



European Economic and Social Committee

SOC/242
Fostering entrepreneurial
mindsets through
education and learning

Brussels, 6 July 2006

OPINION

of the

European Economic and Social Committee

on the

**Communication from the Commission to the Council, the European Parliament, the European
Economic and Social Committee and the Committee of the Regions**

Implementing the Community Lisbon Programme:

Fostering entrepreneurial mindsets through education and learning

COM(2006) 33 final

On 5 April 2006 the Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the

*Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions
Implementing the Community Lisbon Programme: Fostering entrepreneurial mindsets through education and learning*
COM(2006) 33 final.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 2 June 2006. The rapporteur was Ingrid Jerneck.

At its 428th plenary session, held on 5 and 6 July 2006 (meeting of 6 July 2006), the European Economic and Social Committee adopted the following opinion by 122 votes to 16, with 10 abstentions.

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Key points of the EESC's position

Entrepreneurship refers to an individual's ability to turn ideas into action. Entrepreneurial training promotes innovation, creativity and self-confidence. To foster entrepreneurial mindsets through education and learning:

- Early start, with the basis for entrepreneurial training and education
- Supplementary entrepreneurial programmes within the national curriculum from primary school to higher education
- Positive and effective cooperation between schools/universities and businesses
- Involvement of teachers benefits their personal development
- The drawing up of educational programmes for entrepreneurship should involve both employers and employees
- Strong involvement and presence of civil society in the learning process
- The importance of female entrepreneurs must be taken into account in schools with the aim of fostering a positive balance between women and men
- Entrepreneurship must be fostered equally amongst disabled persons
- Exchange of best practice is important and progress could be monitored through annual stock-taking conferences organised by the Commission
- Media activities and the image they convey of business are important
- An "Entrepreneurial staircase" can be used as one of several models in the Member States
- The importance of creating one-stop-shops to facilitate the setting-up of companies

- Launch of a European Year for Entrepreneurship upon a proposal by the Commission
- Entrepreneurial mindsets for education and training can play a role in communicating Europe and bringing the EU closer to its citizens

1. **Gist of the Commission document**

- 1.1 In February 2005, the Commission proposed a new start for the Lisbon Strategy focusing the European Union's efforts on two principal tasks – delivering stronger, lasting growth and providing more and better jobs. The new Partnership for Growth and Jobs stresses the importance of promoting a more entrepreneurial culture and of creating a supportive environment for SMEs.
- 1.2 The need to create a more favourable societal climate for entrepreneurship is based on an integrated policy with a view to not only changing the mindsets but also improving the skills of Europeans and removing obstacles to the start-up, transfer and growth of businesses.
- 1.3 Entrepreneurship is a key competence for growth, employment and personal fulfilment. While recognising that the entrepreneurship competence should be acquired throughout lifelong learning, the Communication focuses on education from primary school to university, including also secondary level vocational education (initial vocational training) and technical institutions of tertiary level.
- 1.4 Traditionally, formal education in Europe has not been conducive to entrepreneurship and self-employment and although numerous initiatives on entrepreneurship education are under way, they are not always part of a coherent framework. The Commission's proposals, based on evidence and good practice, aim to help formulate more systematic approaches to entrepreneurship education and to enhance the role of education in creating a more entrepreneurial culture in European societies. Most of the action needs to be taken at national or local level.
- 1.5 The Communication will serve as a reference for reviewing progress in policy development, notably through the Lisbon Reports that the Member States will submit under the Integrated Guidelines for Growth and Jobs.

2. **The EESC's general comments**

- 2.1 The Committee welcomes the Commission's proposal. More entrepreneurial activity is important if the economic growth needed to successfully maintain Europe's social model and to turn the Lisbon strategy into a success is to be fostered. Europe needs more entrepreneurs equipped with the appropriate skills to successfully compete in the markets. As the Commission recognizes, the benefits of entrepreneurship education are not limited only to more start-ups, innovative ventures and new jobs. An entrepreneurial mindset should be seen as a basic skill and a career opportunity as well as an essential part of personal development.

It fosters creativity and innovation as well as self-confidence as it develops a spirit of initiative and helps individuals to learn to cope with failure. It is a matter of instilling an enterprising attitude, and not just learning how to be a businessman or woman. Entrepreneurial training can also enable employees to become more aware of what their jobs are about and to seize any opportunities that may arise. Entrepreneurship refers to an individual's ability to turn ideas into action¹.

- 2.2 The EESC supports the idea that a change in mindsets or attitudes is crucial to achieving an increase in entrepreneurship rates and needs to start at an early age. An entrepreneurial mindset also needs to be conceived as a lifelong learning process that begins in primary school. That is where specific entrepreneurial skills are fostered over and above the general knowledge and culture acquired in formal education, thus promoting creativity, a sense of initiative and a proactive approach to knowledge and learning, etc. This can offer increased flexibility at different stages of a persons life, helping to facilitate the work-life balance for women and men. The role of families and their attitudes towards entrepreneurship needs to be taken into account.
- 2.3 The Committee welcomes the Conclusions of the Spring Council². The European Council underlines the need to create a positive entrepreneurial climate overall, and invites the Member States to strengthen respective measures, including through entrepreneurship education and training. Measures to improve the business environment for SMEs of all types and sizes and encourage more people, in particular women and young people, to become entrepreneurs should be explicitly mentioned in the National Reform Programmes as well as in the reporting.
- 2.4 The Committee appreciates the suggestion concerning the establishment of one-stop-shops so that companies set up in a quick and simple way. This is an important issue for general growth and more jobs. However, as the Committee has already stated, the barriers to entrepreneurship before and after the setting-up process are far more significant than has been assumed. Too much focus on making company registration quick may inadvertently curtail the appropriate period of important research, planning, capacity-building and overall deliberation by an entrepreneur that precedes the launching of a new business venture³. In this context the Committee reiterates that, not only start up, but also the transfer of business is involved.

¹ COM(2005)548 - Proposal for a Recommendation of the European Parliament and of the Council on key competences for lifelong learning.

² Brussels European Council 23/24 March 2006 - Presidency conclusions.

³ EESC opinion on the "Green Paper - Entrepreneurship in Europe" (rapporteur Mr Ben Butters) - OJ C10, page 58, 14.1.2004.

2.5 Regulatory, fiscal and financial issues, factors which all influence entrepreneurship, have been addressed in previous Committee opinions ⁴.

2.6 Though the Committee supports and agrees with the proposals and recommendations in the Communication, it would like to make the following comments:

3. **The EESC's specific comments**

3.1 **Entrepreneurial mindsets in education**

3.1.1 Achieving an entrepreneurial mindset is a lifelong learning process, which needs to start at an early age and which should run like a "red thread" throughout the whole education system. Primary, Secondary and Higher education should all provide a better basis for acquiring the skills and ability to develop independence and an entrepreneurial spirit at a later stage. A thorough and high standard of education will open the way to effective specialised entrepreneurial training in the future. A recent survey⁵ shows that entrepreneurship training programmes play a crucial role in encouraging young people to consider self-employment as a future career option. These programmes have also shown to improve the students problem-solving capabilities, develop self-confidence and taught the value of co-operation and teamwork. Entrepreneurship education entails an active participation in education and not just passive absorption. A study from Lund University⁶ shows that entrepreneurial skills are learned primarily by work experience and practice and not just by formal education.

3.1.2 Developing an entrepreneurial mindset is important in theoretical as well as vocational secondary and higher education, and can also have additional positive implications helping to raise interest in various forms of education. In this context, the Committee notes that there are different types of business culture which need to be taken into account when drawing up education programmes.

3.1.3 One of the solutions is to develop concrete and timely contacts between schools, businesses, government, relevant authorities and the local community. Education administrations and entrepreneurs should cooperate to develop the best education possible. Employers and employees should be visible and play an appropriate role in education. The Committee agrees with the Commission that the importance of entrepreneurship must be clearly stated and become a natural part of curricula. It should be accompanied by appropriate measures for

⁴ EESC opinion on the "Communication from the Commission to the Council and the European Parliament, the European Economic and Social Committee and the Committee of the Regions - Action Plan: The European agenda for Entrepreneurship" (rapporteur Mr Ben Butters) - OJ C74, page 1, 23.3.2005, and the EESC opinion on the "Green Paper - Entrepreneurship in Europe" (rapporteur Mr Ben Butters) - OJ C10, page 58, 14.1.2004.

⁵ Enterprise 2010 the next generation, survey from Junior Achievement Young Enterprise, September 2005.

⁶ "Entrepreneurship, Career Experience and Learning – Developing our Understanding of Entrepreneurship as an Experiential Learning Process" dissertation by Diamanto Politis 2005, School of Economics and Management, Lund University.

implementation. Entrepreneurship's horizontal character calls on close co-operation between all ministries involved (education/industry/economy) to ensure a coordinated approach.

- 3.1.4 Different national and local initiatives, as well as the exchange of good practice, should be supported. Organised civil society (including social partners, family organisations etc.) should be consulted in this work.
- 3.1.5 Full support must be given to teachers in this process. They need to be made sufficiently aware of the benefits of entrepreneurial education and shown ways in which such programmes can be implemented, starting in primary school. Schools must, therefore, have not only the necessary human and financial resources but also sufficient independence to be able to fulfil this and other tasks they undertake. Teachers have to understand that the all-round education of their students must encompass the elements of independence, curiosity and a critical approach which can stimulate them and help develop an entrepreneurial mindset. To this end, teachers must be supported and feel that this form of education can also be a source of personal enrichment.
- 3.1.6 The Committee regrets that the female perspective has not been dealt with further in the Communication, though it is mentioned in the introduction. The ratio of girls taking part in mini-company activities in secondary school is the same as that for boys, and in some countries it is even higher. Despite this, men are more likely to start and own businesses and are more confident in their entrepreneurial skills according to surveys⁷. This phenomenon merits further consideration and concerns the education system in general.
- 3.1.7 The possibility of becoming an entrepreneur should be the same for disabled and able-bodied persons. Entrepreneurship education and training should take this into account providing appropriate support to the person concerned. Relevant disability organisations at European, national and local level should be involved in this process.

3.2 **Dissemination of best practice and follow-up**

- 3.2.1 The Commission Communication identifies and brings together what has been done, based on best practice. The focus should now be put on how to further implement and disseminate these findings, proposals and recommendations.

3.3 **Dissemination of best practice**

- 3.3.1 The Committee is aware that there is an enormous repository of good practice in Member States and numerous cases of curricula being extended to include subjects and activities aimed at forming the competences required for future entrepreneurship. It would like to add another example to those already mentioned in the Communication. Public authorities, as well

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Global Entrepreneurship Monitor, 2005 Executive report.

as private actors, are involved in entrepreneurship training. Whether educational experiments such as the "Entrepreneurship Staircase"⁸ can be employed more widely and effectively needs to be verified. This model has different steps from primary education up to research level and has proven to be a successful way of introducing entrepreneurship education to a person early in life and continuing with it throughout later stages of education:

- Seven year old "Flashes of genius" create simple and practical innovations
- 15-year olds: information and active participation in schools by businesses, organisations and authorities
- 18-year olds: become Young entrepreneurs and start mini-companies
- Higher education: special faculties and programmes for entrepreneurship

3.3.2 The establishment of a forum for best practice is important. The initiatives already taken to identify and exchange good practice should be further developed in the Member States and coordinated by the Commission. The annual conferences within the European Charter for Small Enterprises are an important part of this. The Committee is also looking forward to the Conference the Commission will organise in the autumn of 2006 as a follow-up to the Communication on fostering entrepreneurial mindsets. The Committee demands that all relevant public and private actors be associated with this conference and suggests that different models, for example the "Entrepreneurship Staircase", could be introduced as a case study. At this forum it is important to discuss successful models which, even at primary school, help to form the (mental and personal) prerequisites for future entrepreneurial skill and can be developed to suit other Member States national criteria and curricula. The Committee also proposes that this kind of stocktaking conference become an annual event to assess the implementation of the Commission's recommendations.

3.3.3 The Commission makes comparison with the United States in its communication, where entrepreneurial activities are encouraged more than in Europe. In a previous Committee opinion it was stated that, compared with the USA, proportionately fewer Europeans are involved in start-ups and significantly more prefer employment to self-employment. Many observers believe that the European social model is one of the key reasons why more people in Europe prefer to be employees. One should consider a) whether this data is itself adequate to be used in the benchmarking of EU activity in Member States and against standards in the rest of the world b) the effect of this preference for employment over self-employment, c) whether it is directly related to the lack of entrepreneurial dynamism in Europe and d) whether the solutions are acceptable to European society⁹.

3.3.4 Entrepreneurship is important to society as a whole. To promote and raise the awareness of the culture of entrepreneurial thinking as well as an understanding of the importance of

⁸ Introduced by the Confederation of Swedish Enterprise.

⁹ EESC opinion on the "Green Paper - Entrepreneurship in Europe" (rapporteur Mr Ben Butters) - OJ C10, page 58, 14.1.2004.

entrepreneurship for a country's overall development the Committee proposes that the year of 2009 be declared European Year of Entrepreneurship. In this context the Committee notes that the mid-term review of several relevant Community programmes will take place in 2010. Positive public attitudes on entrepreneurship need to be established. The Year would also provide an opportunity to consolidate and reinforce existing exchanges of best practice. A European Year of Entrepreneurship could also play a role in communicating the EU and bring it closer to its citizens.

- 3.3.5 As the Committee has already stressed, the media play a key role in conveying the spirit of entrepreneurship and an understanding of how business works. However, there tends to be an over-emphasis on big business and multinationals. Strategies to highlight the role of the entrepreneur should be defined to promote the image of small businesses and micro-enterprises, of specialised trades, services, and traditional and craft activities¹⁰.

3.4 Follow-up

- 3.4.1 Since education and training are amongst the areas for which the Member States are competent, the question of follow-up and implementation is of crucial importance. The Committee notes that the former evaluation reports under the Charter for small companies are being replaced by the general reports set up as part of the Lisbon strategy (Integrated guidelines for Growth and Jobs, guideline No 15). However the Committee considers that national scoreboards could still be established. The Commission needs to define qualitative and quantitative targets to assess progress in an efficient way and on a long-term basis, while respecting the principle of subsidiarity and each country's specific situation. The proposals in the final report of the Expert Group "Education for Entrepreneurship"¹¹ are valid.

- 3.4.2 The Committee notes that several community training programmes could contribute financially to efforts to enhance entrepreneurial spirit, in particular the Erasmus and Leonardo programmes, the structural funds, especially the European Social Fund, and the future Competitiveness and Innovation Programme, CIP. However, these support possibilities do not seem to be coordinated. A coherent Community level strategy to enhance entrepreneurial spirit is required. Methods and funding need to be clearly identified and players at all levels informed about the various possibilities for securing community funding.

¹⁰ See also EESC opinion on the "Green Paper - Entrepreneurship in Europe" (rapporteur Mr Ben Butters) - OJ C10, page 58, 14.1.2004.

¹¹ Final report of the Expert Group "Education for Entrepreneurship" – Making progress in promoting entrepreneurial attitudes and skills through Primary and Secondary education, completed in February 2004.

3.4.3 The Committee intends to follow-up priority action taken by the Finnish presidency to unlock business potential as called for by the European Council¹².

Brussels, 6 July 2006.

The President
of the
European Economic and Social Committee

The Secretary-General
of the
European Economic and Social Committee

Anne-Marie Sigmund

Patrick Venturini

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N.B.: Appendix overleaf.

¹² Brussels European Council 23/24 March 2006- Presidency conclusions.

Appendix 1

The following amendments were rejected, although they did receive at least a quarter of the votes cast:

Key points of the EESC's position, indent 14

Amend as follows:

~~Launch of a European Year for Entrepreneurship upon a proposal by the Commission~~

Voting

For: 48
Against: 62
Abstentions: 15

Point 3.3.4

Amend as follows:

"Entrepreneurship is important to society as a whole. To promote and raise the awareness of the culture of entrepreneurial thinking, as well as an understanding of the importance of entrepreneurship for a country's overall development the Committee ~~proposes that the year of 2009 be declared European Year of Entrepreneurship~~ calls on the Commission to launch appropriate measures. In this context the Committee notes that the mid-term review of several relevant Community programmes will take place in 2010. Positive to establish positive public attitudes to entrepreneurship. need to be established. ~~The Year would also provide an opportunity to consolidate and reinforce existing exchanges of best practice. A European Year of Entrepreneurship could also play a role in communicating the EU and bring it closer to its citizens."~~

Voting

For: 60
Against: 73
Abstentions: 13