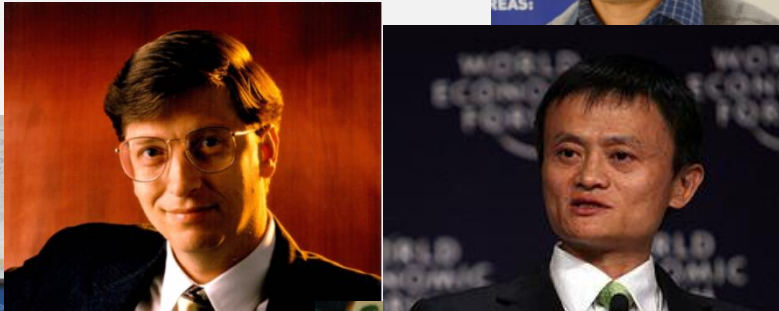




Generational Change in the World Environment

Dr. Jack M. Wilson
Distinguished Professor
of Higher Education, Emerging Technologies, and Innovation



Introduction

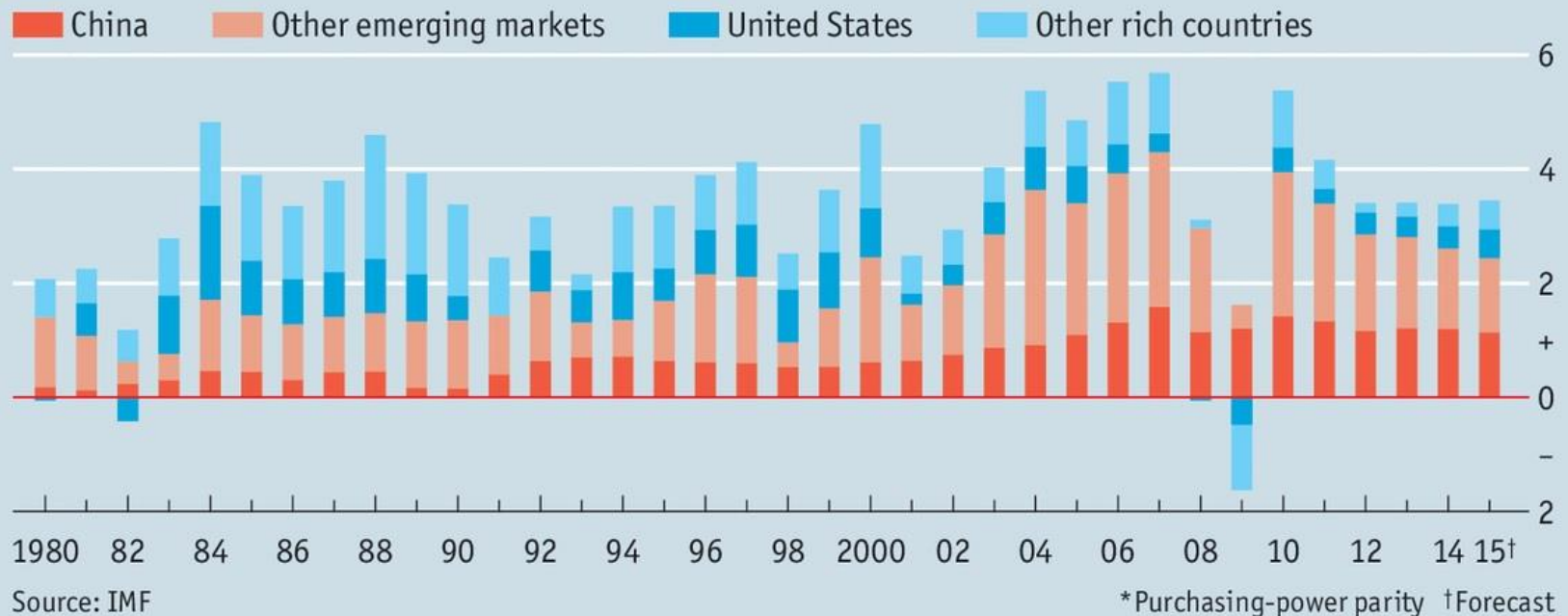
- The world has changed dramatically during the last two generations. Consider the many spectacular changes in the world from our parent's day through our lives.
 - A generation is considered to be 20-25 years.
 - We will use 50 years as the time to observe the major changes.
 - What has changed from 1965 to 2015
- We were deeply enmeshed in the war in Vietnam in 2015, and we have since seen two invasions of Iraq, one of Afghanistan, and remain mired in what most experts see as a war against terrorism that is destined to last for many more years.
- But war is probably NOT the major force that has changed the world during this time.

Growth in World GDP –China, US, Emerging Markets, Other Rich

- Over the last 35 years China and other emerging markets have begun to contribute the lion's share to growth of world GDP.
 - “Taking a Tumble;” The Economist; August 29, 2015
 - <http://www.economist.com/node/21662581>

Locomotives in new locations

Contribution to world GDP growth*, percentage points



Economist.com

Some of the major changes we have seen

- The European Union has created one of the worlds largest economic blocs consisting of nations that have warred upon one another for centuries.
 - The first steps were taken in 1957, but it took decades to put in place the mechanisms of trade and monetary policy.
 - The Euro was created in 1995, unifying the European Currency. Prior to that, from 1979, there existed a European Currency unit as an internal accounting unit.
 - In 2012-2015, there began to be some major strains in the Eurozone. Have a common currency without also having common fiscal policy was always viewed by economists and financial experts as a precarious situation.
 - Greece, and other Eurozone countries found themselves so deeply in debt that they were unable to pay off their debts. As a member of the Eurozone, Greece was not able to use the usual techniques for indebted nations.
 - Debtor nations can print more money, deflate its value and pay off the debts with cheap currency.
 - When that is not possible, then they can refuse to pay their debts (something like declaring bankruptcy) and then negotiate with their debtors to get them to accept less than the full value of the debt. (This is often called “giving the lenders a haircut.”).
 - The future of the Euro is a work in progress and many feel that unified fiscal policies would be needed to keep the Euro viable.

European Union

- Map as of 2007



Member states of the European Union (2007)

Candidate countries

Some of the major changes we have seen -2

- The Soviet Union has collapsed (December 25, 1991) leaving the core as Russia, and returning many historic eastern European, Baltic, and Central European countries to self government.

Post-soviet States

- 1. Armenia
- 2. Azerbaijan
- 3. Belarus
- 4. Estonia
- 5. Georgia
- 6. Kazakhstan
- 7. Kyrgyzstan
- 8. Latvia
- 9. Lithuania
- 10. Moldova
- 11. Russia
- 12. Tajikistan
- 13. Turkmenistan
- 14. Ukraine
- 15. Uzbekistan

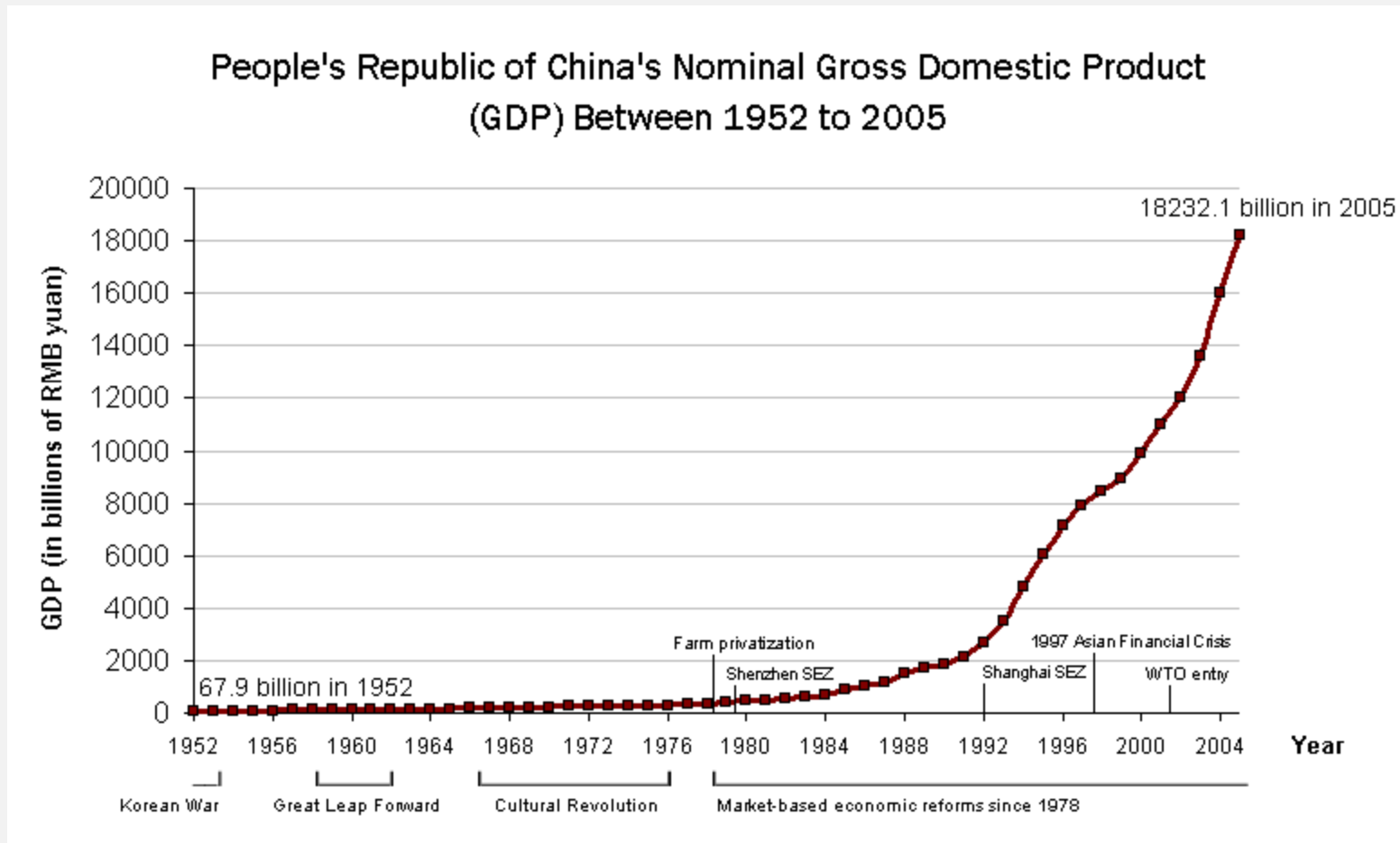


Some of the major changes we have seen -3

- China has liberalized its politics, regulatory framework, and economic system.
- Chinese economic reforms called "*Socialism with Chinese characteristics*" in the People's Republic of China (PRC)
 - was started in December 1978 by reformists within the Communist Party of China (CPC) led by Deng Xiaoping.
- The first stage, in the late 1970s and early 1980s, involved the de-collectivization of agriculture, the opening up of the country to foreign investment, and **permission for entrepreneurs** to start businesses. However, most industry remained state-owned.
- The second stage of reform, in the late 1980s and 1990s, involved the privatization and contracting out of much state-owned industry and the lifting of price controls, protectionist policies, and regulations, although state monopolies in sectors such as banking and petroleum remained.
- In 2015, Chinese growth slowed appreciably causing the government to undertake economic stimulus programs.

China

- China (http://en.wikipedia.org/wiki/Chinese_economic_reform)



China (<http://www.ezilon.com/maps/asia/china-maps.html>)



Economies of South, East, and South East Asia

(http://en.wikipedia.org/wiki/Economy_of_Asia)

Country or territory	GDP nominal millions of USD	Sort by per Capita GDP (PPP) Country or territory	GDP PPP per capita USD
China (PRC)	9,181.4	Singapore	64,584
Japan	4,901.5	Macau SAR of China	59,451
India	1,870.7	Brunei	53,431
South Korea	1,221.8	Hong Kong SAR of China	52,722
Indonesia	870.3	Taiwan	39,767
Taiwan	489.2	Japan	36,899
Thailand	387.2	South Korea	33,189
Malaysia	312.4	East Timor	21,705
Singapore	295.7	Malaysia	17,748
Hong Kong SAR of China	273.7	Thailand	9,874
Philippines	272.0	China (PRC)	9,844
Pakistan	238.7	Maldives	9,173
Vietnam	170.6	Philippines	6,597
Bangladesh	161.8	Sri Lanka	6,531
Sri Lanka	65.8	Bhutan	6,370
Burma	56.4	Mongolia	5,885
North Korea	28.0	Indonesia	5,214
Macau SAR of China	22.1	India	4,077
Afghanistan	20.7	Vietnam	4,012
Nepal	19.3	Bangladesh	3,167
Brunei	16.2	Pakistan	3,149
Papua New Guinea	16.0	Laos	3,068
Cambodia	15.7	Papua New Guinea	2,834
Mongolia	11.5	Cambodia	2,576
Laos	10.0	North Korea	1,900
East Timor	6.1	Burma	1,739
Maldives	2.3	Nepal	1,508
Bhutan	2.0	Afghanistan	1,150

West Asia

Country or territory	GDP nominal millions of USD	GDP PPP per capita USD
Turkey	827.209	15,353
Saudi Arabia	745.273	31,245
United Arab Emirates	396.235	30,122
Iran	366.259	12,264
Israel	291.500	34,770
Iraq	229.327	7,391
Qatar	202.651	98,814
Kuwait	185.319	39,706
Oman	80.571	29,813
Azerbaijan	73.537	11,044
Syria	59.633	5,108
Lebanon	44.318	14,845
Yemen	39.152	2,316
Jordan	33.860	6,115
Bahrain	32.215	34,584
Cyprus	21.827	25,265
Georgia	16.162	6,145
Armenia	10.547	6,191

Central Asia

Country or territory	GDP nominal millions of USD	GDP PPP per capita USD
Kazakhstan	220.347	14,391
Uzbekistan	56.476	3,762
Turkmenistan	40.569	9,510
Tajikistan	8.497	2,354
Kyrgyzstan	7.225	2,611

Some of the major changes we have seen -4

Latin America –led by Brazil –has seen strong economic growth.

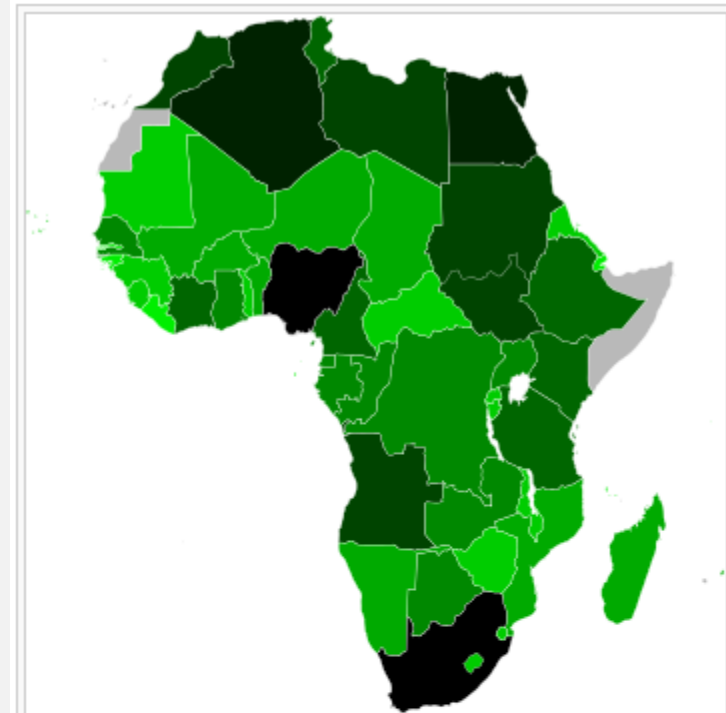


Some of the major changes we have seen -5

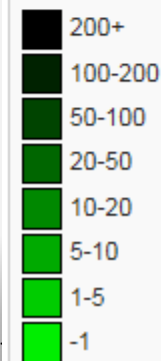
- South Africa has overcome apartheid and grown to lead African Economic Development.
- Egypt experienced what many called “the Arab Spring” as they overthrew the long term government of Hosni Mubarek in 2011. Later elections in 2012 brought Mohammed Morsi to power. After he issued edicts placing himself above the law, he was forced to rescind those edicts and eventually removed from power by the military in July 2013.
- Other North Africa Countries such as Libya and Tunisia (where the Arab spring began in 2010) saw changes in Government and instability.
- Political instability has been a major challenge for economic development throughout Africa -with much of that due to the struggle for power between Islamic and non-Islamic groups.

African Economic Development

- http://en.wikipedia.org/wiki/Economy_of_Africa
- The unevenness of African development and the instability of governments, particularly in the north (the Maghreb), is a major challenge to economic development.



National GDP per capita ranges from wealthier countries the north and south to poorer states in the east. These nominal GDP figures from the World Bank (2008) are converted to billions of US dollars.



Africa –largest GDP

Country	Total GDP (nominal) (billion US\$)	GDP per capita (US\$, PPP)	GDP Growth (%), 2007-2011
Nigeria (2013)	509.9	5,863	6.8
South Africa	408.2	11,035	2.7
Egypt	229.5	6,324	5.2
Algeria	188.7	8,715	2.7
Angola	101.0	5,930	9.1
Morocco	100.2	4,986	4.3
Libya (2009)	62.4	16,855	4.0
Sudan	55.1	2,141	4.1
Tunisia	45.9	9,415	3.0
Ghana	39.2	1,884	8.3
Kenya	33.6	1,718	4.2
Ethiopia	31.7	1,116	9.7
Cameroon	25.5	2,383	3.1
Ivory Coast	24.1	1,803	1.1
Tanzania	23.7	1,521	6.8
Equatorial Guinea	19.8	36,515	8.8
Zambia	19.2	1,623	6.4
Botswana	17.6	14,753	3.0
Gabon	17.1	15,960	3.6
Uganda	16.8	1,354	7.4
Réunion (France)	16.0	8,233	
Democratic Republic of the Congo	15.6	375	5.9
Congo	14.7	4,429	4.9
Senegal	14.3	1,981	3.5
Mozambique	12.8	982	6.9
Namibia	12.3	6,826	3.7
Mauritius	11.3	14,523	4.5
Mali	10.6	1,099	4.5
Burkina Faso	10.2	1,310	4.9
Madagascar	9.9	972	2.3
Zimbabwe	9.9 (N/A)		0.6

Worlds largest markets ([http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal)))

List by the International Monetary Fund (2014)

Rank ↕	Country/Region ↕	GDP (Millions of US\$) ↕			
	<i>World</i>	77,301,958 ^[9]			
	 <i>European Union</i> ^[n 1]	18,495,349 ^[9]			
1	 United States	17,418,925	16	 Indonesia	888,648
2	 China	10,380,380 ^[n 2]	17	 Netherlands	866,354
3	 Japan	4,616,335	18	 Turkey	806,108
4	 Germany	3,859,547	19	 Saudi Arabia	752,459
5	 United Kingdom	3,056,499	20	 Switzerland	712,050
6	 France	2,846,889	21	 Nigeria	573,652
7	 Brazil	2,353,025	22	 Sweden	570,137
8	 Italy	2,147,952	23	 Poland	546,644
9	 India	2,049,501	24	 Argentina	540,164
10	 Russia	1,857,461 ^[n 3]	25	 Belgium	534,672
11	 Canada	1,788,717	26	 Taiwan	529,550
12	 Australia	1,444,189	27	 Norway	500,244
13	 South Korea	1,416,949	28	 Austria	437,123
14	 Spain	1,406,855	29	 Iran	404,132
15	 Mexico	1,282,725	30	 United Arab Emirates	401,647

Economy Types

- Stage 1 ‘factor’-driven economies,
 - where countries compete primarily on the use of unskilled labor and natural resources and companies compete on the basis of price as they buy and sell basic products or commodities.
- Stage 2 ‘efficiency’-driven economies,
 - where growth is based on the development of more efficient production processes and increased product quality.
- Stage 3 ‘innovation’-driven economies,
 - where companies compete by producing and delivering new and different products and services by using the most sophisticated processes.

GEM ECONOMIES BY GEOGRAPHIC REGION AND ECONOMIC DEVELOPMENT LEVEL, 2014

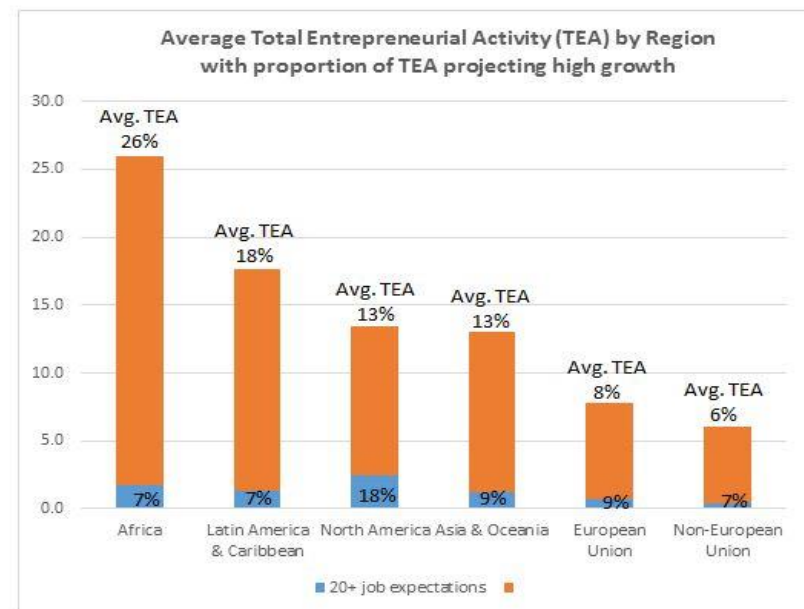
	<i>Factor-driven Economies</i>	<i>Efficiency-driven Economies</i>	<i>Innovation-driven Economies</i>
Africa	Angola ¹⁾ , Botswana ¹⁾ , Burkina Faso, Cameroon, Uganda	South Africa	
Asia & Oceania	India, Iran ¹⁾ , Kuwait ¹⁾ , Philippines ¹⁾ , Vietnam	China, Indonesia, Kazakhstan ²⁾ , Malaysia ²⁾ , Thailand	Australia, Japan, Singapore, Taiwan, Qatar
Latin America & Caribbean	Bolivia ¹⁾	Argentina ²⁾ , Barbados ²⁾ , Belize, Brazil ²⁾ , Chile ²⁾ , Colombia, Costa Rica ²⁾ , Ecuador, El Salvador, Guatemala, Jamaica, Mexico ²⁾ , Panama ²⁾ , Peru, Suriname ²⁾ , Uruguay ²⁾	Puerto Rico, Trinidad and Tobago
European Union		Croatia ²⁾ , Hungary ²⁾ , Lithuania ²⁾ , Poland ²⁾ , Romania	Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Netherlands, Portugal, Slovenia, Slovakia, Spain, Sweden, United Kingdom
Non-European Union		Bosnia and Herzegovina, Georgia, Kosovo, Russian Federation ²⁾ , Turkey ²⁾	Norway, Switzerland
North America			Canada, United States

- 1) In transition to Efficiency-driven economies
- 2) In transition to Innovation-driven economies

GEM Results in 2014

– (<http://www.babson.edu/news-events/babson-news/Pages/2015-gem-global-report-shows-ambition-rising.aspx>)

- Entrepreneurs in factor-driven economies are more positive about entrepreneurial opportunities to start a new venture and the belief in their abilities to do so. Factor-driven economies tend to move forward in relationship to their levels of institutional support, infrastructure, macroeconomic stability, and health and primary education. Fear of failure, however, is highest among entrepreneurs in innovation-driven economies where innovation and productivity growth are central to economic development.
- African economies report the highest perception of opportunities and perceived skills to act entrepreneurially with the lowest fear of failure rates.
- European Union economies are less optimistic about entrepreneurial opportunities and expressed the lowest perception globally (19.9 percent - Greece; 18.4 percent in Croatia; 17.2 percent in Slovenia; 22.6 percent in Spain; 22.9 percent in Portugal).
- The social value of entrepreneurs varies globally. Starting a new venture is seen as a good career choice in Africa and North America. High status and high media attention are also associated with entrepreneurship in these regions. European Union economies reported the lowest social value ratings.

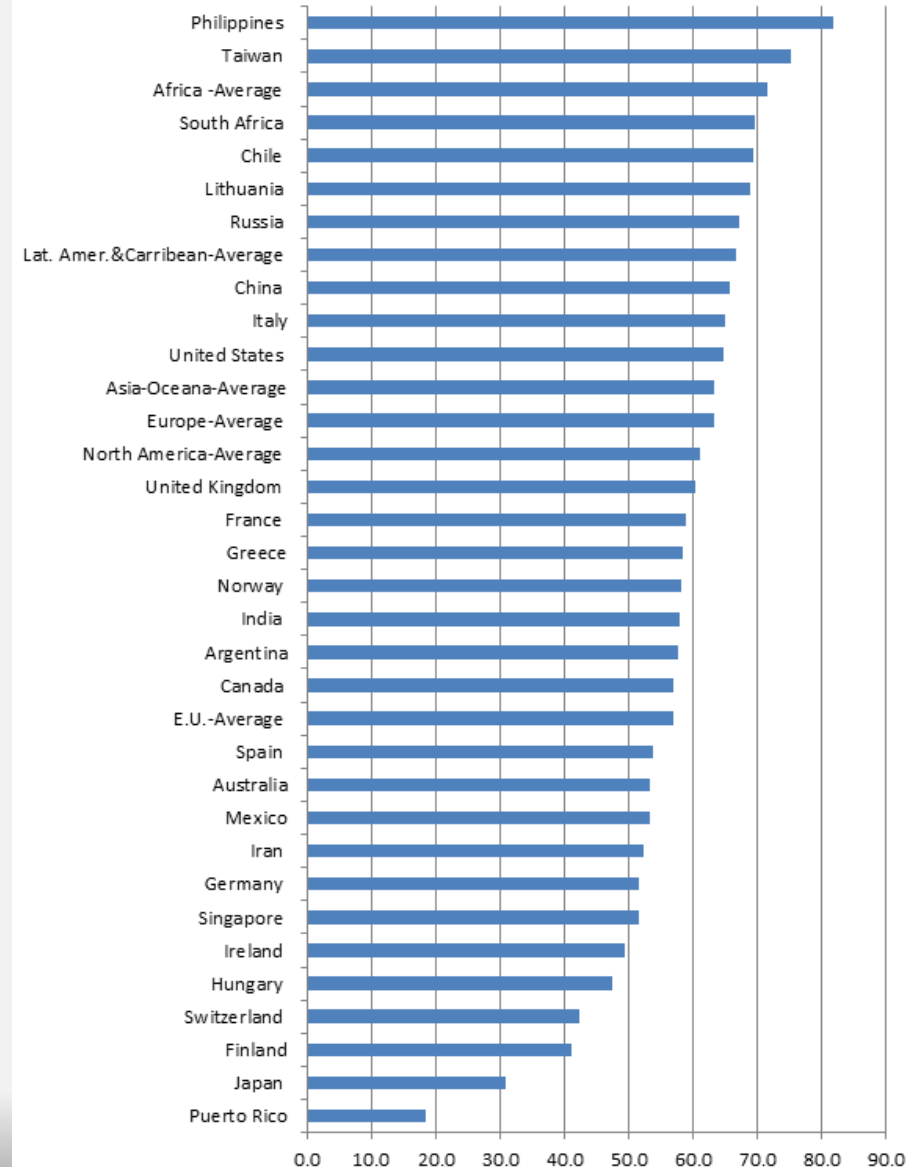


GEMS- 2014 Survey

- Global Entrepreneurship Monitor
- 2014 Global Report
 - <http://www.gemconsortium.org/report>

This is the percent of the local population that agrees that Entrepreneurship is a good career choice.

As you can see, there is significant variation among the various countries.



A good reference on entrepreneurial education and training in various countries.

- A Global Perspective on Entrepreneurship Education and Training
 - Alicia Coduras Martínez, Jonathan Levie, Donna J. Kelley, ögnvaldur J. Sæmundsson and Thomas Schøtt
 - <http://www.babson.edu/Academics/centers/blank-center/global-research/gem/Documents/gem-2010-special-report-education-training.pdf>