



Breeding More Gazelles: The Role of European Universities

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In 2000, the European Council, at its Lisbon meeting, set the objective of transforming the EU into “the most competitive and dynamic knowledge-based economy in the world” by 2010. To achieve these goals, entrepreneurship and innovation are essential – they are the engines of growth and job creation. Many programs and initiatives to promote entrepreneurship have been launched in the past several years, however, where are the European “gazelles”? Certainly high growth companies do not appear out of nowhere. The seeds must be planted at an early stage with continual exposure to entrepreneurship and innovation. The educational process is critical.

Education plays an essential role in shaping attitudes, skills and culture – from the primary level up. The earlier and more widespread the exposure to entrepreneurship and innovation, the more likely it is that students will consider becoming entrepreneurs in the future. European universities must play a key role in promoting entrepreneurship and innovation, helping students learn not just how to start, but also how to grow, enterprises.

A widely used definition developed by Harvard Business School Professor Howard Stevenson states that “entrepreneurship is the pursuit of opportunities beyond the resources you currently control”. Entrepreneurship is not, as commonly assumed in Europe, necessarily about small and medium sized companies (SMEs). It is about growth, creativity and innovation. Innovative entrepreneurs come in all shapes and forms. They start companies, they spin out companies from universities or corporations, they restructure companies in need of refocusing, they innovate within larger organizations. Usually they share a primary objective – growth.

Survey & Research Results

Over the years, the European Foundation for Entrepreneurship (EFER) has conducted many surveys and research on the entrepreneurship education and research in Europe. Recently, EFER conducted a joint survey with the European Foundation for Management Development (efmd). The goals of the survey were to gain a perspective on the level and growth of entrepreneurship education in Europe, identify trends and understand the training and development needs of faculty teaching entrepreneurship. The results were used as a basis of comparison to other recent surveys and research conducted in Europe and the U.S. The following paper outlines EFER’s conclusions.

The EFER/efmd survey, which was answered by 240 teachers of entrepreneurship in Europe, showed that entrepreneurship education in Europe has grown significantly in the past five years and strong growth is expected in the next five. However, more needs to be done, particularly in the following areas: curriculum development, creating a critical mass of entrepreneurship teachers, funding entrepreneurship, cross-border faculty and research collaborations and facilitation of spin outs from technical and scientific institutions.

Curriculum Development

- Entrepreneurship remains primarily elective at European universities. It also tends to be offered in stand alone courses, rather than being integrated across the curriculum.
- There is too much focus on the start-up phase. Students need to learn how to manage and grow enterprises, not just how to start them. Researchers need to monitor the broader trends and forms of entrepreneurship.
- Case studies and other interactive pedagogy are under utilized, as is the inclusion of business people and entrepreneurs in the classroom.

Creating a Critical Mass of Entrepreneurship Teachers

- While there has been an increasing number of entrepreneurship faculty at institutions across Europe, there are still not enough to meet the demand.
- Many European faculty are part-time or visiting lecturers. These teachers will not have the same incentives as dedicated entrepreneurship faculty to “push the envelope” in developing entrepreneurship materials and courses.
- Europe lags the U.S. by a factor of four in terms of Chairs. According to a recent Kauffman Foundation study, there are currently more than 400 Chairs of Entrepreneurship in the U.S. In Europe, the figure is closer to 100.
- When comparing the total number of entrepreneurship faculty, the gap widens further, with the shortage estimated at approximately 500.
- Survey respondents indicated a need for training programs and workshops in areas such as case method teaching and other action-oriented innovative approaches.

Funding Entrepreneurship

- There are currently well over 100 Centers of Entrepreneurship in Europe, however, they range in size and scope.
- Most are connected to universities, but some are stand-alone centers collaborating with universities and businesses in the local area.
- The funding sources of the Centers, as well as the Entrepreneurship Chairs/Professorships vary. Governments figure prominently as do companies, foundations and the universities themselves.
- In the U.S., individuals, usually successful entrepreneurs seeking to “give back” to their alma maters, are the main sources of funding for Entrepreneurship Chairs and Centers. According to the Kauffman Foundation, this amount is approximately one billion dollars.
- In Europe, this is rare. In general, Europeans do not feel strong ties to their own universities, which are still seen as the realm of governments, and certainly there have not yet been enough successful entrepreneurs capable of giving back at that level.

Cross-border Faculty and Research Collaborations

- The survey highlighted a strong need for more faculty collaboration, exchanges and research across borders. Currently, networks between faculty teaching entrepreneurs across Europe are limited.
- Most of the survey respondents, 90%, indicated that they work at academic institutions in their home country and less than 20% spend time teaching outside of the country.
- Innovative teaching approaches are being tested throughout Europe, however, there has been little sharing of these practices across borders.

Spin-outs from Technical & Scientific Institutions

- Given the excellence of technical and scientific training in Europe, there needs to be more focus on technology transfer and the commercialization of innovative technologies.
- A handful of European institutions have been proactive in this area, however, more can be done in encouraging links between academia and the private sector as well as the sharing of best technology transfer practices.

Recommendations

Europe is behind in entrepreneurship education. A greater critical mass of entrepreneurship faculty, research and course material is needed to help spur innovation and entrepreneurship in Europe and achieve the goals set out in the Lisbon Agenda.

Universities should formalize entrepreneurship as an important part of the curriculum:

- Make entrepreneurship a required course
- Integrate entrepreneurship topics across other courses
- Focus on all of the entrepreneurial growth phases not just the start-up phase
- Establish better links with business and entrepreneurs
- Support workshops and training programs for faculty teaching entrepreneurship
- Encourage the sharing of good practice across their own institution as well as with other institutions

Policy makers should facilitate efforts to increase entrepreneurship education in Europe:

- Provide support for training of teachers in entrepreneurship
- Facilitate the sharing of good practice in entrepreneurship education
- Support the creation of networks and faculty exchanges across national borders, leveraging programs like Socrates (launched by the EU to facilitate student exchanges between universities, could be expanded and/or used as a model for faculty exchanges)

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About EFER

The European Foundation for Entrepreneurship Research (EFER) fosters and promotes research and teaching in the field of entrepreneurship at institutions of higher education across Western and Eastern Europe. EFER was founded in 1987 by Harvard Business School alumnus, Dr. Bert Twaalfhoven, experienced entrepreneur and long-time promoter of entrepreneurship in Europe. Since it was founded, EFER has conducted research studies comparing entrepreneurship in the U.S. and Europe and generated support for 50 European case studies. EFER initiated “Teach-The-Teachers” program in the early 1990’s. Through these programs, EFER has focused on building linkages between academia and students in Eastern and Western Europe. To date, EFER has held 15 conferences, over 80 lectures and 4 training programs for teachers of entrepreneurship. For further information see: www.efer.nl