



REALITY OF THE
IMPLEMENTATION OF
ENTREPRENEURSHIP
EDUCATION IN
PARTICIPATING COUNTRIES
(SLOVAKIA)

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**Reality of the implementation of entrepreneurship
education in participating countries (SLOVAKIA)**

Introduction

Traditional forms of education do not adequately reflect labor market requirements for practical information and for acquiring entrepreneurial skills. The theoretical information students acquire in traditional education cannot be applied in practice, and at the same time this information has mostly short-term informative value. Since entrepreneurial skills are among the key competences needed for the labor market in the knowledge economy, innovative and experiential forms of education, there is identified an increased need for new techniques engaged in entrepreneurial education.

Not only entrepreneurs should have entrepreneurial skills. Also each successful individual should have a basic knowledge of entrepreneurship itself. Small and medium enterprises (SMEs) are nowadays considered as the key driver of economic growth in any country. Therefore the entrepreneurial education plays a very important role in the creation of new successful businesses which stimulate economic activity in a country. This is one of the reasons why entrepreneurial skills were included among the key competences in education and training.

Entrepreneurship education is perceived as an important issue in Slovak education since its foundation as an independent country in 1993. It is demonstrated also by the fact that we can find advice for including a specific type of entrepreneurial education in pedagogical–organizational instructions for primary and secondary schools issued by the Ministry of Education, Science, Research and Sports of the Slovak Republic. Latest initiatives aim the cooperation of secondary school students with practice and involve the ambitious plans in terms of dual education (students with extensive practical experiences from their study fields).

However, when it comes to higher education, there is still space for improvement. The presented research introduces the reality of entrepreneurial education in Slovakia, provides a short description of entrepreneurship state of art and highlights perceptions of Slovak businesses on university-business cooperation.

Entrepreneurship in Slovakia

In Slovakia, the support system for SMEs compared to Europe is in the developing phase. The transition toward market economy after 1989 boosted the entrepreneurial activities and 30 years later SME play an important role in economy of country. Of course, there are significant differences between the regions.

There are eight regions in Slovakia (Bratislava-BA, Trnava-TT, Trenčín-TR, Nitra – NR, Banská Bystrica – BB, Žilna – ZA, Prešov - PR, Košice – KE), differentiated by level of development. While the regions in west part of Slovakia are considered to be more developed, regions in the east part are less developed (Figure 1).

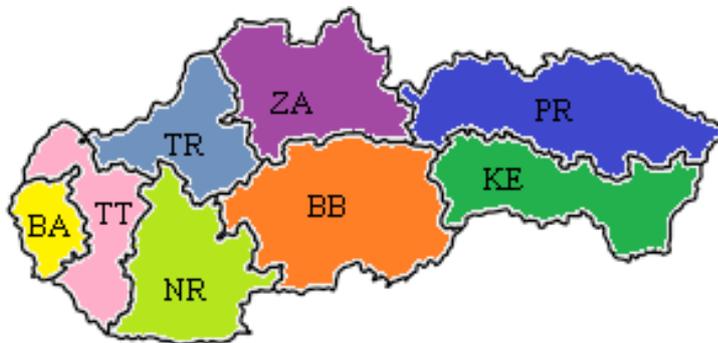


Figure 1: Regions of Slovakia

The socio-economic development of regions traditionally depends on the activities of the four key actors: businesses, households, government and universities.

Competitiveness of the Slovak economy in the global competitive environment significantly influences the emerge of the Fourth Industrial Revolution, which brings with it more challenges, especially in connection with the increase of automation, digitization and process optimization.

The emerging digitization fundamentally changes the nature of industry and has significant impacts to other parts of the economy as well as to the whole society. Innovations can be considered as one from key areas for economic growth and competitiveness of businesses, regions and then the economy of the state as such. In the long term, Slovakia in the field of innovation performance lags behind from global viewpoint. Therefore, the education and support of innovation is key determinant of economic growth and development of entrepreneurial activities.

Entrepreneurial education in Slovakia

Entrepreneurial education in Slovakia can be described as acquiring personal qualities, skills and entrepreneurial skills at all stages of the educational process, even after the end of continuous vocational training (entrepreneurial education as part of lifelong learning).

There are number of projects in Slovakia aimed at introducing and supporting entrepreneurship education at schools. Primary and secondary schools implement many projects and even involve subject “Entrepreneurship” in their curriculum. This is a common case for secondary business schools. Students launch their own “class company” and run in throughout one or more academic year. Their task is to come up with business idea (product, service), develop business plan, implement the idea and take care of financial issues as budgeting, sales, marketing, reports etc.. There is also a competition between these school businesses among different high schools.

Ministry of Education, Science, Research and Sports of the Slovak Republic also suggest to implement for example programs and educational tools from The entrepreneurial school which is international educational program (<https://www.tesguide.eu/default.aspx>) or Junior Achievement organisation that was officially launched in Slovakia by well known entrepreneur Tomáš Baťa in 1992. Another interesting project is High school LEAF.

Examples of entrepreneurial education for primary and secondary schools

JUNIOR ACHIEVEMENT SLOVAKIA

Junior Achievement (JA) Slovakia provide young people in Slovakia with above-standard business, economic and financial education through practical programs. The programs support entrepreneurial and economic thinking and offer preventive solutions for youth employment.

a) Programme “BASIC BUSINESS” for primary schools

Educational program JA Basic Business is a free-time program for fifth and sixth graders of elementary schools. Its aim is to provide pupils practical information about the organization

and functioning of the company in the system of free enterprise. Volunteer consultants from a real world of business lead pupils through 5-7 lessons with 5 main topics and provide contact between economic theory and the practical world economy and trade.

b) Programme “TRAVEL AND TOURISM BUSINESS” for high schools

Educational program JA Travel and Tourism Business is an year-long educational program focused on the so called incoming tourism. It can be taught as an alternative one or two years program suitable for 14 to 19-year-olds. It navigates young people in the world of tourism, motivates them to get involved in their community life, communicate with people and identify needs of the regions and customers. It teaches them to look for new solutions for business development and active tourism in their region.

In case of the two-year version of the program (JA Travel and Tourism Business) students establish their own student company in the field of tourism, which represents joint stock company with real products. They vote their management, based on the market research they prepare their business plan, look for the best regional product, raise their capital by selling shares, deal with marketing, keep books and implement their business plan. Therefore, students apply their theoretical knowledge in the practice. At the end of the school year they dissolve company by account closing, prepare the annual report, pay dividends to the shareholders and liquidate the company in accordance with applicable regulations.

HIGH SCHOOL LEAF

High school LEAF represents an international boarding high school for future leadership with students from the Central European region and beyond. School provide a 4-year and 2-year high-school program for talented students regardless of their socio-economic background.

Entrepreneurial education for wider public

Besides schools, young people can seek for entrepreneurial education from different organisations such as Slovak Business Agency and SARIO that are funded by Slovak government or various types of private initiatives such as ProSight academy with their podcasts, “Úspech nám pristanie”, Perry Talents start-up accelerator, Rozbehni sa, and also

through third sector for example in AIESEC or through NGOs that are offering international educational ERASMUS+ projects such SIEDAS.

SLOVAK BUSINESS AGENCY

Slovak Business Agency (till 28/2/2014 the National Agency for Development of SMEs) is crucial, and is the oldest specialized non-profit organization for the support of small and medium-sized enterprises (SMEs). Slovak Business Agency was founded in 1993 by a common initiative of the EU and the Government of the Slovak Republic. It is the unique platform of public and private sectors. Founding members are Ministry of Economy of the Slovak Republic, Entrepreneurs Association of Slovakia and Slovak Association of Crafts. Vision of SBA is to be the first choice for Slovak enterprises for starting and development of their business.

Web: <http://www.sbagency.sk/>

SARIO

The Slovak Investment and Trade Development Agency (SARIO) is a government-funded allowance organization that works under the supervision of the Ministry of Economy of the Slovak Republic. The mission of the agency is to design and use all kinds of stimuli to increase the influx of foreign investment while promoting Slovak companies in their effort to transform into high-performance subjects successful in the globalized world market.

Web: <https://www.sario.sk/en>

YEAS

Young Entrepreneurs Association of Slovakia (YEAS) was established in 2010 as an organisation that connects young entrepreneurs under the age of 40. The main reason for the establishment of YEAS was a lack of attention devoted to encouraging the young generation of entrepreneurs, who will represent the future of Slovak business.

Main activities of the YEAS may be summarized as following:

- Experience exchange and mentoring.
- Networking for young entrepreneurs.

- Help with the financing of innovative business in their early stages.
- Presentation of business case studies.
- Identifying and removing barriers in young people do business.

Web: <https://zmps.sk/en>

Private initiatives:

PROSIGHT ACADEMY – Podcasts and more

In just two months, internet podcast "Na rovinu o podnikaní" became one of the most listened one in its category. It offers to listeners free practical advice and personal experience of entrepreneurs who have built successful companies not only in Slovakia but also in the world.

Web: <https://www.prosight.sk/prosight-academy>

ROZBEHNI SA – various creative ways

“Rozbehni sa” helps people to find out whether their idea is good enough to be a working business. Project offer various possibilities how to educate future entrepreneur and testing for business idea:

- A5-sized booklet that will show to potential entrepreneur how to test initial idea and find out whether is interesting and has potential. It contains 4 practical guides and action plan.
- Video lessons and hands-on templates that teach you step by step how to test the viability of your idea before you start a business.
- Individual consultation of your idea in order to identify its weaknesses and make suggestions on how to improve and distinguish it from the competition.

Web: <https://rozbehnisa.sk/>

BUSINESS ACADEMY FOR BUSINESSWOMEN BEGINNER called “Úspech nám pristane”

The project deals with the current topic of social inclusion of disadvantaged groups of citizens into entrepreneurship - especially working women, e.g. mothers who need to have special attention (not only for the future but also currently). The creation and further development of existing support tools for this target group at both national and European level can help sustain economic growth and promote employment in the long term. The project - Success

(that) lands - Business Academy for start-up entrepreneurs - provides FREE education for a group of 250 women - start-up entrepreneurs and with this attractive form of vocational training in various areas to facilitate their start to business, encourage them to deepen and broaden their qualifications and professional competences.

Web: <http://uspechnampristane.sk/>

Entrepreneurship and higher education

The universities are considered to be an actor rising the competitiveness of the regions. The most developed regions (BA, TT) have also the high numbers of universities and registered SMEs (Table 1).

Opportunities for the development of industrial processes and commercialization of products, services and research are typical for TR and NR. Both regions are characterized by relatively small unemployment rate and higher purchasing power, which is an assumption for development of new product and services. Regions, which are less developed (PR and BB) have a great potential in terms of natural resources (in case of BB) and employment (PR).

Table 1: Regional statistics on universities and SMEs for 2017 (latest available statistics)

Region	Universities	SMEs
BA	12	126464
BB	4	56650
NR	3	68947
KE	4	57423
PR	2	79616
TT	4	56559
TR	3	54273
ZA	3	76199

Source: own, based on the slovak.statistics.sk

In 2014 in Slovakia there were 36 universities with 131 colleges. A major part of them are public universities. Altogether in 19 Slovak towns there are seats of a college of a university. Although higher education is represented in every region up to one third of all the universities operate in the Bratislava region. Before the year 2009 the higher education sector recorded a massive increase - the number of students rose threefold compared to the beginning of the 1990's. This is the result of an increased offer and access to higher education, as well as an

increase of demand, which is linked to the demographic processes and growing interest in education (especially in the external form of study). The decrease after the year 2009 concerned

mainly the external form of education and affected less the Bratislava region. The decrease is currently also caused by extension of external study by 3 years on average. This trend also copied the evolution of the numbers of university graduates. The increase in importance of higher education in the Slovak economy is not only connected with the numbers of students or graduates but at the same time we can observe an increasing importance of universities as research institutions. The share of universities in research and development expenditures amounts to 34.4 %, whereas in the year 2002 this share was lower than 10 %. However, the increased importance of universities in research and development is not evenly distributed among the regions. Remarkable differences exist from the point of view of distribution of capacities, as well as from the perspective of outputs and research and development productivity in the Slovak regions (HEREG,2017).

University Business Cooperation information

With Europe being threatened by increased global competition, ongoing economic issues and regions with high levels of unemployment, there was a need to conduct research on education level and cooperation between universities and business stakeholders. The results presented reflect the perceptions of business people in Slovakia with respect to their cooperation with universities. Data was collected by means of an online survey sent out via email to a business database that was developed from publicly available information, leading to a total of 75 responses. This sample was compared to the 3113 responses in general European sample. The study measured the perceptions of respondents with respect to their businesses in cooperation efforts toward universities.

The main barriers identified by the Slovak businesses are the lack of funding (government and business level) as well as the lack of people with business knowledge in universities. In addition, for Slovak business, the university bureaucracy is also an important barrier. It is more typical for Slovak businesses than elsewhere to lack awareness about university research activities and offerings as well as lacking scientific people inside of own business. Both worlds are obviously more isolated.

Slovak businesses cooperate with universities principally to have access to better qualified graduates. This is the bottom line for business engagement in university-business cooperation – having impact on substantial changes in education quality in the whole tertiary education system and intervening with own resources into education, getting out more graduates fitted to business needs.

For Slovak businesses the most developed mechanism is related to student projects (36%), followed by presentations, lectures or mentoring within the university (33%), which again stresses the education and student focus of Slovak businesses. All mechanisms in Slovak businesses are less common than the European average, particularly systematic and structured R&D programmes and interest in recruitment of PhD graduates.

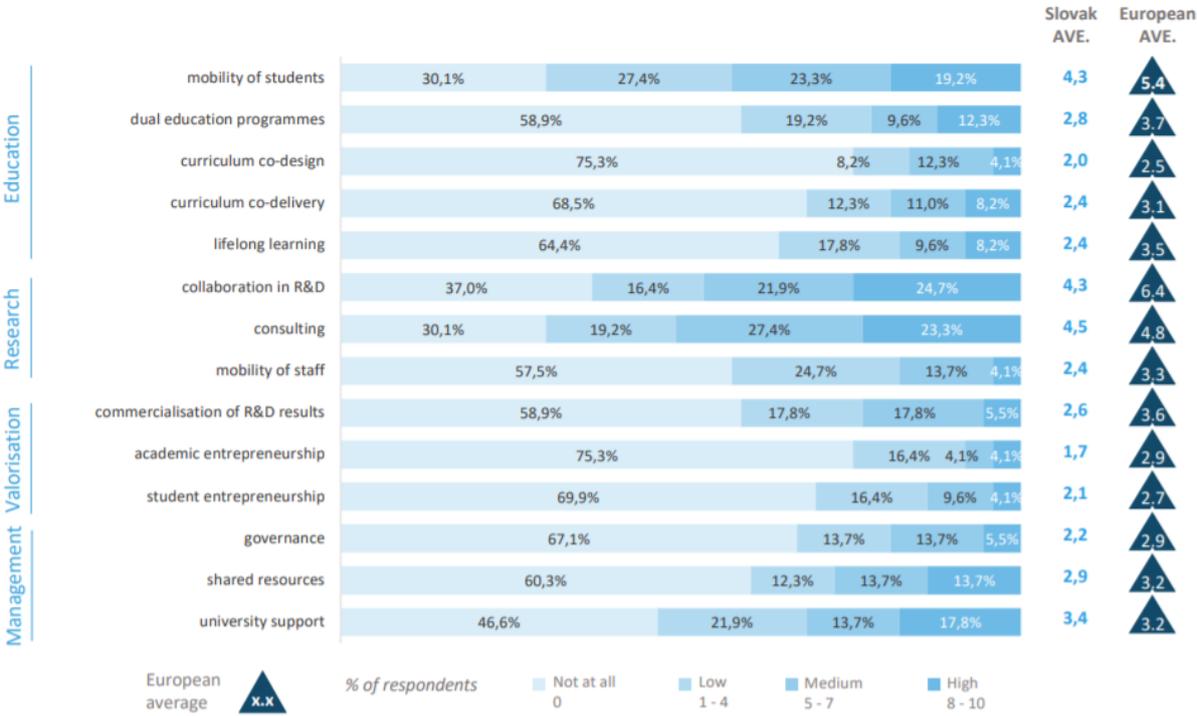


Figure 2: Activities aiming collaboration of businesses with universities from business viewpoint

Source: UBC Slovakia, 2018

Slovak businesses perceive themselves as supportive towards cooperation with universities. In particular they identified their biggest strength in the capability to absorb knowledge and technology from universities, similarly to average European respondents. Compared to the European average, Slovak businesses appear to be more certain about their responsibility to

collaborate with universities in education. They believe they have a lot to offer to universities in delivering and developing education. This emphasizes the primary focus of Slovak businesses, cooperation in education. It also shows that they believe their contribution to be of high value and their readiness to deliver this contribution. Contrary, Slovak businesses perceive they have insufficient knowledge about university cooperation activities and what universities want from collaboration. The lack of systematic information exchange is noticeable.

Summary

Throughout the study we tried to present the reality of education in field of entrepreneurship in Slovakia. We focused on introducing the development of entrepreneurship in Slovakia after its foundation in 1993. Even though Slovakia is relatively small country, we can observe the significant differences among the regions. The western part is more developed than eastern. This fact is traditionally caused by the four key actors: businesses, households, government and universities in regions. When it comes to entrepreneurial activities we showed the number of SMEs in individual regions in relation to number of universities. It is clear the more universities are located in the region, the more developed the region is.

In terms of entrepreneurial education, we presented the forms of education launched by public and private institutions, as well as organizations aiming the support of entrepreneurship. The primary and secondary school can use the project initiatives through various programmes of Ministry of Education, Science, Research and Sports of the Slovak Republic, Junior achievement Slovakia, High School LEAF etc..

Of course, besides schools, young people can use the opportunity for entrepreneurial education offered by other organisations as Slovak Business Agency and SARIO that are funded by Slovak government or various types of private initiatives such as ProSight academy with their podcasts, “Úspech nám pristane”, Perry Talents start-up accelerator, Rozbehni sa, YEAS and also through third sector for example in AIESEC or through NGOs that are offering international educational ERASMUS+ projects such SIEDAS.

We also looked at the perception of education presented by business stakeholders. Slovak businesses stated that they have insufficient knowledge about university cooperation activities

and what universities want from collaboration. On the other hand there is high demand for technology and innovation transfer from universities toward practice.

Improving the entrepreneurial environment is a shared task of the entire Slovak Government and all stakeholders involving the representatives of education system, private initiatives aiming the support of SMEs and entrepreneurs themselves. This means that all sectors should review their policies and activities in relation to the entrepreneurial environment requirements, e.g. in the area of education, bureaucracy, or regulation.

Despite of many public and private initiatives which we mentioned in our study, there is a lack of support of entrepreneurship development in Slovakia. It is believed that education system is able create a favorable conditions for growth in all economic activities of the state. Therefore, it is very important to stimulate new forms of entrepreneurial education in Slovakia.

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