

Recommendations for the Entrepreneurship 2020 Act

This document is intended to demonstrate that it is of prime importance to foster, through high emphasis in the Entrepreneurship 2020 Act, the creation and the continuous support of Junior Enterprises, federated in JADE network, within European universities.

1. Background

In March 2012, DG Enterprise published a research on the effects of entrepreneurship education in higher education. This research is very important since in Europe, very few studies have been done in that field until today. It sheds light on the impressive impact of entrepreneurship education on entrepreneurship key competences, intentions towards entrepreneurship, employability of students and society and economy as a whole.

However, the conclusions of the research fail to insist on one of its major outcomes: the much higher impact that Junior Enterprises have on the key areas considered, in comparison with entrepreneurship curricula taught at universities. Only two lines are included about it in the policy recommendations: *“Learning by doing should be an important part of the training. JADE alumni score better in many aspects. This supports the importance of including practical training in the education programmes (p.18)”*. In addition, Junior Enterprises are not explicitly mentioned.

Further in the research, it is mentioned that *“The demand for entrepreneurial learning has been and is still steadily increasing. However, there are a number of obstacles hindering the implementation of entrepreneurship education. For one, there is a shortage of human resources and funding for this type of education; therefore it is not possible to meet this demand fully. Action-oriented teaching is labour-intensive and costly, and requires specific training. (p.23)”*

Not only entrepreneurship curricula have a lower impact than Junior Enterprises, but they also cost substantial money and human resources, that universities seem to find difficult to obtain.

Junior Enterprises, on the other hand, are not only more efficient but also do not require funds or additional human resources: although Junior Enterprises often receive an agreed financial support of a couple hundred euros from the university at their beginnings, they generate turnover and therefore become financially independent. Although Junior Entrepreneurs often benefit from voluntary support of some of their teachers to guide them and support them, the university does not need to find additional human resources to train the students in order to support their entrepreneurial venture.

The reason for that is that for forty-five years, JADE network has developed a highly structured and high-quality knowledge transfer system, where trainings and practical implementation of learning are at the root of everything. This knowledge system has been fed by benchmarking campaigns in fifteen different countries and has been supported, advised and fine-tuned by highly recognized companies and organizations such as Microsoft, Google, IBM, BNP Paribas, ING, PwC, KPMG, Alten, Altran, Oracle, Baker & McKenzie, Bayer, Mercedes Benz Technology, Ernst & Young, Podio, Viadeo, Oseo, Volkswagen Consulting, T-Mobile, Accenture, Avis, Vistaprint, TiE, HUB, EILL, EUROCHAMBRES.

To explain the lower results of entrepreneurship curricula, one could invoke the lack of practical experience and therefore deduce that the best solution to implement is to include more practical experience in entrepreneurship curricula at university. However, the March 2012 European Commission research specifies that “most of the entrepreneurship programmes in the higher education institutions are less than ten years old.” (p.19).

Having observed that JADE’s training system has received thousands of inputs over the course of forty-five years and has been constantly improved through within-network benchmarking and external advice from some of the most recognized organisations in the world, one can easily understand that the difference in results is not only the product of lack of practical experience within the curriculum, but also of lack of experience of the curriculum itself. This is why we consider valid to analyse organizations such as JADE, which is recognized by the 2006 Oslo agenda as a best practice for bridging the gap between university and business.

2. Recommendations

In the current draft version of the Entrepreneurship 2020 Act, no emphasis is put on the importance of entrepreneurial hands-on experience in higher education. It is only mentioned that pupils should have an entrepreneurial experience before leaving secondary school:

“4. Action Pillar 2 – Young people – the entrepreneurs of the future

[...]

Ensure for all young people to have gone at least once through an “entrepreneurial experience” before they leave secondary school. An entrepreneurial experience is a practical, hands-on experience like running a mini-company, being responsible for an innovative or entrepreneurial project for a company, for a social project or for the local community through which young people can learn the relevant skills (responsibility, creativity, risk assessment and management, project management, negotiation, teamwork, staff management etc.).”

So far, the Entrepreneurship 2020 Act is failing to insist on the importance for students to have an entrepreneurial experience in higher education, where they can emulate more directly and realistically what they will do once on the labour market since they have gained more skills since primary/secondary school and are already getting specific knowledge about their future job,.

It also omits to urge governments to turn themselves to existing organisations, such as JADE, that have been proven successful in producing highly skilled, competent graduates ready for the demands of the labour markets and consider them as an addition or alternative for stimulating this entrepreneurial mindset. That would potentially save considerable time and money spent on creating hands-on experience programmes, training new human resources and ensuring continuous supervision of the educational programmes and reallocating the resources where needed.

JADE is urging the European Commission to include, in point “4. Action Pillar 2” of the Entrepreneurship 2020 Act, specifications about how entrepreneurial experiences in higher education are important and how governments could satisfy this need for entrepreneurial experiences by supporting the Junior Enterprise model to guarantee all initiatives to be quickly implementable, high-quality and cost and human resource-efficient.

Annex: main outcomes of the [March 2012 European Commission research on effect and impact of entrepreneurship education in higher education.](#)

Caption:

- Best result
- Medium result
- Lowest result

[NEG] Negative factor (for which the lowest numbers are the best results)

1. Junior Enterprises are the best way to gain entrepreneurial attitudes, skills and knowledge

Note: the average age for the control group was 34, entrepreneurship curriculum alumni was 32 and JADE alumni was 28. It can be expected that the skills and knowledge of JADE alumni will be even higher when they reach the age of 32 and then 34. However there is no statistical evidence of this assumption.

Impact on entrepreneurial attitudes	Control	Entr. curriculum	JADE
Risk propensity	3.4	3.7	3.8
Need for achievement	4	4.1	4.4
Self-efficacy	4.2	4.3	4.3
Structural behaviour	4.2	4.2	4.1
Consider themselves slightly or very entrepreneurial	78%	91%	97%

Impact on entrepreneurial skills	Control	Entr. curriculum	JADE
Creativity	3.95	4.1	4.05
Analysing	4.05	4.1	4.15
Motivating	3.7	3.9	3.95
Networking	3.6	3.8	3.9
Adaptability	3.95	4.05	4.1

Impact on entrepreneurial knowledge	Control	Entr. curriculum	JADE
Knowledge of entrepreneurship	3.5	3.9	3.95

2. Junior Enterprises are the best way to generate more association and voluntary work

Impact on volunteer and association work	Control	Entr. curriculum	JADE
I want to contribute to organisational activities when I am a member of a club	41%	48%	74%
Voluntary work experiences	38%	39%	53%
Non-commercial project initiatives	38%	49%	58%

3. Junior Enterprises are the best way to generate entrepreneurs

Impact on intentions towards entrepreneurship

Preference for self-employment	42%	55%	57%
[NEG] Self-employment by avoidance of paid employment (push factors)	15,50%	11%	5,50%
Self-employment to realize a business opportunity (pull factors)	61%	68%	68%
Thinking about starting a business in the next ten years	24%	39%	57%
(Very) likely to start a business in the next ten years	10%	16%	25%
Very likely, likely or possible to start a business in the next ten years	41%	55%	65%
Intentions towards entrepreneurship	2.8	3.4	3.6

Impact on self-employment and business creation

Currently self-employed	10%	16%	16%
Entrepreneurs	3%	8%	9%
Date of starting first business	2.8y after graduation	0.7y before graduation	0.7y before graduation

Impact on growth of created companies

Annual turnover growth	86%	104%	167%
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Impact on job creation of created companies	Control	EE curricula	JADE
Average number of full-time jobs created	4.0	4.2	5.4
Annual employee growth	52%	62%	72%

Impact on innovation of created companies

Introduction of new or improved processes (level of innovation)	51%	65%	40%
Introduction of new or improved goods or services (level of innovation)	58%	68%	44%
Introduction of new or improved forms of organisation, business structures or practices	51%	65%	56%

Note: JADE became aware a number of years ago that innovation was its main weakness. Therefore it has implemented several initiatives at local, national and European level, such as innovation labels and innovation labs with different private partners such as Microsoft and Google, which are intended to bridge this gap in the coming years.

4. Junior Enterprises are the best way to make students more and better employable

Impact on employment

First period of employment directly after graduation	59%	66%	78%
[NEG] One period of unemployment	22%	19%	11%
[NEG] More than one period of unemployment	8%	6%	1%

Impact of quality of job obtained

Able to display creativity and new ideas in current job	93%	96%	97%
[NEG] Income below national average	22%	18%	17%
Income above national average	55%	58%	65%
Income two times or more above national average	17%	18%	27%

Impact on mobility of jobs obtained

I have worked abroad for 2 years or less	18%	23%	40%
I have work abroad for more than 2 years	16%	11%	14%