

# ENTREPRENEURSHIP EDUCATION AT SCHOOLS IN HUNGARY

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## **Abstract**

The aim of this paper was to draft the entrepreneurship education (EE) at schools in Hungary from EU perspectives. The development of initiative and entrepreneurship skills is a very important task in order to achieve the goal of Lisbon Summit of 2000. The work documents of the programme consider a significant role of education. However, several problems arise in the course of its implementation process. This article outlines the difficulties in the educational policies of Hungary and the effectiveness of EE in Hungary based on of EU surveys.

**Key words:** entrepreneurship education, entrepreneurship in a broad sense, EE in Hungary, EU surveys, Lisbon Summit.

## **1. Introduction**

Improving and supporting the sense of initiative and entrepreneurship have been two of the most important policy objectives of the EU for a long time. The Lisbon Summit of 2000 aimed that “by the end of the decade, the EU will have become the most competitive and most dynamic knowledge-based societies of the world, which is able to maintain a sustainable economic growth by creating more and better quality jobs through a very strong cohesion in society”. (EUROPEAN COUNCIL, 2000) We are still far from achieving this rather ambitious goal, nevertheless the chosen path seems to be possible to follow, even though it takes longer to progress than it was expected in 2000.

The globalizing and more and more rapidly changing world is a challenge to be answered adaptively both at national and individual levels, as well. The EU managed to provide such an answer; however, its implementation has not been fulfilled

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entirely yet in any of the member states. Bringing skills of initiative and entrepreneurship into focus and integrating this field into education appear to be promising, since the potential lies in education, the establishment and operation of the concept of lifelong learning. The work documents of the programme consider a significant role of education. However, several problems arise in the course of its implementation process.

This article outlines the difficulties in the educational policies of one of the member states, that is, Hungary. Since there are only a few classroom investigations led in this topic, we attempt to deduce the effectiveness of skills of initiative and entrepreneurship within schools. (For bolstering the informative background, we included the statistical rates found in Poland, as well. Although we are not ready to analyze the Polish data, it might be interesting for the participants, considering the premises of the conference. It might also serve as a ground for further data analysis).

## 2. Background

The DeSeCo Project (1996) initiated by the OECD played important role in formulating the programme for improving the skills of initiative and entrepreneurship. The international workgroup was supposed to develop a collaborative, multi-disciplinary approach to defining a set of key competencies indispensable for the success on personal and community level in the 21 century. The sense of entrepreneurship comprises on the one hand the incentive of developing and changing ourselves, and the skills of supporting and adapting to the changes induced by external factors on the other.

The mentioned Lisbon Summit placed great emphasis on education and the Stockholm Convention in 2001 reinforced this field's position by incorporating it among its 13 strategic aims. (EUROPEAN COUNCIL, 2001) The Working Programme accepted in Barcelona (2002) underlined that the skill of entrepreneurship needs to be acquired during education and training and that education systems have to adapt to making the acquisition of skills necessary to establishing and running enterprises easier. (EUROPEAN COUNCIL, 2002) The Green Paper (2003) on Entrepreneurship in Europe also highlights that education has to promote this area by developing skills needed for entrepreneurship. In 2004 an action plan was approved by The European Commission with the title of „The European Agenda for Entrepreneurship”. (COMMISSION, 2004) One of its fields of strategic importance was to stimulate entrepreneurial mentality amidst young people. A group of experts was formed in order to discuss the tasks of education and training for the promotion of the skills mentioned above. The main idea was that the improvement of basic skills and key competencies need to be in the focus of education. Entrepreneurship's definition has been enhanced to reflect on its permeability of various life-areas and how its acquisition became a lifelong process.

Regular monitoring of the developments has also started: a notice titled „Implementing the Community Lisbon Programme: Fostering entrepreneurial mind-sets through education and learning” was issued by the Commission of European Communities in 2006. (COMMUNICATION, 2006) The Eurydice report presents the latest developments of the improvement of entrepreneurial skills in 2006 and in 2012. (EURYDICE, 2012) OECD (2011-2016) and Eurobarometer also deliver reports regularly on the surveys relating to the issue.

### 3. Problems

- Is the current educational practice prepared for developing the skills of initiative and entrepreneurship which is a key competence of the 21 Century? What kind of prospects are for developing the skills mentioned above in schools operating with the traditions of the 19-20 Century in their ethos, practice and liaison? More generally speaking: has the school of the 21 Century been invented?
- Although the Programme focuses mainly on education, its effective implementation is hard to be imagined without engaging the economic agents, that is, without the cooperation of economy and education.
- Schools should take into consideration the suggestions of the DeSeCo group, which interprets the concept of entrepreneurship in a broad sense (ie. it applies not only on economy), therefore, its development could be in a diverse setting.
- There must be room for developing the skills of initiative and entrepreneurship assured by the global operation of schools and by the pupil’s everyday practice not only by isolated courses within the curriculum.

### 4. Hypothesis

1. Education systems can effectively develop the skills of initiative and entrepreneurship by co-operating with other fields (eg. economic operators).
2. Skills of initiative and entrepreneurship can only be developed by schools that are more responsive to the issues of the 21st century.

### 5. Some data about „Entrepreneurship” in Hungary

There is no current national strategy in place for entrepreneurship education (EE). Three broader strategies include references to EE: firstly, the ‘Life Long Learning Strategy for Hungary 2014–2020’; secondly, the ‘National Youth Strategy 2009–2024’; and lastly, the ‘National Research, Development and Innovation Strategy 2013-2020’. The ‘Life Long Learning Strategy for Hungary’ is the most relevant strategy, explicitly calling for the development of entrepreneurial skills at all levels. (EURODYCE REPORT, 2016)

Hungarian educational policies responded well to the EU's propositions by laying greater emphasis on developing initiative and entrepreneurship, and integrating these endeavors into their educational guidelines. (i.e. Explicit integration into the National Core Curriculum).

„Entrepreneurship education is cross-curricular for ISCED1-3 including school-based IVET. It is represented in a relatively complex way in the Hungarian National Core Curriculum and respective framework curricula. It is a key competence that should be addressed in all subject areas. The National Core Curriculum also defines 12 cross-curricular aims, amongst which, three are related to entrepreneurship education:

- taking responsibility for others, volunteering;
- Career guidance;
- developing financial and monetary literacy.

Objectives and perspectives vary depending on age groups and subject areas; in STEM subjects, for instance, more emphasis is placed on creativity, planning, analysis, risk and trend assessment and managing project work. However, in geography or history, the focus is more on understanding financial and legal terms and contexts, the overall operation of business world and ethics. Furthermore, there is compulsory voluntary practice as part of the curriculum.” (EURODYCE REPORT, 2016).

We attempt to analyze the situation of Hungary through related national and EU level surveys.

A survey entitled „Entrepreneurship in the EU and Beyond” was published in 2012, its primary goal set as defining the role of schools in fostering the above skills. To the question item – my school education helped me to develop my sense of initiative – a sort of entrepreneurial attitude, 60,8% of the Hungarian responders (53,1% in Poland) stated that their formal education did not help them develop their initiative and entrepreneurial skills. If we consider the EU average, (EU27) only 50,5% of all responders provided rather positive responses about their schools endeavors. Looking at another question item „My school education gave me skills and know how that enable me to run a business – Do you agree with?” 61,68% of Hungarian and 58,3% of Polish responded negatively. (FLASH EUROBAROMETER, 2016)

The ratio of negative responses are very similar for the two question items, so it would be safe to conclude that the responders expressed their opinions coherently and the majority of such responders did not receive any assistance to deepen their initiative and entrepreneurship skills from their schools. It would be crucial to add, however, that only 15% of all Hungarian participants belonged to the 15–24 years-old age group, so it is safe to assume that the majority of the responders were relying on past school experiences where no EU directives had been followed.

In light of all this, it should come as no surprise that a significant percentage of such surveys focus exclusively on our youth. Two surveys were conducted in 2014 and 2016 respectively among responders of the age group 16–30. (EUROPEAN YOUTH, 2014; EUROBAROMETER, 2016) In 2014 53% of the Hungarian re-

sponders (compare: Poland: 45%, EU28 average 52%) responded that they did not want to start a business. (on their own) If we analyze the data by itself we could falsely conclude that the EU's endeavors of fostering initiative and entrepreneurship skills were not successful. If, however, we compare the results with that of the „Entrepreneurship in the EU and Beyond” survey (FLASH EUROBAROMETER, 2016), we can see that the majority of the responders (Hungary 79,9%, Poland 76,4%, EU 27 average 77,6%) had not made a single step towards starting their own businesses. Approaching from this angle, the responders' attitude towards these questions seems very promising. Furthermore, the general level of satisfaction towards their own education is perceivably higher among younger people. To the question item „Do you consider your education appropriate to respond to the expectations of the current job market?” 47% of the Hungarian responders (compare: Poland: 49%, EU28 average 55%) responded positively in 2014. The numbers have changed positively in 2016: 49% of all Hungarian responders (compare Poland: 59% EU28 average: 59%) responded positively. Looking at other countries we can see, that EU registered a greater growth in favorable responses, Poland even managed to show an impressive 10% growth, only during a 2 years interval.

The economic crisis of 2008 left deep scars behind on our youth as well. To the question item „Do you have the feeling that in (our country), young people have been marginalized by the economic crisis, that is to say excluded from economic and social life?” 60% of all Hungarian responders (57% in Poland) answered that their generation has been marginalized by the economic crisis in 2014%. The Hungarian responses have dropped in 2016, to 53%, however the EU average remained the same. (EU28 57%, Poland 57%). In 2014, 44% of all Hungarian participants (compare: Poland 55%, EU28 average 26%) responded positively to the question item „Because of the crisis, you [they] feel compelled to study, undergo training or work in another EU country than (our country)?”. In 2016, however, these responses dropped to nearly half of their original value, 24% for Hungarian responders (Poland 15%, EU28 16%). In spite of all the visible decrease, Hungarians willingness to study or seek work abroad still remains above the EU average.

Similar question items were formed and asked to approach the phenomenon from another perspective: not from the pressure caused by the economic crisis but rather on free will and volition: You want to study, undergo training or work in another EU country than (our country)? In 2014 53% of Hungarian responders (compare Poland: 43%, EU28 average 43%), while in 2016 only 29% of Hungarians (compare Poland: 27%, EU28 average 32%) would have liked to pursue education and career goals abroad. The number of responders that pursue education and career goals abroad from their own volition supersedes the number of those, who do so under pressure, however in 2016 the numbers have converged, from which we can conclude that the economic crisis influenced even responders who opt to pursue goals abroad of their own volition. The topic may be further investigated if we parallelly

look at question item „Have you already studied, undergone training or worked in another EU country than our country, or are you currently doing it?”. In 2014 16% of all Hungarian responders said yes (compare Poland: 16% EU28 average 13%), however, for 2016 positive responses have dropped to a half, 8% for Hungary (Poland 11%, EU28 average 12%). The declining tendency clearly shows that young people are not that inclined to actively do steps for their goals, or perhaps that the pressure derived from the economic crisis is not a strong enough motivating factor. We are aware that the answer to such a delicately complex question is not at all simple; however, the lack of initiative and entrepreneurial skills clearly attribute to it.

Another negative factor attributing to the above is definitely individual financial problems, stemming from everyday life, including but not limited to inadequate household funds. In 2015 a survey was conducted among the general populace, with one of the major question items being „Most important issues facing our country / personally”, to which Hungarians responded with prioritizing „unemployment and health & social security” in regards of their country and „cost of living and the financial situation of your household” for themselves. (EUROBAROMETER, 2015) We shall not disregard unemployment rates when debating this problem, which is 6,8% in Hungary (Poland 7,5%, EU28 average 9,4% for the general populace, however for young people under 25 the number changes to 17,3% (Poland 20,8%, EU28 average 20,3%).

Albeit Hungary is yet to come up with an individual strategy addressing the fostering of the skill of entrepreneurship, the issue is present in many guidelines and mentioned in the National Core Curriculum as well. However, we should also note that for facilitating such skills Hungary exclusively relies on EU funds when developing and executing relevant strategies similarly to Croatia and Bosnia. (EURODYCE REPORT, 2016) Relying on external sources gives the impression as if the Hungarian government is not 100% devoted to the fostering of the issue.

As part of the problem it might be worth mentioning that Hungary, among many member states, interpret the definition of entrepreneurship skills very loosely and in a subjective way. Even the definition provided by the European Key Competencies provides room for bias, as it not only reflects on economic, but on other areas of life, as well. An example of the above is the sentence: “An entrepreneurial attitude is characterized by initiative, pro-activity, independence and innovation in personal and social life, as much as at work.” (EURODYCE REPORT, 2016)

A 2016 report on the issue declares that every member state failed to completely integrate the skill of entrepreneurship into their education policies. Even when they did, it only tends to appear in upper classes in secondary schools, although through multiple approaches. In some countries it is a separate subject, while in others the material is integrated into different pre-existing humanities subjects such as Economics and Business Studies. In Hungary the sense of entrepreneurship

is often falsely identified with skills required to run a business. (Szakács, Bánfalvi, 2010)

A well-known problem of the Hungarian education system is, that although students possess an enormous amount of theoretic knowledge, they are not skilled to apply said in their everyday lives. Both TIMMS (2015) and PISA tests have reinforced this opinion with their findings. While in the former Hungary scored fairly high in 2015 with its twelfth place (same performance level since 2012) for tests concluded among 4th and 8th graders in the science area (out of 49 and 37 countries participating), its scores in the PISA test are somewhat underwhelming, having been constantly under the OECD average. (in areas science, mathematics and reading comprehension) (PISA, 2015).

There are some schools in Hungary which place their focus on problem solving and facilitate a certain problem-centric approach among their students, requiring active participation which is in accordance to the National Core Curriculum, which states „... It would be imperative that schools directly facilitate students for (their) active participation in economic and political processes, raise their awareness of basic human rights and obligations, how to enter the job market as an employee as well as an entrepreneur and (...) to actively participate in political elections.” (Framework Curricula, 2012) The generic picture, however, is different: school continues to exist as an obscure social space, lacking realistic social and economic patterns. The skill of entrepreneurship, however, as studies show, tends to develop in environments which facilitate practice, experience-based learning and project-based approaches only. (Gönczöl, Jakab, Cser, 2011) In current Hungarian education we can find two kinds of examples. In order to participate in the Hungarian GCSE examinations, students are required to complete a 50-hour-long compulsory voluntary practice. Looking at schools with alternative education we can perceive the Young Enterprise Program.

Education and teaching the basics of democracy (the direct alternative for initiative and entrepreneurship skills) is achieved through the subject „Society Studies”. Albeit the teaching of said subject has commenced decades ago, due to the constantly changing educational policies, its curricular and methodological boundaries are still subject to debate. (Falus, Jakab 2005)

## 6. Conclusion

In light of the above we can clearly observe a paradigm problem in Hungary's pedagogic practice, wherein attitudes characteristic to the 19th century, in terms of science-interpretation and social roles are forced as an influential factor on 21<sup>st</sup> century youth. Current pedagogical policies also clearly reduce the autonomy of teachers and schools. (Horvath H. et al 2016)

All across Europe, the coverage of learning attitudes related to the fostering of entrepreneurship and initiative skills in the various curricula tend to differ greatly. Some of these – for instance the fostering of self-confidence, planning and group work - can be considered a long-term educational aim, so results achieved in these areas can not directly be attributed to the fostering of entrepreneurship.

Financial awareness and skills on the other hand are often associated with entrepreneurship, mostly because it is easy to define and measure. The 2016 Eurodyce report harmonizes with this opinion, it confirms that Financial Studies is the most frequently used means of fostering entrepreneurship at schools. (Unfortunately Hungary did not score high in this metrics either, especially if we take the aftereffects of the economic crisis in 2008 into consideration, where many families went almost bankrupt due to the hyperinflation of their Swiss franc-based, mainly housing loans.) It must be vigilantly observed that the meaning of entrepreneurship is not restricted by the concepts of identifiability or quantifiability.

The numeric and descriptive data analyzed above do not prove the hypotheses. However, they definitely indicate the direction of further research. In order to implement the objectives set by the Lisbon Summit the development of schooling is indispensable.

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## EDUKACJA NA RZECZ PRZEDSIĘBIORCZOŚCI W SZKOŁACH NA WĘGRZECH

### Streszczenie

Celem niniejszego artykułu jest nakreślenie zagadnienia edukacji na rzecz przedsiębiorczości w szkołach na Węgrzech z perspektywy UE. Rozwój inicjatywy i kompetencji przedsiębiorczych jest bardzo ważnym zadaniem dla osiągnięcia celu szczytu z Lizbony z 2000 r. Dokumenty robocze programu uwzględniają istotną rolę edukacji. Występuje natomiast kilka problemów w procesie implementacji. W niniejszym artykule ukazano trudności obecne

w polityce edukacyjnej Węgier oraz efektywność edukacji dla przedsiębiorczości w oparciu o badania UE.

**Słowa kluczowe:** edukacja dla przedsiębiorczości, przedsiębiorczość w ujęciu szerokim, edukacja dla przedsiębiorczości na Węgrzech, badania Unii Europejskiej, szczyt w Lizbonie.