

## Entrepreneurial education for kids won't work

By Laura Elizabeth Pinto

**T**ruthiness, a term coined by U.S. pop culture icon Stephen Colbert, refers to a personal opinion or belief that must be true, not because of the facts or data, but because you can feel it in your gut. In watching the launch of Manitoba's new Building Futures curriculum, one can't help but note its truthy origins.

The Building Futures project for Grades 4 to 10 was developed by the province's department of education in partnership with the Canadian Foundation for Economic Education (CFEE), and is partly funded by the Investors Group, whose logo features prominently on all promotional material.

According to the website, Building Futures "aims to integrate a basic economic and financial education into the Manitoba curriculum," and "to help teachers develop students' enterprising skills." Manitoba's Minister of Education James Allum says the program will help meet "our commitment to providing high quality economic and financial education to children and youth." He stresses it "will reflect a rapidly changing marketplace."

It's not just Manitoba jumping on the K-12 entrepreneurial bandwagon. CFEE President Gary Rabbior claims to be in talks with other provinces to roll Building Futures out across the country. It would join other Canadian entrepreneurship

initiatives underway including the Aboriginal Youth Entrepreneurship Program (AYEP), Ontario's Specialist High Skills Major, the Young Entrepreneur Make Your Pitch contest (run jointly by Ontario's Ministry of Economic Development and the Ontario Centres of Excellence to support the province's Youth Jobs Strategy), British Columbia's Young Entrepreneurship Leadership Launchpad and Okanagan Valley Entrepreneurship Strategy, and New Brunswick's Youth Entrepreneurship Camp and Youth Entrepreneurship Challenge.

Why all this interest in B-school for kids? Youth entrepreneurship programs are touted as a solution to Canada's high youth unemployment rate (see Armine Yalnizyan on page 16), a means to bolster economically depressed regions, and a

solution to the ill-defined "changing marketplace" facing youth. A *National Post* headline about entrepreneurial education even suggested it could be "A cure for youth joblessness." Many politicians and journalists say it will take care of Canada's lackluster education ranking in EY's G20 Entrepreneurship Barometer.

The reasoning goes something like this: because small businesses represent 98 per cent of Canadian companies, produce 30 per cent of GDP, and account for 45 per cent of employment, promoting entrepreneurship would result in more small businesses start-ups, higher GDP and lower unemployment. This entrepreneurial economy, says one proponent, has to be built "slowly and carefully, brick by brick, and each one of those bricks is a young entrepreneur."

It's apparently quite simple. If you teach entrepreneurialism from Kindergarten to Grade 12, students will naturally learn it, retain it and then apply it when starting new businesses years later. Two Canadian premiers believe in their guts that this is true. Ontario's Kathleen Wynne argues that "building creativity and entrepreneurship needs to start well before high school," and New Brunswick's David Alward announced his government's priority is "to develop entrepreneurship among young people in the province" at the launch last year of a K-12 French-language entrepreneurship curriculum.

The arguments may sound compelling, even luxurious in their simplicity. Here's the truthy part of the story: there is no reason to believe that entrepreneurial education works. In fact, common sense and research suggests it is not very effective.

First of all, the logic behind programs like Building Futures requires a high proportion of young learners to retain what they are told by their teachers. If only this were the case!

Think back to everything you learned between Kindergarten and Grade 12. How much do you still remember? If you're anything like me, it's probably not that much. It would be the same case for entrepreneurship education. Beyond the simple issue of remembering facts,

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### New web site helps groups tackle corporate bullies

Taking on the big corporations is never easy — particularly in the Global South, where attempts to take legal action against transnationals are often met with weak governance, inadequate laws and poor implementation of court decisions.

A new web-site ([grievancemechanisms.org](http://grievancemechanisms.org)) set up by the Centre for Research on Multinational Corporations (SOMO), with funding from the Dutch Ministry of Foreign Affairs, provides vital information to workers, human rights and community groups to help them take action against nefarious business activities.

The site explains how to file complaints via various grievance mechanisms, such as those available through the International Labour Organization (ILO) and the African Development Bank, and provides a step-by-step guide to walk users through the process.

Project secretary Desiree Koppes believes the new site will improve people's understanding of the often complicated world of grievance procedures.

"By helping them to file complaints," she says, "SOMO is trying to improve access to justice in the field of human and labour rights and the environment."

—Monitor staff

research on the integration of career learning and business concepts among younger learners calls into question its developmental appropriateness.

Assuming learners recall what they're told in grade school, they then have to apply it in the desired way, namely by starting a new business. But research shows entrepreneurial education is not especially important in leading to business start-ups or the intention to start businesses in the future. Relatively recent large-scale research involving pairs of identical twins seems to suggest that genetics and personality play a significant though not exclusive role in entrepreneurial action — something that education cannot alter.

Next, there is the claim that once youth learn about entrepreneurship, and apply that miraculously retained knowledge to start a business, the successful new self-employment will solve Canada's high youth unemployment problem. That would certainly feel good (in the gut) but the reality is more complicated.

Given that between two-thirds and one-half of Canadian businesses fail in the first five years of operations, many new entrepreneurs (and their employees) will find themselves among the ranks of the unemployed despite their best

efforts. Even among those businesses that survive, most entrepreneurs do not look like the wealthy captains of industry conjured up to pitch entrepreneurial learning. Statistics Canada reports that the median income of Canadian entrepreneurs is about 19 per cent lower than those employed by other people or companies, and as a group entrepreneurs work longer hours for less pay.

It is also true that last-ditch entrepreneurship (i.e. starting a business to escape unemployment) doesn't help much. According to a 28-year study spanning 23 OECD countries, high unemployment rates can lead to more entrepreneurial activity, known as the "refugee effect." However these start-ups do not effectively reduce unemployment compared to "entrepreneurial effect" start-ups — companies established while unemployment is already low. Canada's move to introduce youth entrepreneurship programs to address unemployment is a "refugee effect" tactic.


What does all this research tell us? It strongly suggests that entrepreneurial education's alleged value is more

truthiness than truth. Canadians need to challenge the straw man arguments our politicians, business groups and media are using to promote these curriculums.

The Building Futures project in Manitoba, like other K-12 financial education and entrepreneurial programs across Canada, draw attention away from more important problems such as the changing nature of work, the creation of meaningful work for the young, and social justice. The real danger of entrepreneurial education is that it locates problems in individuals and schools rather than government policy, and the failure of businesses in Canada to generate meaningful jobs with opportunities for success.

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## **The incredible bulk**

An organization in the U.S. is trying to raise awareness of the advantages of buying goods in bulk, reducing packaging and transport costs and consumer food waste.

"Bulk is Green," an initiative developed by executives in the natural food sector, wants goods to be sold in bulk in all stores, not just in wholesale outlets.

"Bulk gives the option to buy in precisely the quantity the consumer wants," said Jim Clemens, the group's director. "For example, a consumer can still buy just one serving of pasta or, if they have a large family, five or 10 pounds of it. It's much more flexible and there is less consumer waste."

See [www.bulkisgreen.org](http://www.bulkisgreen.org)

## **Canada ranks 7th on Social Progress Index**

The Social Progress Index is a new way of measuring how successfully a country is meeting the needs of its people. It goes well beyond GDP to look at social progress, defined as "the capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential."

Canada ranks 7th in the world in the 2014 Social Progress Index. That puts us behind countries like Switzerland, Iceland and Sweden but ahead of Germany, the United States, France and Denmark. While Canada did well overall, we did slightly worse on meeting basic human needs (11th) and establishing the foundations of wellbeing (17th). But Canada took second place in the opportunity category, which includes personal rights, tolerance and inclusion, personal freedom and choice, and access to higher education.

"It took many years for GDP to be adopted globally as the de facto measure of economic prosperity. So it will take time for the Social Progress Index to gain recognition as what I hope will be the de facto measure of social progress," wrote Michael Green, executive director of the Social Progress Imperative, in an April 2 *Toronto Star* column. "Economic issues might continue to dominate the news headlines, but other factors determine most people's daily experiences."

See [www.socialprogressimperative.org](http://www.socialprogressimperative.org)