



**Education, Employment & Entrepreneurship:  
A Snapshot of the Global Jobs Challenge**

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## Introduction

Employment has always been a central issue in development. Jobs represent the means by which individuals gain a sense of personal purpose and satisfaction; support themselves and their families; and contribute to the productivity and health of their local and national economies. The importance of employment to a healthy, productive and peaceful society cannot be overestimated. Jobs can mean economic freedom for women; provide access to education and health services for children; and present an alternative to violence for idle youth. Employment is crucial to successful and sustainable development. Indeed, if a developed society is one in which individuals can lead healthy, productive lives, have access to the resources needed for a decent standard of living and participate in the life of the community, then jobs can make development happen.

### Global Jobs Challenge by the numbers

- 202 Million – number of people unemployed globally in 2013
- 600 million – number of new jobs needed to absorb burgeoning working age population
- >10% - aggregate unemployment rate of MENA region
- 3.3% - global economic growth in 2012, down from 5.1% in 2010
- 7.9 billion – projected population in developing countries by 2050
- 12.3% - global youth unemployment rate in 2013, 1.1% higher than pre-crisis levels

Job creation and full employment have been part of the development agenda for decades, sometimes at the top of the list, and at other times losing priority to GDP growth or other economic priorities. In 2013, the issue of jobs is squarely back in the development spotlight, and with good reason. According to the International Labor Organization, there are more than 200 million people

unemployed worldwide. In recent years we saw a global financial crisis that left few countries untouched, causing a massive economic downturn and a major loss of jobs. Five years on, the world is still short some 67 million jobs. In addition to catching up to pre-crisis employment levels, the total number of jobs needed to maintain current rates of employment continues to grow each year. Population projections suggest that the world will need upwards of 500 million new jobs by 2020, the majority in developing countries as their relatively young populations enter the workforce.<sup>1</sup>

Despite some initial employment gains in the post-crisis years, we have seen a rise in unemployment over the past year, prompting the International Labor Organization to label the 2013 employment trend the “second jobs dip”. In this context, it is not surprising then that the World Bank chose to title the 2013 World Development Report

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<sup>1</sup>Jelena Djordevic, “Why Becoming Large Matters: How Scalable, High Growth Entrepreneurs Can Help Solve the Jobs Crisis,” *Endeavor, Omidyar Network, Aspen Network*: 6.

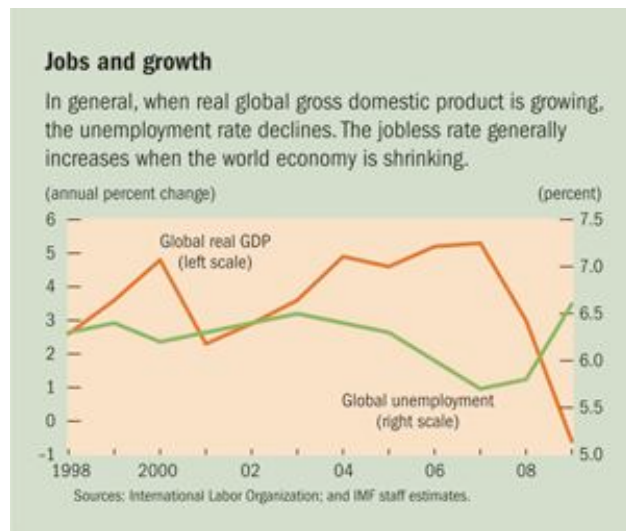
simply “Jobs”, focusing the report on the connection between employment and development. Other multilateral institutions and bilateral development agencies have also highlighted job creation as a key component of their development agenda. Full employment is once again a top priority for governments across the world making it a hot campaign issue in a number of recent national elections. The renewed focus on job creation is timely and necessary.

### Putting the Jobs Challenge into Context

Providing jobs for a growing population has been one of the most pressing challenges facing the developing world for some time. Employment is crucial to economic development. Jobs promote social cohesion, reduce poverty and improve gender equality.<sup>2</sup> The obstacles that developing countries face in creating employment opportunities have been related in part to large population growth, lack of capital accumulation and poor educational services.<sup>3</sup> While population growth rates in many countries have been slowing in recent years, they continue to be high in developing countries. This has led to a swell in the proportion of youth within the population.<sup>4</sup> This trend is expected to continue as population in the developing world is projected to grow from 5.6 billion in 2009 to 7.9 billion in 2050.<sup>5</sup> As the youth population matures and enters the workforce, competition for jobs will become more intense.

At the same time the workforce is growing, the number of job opportunities is shrinking. Large companies are increasing productivity and shedding jobs, while small businesses are struggling to grow. Instability in the markets has made it more difficult for small to medium enterprises (SMEs) to access the financing necessary to grow their businesses. SMEs are important

Figure 1 Correlation between GDP and Employment



<http://www.imf.org/proxyau.wrlc.org/external/pubs/ft/fandd/basics/unemploy.htm>

<sup>3</sup> Mark Blaug. *Education and the Employment Problem in Developing Countries*. Geneva: International Labour Office, 1973, 1.

<sup>4</sup> For background on current global demographic changes, please refer to the following link:

[http://www.worldbank.org/depweb/beyond/beyondco/beg\\_03.pdf](http://www.worldbank.org/depweb/beyond/beyondco/beg_03.pdf)

<sup>5</sup> <http://www.un.org/esa/population/publications/wpp2008/pressrelease.pdf>

mechanisms for employment generation and are the largest contributors - roughly 78 percent - to formal jobs in low-income countries.<sup>6</sup> A downturn for SMEs means a significant impact in available jobs.

In addition to the ill effects of the financial crisis and the strain of population growth on unemployment levels, the poor quality of educational services is producing a workforce lacking the basic knowledge and skills needed for today's jobs. Education systems in the developing world are fraught with crumbling infrastructure, outdated content and poorly trained teachers. While universal primary education has been a major part of the development agenda as set out in the Millennium Development Goals, the quality of higher education has unfortunately received relatively little attention. As students move up through secondary and tertiary levels where they hope to broaden their education and prepare themselves for the workforce, they continue to face lecture-based, rote learning approaches.

Students are rarely exposed to interactive classrooms or experiential learning methods that would allow them to develop their critical thinking, decision-making and teamwork capacities. Employers around the world report that the lack of a skilled workforce presents a serious obstacle to growth.<sup>7</sup> In a survey of businesses in the Middle East and North Africa conducted by the World Bank, about 40 percent of businesses believe that lack of skilled labor is a key constraint to growth.<sup>8</sup> Creating market-relevant educational training opportunities that provide people with the skills necessary to become more employable is thus crucial to increasing employment and strengthening economic growth. Improving the outlook for employment opportunities will require collaboration between multiple actors, including governments, the private sector and academic institutions.

## **Relationship between Employment and Education**

As policy makers focus on reducing unemployment, many look to economic growth as a key driver of job creation. Certainly a growing economy can lead to new jobs and increased prosperity. However, higher growth rates do not necessarily lead to more job opportunities or lower unemployment. Increased productivity due to new technologies or higher commodity prices can produce economic growth without corresponding job creation. Additionally, growth is not necessarily shared among a population equally. It is often concentrated in particular sectors, having relatively little impact on other portions of the populations. Governments and other institutions (such as

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<sup>6</sup> Aspen Network of Development Entrepreneurs, "2011 Impact Report," (2011).

<sup>7</sup> African Management Initiative. *Catalyzing Management Development in Africa: Identifying Areas for Impact*; World Bank, Jobs, 174; Manuk Hergnyan and Howard Williams, "Transforming Higher Education for Economic Competitiveness," in *The Jobs Challenge: Fresh Perspectives on the Global Employment Crisis*. Bethesda: Developing Alternatives Initiative, 2012.

<sup>8</sup> World Bank, Jobs, 207

employer associations, NGOs and universities) have critical roles to play in implementing policies and programs that reduce unemployment while encouraging economic growth.

One way to increase the employability of a population and promote job creation is to improve the quality of education. Education contributes to overall economic growth by improving the efficiency of the workforce and leading to higher rates of individual productivity, which in turn lead to a higher demand for qualified workers.<sup>9</sup> Education can provide individuals with the necessary market skills to be relevant in the economy. However, this can only happen when the *quality* of education is ensured. The issue is that most educational systems do not foster inventive thinking, communication skills, problem solving or the other competencies that can help individuals do well in their jobs.

In order to change this situation and maximize the benefits of education while increasing the employability of graduates, collaboration is needed between governments, the private sector and educational institutions. Such collaboration could support the preparedness of workers by aligning the supply and demand of skilled graduates while ensuring the system operates in a favorable policy environment.<sup>10</sup> For example, the German dual system of apprenticeship is often touted as a model for other countries in reducing youth unemployment.<sup>11</sup> This program allows youth to accrue important work experience that will make them more employable and facilitates the school-to-work transition.<sup>12</sup> The German system involves close collaboration between the government and the private sector where the cost and development of the training's content is shared jointly by both bodies.<sup>13</sup> Learning from the success of the apprenticeship programs like this one can provide guidance on how youth unemployment can be reduced.

## **Role of Entrepreneurship in Increasing Employment**

Initiatives that focus on increasing entrepreneurship and increasing employment share a great deal in common, as entrepreneurship can be seen as a special form of employability. Entrepreneurship has often been cited as a key factor to improving economic growth in developing countries.<sup>14</sup> Entrepreneurship is also seen as an important

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<sup>9</sup> Abdul B. Kamara, Lobna Bousrih and Magidu Nyende. "Growing a Knowledge-Based Economy: Evidence from Public Expenditure on Education in Africa," *African Development Bank*, No. 88 (2007).

<sup>10</sup> Ulrich Ernst and Lara Goldmark, "In Search of New Solutions to the Employment Puzzle: A Guide to the Journal," in *The Jobs Challenge: Fresh Perspectives on the Global Employment Crisis*. Bethesda: Developing Alternatives Initiative, 2012.

<sup>11</sup> The Economist, "Youth Unemployment: Generation Jobless," April 27<sup>th</sup>, 2013; Jens Mohrenweiser and Thomas Zwick. "Why do Firms Train Apprentices? The Net Cost Puzzle Reconsidered." *Labour Economics* 16, no. 6 (2009), 631.

<sup>12</sup> Morhenweiser and Zwick, "Why do Firms", p. 631

<sup>13</sup> International Labor Organization (ILO), *Global Employment Trends for Youth 2013 – A Generation at Risk* (Geneva: International Labor Organization, 2013), 86.

<sup>14</sup> For a selection of articles on the role of entrepreneurship in economic development, please review the following articles: Wim Naudé. "Entrepreneurship, Developing Countries, and Development Economics: New Approaches and Insights." *Small Business Economics* 34, no. 1 (2010): 1-12; Sergey Anokhin, Deitmar Grichnik and Robert D. Hisrich. "The Journey from Novice to Serial Entrepreneurship in China and Germany: Are the Drivers the Same?" *Managing Global Transitions*, 6(2), 117-142; M. Dejardin. Entrepreneurship and economic growth:

way to deal with issues relating to poverty, as entrepreneurship creates new jobs, fosters a climate of innovative thinking, and can lead to the launch of pioneering and cutting edge companies.<sup>15</sup>

There is also evidence to suggest that entrepreneurs create more employment than non-entrepreneurs.<sup>16</sup> Entrepreneurial activities encourage the development of new enterprises. In turn, the establishment and growth of SMEs leads to the creation of jobs. As mentioned earlier, SMEs have been found to be responsible for a large percentage of the formal jobs in the developing world.<sup>17</sup> Therefore supporting the creation of SMEs and their ability to grow into larger businesses can be an effective way to create jobs.<sup>18</sup>

Another key factor in strengthening economic growth in developing countries is innovation. While research on the intersection of entrepreneurship and innovation, particularly in developing countries, is in the early stages, there is nonetheless a consensus that entrepreneurship encourages high levels of innovation.<sup>19</sup> Innovation is important because it can lead to more high-value productivity chains and technological change, resulting in a wider range and better quality of goods and services. Entrepreneurs stimulate innovation as they are responsive to potential new markets and seek opportunities to create new ventures, products and services.<sup>20</sup> Entrepreneurship thus forms part of the process in shifting developing countries from factor-driven economies based on natural resources and unskilled labor, to innovation-driven economies which compete by providing new and unique products and services.<sup>21</sup>

In order to be successful, entrepreneurs need skills such as creativity, problem-solving and communication skills. Many times these skills are learned through experience – often from entrepreneurial failures – that help an entrepreneur finally arrive at a successful venture. These skills can also be developed through entrepreneurship education and training programs specifically targeting enterprise founders and owners. Such programs focus on providing individuals with practical education and experiential learning that builds both soft skills, such as communication, social intelligence, and

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An obvious conjunction? (Namur: University of Namur, 2000); Randall G. Holcombe. "Entrepreneurship and economic growth." *Quarterly Journal of Austrian Economics* 1, no. 2 (1998): 45-62; Zoltan J. Acs, Sameeksha Desai, and Jolanda Hessels. "Entrepreneurship, economic development and institutions." *Small Business Economics* 31, no. 3 (2008): 219-234; and David B. Audretsch, and A. Roy Thurik. *A model of the entrepreneurial economy*. No. 1204. Papers on entrepreneurship, growth and public policy, 2004.

<sup>15</sup> "Design Your Life: Business and Social Entrepreneurship Must Coexist," Michigan Ross School of Business, accessed April 2, 2013, [http://www.bus.umich.edu/NewsRoom/ArticleDisplay.asp?news\\_id=23358](http://www.bus.umich.edu/NewsRoom/ArticleDisplay.asp?news_id=23358); Mario Raposo and Arminda do Paco, "Entrepreneurship Education: Relationship Between Education and Entrepreneurial Activity," *Psicothema* 23(2011): 453; and Naudé, "Entrepreneurship, Developing Countries."

<sup>16</sup> C. Mirjam Van Praag and Peter H. Versloot. "What is the Value of Entrepreneurship? A Review of Recent Research." *Small Business Economics* 29, no. 4 (2007): 351-382.

<sup>17</sup> K. Al-Yahya and J. Airey. *Small and Medium Sized Enterprises in MENA: Leveraging Growth Finance for Sustainable Development*. Citi Foundation and Shell Foundation, 2013.

<sup>18</sup> Djordjevic, "Why Becoming Large Matters."

<sup>19</sup> Adam Szirmai, Wim Naudé, and Micheline Goedhuys. "Entrepreneurship, Innovation, and Economic Development: An Overview." *Entrepreneurship, Innovation, and Economic Development* (2011).

<sup>20</sup> William J. Baumol, "Entrepreneurship, innovation and growth: The David-Goliath symbiosis." *Journal of Entrepreneurial Finance, JEF* 7, no. 2 (2002): 1-10.

<sup>21</sup> Alicia Coduras Martinez, Jonathan Levie, Donna J. Kelley, Ragnvaldur J. Saemundsson and Thomas Schott, *Global Entrepreneurship Monitor Special Report: A Global Perspective on Entrepreneurship Education and Training* (2010).

critical thinking, as well as hard skills like accounting and financial management. Additionally, such programs foster networks of like-minded individuals that support each other and can lead to the creation of entrepreneurial ecosystems which can promote increased entrepreneurial activity.

It should be noted that while research on the impact entrepreneurial training has on entrepreneurial activity is inconclusive, there is some evidence to suggest a positive correlation.<sup>22</sup> Increased entrepreneurial activity is dependent on many factors including the quality of the training, adequate infrastructure and the local business environment.<sup>23</sup> Nonetheless, better access to quality entrepreneurship education can have a beneficial impact on the success of entrepreneurs and thus the development and growth of innovative new businesses. Evidence of this impact is apparent in the case of a certificate in entrepreneurial management program in Nigeria. This program, which was initiated in partnership with the Global Business School Network, has graduated over 1,300 entrepreneurs as of 2013 and is still growing. In a survey of 255 graduates, it was found that half of the graduates believed that the program had a significant effect on them, where nearly half of the respondents more than doubled profits after the third year in the program. The respondents stated that the program helped to develop their managerial skills and business networks.

Increasing the number of students exposed to entrepreneurship can also be an effective way of improving the level of soft skills among all types of graduates. The kinds of practical competencies entrepreneurship training focuses on are as valuable to those seeking employment within existing organizations as they are to those seeking to start their own enterprise. Entrepreneurial training develops the right skills for the jobs being created, whether in formal employment or entrepreneurial self-employment.<sup>24</sup>

## **Barriers to Entrepreneurship**

As noted, poor education can lessen the employability of individuals, or weaken their entrepreneurial skills, but there are several other barriers to entrepreneurship. Inefficient regulations increase the time and cost needed to start a business, making it less likely for such a business to take root.<sup>25</sup> Poor access to finance and other start-up capital necessary to support entrepreneurial activity is another challenge facing new entrepreneurs. And third, certain social and cultural norms may limit entrepreneurship in that they create expectations of who can or cannot be entrepreneurs. For example, women and youth who seek to become entrepreneurs may experience more roadblocks than adult men, in terms of accessing finance or training, for example, which makes it harder for them to move forward with their businesses.

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<sup>23</sup> Coduras Martinez et al, *Global Entrepreneurship Monitor*.

<sup>25</sup> World Bank. 2013. *Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises*. Washington, DC: World Bank.

The development and business communities can encourage governments to change regulations that are unnecessarily restrictive and provide additional sources of funding for entrepreneurs, highlighting the stimulating effect entrepreneurship can have on the economy. Social and cultural barriers, however, can run deep and be hard to transform. Providing opportunities for entrepreneurial education that is open and inclusive of all individuals is one way to start shifting expectations on what an entrepreneur looks like.

### Special Consideration: Youth

The impact of recent demographic trends, coupled with today’s economic slowdown, means there are not enough jobs for youth that are transitioning out of school and into the working world. This is a significant issue as youth unemployment can lead to long-term negative effects and social unrest. Studies on unemployed youth have found evidence of an effect called “scarring,” which refers to the long-term effects of not being able to find a good job after leaving school, leading to a reduction of self-confidence.<sup>26</sup> This ill effect is compounded by the fact that employers are less likely to hire a young person who has experienced a long period of unemployment.<sup>27</sup>

Figure 2 Global Youth Unemployment

Region	Young Unemployed	
	(millions)	(%)
World	74.5	12.6
Developed Economies and EU	10.8	18.0
Central and South-Eastern Europe	4.4	17.6
East Asia	12.9	9.0
South East Asia and the Pacific	7.8	13.5
South Asia	13.0	9.8
Latin American and the Caribbean	8.9	14.3
Middle East	3.4	26.5
North Africa	3.9	27.9
Sub-Saharan Africa	10.3	11.5

International Labor Organization

<sup>26</sup> International Labor Organization, “The Youth Employment Crisis,” 2.

<sup>27</sup> Andrew Clark, Yannis Georgellis, and Peter Sanfey. "Scarring: The Psychological Impact of Past Unemployment." *Economica* 68, no. 270 (2001): 221-241.



Studies have also found a link between unemployed youth and political unrest and violence as was seen during the Arab Spring uprisings.<sup>28</sup> There are 74.5 million youth unemployed in the world and the International Labor Organization believes that another half million will fall into unemployment by 2014.<sup>29</sup>

There are three main reasons why young people are experiencing high levels of unemployment:

- First, owing to the global recession, there is less demand for labor. In economic downturns, companies also tend to retain older staff, and dismiss younger workers, as part of the “last hired, first fired” strategy.
- Second, many of the countries which have the fastest and largest growing populations of youth also have highly imperfect labor markets, where finding a job is dependent on personal and political connections, rather than merit.<sup>30</sup>
- Third is the skills mismatch; young people are not being taught the skills they need to be employable. According to a report by Education for Employment in 2012 on Arab youth entrepreneurship, they found that “only a third of surveyed youth believe their education prepared them adequately for the job market.”<sup>31</sup> Employer surveys confirm that businesses cannot find graduates with the mix of skills and competencies that they require.<sup>32</sup>

In order to provide productive and fulfilling opportunities for young people efforts must be made to improve macroeconomic conditions, increase labor market efficiencies, and raise the quality and relevance of education.

Entrepreneurship can be a route to decent work and sustainable enterprise for young people. However, “the structures and delivery of mass education in most countries often thwart or throttle the natural entrepreneurial impulses in youth.”<sup>33</sup> Therefore, as mentioned earlier, educational systems across the developing world (and beyond) need to be reformed. Providing young people with more entrepreneurial training and exposing them to entrepreneurial role models can give them the tools to create their own employment.

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<sup>28</sup> There is extensive literature on the links between youth bulges and violence. For a selection of such articles, please review the following: Henrik Urdal. "A Clash of Generations? Youth Bulges and Political Violence." *International Studies Quarterly* 50, no. 3 (2006): 607-629; Sanders Korenman and David Neumark. "Cohort Crowding and Youth Labor Markets: A Cross-National Analysis, Working Paper 6031. (Cambridge, MA: National Bureau of Economic Research, 1997); and Paul Collier. "Doing Well out of War: An Economic Perspective." In *Greed & Grievance: Economic Agendas in Civil Wars*, edited by Mats Berdal and David M. Malone. (Boulder, CO: Lynne Rienner, 2000).

<sup>29</sup> ILO, *Global Employment Trends 2013*, 31; Patrick Premand et al., "Entrepreneurship Training and Self-Employment Among University Graduates: Evidence from a Randomized Trial in Tunisia," *World Bank Impact Evaluation Series: Policy Research Working Paper*, 2012, 6; and Economist, "Generation Jobless."

<sup>30</sup> Economist, Generation Jobless; World Bank, Jobs.

<sup>31</sup> e4e, "Education for Employment: Realizing Arab Youth Potential," (2012), 10.

<sup>32</sup> African Management Initiative, *Catalyzing Management Development in Africa*.

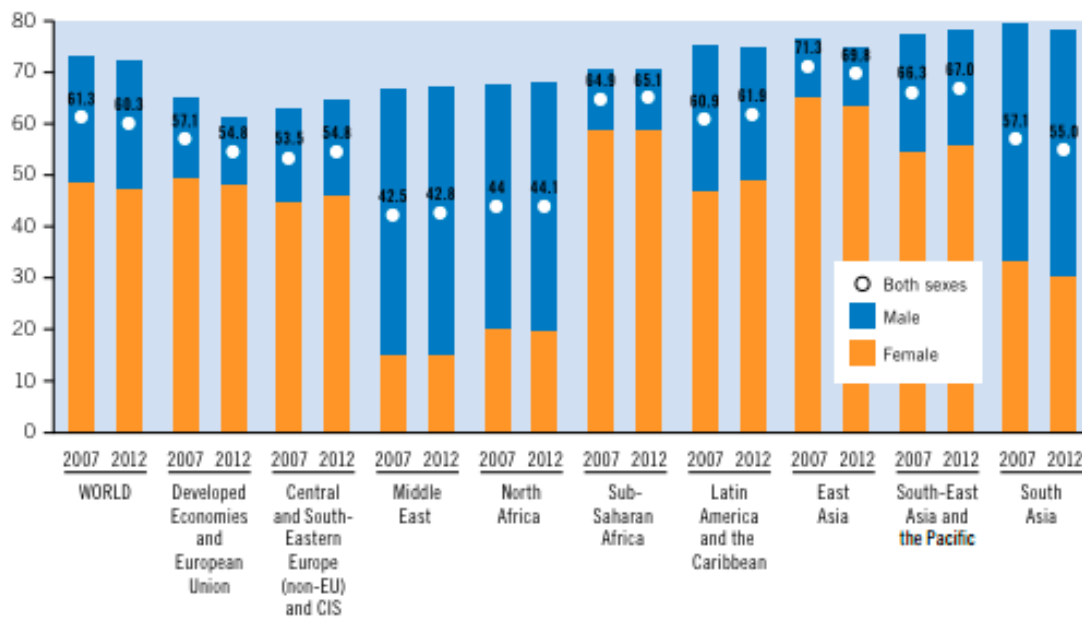
<sup>33</sup> World Economic Forum, *Educating the Next Wave of Entrepreneurs: Unlocking the Entrepreneurial Capabilities to Meet the Global Challenges of the 21<sup>st</sup> Century – Executive Summary* (Geneva: World Economic Forum, 2009), 25.

Technology can also provide ways to improve youth employability. Mobile phones and online educational programs can reduce both the costs of training, provide youth with virtual experience and allow young workers to combine on-the-job training with academic instruction. The use of educational video games and online web portals can also help to train young people with the skills needed for certain jobs, as well as to tap into social networks to provide communities of support and access to mentorship opportunities.

### Special Consideration: Women

Fewer than half the women in the world have formal jobs, compared to almost 80 percent of men.<sup>34</sup> While the number of women who work may be higher than this if the informal economy is included, women still are underrepresented in labor force participation worldwide. Those who do work tend to earn a lower income than men.

Figure 3 Employment-to-population ratios by gender



Source: ILO, *Trends Econometric Models*, October 2012.

Reversing the current situation and improving opportunities for women to become more employable and entrepreneurial is important for at least two reasons. First, there is a huge productivity gain to be reaped by more effectively engaging this underrepresented portion of the workforce in meaningful and productive employment. Gender disparities not only impact women negatively, but also depress economic growth.<sup>35</sup> Second, improving

<sup>34</sup> World Bank, *Jobs*, 50.

<sup>35</sup> Elena Bardasi et al, “Gender, Entrepreneurship and Competitiveness in Africa,” in *African Competitiveness Report 2011 – World Economic Forum*, 69; “The Other 1 in 10: Underinvestment in Women-led Enterprise and What You Can Do About It,” *Value for Women, Aspen Network of Development Entrepreneurs and Fundacion Capital*.

female education and the performance of women-led enterprises has an impact not only on the economic development but also on levels of gender equality, community development and family well-being. A study by Goldman Sachs finds that education is crucial in supporting gender equality and that female education has a multiplier effect in that it lessens social inequality overall and improves economic growth.<sup>36</sup> Specific results from investing in women's education includes "more productive workers, healthier and better-educated families, and ultimately to more prosperous communities."<sup>37</sup>

There are a number of reasons why women are particularly marginalized in gaining opportunities for employment and building successful entrepreneurial organizations. First, women have lower levels of education and financial literacy than men. This is often due to social norms that put different expectations of educational attainment on women, hampering them from the outset in their business endeavors. Second, patriarchal property laws that do not allow women to own property make it difficult to build assets or present appropriate collateral for business loans. Cultural and traditional expectations of what is "appropriate" employment for women also present daunting barriers. These barriers compound the ones that all entrepreneurs face in the market, such as lack of access to finance, poor networking and mentorship opportunities, and regulatory barriers.

Women who seek to become entrepreneurs or become more employable require several things. First they need more access to educational opportunities. Women's literacy – financial literacy in particular – needs to be improved, Education providers also need to be sensitive to the double burden of work that women all over the world face – often women are caretakers of the family and also work outside the home. That is one reason why education via mobile phones and other technology-enabled delivery platforms can be of particular assistance to women entrepreneurs who need a flexible learning environment.

Second, having access to a social network is extremely important. A social network can allow women to connect with their peers who have had similar experiences or interests in order to share ideas, gain emotional and technical support, and meet mentors who can provide advice, coaching and serve as role models.<sup>38</sup> Third, making access to finance gender neutral by changing patriarchal property laws and, for example, providing "gender sensitivity training for investment managers and other staff to reduce unconscious gender bias in lending practices" opens up new opportunities for women.<sup>39</sup>

Improving the employability and entrepreneurship of women will help them attain livelihoods that are secure and productive. As noted, this in turn leads to higher levels of

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<sup>36</sup> Sandra Lawson. Goldman Sachs. Global Economics Paper No: 164. *Women Hold Up Half the Sky* (2008): 1.

<sup>37</sup> Goldman Sachs. *10,000 Women – About the Program*.

<<http://www.goldmansachs.com/citizenship/10000women/about-the-program/index.html>> Last accessed April 23<sup>rd</sup>, 2013.

<sup>38</sup> Elena Bardasi et al, "Gender, Entrepreneurship and Competitiveness in Africa," 77.

<sup>39</sup> Ibid. negatively

productivity for developing economies, as women enter the market economy in greater numbers.

### **Role of Technology in Increasing Access and Affordability to Relevant Education**

The problems affecting employment in developing countries are not new. Providing stable and productive employment is a concern shared by governments around the world. The global economic crisis and high rates of unemployment have exacerbated the challenges already prevalent in developing countries, creating an even greater need for effective and long-lasting solutions. One relatively new way to tackle this employment crisis, and the related need for education and entrepreneurship training, is through technology. Technology provides innovative ways to encourage employment, improve educational systems and enhance entrepreneurship.

Two ways that technology can increase access to and the affordability of relevant education is through the use of mobile phones and online education technology. GBSN recently completed a research project on mobile education opportunities globally and found that mobile education ventures offer a wide variety of solutions. They offer adult literacy and numeracy classes via cell phones, create mentorship networks, and provide platforms for learners to access general business education material at any time. This flexibility allows individuals from a variety of backgrounds to take advantage of training and networking as never before. Mobile phones can also help link employers with interested applicants, as well as allow job seekers to market themselves to a greater audience (See Box 1 on Souktel).

#### **Box 1: Organization Spotlight: Souktel**

Souktel is an innovative company that uses mobile phones to link people with job opportunities the Middle East, particularly in Palestine and Morocco, and East Africa. Souktel's JobMatch program connects job seekers with employers who are looking for staff, with real-time information. As many individuals in the developing world lack access to online services that could show them available job opportunities, Souktel's JobMatch fulfills a much-needed service for job seekers. By sending a mini-CV through JobMatch, employers are also able to improve their ability to find the appropriate people.

For more information, please visit Souktel's website at <http://souktel.org/>.

Online education platforms allow universities and other training institutions to provide web-based courses for students who cannot attend school full time or have geographic barriers to attending class in person. For example, the University of North Carolina's Kenan-Flagler School of Business offers a web-based MBA program,

MBA@UNC, through proven online software with minimal technological requirements for students. This allows students from around the world to take advantage of Kenan-Flagler's instruction regardless of their geographic location. Technology helps to reach students who face time constraints, limited finances or are unable to travel.<sup>40</sup>

Importantly, technology is changing the "linear" nature of education. Traditionally education is imparted *before* students get a job or start an enterprise. Technology allows people to receive just-in-time specific courses, providing the skills needed on the job. As technology transforms education, businesses, governments, and schools should embrace the changes brought on by the new tools and continue to discover new applications that broaden access to critical educational material and ongoing training support.

### **Opportunities for Business Schools**

While change will need to happen at the systemic level with the support of policy makers, there are a number of things business schools can do now to improve the skills and training individuals need in order to succeed. This includes creating relevant content, utilizing effective teaching methods, and providing to non-traditional audiences with business and management skills.

As noted, both students and employers state that the education being delivered is not producing graduates with the skills required for the jobs available. Business schools have traditionally bridged theory and practice and can build on this to offer students both a solid academic foundation and the ability to apply their knowledge to in the real world. Incorporating experiential learning and participant-centered learning can go a long way towards preparing students for their professional lives. Strengthening relationships with the local business community, increasing students' exposure to successful role models, and providing opportunities for internships and other forms of workplace experience allow students to increase confidence, develop important soft skills and build a network of professional contacts that will serve them well in their careers ahead.

Additionally, business schools around the world are increasingly engaging populations outside of their traditional MBA audience and should continue to do so. Farmers, health care workers, government officials, and education professionals have a lot to gain by improving their management skills. For example, business schools can have a large positive impact on the effectiveness of social services and the public sector. Business schools can also partner with primary and secondary schools to inspire a younger generation to start new businesses, become entrepreneurs and embrace innovation.

Business schools have an opportunity to capitalize on their innovative nature to leverage new technologies in order to provide training and education to a global

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<sup>40</sup> World Economic Forum, *Educating the Next Wave of Entrepreneurs*, 25

audience. Improvements in mobile technology, internet speeds, and access to computers open possibilities on a scale previously not possible. The introduction of Massive Open Online Courses is beginning to democratize knowledge. Improvements in communications are allowing students to work with peers across all continents. Business schools need to embrace these changes, adapt and complement their existing offerings, and provide skills, confidence and hope to their graduates who continue to drive social and economic growth.

## **Conclusion and Path Forward**

The jobs challenge is complex. It is shaped by history as much as it is by current events. Many players need to work in harmony in order to achieve progress. And competing economic objectives mean job creation does not always get top priority. Yet in some areas, employment is rising, people are gaining access to skills, and challenges have become less daunting. We have an opportunity to learn from these successes, to understand what works best, and to find new ways to scale success.

As GBSN's conference brings together business schools, government representatives, NGOs, and business people from many countries it offers a timely opportunity to consider the current state of employment. Participants can share their experiences in providing skills and creating jobs, and find new ways in which they can collaborate to find new solutions. Building bridges between these groups, learning from the successes and failures from international peers, and inspiring new ideas is critical to solving the jobs challenge.

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