

Challenges for the development of entrepreneurial university programs and ecosystems in Mexico

CALDERA-GONZÁLEZ, Diana del Consuelo*†, LEÓN-PÉREZ, Stephanie and SÁNCHEZ-RAMOS, Ma. Eugenia

Universidad de Guanajuato. Av. Benito Juárez 77, Zona Centro, 36000 Guanajuato, Gto.

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Abstract

A youth employment crisis exists in the world since at least 5 years ago, (ILO, 2012). To face this crisis, Universities have designed strategies to counteract this situation, since many of the young unemployed are newly graduated professionals. The objective of this work is to analyze the strategies adopted by universities to address youth unemployment, specifically programs and ecosystems of entrepreneurship, to identify challenges for the effective implementation of those strategies in the Mexican context. It is a documentary research with a descriptive approach, whose conclusions highlight three fundamental challenges: a) lack of entrepreneurial culture; b) the disarticulation of Government-University-Enterprise-Community; and c) lack of motivation and financing for entrepreneurship.

University, Youth, Unemployment and Entrepreneurship

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* Correspondence to Author (email: dccaldera@ugto.mx)

† Researcher contributing first author.

1. Introduction

At the moment different proposals have come from the Universities to face one of the main social problems: youth unemployment¹ already considered as a worldwide phenomenon due to the exorbitant figures it has achieved. Among those affected are university graduates, which is why the International Labor Organization (ILO, 2012) considers that this unemployment situation among university students contradicts the assumption that higher education increases the possibility of obtaining employment.

In this order of ideas, this work is proposed to reflect on two initiatives that have been implemented by some public Universities worldwide. On the one hand, the generation of university entrepreneurship programs, and on the other, the design of an entrepreneurial ecosystem. Both initiatives are aimed at the generation of job placement alternatives for university graduates as well as the generation of jobs (direct and indirect) that have a positive impact on economic and social development and growth.

1.1 Problem. Youth unemployment

In 2015 two out of five young people were² economically active who were unemployed (ILO, 2015). In this context, having few alternatives for employment, young people have decided to accept low-paid jobs or jobs that are not related to what they studied, which undermines their professional training at the University. The global youth unemployment rate in 2015 was 12.9 percent, and 13.1 percent in 2016, and it is considered that it will remain at this level during 2017 (ILO, 2016). Among those affected, there are young people with university degrees.

Under this scenario, universities have adopted strategies to address the current phenomenon of youth unemployment, focused on the promotion of entrepreneurial activity.ⁿ The reasons for developing entrepreneurship in Universities are: a) business culture is fostered, which impacts on economic growth by generating opportunities and jobs; b) new attitudes are generated before entrepreneurship (motivation), c) individual and professional development is encouraged, and d) students are prepared for the labor market conditions they will face (Reyes, 2012).

In this way, entrepreneurship from the University encourages young people to generate their own alternatives for employment and gives them tools to deal with the so-called "youth employment crisis". As stated by Romero & Milone, (2016), "Educational institutions have the obligation to continue supporting and encouraging young people to cultivate and manage an entrepreneurial spirit full of effort and determination" (p.105), which will impact on the local and regional development.

1.2. Hypotesis

1. Entrepreneurial programs and ecosystems are an alternative to lessen the effects of the youth employment crisis.
2. The lack of entrepreneurial culture in Mexico inhibits the success of entrepreneurship programs.
3. Ecosystems and entrepreneurship programs are facilitators for the development and competitiveness of countries.

¹ Is considered unemployed when the person who: "a) did not work in the reference period, b) were available for work, if they had been offered a job in the week before the reference period, and c) had been actively looking for work during at least 30 days" (ILO, 2015, p.34).

² According to the ILO (2015), young person is defined as the person between 15 and 24 years of age.

1.3. Objectives

1.3.1. General objective

Analyze two of the strategies adopted by the Universities to address youth unemployment (the university entrepreneurship program and the entrepreneurship ecosystem), to identify the challenges and opportunities for their effective implementation in the Mexican context.

1.3.2. Specific objectives

- Define an entrepreneurial ecosystem and what are its essential characteristics.
- Describe the relationship between entrepreneurship programs and entrepreneurial ecosystems.
- Locate the challenges to create effective entrepreneurship programs and ecosystems for the benefit of university students.

2. Theoretical framework

2.1. Entrepreneurship in Mexico

According to the Global Entrepreneurship Monitor (GEM, for its acronym in English), Mexico has an average rate of early entrepreneur activity (TEA by its acronym in English) of 21% and the main reason why the Mexican population decides to undertake It is because you have identified a business opportunity; and the main activity in which Mexicans decide to undertake is in wholesale and retail trade, followed by manufacturing services (GEM, 2015). In Mexico, the TEA in the young population between 18 and 24 years is 12.7 and within the ranking of government policies focused on the promotion of new ventures, our country ranks number 15 of the 62 economies that takes into account the study, which It is logical when we analyze that, within the ranking of business education, Mexico ranks 45 out of the 62 economies that comprise the GEM (GEM, 2015).

These data guide us about the low entrepreneurial density that exists in our country, coupled with the lack of entrepreneurial education and a favorable environment for the development of this activity.

2.2. Entrepreneurship in Universities

Given the problem of youth unemployment, entrepreneurship has taken a greater boom in recent years, since "the creation of companies by young people is one of the possible solutions to overcome the problem of lack of jobs" (Blanchflower & Meyer, 1994, cited in Blanco et al., 2012, p.23).

Undoubtedly, government policies focused on the promotion of new ventures are an essential factor for the start-up and permanence of these. There is another nodal issue in this respect, and it is the one referring to business education. This is considered as "the extent to which training in the creation or management of Small and Medium Enterprises (SMEs) is incorporated into the education and training system at all levels through two channels: a) business education in basic school (primary and secondary) and b) business education in the post-secondary levels (higher education, as a professional, university, business schools, etc.)" (GEM, 2016).

In fact, literature tells us that business education should start at an early age and in universities should be where you put the knowledge and tools necessary to evaluate and operate a business (Romero & Milone, 2016).

2.3. University entrepreneurship programs and ecosystems

Entrepreneurship program

The general objective of a university entrepreneurship program is to introduce students to an alternative labor insertion, through the development and implementation of their idea. For this the student will receive a set of tools to develop their skills as an entrepreneur. According to Rodríguez (2010), the key competences of the entrepreneur are: leadership and managerial skills; new sustainable business models; training in finance management, marketing, internationalization and foreign trade.

Following León & Caldera (2016, p.1294), "the importance of entrepreneurship programs lies in the fact that they are the preamble for the development of university ecosystems for entrepreneurship, so Universities should consider the implementation of entrepreneurship programs as strategies of labor insertion for their graduates, which allows them to respond to the new needs that society presents, thereby fulfilling the social function they have, as well as the contribution to regional and national development.

The ability to contribute to the development and competitiveness of nations, is the attribute that has the entrepreneurial activity that most encourages the bleak situation facing young people today. In general, the process of an entrepreneurship program is in three stages, in the first through activities such as courses and workshops where it is intended to provide students with entrepreneurial skills; in the second the student makes use of these competences to elaborate his business plan; and in the third, the student starts his project and the University provides a follow-up, since it is not only about creating organizations but also making them stay, develop and grow.

Entrepreneurship programs have been adopted by various universities to support students in the face of high levels of unemployment, however, not only universities have identified this strategy that, besides generating benefits for university graduates, contributes to society in general, but also the government is the one that has implemented among its policies the promotion of entrepreneurship.

In Mexico we can speak of the National Institute of the Entrepreneur (INADEM) which is "a decentralized administrative body of the Ministry of Economy (SE) that aims to implement, implement and coordinate the national policy of support to entrepreneurs" (INADEM, 2017a). Among the programs that INADEM has, the national entrepreneur's fund stands out, whose objective is "to encourage national, regional and sectoral economic growth, by promoting productivity and innovation in micro, small and medium-sized enterprises located in strategic sectors" (INADEM, 2017b). This fund is aimed at the creation of new companies.

This institute is strategic for the economy of the country, since it is considered that thanks to it, the TEA in Mexico has increased in recent years, being that of 2016 one of the highest in history (ILO, 2016).

Entrepreneurship ecosystem

The term ecosystem began to be used in the field of business with "the work of James Moore (1993), *Predators and Prey: a new ecology of competition*, published by the Harvard Business Review, which defined the ecosystem of business as a space of interconnection and mutual dependence between economic agents, whose collective health was essential for the success and survival of organizations "(Auletta & Rivera, 2011, p.13).

Then, it can be deduced that an entrepreneurial ecosystem is a determined and dynamic space in which different actors converge who promote, accompany and develop business ideas so that they become successful companies. Thus, following Torres (2015) is sought through the coordination or synergy of these actors the creation of companies, the generation of employment, increased competitiveness and / or productivity, economic growth, generation of added value, development regional growth and the gross domestic product (GDP).

For an enterprise to emerge and be maintained, it is necessary to consider different domains that can facilitate or hinder its development.

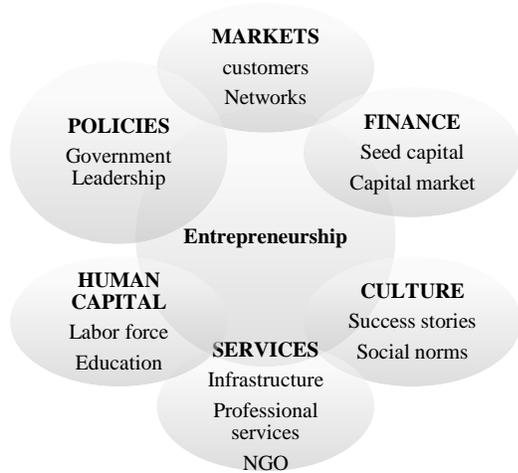


Figure 1 Domains of an entrepreneurship ecosystem (Isenberg, 2010)

It is called an ecosystem because it must function as an environment, allowing the survival of the entrepreneurial system through its relations with the different elements that make it up..

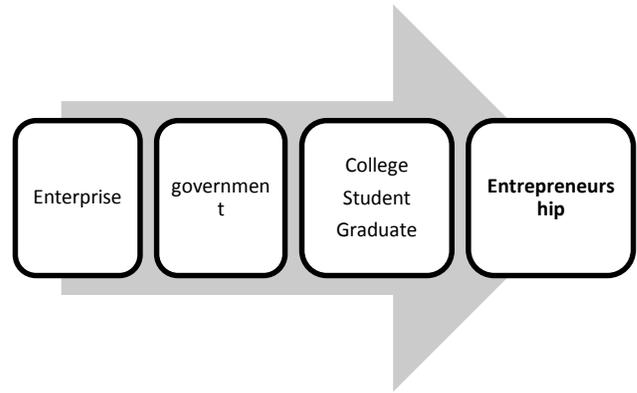


Figure 2 Ecosystem of entrepreneurship
Own elaboration

Mexico has a young entrepreneur ecosystem, but little by little it is maturing (Ville, in López, 2016; & Rumayor, in Sánchez, 2014). The above is mainly the result of the operation of INADEM, this body that through its alliances with individuals, governments and universities has left its mark on entrepreneurship in Mexico. In Mexico, the University that stands out with respect to its entrepreneurial ecosystem is the Monterrey Institute of Technology and Higher Education (ITESM), which, together with INADEM and the FEMSA Business Group, has signed several agreements highlighting the collaboration to update the study of strategic sectors in Mexico (ITESM, 2015).

It is worth mentioning that the exemplary start-up case that we have found in Mexico (ITESM) is a private institution with a business focus, which gives us some information about what has allowed it to shape the ecosystem.

3. Methodology

The present work is qualitative, based on a documental investigation of primary and secondary sources of information. The type of study is descriptive in scope and the design used is non-experimental.

4. Results

The creation of entrepreneurship programs and ecosystems represent alternatives to face the youth employment crisis; However, in order for these to be successful, they must be designed considering the potential of the local or regional conditions in which they are intended to develop. Diverse factors are involved for an effective entrepreneurship. There are exogenous and endogenous factors. Among the latter, the entrepreneur's capabilities and motivation stand out, and in the former, economic, social, cultural, political, environmental and technological aspects stand out.

Therefore, it is essential, in the design of any entrepreneurship program, that these factors be considered. After this and to facilitate the development of the entrepreneurship program, it is necessary to have an adequate ecosystem that makes the enterprise survive and grow, otherwise there will be no good results.

In the ecosystem, as mentioned above, three fundamental actors are generally considered: Government, University and Companies, which must, in turn, set in motion different strategies for the homeostasis of the system. We consider that these three actors need to add a fourth, which is the Community, defined as the client or the current or potential user. Among the strategies that stand out to make work the ecosystems of entrepreneurship stand out, according to Sanabria, Morales & Ortiz (2015):

1. Promotion of the entrepreneurial spirit
2. Skills training for entrepreneurship
3. Generation of entrepreneurship events
4. Unify criteria, concepts and discourses on entrepreneurship in the country
5. Development of the business culture
6. Create communities and business networks (productive chains and clusters)
7. Strengthening associative work
8. Facilitate access to capital (public) and credit for entrepreneurship networks
9. Standardization of information and requirements requested to access government resources
10. Reduction of procedures and costs for the formalization of new companies
11. Generation of guidance services for business formalization
12. Creation of means for the commercialization of products and services of entrepreneurs through the chambers of commerce
13. Protection, incentive and support for micro and small businesses
14. Creation of a national network and regional networks for entrepreneurship
15. Formulation of a national strategic plan for the development of entrepreneurship culture
16. Maintain entrepreneurship as a central theme in development plans, programs and projects

These strategies allow us to decipher some areas of opportunity that exist to strengthen entrepreneurial activity, for example, collaboration and articulation between the actors; the search for financing; and the promotion of education and entrepreneurial culture.

Thus, we find that the main challenges that stand out with respect to the success of the programs and the ecosystems of entrepreneurship are a) the lack of entrepreneurial culture; b) dismantling Government - University - Enterprise - Community; and c) the lack of motivation and financing for entrepreneurship.

5. Conclusions

One of the philosophical pillars of the University is to face the needs of society. In the current context, a pressing problem is unemployment, which is why it is considered essential to point out the importance that initiatives aimed at fostering entrepreneurship have taken from the University.

In emerging countries, the youth unemployment rate is expected to rise from 13.3 percent in 2015 to 13.7 percent in 2017 (a figure that corresponds to 53.5 million unemployed in 2017 compared to 52.9 million in 2015) (ILO, 2016). Thus, undoubtedly the entrepreneurship programs and the construction of entrepreneurship ecosystems are strategies adopted by the Universities to create job placement alternatives for their graduates and contribute to ending the employment crisis for young people, who represent one of the groups with higher unemployment rates, especially in developing countries.

It should be noted that "The main objective of entrepreneurship is to encourage entrepreneurship" (Palomares & Cisvert, 2014, p. 208), and that "Entrepreneurship is innovation, therefore, the quadripartite integration between University, Government, Community and Companies from the environment are essential to construct cooperative scenarios capable of generating multiple productive alternatives through different business models [...]" (Salinas & Osorio, 2012, p. 134).

An entrepreneurship program differs to the entrepreneurship ecosystem mainly in the participating subjects. In the first, the University is the only one interested in promoting entrepreneurial activity, while in the ecosystem of entrepreneurship the private initiative, the government and the community are added.

As stated in past research (León & Caldera, 2016), entrepreneurship programs are the preamble for the creation of entrepreneurship ecosystems, which is why it is necessary to raise awareness about the benefits of this type of initiative, not only in the speech, but also in practice. In addition, we must consider that "university education and professional experience facilitate the entrepreneurial attitude" (Romero & Milone, 2016, p.105).

Currently in various countries and in all sectors of society, there is interest in promoting entrepreneurial activity in young people, since as mentioned in the first lines of this work, the figures regarding youth unemployment and unworthy work in the world they are alarming. It is encouraging then to consider that "Entrepreneurship is inherent to the potential of human development and responds to the need for meaning" (Enciso, 2010, p.68).

In the Mexican context we find few consolidated initiatives of entrepreneurship from the Universities, and as previously noted, business education is low compared to other countries. Therefore, it should not surprise us that there are still no successful strategies focused on the training of entrepreneurs in Public Universities of Mexico.

The Technological Institute of Superior Studies of Monterrey [ITESM] is the main Mexican University that stands out in university entrepreneurship issues, without mentioning that it is an important part of the GEM when participating in the elaboration of the reports for Mexico, however few are the young people They can and will have access to their entrepreneurial initiatives, and this is because it is a private university and the costs for a citizen with average income are very high.

In this tenor, undoubtedly, one of the challenges for Mexican Universities, especially public ones, is to create synergies that allow establishing and operating entrepreneurship programs that make it possible to form an ecosystem of university entrepreneurship. It is necessary to take advantage of what already exists, for example the role of INADEM in this formation, as well as the interest of some companies in generating strategic alliances with institutions of higher education.

Another important challenge is the promotion of entrepreneurial education, since it can be considered as a prerequisite for the success of a program and an entrepreneurial ecosystem. The comprehensive training of university students should not be overlooked in the design of these strategies, otherwise, a space for entrepreneurship can be created without young people with a real spirit and vocation to undertake.

Finally it is necessary to mention that as in any ecosystem there are predators and prey, for which it is necessary a collaborative work and of alliance between the entrepreneurs and the actors interrelated with them, otherwise, it will not be successful; also, if you want to promote entrepreneurship from the University, it is necessary that there is communion on the subject, and that not only try to train students, but that a real entrepreneurial spirit prevails inside those who integrate the University.

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