THE ROLE OF ENTREPRENURSHIP EDUCATION IN FOSTERING ENTREPRENEURIAL INTENTIONS

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Abstract: *Nowadays, in the context of economic crises, the challenges of globalization processes and dynamic changes with existing knowledge societies, more emphasis is placed on the entrepreneurship as a driver for economic growth and innovation. The EU has also recognized the importance of entrepreneurship, as a factor influencing its progress. In addition, the European Commission states that entrepreneurship is a skill that can be learned. Therefore, one of the key goals of the EU and the Member States has been the promotion of entrepreneurial education for many years. The reason for its introduction and fostering lies in its importance, which manifests itself in developing young people's potential, initiating their own ideas, developing the skills, knowledge and attitudes that are necessary to create entrepreneurial culture, which ultimately can lead to job creation. In this paper, the perceived capabilities and perceived opportunities related to the entrepreneurial intentions (percentage of population aged 18-64 who intend to start a business within three years) are considered. Perceived capabilities refer to the percentage of people aged 18-64 who believe that they have the required skills and knowledge to start a business, and perceived opportunities also apply to the same age of the population, who see good opportunities to start a firm in the area where they live. The research was conducted among the EU countries based on Global Entrepreneurship Monitor (GEM) data, the world's largest entrepreneurship research. The results of the paper indicate that the perceived capabilities to start a firm are the greatest in Slovakia, Croatia, and Slovenia, and regarding the perceived opportunities to start a firm, Slovakia and Croatia are below the European average level, where Sweden, Poland, and the Netherlands are leading. That brings the question of why that is so and how the education system can influence the acquisition of entrepreneurial skills, knowledge, and attitudes to recognize business opportunities. According to the GEM, entrepreneurial education is one of twelve key elements of an entrepreneurial environment that contribute to the acquisition of knowledge, developing attitudes and skills of individuals and leading to the increase of entrepreneurial activity and self-employment in a particular country. Consequently, a comparison between the EU countries on the approaches to entrepreneurial education at the primary and secondary levels of education was made. It shows how particular countries of the EU (with the highest marks for entrepreneurial education by GEM experts) integrate entrepreneurial education into their education system. According to the current state of education for entrepreneurship in the EU, the European Commission documents and examples of good practice, it is evident how entrepreneurship education differs between countries and that a unified entrepreneurship education approach has not yet been established. The above refers to the need for EU members to recognize the importance of entrepreneurship education and to make greater efforts to implement it in the school curriculum and greater support of the European Commission in caring out this process.*

Keywords: *entrepreneurship education, entrepreneurial intentions, Global Entrepreneurship Monitor, perceived capabilities, perceived opportunities*

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1. INTRODUCTION AND LITERATURE REVIEW

Today, in the period of dealing with rapid changes in the market, entrepreneurship is an important factor for economic development and the competitiveness of the economy. It refers to opportunity recognition, idea development, the creation of new values that lead to launching and development of new businesses. Therefore, it is understood as the main driver of the economy, because it opens up employment opportunities, as well as business opportunities, new product development and innovations. In January 2013, in the Entrepreneurship Action Plan 2020, the European Commission states the revival of entrepreneurship in Europe as the main objective and on the track to this goal, the entrepreneurial education and training represent the fundamental prerequisites for its successful realization [5]. In defining the entrepreneurial competence, the most common definition is used by the European Commission Thematic Working Group on Entrepreneurship Education according to which *the Entrepreneurship education is about learners developing the skills and mindset to be able to turn creative ideas into entrepreneurial action. This is a key competence for all learners, supporting personal development, active citizenship, social inclusion and employability. It is relevant across the lifelong learning process, in all disciplines of learning and to all forms of education and training (formal, non-formal and informal) which contribute to an entrepreneurial spirit or behaviour, with or without a commercial objective* [9]. Moreover, according to the European framework, entrepreneurship is one of eight lifelong learning competencies, which implies the ability to transform ideas into action through creativity, innovation and risk as well as planning and management capability [3]. On top of that, Baum et al. (2007) pointed out that for turning a business idea into a successful business it is essential a human vision, intention, and work, and the human factor is the most significant for business success, much more important than the business idea itself, the market or the industry. Rebernik and Širec (2011) state that students' willingness to start a new venture in the future mostly depends on their attitudes and knowledge of entrepreneurship. Numerous studies deal with attitudes towards entrepreneurship (Greenberger and Sexton, 1988; Learned, 1992; Naffziger et al., 1994; Brandstätter, 1997), but only a few have dealt with the entrepreneurial intentions of students [1]. European Charter for Small Enterprises (2000) invites the Member States and the Commission to support and encourage small businesses in 10 key points, one of which is education and training for entrepreneurship, according to which business principles have to be taught from an early age to encourage entrepreneurial initiatives by young people and developing training programmes for small enterprises [4]. In December 2014, the Council of the European Union adopted conclusions on entrepreneurship education and training, stressing that developing entrepreneurial thinking can have significant benefits for citizens, both in their business life and in private [2]. Also, the European Parliament in 2015 states that the European Union must develop a comprehensive policy or a strategic approach to entrepreneurial education. As such, one of the key goals of the European Commission is to promote entrepreneurship education at all levels from primary school to university and to expand entrepreneurial thinking and entrepreneurial culture among students through the development and acquisition of skills, attitudes and knowledge [6]. Therefore, in the next part of the paper, the most recent data from the Global Entrepreneurship Monitor [10] were used on the entrepreneurship intentions (percentage of 18-64 population who are latent entrepreneurs and who intend to start a business within three years), perceived opportunity rate (percentage of 18-64 population who see good opportunities to start a firm in the area where they live), perceived capabilities rate (percentage of 18-64 population who believe they have the required skills and knowledge to start a business) and experts' scores on entrepreneurial education at the school stage (the extent to which training in creating or managing SMEs is incorporated within the education and training system at primary and secondary levels) in the European Union to ana-

lyse the situation whether education system influences the acquisition of entrepreneurial skills, knowledge, and attitudes which lead to greater perception of opportunities and capabilities and thus to greater entrepreneurial intentions. According to that, the main thesis in the research is the following:

Entrepreneurship education can foster entrepreneurial intentions.

The second part follows the methodology, results and discussion, and in the end the conclusions are presented.

2. METHODOLOGY

In the empirical part of the paper, according to the quantitative and statistical methods, the research goals are to examine the relationship between entrepreneurial attitudes (perceived opportunities and perceived capabilities) and entrepreneurial intentions, and to examine the expert scores on entrepreneurial education at school stage. In doing so, the GEM database and European Commission documents represent the data basis for the research. The research is cross-country and it is done on EU Member States[3].

Following the background discussion, the research hypotheses are as follows:

H1: The correlation between perceived opportunities and entrepreneurial intentions is positive and significant.

H2: The correlation between perceived capabilities and entrepreneurial intentions is positive and significant.

H3: The correlation between perceived opportunities and experts' scores on entrepreneurial education at school level among European countries is positive and significant.

The testing of the hypotheses H1, H2 and H3 was done by Person's correlation coefficient to measures the strength and direction of linear relationships between pairs of continuous variables [12]. In addition, for H3 the linear regression was performed where perceived opportunities rate represents dependent variable, and experts' scores on entrepreneurial education at the school level represent independent variable [13]. For the analysis the Microsoft Excel Programme and IBM SPSS Statistics statistical software were used.

3. RESULTS AND DISCUSSION

In this section, the results of the testing hypotheses H1, H2 and H3 are shown and discussed. First of all, taking into the account the most recent GEM data [10] of Adult Population Survey (APS), which looks at the characteristics, motivations and ambitions of individuals starting businesses, as well as social attitudes towards entrepreneurship, a high value (above the average of 12.84%) of entrepreneurial intentions rate in the EU have Romania (29.01%), Lithuania (19.65%), Croatia (18.62%), France (18.6%) and Estonia (18.14%), Latvia (17.32%), Portugal (15.81%), Ireland (15.41%), Cyprus (15.36%), Slovenia (15.28%), Hungary (15.11%), Luxembourg (14.7%), Czech Republic (13.73%) and Slovakia (13.7%). Regarding the perceived opportunities rate, a high value (above the average of 42.01%) have Sweden (81.56%), Poland (68.48%), Netherlands (60.95%), Estonia (59.66%), Denmark (55%), Luxembourg (51.65%), Ireland (51.65%), Finland

[3] The data are missing for Malta.

(49.11%), Austria (46.78%), Cyprus (45.89%), United Kingdom (44.02%), Slovenia (42.17%) and Germany (42.11%). On the other hand, the high value (above the average of 43.03%) of the perceived capabilities rate have Slovakia (53.29%), Croatia (52.32%), Slovenia (50.97%), Estonia (49.72%), Latvia (49.03%), Spain (48.46%), Romania (48.44%), Austria (48.33%), United Kingdom (46.63%), Poland (46.6%), Greece (46.39%), Netherlands (46.08%), Cyprus (45.89%), Ireland (45.56%) and Luxemburg (43.91%). Besides APS, there is NES (National Expert Survey), which examines the national context in which individuals start their entrepreneurial activity. According to the NES, the experts' scores on entrepreneurial education at school level (the extent to which training in creating or managing SMEs is incorporated within the education and training system at primary and secondary levels) on the scale from 1 to 5 the highest scores have Netherlands (3.24), Denmark (3.1), Estonia (2.56), Lithuania (2.5), Sweden (2.4) and Luxembourg (2.38) [11][4].

According to GEM data, the results of the paper indicate that the perceived capabilities to start a firm are the greatest in Slovakia, Croatia, and Slovenia, and regarding the perceived opportunities to start a firm, Slovakia and Croatia are below the European average level as well as the experts' scores for entrepreneurship education. This opens the question of rationality about such a reality of such self-confidence (especially compared to Sweden). Sweden, the Netherlands, Denmark, Estonia, and Luxembourg note the above-average value of perceived opportunities rate and the highest scores of experts for implementing entrepreneurship education in the school curriculum. This explains their approach and the importance they attach to entrepreneurial education as a priority of national policy through separate strategies for entrepreneurial education, the allocation of financial resources from the general budget for entrepreneurship education and the provision of education and training for teachers for its successful implementation [9]. Also, those countries that have a high standard of living, their economies are based on innovation factors, ranked among the most competitive in Europe [8] and are considered as those of advanced democracy, unlike Greece, Bulgaria and Croatia whose economy depends primarily on the development and improvement of institutions, infrastructure, macroeconomic stability, health, and primary education, and where people are still struggling with too much bureaucracy to start a business or their intentions to start a business are primarily based on the necessity drivers nor because of perceived opportunities.

Furthermore, Table 1 shows the correlation of perceived opportunities rate, perceived capabilities rate, entrepreneurial intentions rate and experts' scores on the entrepreneurial education at the school level. In Table 1 the value of the Pearson Correlation coefficient is shown, as well as significance (Sig.). The sample size is n=27 which represents the EU Member States.

Results show that the correlation between the variables is not positive in all cases. The correlations between perceived opportunities rate and entrepreneurial intentions rate is negative (-.134) and not statistically significant at $p<0.01$. Thus, we reject H1 hypothesis. Furthermore, the correlation between perceived capabilities rate and entrepreneurial intentions rate is positive (.243), suggesting that people who believe they have the required skills and knowledge to start a business have also higher entrepreneurial intentions. But the relation is too weak to be statistically significant at $p<0.01$. Therefore, the H2 hypothesis is rejected. Regarding H3, the correlation between perceived opportunities rate and experts' scores on entrepreneurial education at school level is positive (.551) and statistically significant at $p<0.01$. Based on the above-presented results the hypothesis H3 can be accepted. The correlation is shown in Graph 1.

[4] In Appendix are data presented in detail.

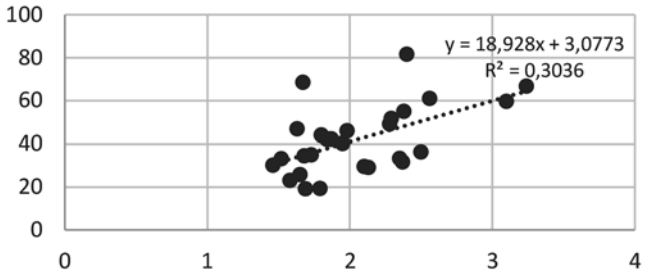
Correlations

		p_opportunities	p_capabilities	e_intentions	e_scores
p_opportunities	Pearson Correlation	1	,031	-,134	,551**
	Sig. (2-tailed)		,878	,504	,003
	N	27	27	27	27
p_capabilities	Pearson Correlation	,031	1	,243	-,139
	Sig. (2-tailed)	,878		,222	,488
	N	27	27	27	27
e_intentions	Pearson Correlation	-,134	,243	1	,022
	Sig. (2-tailed)	,504	,222		,914
	N	27	27	27	27
e_scores	Pearson Correlation	,551**	-,139	,022	1
	Sig. (2-tailed)	,003	,488	,914	
	N	27	27	27	27

** Correlation is significant at the 0.01 level (2-tailed).

Source: made by the authors

Table 1: Correlation coefficients



Source: made by the authors

Graph 1: The relation of perceived opportunities and experts' scores on entrepreneurial education at the school level in the EU

In addition, the regression analysis for H3 was done, where perceived opportunities rate is the dependent variable and experts' scores on entrepreneurial education at school level is the independent variable. Below Table 2 shows model summary and Table 3 the coefficients.

According to the results the regression coefficient (β_1=18.928) is positive and statistically significant (at $p<0.05$). The correlation coefficient R between the dependent variable and the independent variables is 0.551. Furthermore, the determination coefficient (adjusted R^2=0.276) indicates that more than 27.6% of the variance of the perceived opportunity rate is explained by the independent variable included in the model.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,551[a]	,304	,276	13,37834

[a] Predictors: (Constant), e_scores

Source: made by the authors

Table 2: Model Summary

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
B		Std. Error	Beta			
1	(Constant)	3,077	12,072		,255	,801
	e_scores	18,928	5,734	,551	3,301	,003

[a] Dependent Variable: p_opportunities

Source: made by the authors
Table 3: Coefficients

4. CONCLUSION

In the modern world, entrepreneurship represents an important step for economic development and competitiveness of the economy. In order to foster entrepreneurial activities, the European Commission supports entrepreneurial education to encourage entrepreneurial intentions among young people. The Commission states that entrepreneurship is a skill that can be learned and that entrepreneurship education should be promoted from an extracurricular to an integral part of the curriculum. According to the situation review in the European Union, there is no universal approach for entrepreneurship education. Entrepreneurship education still differs from country to country. Some member states have been devoted to this goal for more than a decade, while others are only starting to incorporate entrepreneurial education into their education policies. In addition, entrepreneurship education is still very dependent on other conditions from the entrepreneurship ecosystem. It depends on government strategies, programmes and finance what imposes an obligation on other member states to familiarize themselves with the best practices of European countries that are referring to the concept of education for the development of entrepreneurial competencies, which would lead to greater entrepreneurial intentions.

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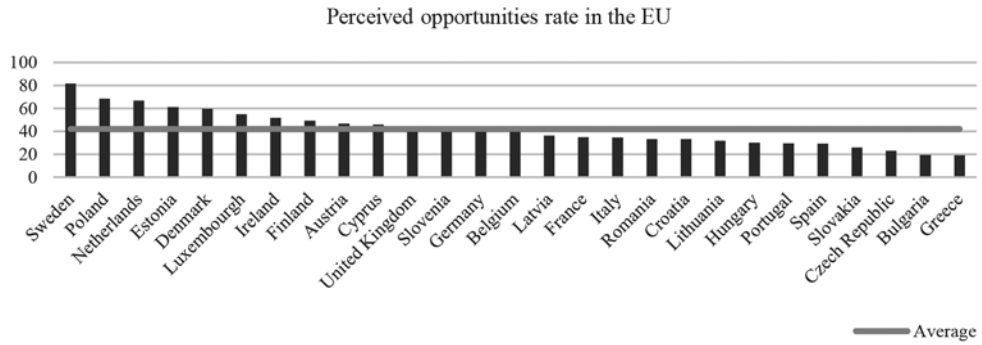
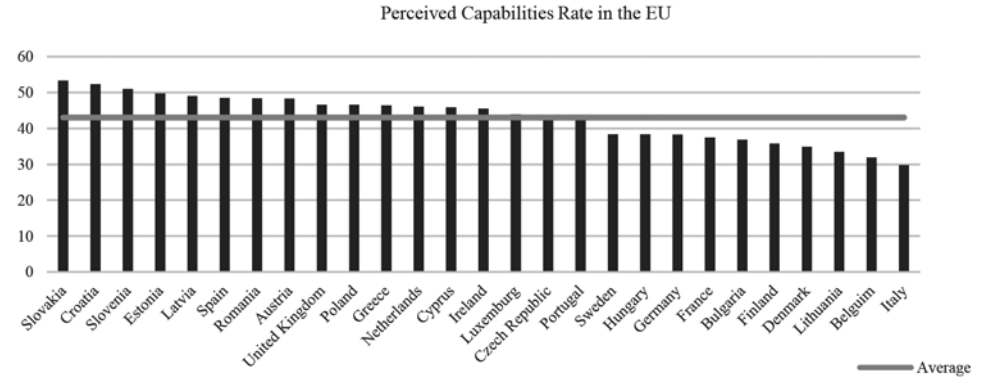
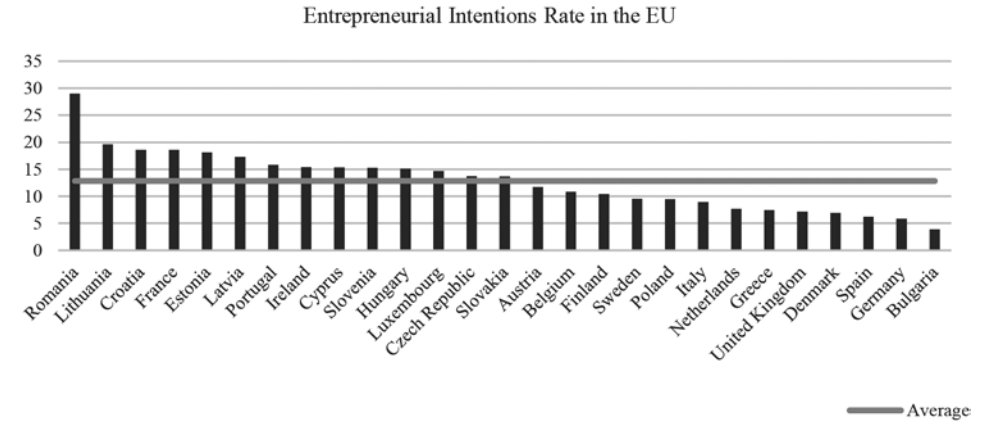
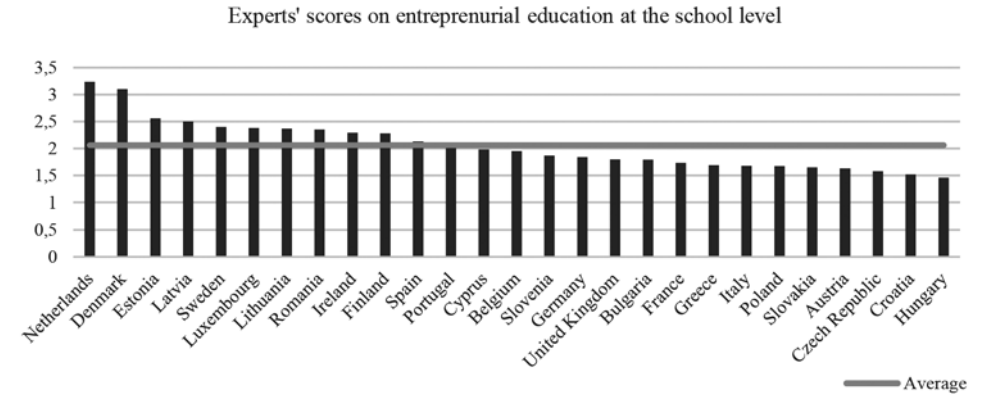
APPENDIX









Source: made by the authors according to the GEM data