



14 May 2010

Members
Education and Science Select Committee

Inquiry into should entrepreneurship education be a compulsory subject in secondary school?

The Education and Science Select Committee has been asked to conduct an inquiry into: should entrepreneurship education be a compulsory subject in secondary school? This paper has been prepared to assist the committee with its examination. Issues are identified and possible lines of inquiry are provided for the Committee to consider. The Committee may also wish to raise these matters with the witnesses who have been asked to appear before the Committee to give evidence on this inquiry.

What is entrepreneurship education?

Entrepreneurship is the act of being “one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods”. This may result in new organisations or may be part of revitalising organisations in response to a perceived opportunity. The most obvious form of entrepreneurship is that of starting new businesses; however, in recent years, the term has been extended to include a specific enterprising mindset resulting in innovative risk-taking behaviour e.g. in the form of social entrepreneurship, political entrepreneurship, or knowledge entrepreneurship.

Entrepreneurship education seeks to provide students with the knowledge, skills, attributes and motivation to encourage entrepreneurial success in a variety of settings. What makes entrepreneurship education distinctive is its focus on realisation of opportunity, where management education is focused on the best way to operate existing hierarchies. Both approaches share an interest in achieving profit in some form. For non-profit organisations or government entrepreneurship can take the form of increased services or decreased cost or increased responsiveness to the customer, citizen, or client.

Opportunities can be realised in several ways. The most popular one is through opening a new organisation (e.g. starting a new business). Another approach is to promote innovation or introduce new products or services or markets in existing firms.

The benefit of entrepreneurship education is that it may decrease the chances of failure by stressing a consistent and proven set of practices. The idea of professionalising the process of entrepreneurship is the common theme in the theory of entrepreneurship education.

Relevance of entrepreneurship education for young people

One problem facing young people today is their high unemployment rate as a consequence of the recession. In the March 2010 Household Labour Force Survey, the unemployment rate for young people aged 15-19 was 25.2 percent, for young people aged 20-24 it was 11.4

percent, compared with a national average of 6.0 percent (down from 7.3 percent the previous December).

The lack of worthwhile qualifications held by some young people when they leave the education system is another problem. According to the Social Report (Ministry of Social Development 2009), in 2007, 34 percent of secondary school leavers did not have a Level 2 or 3 NCEA qualification. Upper secondary school qualifications serve as part of the foundation for future learning as well as the preparation for entry into the labour market. Those who leave school with few qualifications are at a much greater risk of unemployment or vulnerability in the labour force and of having low incomes.

Self-employment through entrepreneurial activity is one potential solution to unemployment. The creation of the internet and the rapid growth of new forms of social media networks have to some degree undermined traditional business models and commercial hierarchies. Young people have demonstrated an ability to exploit this disruption to business as usual with innovative products and services, in both the for-profit and not-for-profit sectors.

Role of the Board of Trustees

Under Tomorrows Schools, schools through their Boards of Trustees make their own decisions. The degree of emphasis which each part of the curriculum is given in any particular school depends on the Board of Trustees. Schools and their Boards of Trustees are independent, and free to make their own choices about how the curriculum is implemented in their schools. Each Board of Trustees, through the Principal and staff, is required to develop and implement a curriculum for students in years 1–13:

- that is underpinned by and consistent with the principles
- in which the values are encouraged and modelled and are explored by students
- that supports students to develop the key competencies.

Each board of trustees, through the Principal and staff, is required to provide all students in years 1–10 with effectively taught programmes of learning in English, the arts, health and physical education, mathematics and statistics, science, social sciences, and technology. When designing and reviewing their curriculum, schools select achievement objectives from each area in response to the identified interests and learning needs of their students.

The curriculum in secondary schools

The next few sections will explain the New Zealand Curriculum (NZC), how learning areas are compulsory, and how entrepreneurship education and related learning is currently positioned.

There are two national curriculums in New Zealand. The NZC gives schools the direction for teaching and learning. It is a framework, rather than a detailed plan and schools develop their own curriculum and teaching programmes from it. *Te Marautanga o Aotearoa*, has the same purpose for Māori-medium schools.

Every school must offer a curriculum. For those schools that use the NZC, this must include the NZC's vision, principles and key competencies. Schools teaching years 1-10 must use the learning area statements and achievement objectives set out in the NZC. Schools teaching years 11-13 (senior secondary level) have more flexibility in developing their curriculum for particular subjects that align to the learning areas.

The NZC's principles embody beliefs about what is important and desirable in the school curriculum – nationally and locally. They should underpin all school decision making. These principles put students at the centre of teaching and learning, asserting that they should experience a curriculum that engages and challenges them, is forward-looking and inclusive, and affirms New Zealand's unique identity.

Although similar, the principles and the values have different functions. The principles relate to how the curriculum is formalised in a school; they are particularly relevant to the processes of planning, prioritising, and review. The values are part of the everyday curriculum – encouraged, modelled, and explored.

One of the eight principles in the NZC is “future focus”. The curriculum encourages students to look to the future by exploring such significant future-focused issues as sustainability, citizenship, enterprise, and globalisation. The other seven principles are:

- high expectations
- Treaty of Waitangi
- cultural diversity
- inclusion
- learning to learn
- community engagement
- coherence.

How are values and principles implemented into learning areas?

The New Zealand Curriculum identifies *values* to be encouraged and modelled and to be explored by students, *five key competencies* that students will develop over time and in a range of settings, and *learning areas* that describe what they will come to know and do. Schools need to consider how each of these aspects of the curriculum will be promoted and developed in teaching and learning. They can do this in different ways.

Schools may, for example, decide to organise their curriculum around one of these three aspects (values, key competencies, or learning areas) and deliberately weave the other two through their programmes. Alternatively, they may decide to organise their curriculum around central themes, integrating values, key competencies, knowledge, and skills across a number of learning areas. Or they may use another approach or a combination of approaches.

The values, competencies, knowledge, and skills that students will need for addressing real-life situations are rarely confined to one part of the curriculum. The learning area statements describe the essential nature of each learning area, how it can contribute to a young person's education, and how it is structured.

None of the strands in the required learning areas is optional, but in some learning areas, particular strands may be emphasised at different times or in different years. Schools should have a clear rationale for doing this and should ensure that each strand receives due emphasis over the longer term. For example, with languages, a school should offer a second language in years 7-10 so that everyone has the opportunity to learn a second language, but no one is required to learn a second language.

How is entrepreneurship education currently taught in secondary schools?

Entrepreneurship education is not by itself a learning area, but there are opportunities within the NZC for students to display entrepreneurship and receive qualifications in this area.

From years 1-10 most schools focus on developing enterprising learners and citizens. This is termed “education for enterprise.” The Ministry of Education defines education for enterprise as: “...a teaching and learning process directed towards developing in young people those skills, competencies, understandings, and attributes which equip them to be innovative, and to identify, create, initiate, and successfully manage personal, community, business, and work opportunities, including working for themselves.” Enterprise is the key concept for Business Studies, if a school offers that subject.

Education for Enterprise enhances what, and how, young people learn, to enable them to participate and contribute locally and globally and meet the demands of a rapidly changing world environment. Education for Enterprise is an approach as well as a context for teaching and learning. It involves acquiring knowledge across the eight curriculum learning areas and key competencies of the NZC, and promotes effective teaching practice. Education for Enterprise can play a central role in achieving the direction set out in the NZC and to prepare students to meet future challenges by utilising 21st century-focused learning approaches.

What does this mean in practice? It is about *how* teaching is done across the curriculum and how students are encouraged to take ownership of their learning. Education for Enterprise is not a discrete subject but provides learning experiences that encourage young people to be active participants in their learning. It could include learning experiences that:

- give all students opportunities to think and act in an enterprising way across the curriculum and/or in specific learning areas
- put a clear focus on the key competencies and, in particular, ‘enterprising attributes’
- give students opportunities to demonstrate the transfer of skills and knowledge into new contexts
- give students opportunities to engage with local businesses and community on a real project
- allow students to take risks
- are entrepreneurial.

Key Competency – Managing Self

Students who manage themselves are enterprising, resourceful, reliable, and resilient. This competency is associated with self-motivation, a “can-do” attitude, and with students seeing themselves as capable learners. It is integral to self-assessment. They establish personal goals, make plans, manage projects, and set high standards. They have strategies for meeting challenges. They know when to lead, when to follow, and when and how to act independently.

Learning area – social sciences

Part of the Social Sciences learning area is the Economic World – where students learn about the ways in which people participate in economic activities and about the consumption, production, and distribution of goods and services. They develop an understanding of their role in the economy and of how economic decisions affect individuals and communities.

Learning based on the level 1–5 social studies achievement objectives establishes a foundation for the separate social science disciplines (Economics, History, Geography, and Social Studies) offered in the senior secondary school. At levels 6–8, students are able to specialise in one or more of these, depending on the choices offered by their schools. One of the outcomes for learning at level 5 of social studies (which could occur during years 8-12 of schooling) is gaining skills, knowledge and experience relating to understanding “*how people seek and have sought economic growth through business, enterprise, and innovation.*”

Enterprise is the key concept for years 11-13 Business Studies, if a school chooses to offer that subject. The new Business Studies achievement standards available for schools in 2010 provide an opportunity for students to experience running their own business while gaining worthwhile NCEA qualifications. At NCEA Level 2 the emphasis of learning is experiential and builds on the one-off business activity carried out at NCEA Level 1. The context for learning is a business activity, developed and carried out by the students within a community context. This means the activity could:

- be a service to the community or part of the community
- sponsor, fundraise or donate profit or products to a community group, activity or non-profit organisation
- create an awareness campaign for a local community group.

Other avenues for entrepreneurship education

Entrepreneurship education is available as an option at some New Zealand universities, through both formal studies and some entrepreneurial competitions on campus. Many schools have student led activity that has an enterprise focus, e.g. market day, school productions, magazine, garden, art competitions, etc, even when it is not formally labelled as . Another source of extra-curricula enterprise education in secondary schools is through the programmes and activities sponsored by The Lion Foundation Young Enterprise Scheme (YES).

YES has The Lion Foundation as principal supporter, with part funding from the Ministry of Youth Development and the Ministry of Education, and is administered by Young Enterprise Trust. It is a learning experience for young people, teachers and business people in which senior secondary school students form a company; become directors; develop products and services, which they market and sell. YES is school based and teaches skills in budgeting, planning, interpersonal relations, decision making, reporting, communications; risk management and teamwork. The YES website claims that Young Enterprisers:

- add value to school based knowledge
- learn how to run a business
- learn the value of being enterprising
- develop a “can do” attitude
- learn to take and manage risks.

Report to the House

The Committee is required to report its findings on this inquiry to the House. The purpose of your report is first to inform the House and stimulate debate. In doing so your report should reflect both the oral and written evidence the Committee received, the issues the Committee considered in-depth, and the views of the members. From these the Committee should develop conclusions and recommendations to the Government.

Dr Dillon Burke
Report Writer
Youth Parliament 2010
Ministry of Youth Development

Members may wish to ask:

- Can entrepreneurship be taught?
- Does everyone need entrepreneurship education?
- Should entrepreneurship be a subject in its own right, or embedded within other learning areas?
- How useful is enterprise education, in an era of lifelong learning, when people may change careers many times in their lifetime?
- Is entrepreneurship education something all students need to be taught?
- Should entrepreneurship education include both commercial and social entrepreneurship?
- In order to teach compulsory entrepreneurship education, what other subject should be dropped from the curriculum?
- Should entrepreneurship education include how to deal with failure?
- Would it be more valuable to make learning a second language compulsory?
- Should entrepreneurship education be part of the university entrance requirement?
- Should Boards of Trustees be free to choose what is taught in their school?
- How can teachers teach enterprise education if they have no business experience?
- At what year levels of secondary schooling should entrepreneurship education be compulsory?

References

New Zealand Curriculum, <http://nzcurriculum.tki.org.nz/>

Education for Enterprise, <http://education-for-enterprise.tki.org.nz/>

Young Enterprise Scheme Hub, <http://www.yesinnovationhub.co.nz/>

Young Enterprise Trust, <http://www.enzt.co.nz/>

Ministry of Social Development, Social Report 2009 <http://www.socialreport.msd.govt.nz/>

Statistics New Zealand, Household Labour Force Survey, December 2009, <http://www.stats.govt.nz>

Further Reading

Suggested keywords for internet search engines:

- youth or young
- enterprise
- entrepreneurship
- education
- policy

Lewis, Kate, 2004 Contributing to Building an Enterprise Culture: Evaluating the Young Enterprise Scheme, http://sme-centre.massey.ac.nz/files/YES_Evaluation_2_Final_Report.pdf

Youth Entrepreneurship: Recommendations for Action, <http://www.youthbusiness.org/pdf/RecommendationsforAction.pdf>

Global Forum on Youth Entrepreneurship, Edinburgh, 2008, <http://www.youthbusiness.org/PDF/GFYEDiscussionSummary.pdf>

Featherstone, Tony, 2007, Classroom Challenge: Is entrepreneurship an innate skill or can it be taught? A growing number of universities are banking on the latter. <http://cio.co.nz/cio.nsf/focus/1fe3254b3ffcbb5acc2573b30083325e?OpenDocument&Click=>

Ahikaa programmes embody a fusion of the internationally acclaimed NFTE entrepreneurship education programmes, with the entrepreneurial traditions of Polynesia and tikanga of New Zealand Maori. http://nfte.org.nz/ahikaa_programs.html

A report for the Global Entrepreneurship Monitor (GEM) Aotearoa New Zealand confirmed that Māori are the world's third most entrepreneurial people. <http://www.unitec.ac.nz/?3C5FA037-137A-414B-B8BD-FDC6F01C3EF3>