Abstract

Teaching entrepreneurship has become a popular policy intervention that raises hopes for improved economic performance, including lower unemployment. Unfortunately there is no sufficient local and regional evidence that supports these expectations, in part because of substandard policy-making, monitoring and evaluation, and applied research capabilities. Furthermore, there are indications entrepreneurship is also being used as a social policy intervention, thereby generating different outcomes.

Teaching in broader sense, as well as entrepreneurially-focused teaching has been neglected, including which content is to be taught and how, by whom, to whom, and what are likely long-term outcomes. All of this, combined with low adult learning participation rates, leaves many educational challenges unrecognized and unresolved. Without addressing systemic issues such as teacher training, any initiatives are likely to have only temporary, if any positive effects. [end abstract]

Key Terms: Entrepreneurial learning, teaching entrepreneurship, teacher qualifications, Western Balkans, learning outcomes, benefits to the society, social policy, economic policy, entrepreneurial policy
Moto of this ICEL conference is statement attributed to Peter Drucker: “Most of what you hear about entrepreneurship is all wrong. It’s not magic; it’s not mysterious, and it has nothing to do with genes. It’s a discipline and, like any other discipline, it can be learned”. After years in several related roles I would disagree with Prof. Drucker on at least two points:

- Developing entrepreneurs, or at least high-performing entrepreneurs is still mysterious, and particularly so in South-East Europe.
- Doubt that all qualities that make up high-performing entrepreneur can be acquired in a way that is consistent with a traditional educational process.

There is also a lack of consensus among researchers and educators of what can and needs to be learned, but this has not stopped policy makers, educators, and many others from trying. In part these differences stem from lack of common definition of what is entrepreneurship and which skills are required to be successful.

After seeing successes in the U.S., entrepreneurial learning in Europe has been increasingly promoted since 1990s at different levels of formal education and mostly with the intent of promoting entrepreneurship. To make things more complex, Europeans have linked entrepreneurship through European Charter for Small Business Enterprises, to the concept of small and medium enterprises, and it is often assumed or implied that programmes supporting one will also help the other (OECD, 2007). Long-term impact of these approaches however remain unclear, yet different regional, national, EU and other governments have spent substantial funds supporting these policies and assumptions.

While emphasis of this essay is primarily on Bosnia-Herzegovina, observations expressed here may be applicable to most Western Balkan (WB) countries: Serbia, Albania, Montenegro, Macedonia, perhaps to lesser extent Croatia. Also many elements of this analysis may be of interest to the entire South and South-East Europe including countries such as Greece, Italy, Portugal, Spain, etc.

It has been well established that BiH has weak central institutions and policy making capabilities, but challenges of defining and implementing entrepreneurship policy and learning go beyond that, as many other countries have struggled to achieve desired outcomes. Why is that so? Well, one possible explanation may be that entrepreneurship also became more an instrument of social and employment policy.

In European and particularly South-East European (SEE) context, I suggest that we lack evidence and insight about entrepreneurship and learning entrepreneurship, specifically:

Is there a “good” and “bad” entrepreneurship (or good and better) from a policy making and financial perspectives? Other terms that may be used are “productive”, “unproductive” and destructive (Baumol, 1990), or innovative entrepreneurship, or value-creative as opposed to rent-seeking (ref!)
• Who is actually qualified, how does one acquire suitable qualifications, and therefore should teach entrepreneurship?

• What exactly should be taught and how customized entrepreneurship content and methods should be?

• Who is the intended audience to whom particular content needs to be delivered?

• And most importantly what are effects and benefits to the society from all these activities?

After carefully considering and answering each of these questions, I put forward the assertion, when it comes to entrepreneurship we are still fairly uninformed about what exactly should we teach, by whom, how, and for what kind of realistic benefits.

Underlying all of this is that even in developed societies, entrepreneurship-related research raises number of policy questions and dilemmas, while BiH, WB and SEE are not doing enough to contextualize this research, and make it applicable to their respective locales (Wilson, 2005, Shane, 2009).

Absence of adequate research is particularly evident in policy-making, and monitoring and evaluation (M&E) capabilities (RRPP-WB, 2013a; RRPP-WB, 2013b). Therefore, entrepreneurship-related policies are often put in place based on the argument “everybody else is doing it, so should we.” While insufficient regional research of outcomes may also mean some interventions produce success in some places, a number of critical assumptions goes unchallenged and on the pessimistic side – most of the efforts may be misguided and ineffective, and funds wasted.

1. Defining and Differentiating Entrepreneurship

This is a common issue of disagreement among researchers, and policy makers (ETF, 2006), and most often the difference is with respect to new enterprise’s annual growth rate and its size. Most definitions tend to include business founders whose primary objective is self-employment creation. But for economic impact and policy purposes, only entrepreneurs that truly make a significant impact are those who achieve high-growth and rapidly and sustainably increase employment (Pfeifer, Sarlija, 2010; Shane, 2009). Conventional economic logic suggests those are the only ones who should receive public financial support.

But has entrepreneurship become also an instrument of social policy? And if so, do we use same measures of success? It is important here to draw a distinction between social entrepreneurship, which aims to achieve non-monetary goals, and entrepreneurship aimed at stimulating specific population.
When it comes to local economic conditions and entrepreneur's background, globally there are at least four distinct paths to entrepreneurship:

- “Transitional” entrepreneurship, typically occurring in a post-conflict or other large-scale economic-system change. It is dominated by small-scale entrepreneurs, often necessity-, or small-scale opportunity driven, with aims towards poverty reduction and supported by micro-financial institutions. Some start-ups may identify growth opportunities and eventually develop into larger enterprises.
- “Unemployed to self-employed” is necessity-driven approach to entrepreneurship which tries to mobilize individuals who have been out of work for extended periods of time to start their own, typically small-scale businesses. It more often occurs in developed countries. Starting a business may provide an individual with valuable business and other skills, and make him also more attractive for future employment. Although many of these entrepreneurs are less likely to sustain businesses for extended periods of time, impact of these programs needs to be assessed not only from business but also from social care perspective (i.e. is provision of funds for entrepreneurs and their business ideas, however likely unsustainable, better than provision of funds purely as social give-away).
- “Vocational/professional – voc-pro” entrepreneurship is opportunity-driven, whereby we have a skilled individual (tradesperson, such as plumber, mason, electrician, or professional such as lawyer, business consultant) who starts own business, typically has established client base, niche expertise and/or tools and in the future may grow and employ additional staff.
- Finally, high-impact high-growth, opportunity-driven entrepreneurship is goose than lays golden eggs. Those are founders and financiers of Googles, Skypes, EBays, Amazons, SAPs, Apples, biotechs, and other successful startups. Many of these, now mature companies, make enormous impact on US but also global economy.

Other paths are also possible. Boundaries between these paths are loose and informal and an individual or enterprise may freely move across. Each of these paths to entrepreneurship is likely to attract different kind of founders, investors and produce different kind of outcomes. Investment community is an integral part of the process as it provides financial and technical support and social networks. With unemployed-to-employed path to entrepreneurship there are fewer true investors, as those are often supported by state-run small business and social programs. The first two paths may fall under “social inclusion entrepreneurship” (World Economic Forum, 2009).

Teaching or advocating entrepreneurship, including self-employment forms may have another by-product, which is of particular importance to societies where public sector employment holds great appeal to younger generations (such as in BiH, also some Arab countries): it provides them with an alternative to public sector employment, and stimulates them to become more individual and self-dependent.

Furthermore it likely improves their analytical and financial, possibly even organizational capabilities and prepares them to become more effective in day-to-day living and activities.
Entrepreneurship that focuses on self-employment and takes place in transitional societies may also have empowering, even transformational impact on individuals and even society as whole. This “transitional” type of entrepreneurship likely enhances leadership skills of individuals and may also have an impact on their civic participation, facilitate social entrepreneurship and democracy development. Its effects are difficult to measure over the short term and even establishing cause-effect relationship over long term may be a challenge.

Finally, it is also conceivable that some self-employment oriented entrepreneurs will graduate into high-performing category.

Table 1. Key characteristics of different paths to entrepreneurship

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<th>Transitional</th>
<th>High-Growth</th>
<th>Voc-Pro</th>
<th>Unemployed To Self-Employed</th>
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<tr>
<td>Influence/Initiative</td>
<td>Int/Ext (donors)</td>
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<td>Internal (founder)</td>
<td>Int/Ext (gov’t)</td>
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<td>Growth/Impact potential</td>
<td>Small/micro</td>
<td>Large/large</td>
<td>Medium/Medium</td>
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<td>Business activity</td>
<td>Basic services, trade</td>
<td>Bio, IT</td>
<td>Diverse services, applied</td>
<td>Basic services, trade</td>
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<td>Learn/knowledge required</td>
<td>Basic business</td>
<td>IP, Specialized business and tech</td>
<td>Specialized business</td>
<td>Basic business basic tech</td>
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OBSTACLES

2. Teaching “What” in Entrepreneurship

"More than ever the skills determine destiny of people and places" (OECD, 2009) Being successful entrepreneur requires multiple skills that can be acquired by studying and exploring a variety of disciplines. Typically coursework in this area is centered around business plan preparation in individual or group format, and analyzing some of the successful or less so, cases. Having or acquiring high-level social skills, and risk-assessment may be considered teachable, but risk-taking capability, motivation, ambition, initiative, ability to inspire and motivate oneself and others, which are central to success and high-growth, seem to be in a gray area. Can those be taught, or otherwise developed over time?
“Entrepreneurship education is about developing attitudes, behaviours and capacities at the individual level.” (Wilson, OECD, 2005). Exactly how we accomplish that, particularly in WB context remains to be seen. A number of other fields such as psychology, sociology, anthropology, and others may need to be consulted, but at least some of these traits and behaviours they may not be easily and readily taught, and delivered within prescribed time limits and outcomes in mind.

Some authors make clear distinction between knowledge, skills, and attitudes, among the latter “Espouse theories challenging” faring as being highly individual and potentially transformative in itself (Albornoz, 2008). Other advocate “experiential learning” and suggest “entrepreneurship education and training therefore entails more than the development of particular business skills. It can influence an individual’s motivation to strive for something that might otherwise seem impossible or too risky” (GEM, 2010, p. 11).

Backbone business concepts should include concepts such as competitive advantage, value-added, and barriers-to-entry, and also a number of activities developing soft skills such as communications, facilitation, leadership, conflict resolution, decision making, risk assessment, creativity and innovation etc.

But even on a purely business side of learning, many key topics needed by high-growth entrepreneurs are not available in BiH, even Western Balkans and broader, such as Product Management, New Product Introduction, Operations Management, Organizational Behaviour, Small Business Venture, Intellectual Property/Patent Law, Tax Law, etc. Translating English language textbooks is insufficient, as regional context developed upon regional research and knowledge is also needed. Local state-run universities are falling behind to contextualize new trends. One possible benchmark may be a number of new courses and programs introduced each year as an indicator of how well they are adapting and customizing their content to the needs of society and to competitive forces.

Teaching entrepreneurship to individuals with different backgrounds, including social may require diverse teaching and technical skills and methods. Ultimately, expected and achieved outcomes by each category may vary significantly.

Teaching “what” is also closely linked by teaching “by whom” – if society has limited understanding of what needs to be taught, then it is likely to have a limited supply of appropriate human resources and therefore it will resort to use people it has available for a given purpose.
3. Teaching Entrepreneurship “By Whom”

Most will agree about multi-disciplinarity of skills needed both by entrepreneurs and by their teachers. We lack sufficient local and regional insight about professional and experiential profiles that are most desirable and effective for individuals to teach entrepreneurship, applying what kind of learning methods and for which specific audience. It seems largely assumed that “one size fits all” approach to teaching entrepreneurship will provide desired outcomes.

Yet, entrepreneurship-related content may be delivered to several distinct audiences, and each with anticipated distinct outcomes. Each requires own approach and methodology: primary school students, secondary school students, university students, adult learners, long-term unemployed adults, individuals with advanced scientific knowledge, etc.

While many EU countries have developed entrepreneurship education strategies at primary and secondary levels (ISCED 1-3) in period 2004-2011 (EACEA, 2012), including BiH, fewer have addressed teacher qualifications. Finland has been actively working on curriculum for its teachers of entrepreneurship since 2010 (Seikkula-Leino, Ruskovaara, Saarivirta, 2012) while Turkey, Spain, Poland, and Ireland are among countries that provide teaching materials and guidelines (EACEA, 2012).

There is limited available information in the region about qualifications required to teach entrepreneurship, in part probably because some of it is done in experimental, in semi-formal or elective format. Improved financial literacy and analytical skills are highly desirable, but can teaching business plan preparation achieve much beyond that?

If diverse approaches and multi-disciplinary content are indeed desired and most effective ways, where do we find such educators / facilitators? According to World Economic Forum “training the trainers” may be as great an effort as developing the curriculum (as quoted in GEM, 2010), but there seem to be insufficient discourse about this.

And if those curriculums are desired and needed, how well are they introduced to their respective audiences? Therein lays another local and regional challenge – “teacher” training. Term “facilitator training” would be better suited, as it represents what should become predominant mode of learning and knowledge transfer, particularly for a topic such as entrepreneurship.

So, how do we prepare learning and educational professionals for ever changing labour markets, employment and individual needs, and for diverse learning audiences?

Many European countries, particularly those in the South, and specifically South-East Europe and Western Balkans, have neglected substantive policy debate regarding learning and education, and that also applies to area of faculty development, and teacher training.
This may be in part because there are almost no venues and no institutions or even competencies to participate in this. Having teaching programs, institutions such as Pedagogical Institutes and Academies, departments at Faculties of Philosophies, and others, at least in BiH, are graduating individuals using outdated methods is not enough to meet demands of a modern, knowledge-oriented, competitive society, with high-standard and quality of living aspirations. Most SEE/WB tertiary and professional educational programs lack representation of the following fields:

- Teaching STEM (science, technology, engineering, math),
- Curriculum design,
- Monitoring and evaluation (M&E) of learning outcomes,
- Online / digital learning strategies and their impact,
- Educational policy, regional and national,
- Educational leadership and administration (for college, university, policy and other professionals) etc.

Other areas, such as health/nutrition, business and creativity/innovativeness, should be considered for mainstream teacher education as well. Given regional demographic trends, institutionalizing adult learning, and creation of supporting infrastructure, including values and cultural changes, should be one of the priorities for all WB countries. As an illustration, in case of BiH, out of 13 regional ministries of education, not a single one has department or unit dedicated to adult education.

Furthermore, WB/SEE universities, particularly public-funded are rigid and largely unresponsive to the needs of society. Instead of being generators of ideas and change, BiH HEI (higher education institutions) are fortresses of stale practices, closeness, and incompetence. In a hypothetical case whereby Bill Gates was to come and teach entrepreneurship to BiH students as a full-time faculty, he could not – because he has no university graduate degree. Students and learners forego many learning opportunities to meet these restrictive regulatory demands, while links with businesses and other practitioners remain particularly weak.

Social sciences research, and especially qualitative research methodologies in most tertiary institutions in BiH are almost unheard of and therefore highly under-utilized for research and learning purposes (RRPP-WB, 2013a; RRPP-WB, 2013b). There are no qualitative methods courses offered on local universities, and as such both would-be and potentially talented researchers and policy makers are deprived of insight and corrective interventions.
Therefore, a lack of appropriate institutional framework for “teacher training” is a critical deficiency of current system and should not be no longer ignored in hope that things will improve on its own.

4. Teaching Entrepreneurship to “Whom”?

Europe has adopted a practice of teaching entrepreneurship to university students, although rationale for doing so is quite mixed. European university graduates appear less motivated to become entrepreneurs, compared to those with less formal education, in part because of risks and outcomes and also higher opportunity costs. In principle, a successful entrepreneurial venture conducted by high-school graduate may become a form of social and economic equalization, if successful. On the other hand, university graduates with highly specialized education and knowledge are more likely to be able to develop unique products, solutions, and services compared to those with less education. They are also likely to have a better grasp of their venture’s competitive advantage, barriers-to-entry and value added – key capacities of successful entrepreneurs.

Other distinct learner segments also emerge: secondary school graduates, adult learners with or without specific education, long-term unemployed, NEET (not in education, employment or training), etc. (World Economic Forum, 2009). Spectrum of “to whom” is probably easiest to address – customized learning opportunities should be made available to all those interested, or those who could benefit from them. But it is also wishful thinking to assume they are all equally capable, or will all achieve similar outcome.

In order to reach out to the maximum number of individuals, and achieve best possible results, may require use of diverse learning methods, and mediums, including online/digital learning, etc. most of which are underdeveloped in WB. Furthermore, opportunity-driven and necessity-driven entrepreneurial approaches may have different entrepreneur profiles and learning objectives, and outcomes as well.

Low participation of adults in lifelong learning (ETF, 2010) has been a critical issue for entire SEE, including WB. Even countries such as Croatia and Slovenia have been struggling to engage adult population (participation rates of 1-2% in the region), and we in the region have not done enough to understand why. If adult learners are not participating, how will they learn about entrepreneurship?

When it comes to better understanding learning and cultural phenomena in BiH, there is also a potential linguistic link that may be reflected upon and further explored.

Most frequently used noun to translate “learning” into local languages is term “uchenje”. Term “uchenje” is often linked to arduous work as is illustrated in local proverb “bez-mukenenamanauke” – without hardship (literally sickness), there is no knowledge (science).
In local meaning and constructs “uchenje” as in learning from experience, or linked to curiosity about world that surrounds us, or as self-directed learning, organizational learning/learning organizations, learning cities, learning society, and in related contexts seems rather unfamiliar to most. In fact, terms such as learning organization or learning society do not translate well into local languages.

Simply put, local term describing learning does not stir up the most positive and engaging emotions with significant number of BiH citizens.

5. Entrepreneurial Learning Realities, Priorities, and Research Opportunities

- Most urgent priority is to set up a graduate program or school in the WB region that will support teacher/facilitator training using modern methodologies, and also acquisition of other skills required for a sophisticated educational/learning system and for a knowledge-oriented society. Ideally, such program should be situated outside a state-run university, and one of its key priorities would be to develop insight about local and regional issues, merge them with global and progressive trends and developments, and develop and advocate locally and regionally applicable solutions and recommendations.

- Forget entrepreneurship, focus on innovation and creativity. To achieve desired economic and employment effects, innovativeness is critical. Rationale for such proposition is that for high-growth venture, entrepreneurs need to be creative and define new service, products, markets, etc. Without that creativity, there is no successful enterprise, nor sustainable business model. Yet to teach creativity at very early stages of formal education may lead towards fundamental changes in educational systems and possibly in a broader society.
5.1. Research Opportunities

- European and North-American societies vastly differ in number of areas, one of them being wealth creation. While nominally and on paper, everybody wants entrepreneurs, in some societies, when successful, they may be treated with a degree of mistrust, scepticism, envy, etc. European societies, particularly those with longer socialist tradition tend to look at entrepreneurship and wealth accumulation with a degree of skepticism, and many policies are aimed at equalizing citizens, thereby potentially reducing incentives for entrepreneurship.

- Even within an individual country, there may be significant differences in entrepreneurial activities. In BiH there are several regions where entrepreneurial activity is accepted and thriving, including towns of Gradacac, Gracanica, Tesanj, SirokiBrijeg, Srebrenik, etc. In addition, major urban centers with support of foreign donours have undertaken activities to establish mostly IT-oriented incubators that house local start-ups (Banja Luka, Mostar, Tuzla, Zenica). Impact of traditions and historically developed competencies and affinities should also be considered (Dana, 1999). All of these factors have been largely neglected in local research, therefore making it difficult to understand and ultimately define effective local policies and interventions.

- It has been established that adult learning participation rates in BiH, WB, and even SEE are well below European averages, and also significantly below 15% targets (EC, 20??). It would make a useful research to identify whether there is a link between childhood, and youth learning environments and methods, with subsequent interest for learning in adulthood. One of theories to explore is that restrictive, traditional learning methods (such as those emphasizing memorization, time-specific outcomes, non-participative in nature) may discourage learning in adulthood.

- Own perception of own skills and knowledge required to be successful in entrepreneurship seems very high. For 2011, EU average of 43% suggests that a significant number of people seem to think they have adequate knowledge to start a business (EC, 2012). This phenomena needs to be better understood, as it may suggest insufficient understanding of concepts and challenges related to starting a business and/or underestimation of skills required to succeed, which ultimately may lead or contribute to their failure.
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