

Second Forum of the
Alliance of Entrepreneurial Universities in Africa

On

***Theme: Advancing Entrepreneurship through
Education***

***Subtheme: “Towards one million start-ups and \$100
billion in revenues”***

Dates: 10-11 October 2023

Venue: UNCC, Addis Ababa, Ethiopia

1. Introduction

Can African universities inspire their communities of researchers, students and other staff to create business opportunities, social enterprises and innovation that can directly generate one million startups and \$100 billion in revenues? Do universities have adequate numbers of people in its community to meet such goals? More importantly, why should a university care about creating such opportunities which may entail extra efforts and expenses?

In general, the university community in Africa has over 15 million students enrolled even though different reports cite different numbers. One report suggested that the number of students enrolled in higher education in African increased from 3.53 million in 1999 to 9.54 million in 2012¹ while another suggests that “[a]cross the continent, approximately 9 million students are enrolled in the tertiary education sector”². Our estimate of 15 million is based on the fact that Egypt, Nigeria, Algeria, Morocco, South Africa and Ethiopia alone have about 9.3 million students enrolled in their universities.

Another seven countries have 2.3 million students enrolled at their universities: Kenya (562,000), Cameroon (350,000), Ghana (330,000), Angola (319,000), Tunisia (289,000), Senegal (260,000) and Tanzania (220,000) which brings the total for the 13 countries to about 11.6 million. With 41 countries yet to be counted, we estimate universities may have at least 15 million students, 1 million researchers and lecturers and another 1 million administrative and support staff. Bringing the total population of university communities in Africa to at least 17 million. That is comparable to a country with 30 million people – about 56% of the African population falls in the age range of 15-64 years (rivalling e.g., Ghana, Cameroon and Mozambique).

In addition, the number of students and researchers in universities are expected to continue to rise as demand remains unmet and population continues to rise. For instance, the number of universities has risen from about 784 in 2000 to 1,682 in 2018. Many existing universities have also continued to expand. During that time, the number of students per university has also grown. University of Nairobi, for instance, had 58,000 students in 2012 and 84,000 in 2022³, and that of University of Dar es salaam rose from 9635 in 2012/13⁴ to reach 39,958 students⁵. Growth is thus expected in both increased numbers of universities and increased number of students per university.

However, are there enough individuals to create 1 million jobs in a decade? The total early-stage entrepreneurial activity (TEA)⁶ rate for Africa ranges from about 24% for Togo to 4% for Morocco while that of business that has continued to pay wages after 42 months (i.e. Established Business Ownership [EBO]) range from 18% in Togo to 4% in Morocco.

¹ <https://www.qs.com/africas-higher-education-landscape/>

² <https://thedocs.worldbank.org/en/doc/764421611934520379-0090022021/original/OneAfricaTEandCovidupdated.pdf>

³ <https://www.universityworldnews.com/post.php?story=20120322111220280>

⁴ https://www.udsm.ac.tz/upload/20190112_022724_MAIN_CUSTOM_PAGEFacts%20and%20Figures.pdf

⁵ <https://www.udsm.ac.tz/web/index.php/about-us>

⁶ TEA = percentage of 18-64 population who are either a nascent entrepreneur or owner-manager of a new business” see <https://www.gemconsortium.org/reports/latest-global-report>

Therefore, with a population of 17 million aged between (15-64 years) this should easily create 0.8 - 1.7 million nascent businesses (at 6-10%) in 5 years or 3.4 million in 10 years. With the necessary support, universities should easily create at least 1 million formal firms with average revenues of at least \$10,000 a month or \$120,000, if the business has to employ just one graduate, support staff (which we conservatively round off to \$100 billion). As used here, 'easily' simply means the universities have the population to meet and exceed the goal and not necessarily that it will happen 'easily'. A \$100 billion is about 10% the GDP of Africa!

However, the Alliance of Entrepreneurial Universities in Africa can help in supercharging universities to meet this goal. First, there is a growing differentiation among universities. Some newer universities have embraced entrepreneurship very early. In Kenya, public universities such as Kenyatta University and Dedan Kimathi University of Technology as well as private universities such as Strathmore University have become key partners of private and public institutions seeking entrepreneurial opportunities or undertaking the promotion of entrepreneurship. Similar trend is observed in Ghana where the University of Cape Coast and Ashesi University are seen differently from traditional universities. For instance, the mission of Ashesi University is to "educate ethical, entrepreneurial leaders in Africa; to cultivate within students the critical thinking skills, the concern for others, and the courage it will take to transform the continent" and thus has partners with numerous private and public partners. The Alliance should ensure that embracing entrepreneurship is not left to a few university cases, if the continent has to benefit from its investment in students, researchers, lecturers and technicians, among others, in higher education.

There are many reasons why universities should embrace the innovation and entrepreneurship mission. The changing roles of the universities particularly in terms of public good and regional economic transformations and the importance of public-private partnerships for this purpose are being recognized worldwide and the African universities are fast adopting this transformation as well.

First, there is the direct benefit to the university in terms of wider partnerships with external entities that may make resources available for teaching and research with innovation outcomes which may improve the reputation and attract more investment from well-wishers and alumni. Second, there is the satisfaction and pride associated with contribution to the development of successful businesses that address Africa's needs and community leaders that transform cities, countries, and even the world. Finally, the influence that the university may wield directly and indirectly from its wider partners in national and international arena which could help universities to become the go-to-place for political, business and community leaders.

More importantly, entrepreneurial universities are also the best teaching and research universities in the world because they bring to class and laboratory the current real-world views and lessons. In part, entrepreneurial universities may have experts from industry, experienced government and civil society leaders within its teaching and research ranks, in addition to the startups and innovators showcasing and inspiring.

2. Need to transform universities to support entrepreneurship

Transforming universities to become entrepreneurial universities is neither easy nor without risk. In part, almost all staff at universities are employed for their excellence in teaching and

research rather than for their entrepreneurial passions, skills or knowledge. The same applies to selection of students, technical and administrative staff. Therefore, significant investment may be needed to support innovation and expose all staff and students to entrepreneurship. Like in any society, not all members of the university community may be interested in entrepreneurship nor wish to participate in entrepreneurial activities even if they support the mission, however, they could potentially contribute to significant innovative ideas. Some may develop the necessary skills and passion to meet the demands and sacrifices that entrepreneurial activities may impose. Growing this interested population will require deliberate steps in recruitment of future staff and selection of students.

The second challenge stems from the absence of incentives for entrepreneurship. Most of the incentives in universities are tailored to support excellence in teaching and research. One is likely to be promoted for publishing in top journals, supervising graduate students and participating in community outreach than in helping students register their start-ups, successfully licence research outputs or support a small business grow. Universities may wish to recognise innovation and entrepreneurial activities and reward them equally as they have done to research – a mission that was outside the university until recently.

The third stems from lack or inadequate internal processes for supporting, overseeing and continuous improvement of entrepreneurship. Universities have extensive institutional arrangements that oversee teaching and research missions such as those for teaching, curriculum development, quality assurance, examinations, infrastructure etc at all levels - department, school and university and everyone is represented – students as well as teaching, administrative and support staff. Universities may wish to work towards developing or suggesting arrangements to support entrepreneurship and also include elements of this in the educational curriculum.

The entrepreneurship mission should be treated in the same way as the teaching and research missions. All missions of the university are designed to empower current and future generations with the skills and knowledge needed for sustainable development. Universities rarely celebrate record profits but do celebrate performance of their students, researchers and members of the university as well as the impact their work is having on society. As such, entrepreneurship structures and units should not be measured against financial returns but rather their long-term impact. As such technology transfer programs¹, incubators and innovation hubs or design labs should be assessed on whether the services are “more effective at creating successful businesses”² those not supported.

To meet that call, ECA and with the support various governments supported surveys to assess the readiness of universities in Algeria, Ghana, Egypt, Ethiopia, Kenya, Rwanda and South Africa in terms of promotion and diffusion of the entrepreneurship mission. This activity was supported by various rounds of consultative meetings at national and continental level to share experiences and discuss the findings, which were well received by university and government officials. In March 2022, ECA, the Government of Rwanda and their partner countries and UN

¹ Abrams, I., Leung, G., and Stevens, A. (2009). How are U.S. Technology Transfer Offices Tasked and Motivated— Is It All About the Money? *Research Management Review*. 17.

² <https://www.kauffman.org/currents/are-incubators-beneficial-to-emerging-businesses/>

agencies launched the Alliance of Entrepreneurial Universities in Africa (AEU) during the Africa Regional Science, Technology and Innovation Forum 2022.

The overall goal of the Alliance is to **encourage universities to promote, nurture and drive entrepreneurship and business development within the institution, in the region and beyond**. Specifically, the Alliance promotes entrepreneurial initiatives of its members; sharing of experiences in entrepreneurship teaching, learning and research; encouraging excellence and competition in specific aspects relevant to entrepreneurship; and forging strategic partnerships with the local and international communities encourage collaborations in entrepreneurship development. The Alliance encourages member countries to set local networks to support the African Alliance in promoting entrepreneurial universities.

3. The Theme and Objectives of the Forum

3.1. The theme

Building on the discussion above, the main theme of the Forum is to encourage and support universities to put in place institutional arrangement that enable universities to promote ***“Entrepreneurship through Education”*** to create at least ***“one million startups and \$100 billion in revenues in a decade”*** from businesses inspired and supported by universities in Africa. This is not an impossible target for African universities with about 15 million students and more than two million researchers, lecturers and other staff members.

It will require universities to reposition themselves to become both partners of and go-to institutions for industry and government entities seeking long term partnership to address new and emerging challenges, provide solutions to current ones and anticipate problems and prepare for them before they emerge. This will require a strategic rethink of how university research is planned, entrepreneurship is promoted and engagement with external partners is organized and managed.

3.2. Objectives of the Forum

The overall objective of the Forum is to **encourage universities to promote, nurture and drive entrepreneurship and business development in teaching, research and outreach**. Specifically, the Forum will seek to showcase and generate alternative ways to:

- a) Advance the institutionalization of entrepreneurship in internal processes of the universities to ensure it is widely diffused into the university community.
- b) Recommend organizational structures and policies within the institutions for innovation promotion
- c) Broaden and enhance teaching and learning of entrepreneurship including curriculum designs
- d) Find ways of expanding external engagements and linkages that are sustainable, reliable and long-term.
- e) Bring public and private sector challenges and opportunities on the university agenda to find immediate and future solutions.
- f) Showcase excellence in promotion of entrepreneurship and stimulate the strategic partnerships with industry and government to address new and emerging challenges

- g) Build innovation and entrepreneurship support ecosystems internally and externally to meet national, regional and global development aspirations. This includes interlinking the various components or partners of the entire entrepreneurial ecosystem including vocational colleges.

4. Structure of the Forum

To meet the above objectives, the Forum will be composed of three main activities

4.1. Keynote addresses:

Keynote addresses will bring both African and regional perspectives on entrepreneurial universities, their organization and management, evolution over time and their place in the national innovation system. Keynote addresses will highlight areas where African universities will be needed to promote research, development, innovation and entrepreneurship to ensure Africa is not left behind.

4.2. Policy dialogues and discussions

Policy dialogues and discussions by university, industry and government leaders on driving broad-based partnerships and ecosystems that will drive entrepreneurship development in the region, country and continent. The dialogues will look at how to empower staff and students; support emerging entrepreneurs and encourage *intrapreneurship* in universities. Special panels of government and industrial leaders are also planned.

4.3. Showcasing and exhibitions

The Forum will also provide space for exhibitions, demonstrations and showcasing of technologies, enterprises and unique business models developed by student, researchers and teams linked to universities. Furthermore, universities could showcase their unique entrepreneurship support processes, mechanisms, infrastructure and investment as well as strategies and governance arrangement.

5. Format

The Forum will offer both physical and virtual participation (hybrid format). In addition, there is also a competition for student entrepreneurs. Facebook and YouTube channels will offer participants the opportunities to pitch, showcase and share short audiovisual exhibitions of their work, facilities, processes and services.

6. Participants:

The Forum is open to all member States of the United Nations with a special focus on leaders of industries, technology investors, university managers, heads of incubators and innovation hubs, students and researchers from R&D institutions. It will also bring members and supporters of the Alliance of Entrepreneurial Universities (AEU) in Africa and beyond.

7. Venue:

United Nations Conference Centre, Addis Ababa, Ethiopia

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