New study shows need to bolster global entrepreneurship education

- More enterprise training could help UK increase start-up rates

Provision of education and training for entrepreneurs worldwide is inadequate, according to the Global Entrepreneurship Monitor (GEM) Special Report: A Global Perspective on Entrepreneurship Education and Training, released today at Babson College, lead sponsor and co-founder of the GEM project.

Entrepreneurship education is one of several key factors, along with access to finance, government policies, infrastructure, and others, that influence attitudes about entrepreneurship and people’s willingness to start businesses, according to GEM. Interviews with experts in 31 countries around the world found that in almost every country entrepreneurship education and training was inadequate, especially in primary and secondary schools.

Dr Jonathan Levie of the Hunter Centre for Entrepreneurship at the University of Strathclyde, co-author of the report, said: “In comparison with other countries, the UK is ideally placed to benefit from increases in provision of start-up training. In the UK, only 18 percent of working age individuals have received training in starting a business at some point in their lives. Those who have had training are much more likely to be engaged in entrepreneurial activity, even if they didn’t choose to take the training in the first place.”

In surveys with more than 100,000 individuals, GEM found that 80% of entrepreneurship education and training is provided through formal channels such as primary and secondary level schooling, and through university degree programs. This is significant because most formal training is at the primary and secondary school levels.

Report co-author and Babson Professor Donna Kelley said, “Training at a young age cultivates an entrepreneurial spirit early on, but college-level training is important too because it validates
entrepreneurship as a potential career path. Besides skill-building, training increases an individual’s awareness of entrepreneurship and their intent to start a business, and improves perceptions about their ability to do so.”

Sixty percent of individuals engaged in entrepreneurship training acquire it from informal sources, which GEM defines as non credit-bearing courses at a university, local business organization, or government agency, or self-study using books and Internet courses. “Access to informal programs is a good thing too, because entrepreneurs can obtain the specific skill sets they need to achieve their immediate goals,” says Alicia Coduras, from IE Business School in Spain and lead author of the report.

GEM also learned that entrepreneurship training is of most benefit to individuals in wealthier countries where the entrepreneurial environment is rich in conditions that allow new businesses to thrive.

GEM Executive Director, Kristie Seawright commented, “For entrepreneurship training to be productive in low-income countries, it needs to be complemented by beneficial government policies, infrastructure, and other basic requirements.”

Other GEM findings:

- Across 38 countries, where training in starting a business was measured, only 21% of the adult population had received training. In the UK, only 18% had received training.

- Training appears to have the greatest effect on early-stage entrepreneurial activity in wealthier, innovation-driven countries with favourable institutional frameworks and in which training is not widespread.
• The highest levels of training were found in Finland and Chile, countries with government initiatives aimed at stimulating and preparing individuals to start businesses.

• Men are more likely than women to seek training.

• Younger individuals are more likely to have received training in starting a business, reflecting a recent rise in entrepreneurship education in many countries’ formal educational systems.

About the Global Entrepreneurship Monitor

The Global Entrepreneurship Monitor has conducted survey worldwide on entrepreneurship since 1999. GEM was co-founded by Babson College and the London Business School. Babson College maintains a position as lead sponsor of the project, and Universidad del Desarrollo in Santiago, Chile, and Reykjavik University in Iceland are also sponsors of the project.

GEM has become the world’s most comprehensive research consortium dedicated to understanding the relationship between entrepreneurship and national economic development. It has provided the most comprehensive comparative data about attitudes toward entrepreneurs, start-up business activities, and plans for starting and building businesses, globally, by geographic region, and by country.

GEM publishes annual global reports and GEM national teams publish individual country-level reports. In addition, GEM publishes special reports on topics including women in entrepreneurship, high-growth ventures and entrepreneurial finance.

This special report on entrepreneurship education and training draws on additional questions developed around this topic for the GEM 2008 APS (adult population survey) questionnaire. Data for this report was gathered by members of 38 national GEM teams. The report was
authored by Alicia Coduras, IE Business School, Spain; Jonathan Levie, University of Strathclyde, Scotland; Donna Kelley, Babson College, USA; Rögnvaldur Sæmundsson, Reykjavik University, Iceland; and Thomas Schött, University of Southern Denmark, Denmark.

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