

CHAPTER 12

Entrepreneurship and Democracy

By Bjørn G. Tafjord

Innovation and entrepreneurship are terms that keep turning up in the media. They are buzz words or a sort of medicine that offers solutions to most of our regional and national challenges both to more or less desirable trends and to concrete challenges such as globalisation, international competition, regional development and the like. It is recognised that entrepreneurship is a major factor and driver of innovation and growth and most countries therefore need a more entrepreneurial culture.

Buzz words

The first part of this chapter introduces entrepreneurship in general. This is followed by an overview of different perspectives before pointing out the relevance of entrepreneurship for democracy. Finally the chapter links entrepreneurship to education in order to show how teaching and learning processes can foster an entrepreneurial mindset in both teacher and student.

Entrepreneurship in general

Entrepreneurship is about people's ability to turn ideas into action. This includes creativity, innovation and risk taking. This is a challenge to everyone in our day-to-day life at home and in society. It makes employees more aware of the context of their work and improves their ability to see opportunities and provides a foundation for a person to establish social or commercial activities.

Turn ideas into action

Entrepreneurship is defined as one of the new basic skills that should be provided through lifelong learning. Because of this, the promotion of entrepreneurial attitudes and skills has been at the centre of the political agenda for some years in many countries around the world. The important role of schools and universities in

*Relevant for
business as
well as social,
cultural and
political
areas*

fostering an entrepreneurial mindset among young people is often emphasised. Nevertheless, learning how to run a business is only one aspect of it. Entrepreneurship should be understood in a broader sense. Entrepreneurial skills and attitudes provide benefits for society beyond their application in business activities, for instance social, cultural and political areas. Such skills are also important for personal development. Learning entrepreneurship will in fact include developing personal qualities which generally will be useful in life and in any working and social activity.

In general, entrepreneurship is a *universal human qualification* including the attitude to life characterised by preparedness and courage to act in a variety of contexts. This presupposes openness, daring and the will to take calculated risks when entering new fields. An entrepreneur may be described as an active participant who has

*Active
participation*

- *ability* to see resources and opportunities locally and to be innovative
- *qualifications* to use these resources in a productive, creative and meaningful way
- *understanding* of consequences of own choices and actions
- *a will* to take responsibility for joint concerns and show a never-say-die attitude.

This means that entrepreneurship may be a *strategic resource in local communities*, fostering people with fresh ideas who can see opportunities and who have the ability to turn dreams into reality and make things happen.

These are positive qualities that are essential in a world where things are changing at an ever increasing speed. They are not only important in establishing enterprises. They are just as important when it comes to the individual human being's possibilities of becoming an active participant in his and her immediate circle, in the local community and in society at large. In this perspective it could be pointed out that *cultural prerequisites and the culture of entrepreneurship* varies a lot from region to region, from school to school and so on. Availability of good education is important in this connection and has brought forth entrepreneurs from families at all levels of economic, political and social status. Another crucial cultural element is a general acceptance of the view that entrepre-

*Important
cultural
prerequisites*

neurs are engaged in activities that are admirable and vital to the success and growth of a country. By being able to exercise their economic freedom, entrepreneurs reinforce political and personal freedoms and represent an important force in establishing and maintaining an open democracy. Their social and professional contacts are essential to build the relations and networks that are needed to succeed.

Opportunity-centred entrepreneurship

Thinking and acting as an entrepreneur are real world learning processes through which people can develop the skills and the confidence to recognise, create and act effectively on opportunities. People may use this approach intuitively, without being aware of it, yet it can be learned consciously. Opportunity centred entrepreneurship enables people to identify and explore opportunities, to select and make decisions on them, to relate them to their personal and social goals and to plan and work with others to act and profit on them.

Identify and act on opportunities

This means active learning through discovery and achieving by working with other people. Opportunity centred entrepreneurship integrates creativity and innovation, making people able to recognise their world as an opportunity rich environment. In this world we all face the constant challenges of investigating, making sense of, selecting and acting on opportunities. Thus opportunity centred entrepreneurship helps people shape a new reality by doing new things and acting as innovators in order to create new ventures, experiences, products, services and values in a broad sense (Rae 2007).

Learning by discovery

Entrepreneurship and competence

Entrepreneurship is a complex concept that consists of three different areas of competence that complement each other. In combination they may be summed up as the *competence to act* (see figure 1). The first one is the *social competence* that enables us to act and interact with others. People should increasingly gain competence to cooperate, make networks and learn to assume new roles. This competence also includes the courage to experiment (trial and error). By nature, children are inquisitive and creative and the work

Competence to act

*Social,
method and
professional
competence*

to develop this competence should therefore start as early as possible. Kindergarten and school should cherish and nurture these qualities because we know that attitudes are created by experience, encounters and through role models. The second area, the *method competence*, is developed through experience and training in contexts where theory and practice are intertwined. Finally we talk about the *professional competence* which represents knowledge in certain fields across disciplines and is partly based on experience and knowledge that must come from outside of kindergarten and school. The professional competence also focuses on knowledge of resources and how a person can get knowledge about establishing a business.

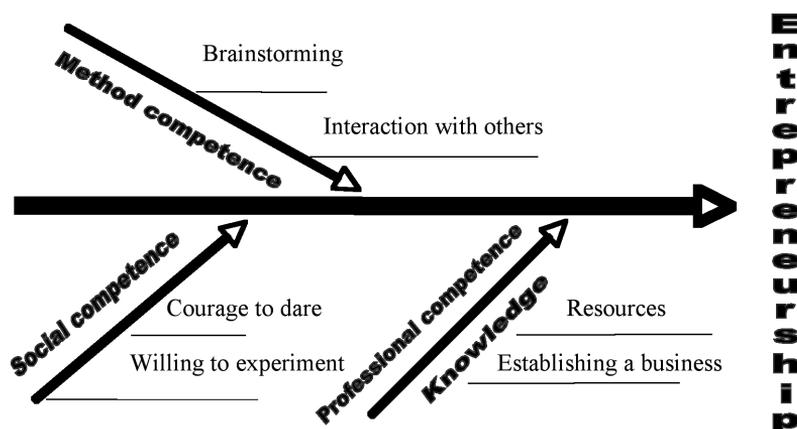


FIGURE 1: Competence to act: three areas of competence in entrepreneurship

We build a society for the future. The education must do whatever is necessary to give ‘the coming generation’ opportunity to be successful. The Norwegian government’s vision for entrepreneurship in training and education is part of the government’s priority of an integrated innovation policy. One of the main aims is to establish a coherent education in innovation and entrepreneurship from kindergarten to college/university. Within education and training, competence building concerning innovation and entrepreneurship focuses on at least two elements (Ødegård 2000: 20-22). *Personal qualities and attitudes* like creativity, self-confidence, mastering,

enterprising approach, will to take risks, ability to see consequences of own actions plus the ability and will to find new solutions. 'Attitude is everything – innovative and dedicated people who believe that nothing is impossible! Are you ready to roll up your sleeves?' (Johnson 2004). The other key element is *knowledge and skills* which include what must be done to establish new enterprises or how to succeed in translating an idea into practical and purposeful activities. Someone with such personal qualities, attitudes, knowledge and skills will often discover opportunities and do something about them and contribute to the development of innovative and entrepreneurial approaches and behaviour. School's challenge is to develop teaching methods and tools that give students at all levels in the educational system what it takes of practical and theoretical knowledge to realize their ideas and possibly their dreams. A key issue is how such training can incorporate entrepreneurial action and behaviour.

Personal qualities, attitudes, knowledge and skills

The relevance of entrepreneurship for democracy

Entrepreneurship and democracy are closely linked because they are two dimensions of personal freedom. These and other freedoms that are widely agreed upon in many societies as ideals are related to and reinforce each other. The varieties of personal freedoms are not really separate concepts but are all facets of the same diamond and inseparable over time. A difficult balance is required so that the exercise of one kind of freedom in a society does not unduly diminish the exercise of the others. Usually countries have their constitutions and laws that supposedly both protect individual freedoms and limit them. The people in a working democracy express their will politically and play the ultimate role in defining the extent of the freedoms in question.

Two dimensions of personal freedom

Entrepreneurs, by exercising their economic freedom to serve markets as they see fit, are key players in promoting the political freedom that brings and sustains democracy. They may also be said to be revolutionaries because they use economic freedom to challenge existing economic, social and political structures (Johnson 2004). Entrepreneurs constantly challenge the economic status quo.

Entrepreneurs exercise their economic freedom

Governments that may make starting a company a bureaucratic nightmare are not acting in the interests of the societies which they are supposed to serve. They are weakening the individual freedoms

of their citizens by limiting their selection of goods and services and inhibiting the challenge of entrepreneurs to the existing order. Citizens of democracies should not choose governments that will take away their freedom to make decisions and instead have decisions made by 'wise people' in central positions who claim to help the poor or strengthen public safety, but mainly care for their own interests.

A society has to strike a balance between the several facets of political, personal and economic freedoms. Other freedoms or rights sometimes asserted as fundamental, such as freedom from want or the right to education, health care or equal opportunities, are important but derivative because they depend heavily on economic prosperity, itself partly dependent on entrepreneurial activity, a function of economic freedom.

Entrepreneurs are important in fostering democracy because the opportunity to create entrepreneurial companies is widely available to people at all economic levels, even though this is untrue in many countries and completely true in none. Widespread education is one basic component of a good entrepreneurial environment in any country. Mini company programmes run by students at schools offer special opportunities to learn democratic attitudes, skills and procedures. The main idea is that the mini company represents an arena where business is run according to democratic principles. This arena is made available to pupils and students as they are invited to participate in planning and implementing a business idea. So here the students learn to practise democratic procedures as a lot of real life decisions have to be made. In short: a mini company is an arena for student participation in decision making, where the decision makers also enjoy (and possibly suffer) the consequences. In other words: it is a healthy breeding ground for democratic skills and attitudes. In this way a mini company or a student company is a pedagogical tool based on practical experience by means of running a complete enterprise project and on interaction with the external environment.

Mini companies – an arena for democratic practices

Motives for focusing on entrepreneurship in education

Entrepreneurship is seeing opportunities rather than obstacles, thinking fresh ideas, ideally in cooperation with others. A school may develop to become an entrepreneur in it self. Such a school

reflects on and is willing to change the teacher/pupil roles and to find new ways to organise subjects and timetable and develop relations with the community around the school (The European Commission 2005).

It is possible to identify several motives for focusing on entrepreneurship in education. The *entrepreneurial motive* is to ensure that the pupils show an interest in the development of their own living environment and the creation of their own jobs. The *regional-political motive* is for children and youth in school to become acquainted with and make use of local resources so that young people after leaving school can find opportunities for work and a place to live in their home district. The *job market or industrial development motive* is to educate youth for future tasks in a business and industrial life that is in constant change. This requires the ability to adapt and to regenerate and demands the desire to establish new enterprises. Finally, the *general pedagogical motive* is among pupils to develop creativity, the will to cooperate and take responsibility for the common good. In an entrepreneurial school teaching and training should focus on and take into consideration personal qualities of the student, be organised and shaped in relation to practical skills training combined with theoretical knowledge. It should put emphasis on wealth creation based on respect for resources and solidarity, secure relevance of activities in all subject fields, see all of its activities in the context of the local community and inspire to student participation in decision making.

*Motives:
Entrepreneurial,
regional –
political,
job market –
industrial
development,
pedagogical*

Promoting entrepreneurship in schools³²

How can we make progress in promoting entrepreneurial mindset and skills through primary and secondary education? The teacher is obviously pivotal. In fact, without her/his enthusiasm and active involvement it is unlikely that much progress will be achieved in this area. So what kind of competence should the teacher have to be able to develop the pupils' entrepreneurship competence? S/he must first of all see each individual pupil and his and her talents and potential for development and have competence in organizing learning processes accordingly. When entrepreneurship is integrat-

*The teacher:
a talent scout*

³² In school, it may be natural to use the term *pedagogical entrepreneurship* in addition to innovation strategies in vocational training within education. In international contexts, e.g. in Organization for Economic Co-operation and Development (OECD), the term 'entrepreneurship education' is used (Ødegård 2000).

ed in the educational ideals and the professional pedagogical foundation, this will help teachers to contribute to the development of the pupils' self-confidence. The teacher also needs confidence in and knowledge of her/his own local community or region, to develop regional identity, see opportunities, be creative and innovative, have ability to cooperate, think systematically, work purposefully, organise and lead and be result oriented. A teacher with full score on all these competences hardly exists. Important as these competences are, the starting point may have to be less ambitious, for instance asking questions like: What pupil role do we aim for? Do we want the learner as an actor or a pawn? The wish for an active, participating pupil or student is a feasible foundation for promoting entrepreneurship in school. Then improving the ability of teachers to understand and teach entrepreneurship becomes crucial.

*Direct
experience
and practice*

For the pupil or student the best way of learning entrepreneurship is through direct experience and practice. Instruments that would help monitoring such progress are mini companies in primary school and student companies in secondary schools. Such programmes are important within any strategy for stimulating entrepreneurial attitudes and skills. The objective of mini companies *run by pupils* is to develop on a small scale *real economic activity*. Another is to *simulate*, in a realistic way the operations of real firms. Yet another objective is to create an arena for participation in decision making and democratic procedures, as mentioned above. Operating in a protected environment and for educational purposes, student companies frequently produce and sell *real products or services*.

*Develop
personal
qualities*

These activities allow students to acquire basic business skills, but also to develop personal qualities and transversal skills that have become increasingly important for all in order to live and work in a knowledge based society. In fact, through participation in mini companies, pupils have the possibility to display *creativity*, develop enthusiasm and *self-confidence*, learn how to *work in a team*, become more willing to take *responsibility* and to use their *initiative*. Acquiring such skills and attributes will contribute to prepare young people for their role as autonomous, participative and responsible members of society. A report from Nordland Research Institute of Norway states that students who have participated in mini company activities are more self-reliant, more proactive, more innovative and more likely to seek new opportunities (Nordlands-

forskning 2000).

At the level of primary education entrepreneurship teaching will aim to foster in the pupils those personal qualities mentioned above. In this phase, autonomous and active forms of learning should be developed. This teaching will provide early knowledge of and contact with the world outside school and some understanding of the role of entrepreneurs in the community. Activities may include working on projects, learning by playing, presentation of simple case studies and visits at local enterprises and organisations. *At the level of secondary education* the teaching will also include raising the awareness of the students about self-employment as a possible career option. The students will experience the method of learning by doing through running mini enterprises and specific training on how to create a business. *At the level of higher education* entrepreneurship teaching will provide the students with specific training on how to start and run a business, including the capacity to draft a real business plan and the skills associated with methods of identifying and assessing business opportunities (European Commission 2005).

The main question then is how the education system can contribute in creating a more entrepreneurial culture in the Norwegian and Malawian societies. Starting at an early age school education should stimulate young peoples' awareness of entrepreneurship as options for their future and help them to be more creative and self-confident in whatever they do later in life. The first step is to integrate entrepreneurship as an important part of the curriculum at all levels, from pre-schools to universities. Fostering an entrepreneurial mindset as well as the relevant skills among young people will help reach strategic goals of the Norwegian and the Malawian governments. Education for entrepreneurship is already high on the agenda in most European Union (EU) member countries as they promote entrepreneurship through education at all levels. Their aim is in this way to equip young people with the skills they will need to manage a complex world. Creativity, innovation, independence and initiative are essential attributes for personal fulfilment. Entrepreneurship is therefore considered to be a new basic skill to be provided through lifelong learning. The development of entrepreneurial attitudes and skills can be encouraged in people of all ages, starting in school.

In order to accomplish this, the following types of interventions

Increasing qualification with increasing level of education

Entrepreneurship into the curriculum

should be considered:

*Inter-
ventions
necessary*

- *The development of entrepreneurship within the current education system at an early age.* First of all we need a broad concept of education for entrepreneurial attitudes and skills, which includes developing personal qualities such as creativity and taking initiatives.
- *The strengthening of cooperation between education and training authorities, enterprises and business associations.* Cooperation has to be facilitated with special focus on developing practical entrepreneurial learning by doing.
- *The training of trainers.* This includes not only improving the ability of trainers to understand and teach entrepreneurship but also the recognition of their role in this area through the setting-up of reward-incentive systems and appropriate training. Within schools the agents for change are foremost the teachers. Trainers, especially teachers, should therefore be made more aware of entrepreneurship since they often are called upon to assist pupils or students in the development of their entrepreneurial attitudes and skills.
- *The development of entrepreneurship initiated within enterprises.* This should be done in order to promote self-employment and the development of an adaptable and entrepreneurial workforce and to support innovation.

Questions

1. Does today's school allow room for independence and a wealth of ideas?
2. In which ways is today's school innovative?
3. Do you think that the school as an organisation is aware of what entrepreneurship is and why the learners should develop this competence? Explain your views.
4. According to your experience, does school encourage or discourage creativity among teachers and pupils/students? Give examples.
5. Give examples of how *your* creativity was stimulated and inhibited during your time at school.
6. Are curricula and syllabi obstacles to creative learning methods and processes? If so, in what ways does this happen?
7. How should we as adults and teachers stimulate our children to cherish and develop their creativity and approach the intentions about creative and entrepreneurial teaching?
8. How can we facilitate the development of entrepreneurship and promote entrepreneurship competence at the different levels in school?
9. According to the Norwegian curriculum school shall become more open in relation to working life, business & industry and the local community. Discuss how school and the local community can work together to develop and increase pupils' and teachers' entrepreneurship competence.

References

- Nordlandsforskning (2000): *Realisere draumar, ikkje berre drøyme dei! Kartlegging av Kommunal- og regionaldepartementet si ungdomssatsing*. NF rapport nr. 23/2000.
- Johnson Jr, F.P. (2004): *Entrepreneurship and Democracy. Entrepreneurs as the revolutionaries of our time*. Adapted from a speech at the Russian Venture Fair in St. Petersburg on October 8th.
- Rae, D. (2007): *Entrepreneurship – from opportunity to action*. United Kingdom: Palgrave Macmillan.
- Ødegård, I.K.R. (2000): *Pedagogisk entreprenørskap – Framtiden på timeplanen*. Kristiansand: Høyskoleforlaget.
- The European Commission (2005): Report: *Mini companies in secondary education*.

Do you want to join?
Entrepreneurship in education and learning –
accept the challenge!

