

## AN OVERVIEW OF ENTREPRENEURSHIP EDUCATION IN VOCATIONAL HIGH SCHOOLS IN EU AND SERBIA

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### Abstract

Entrepreneurship education is a lifelong process that begins at the elementary school and extends through all of the following levels of education, including adult education. In 2010, the Europe 2020 Strategy was adopted. The objective of the Europe 2020 Strategy is the economic development of EU based on knowledge and environmental protection, high employment and productivity rate and social cohesion. The EU Member States are expected, by taking into account the strategy framework, to precisely define own objectives and results as well as measures that will be implemented in the forthcoming financial period through national budgets, structural funds and other funding sources in view of reaching the defined long-term common objectives. On the other side the study of entrepreneurship and entrepreneurial thinking is not integrated into the system of primary and secondary education in Serbia. “There are very few privately and state owned faculties (mainly economy, business and management oriented faculties) that deal with this issue and provide an opportunity to their students to learn more entrepreneurship. In very few faculties, the entrepreneurship is a separate subject, while the great majority of faculties teach certain segments of entrepreneurship as a part of other subjects” The paper investigates the level of entrepreneurship education in the educational system of the European Union and Serbia, with a special reference to vocational education. The objective of the research “Entrepreneurial Aspirations of High Vocational School Students in Banat” was to determine the impact of entrepreneurship education factors on the development of entrepreneurial aspirations among the high school youth. In this paper focus is on student's perception of necessary traits that should be possessed by an entrepreneur. The study was conducted in June 2012th. The sample of the survey represented 300 students in three of the selected secondary vocational schools: School of Economics and Commerce Kikinda, School of chemical, food and textile technology "Uroš Predić" Zrenjanin and Technical School "May 23rd" Pančevo. The following methods have been applied in the research “Entrepreneurial Aspirations of High Vocational School Students in Banat”: survey method, statistical methods and comparative method. Data of this survey were collected by the survey method and standardized questionnaire. It has been supposed the following: presence of entrepreneurial aspirations positively correlates with self-perception of personal abilities, skills and knowledge necessary for entrepreneurial *ventures*.

**Keywords:** *entrepreneurship, aspirations, motives for entrepreneurship, self-perception*

## Introduction

Entrepreneurship education is a lifelong process that begins at the elementary school and extends through all of the following levels of education, including adult education.

The Professional Body of the European Commission has coined the following definition of entrepreneurship education:

"Entrepreneurship education should not be confused with general business and economic studies; its goal is to promote creativity, innovation and self-employment, and may include the following elements:

- developing personal attributes and skills that form the basis of an entrepreneurial mind-set and behaviour (creativity, sense of initiative, risk-taking, autonomy, self-confidence, leadership, team spirit, etc.);
- raising the awareness of students about self-employment and entrepreneurship as possible career options;
- working on concrete enterprise projects and activities;
- providing specific business skills and knowledge of how to start a company and run it successfully" (European Commission, Final Expert Group Report, Brussels).

According to the report of the World Economic Forum held in Switzerland in April 2009, the entrepreneurial education comprises three components:

- *Personal development*  
Entrepreneurial education should build confidence, encourage progress, strengthen entrepreneurial spirit, foster a desire for success and inspire action.
- *Business development*  
Technical, financial literacy and skills for self-employment and entrepreneurship which may result in personal development and advancement.
- *Development of entrepreneurial skills*  
Entrepreneurial knowledge should train for social skills, networking, creative resolving of problems, seeking for opportunities, selling, interviewing, presentations, group leadership, cooperation with the community, bureaucracy, local cultural standards and how they affect the business etc.

The ETF agency of the European Commission defined the entrepreneurial learning as follows:

“All forms of education and training, both formal and non-formal, involve workplace learning which encourage both entrepreneurial spirit and activity with or without commercial purpose.”

Europa 2020 Strategy exclusively emphasises the importance of the program for candidate member states and neighbourhood states which has significant potential as a guideline for acceleration and compatibility of reform processes in future state members.

Education is one of the central topics of the new strategy and is important element in all three chapters: Youth on the move, Agenda for New Skills and Jobs and European Platform against Poverty indirectly connected to all other four bearing in mind that knowledge is one of the basic resources of progress and development.

The initiative within the strategy “Youth on the Move” is also aimed at examining methods through which entrepreneurship may be improved through mobility programs for young professionals.

## **Entrepreneurship**

There is no single definition of entrepreneurship. Historically, entrepreneurship has manifested itself in various forms and has been differently treated. Although, it dates back to ancient times and it may be said that it is old as human civilization, it does not mean that its characteristics are the same in all stages of the civilization development.

The beginning of entrepreneurship as a creative and innovative activity is evident even with ancient civilizations such as Babylonian, Egyptian, Arabic and Chinese. In the ancient times, there were various types of entrepreneurship in ancient Greece and Roman Empire, where a variety of entrepreneurial activities strengthened trade and financial transactions.

The word entrepreneurship comes from the French word “entreprendre” which means to do something, to undertake something. Entrepreneurship, as a practice, involves the creation of new organizations in view of taking advantage of identified chances.

The concept of entrepreneurship has been known since the twelfth century, while the academic study of this phenomenon started in the 18<sup>th</sup> century.

It was only the twentieth century when the first comprehensive definition of entrepreneurship was made. The definition was coined by the famous scholar, Schumpeter, in 1934: “All companies that are prone to innovation introduce one of the following new combinations: new products and services, new production methods, new markets, new supply sources, new organization of industry”(Schumpeter, 1982).

According to Schumpeter, entrepreneurship is the ability which, irrespective of the capital ownership, includes initiative, authority, foresight and leadership. It is more matter of will rather than intellect. Unlike the definition coined by Schumpeter, the literature uncovers a group of definitions of entrepreneurship that include the process of decision-making and development of profitable jobs.

Peter Drucker explained: “...this defines entrepreneur and entrepreneurship-the entrepreneur always searches for change, responds to it, and exploits it as an opportunity. Entrepreneurs innovate. Innovation is the specific instrument of entrepreneurs” (Drucker, 1985).

Stevenson i Jarillo defined entrepreneurship: “Entrepreneurship is the process by which individuals pursue opportunities without regard to resources they currently control.” (Stevenson & Jarillo, 1990).

So we may sum up entrepreneurship by using the Steve Gedeon’s conclusion: “Entrepreneurship is a multi-dimensional concept that includes owning a small business (Risk Theory), being innovative (Dynamic Theory), acting as a leader (Traits School), or starting up a new company (Behavioural School). It includes spotting opportunities to drive the market toward equilibrium (Austrian School) or causing disequilibrium through “creative destruction” (Schumpeter). It includes doing this on your own, in a team or inside a company. It involves starting without any resources and creating new values in the realm of business, social values, government or academia.“ (Gedeon, 2010).

### **Entrepreneurship education in eu and serbia**

In 2010, in the EU, the discussions were held regarding the strategic development of entrepreneurial learning as a key competence. Countries in the pre-accession process, including Serbia, equally took part in the talks in the form of “Fifth Cluster” called the High Level Reflection Panel, which highlighted several key issues in the implementation of entrepreneurial education in the region:

- the public is not still sufficiently familiar with the terminology of entrepreneurial education;
- the entrepreneurial education does not have a clearly defined political framework but it falls under the competence of different stakeholder groups;
- the entrepreneurship promotion in the formal education should be linked to broader efforts for entrepreneurial education and training;
- All ministries dealing with the partnership in entrepreneurship education policy should ensure equal commitment. Even though there is a good understating of entrepreneurship as a key competence, the understanding of how these key competencies may effectively be incorporated into teaching and learning is still missing;
- There is an obvious lack in terms of defining learning outcomes of entrepreneurship as a key competence, especially in primary and secondary education.

The objective of the Europe 2020 Strategy is the economic development of EU based on knowledge and environmental protection, high employment and productivity rate and social cohesion. The EU Member States are expected, by taking into account the strategy framework, to precisely define own objectives and results as well as measures that will be implemented in the forthcoming financial period (after 2013) through national budgets, structural funds and other funding sources in view of reaching the defined long-term common objectives.

Entrepreneurship education is currently being promoted in most European countries. Several different approaches have been adopted.

- specific strategies/action plans focused exclusively on the integration of entrepreneurship education.

The countries which adopted specific strategies on entrepreneurship education are mainly Northern European countries: Belgium, Denmark, Estonia, Lithuania, Netherlands, Sweden, United Kingdom and Norway.

- broader educational or economic strategies which incorporate objectives for entrepreneurship education.

The countries which adopted broader educational or economic strategies: Finland, Greece, Liechtenstein, Spain, Iceland, Slovak Republic, Bulgaria, Czech Republic, Hungary, Austria, Poland and Turkey.

- individual or multiple initiatives related to entrepreneurship education.

The study of entrepreneurship and entrepreneurial thinking is not integrated into the system of primary and secondary education in Serbia. “There are very few privately and state owned faculties (mainly economy, business and management oriented faculties) that deal with this issue and provide an opportunity to their students to learn more entrepreneurship. In very few faculties, the entrepreneurship is a separate subject, while the great majority of faculties teaches certain segments of entrepreneurship as a part of other subjects” (Paunović, 2009).

In 2005, in Serbia, it was identified by the analysis of the Ministry of Education and Sports of the Government of the Republic of Serbia that even though there are good initiatives at the national, regional and local level, the comprehensive for thorough and proper implementation of entrepreneurship in education is still missing.

In 2012, The Ministry of Education and Science has initiated the process of drawing up the Education Development Strategy in the Republic of Serbia until 2020. The strategy covers issues of preschool education, primary and secondary education, higher education, teacher training, adult education, informal education, lifelong learning as well as establishing connections with labour market etc.

## Results

The objective of the research “Entrepreneurial Aspirations of High Vocational School Students in Banat” was to determine the impact of entrepreneurship education factors on the development of entrepreneurial aspirations among the high school youth. In this paper focus is on student’s perception of necessary traits that should be possessed by an entrepreneur.

The study was conducted in June 2012th. The sample of the survey represented 300 students in three of the selected secondary vocational schools: School of Economics and Commerce Kikinda, School of chemical, food and textile technology "Uroš Predić" Zrenjanin and Technical School "May 23rd" Pančevo.

The following methods have been applied in the research “Entrepreneurial Aspirations of High Vocational School Students in Banat”: survey method, statistical methods and comparative method.

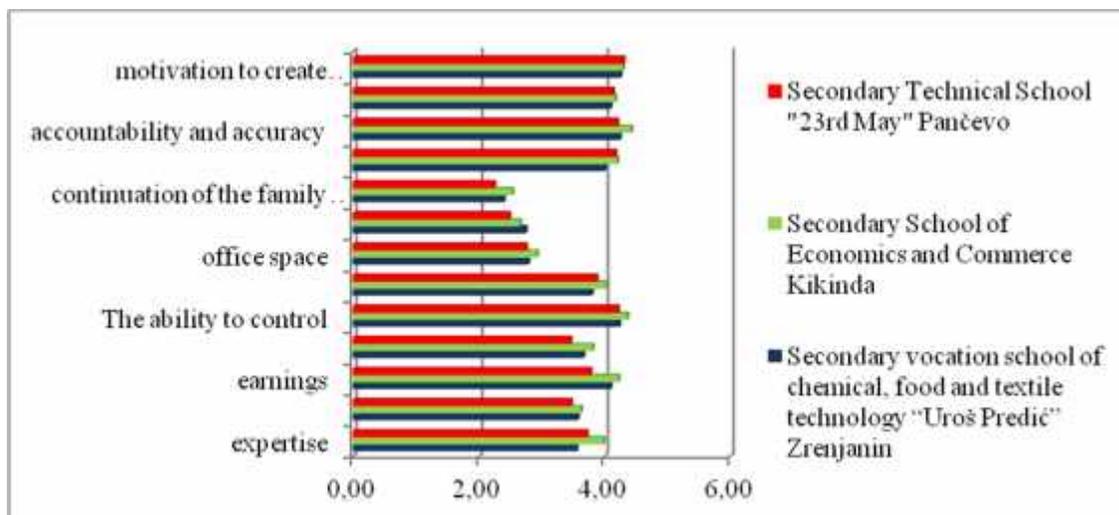
Data of this survey were collected by the survey method and standardized questionnaire.

It has been supposed the following: presence of entrepreneurial aspirations positively correlates with self-perception of personal abilities, skills and knowledge necessary for entrepreneurial ventures.

Based on the results of this research, the surveyed high vocation school students state the following entrepreneurial characteristics as the most important: and determination, dedication, self-respect and desire for achievement. As far as the perception of own traits required for the business management, most students highly appreciate the following traits: desire for achievement, persistence and optimism. In general, the surveyed students believe that their advantages for business start-up lie in the following characteristics: responsibility and accuracy, motivation to create something new, perception of the own ability to keep the business under control. the lowest appreciated advantages are: continuation of the family tradition, land and business space possession. It is interesting that the students, who intend to start running their own business, are more willing to take the risks in order to start their own business. Also, these respondents often recognize a good idea as their own advantage.

The students the School of Economics students more frequently than the students of the two other schools assess their professional knowledge as an advantage for business start-up (chi square = 17.55, df = 8,  $p < 0.05$ ). also, the students of the Technical School more often than the students of the two other schools believe that motivation to achieve high profits is their advantage for the business start-up (chi square = 16.71, df=8 , $p < 0.05$ ). Finally, the students of the Chemical Engineering, Food and Textile Industry School and School of Economics assess the ability to keep the business under control as their advantage for the business start-up, while this ability is slightly lower ranked among the students of the Technical School (chi square = 16.59, df = 8,  $p < 0.05$ ).

Figure 1: Perception of own advantages for starting own business given the type of school



## Conclusions

Based on overview of education in European Union and Serbia we can conclude that EU countries found several models to implement entrepreneurship in education unlike Serbia, which is still searching for the best solution.

It is clear from paper that a lot factors have influence on implementation of entrepreneurship in education. The most important are: economic development of country, entrepreneurial culture, development of national education strategy and compliance education system with EU recommendations.

This research indicates the need for innovating education programs in Serbian high schools in order to develop a positive attitude towards entrepreneurship and develop the skills for self-employment. The introduction of well-designed entrepreneurship contents into the high school programs along with the application of interactive exercises for students, through which they would acquire the needed entrepreneurial knowledge and skills would encourage self-employment under the dramatically high unemployment conditions.

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