Influencing decision-makers as the next step for Entrepreneurship Educators: Lessons from entrepreneurship education in challenging economies.

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Abstract: Based on research into the challenging and emerging economies of Peru and Egypt, this study explores how the potential role for entrepreneurship educators is evolving. Interviews and questionnaires with 70 participants from two strands of entrepreneurship, female entrepreneurship in Peru and social entrepreneurship in Egypt, are used to assess entrepreneurship in such challenging economies. Both regions, Latin America and Africa, need successes in entrepreneurship to help establish social, economic and political stability in their nation states. However, the relationship between entrepreneurship and national stability is complex and symbiotic, as national stabilities also help catalyse success in entrepreneurial and enterprise initiatives. The relevance of enterprise and entrepreneurial education and its impact on connected issues such as graduate attributes and employability is complex. This research indicates that, while entrepreneurship education is certainly an asset for individuals in terms of creating new ventures and in enhancing their employability, entrepreneurship educators should also focus on influencing the national decision-makers in challenging and emerging economies. This includes politicians, financiers and other leaders across the public, private and third-sectors of society, as it is often these individuals who create the necessary atmosphere and ethos for entrepreneurial initiatives to flourish.

Keywords: Entrepreneurship; Education; Influence; Decision-Makers; Economies; Enterprise.

Word count: 4,642.
Introduction

Over recent decades, many countries have invested in entrepreneurship-related education across each of its educational levels; primary, secondary and tertiary (Brush et al, 2003; European Commission/EACEA/Eurydice, 2016; Huber et al, 2014; Katz, 2003; Peterman and Kennedy, 2003; Sánchez, 2013). Most studies of the outcomes of such efforts find that entrepreneurial intentions are enhanced by appropriate entrepreneurship education (Dickson et al, 2008; Gorman et al, 1997; Kautonen et al, 2015; Pittaway and Cope, 2007; Rauch and Hulsink, 2015; Soutaris et al, 2007; Walter et al, 2013).

However, there is also research that indicates that the differences are not statistically significant and could even be negative (Oosterbreek et al, 2010; von Graevenitz et al, 2010). Such negative or neutral findings about the impact of enterprise-related or entrepreneurship education may reflect the sample selected or the measure chosen for monitoring entrepreneurial intentions. For example, some studies use the formation or growth of a start-up new venture or business as their measure, but this would not pick up individuals with enhanced entrepreneurial abilities who may, for instance, find related business or product development employment in an already established organisation. Such employment opportunities as these are also more likely to exist in an established or developed economy rather than in an emerging or developing one, as identified by Walter and Block (2016) whose research indicated an apparently greater entrepreneurial activity arising from entrepreneurship education in entrepreneurially-hostile environments. The aim of the research in this paper is to further explore this somewhat contradictory finding about entrepreneurially-hostile environments, through further investigations of entrepreneurship in challenging emerging economies. To achieve that, research concerning Peru and Egypt has been undertaken, with a focus on female entrepreneurship in the former and social entrepreneurship in the latter.

Entrepreneurship and enterprise-related education

Enterprise and entrepreneurship education has been an area of focus for the United Kingdom’s Quality Assurance Agency (QAA) for some time and its guidance (QAA, 2012) highlights best practices for informing, enhancing and promoting the development of enterprise and entrepreneurship education within the higher education community. Further guidance is provided for researchers by Vitae (2011) through its review of the key knowledge, behaviours and attributes that can be acquired through, or used in, enterprise activities. These guides are intended to help academics and practitioners embed enterprise and entrepreneurship across the curriculum and, to do so, they consider such education as ‘the process of equipping individuals with an enhanced capacity to generate ideas as well as develop the skills needed to bring those ideas to fruition.’ Enterprise education equips students with the additional knowledge, attributes and capabilities required to apply these abilities in the context of setting up new initiatives, ventures or businesses. All of this is a prerequisite for entrepreneurial effectiveness, that is, the ability to function effectively as an entrepreneur, either within emerging businesses or as part of a larger organisation, the latter often described as intrapreneurship. Enterprise and entrepreneurship are also transdisciplinary, with strong connections to issues of employability (O’Leary, 2015), innovation, knowledge transfer, commercialisation and intellectual property.

The call for a greater emphasis on enterprise and entrepreneurship education is compelling. Driven by a need for flexibility and adaptability, the labour market requires graduates with enhanced skills who can think on their feet and be innovative in a global economic environment (QAA, 2014; Wilson, 2012). Over a decade ago, the Oslo Agenda for Entrepreneurship Education in Europe (2006) highlighted the need for better integration across subject areas, improved practice-based pedagogical tools and better approaches to teamwork. Later on, the Department of Business Innovation and Skills (BIS, 2011) identified a series of important complementary factors for the higher education community to address, including the offer of learning opportunities that are meaningful, relevant and lead to skills that enhance lifelong learning. Such objectives continue to present challenges to the higher education sector, in part as it requires educators themselves to be enterprising and flexible as highlighted in the International Entrepreneurship Educators Conference (IEEC) Concordat (IEEC, 2010). The aim of such reports is to help enable educator initiatives that improve the curriculum and enhance student experiences.
(O’Leary, 2017), while at the same time maintain quality assurance. The effective application of enterprise-related and entrepreneurship education could ultimately help foster an enterprising and entrepreneurial culture in society more broadly, as reflected both within employment, as intrapreneurship, as well as in the quantity and quality of graduate start-up initiatives.

Methodology

The methodology is based on secondary research to identify and critique the existing knowledge on the topics covered, coupled with 70 items of primary research conducted with Peruvian and Egyptian entrepreneurs and citizens; 14 interviews and 56 completed questionnaires to represent views from selected parts of challenging emerging economies. The information gathered is then set within the context of global, regional and national social, economic and political developments to establish the role for, and potential of, effective enterprise and entrepreneurship education strategies.

Peru

The primary research on Peru involved semi-structured interviews with 11 female entrepreneurs with over 130 years of entrepreneurial experience between them across a variety of industries, running companies ranging from in size from start-ups to 250 employees (Boccacci, 2014), as outlined in Figure 1. The interviews were conducted through an online communication platform (Zennström and Friis, 2003), with ethical issues of confidentiality and security agreed beforehand. The resultant transcripts were then coded and categorised to identify appropriate themes.

<table>
<thead>
<tr>
<th>Entrepreneur</th>
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<th>Sales, US$/year</th>
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| Average      | 40         | 12                  | 62                 | 0.8m      |

Figure 1: Peru - profiles of the 11 female entrepreneurs interviewed.

Egypt

The primary research on Egypt concerned social entrepreneurship and involved three semi-structured interviews with senior representatives from the Egyptian public, private and social entrepreneurship sectors, and two targeted surveys completed by 50 Egyptian nationals and six international social entrepreneurship specialists (Salem, 2015) as shown in Figure 2.
The challenges in emerging economies

Female entrepreneurship in Peru

As outlined in the following section, research shows that most adults across the world, especially younger adults, have a positive view of enterprise and entrepreneurship, and see it as an attraction. Peru is used here as an example of a challenging emerging economy, but it notable that Peru is considered one of the key emerging markets worldwide, and one of few where there is a higher desire by females to start an enterprise compared to males, even though the figures reverse when it comes to implementation. Nevertheless, barriers and challenges exist for all those who wish to start a business in Peru.

Studies through the Global Entrepreneurship Monitor (GEM) scheme (Kelley et al, 2015; Kelley et al, 2016; Serida et al, 2015) consistently highlight that most adults, especially young adults, consider entrepreneurship an attractive option, with entrepreneurs increasingly pulled by the opportunities it offers rather being pushed towards it by necessity. Peru is classified by major international indices as a key emerging markets globally and it has made significant progress in tackling poverty (United Nations Children’s Fund, 2016) and, in 2016, the government of Peru identified small and medium-sized enterprises (SMEs) as a priority area (Asia-Pacific Economic Cooperation, 2016). Generally, more males than females initiate SMEs globally (Kelley et al, 2015; Zwan et al, 2012), but Peru is one of just six countries (Peru, Vietnam, Philippines, Thailand, Malaysia and Indonesia) where females have a higher propensity to start an enterprise than males (Kelley et al, 2016).

In this research, the aim is to identify those particular issues that influence female self-employment (Klyver et al, 2013) and SME creation in Peru. For SMEs in Peru, GEM’s Total Early-stage
Entrepreneurial Activity (TEA) measure (Kelley et al, 2015) rose from 23% in 2013 to 29% in 2014 while the average TEA across Latin America was 18%. However, challenges remain, especially in terms of the bureaucracies involved and in establishing entrepreneurial mind-sets more broadly in the population (Kelley et al, 2015). United Nations experts (Raday et al, 2014) have also urged that more be done to tackle a deep-rooted gender discrimination that affects many Peruvian women. Meanwhile, Goltz et al (2015) signal that women’s political leadership may be needed as a catalyst, while Capelleras et al (2010) highlight how unfavourable environmental conditions retard the creation of new ventures.

Social entrepreneurship in Egypt

Egyptian social entrepreneurship adds other angles to the research. Social ventures globally are helping to resolve many social issues to create social returns on investment, SROI. Using entrepreneurship as a tool for economic development has been noted in many reports as having an impact on employment, innovation, exports and individuals’ development. Social entrepreneurship takes it further through initiatives that tackle broader societal issues, often of benefit to those at the lower levels of the socio-economic pyramid. Social entrepreneurship faces many obstacles and this research addresses, in part, whether such ambitions are feasible in challenging emerging economies, using Egypt as the example. With its relatively large population of 100 million, many opportunities exist in Egypt for social entrepreneurship and these include even the supply of basics such as food, power and water.

Over one hundred years ago, the Carnegie (1913) approach was founded on the basis of wealthy individuals donating funds to those willing to help themselves, thereby tackling poverty in a co-created manner, and the same principle has been adopted more recently by groups of billionaires (Clifford, 2017). The Grameen Bank (Keohane, 2010) approach is similar in its micro-credit initiatives in Bangladesh. Alternatively, the Rosenwald approach (Deutsch, 2015) focused its investments on agricultural communities, and this could be viewed as a precursor for many social entrepreneurship accelerator or incubator activities, while the Norris approach (Entrepreneurs’ Ship, 2016) promotes the identification of unmet needs as potentially profitable business opportunities. Many non-profit organisations in Egypt, such as Ashoka (1980), INJAZ (1999) and Misr El-Kheir (2007), started a movement towards for-profit development initiatives rather than one-off philanthropic donations. Ashoka now operates successfully around the world (Institute for Social Entrepreneurs, 2008; Forbes, 2014). Nahdet el Mahrousaa (2002), which translates as ‘Renaissance of Egypt’, acts as an incubator for innovative social enterprises and now supports initiatives across education, environmental, media, political and public health spheres.

In each of these challenging emerging economies, Peru and Egypt, enterprise and entrepreneurship education has a potentially important role to play, both directly and indirectly. At the very least, it has the potential to exert influence across economic, political and social spheres that can in turn extend beyond national boundaries into regional developments and stabilities globally.

Findings

The findings on Peru and Egypt are described individually and then common themes are identified.

Peru

The interviews were analysed to identify factors of importance based on those outlined in the secondary research literature. This literature suggested a suite of issues were important for entrepreneurship and these were categorised into three groups: personal character traits; cultures and subcultures; and situational factors (Burns, 2016). This formed the research framework for exploration of the primary research interviews. In terms of Personal Character Traits, the interviews were examined for issues of enthusiasm, tenacity, goal-setting, proactivity, creativity, dealing with uncertainty, flexibility, risk acceptance, passion, confidence, tolerance and awareness of capabilities. For Cultures and Subcultures, the issues concerned the government and economy (incentives, regulations, market conditions and access to foreign markets) and education and environments (education, family history, ethnicity and religion, nearest network, social trends, social networks, values, prior experiences and entrepreneurial affiliations). The Situational Factors to identify included a number of pull-factors (opportunity, development, achievement, independence and desire for wealth).
and push-factors (job frustration, unemployment, flexibility, insufficient income and work-family balance). In all, 27 categories were identified (nine in each of the three categories) and the top 20 of these are outlined in Figure 3.

**Figure 3: Ranking of issues identified from the female entrepreneur interviews.**

It is clear from Figure 3 that the primary drivers for female entrepreneurship are individuals’ personal character traits (9 of the top 20 issues) and the cultures and subcultures that surround them (8 of the top 20 issues). In other words, the positive forces of attractions to, and opportunities for, entrepreneurship far outweigh the negative forces of necessity for entrepreneurship as reflected by issues such as job frustration (3 of the top 20 issues). The interview quotations below reinforce these primary drivers of entrepreneurship.

**Passion:**
- “... passionate about the things I do ... difficult to be an entrepreneur if you do not love what you do ...” (c); “... I have never given up because I love what I do ...” (e); “… I think that the essential thing for a women entrepreneur is to be passionate ...” (f); “… I don’t think I would be able to do it ... if I am not passionate ...” (a); and “… passionate ... to stay in this competitive market ...” (g).

**Networks:**
- “... support from family and friends ... helped me arrange all the paperwork and legal processes ...” (c); “… family very happy overall ... though parents worried when I quit my job ...” (e); “… reaction of family was very good ... I come from an entrepreneurial family ... my friends thought I was crazy ...” (k). “… a friend advised me about partnering ... led to the success and expansion of the business ...” (b); “… Centre belonged to a friend’s mother ... flexible when it came to pay the rent ...” (c); “… a friend of my mother saw the products and liked them ... put us in contact with a customer ...” (f); “… a very good friend loaned me money ... only one who believed in me ...” (a); “… did not have money for materials ... initiated fundraising from the families in the community ...” (d); “… good friend lent me a plot next to the municipality and so that’s how we began ...” (j); and “… loan from our parents ... agreed to pay back with interest ... friend introduced a few contacts ...” (i).

**Egypt**
The survey concerning Egypt was analysed to identify factors of importance. The results are outlined in Figure 4, where the issues in black indicate support for entrepreneurship and white outlines the existing gap.
Figure 4: Conditions for the support of social entrepreneurship in Egypt.

The three interviewees (designated here as: Public; Private; Social) also provided a series of quotations that expanded upon these three aspects of social entrepreneurship in Egypt:

**Political status:**
- “…create independent growth engines … social fund … quasi-government organisation that funds micro/small/medium size entrepreneurial initiatives …” (Public).
- “…ecosystem is scattered … unify within one institution … regulations need to be amended … allow for entrepreneurial risks.” (Public).
- “Bureaucracy a challenge … regulatory reform needed … make it favourable and easy for people to start up their own business.” (Private).
- “If there is international knowledge that is superior … try to find the best way to transfer that into the local market and let everyone benefit from it.” (Social).
- “…poverty level needs to decrease dramatically before individuals start thinking beyond their personal survival …” (Public).
- “…regionally, a dream for Arabs is a unified economic system that would benefit all …” (Social)

**Suitable culture:**
- “Social entrepreneurship can contribute greatly … entrepreneurs in information technology, transport, agriculture, energy, waste and other sectors.” (Private).
- “…garbage collector community created value from something that no one wanted … while giving a very important service to the community.” (Social).
- “Egyptian youth are one of the most resourceful in the world … well-acquainted with all of the challenges and ways to overcome them.” (Private).
- “…education is not just a degree … openness to learn and find new solutions is key … many incredible entrepreneurs.” (Social).
- “Egyptian youth risk averse … education system doesn’t provide them with the skills to run a business and enable them to think strategically and creatively.” (Public).
- “…create synergies across industries … networking is very important no matter what industry you are in.” (Social)

**Economic framework:**
- “Financing a key problem for social entrepreneurship in Egypt … not inclined to finance SMEs or social entrepreneurship … associated with lower returns” (Public).
- “… unconventional methods of financing … philanthropic venture capital … fund used to invest in entrepreneurs whose ideas have a social angle …” (Public).
- “…we have to show that social entrepreneurship can also generate growth and profit.” (Social).
- “…invest time and effort in business planning and research prior to a project …” (Public).
- “…social entrepreneurs need to be business minded … start with the people, find the perceived problem … monetize the issue.” (Private).
- “…propose an alternative model that works better than the current one, prove it with good results, scale it up, replicate it and pollinate the ecosystem.” (Social)
Discussion

Issues of attraction to entrepreneurship are shown to be more significant than issues of necessity. Tenacity, passion, networking and opportunity have been identified as the most powerful drivers, complementing the work of Rauch and Frese (2007). Individuals and their teams achieve despite the challenges, so it is possible that many more would emerge in a more supportive environment, catalysing an even deeper and broader impact of entrepreneurship and enterprise-related education across the private, public and third-sectors. The initial findings indicate that entrepreneurship and enterprise-related education is important globally but that the targets to prioritise for such education are different in an emerging economy compared to an established one.

It is individual passion, tenacity and other personal character traits that appear to be the primary driving forces for establishing entrepreneurial initiatives around the world and, while cultural and situational issues such as enterprise-related education have a very important role to play for individual entrepreneurs, they generally have a secondary supportive role. However, even as a secondary driver, such education can still be the decisive factor in a stable established economy. However, in a challenging emerging economy, the national and regional cultural and situational backdrop cannot be as taken-for-granted as it can be in an established developed economy. Issues such as security, regulatory frameworks, unemployment and freedom of expression are of greater relevance to prospective entrepreneurs in emerging economies as these provide the foundations for success that those in established economies already enjoy. Even so, individual personal characteristics can, and do, often still overcome such challenges.

Conclusions

This evaluation suggests that, in emerging economies, a greater proportion of the entrepreneurship and enterprise-related education effort may be justifiably focused on influencing those best-placed to help establish a nationally supportive atmosphere and ethos, as that provides the platform for budding entrepreneurs to prosper, rather than concentrating such investment on individual prospective entrepreneurs alone. In other words, the focus should also be on educating those at regional and national leadership levels about the importance and relevance of enterprise-related and entrepreneurial initiatives. This includes politicians, business leaders, public sector leaders, educational leaders and those in the public eye with influential voices, nationally and regionally. Convincing such leaders about the importance, and relevance, of entrepreneurship and enterprise to the success of their emerging economies and nations would help develop the atmosphere within which the entrepreneurial spirit of their populations can thrive.

Recommendations

Entrepreneurship educators should also consider the ‘art of influence’ alongside their pedagogy. This may, for example, include the six techniques identified by Cialdini (2007) of reciprocation, commitment/consistency, social proof, liking, authority and scarcity. In selling to decision-makers, Goldsmith (2007) highlights the need to focus on big issues, the future and the needs of the decision-makers, as well as communicating a realistic cost-benefit analysis. At times, it may even be that a single piece of memorable evidence or an appropriate ‘sound bite’ may also be of particular value in achieving successful influence.

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