved to be a key factor in the success of many projects and programmes.

### *Role of inter-governmental and bilateral agencies*

In September 2000 at the United Nations in New York as part of the Millennium Declaration, the Heads of State and Government resolved to “develop and implement strategies that give young people everywhere a real chance to find decent and productive work.”<sup>18</sup> In preparation for this meeting, Kofi Annan issued a report entitled “*We the peoples: The role of the United Nations in the 21st century.*” Here the Secretary-General first proposed his Youth Employment Network:

*Together with the heads of the World Bank and the International Labour Organization, I am convening a high-level policy network on youth employment drawing on the most creative leaders in private industry, civil society and economic policy to explore imaginative approaches to this difficult challenge. I will ask this policy network to propose a set of recommendations that I can convey to world leaders within a year. The possible sources of solutions will include the Internet and the informal sector, especially the contribution that small enterprises can make to employment generation.*<sup>19</sup>

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<sup>17</sup> Here, partnership means arrangements where governments, the international community, businesses and schools commit through mutual beneficial activities to give students greater insights into questions related to the world of work and business and to prepare them for self-employment.

<sup>18</sup> *General Assembly Resolution A/RES/55/2*, para. 20.

<sup>19</sup> *We the peoples: The role of the United Nations in the 21st century*, United Nations, New York, 2000, pp. 25-26.

The Secretary-General requested civil society and industry leaders to form a panel responsible for formulating recommendations on ways to reduce youth unemployment.<sup>20</sup> The panel's recommendations<sup>21</sup> encourage world leaders to take personal responsibility for translating the commitments made at the Millennium Summit into action through a specific political process. First Heads of State and Government are invited to develop national action plans on youth employment with targets for the creation of jobs and for the reduction of unemployment and to present these plans to the United Nations in a year's time. These action plans should be based on a critical and self-critical review of past national policies. Furthermore, ten governments are invited to volunteer to champion this process, to take the lead in preparing their action plans and in showing the way to others.

At the international level, the Global Partnership for Youth Development (GPYD) was launched in early 1999 by the World Bank, the International Youth Foundation (IYF) and the Kellogg Company to study, promote and invest in good examples of tri-sector partnerships in youth development around the world. The GPYD brings together influential leaders, multinational corporations and smaller companies, government officials, regional development banks, overseas development assistance agencies and local and international foundations. In many countries, this has resulted in interventions to promote and support self-reliance through entrepreneurship and self-employment. The IYF provides the global secretariat of the GPYD.

An example of a regional partnership with an inter-sectoral focus is the Inter-American Working Group on Youth Development (IAWGYD). This is a consortium of international donor agencies that supports new approaches to youth development and participation in Latin America and the Caribbean.<sup>22</sup> The IAWGYD exchanges information on best practices, jointly mobilizes technical and financial resources, collaborates on specific projects and advocates for effective youth policies.

Another example of a regional network is the European Youth Forum, established by national youth councils and international NGOs to represent the interests of young people from all over Europe. It provides a platform for youth representation in government policy and institutions and in international institutions, namely the European Union, the Council of Europe and the United Nations. Ideas and experiences are exchanged among the network of 91 members. The main areas of implementation include: advocacy; citizenship and lifelong

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<sup>20</sup> The members of the High-Level-Panel of YEN are:

Mr. Saifuddin Abdullah, President of the Malaysian Youth Council

Mr. César Alierta, Executive President of Telefonika S.A.

Dr. Ruth C.L. Cardoso, President, Comunitas Programmes

Mr. Hernando de Soto, President, Instituto Libertad y Democracia

Dr. Geeta Rao Gupta, President, International Center for Research on Women

Mr. Bill Jordan, Secretary-General of ICFTU

Mr. Allan Larson, Former EU Director-General for Employment and Social Affairs

Mr. Rick Little, Founder of the International Youth Foundation

Ms. Maria Livanos Cattai, Secretary-General of ICC

Mr. Magatte Wade, Director-General AEGETI-Sénégal

Hon. Ralph Willis, former Australian Treasurer and former Minister for Employment

Dr. Rosanna Wong, Executive Director, The Hong Kong Federation of Youth Groups

<sup>21</sup> *United Nations General Assembly, Document A/56/422.*

<sup>22</sup> The IAWGYD includes the Canadian International Development Agency, Global Meeting of Generations, Inter-American Development Bank, Inter-American Foundation, Inter-American Institute for Cooperation on Agriculture, International Youth Foundation, Organization of American States, Pan American Health Organization, Partners of the Americas, UNESCO, UNICEF, United Nations Youth Unit, United States Agency for International Development, United States Peace Corps, the World Bank and Youth Service America.



learning; employment and social affairs; human rights and equality, global youth cooperation; youth work development; membership and training; and communications.

### ***Role of the business community***

At international and national levels, the private sector is working directly with national and local governments to facilitate interventions. Such partnership arrangements have helped to strengthen curriculum areas through the engagement of mentors from the local business community. They also help to draw the school into a broader plan for local economic and community development. Business owners often serve on the advisory boards and curriculum committees of secondary schools and higher education institutions, particularly vocational training schools, technical colleges and business schools. They may also act as classroom speakers or work placement employers.

Youth Business International (YBI), implemented by the Prince of Wales International Business Leaders Forum (United Kingdom) is a worldwide network whose purpose is to enable the business community to help young people into self-employment by providing business mentoring and access to finance. The Youth Business Initiatives work with local training and micro-credit partners, as well as organizations such as the British Council and Shell LiveWire during the start-up and early growth stages. Participating countries and organizations include: Youth Business Foundation, Canada; Baharatiya Yuva Shakti Trust (BYST), India; Hambantota Youth Business Trust, Sri Lanka.

At the national level, in Norway, the Confederation of Norwegian Business and Industry (NHO) is helping to realize the intentions in the Core Curriculum where it states that *“education shall provide learners with awareness of the variety and scope of the world of work,”* and that *“the world of work is part of the school’s broader learning environment.”* The arrangement involves elementary education, secondary education and teacher education. More specifically, the partnership contributes to the development of teaching aids designed to make the world of business a significant part of the learning environment in schools. The collaboration may entail students visiting businesses; businesses visiting schools (e.g. guest lecturers); businesses adopting a class; project work on themes connected to the world of business; and business leaders functioning as consultants to student enterprises. A consultant is hired full-time or part-time in all regions of the country as an element of the Confederation of Norwegian Business and Industry (NHO)-Partnership.

The University Institute of Technology (IUT) in France has established a partnership arrangement with local bankers, lawyers from the Chamber of Commerce and the APCE (the local agency for the creation of companies) to support successful student ideas for new businesses.

Within the non-formal sector, the Agro-Business for Rural Youth in the Philippines and the Drug Abuse and Prevention Programme for Marginalized Youth in Asia (DAPP) are both based on partnerships with the local business community. Products created as a result of the skills-based training are linked into local supply chains and thereby keyed into local economic development, which makes them more likely to be sustainable in the long term.

In Kenya, the Kenya Management Assistance Programme (K-MAP) gets large businesses to make their middle and top managers available to the owners of small-scale business for advice and counselling, on a voluntary basis. Such programmes are usually aimed at the emergent entrepreneur rather than the subsistence self-employed. At the

international level, actors such as Shell, Compaq, Motorola and Cisco Systems have been key players through programmes such as Shell LiveWire, Motorola XXI and others. Innovative delivery models, such as Shell LiveWire, offer loans within an integrated package of assistance.

### *The role of civil society/NGOs*

A number of national and international foundations (both civil society and corporate) have formed partnerships with national governments and NGOs to promote enterprise growth among young entrepreneurs nationally and internationally. NGOs throughout the world, but especially in developing countries, tend to focus on education and training opportunities for at-risk youth.

The International Youth Foundation (IYF) has been heavily involved in raising awareness about issues facing youth. YouthNet International is IYF's vehicle for the development and exchange of information on effective programmes and practices that support the development of children and youth aged from 5 to 20. This is done by linking the field experience of [programmes around the world](#) to academic and policy research; fostering networking and interaction among those with common concerns and interests; organizing workshops and meetings; disseminating published and electronic information; facilitating partnerships and learning exchanges.

Specialized NGOs have evolved dealing with different dimensions of self-employment and micro-enterprise. Some NGOs are concerned with the promotion of free market values (e.g. the Urban Foundation in South Africa). Others focus entirely on small-scale credit, product development, women entrepreneurs, or the vocational training of young people in rural and urban situations. Here, NGOs (southern, northern and in partnership) are probably a more significant source of support than central or local government schemes.<sup>23</sup>

However, a very large number of NGOs are interested in training for its social benefits above all else. They have developed frameworks for dealing with issues such as HIV/AIDS awareness, health, environment and support for women by focusing on the holistic development of the individual and through activities to create sustainable livelihoods.<sup>24</sup> Micro finance programmes in this context are relatively new and such programmes tend to develop much more specific linkages between different social problems affecting youth or community development strategies.<sup>25</sup>

NGOs concerned with vocational training are a highly diverse group, ranging from northern organizations with worldwide coverage to those with links to a single village. There

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<sup>23</sup> There is a tendency for them to be more oriented to subsistence self-employment than the more entrepreneurial type, and for income-generation activities to be included in larger multi-purpose, community development projects.

<sup>24</sup> A livelihood is everything people know, have, and do to make a living. Applied to youth, the livelihoods approach comprises a broad and interrelated set of programmes and policies that include: giving youth opportunities to generate and earn income; providing credit, savings and other financial services and related training in job and business skills; developing institutions, alliances and networks for youth to advance their economic interests; and promoting policy and social changes that improve young people's livelihood prospects. In many cases, training is provided in diverse skills and specialities in order to diversify the economy and reduce reliance on one product.

<sup>25</sup> For example, many micro-finance organizations in the hardest-hit countries in sub-Saharan Africa now offer products specifically for AIDS-affected clients and households, although some of these products may have limited applicability. Innovative financial products geared to AIDS-affected youth include the establishment of education trusts for minors and allowing youth from AIDS-affected households to use micro-finance services.

is a variety of coverage among southern NGOs too, although very few (e.g. CIDE in Latin America) are more than national in their scope. Some NGOs have religious origins (e.g. CADEC in Zimbabwe); others derive from political parties (e.g. the German Konrad Adenauer Stiftung and Friedrich Ebert Stiftung); but many have more practical origins. In many countries, such as Kenya and India, a first generation of religious NGOs has tended to be complemented by a second generation of more secular agencies.

## **2.5 Most common programme features**

In spite of the broad differences in economic, social and cultural contexts for entrepreneurship and enterprise education across regions and countries, there are nevertheless some similarities in the way that these programmes have been conceived and are delivered at different levels of education. All the projects and programmes suggest, to varying degrees, that the key to promoting entrepreneurial initiative is in engaging the imagination of students, that is, in assisting them to think of developing their own business ideas, by showing them, at least in part, what it could be like to establish and run their own businesses.

Most programmes tend to combine classroom-based instruction with mentoring, guidance and counselling, practical experience and a menu of support that is adapted to the socio-economic circumstances of the participants and is flexible enough to evolve as their needs and priorities change. In North America, not-for-profits specializing in enterprise and entrepreneurship education are now servicing programmes in both the formal and non-formal sectors. In the developing world, toolkits and methodologies such as KAB and SIYB from ILO, CEFE from GTZ, the Commonwealth Youth Credit Initiative and Street Kids International, to name a few, have been developed and widely replicated.

An important part of stimulating the imagination in this way is the process of “learning-by-doing”, or experiential learning, which nurtures the personal qualities, characteristics and attitudes of successful entrepreneurs. The learner reflects on personal experience and relates it to the theoretical aspects, creating a dynamic relationship. Repeated cycles of learning from classroom experiences are the essence of the entrepreneurial way of learning.

A common theme running through entrepreneurship and enterprise education programmes, irrespective of socio-economic context, is that they are often delivered within the framework of partnership arrangements and coalitions at both national and international levels. The rise in popularity of public/private sector partnership arrangements within the formal sector is often primarily to facilitate learning and promote sustainability within the framework of a coherent plan for local economic development. In Western countries, they often take the form of strengthened cooperation between education and training authorities and business associations and enterprise boards. The Golden Vale Young Entrepreneurs Scheme Awards (YES) in Ireland, for example, is carried out in association with City and County Enterprise Boards throughout the country.

In developing countries, strategic partnerships are formed to enable the Centre for Education and Enterprise Development (South Africa) to deliver a holistic and integrated programme to its target group. The private sector, such as Shell LiveWire in Singapore, runs an outreach campaign to ensure that potential entrepreneurs outside the student population are able to participate in workshops. It also offers an awards scheme and a mentoring programme.

### **3. Findings at different levels of education**

The following part of this working paper presents the lessons learned from programmes implemented at different levels of education. The programme descriptions are listed in the Directory under headings which follow the structure of this chapter.

#### **3.1 Secondary level**

##### **3.1.1 Overview**

In numerous countries around the world, entrepreneurship and enterprise education are being integrated into secondary schools (in some countries already at primary level) as part of the core curriculum, or as an optional subject or after-school activity such as after-school clubs, summer camps, and weekend workshops.

Programmes aimed at awareness-raising, motivation and behavioural changes are targeting pupils from 5 to 8 years. Practical experience in enterprises lasting from one to three weeks for the age group 14 to 16 is compulsory in some countries, e.g. Australia, Germany or France. Students aged 15 to 19 follow programmes on business plan development and micro-enterprise start-up as part of school activities in schemes like the YES programme. Often these programmes are organized as competitions and the winners are sanctioned with awards or prizes.

The tools and resources used generally depend on the country context. The important element in successful programmes is that they are based on experiential learning and teamwork, which promotes initiative and responsibility through ownership of the process. The models of delivery include:

- Subject-based enterprises

Secondary school teachers provide learners with the opportunity to work in groups to set up and run subject-related enterprise projects. The aim of such an approach is to motivate pupils to learn and to help them to see the relevance of the subject to the world outside school.

- Mini-enterprises and mini-companies

These programmes can take place within lessons, as cross-curricular off-timetable events or as out-of-school activities. The pupils decide on a product or service which they produce and sell to customers. Sometimes start-up capital is provided by a local bank in the form of a loan. In mini-companies, finance is raised from shareholders. Members of the group take on different roles: producing, marketing, selling, accounting, etc. The enterprise usually ends with a report of the group's activity.

In some cases, learners are also encouraged to engage in portfolio management or even e-commerce and are assisted through a combination of mentoring, competitions, awards schemes and work placement. Such activities are seen to reinforce most areas of the broader curricula, including maths, science, art and languages.

The choice of focus is determined at the particular school and is based on the interests of the staff and pupils involved, as well as the nature of local resources and markets. Programme costs are usually met by national education systems, although enterprising

schools can also identify sponsoring companies, which provide mentors and advisers for the student group and work with teachers. In fact, members of the local business and voluntary community are often encouraged to become involved or offer entrepreneurship programmes in schools by providing volunteers for classroom instruction and specialized curricula for entrepreneurial studies.

### 3.1.2 Developed countries

Entrepreneurship education in all its aspects is commonly offered in the United States, Canada and Australia. It is becoming more common in Europe. Curriculum guidelines, materials and resources for enterprise programmes and interventions in industrialized countries tend to be fairly advanced, relying on specially designed supplementary course materials, multimedia and Internet. Interventions are facilitated through group – and one-to-one mentoring with volunteers from the business and not-for-profit community, work placements, entrepreneurship competitions, etc. In addition, students can participate in trade fairs, end of year events through which students win performance awards, and national and international business simulation networks on the Internet.

Programmes at secondary level are either designed and supplied by national education systems (often the case in Europe) or are purchased from not-for-profits specializing in enterprise education (often the case in the United States). Some schools, especially in economically disadvantaged areas, tend to work with other schools on the same programmes, enabling students to share their experiences.

Teachers are trained in specialized courses and seminars. In the United States, in-service workshops are now being organized as part of teacher conferences for groups of teachers in the same discipline. Because funding for these workshops requires commitment from educational leaders at the school and state level, efforts have increased to communicate the importance of entrepreneurship education at secondary level to school managers and administrators through conferences and newsletters.

### 3.1.3 Transition and developing countries

Politicians in transition countries, particularly in South-East Europe, are more and more aware of the need for entrepreneurship education at school. However, most of the programmes are implemented as a trial run rather than on a broad base.

In developing countries, entrepreneurship education at secondary level is rather limited and the degree of sophistication depends on the resources available to the school. Interventions are most frequently funded by inter-governmental organizations, bilateral technical assistance partners or international NGOs.

## **3.2 Technical and vocational education**

### 3.2.1 Overview

In the past, policy makers and implementers have often viewed industry in narrowly modern sector-oriented terms. National technical and vocational education and training (TVET) systems were designed in a way that nurtures certain skills and values in the expectation that graduates would progress into the formal labour market. Furthermore, rural education and training have often suffered from the tendency for provision at local level to

reflect national planning directives focusing on the dominant sector of the national economy rather than local needs.

Given the turbulence and uncertainty of different market sectors, the rigid emphasis on preparation for waged employment is diminishing. Young people with the potential to go into business are being helped with opportunities to apply their technical knowledge in a commercial environment or to participate in creating and developing a real company that markets its own products. Some countries have also established small business centres as part of broader efforts to stimulate entrepreneurship. These usually offer consultancy and counselling services to recent vocational school graduates and provide need-based training for the same target group.

Traditional public sector TVET is still the most common delivery mechanism; however, there is now a wider range of courses available, frequently sponsored by international development assistance partners, the private sector and international NGOs. There is also a variety of coverage among southern NGOs, although very few (e.g. CIDE in Latin America) are more than national in their scope. Such programmes are delivered either through government channels or independent centre facilities in close collaboration with national counterparts. The ILO programme “Know about Business” (KAB) is specially designed for vocational training centres and is already field tested in several countries in Africa, Latin America and Central Asia.

Entrepreneurship education combined with vocational training can have a strong impact on business creation, as apprentices are exposed to the world of work if they go through enterprise-based training.

### 3.2.2 Developed countries

The main emphasis of the European Union Member States’ efforts to reduce youth unemployment has been on making vocational education and training more attractive and relevant to young people. More countries are also exploring new ways of improving access to the labour market through changing the rules governing apprenticeship or adjusting the regulations on unemployment benefits, and by providing subsidies or other incentives to employers who take on young workers. Many programmes now provide work experience as an integral part of training, either in firms or in simulated work environments such as the “Work Centres” in Greece.

The social partners, and especially employers, are involved in the development of training. Their involvement has come about through national agreements (e.g. Italy), participation in apprenticeship provision in countries with a form of dual system (e.g. Australia, Austria, Denmark, Germany, and Switzerland), or through agreements, or Compacts, between employers and young people in training, such as in the United Kingdom. Some countries, notably Belgium and Germany, offer pre-entry courses for young people lacking the necessary formal qualifications. Other countries, for example Ireland, Italy and the United Kingdom, are developing forms of integrated provision to ensure that the various qualifications and programmes link together and provide coherent progression pathways for young people entering the labour market.

### 3.2.3 Transition countries

In Central and Eastern Europe and in the Commonwealth of Independent States, vocational education and training in the past was tailored to the needs of large companies employing excessive numbers of staff, with low levels of innovation and productivity. Ministries of Education or sector ministries in charge of vocational education and training were closely involved in defining the scope, contents and length of vocational programmes, thus encouraging high rigidity and fragmentation within the system.

Since 1989, the breadth, range and depth of the proposed and implemented reforms in vocational and technical training are extraordinary.<sup>26</sup> They concern every level and sector of the system: legislation, management and administration, financing, vocational education and training institutions, programmes and personnel. They also include the creation of new institutions and the design of completely new types of curricula. The speed of the reform process is also quite exceptional.

Technical and vocational education remains the responsibility of national Ministries of Education. However programmes are frequently designed and delivered within the framework of inter-governmental and bilateral technical assistance partnerships and often within regional development frameworks (for example, PHARE and TACIS in transition countries). However, there are also examples of successful transfer of know-how and local capacity building, for example, through the Know-How Fund, which has been operational in Slovakia for some years.

The ILO KAB programme has been introduced successfully in the Central Asian Republic of Kyrgyzstan. After the training of a group of teachers and a test phase in a number of training centres, the Government will use the KAB training package and methodology in all training centres of the country. The Republic of Kazakhstan is also preparing to introduce KAB in their vocational training system. Since September 2003 it has become part of the national curriculum for vocational training

### 3.2.4 Developing countries

There is now recognition that national training systems must provide flexible training opportunities that are adapted to urban and rural contexts and suggest alternative livelihoods to both agriculture and the traditional, but shrinking, labour markets. Such opportunities must be relevant to everyday contexts and the lives of young people.

Developing countries have been slow to develop clear policy guidelines for reforms to TVET systems within their formal education systems and the implementation of reforms remains highly dependent on external assistance from aid agencies. Furthermore, while technical colleges are being encouraged to be more responsive to industry, the planning and service delivery system makes this difficult because of under-resourcing. In such a situation enterprise-based apprenticeship training including the informal sector constitutes a largely untapped reservoir for young people.

Therefore, countries are slowly beginning to reorient themselves through partnerships and collaborative arrangements with overseas universities, UN agencies and the private sector. Such partnerships facilitate knowledge transfer and provide financial assistance. For

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<sup>26</sup> Source: *The role of vocational education and training in transition countries: The case of Central and Eastern Europe and the New Independent States*, European Training Foundation (ETF), April 1996.

example, the Netherlands Government has been active in helping the Government of Zambia to set up Entrepreneurship Development Centres (EDCs) while the German Government has supported the introduction of the Integrated Skills Training for Employment Promotion (IN-STEP). Influential bilateral development agencies include USAID and DFID.

Some national training agencies have also been swift to adopt Entrepreneurial Skills Development Programmes (ESDPs), which are increasingly popular in Africa, Asia, the Caribbean and Latin America. Further, a programme of the Commonwealth Secretariat has led to the development of Entrepreneurial Skills Development Guidelines and the launching of pilot projects in several member countries.

Usually the demand for vocational training far exceeds government capacities and facilities, especially in rural areas. It has thus become necessary to work with external training partners and to subcontract training to ‘reputable’ master craftworkers. In the latter case, methodologies have been created for training teachers at vocational level, particularly through specialized development assistance frameworks such as CEFE (created by GTZ) or EMPRETEC<sup>27</sup> (developed by UNCTAD). In terms of finding skilled instructors, CIDE-Chile and TRYSEM-India have successfully hired local artisans to carry out training. These people are usually paid every month according to the number of young people reached and they profit from the sale of goods produced by trainees. They also receive a subsidy on the purchase of necessary materials and a final payment for each trainee who graduates.

The experience of TRYSEM illustrates a number of problems, which are also found in other rural vocational training programmes. One potential tension is between the various sub-target groups of the rural poor. Another derives from the vast scale and complexity of rural youth un- (or under-) employment, the almost unlimited demand for training and the acute resource constraints. One consequence for TRYSEM (and other programmes which subcontract vocational training) is the risk that a non-target group (i.e. the master craftworkers) will become the major beneficiaries of a programme intended to alleviate the poverty of rural youth.

Overall, there are still not many cases of successful government-sponsored vocational training for self-employment in the informal sector, in spite of statistics showing that the majority of new jobs are being created in the so-called informal sector in developing and transition countries. The major constraints identified by studies investigating the informal sector include the lack of education and training opportunities, the lack of adequate technical and managerial skills, lack of access to credit, and the indifferent and sometimes hostile attitude of the government (ILO *World Employment Report 1998-99*).

### **3.3 University level**

#### **3.3.1 Overview**

In order to satisfy the needs of those who have chosen self-employment/enterprise creation, many universities now offer entrepreneurship courses at under-graduate and graduate levels within their Business Schools or the relevant faculty. Such courses are more common in industrialized countries. Where they have been established in developing and transition countries, this has usually been made possible through a transfer of knowledge and know-how from universities or external partners with established teaching and learning methodologies.

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<sup>27</sup> EMPRETEC (Emprendedores (y) tecnologia) is an international programme of UNCTAD.



Unlike more traditional areas of study, entrepreneurship courses tend to consist of a varied assortment of classes and clubs, majors and co-majors, certificates and credits. Some universities offer degrees in entrepreneurship. Many courses offer a thematic approach to matters relating to business creation (e.g. control and business plan development, finance, personnel, legal aspects of businesses, etc). Others offer modules, either as part of a specialized degree or as part of another major. Some courses even have a sectoral focus such as “e-Entrepreneurship”, “Entrepreneurship in developing countries” or “Social entrepreneurship”.

Most programmes also use a variety of teaching methods and tools such as case studies, internships, guest lectures, external review of student assignments by business managers, mentoring and business simulation. They draw on a wide range of subjects to teach students about enterprise creation, organizational structure, new ventures and the law, or management. Furthermore, many universities have created Centres for Entrepreneurship, Entrepreneurial Societies or action-learning units in order to support entrepreneurship in all disciplines and help build understanding of how new ventures can best be supported from start-up through to maturity. Often, these Centres enable students to experience entrepreneurship through undertaking consultancy projects with local small businesses or setting up and running their own businesses.

Another major factor for the success of university entrepreneurship courses in developed, developing and transition countries is the establishment of linkages with local Chambers of Commerce, commercial banks, economic development agencies, enterprise boards and business development support institutions.

### 3.3.2 Developed countries

One noticeable trend in industrialized countries is the increase in university level competitions and awards to stimulate new enterprise creation, especially in the United States and Europe. They are often sponsored by large businesses, are linked to Entrepreneurship Centres (see above) or are run in cooperation with local enterprise agencies or Chambers of Commerce. The participants are usually required to be current students, recent graduates or business-founding teams that include at least one university student. Winners of local university competitions sometimes go on to national (and international) contests.

For example, teams from around the world competed at the Moot Corp International Business Plan Competition at the University of Texas, Austin, described as “the granddaddy of business competitions”. This year’s contest featured 26 teams, including one each from licensed Moot Corp competitions in Africa, Asia, Australia and Canada. Contestants competed for a first prize of \$15,000. Hewlett Packard also offered \$100,000 in goods and services to one lucky team that agreed to launch an Internet company.

In addition to organizing competitions and teaching enrolled students, some universities also provide education and training to existing business owners and entrepreneurs. In the United States, the FastTrac programme is offered on a non-credit basis and is designed to provide entrepreneurs with business knowledge, leadership skills and professional connections in order to create or expand businesses.

In addition, some universities, such as the University of Southampton (United Kingdom), spend time on knowledge transfer to the private sector through links with the Research and Development (R&D) units of large companies. In fact, universities may even

receive partial sponsorship from large companies for this purpose. The technology transfer group in Southampton works with business, investors and all university members to help commercialize university intellectual property, develop commercial partnerships and spin out companies.

In Scotland, several universities have begun to diffuse entrepreneurship concepts throughout higher education within the framework of a campaign initiated by Scottish Enterprise in the late 1990s. Assistance and advice is provided on ways in which Scottish universities can enhance, encourage and develop entrepreneurship education and promote an enterprise culture that supports technology entrepreneurship. This is expected to result in more business start-ups emerging from Scottish universities into the commercial marketplace.

Similarly, in Germany, the recent “Gründungskontakte” initiative has created a virtual market place for industry and universities/colleges, giving knowledge agents in tertiary education the chance to present their ideas, inventions and projects as the potential founders of new businesses. It also provides SMEs with a forum for presenting specific R&D requirements and finding out what higher education has to offer them.

### 3.3.3 Transition countries

In transition countries, the creation of entrepreneurship courses has sometimes been made through knowledge transfer from European universities. In Slovenia a joint European project (Tempus) has been established under the title ‘Undergraduate Education Centre for Managing Small and Medium-Sized Companies’. One of the most successful study programmes for managers of small and medium-sized companies in Europe, practised at the University of Gothenburg and the University of Borås in Sweden, will be transferred into Slovenian higher education through this project.

### 3.3.4 Developing countries

Entrepreneurship courses at university level are much less widespread in developing countries. While the content of the courses which do exist is usually similar to that on offer in Western countries, the sophistication of the tools varies according to the resources available.

In Kenya, a Regional Centre for Entrepreneurship Development is based at Jomo Kenyatta University College of Agriculture and Technology. The Centre’s activities are geared towards entrepreneurship, managerial and extension oriented research, entrepreneurship studies and technological research, consultancy, rural enterprise development, small and medium enterprise, information dissemination and appropriate technology, and the organization of industry dialogues, conferences and appreciation seminars. It is a ‘centre of excellence and innovation in the field of small-, medium-, and large enterprise training, promotion and development’ (RCED brochure).

Some universities have successfully borrowed methodologies established elsewhere. For example, the Institute for Small-Scale Industries, University of the Philippines (UP ISSI) promotes entrepreneurship and enterprise education using and adapting various models, such as those of McClelland, Management Systems International (famous for its PECs), GTZ (CEFE model) and the ILO among others.

## **3.4 Post formal education programmes**

### **3.4.1 Overview**

Many children slip through the net of the formal school system at an early age, because their families cannot afford fees for tuition and materials, or because they have to contribute to family income, or because they are simply uninterested in the school curricula. This is a particularly big problem in developing countries with a high incidence of poverty. In such countries the Ministries of Education are often hindered by a lack of resources and weak administrative systems.

In response to the problem of vulnerability, a diverse range of support is now available to young people to either start their own business and/or become self-employed in the formal or informal sectors. Interventions include the provision of credit, mentoring, counselling support, outreach, awards and competitions, and the training of trainers. Implementation is through a variety of partners and modalities.

In difficult circumstances, young people are helped to become self-reliant through sustainable income-generating activities, creating their own small businesses, sharpening their academic skills, forming positive attitudes about themselves and their communities, as well as acquiring the leadership skills required in the workplace. They benefit from a mentor's knowledge, resources and community connections. Most programmes adopt an action-learning and low literacy approach and try to integrate the natural learning processes and assets of youth.

A broader model has also evolved recently around the concept of life skills. This approach encompasses the psycho-social aspects of dealing with issues related to vulnerability and poverty, as well as training for self-employment or enterprise creation. Special consultants work with young people on individual problems when needed.

Training providers include governmental and non-governmental organizations, church groups and small-scale enterprises (including family subsistence groups). Programmes are usually implemented at centre facilities, public schools, or as after-school programmes at community-based organizations and intensive summer business camps. In developing countries, interventions are often a collaborative effort between United Nations agencies, bilateral technical assistance partners, national and international NGOs and the private sector.

General programmes facilitate access to capital and offer a package of support services to ensure that the business idea has a high likelihood of surviving beyond the critical start-up phase and the first two or three years of trading. Certain programmes are open to all young people, whether they are currently self-employed or wishing to set up their own business as entrepreneurs.

Micro finance programmes are already common, but have recently begun to develop much more specific linkages between different social problems affecting youth or with community development strategies. Programmes specifically target at-risk, marginalized or socially excluded youth, minority or indigenous groups, young girls and women, or else they have a geographic focus, i.e. rural areas or urban slum dwellings. They deal with a wide range of specific issues, such as vulnerability to HIV/AIDS, drug dependency, teenage pregnancy and they attempt to do this within a holistic framework of self-empowerment or self-reliance.

### 3.4.2 Developed countries

Developed economies include the promotion of youth employment in their active labour market policies. They offer placement services, short-term training courses, subsidies for enterprises employing young people, and in recent years also the promotion of self-employment and small enterprise start-up. Young people who have had at least one job can use unemployment benefits for their start-up capital.

Another approach that is becoming more common is to promote small enterprises as employment generators and as vocational training providers. Enterprises play the key role in reducing youth unemployment and the promotion of SMEs therefore favours youth employment.

A recent phenomenon is the launch of programmes that specifically target potential entrepreneurs who are still in higher education. This is now quite common in the United States and the United Kingdom, as well as in France and Germany. Other programmes target unemployed diploma holders, offering a systematic form of contact and support to young people who have finished their education and training and have not found work.

NGOs, foundations and Chambers of Commerce implement a large number of programmes aiming to help young people create their own business. Worldwide junior chambers of entrepreneurs such as the Junior Chamber International or the Young Entrepreneurs of Europe help young people become entrepreneurs and coach them during the start-up phase.

Bridging the gap between young business starters who need loans and banks which may grant them is the objective of Youth Business International set up by the Prince's Trust in the United Kingdom in 1983. This successful programme also operates in transition countries and developing countries.

### 3.4.3 Transition countries

The restructuring of economies based on central planning and state-owned large enterprises led to huge unemployment but also to the emergence of a micro- and small enterprise sector often operating in the informal economy. This sector now accounts for the largest share of employment, and policies and programmes that promote enterprise development are widespread. Governments are learning from experience gained in Western Europe and North America and adapting Western approaches with the help of technical cooperation programmes and international NGOs. National NGOs continue to give assistance in enterprise creation to youth and other specific target groups. ILO's entrepreneurship training concept Start and Improve Your Business is largely used in the Balkans, the CIS and the Central Asian Republics. In some countries the National Employment Service uses the training model in the framework of active labour market measures.

Entrepreneurship training, mentorship, counselling, business clubs and start-up financing programmes are quite common in all these countries. However, outreach is still quite limited due to the high rate of youth unemployment and the scarcity of resources.

#### 3.4.4 Developing countries

The vulnerability of young people is an increasingly widespread problem in developed countries, particularly in lagging economic regions where traditional labour markets are shrinking and skills no longer match labour market requirements. Being able to make decisions and choices on career options and life paths is the key to self-respect, dignity and poverty reduction. However in some circumstances, education in itself is not a solution, especially if it is not relevant to the real life income-earning strategies of young people living in poverty, enabling them to become self-reliant and to manage their own lives.

A number of programmes have appeared over the last two decades recognizing the needs of young people who would like to explore entrepreneurship or self-employment as a career option. There are also programmes for young people who have slipped through the education net. Employment opportunities in the formal economy (in countries where it is well-developed) may be limited and young people who have initiated their own income-generation activities in the informal economy may have encountered obstacles in formalizing their venture because they lack access to business advice and finance. Through many programmes, young people learn job search skills, find employment and training opportunities and gain work experience, benefiting from the mentor's knowledge, resources and community connections. Private NGOs, foundations, workers' associations and federations, and international technical assistance partners are playing a central role.

Most enterprise and entrepreneurship promotion programmes are open to all young people, whether they are currently self-employed or wish to set up their own business as entrepreneurs. The ILO Start and Improve Your Business (SIYB) programme does not specially target youth; nevertheless 40 to 50 per cent of training participants are under 25 and approximately half are women.

The Commonwealth Organisation, through the Commonwealth Youth Programme, has launched a Credit Initiative (CYCI) which is a small enterprise scheme providing small-scale loans, training and enterprise development to unemployed people with a business idea. CYCI provides these services using low interest rates; low training costs; partnerships with non-governmental organizations; peer networking to encourage saving and loan repayment; ongoing training and monitoring of enterprise.

Private sector corporations have also launched programmes to support young entrepreneurs. For example, Shell LiveWire is an international investment initiative launched by Shell in 1982 in the United Kingdom. Now active in over 15 countries, this scheme targets youths in the 16 to 29 age range with an idea for their own business. The programme also offers help to young entrepreneurs seeking to expand their company. Diageo, another multinational corporation, launched the "Skills for Life" programme covering a range of activities from raising levels of achievement in schools, to helping young people develop their entrepreneurial skills.

Private sector banks such as Citibank are realizing the benefits of identifying young entrepreneurs. "Banking on Enterprise" is an international initiative launched by the CitiCorps Foundation in 1995 making small loans available to impoverished population groups around the world to start and expand small businesses. Awards and competitions also help to target potential entrepreneurs. The "Motorola Mission XXI" is a pro-active model programme to develop young entrepreneurs in the application of microelectronics and telecommunications in Latin America.

### **3.5 Youth programmes for specific target groups**

#### **3.5.1 At-risk and marginalized youth**

Other entrepreneurship or enterprise promotion programmes target specifically at-risk and marginalized youth, dealing with a wide range of specific issues, such as vulnerability to HIV/AIDS, drug dependency, teenage pregnancy. Such programmes attempt to achieve their aims within a holistic framework of self-empowerment or self-reliance, and they usually build on a livelihoods approach.<sup>28</sup> A broader model has recently evolved around the concept of life skills which encompasses the psycho-social aspects of dealing with vulnerability and poverty, as well as training for self-employment or enterprise creation.

The Youth Outreach Programme (YOP) in Australia recruits and trains local mentors to work intensively on a one-on-one basis with young people to help them identify their own potential, build personal and career goals and develop links to support services. Special consultants work with young people on individual problems when needed, providing drug and alcohol counselling. The programme also serves as an advocate for young people in the community and an agent for community change, using community development and liaison activities to promote models of effective service delivery in rural areas. YOP attracts young people because it approaches them in a flexible, non-controlling and non-threatening way.

In Sweden, the Communicare (a not-for-profit) has developed a labour market project called “Young and One’s Own”, which began in 1993. The idea is to give young unemployed people in the 18 to 30 age group the chance to start, run and liquidate a company through a combination of theory, practical experience and entrepreneurial activities.

In Azerbaijan, the Center for Youth Starting Business was established in February 2001. The main goal is to bring young people together and assist them in acquiring a basic knowledge of business before actually launching their own venture.

In India, an extremely successful model is the Bharatiya Yuva Shakti Trust (BYST). Launched in 1991, BYST is a public, non-profit organization targeting economically and socially underprivileged young people with no formal education in the 18 to 35 age group. One of the main conditions is that participants should be functionally literate. The programme places strong emphasis on active mentorship and is implemented in partnership with government, the corporate sector, vocational training institutes and entrepreneur training institutions and small-scale industry associations in India.

In South Africa, the Centre for Education and Enterprise Development (CEED) is a not-for profit organization established in response to the problems faced by black youth in the communities south of Durban, which have minimal resources for young people. Programmes initially focused on life skills and vocational guidance. However, as the needs of youth in both the community and the broader environment changed, CEED shifted its focus to unemployment issues in urban areas. In an attempt to increase young people’s access to training and the SME sector, CEED has established branches in the Durban Metro Region, in the Ugu Region and Uthungulu Region.

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<sup>28</sup> There is a broad and interrelated set of programmes and policies that include: giving youth salaried jobs and other opportunities to earn income; providing credit, savings and other financial services and related training in job and business skills; developing institutions, alliances and networks for youth to advance their economic interests; and promoting policy and social changes that improve young people’s livelihood prospects.

The Joint Enrichment Project (JEP) in South Africa was founded in 1986 by the South African Council of Churches (SACC) and the South African Catholic Bishops Conference (SACBC) in response to the alienation of black youth from the disintegrating education system. The JEP is a national youth development organization based in Gauteng Province. Since its establishment, the JEP has initiated a range of pilot programmes investigating ways of providing young people with technical training, restoring self-confidence and self-esteem, teaching the ethic and discipline of work, coping with post-traumatic stress and the legacy of violence, developing positive peer culture and fundamentally remedying the skills and knowledge deficit left by apartheid.

In Zambia, the DAPP Children's Town is an outcome of the USAID Rural Youth Initiative. Children's Town was created in collaboration with the International Youth Foundation in Chalambanyama, Zambia in 1990 to provide a home, school and training centre for vulnerable children in the marginalized, rural Chibombo District. More specifically, the target group includes AIDS orphans, former street children and local at-risk children. The programme provides vocational and life skills training, games and recreational activities designed to improve decision-making skills, and activities to improve self-esteem, interpersonal skills, a sense of personal responsibility, enhanced family relations, employability and knowledge of rights. The age of the target group ranges from 8 to 20, 55 per cent of whom are male. These groups are involved in producing food, maintaining programme facilities and generating income through selling farm produce.

### 3.5.2 Rural areas

In developing and transition countries, the majority of the population still live in rural areas and the local economy is based on agriculture and agribusiness. Rural areas have been particularly affected by economic changes over the past two decades. For example in Zambia, after 1992 the government decided that it would no longer set prices for farmers and withdrew completely from agricultural marketing. The government also withdrew subsidies and credit for the production of the major crop – maize. As result, 90 per cent of farmers, who were solely dependent on maize production, now had to source their own inputs, price their produce and identify markets if they were to stay in business. Since then, poverty in rural households and urban drift has been on the increase.

The continuing pace of rural-urban migration throughout the world has aroused the concern of governments. Youth in rural areas, whether in developed, developing or transition countries, are more restricted than their urban peers in terms of access to and choice of education, training and employment opportunities. Geographical dispersion not only limits physical access to opportunities, but leads to dispersion of relevant information: i.e., information on courses, youth initiatives, scholarships, etc. Many young people leave in search of work in urban areas, while those that stay are at risk of becoming transient or homeless if they do not find work. They may drift into criminality, substance abuse or other problems.

In Australia, the Youth Outreach Programme (YOP) uses an innovative mentoring model to provide at-risk young people in Western Australia with links, opportunities and supports in education, employment and training, while addressing personal needs such as accommodation, financial security, family mediation and counselling. In collaboration with its young clients, their families and the local community, it tries to address the issues young people face in a holistic manner.

In Slovenia, the Country Springs project was established in October 2001 within the framework of the national policy “Developing Entrepreneurship and Creativity Among Young People”. This programme targets school leavers and unemployed youth in rural areas and aims to identify business opportunities for young people who have taken over farms or are potential managers in the rural economy or in agriculture-related business. As part of the project, various motivation activities are carried out, as well as workshops, special training programmes and the creation of a database of business information following the “one-stop-shop” principle.

In India, the Directorate of Rural Development and District Rural Development Agency has created a programme (TRYSEM) focusing on training rural youth for self-employment. All trainees are from families living below the poverty line, with priority given to those from the officially defined poorest stratum. At least 30 per cent of beneficiaries are from Scheduled Castes and Tribes and 33 per cent are female. Ex-bonded labourers and the handicapped are also targeted. The “Skills Development for Self-Reliance” (SDSR) programme is part of ongoing efforts by the ILO, UNDP and SIDA to overcome the weaknesses of rural training in Africa. In Kenya, this has developed into the Kenya Youth Training and Employment Creation Project (KYTEC). KYTEC seeks not only to increase the (self) employment opportunities of rural youth, but also aims at the reorientation of Youth Polytechnics throughout Kenya towards this goal.

In Paraguay, most residents live in rural areas and schooling is severely limited. Peasant farmers often rely upon a single crop, exhausting the land and forcing family members to seek work elsewhere. In response, CECTEC, a non-profit rural development and education institution, founded Educación y Capacitación de Jóvenes Campesinos [ECJC] (Education and Training for Rural Youth) in 1986. A residential agricultural school for the children of peasant farmers in Itapua, Paraguay, ECJC develops the capacities of rural youth and improves their employment prospects within their communities. The programme combines theoretical and technical training at the school with work on the families’ farms and in the community. Students, aged 14 to 19, divide their time between campus and home. They plan strategies and conduct projects on their families’ farms and offer their skills locally, such as giving veterinary aid to farmers. Many of the 200 graduates have remained in the rural areas. To broaden its impact, CECTEC provides assistance to other agricultural schools in Paraguay wishing to adapt its model.

In the Philippines, the Agro-Mechanical Training and Entrepreneurship for Rural Youth Project was launched in 1999 at the Don Bosco Training Centre and is being implemented with the framework of the Global Alliance for Youth Development. It is a mechanical skills training programme focused on promoting skills in repair, maintenance and fabrication of small farm machinery. The trainees are out-of-school boys between 17 and 22 who come from small farming families and communities. The project also engages these young boys in the establishment, management and operation of local agro-service centres. The project has already established working relationships with a number of companies in the Philippines where trainees are placed for employment after graduation. The development of the curriculum and machine prototypes is a joint effort between the Don Bosco Technical School, the International Rice Research Institute and PhilRice, a government company that links agricultural manufacturing companies with farmers’ cooperatives. The government’s Technical Education and Skills Development Authority provided the initial laboratory equipment. The recruitment of the trainees is facilitated by the Social Action Centre of the Philippines and the local government of Llanera, a beneficiary community.



In Thailand, the Rural Career Programme is a focus programme of the Global Partnership for Youth Development. Implemented by the National Council for Youth Development, the project has leveraged ideas and resources from the International Youth Foundation, Shell International, the Thai Government, local partners and communities to create non-traditional career options for youth returning from urban areas following the decline of Thailand's economy.

In Zambia, the Agribusiness Association of Zambia was launched in 1998 by a group of final year students at the School of Agriculture of the University of Zambia. They launched an organization called the Potential Agribusiness Association of Zambia (PAAZ) to promote agriculture as a business. The organization provides training in use of the Internet to women and youth whose livelihoods depend entirely on farming. PAAZ provides a nerve centre for marketing and production information on alternative agricultural enterprises that are suitable for small-scale farming. The organization trains resource-poor farmers in enterprise management and entrepreneurship skills and links farmers to micro-financing institutions, out-grower schemes and agribusiness companies. Achievements to date include: a feasibility study on alternatives to maize production which were promoted to farmers through field demonstrations in four districts; the creation of information centres in two districts with access to Internet, telephones and faxes where farmers can find out market prices and opportunities; the establishment of ten youth and women cooperative shops in Lusaka and Chibombo district; the publication of a quarterly newsletter in a variety of local languages and activities to build membership, which now stands at 2,000 smallholder farmers.

### 3.5.3 Information and communication technologies (ICTs)

Information and communication technologies are permeating all aspects of business and wider society and are emerging as one of the key drivers of economic growth and wealth creation. By reducing costs and increasing the speed of communications, they have already played a major role in globalizing the production of goods, the provision of services and the operation of financial markets. Their broader application is having a dramatic impact on employment patterns and skill requirements, generating new sources of employment such as wireless technology, web-based enterprise and business services, e-commerce, e-education and e-health.

In Finland, the "Entrepreneurship in Cyberspace" project maximizes the potential of ICTs for education and training purposes. This is a distance education programme implemented at the upper secondary school level (DIEPES) as part of a larger distance education project. The programme provides a flexible way of studying for budding entrepreneurs who are working at the same time. The primary target group is composed of entrepreneurs and managers of SMEs. The reasons for setting up the programme were to provide new skills and knowledge in a way that would be available to everyone irrespective of time and place. The programme is run on the Internet (information, readings, exams, literature, reviews) but also uses radio programmes.

Outside the urban areas in most developing and transition countries, the communications infrastructure is usually poor with few telephone lines and even fewer computers. Electricity supply may be sporadic. Internet access is difficult and expensive, even in urban areas. The lack of information and communication infrastructure results in the marginalization of rural communities. Young entrepreneurs are unable to access information when they need it.

In Poland, the “Young Minds in Motion” programme sponsored by Microsoft demonstrates how educational investments by a global company are helping to leverage government and community partnerships in a resource-poor region, where civil society, self-help and volunteerism are only just taking root. The project builds on work already carried out by the World Bank and the International Youth Foundation to make ICTs available in rural areas throughout Poland.

The lack of access to information affects the rural poor more than any other sector of society. In particular, the lack of market information (on commodity prices, suppliers, etc.) leads to loss of income and exploitation of rural entrepreneurs by middlemen. In Zambia, the “Internet for Agribusiness Pilot”, funded by USAID, is a programme designed to assist young Zambian farming entrepreneurs to learn how to use the Internet effectively as a business decision-making tool and to disseminate knowledge through farming associations and communities. The Leland Initiative from the USAID/Africa Bureau installed hardware and provided technical training for the national officers and rural district offices of the Zambia National Farmers Union (ZNFU). Pilot activities included designing, developing and conducting applied training for the ZNFU staff.

The Zahedan IT Centre is located in Sistan and Baluchestan Province in Iran, which despite great potential and ethnic diversity, ranks last on almost every development indicator among Iran’s 28 provinces. The Zahedan IT Centre takes information and communication technology to one of the most remote areas of the country. The Zahedan IT Centre was opened in February 2002 after more than a year of planning, focused on conducting needs assessments and developing partnerships. The Centre will provide ongoing training in information technology to the local population, but will especially target youth and women. The Centre will also administer a robotics programme targeting youth.

To address the needs of low-skilled workers, and especially female heads of household, an e-shop will be established through the Zahedan IT Centre, where the local handicrafts of Blanch women will be made available on the Internet to an international market. Blanch needlework is one of the most beautiful crafts of Iran. But because of the time and labour involved, and the low compensation, it is also a dying craft. The Zahedan e-shop will transfer profits from the sale of these products directly to the producers. Through this project, women producers will eventually be trained to manage the e-shop and market their own products. The project will also implement an IT micro-enterprise programme for youth, which will provide small loans to young entrepreneurs seeking to start IT businesses. Those interested in competing for loans will also be provided with intensive management training courses.

In India, the Drishtee (Information Kiosks in Rural India) is a platform for rural networking and marketing services for enabling e-governance, education and health services. It runs with software that facilitates communication and information exchange within a local intranet between villages and a district centre. The information kiosk is supplemented with a number of services including applications, land records and online grievances. Local villagers facilitate the services provided through Drishtee and they become kiosk owners, financed by government schemes. Local rural youth receive training to assist these entrepreneurs without a stipend or salary. Ninety kiosks are now operating in five Indian states. It is planned that 50,000 villagers will become kiosk owners over the next six years.

#### 3.5.4 Environment and community

Historically, employment creation throughout the world has been negligent of its environmental impacts. This is beginning to change. Certain programmes have evolved in recent years to promote greater awareness and understanding among youth of how enterprises affect the local environment and community.

The former attempt to raise awareness of the importance of instruments such as Agenda 21, the Earth Charter and other environmental goals while, at the same time generating jobs and livelihoods with an emphasis on environmental protection. The Plan of Action of the World Summit on Social Development stated:

*Promoting patterns of economic growth that maximise employment creation requires....maximising the job creation potential inherent in Agenda 21 through the conservation and management of natural resources, the promotion of alternative livelihoods in fragile ecosystems and the rehabilitation and regeneration of critically affected and vulnerable land areas and natural resources....*

One international initiative is the “Promotion of Youth-Led Enterprises in Off-Grid Renewable Energy”. This programme is being implemented by the World Bank with the Education Development Centre, Inc. (USA) as the implementing agency in collaboration with the MS Swaminathan Research Foundation (India) and TakingItGlobal, Canada. The objective of the initiative is to link the production and promotion of renewable energy with employment opportunities for youth.

In the United States, “Dream it. Do it” is a joint project of Juniorjobs.com and Youth Venture to promote social entrepreneurship among young people aged 13 to 20. Together, these organizations are providing opportunities for job-seeking teenagers to become Youth Venturers and launch clubs, organizations or businesses that benefit their communities. The partnership will offer youth the support they need to create, launch and lead their own enterprise including materials, technical allies, media opportunities, national recognition, workshops, training, a Venturers-only web site and up to \$1,000 in start-up seed money.

The Fund for Social Entrepreneurs in the United States is a nation-wide programme providing youths with start-up funds, professional management and leadership development, technical assistance, and mentoring services. The programme was launched by Youth Service America (YSA). Each year, YSA conducts a national search and chooses five to seven entrepreneurs from a national applicant pool to join a class of YSA social entrepreneurs for a three-year period. Social entrepreneurs also receive two-year living and programme seed grants, computer assistance, and conference attendance reimbursement in the first two years. The fund took on its first class of social entrepreneurs in April 1995, a second class in May 1996, and a third in June 1997. YSA also has a tradition of assisting up-and-coming organizations in the national and community service field and leadership training and programming through the New Generation Training Program, Youth Action Council, and National Service Seminar.

Other projects serve as a catalyst for permanent social change, economic development and community empowerment for youth and their families. In the United States, for example, The Entrepreneurial Development Institute (TEDI) was established in 1991 as a national non-profit dedicated to enabling disadvantaged youth, aged 7 to 21, to develop small businesses, avoid drugs and crime, sharpen their academic skills and form positive attitudes about themselves and their communities.

In India, the Barefoot College, created in 1972, is a leader in sustainable community development. The College has trained barefoot teachers, doctors, solar engineers, hand-pump mechanics, designers, chemists, communicators and accountants. It has created a non-formal education process for children and adults, which assists students to develop a sustainable community.

### 3.5.5 Women

Women account for nearly two-thirds of the almost one billion illiterate adults around the world (The World Bank, Annual Report 2002). Of the 100 million children in the world without access to primary education, 60 per cent are girls.<sup>29</sup> Young women are often unable to take advantage of education and training opportunities due to barriers to entry and gender biases in recruitment. They may lack information on health care and services and be unaware of their legal rights. Gender-based stereotypes continue in many countries and role models that could lead young women into challenging careers are scarce. In many countries, women are still not going into the professions traditionally dominated by men. Therefore the type of education and training is crucial.

The philosophy of many programmes created in recent years in the non-formal sector is simply to help women help themselves economically. If this can be achieved there is a measurable, positive impact on children and living standards. The programmes empower women by increasing their ability to make money, which, in turn, improves their social standing in the household and community.

In Chile, the Centre for Educational Research and Development (CIDE) has been providing training to women in urban and rural areas since the 1970s and has so far reached over 6,000 socially disadvantaged youth and women in the shanty-towns of Chile's main cities. The Centre trains artisans and women who CIDE provides with basic pedagogical skills.

In Sri Lanka, the Small Enterprise Promotion Programme aims to motivate, support and assist women in selecting appropriate self-employment, impart the basic skills women need to manage small businesses, provide opportunities for housewives to supplement low family incomes and improve the living standards of the poorest of the poor. The project is supported by the Sri Lankan Women's Bureau which was established in 1978 and now advises both government and NGOs on all matters relating to women's development.

At the international level, the objective of Save the Children's micro finance programmes is to build sustainable institutions that provide ongoing access to financial services for poor female micro entrepreneurs. Save the Children works with credible local partners to build their capacity both technically and institutionally.

### 3.5.6 Vulnerability due to drug abuse or sexually transmitted diseases

Young people misuse drugs to escape reality, out of boredom or curiosity, to relieve hunger, to rebel, to get the courage required for begging or commercial sex, to keep awake or go to sleep, according to a report by the World Health Organization.

In India, the Drug Abuse Prevention Programme in Asia for Marginalized Youth (DAPPA), is implemented by UNESCO in collaboration with the European Commission. The programme uses skills-based non-formal education to reach vulnerable young people at risk

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<sup>29</sup> Source: UNESCO web site, 2002.

of drug misuse and HIV/AIDS, particularly in marginalized settings such as slum dwellings and low income communities.

The Mukti Sadana project in the slums of Mumbai has targeted 22 unemployed young people and recovering drug users and is helping them to acquire engineering skills, business know-how and the self-confidence to achieve economic independence. The idea behind the project, run by the Mukti Sadana (an NGO) in collaboration with UNESCO, is an example of a package of support that is designed to help young people get back on their feet. It includes detoxification through counselling, basic education and training. Over an 18-month period, the trainees learn to operate machinery in a fabrication unit set up by the project to manufacture simple components needed by local industries. After completion of the first three months, they are paid a small salary based on their motivation for the next six-month period. They then progress to running the machine shop, taking orders and creating a profit sharing scheme, using their newly acquired functional literacy skills. Some trainees are placed in local businesses; others start their own companies. They receive extra training in basic business management and participate in micro-credit saving schemes involving local youth and community groups.

### 3.5.7 Religious/indigenous/minority groups

In Australia, the Body Shop has worked in partnership with the Commonwealth Youth Bureau, the Aboriginal and Torres Strait Islander Commission (ATSIC) and the Commonwealth Youth Program (CYP) since 1994 to hold a series of workshops that develop the business skills of young indigenous entrepreneurs from Australia and the South Pacific. The workshops have provided the incentive necessary for many young people to start a business, as well as assisting those already in business to reach for further opportunities. The workshops create an environment where budding entrepreneurs can discuss, debate and reflect on how to engage in business formation in the company of experts who can advise and assist with practical ideas and options.

### 3.5.8 Un- and under-employed diploma holders

Several programmes have evolved that target unemployed diploma holders. For example, the FATE Foundation in Nigeria is committed to helping university graduates start and expand their own business. The Foundation has launched a programme for aspiring entrepreneurs. Enrolled participants benefit from a mentor programme, business library, computer centre, consulting service, internship programme, business plan competition and investors' forum. A number of alumni services are also provided including a loan support scheme and business incubator.

In South Africa, the Technopreneur Project was launched by the Ntsika Enterprise Promotion Agency (established by the Department of Trade and Industry). Now implemented in approximately 20 per cent of township colleges, this project targets graduates and offers market-needs analysis, technical and entrepreneurial training, credit, work facilities, mentoring and follow-up services.

### 3.5.9 Children in post-crisis situations

In many countries, the demand for rurally based and rurally oriented training is made more acute by the presence of large numbers of displaced peoples and refugees. Here, children and youth face heightened vulnerability and there are few prospects for waged employment.

In Bosnia, the Organization for Security and Cooperation in Europe (OSCE) has launched a series of seminars aimed at teaching students the entrepreneurial skills necessary to start their own small business. The “Youth and Entrepreneurship in Bosnia and Herzegovina” project targets unemployed school leavers and at-risk youth and aims to promote the concept and role of entrepreneurship in society by providing information about the current economic climate, introducing basic elements of entrepreneurial thinking and opening a space for discussion about the role of micro-enterprise in a changing economy.

In Croatia, information technology and communications skills for refugees are being improved with the assistance of Microsoft Croatia, the UN High Commissioner for Refugees (UNHCR) and other partners. The training programme’s main aim is to provide participants with the basic IT skills that will enable them to find jobs in the new economy. The top candidates go on to receive advanced IT training through a Certified Technical Education Centre (CTEC) partnering the initiative.

In the Sudan, the Refugee and Sudanese Training Programme (RSTP) is a German-aided (GTZ) project which seeks to address the needs of both local and refugee communities in Eastern and Southern Sudan and aims at “sponsoring vocational training and women’s activities for refugees and Sudanese with the objective of providing skills which lead to employment and income-generation or income saving”.

## **4. Impact and potential for replication**

### **4.1 Impact of enterprise education**

It is reasonable to ask whether the increased availability of entrepreneurial education has made an impact on the entrepreneurial inclinations of the people who take part in these courses. Measuring the success of entrepreneurship and enterprise education programmes is, however, a major challenge. Few tracer studies are available for either the formal or the informal sector, i.e. tracing graduates of enterprise education and self-employment programmes to see whether they have become business owners or gone into self-employment. Tracing the effect on business start-up is a long-term goal since opportunities or aspirations often take many years to come to fruition. Both are time consuming and costly. In fact, one of the strongest messages to emerge from the study is the time dimension for learning about enterprise. This is true of early school-leavers as well as for those who continue with education and even enter wage employment before they turn to their own work.

In terms of quantifiable indicators, for the moment we can only really measure impact in terms of number of schools, teachers and learners involved over a certain time period, the number of young people trained or loans disbursed, and the number of new businesses created within the immediate follow-up period (although, again, there are few tracer studies to see how many of these businesses survive after the critical 3-year period).

At the forum on “Training for Entrepreneurship” held in Sophia Antipolis in October 2000, the participants stated that in assessing the impact of entrepreneurship education and training, attention should not only be restricted to the business birth rate, which would be a long-term result, but also on behavioural attitudes and on the development of a more entrepreneurial culture. In terms of overall impact on the development of the individual, one can also consider impact on education of children, health and the environment.

#### Secondary level

Although there is much anecdotal evidence supporting the positive effects of entrepreneurship education at the secondary school level, there has been limited empirical research and few of the programmes described in this report offer information on impact. The information available was mostly restricted to statistics on the number of learners reached over a certain time period. Added to this, the effect of interventions would only generally be felt after a period of 5 to 10 years as most young people who wish to go into business usually begin with a period of waged employment.

Measuring the impact at secondary level is difficult since most pupils who are thinking of starting their own business may wait for 5 to 10 years before doing so. Young people usually go into employment immediately after leaving school/college and only think about starting their own businesses in their mid-twenties (at the earliest), when they have acquired some life and business experience. At this level of education, impact assessment is therefore partly perception based, involving teachers, school principals and students. It is also useful to talk to employers about whether they believe the attitude of the young people coming to them for work experience has changed over the project period.

Having said this, the University of Durham Business School suggests that the overall effectiveness of embedding enterprise education into the educational system can begin to be measured immediately by asking some or all of the following questions. For example:

- How many schools are involved? Over what geographical area?
- How many teachers are involved?
- Has enterprise education been integrated into the curriculum?
- Is there a named contact for enterprise education in each school?
- Do parents and employers understand and support enterprise education?
- Are local partners supporting the process?
- How will the programme be sustained financially?
- To what extent has the Ministry of Education integrated enterprise education into any educational reform?

Key indicators such as those mentioned below are also used as short-term monitors of the overall success of the project.

- Long term commitment from local partners who have the power to influence and make decisions
- Support from the Ministry of Education
- The incorporation of enterprise into the school curriculum
- The participation of teachers who are motivated and possess some key qualities
- Integration with other programmes of development in the region
- Long-term dissemination plans
- The availability of funding for dissemination and support

In terms of the number of schools involved and the socio-economic impact, the success of a number of interventions at secondary level can be cited. The Youth Tech Entrepreneurs (YTE), implemented in the Boston region of the United States involves 400+ students at eight high schools. All 18 members of the first YTE ‘graduating class’ are now in four-year university programmes. This is remarkable in that a number of these participants had made it clear when they first enrolled in YTE that they could not envision themselves at university, or pursuing any form of post-secondary education. YTE cites a second, more anecdotal benefit: positive feedback from participating high schools’ communities (including a number of positive press articles), for the community service projects themselves, and some shift in the perceptions of high school students from negative to positive. The programme’s reputation has been so good that community organizations seek out YTE for assistance with projects. YTE emphasizes the role of the community organization as the client, with a focus on the importance of consistency. YTE coordinates a ‘teacher-to-teacher’ hotline so that current YTE teachers can mentor new or prospective ones. Many of YTE’s corporate sponsors (such as Raytheon and Hitachi) have high tech connections, and are attracted to the programme because of their desire for a technologically skilled workforce.

YES (Ireland) has been running for 12 years and has evoked extremely positive responses from school principals, teachers, parents and students. To date, about 60,000 students have participated in YES. Most participating schools secure external sponsorship, ranging from €50 (about US\$50) to €500 (about US\$500), as prizes for their in-school competitions. Members of the business community, both local and national, have acted as judges and sponsors. Universally, the feedback on YES has been extremely positive and supportive.

In Italy, in 1999, the Marco Polo project involved a number of the schools in different cities, reaching some 2,200 students who were about to enter the labour market. The second phase of the Marco Polo project targeted 26 secondary schools, around 100 teachers, 2,200



students and 478 enterprises. The project has also engaged the active support of many of the region's enterprises, making them more aware of the advantages of encouraging effective training of this sort. It also included the diffusion of enterprise culture amongst schoolteachers through training and placement in companies.

### Vocational level

Measuring qualitative impact is difficult. Though not all entrepreneurship students at vocational level will eventually move to self-employment, there is still evidence that these courses are effective in providing a better understanding of enterprise culture and in improving their knowledge of enterprise and entrepreneurship through practice. Entrepreneurial training also has an effect in terms of the better integration of students into the labour market and improving the confidence of target groups with particular difficulties.

Few tracer studies have sought to measure the impact of training for entrepreneurship and self-employment through technical and vocational education. However, most programmes have a delayed impact. There is a considerable body of evidence suggesting that the most successful informal sector actors are often those who have entered the sector after a combination of training plus a substantial period of employment in the formal sector (e.g. Grierson; Mead and Kunjeku).<sup>30</sup>

### University level

In the United States, a survey was carried out on the graduates of a mid-sized university (Wichita) in order to examine not only the actual entrepreneurial activity associated with entrepreneurship education, but the effects on intent to open a business for potential entrepreneurs.<sup>31</sup>

The impact of entrepreneurship education on entrepreneurial intentions was examined by surveying three groups of graduates: entrepreneurship majors, non-entrepreneurship business majors, and non-business majors. The research questionnaire was distributed to 84 graduates who had earned undergraduate entrepreneurship degrees within the last 8 years. Comparison groups were randomly selected from graduates in the same time period. The hypotheses were that: 1) entrepreneurship graduates will own more businesses than either of the other two groups; 2) entrepreneurship graduates will express more confidence in their ability to open and run a new business than either of the other two groups; and 3) more entrepreneurship graduates will express the intent to open a new business than either of the other two groups.

Hypothesis 1 was partially supported – entrepreneurship majors have opened more businesses than other business majors and non-business graduates, though the difference was statistically significant (marginally) only between entrepreneurship and non-business majors. Hypothesis 3 was also supported – more entrepreneurship graduates intend to open a business within two to five years. However, neither personal general efficiency nor entrepreneurial efficiency was associated with intent to open a business or actual ownership.

A second study, conducted by the Eller College of Business and Public Administration at the University of Arizona (UA) and the Kaufmann Center for Entrepreneurial Leadership,

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<sup>30</sup> Education and training for the informal sector – Education research paper No. 11, Department for International Development, 1994.

<sup>31</sup> Contact: Terry W. Noel, Centre for Entrepreneurship, Wichita State University, Wichita, KS 67260-0147; (T) 316-978-5175; (F) 316-978-3687.

Kansas City, revealed that entrepreneurship education programme alumni, in comparison to business school alumni, are three times more likely to start new businesses, three times more likely to be self-employed, have annual incomes that are 27 per cent higher, own 62 per cent more assets and are more satisfied with their jobs. The researchers, Charney and Libecap, surveyed 2,484 Eller College alumni, including 460 who were graduates of the Berger Entrepreneurship Program. Also surveyed were department heads and other administrators from the University of Arizona (including the Office of Technology Transfer), the UA Foundation and the Eller College dean.

The study also found a variance between the growth rates of entrepreneurship graduates and other alumni's firms, regardless of whether the graduates were employees or owners. On average, small firms employing entrepreneurship graduates had greater sales and employment growth than those that employed non-entrepreneurship graduates. Finally, the study found that entrepreneurship graduates either founded or worked for high-technology firms in greater numbers than other business school alumni. Additionally, they are more involved in new product development and research and development activities, and work with products having shorter life spans.

#### Non-formal education level

Many NGO micro-enterprise programmes in the past have experienced high dropout rates, perhaps because they provided young people with goods and services (food, education, health support, recreation, etc.) but did not foster independence in the long term. There are few role models in developing and transition countries and unemployed youth do not realize the full degree of discipline and tenacity needed to start a business. This leads to high enrolment rates for youth entrepreneurship schemes but high dropout once the participants realize what is involved.

Nevertheless, certain programmes have developed successful methodologies that revolve around an integrated programme of assistance with a proven impact on business start-ups and self-employment rates.

The Commonwealth Youth Credit Initiative Asia project had given over 1,000 loans by March 2000, with a recovery rate of over 85 per cent. More than 800 enterprises have been set up and about half the beneficiaries are women. The experience of CYCI has contributed to greater interest in micro-credit and sustainable livelihoods for young people. The Guyana CYCI pilot was featured as a model of best practice in a 1999 BBC television programme called "Hands On". Agencies such as UNICEF, CIDA/IDRC and others have adopted CYCI's approach. CYP is attempting to build on the Youth Credit Initiative with Micro-Credit Management System, a project to help governments ensure the success of NGO-based enterprise schemes.

The wider repercussions of entrepreneurship programmes for youth are amply demonstrated by the BYST programme in India. Every one of the participants in the BYST programme now have their children educated in the formal manner as compared to 67 per cent before they started business activity. The total expenditure on education has increased for 70 per cent of the entrepreneurs. Ninety per cent of BYST entrepreneurs have reported an increase in the average monthly income of the family thus raising their standard of living; 80 per cent have more material possessions such as a vehicle, land, electrical appliances, furniture and household articles; 60 per cent of entrepreneurs have moved into bigger houses of their own.

Programmes sponsored by the private sector have also achieved a considerable degree of success. Shell LiveWire in Singapore is an example. In 2001 it is anticipated that 420 young people will benefit from attending “Going 4 Enterprise” workshops, 80 will attend “Become a Successful Owner Manager” courses and 240 will attend business skill-specific sessions. The programme aims to have three viable and sustainable businesses started by the end of year 1. Shell Foundation funding is used to develop programmes and provide training. The total financial support for the programme is £660,000; Shell Singapore and ITE have a 5-year commitment to the programme.

Nearly 60 per cent of Youth Business International enterprises (United Kingdom) are still trading into their third year, a rate that compares very favourably with conventional lending sources, despite the ‘high risk’ nature of the businesses. Each business helps to rejuvenate its local economy and some of the largest have had a major impact. Business survival rates have also been impressive. A significant proportion of those businesses that ceased trading did so because the young entrepreneurs had been offered a job. The ‘top 50’ Prince’s Trust businesses have a combined turnover of £148 million and employ around 1,700 staff. The Prince’s Trust has helped 50,000 young people into self-employment since its business start-up programme was launched in 1983. On an international level, the results of the Prince’s Trust Youth Business Initiatives has been tremendous. By the end of 1999, over 45,000 young people had been set up in business by 12 Youth Business Initiatives. Business survival rates have also been impressive.

In India, over the last 10 years BYST has directed over 550 job seekers into Job Creators, providing employment to 3,500 young people. Businesses have generated an annual turnover of Rs.110 million. Ten per cent of the entrepreneurs have become millionaires, and 15 per cent have provided employment to over 20 people. The loan recovery rate is 95 per cent. Businesses range from traditional industry (garments, food products, handicrafts, etc.) to hi-tech businesses (plastic moulding, computer education centres, software programming, automotive components manufacturers, etc.).

In Trinidad, each year more than 5,000 young people participate in the SERVOL scheme; 85 per cent complete the programme and enter the workforce. Since 1981, SERVOL has trained more than 450 early childhood educators, 33 field officers, and 125 adolescent instructors throughout Trinidad and Tobago.

Since 1982, Shell LiveWire programme has helped over 200,000 young people start up in business. In the last five years it has attracted over 500 new businesses with a combined turnover of almost £50 million. The long-term success of LiveWire and the support it has received from businesses, communities and government has encouraged the development of a programme framework for use in countries around the world.

Over 150 young people from nine states of India have been trained as barefoot solar engineers through the Barefoot College. They have equipped over 2000 houses in the Himalayas with solar electricity. Economic sustainability is achieved as people depend on and compensate each other for their skills and services. Other types of sustainability are achieved by using traditional media, such as puppet and street theatre, to convey messages on social issues (minimum wage, gender equality, etc.).

## ***Impact on poverty reduction***

Research has shown that programmes have an impact in many different ways, not just in terms of the number of youths reached or businesses created. There is also a more general impact on the overall well-being of the young people taking part, their families and communities.

The wider repercussions of entrepreneurship programmes for youth are amply demonstrated by the BYST programme in India.

### **◆ Health**

Seventy per cent of entrepreneurs and their family members in the BYST programme now utilize private health services (which are expensive) as compared to 50 per cent earlier. Inversely, 30 per cent of entrepreneurs and their family use government facilities as compared to 50 per cent earlier. This shows that 20 per cent have shifted to more expensive health services.

### **◆ Education**

AIMS project research (USAID's impact assessment project for micro finance) has demonstrated a positive correlation between micro finance and education: Barnes, Morris and Gaile (Uganda Study, 1998)<sup>32</sup> found that earnings from micro enterprises tend to be the main source of funds for children's education expenses. Dunn (Peru Study, 1999)<sup>33</sup> showed that households of micro enterprise clients spent 20 per cent more on children's education than non-client households. Chen and Snodgrass (India Study, 1999)<sup>34</sup> confirmed that the children of borrowers had a higher enrolment in primary and secondary schools than those of non-borrowers.

All of the entrepreneurs in the BYST programme sent their children to private schools as compared to 50 per cent earlier. Total expenditure on education has increased for 70 per cent of the entrepreneurs.

### **◆ Influence on national policy**

In India, the BYST programme has influenced the readiness of commercial banks to lend money to entrepreneurs supported by programmes without security or collateral. For example, for the year 2000-2001 budget, the Indian Finance Minister permitted all banks to give loans worth half a million to start-up businesses without collateral and security.

## **4.2 Potential for replication**

### Programmes linked to secondary level

A number of subjects already on the secondary school curriculum appear fertile ground for the dissemination of enterprise education concepts. Additional options towards self-employment could include practical pre-vocational subjects such as agriculture, as well as business studies, commerce and related courses. In all subjects there should be little difficulty in devising modules that introduce entrepreneurial concepts to students. However, significant changes in pupil attitudes are likely to require more than the addition of such modules.

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<sup>32</sup> An Assessment of the Impact of Microfinance Services in Uganda, AIMS, Brief No. 18, September 1998.

<sup>33</sup> Micro Finance Clients in Lima, Peru, AIMS, Brief No. 24, June 1999.

<sup>34</sup> Assessment of the Impact of SEWA Bank in India, AIMS, Brief No. 26, August 1999.

In the United States, the Youth Tech Entrepreneurs curriculum, which was developed in conjunction with the State Department of Education, is available at no cost (as stipulated by the Department) to all teachers who register online.

As suggested by the University of Durham Business School, introducing entrepreneurship and enterprise education requires a close attention to fundamental elements, including the following:

- a) school administration's support
- b) government support
- c) faculty/teachers' commitment and skills
- d) availability, sequencing and content of courses, curricula, and syllabi
- e) availability of teaching materials including teachers' manuals and students' workbooks
- f) students' attitude and readiness
- g) community involvement, and
- h) general socio-cultural, economic, political and technological environment.

#### Programmes linked to TVET

Research suggests that there is no single model of the most suitable TVET response to the pressures to reorient towards self-entrepreneurship and self-employment. Different TVET institutions reflect different socio-economic and institutional realities and intended policy imperatives. It will be necessary for planners at both institutional and national level to determine the appropriate degree of self-employment focus in each situation.

In developing countries, certain methodologies such as KAB, SYB, CEFE and EMPRETEC hold possibilities for the replication of successful practices within TVET institutions.

In these developing countries, vocational training systems are beginning to reorient themselves through partnerships and collaborative arrangements with overseas universities and UN agencies which facilitate knowledge transfer and provide financial assistance. For example, in Kenya, the Entrepreneurship Education Programme (EEP) was launched in technical training colleges throughout the country in 1990 with the support of the International Labour Office and the University of Illinois. The Ministry of Research, Technical Training and Technology is responsible for implementation.

Research by DFID in the early 1990s on TVET systems in African countries demonstrates that planning for the replication of pilot schemes of rural training is in itself insufficient. Such a process can only succeed if the programme reflects the perceived needs of the local institutions involved and if attention is paid to the questions of cost recovery and sustainability. Programmes such as KYTEC, which reflect national policy objectives, are more likely to succeed than those which seek to impose an external set of priorities on the host country. Too often, however, a top-down strategy for national replication of pilot schemes has been the pattern in many African countries, and this pays scant attention to the local dimension and perspective before declaring the pilot to be nationally adopted.

The cost of reforming technical and vocational education and training can be prohibitive, especially in developing and transition countries and in times when governments are cutting back their financial support for education systems. Therefore, it is necessary to look at alternative funding sources and strategic partnerships with the private sector. In

Africa, an illustrative case is that of Harare Polytechnic in Zimbabwe. Whilst state regulations mean that the official courses of the Polytechnic are free, it has been able to offer evening classes which have attracted huge numbers of working and self-employed students whilst covering costs and partly subsidizing the day-time programme. The Engineering Department, for instance, has had up to 700 external students enrolled on particular courses. This example indicates that even where the state is reluctant to abandon subsidized tertiary level technical education, there is scope for innovative methods of cost-recovery, as well as a significant market for training. Examples of private sector sponsorship arrangements can also be found, such as with Shell LiveWire in Singapore, launched in July 2000 in collaboration with the Institute of Technical Education (ITE), the ITE Alumni Association and the Technopreneurship Incubation Centre. Shell has provided a grant of £120,000 over 3 years from 2000–2002.

Finally, in any country where the informal sector represents a large part of the economy, TVET institutions cover only a small part of the training needs. It may be more realistic to set up a limited number of Small Enterprise Development Institutions to prepare entrepreneurs for the informal sector in cooperation with TVET institutions.

Such centres could act as resources for other agencies interested in entrepreneurship development. Indeed, it is possible to envisage replication of the model of the Entrepreneurship Development Institute of India (EDI-I), which exists primarily as a facilitator, rather than a provider of entrepreneurial development courses.

### **Know about Business (KAB)**

#### *Entrepreneurship Education in Vocational and Technical Training*

The specific objectives of the KAB package are to:

- create awareness of enterprise and self-employment as a career option for beneficiaries in vocational and technical training institutions;
- develop positive attitudes towards enterprise and self-employment;
- provide knowledge and practice of the required attributes and challenges for starting and operating a successful enterprise, particularly a small business;
- prepare beneficiaries 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.

The Know About Business (KAB) package comprises a set of training materials for entrepreneurship education. The package seeks to develop entrepreneurial skills and in the process prepare participants not only to establish their own businesses at some point in the future but also to work productively in SMEs. In so doing, at a broader level, the overall objective of KAB is to contribute towards the creation of an enterprise culture.

KAB aims to enable young people to choose entrepreneurship or self-employment as a career option. It is not intended necessarily to have young people begin their careers as entrepreneurs or self-employed people. Rather, it is meant to give them an awareness and some practice of the opportunities, challenges, procedures, characteristics, attitudes and skills needed for successful entrepreneurship.

The KAB package was designed for use in vocational education and training institutions. It has been put together in such a way as to allow its introduction into a variety of classroom settings. To be effective, the entrepreneurship concepts presented must eventually be integrated into vocational and technical programmes at all levels. If specific characteristics are essential to success in business, then the training of potential entrepreneurs must not wait until the latter are adults, by which time they may have acquired many non-entrepreneurial habits.

The KAB package is addressed to trainers/teachers in vocational and technical training institutions. The materials can be adapted for use in both industrialized and developing countries as well as in further and higher education institutions other than vocational and technical. It is assumed that the trainers/teachers using the materials would typically possess a diploma or higher level education, have some technical skills but little or no previous business/enterprise experience.

### Programmes linked to universities

There are examples of cases where the introduction of entrepreneurship courses at university level in developing and transition countries has been made possible through a transfer of knowledge and know-how with reference to teaching and learning methodologies.

For example, the CEFE methodology conceived by GTZ has been successfully adapted by the Philippines Institute for Small-Scale Industries at the University of the Philippines (UP ISSI) and by Changmai University in Thailand. CEFE has also been used to train lecturers. Other entrepreneurship and small business management models could include those of McClelland, Management Systems International (famous for its PECs) and the SIYB of ILO among others.

Adaptation has also been made possible through knowledge transfer between universities. For example, the University of Maribor in Slovenia adapted one of the most successful study programmes for managers of small and medium-sized companies in Europe, practised at the University of Gothenburg and the University of Boras in Sweden, through a European project (Tempus). Realization of the project is based on cooperation between the following institutions of higher education: University College of Boras (Sweden), School of Economics and Commercial Law, University of Gothenburg (Sweden), De Vlerick School of Management, University of Ghent (Belgium), Faculty of Economics and Banking, University of Udine (Italy), and Faculty of Business and Economics, University of Maribor (Slovenia). The case of Slovenia shows that university courses can be replicated but require broad-based partnerships between universities for transfer of know-how and teacher training.

Within universities, there are possibilities for developing entrepreneurship courses for graduate and postgraduate students in the science, engineering and medical faculties. However, moving towards a more entrepreneurial focus within conventional business school structures can encounter some obstacles. Some of these problems are:

- a) motivating mainstream business school staff who conventionally rely upon functional expertise and who are oriented towards large companies, to shift their teaching style and attitudes to research on more entrepreneurial “holistic management” approaches;

- b) persuading staff to study the individual entrepreneur or the micro/small enterprise, as opposed to the managers of large firms;
- c) avoiding the trap of perceiving the teaching of management in small organizations as merely a simplistic version of teaching management of large organizations.

Experience from the Philippines on introducing entrepreneurship education at university level revealed the following difficulties:

*a) motivating students to enrol in the course*

The students perceived that faculty members do not themselves have the entrepreneurial spirit, and that they are talking only from the books. Also, students had a negative attitude towards entrepreneurship education. They stated that entrepreneurship is not a profession, therefore, it should not be taken as a course in college/university.

*b) lack of entrepreneurship faculty*

Faculty members know the subject matter of entrepreneurship and some of the techniques, but their techniques are also limited because they have repeatedly used the same techniques over the years. There is a lack of creativity and innovation on the part of the faculty.

*c) lack of support from the faculty*

Entrepreneurship faculty members were full-time faculty members and were handling other subjects. They had no time to devote to the practical aspect of the entrepreneurship courses such as developing materials. There was very strong dependence on textbooks which were patterned after the American style of teaching.

*d) lack of commitment of faculty*

Few faculty members volunteer to undergo training-of-trainers courses.

*e) sequencing of entrepreneurship curriculum*

There was a need to look at the totality of subjects in order to determine the required prior skills and knowledge. For example, it was found that natural science subjects were offered when students were already in their third or fourth years. Students should have already followed their natural science courses before business planning and environmental scanning sessions which consider environmental factors.

*f) contents of the subjects were not clearly designed*

Model syllabi were copied from textbooks and reference books

*g) lack of teaching materials*

*h) lack of capital to assist the students in starting a small business*

Non-formal education programmes

In the non-formal economy, it has to be recognized that youth are a heterogeneous group in terms of economic circumstances, attitudes and behaviours. This has implications for



programme replication. The youngest group are more economically disadvantaged than the others. Girls are usually more economically disadvantaged than boys, but boys are often more subject to peer and societal pressure to engage in different types of behaviour. Programmatic and policy responses should take this diversity into account and try to identify appropriate opportunities for a diverse workforce, instead of trying to fit all unemployed young people into one-size training programmes. A variety of models are needed to deal with different students: a) skilled people needing capital b) those who are between jobs, c) survivalists. Labour market measures should be linked to local community development and the provision of social, health and welfare services. The individual may participate in a number of activities, including advice, vocational education and training, as well as work experience facilitated by different providers, but these need to be planned in an integrated and coordinated way.

Many projects have developed and evolved their own teaching and learning methodologies, which have then been replicated within the same project framework nationally and internationally or by other development partners elsewhere. For example, the Commonwealth Youth Credit Initiative has developed a Toolkit to assist governments, development agencies and NGOs in the implementation of micro-credit programmes. The heterogeneity of the needs of youth means that what works for some people will not work for others. However, the CYCI is sufficiently flexible to meet the differing needs of a range of users, presenting a menu of options that users can adapt to specific national and local circumstances. The modules focus on an overview of the initiative, guidelines for implementation, management, monitoring and evaluation, and training resources. The estimated success rate of businesses in the scheme is 80 per cent, compared with a 10 per cent for other businesses in the poorer Commonwealth countries.

## **Start and Improve Your Business (SIYB)**

### *The programme*

The Start and Improve Your Business (SIYB) programme is a management-training programme with a focus on starting and improving small businesses as a strategy for creating more and better employment in developing economies and economies in transition.

### *The goals*

The long-term development goals of SIYB are to contribute to economic growth in general and the creation of more and better jobs in micro and small enterprises (MSEs) in particular.

The short-term development goals are to strengthen local business development service (BDS) providers to deliver business management training that will make it possible for micro and small-scale entrepreneurs to start and improve their businesses, thereby creating sustainable jobs for themselves and others.

### *The history*

Improve Your Business (IYB) started as a training programme – “Look After Your Firm” – developed by the Swedish Employers’ Federation in the early 1970’s. In 1977 the Swedish International Development Authority (SIDA) funded a project within the ILO that adapted the original Swedish initiative to the needs of small-scale entrepreneurs in developing economies.

Start Your Business (SYB) was developed in 1991. Since IYB focused on existing businesses, SYB was developed to address the needs of potential micro and small-scale entrepreneurs who wanted to start a business, but did not know how.

Start and Improve Your Business is today a globally recognized ILO trademark and the programme has been introduced in more than 80 countries. SIDA continues to be the main donor.

*Implementation strategy*

The programme follows an institution-building strategy by working with existing local and national organizations. SIYB project staff train trainers from Partner Organizations (POs) who in turn train the micro and small-scale entrepreneurs.

The cost of training trainers is covered by the SIYB project, but cost recovery of training entrepreneurs is the responsibility of the PO. Often this is a mix between participants' fee and a small subsidy provided by the organization.

To ensure sustainability SIYB projects are seeking to create a market culture in which POs charge the full cost for providing the service (i.e. training) and a culture in which entrepreneurs are willing to make the initial investment and pay for the service provided.

This strategy makes it possible for SIYB to reach large numbers of entrepreneurs. When donor funding stops and pilot projects are phased out, local and national institutions continue delivering training to entrepreneurs. National master trainers who have been educated during the course of the project assist the POs.

The long-term success of LiveWire and the support it has received from businesses, communities and government encouraged the development of a programme framework for use in countries around the world. In 2001 LiveWire advised over 30,000 young entrepreneurs and it is now operating in the following countries: Argentina, Australia, Brazil, Brunei, Chile, Hungary, Ireland, Mauritius, Netherlands, Oman, Singapore, South Africa, Sri Lanka, United Kingdom.

Prince's Youth Business Trust (United Kingdom) provides training and finance for disadvantaged young people with a viable business idea in 14 countries (Argentina, Belize, Barbados, Canada, Gambia, Ghana, Guyana, India, Mauritius, Oman, South Africa, Sri Lanka, Swaziland, Trinidad and Tobago) in addition to the United Kingdom.

In the United States, The Entrepreneurial Development Institute (TEDI) has established a consortium of youth-serving agencies for replication of its model in 18 other US cities. It has also launched four additional direct-service branch offices in Atlanta, New Jersey, Los Angeles and Cleveland. Founded in Washington, DC, it has recently moved its headquarters to New York City.

### **Youth Business International (YBI)**

YBI is a unit of The Prince of Wales International Business Leaders Forum that helps disadvantaged young people realize their ambitions to become entrepreneurs.

YBI brings together people in the corporate sector, civil society and government, who make their skills, expertise and facilities available on young people's behalf to provide access to finance, business mentoring and support to young entrepreneurs during the start-up and early development of their businesses.

YBI is the coordinating body of a global network of organizations that deliver its programme of support to young people and who share common principles and working practices.

The YBI programme delivers a huge range of benefits, from building the employability of young people to generating a culture of entrepreneurship and dynamism in the local economy.

- More than 50,000 young people have been set up in business by 20 YBI programmes around the world.
- Over 60 per cent of these young people are still successfully in business in their third year.

### **Bharatiya Yuva Shakti Trust (BYST)**

BYST is a non-profit, non-government organization launched in April 1992 by YBI to nurture the entrepreneurial dreams of the underprivileged youth of India. It is the only youth business initiative in the country. Its aim is to fight the two major problems that plague Indian society: poverty and unemployment.

BYST provides financial assistance to disadvantaged youth, to start a new business or expand an existing one. The loans are given without collateral. Mentoring support is provided through volunteer businesspeople and professionals. It is the pioneer of small business mentoring in the country. BYST also provides other support services to its entrepreneurs in the form of regular training programmes, workshops get-togethers and opportunities to display their products and services at national and international trade fairs and exhibitions.

BYST has supported nearly 900 entrepreneurs, of whom 137 are women. The businesses range from handicrafts to high-tech electronics. Most of them are successful businesspeople today.

BYST has found ample support from the Indian business community. Many industrial houses and multinational corporations are BYST partners. The Confederation of Indian Industry (an apex national industry organization) provides administrative support. Donations are also received from the corporate sector.

BYST has been involved in created forums to exchange best practice with other developing countries.

The Joint Enrichment Project in South Africa has undertaken national research and consultations on youth policy and the development of key principles for youth development. The JEP has piloted and evolved a strategic developmental approach for youth work that takes into account all aspects of the young person's life. Known as the "Integrated Approach to Youth Development" (IAYD), the approach has two components: (1) Ensuring that youth programmes and policies address the economic, educational, social and psychological needs of young people, and (2) Ensuring that youth development initiatives are fundamentally and firmly linked to the broader community and societal developmental issues. The JEP has also developed a range of training programmes directed at other service providers, change agents and youth workers. These programmes are designed to reach more young people than the pilot projects, through strategic partnerships with a range of institutions.

The Skills Development for Self-Reliance (SDSR) methodology used as part of the KYTEC project in Kenya is also sufficiently flexible to be successfully adapted to the particular circumstances of the project country. Whilst this is a donor-instigated project, it explicitly aims at becoming institutionalized within local structures. It is carried out by local staff and is located within the relevant ministry. The project is consistent with the stated policy of the government regarding rural development and makes use of existing structures and staff in carrying out needs surveys, training, etc. It works through existing organizations and staff wherever possible. This has the effect of minimizing fixed costs, whilst at the same time making the project familiar to key agents and institutions at local and national level.

In Nepal, a package was developed as part of the Small Business Promotion Project (SBPP) – launched in October 1983 as a joint project of His Majesty’s Government of Nepal (HMG/N) and the Government of the Federal Republic of Germany (FRG). Due to the success of the training, this package is now used by GTZ in over 70 countries of the developing world and is marketed as CEFE.

The SERVOL approach used in Trinidad and Tobago has been replicated in a number of countries throughout the region and internationally in Ireland and South Africa. In partnership with the national government, SERVOL, a national NGO, has assisted in building more than 40 “Adolescent Life Centres” which train young people in areas such as welding, plumbing, woodwork, catering, geriatric nursing, and child care. Servol was responsible for equipping the centres, which were community built.

The Group Guaranteed Lending and Savings (GGLS) is Save the Children’s principal economic opportunities strategy. The strategy is currently being replicated in 15 countries and territories: Afghanistan, Armenia, Azerbaijan, Bangladesh, Egypt, Georgia, Jordan, Lebanon, Mali, Morocco, Mozambique, Nepal, Pakistan, Viet Nam and West Bank/Gaza. GGLS has particular expertise in implementing micro finance programmes in the Middle East and in transition countries such as Afghanistan, Georgia and Tajikistan. The United Nations Development Programme MicroStart recently selected Save the Children as its first technical service provider for Morocco.

The Barefoot College approach has been replicated in 13 states of India, and in Morocco. The organizers of the Barefoot College are prepared to help replicate the approach in any country which has problems of unemployed rural youth and where there is a high rate of illiteracy. The positive side of the coin is that there is a rich and vibrant oral tradition and that indigenous knowledge remains to be identified and utilized. A number of lessons can be learned from the Barefoot College experience in India. Certain conditions have to be met: 1) The organization or institution must believe in the value of traditional knowledge and skills and have faith in its own capacity to make use of them. If not, there is absolutely no point in trying to replicate the practice. 2) If the organization or institution has been totally spoilt by the presence of and dependency on urban-based, ‘paper-qualified experts’, then the Barefoot College approach will not work. 3) The organization must be flexible, transparent and non-hierarchical.

## 5. Recommendations

### 5.1 Wider policy environment for youth entrepreneurship and enterprise creation

Creating favourable conditions for small enterprise development among young people begins with assessing the incentives and disincentives that economic policies may create, perhaps unintentionally, for smaller businesses. Small enterprises must be able to make a profit and be competitive. The first step, then, is to examine policies that do not specifically target youth entrepreneurship but may affect it, such as the administrative and legal procedures for business start-up, availability of finance from commercial banks, education and skills training, social protection, gender equality and business expansion support.

National policies, particularly in developing and transition countries, need to do more to empower and encourage public and private institutions to rethink their approach to self-employment preparation. Governments, in consultation with employers' associations and workers' organizations, are identifying skill needs. At vocational level, it is clear that a serious national commitment to new enterprise development means far-reaching changes and a fundamentally different kind of institution, involved not just with training but offering many of the other services, such as credit and extension associated with SME growth.

The ILO *World Employment Report 1998-99* points out that both labour market information (LMI) and vocational guidance play influential roles, regardless of a country's stage of development. Improved knowledge about labour market opportunities – the nature and location of employment, wages and working conditions and opportunities, and assistance in using the information – are vital to improved labour market operations. LMI and vocational guidance are especially critical for youth whose knowledge of, and exposure to the world of work is limited.

Education and training programmes should also be reformed in a way that creates a system of incentives to encourage the private sector to provide mentoring for young entrepreneurs, as well as training and skills acquisition opportunities for young people. Incentives might include: tax breaks or tax holidays, wage subsidies, preferential purchase agreements, etc. Entrepreneurs and others from the business community (including university alumni) should be encouraged to have a broad involvement in teaching, as guest lecturers, subjects for case studies, mentors and even entrepreneurs-in-residence.

In line with the above, policy guidelines have been developed for entrepreneurship promotion in different contexts. For example, youth-targeted interventions in transition countries should draw on the lessons of the *Entrepreneurship and enterprise development in transition economies: Policy guidelines and recommendations*.<sup>35</sup> These were developed as a collaborative effort between UNIDO and the OECD, which organized the Forum on Entrepreneurship and Enterprise Development (FEED) in 1999. The guidelines and recommendations are intended as a general framework within which private sector development and the promotion of SMEs can be undertaken in transition countries while, at the same time, they recognize that different objectives, conditions, and resources in each country require a customized approach.

Finally, in some countries, an area-based approach to youth entrepreneurship has been receiving particular attention from policy makers. In this context, entrepreneurship

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<sup>35</sup> Available in English and Russian from the Organization for Economic Co-operation and Development (OECD).

programmes at different levels of education could be more closely integrated into broader development frameworks and training strategies. For example, in transition countries, links can be established between vocational education reforms and the PHARE and TACIS Programmes.<sup>36</sup> The European Training Foundation, which is facilitating the reform of vocational education in European Union member States, could be a partner organization, as could the Business Educators Network for Entrepreneurship (BENE).

## **5.2 Integrating entrepreneurship education into the classroom**

How can traditional secondary, vocational and university courses be modified so as to stimulate students and trainees to think in a more entrepreneurial way? Cost is an important element in deciding whether entrepreneurial programmes can be replicated within formal national education systems. The cost of planning and introducing curriculum reforms, producing materials and organizing teacher training can be prohibitive in developing and transition countries where Ministries of Education are already overwhelmed by efforts to achieve education for all.

Research has shown that it is possible to use different training methodologies in both formal and non-formal sectors as a template for replication in other contexts. Funding is still a major issue, however. Within national education systems at secondary level, governments throughout the world are slowly making funds available for training and materials. At vocational and university level, as well as within the non-formal sector, the challenge is to develop self-supporting systems of operation with funds generated from fees, consultancy, training, evaluation and research activities.

At the same time, effective programmes suggest that the key to success is creating a classroom culture that encourages teamwork, lateral thinking, and reflective learning. Existing enterprising practices within the learning environment should be identified and built upon. The method used should be process based and appropriate to the backgrounds of the trainees. Learning should be based on “appropriate technologies” that are easily available within the locality. This covers a whole range of both traditional techniques that have been around for centuries (such as the use of mud and clay in building, vaulted roofs and terracotta tiles) and modern technologies (such as solar energy or wind-power). In all cases, the focus is on ownership, which should rest with the students not the teacher; the learners must be empowered to understand and gain confidence in their abilities, recognize how ideas might be generated, understand how to solve problems creatively and learn how to plan and organize a project.

The issues of replication and sustainability are therefore linked and the immediate impact of entrepreneurship education programmes will depend not just on the ability to finance interventions, but also on the quality of the training provision, its relevance to local needs and its impact on the local community in terms of generating sustainable livelihoods and self-employment opportunities, as well as overall poverty reduction.

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<sup>36</sup> The main aim of PHARE is to support these countries in the process of economic transformation and the strengthening of democracy. For those countries which have applied to join the European Union, special efforts are being made to assist them to reach the stage where they are ready to assume the obligations of membership.

**Secondary level:** Although not everybody can be an entrepreneur,<sup>37</sup> certainly teachers, school administrators, staff and students can be trained to display the characteristics of successful entrepreneurs, so that the ultimate result is an enterprising school environment.

Subjects already on the curriculum which are relevant to enterprise education include social studies, geography, and history. Newer subjects such as life skills or citizenship education are even more relevant in terms of subject matter. Additional options towards self-employment could include practical pre-vocational subjects such as agriculture, as well as business studies, commerce and related courses. In all subjects there should be little difficulty in devising modules that introduce entrepreneurial concepts to students.

Pupil-centred training methodologies often involve a change in approach which meets with initial resistance. Overcoming this may depend more on personal qualities than on subject knowledge. If school directors are not teachers, special arrangements may be necessary to enable them to appreciate the practical implications of curriculum reform. Where market economics are not well understood, trainers may themselves need training in how enterprises interact in a market economy.

**Vocational level:** The ILO *World Employment Report 1998-99*, noted that training programmes in developing countries have often failed “because of the unfamiliar terminology used and bureaucratic attitudes adopted – treating participants as inferior – and, most importantly, because training is considered as a single-intervention approach”, requiring no complementary inputs. “Lack of institutional support and credit often render the new skills acquired through training unexploitable”. It is therefore “crucial that training not be designed in isolation from the other necessary inputs”. “If training is complemented with credit at low rates of interest through a decentralized system of loan delivery and collection”, the report concludes, “it is possible to make a real difference to incomes in the informal sector”.

“[Apprenticeship] ... training is important in the transfer and development of skills and has a direct impact on productivity and therefore on income”, says the report. Entrepreneurs in the informal sector place a high value on apprenticeship training as, apprentices often stay on as skilled labour in their workshops. Others start small businesses of their own. “In Kenya, with its relatively well developed formal training system, there are more apprentices enrolled in the informal sector than trainees in the formal sector”, while “in Egypt, over 80 per cent of crafters in the construction sector acquire their skills through traditional apprenticeship”.

Besides informal apprenticeship, government and NGO-based training programmes also exist. Usually directed at owners or future owners of micro enterprises, these take the form of extension services, vocational training or business management programmes. “NGOs in particular have been in the forefront of training initiatives in the informal sector”.

“Training policy”, argues the report, “would do better to address the needs of those already established in informal production and who require upgrading of specific skills” through an introduction, for example, to new technologies and new products.

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<sup>37</sup> A common view is that entrepreneurs possess distinguishing personal entrepreneurial competencies (PECs) which contribute to their success. Personal qualities and abilities such as initiative, creativity, risk taking, self-confidence, team spirit and leadership enable the individual to be better at thinking, analysing, solving problems, taking action and corrective measures. It is now commonly believed that these traits can be captured and promoted through the learning process.

In addition, “existing apprenticeship systems in the micro enterprise sector need to be upgraded”. Successful as informal apprenticeship may have proved to be in transferring skills from one generation to the next, “it suffers from serious problems and there is ample scope for improvement”, says the ILO report, which goes on to identify strategies to improve the quality of the training provided.

Certain methodologies such as CEFE (GTZ), Know Your Business (ILO) and EMPRETEC (UNCTAD) have potential for replicating successful practices within TVET institutions because they represent integrated packages of support. Research by the Department for International Development (United Kingdom) on training for the informal sector in sub-Saharan Africa in the early 1990s also suggests that in order to improve the responsiveness of vocational education and training to new labour market requirements, reforms have to be sustained and extended with a particular view to:

- adjusting existing school infrastructures and programmes to the new economic priorities;
- further reforming qualifications so that they correspond more closely to the needs of the labour market;
- increasing investment in vocational education and training to promote innovation and to ensure higher levels of participation and attainment;
- re-establishing links between education and training institutions, the world of work and enterprises; and
- placing greater emphasis on the acquisition of transversal competencies (“core competencies”), including technological, social, organizational, linguistic, cultural and entrepreneurial skills, through active types of learning.

**University level:** Within universities, there are possibilities for developing entrepreneurship courses for graduate and postgraduate students in the science, engineering and medical faculties. However, moving towards a more entrepreneurial focus within conventional business school structures can encounter some obstacles, particularly the lack of lecturers with real experience of working as businesspeople in the commercial sector.

**Non-formal level:** The ILO *World Employment Report 1998-99*, points out that the major challenge facing skills development training for workers in the informal economy is to mainstream their concerns into formal training policies and systems, to upgrade the practices of non-formal training providers, to document and develop training strategies for particular categories of workers outside the formal labour market (e.g. those who are difficult to reach such as home-based workers, those in micro- and family-based enterprises, seasonal workers in the construction industry), and to establish sustainable financing mechanisms for training the poor.

Several programmes supported by NGOs, the private sector and inter-governmental organizations have achieved good results because they applied traditional, indigenous knowledge and skills to solving basic problems and thus to reducing communities’ dependency on expertise from outside, which is often inappropriate and irrelevant. The low cost of local technologies makes them easily replicable wherever similar problems exist. The Barefoot College in India is one example of an intervention that has applied this way of thinking. Programme success has also been based on organizing the participants into self-help groups and peer networking.



Programmes such as SIYB have been successful because they have adopted a low literacy approach with class times based around the rhythms and habits of the community. The proximity of the training centres to the target groups or the neighbourhoods to be served is also a key element. In remote or difficult-to-reach areas, this takes the form of mobile units or utilization of local buildings, e.g. schools or churches. All of these aspects highlight the need to design programmes that are “youth-friendly”. It is not sufficient merely to identify providers willing to serve youth. Rather, providers must be trained to respect young people and their communities.

### **5.3 Teacher training**

#### Secondary level

Durham University Business School (DUBS) suggests that in order to successfully implement enterprising activities in a school, teachers must be open-minded and enthusiastic, coming from a wide variety of teaching areas. They must be given time for discussion, exchange of ideas and planning, as well as support and encouragement from school management. Consequently teachers and also administrative authorities within schools should be made aware of entrepreneurship. DUBS has identified four major areas where specific teaching skills are required. They are: a) the classroom environment, b) managing projects, c) understanding the learning process, and d) negotiating and involving colleagues.

#### Vocational level

Evidence from the KAB and SIYB programme in Central Asia also points to the careful selection of trainers and business consultants, all of whom should be experts in their field. The choice of trainers and agencies will vary according to the specific situation within each country or locality.

#### University level

The University of Southampton (United Kingdom) carried out an evaluation of its entrepreneurship programme in 2001. This suggested that the professional development of lecturers is an essential part of the development of enterprising activities in schools. The difficulty in finding appropriate trainers with first-hand experience of managing a business is being resolved by the Centre for Enterprise at Leicester University through an exchange programme. The programme recognizes that entrepreneurship might best be learned from other entrepreneurs and that these rarely find the time to give seminars. The scheme therefore offers academics the chance to change places with business people for part of the week. This gives entrepreneurs the opportunity to work within an academic institution and to share their experience of managing an SME with students.

### **5.4 Follow-up activities**

The main objective of most programmes is to improve students’ skills in problem solving, teambuilding, and communications. However the simple vision of schools forming their pupils into young entrepreneurs through mere curricular changes is false. Graduates of entrepreneurship, enterprise or income-generation courses need follow-up services so that they can make the shift into the real economy.

## Secondary level

It has been argued that much could be done to promote self-employment at secondary level through positive images of enterprise activities. Many successful programmes have connected the school with local micro (small) businesses to inspire students to consider small business as a genuine post-school option. Bringing self-employed people into the school as role models and sources of information could have great benefits for student morale, especially for girls and minority groups. Ongoing contact with an adult over an extended period of time, including career guidance or elements of monitoring and support, is also important.

Career guidance is already established in developed and some developing countries, such as Botswana or Malawi. However in some of the poorer developing countries, institutionalized career guidance is still almost non-existent. In most of the planned economies of Eastern Europe, the former Soviet Union, and also in China, it was not a priority until very recently, when schools had to begin to orient their leavers to a dramatically less certain, and more diverse, work environment.

Equally problematic is relying on teachers to organize career guidance. The basic problem is that career education has traditionally been waged employment in the modern sector of the economy. In the poorer countries of the world there have never been enough formal-sector jobs to justify having a career programme to discuss choice amongst them. And as for the huge number of positions in the informal sector, these have not until recently been considered careers worth discussion. One of the consequences of taking self-employment seriously, however, might be much more information about informal sector 'careers' opportunities.

Enterprise education projects require systematic data collection and coordination to keep track of numbers trained and of what happens to students after training. A note of warning, however, is that the majority of existing successful entrepreneurs were not created through such courses. Indeed, it is possible that the very cultural contexts in which such programmes have been judged to be successful might be those which foster entrepreneurship regardless of any such external intervention. It may be, therefore, that such programmes are largely not replicable. However, there is a more problematic interpretation. It is possible that there is a limit on the number of successful micro-entrepreneurs who can be supported by the small local markets of many developing countries.

## Vocational level

Research carried out by the Department for International Development (United Kingdom) on post training follow-up in the informal sector in African countries suggests that there is no single "correct" model for such follow-up, and some methods are clearly not cost-effective. In a number of countries, for instance, a version of follow-up for vocational skills training was the extension model by which trained instructors sought to keep in touch with clients who had come into the rural industrial development centres for specific assistance. In Kenya and Tanzania such support and follow-up proved to be very expensive and of uncertain value. Clearly, to be successful, follow-up provision must reflect the specific needs and characteristics of the client and be tailored to the market.

A proposal for extending the CEFE methodology in Sri Lanka suggests that upon completion of the vocational training, selected graduates need a full-fledged support

programme to help them start up a business. The emphasis here is on ‘selected’ graduates. It is preferable that people gain work experience and accumulate some financial resources before they try to start up a business of their own. These students are the most suitable candidates for business creation and they can be expected to be more successful than the newcomers.

In any country where the informal sector represents a large part of the economy, it may be more realistic to seek to develop a limited number of Small Enterprise Development Institutions to provide entrepreneurial preparation for the informal sector rather than attempting to introduce enterprise education systematically into all TVET institutions. Such centres could act as resources for other agencies interested in entrepreneurship development. Indeed, it is possible to envisage replication of the model of the Entrepreneurship Development Institute of India (EDI-I) which exists primarily as a facilitator rather than a provider of entrepreneurial development courses.

### **5.5 Equality of opportunity**

Young women, particularly in developing countries, are often unable to take advantage of training opportunities due to barriers to entry, discrimination in selection and gender stereotyping. Stereotyping is frequently found in vocational guidance and counselling on the part of school staff or employment services, and it discourages young women from taking training programmes that would lead them to higher long-term earnings and status. In many countries, for example, young women are encouraged to train in household-related work, such as food preparation and garment manufacturing, while young men are encouraged to go for high-skill and modern technology-based training and employment. As a result, many young women end up in relatively low-skilled and poorly paid occupations with little prospect of upward mobility. Improved access will help increase the employability of young women. It must be supplemented by vocational guidance better suited to their capabilities and needs, as well as by gender-sensitive counselling and placement services to enable young women to fulfil their potential.

### **5.6 Exploiting opportunities in the ICT sector**

Information and communications technologies are opening up exciting new career prospects for young people, both as employees and entrepreneurs. In some countries, young people are already launching thousands of start-up companies that capitalize on technologies such as wireless telephones and the Internet. In developed countries, industry experts indicate that jobs exist in all areas of e-business including Java programming and web hosting, as well as in business support services. In developing countries, opportunities abound for exploiting the new technologies, offering an unprecedented chance for these countries to “leapfrog” earlier stages of development. For these benefits to be realized, however, countries need among other things, to expand their investment in infrastructure needed for the use of ICT and in the education and training of young people. Such investments should be undertaken by both the public and private sectors and make use of collaborative local, national and international networks.

### **5.7 Financing**

A growing trend is for international and national NGOs and businesses to provide funding to projects, particularly in the non-formal sector. Both these development partners provide assistance through the sponsorship of courses and promotional events, the

development of materials to strengthen curriculum areas, the engagement of mentors from the local business community and by drawing the school into a broader plan for local economic and community development.

However, programmes can be costly to set up and operate. Allocations for training materials and business development services and experts can be substantial. Especially in developing countries, the possibilities for cost recovery are not always obvious.

## **5.8 Outreach**

If we want people to know about the option of self-employment and business, there is a need for some sort of information and awareness creation. Young people need a way of finding out whether or not self-employment or business is a sensible option for them. This will at the same time serve as a sort of selection mechanism to identify potential future entrepreneurs. Communication programmes play an essential role in educating, informing, and motivating young people. Mass media and folk media in popular formats such as music, serial dramas, and variety shows can also be employed to persuade and motivate young audiences to engage in activities towards self-empowerment.

Another critical element is to raise awareness among local and national policy makers, families and communities about their importance in dealing with the issues facing youth. The support system and institutional mechanism often make or break an enterprise. Functionaries of support institutions, be they government departments, development organizations or financial institutions, often do not appreciate their role and that of entrepreneurs in industrial development. There is also a need to mobilize the community to provide an enabling environment for young people to become economically self-reliant and to raise awareness of how the community can support the businesses that are created as a result of different interventions.

The international community and the private sector are playing a critical role in terms of outreach. For example, the Inter-American Development Bank programme is helping to generate awareness among the general public, government agencies and the non-profit and private sectors on the contributions and value of youth participation and development, best practices and model programmes.

## 6. Conclusions

Different countries are integrating entrepreneurship and enterprise education into different levels of education through a variety of modalities and at different speeds depending on the availability of expertise and resources. There is no single pathway or approach and no single intervention that can be expected to deal with the whole range of problems facing young people. Though not all the students following these projects will eventually move to self-employment, the projects are effective in providing a better understanding of enterprise culture, in supplying students with skills for use in companies and in improving their knowledge of enterprise and entrepreneurship through practice.

Given the variety of situations, and contexts in which young people find themselves, as well as the diverse nature of the issues they are dealing with, a package of interventions is needed. Even within the same target group, there is no “ideal” model that can deal with the needs of all members. There will be some young people who are skilled but without capital, others who are between jobs and others still who are survivalists.

However, seeing skills and knowledge (and particularly an increase in their supply) as the principal point of departure for policies aimed at creating a more competitive and socially sustainable economy would be to ignore the importance of the wider environment to the life chances and opportunities available to young people. Schools and colleges on their own cannot be expected to make a major contribution to a more dynamic market economy. It is clear that different programmes are likely to succeed where the government, at local and national levels, is already providing broad-based support to the creation of SMEs within the framework of national enterprise policy; where local stakeholders are engaged in policy dialogue; where market-based business support institutions and legal frameworks are evolved and where youth as a population group are receiving targeted assistance through national policy frameworks. Without an enabling environment, interventions can only have a short-term effect and there is little chance of young entrepreneurs growing and surviving outside the programme framework.

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