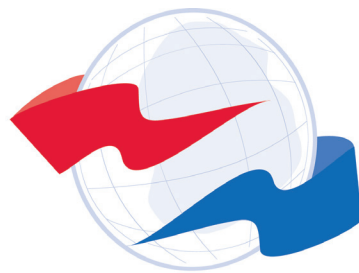


YOUTH ECONOMIC PARTICIPATION INITIATIVE

Year 1 Report Summary



The Talloires Network

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The Youth Economic Participation Initiative is a collaboration of the following institutions:

International Institute for Water and Environmental Engineering

Lahore University of Management Sciences

University of Cape Town Graduate School of Business

Universidad Austral de Chile

Universiti Kebangsaan Malaysia

University of Rwanda Nyagatare Campus

SUMMARY

The Talloires Network's Youth Economic Participation Initiative (YEPI) aims to improve the employment prospects for university students and recent alumni. The initiative tests and builds evidence of eight innovative university-led models to enable students and alumni to accelerate their transition into the work force.

This first report from the YEPI learning partner, University of Minnesota (UMN), summarizes initial observations and insights gained during the first round of country visits, as well as on-going engagement between UMN, Talloires and the eight partner universities in Africa, Asia and Latin America. The intent is to highlight emerging learning gathered at this early date in the project.

At this early stage, factors that enable the successful implementation of the demonstration grants appear to be **state and federal policies**, the **internal structure** of administering such programs within the university, **access to a range of financial resources for young entrepreneurs**, the active *participation by local businesses and community agencies* and finally, the **presence of highly placed leaders** within the universities who hold positional power and are respected by internal and external players.

The report also highlights emerging lessons that are present to some extent across all eight programs, although the strength or prominence of such elements vary. These include **formal coursework** on three areas: entrepreneurship, business skills and life skills. **Experiential learning** which may include internships, social action projects, simulations or university-supported business experiences are also present in nearly all of the programs. **Mentoring**, both formal and informal, is another pervasive practice. **Entrepreneurial incubation**, which helps new products or service enterprises flourish, is common although this label masks huge diversity of practices. Finally, **networking**, involving all manner of collaboration, partnering and linking, is a priority for most programs.

HISTORY OF YOUTH ECONOMIC PARTICIPATION INITIATIVE

The Youth Economic Participation Initiative (YEPI) began with a yearlong exploration of the nature of youth unemployment in select countries globally and of the efforts being undertaken by Talloires Network member institutions to address the issue. The Talloires Network convened a planning committee of university administrators and students, as well as corporate and NGO representatives to help shape the initiative. In addition, the Network commissioned a multi-country study based on ninety peer-to-peer interviews with students in nine countries. Participants highlighted significant barriers to engaging with entrepreneurship. Although enthusiastic about the idea of starting a business, most participants rejected entrepreneurship as a serious option due to a series of large obstacles. These included the high cost, the low availability of seed funding, the consequences of pervasive corruption, and the high personal risk involved. They also included lack of access to necessary personal and professional networks. If young people felt the risks were sufficiently low to engage in entrepreneurship, they would prefer to create enterprises that would help their communities. Findings pointed toward the powerful impact entrepreneurship can have, both on individual outcomes and on society.

In addition to student interviews, ten university professors and administrators from around the world participated in a six-week online learning community, discussing the role of universities in promoting economic opportunities for educated young people. Gaps between university curricula and industry needs topped the list of challenges for civically engaged faculty working with recent graduates; they also included along with a lack of understanding of the job-search process. A scarcity of practical resources – such as computer access, local transportation for students to the community, and opportunities to participate in unpaid or low-paying training – further prevented sustainable connections with community-based experiences essential to building life skills crucial for the job market. From the outset, YEPI was guided by the reality that in order to elevate youth employment it is essential to both create many more jobs, and to better prepare young people to fill existing jobs. Collaboration with young people and faculty staff informed the design of the Talloires project.

In 2013, The Talloires Network with the help of an international selection committee identified eight universities in Latin America, South East Asia, and Africa that were conducting innovative programs of entrepreneurship activities in order to boost graduates' employability and their ability to create new jobs. Eight demonstration grants were awarded to universities in Burkina Faso, Chile, Malaysia, Mexico, Pakistan, Rwanda, South Africa, and Zimbabwe. The YEPI activities within each country are operated by the following institutions:

- Universidad Austral de Chile (UACH)
- Universidad Veracruzana, Mexico (UV)
- Institute for Water and Environmental Engineering, Burkina Faso (2IE)
- University of Cape Town Graduate School of Business, South Africa (UCT)
- University of Zimbabwe (UZ)
- University of Rwanda, Nyagatare Campus (UR)
- Lahore University of Management Sciences, Pakistan (LUMS)
- Universiti Kebangsaan Malaysia (UKM)

The demonstration grant programs – chosen from over 60 applicants and 20 strong finalists – represent innovative efforts in collaborating with public and private sectors, engaging students and alumni in the design and implementation of specialized curricula, promoting gender equity in employment, and bridging ideas between social responsibility and entrepreneurship. Over the course of three years, these institutions are piloting, tracking and evaluating their efforts to engage a greater number of students and employers, with an expected outcome of improved employment and small businesses for graduates and greater ties between universities and their communities.

BUILDING AN INSTITUTIONAL CULTURE FOR TO ELEVATE STUDENTS' ECONOMIC PARTICIPATION

At its core, the Youth Economic Participation Initiative works to close the gap in workforce needs of developing countries through the preparation of university-educated youth for entrepreneurship and gainful employment. The program is built on the premise that universities must change the way they educate students in order to prepare graduates to engage successfully in and contribute fully to their economies. This change requires strengthening collaborations and partnerships with external entities including businesses, local and regional communities, and other external entities. YEPI seeks to understand different strategies that institutions of higher education implement to advance high quality programs to promote young people's workforce readiness, engage young people to serve as agents of positive social change, and secure young people's ongoing involvement in solutions to society's most intractable issues. The individual and collective experiences at the eight institutions provide an opportunity to test and identify universal determinants for implementing high quality youth entrepreneurship initiatives in higher education.

KEY CONTEXT FACTORS

The eight higher education institutions selected for the YEPI program are located across four continents and represent a diverse range of cultural and historical backgrounds. Despite significant variations in approach, each of the institutions is pursuing the goal of developing students' skills that can secure students' success as future leaders, workers, employers, and/or entrepreneurs in their country's economy. Within these university programs, evidence is emerging that points to a composite of critical factors that may in the aggregate, differentiate high performing programs from those that are less successful in achieving these goals.

Five of these factors include:

- 1. State and federal government policies that support employment and entrepreneurial development.** Supportive government policies often lead to regulations, visibility and resources that enhance efforts of higher education institutions to elevate students' economic participation. Some notable examples include the federal requirement in Mexico that all undergraduates volunteer for at least 480 hours of service prior to receiving their degree. In order to fulfill this requirement, many Mexican students work in community-based organizations or projects. One example is the eight university houses sponsored by the Universidad Veracruzana, that serve under-resourced areas of the state of Veracruz. Residents of these areas turn to these houses for many services that they otherwise would not receive, Students promote a broad range of health, nutrition and education goals.
- 2. An organized, internal structure that provides an overall umbrella for (a) monitoring the institution's programs or program elements, whether that program is run out of a college or a system-wide office and (b) sponsoring programmatic elements that are best offered at a campus or university-wide level.** At Universidad Austral de Chile, the Center for Entrepreneurial Learning collaborates with the Department of Economic and Management Sciences and serves as the organizational unit for the curriculum based entrepreneurship initiatives. It is viewed as the hub for bringing together faculty members and students from different disciplines to share knowledge and experience on entrepreneurship as well as to explore collaboration and joint projects. In one year alone, this Center implemented 40 social entrepreneurship projects in the region and cultivated 30 new social entrepreneurs and micro-enterprise leaders. At the Universiti Kebangsaan Malaysia the research Centre for Entrepreneurship and SMEs Development coordinates the formal curriculum for entrepreneurs, including a mandatory course for all students at UKM. At the Universidad Veracruzana, the Department of Engagement with 80 staff members links its multiple campuses through innovative programs that capitalize on the interests and talents of faculty and staff from many units but that support the uniqueness and strengths of individual campuses and their leaders as well as regional needs.
- 3. Access to a range of financial resources that provide support to emerging entrepreneurs.** In Malaysia, the government provides subsidies to SMEs to help secure services for proper financial procedures, such as audit statements. This funding allows SMEs to approach local banks to seek financing. In turn, UKM helped to found Technocount which trains students to deliver such services and often hires existing or newly graduated students as workers once they complete their education. At the Graduate Entrepreneurial Support Services (GESS) program at the University of Cape Town Graduate School of Business in South Africa, participants know there are two forms of financial support they may receive from the program (1) payment of transport and (2) seed money for their ideas (up to 10,000 ZAR/ 1,000 USD). In addition, some GESS participants have entered competitions and won prize money for their ideas. These enterprises have earned approximately \$60,000 USD in their first year.
- 4. Active participation by a core of local community businesses, agencies and non-profits in settings where students can complete internships or be hired as employees, and where leaders can coach and mentor emerging entrepreneurs, to pilot new products.** At the University of Zimbabwe, alumni of the Enactus program represent such a group. They attend meetings where paNhari (the student-led non-profit organization) students present and provide them with feedback and support, and help with placement into internships or employment. In South Africa at the Raymond Ackerman Academy, students in the GESS program can access resources and expertise from the UCT Business School. UCT finds ways to serve as a "client" to some of the GESS emerging entrepreneurs! These examples illustrate that no single outside group provides all of the support needed by entrepreneurial novices. Instead, many different allies and partners contribute to the ecosystem that can enhance the success of each entrepreneur. The fostering and management of these important partners, and their holistic approach, are tasks that university program leaders must foster to grow their programs.
- 5. One or more highly placed leaders who hold both positional power and the respect of a diverse group of people internal and external to the institution and who are dynamic champions for entrepreneurial efforts.** Supportive vice rectors or deans who champion the efforts of entrepreneurship efforts or programs at their respective institutions can buttress programs through lean times at the university and herald their successes in circles that may not be available to program staff. At the University of Zimbabwe, both the Dean of Students and Life Skills Coordinator are strong supporters of paNhari.

Sometimes these champions are from outside the institution, as in the case of influential business or non-profit leaders.

The five factors discussed above appear to impact the growth potential of each of the YEPI programs. Without champions, entrepreneurship programs can become invisible in the complex, ever-dynamic environment of a busy university. And without other supporters, such as the local business community and non-profit agencies, the average citizen may be unaware of the impact such entrepreneurs have on their communities. Government itself, with its policies, laws and practices, can serve to motivate or hamper enthusiasm for entrepreneurs and the programs which foster them. Further, a base of financing and holistic support will be needed for entrepreneurs, regardless of the scope of their products or services.

CRITICAL PRACTICES

The main emerging practices outlined below inform the remainder of the implementation of YEPI, as well as serve for guidance in future programs and partnerships. These include:

A. Formal Coursework

All the partner institutions support formal coursework on youth entrepreneurship learning and practice. The coursework ranges from embedding additional content into current coursework with entrepreneurial content and pedagogy. However, formal courses are only the beginning of an expansive program to support entrepreneurship among students.

While often diverse in their titles, most of the course offerings focus on three content areas: entrepreneurship, business skills, and life skills. Entrepreneurial coursework focuses on developing an “entrepreneurial mindset” among participants. This coursework directly challenges negative images of entrepreneurship within society and provides concrete and specific strategies to support participants to develop needed products and take them to market. Demonstration grants also support learning basic and more advanced business skills, such as budgeting, marketing, finance and accounting, and project management. Finally, initiatives include increasing understanding and ability among participants in life skills. This includes developing a better understanding of personal communication and work style, improving ability to work in teams and with others, how to handle disagreement and conflict in a professional setting, and time management. All eight partner universities offer instruction in each of these three areas, but in different ways.

B. Experiential Learning

The eight YEPI partner institutions offer both traditional formal coursework and experiential learning opportunities. For example, many sites support internships for participants. Having a system in place to recruit community partners and place students as well as provide ongoing supervision for both the community and students supports a rich, reciprocal learning experience. Other universities have developed and implemented experiential learning through completing projects or providing services to the community. All provide a rich and rewarding experience for students, who often described these opportunities as some of their most valuable experiences.

In addition to the formal coursework, faculty and staff at all partner institutions identify these experiential opportunities as essential for entrepreneurial education.

C. Mentoring

All YEPI partner institutions emphasize mentoring as a key practice, but it is challenging to achieve successful mentoring. In the eight universities mentoring most often refers to the practice of having a more experienced individual work with a participant to support their own growth and development (Pinho, Coetzee, Schreuder, 2005). Partner institutions support both informal and formal mentoring, with formal mentoring often occurring within a course by the instructor or facilitator, or by connecting to a business person in the community during an internship.

Most often, students who develop entrepreneurial projects are paired up with mentors from the University, community or local businesses. Matches are made based on expertise of the mentor to provide students with necessary support and advice to maximize the likelihood that their project will be successful. Mentors work with students to develop a business plan and create ways to maximize profits and attract investors.

D. Entrepreneurial Incubation

A common understanding among the universities is the need for intensive support in order for enterprises to flourish. Entrepreneurial incubation constitutes a comprehensive set of services, funding, and other administrative support that move an entrepreneurial project from idea to sustainable operation. These services often include project-specific work around quality production, marketing, and business management. All incubators also include financial support to help get the project up and running.

E. Networking

A final practice employed by all eight partner institutions is networking. Universities maintain and continue to foster collaborations and partnerships. They work to build social and physical networks between the institution and other community organizations and businesses, and create pathways for participants to connect with individuals, organizations, and businesses they typically would not have contact with. This practice expands the social capital, between individuals and institutions, for the institution, faculty, and participants.

CONCLUSION

Universities play a critical role in preparing students for the workforce. There is an urgent need for models that promote the successful transition of students and recent alumni to jobs in their chosen field. The eight YEPI partner institutions show outstanding ability to ground the design and implementation of their programs in a nuanced analysis of their contexts; they fully understand the risks involved with entrepreneurship and actively support students and graduates to realize their own entrepreneurial goals. Lessons and best practices from the demonstration programs will be used to develop new employment models that will be shared with institutions through the Talloires Network and other partners.

