

Solution Proposal

Beyond Financial and Economic Literacy – The Case for Social Entrepreneurship Education

Stefan Empter and Helga Hackenberg

One of the key reasons for declining trust in our economic and financial order is widespread ignorance of how society and the market economy work. Particularly young people know too little about the interactions between the economy and society, freedom and responsibility, companies and entrepreneurship, and about how these resources might be used to benefit the common good, rather than individual interests. As a result, they feel that they are at the mercy of the systems around them.

It is certainly nothing new to point out that more should be done in our schools to promote financial and economic literacy. Progress in this area, however, remains unsatisfactory. The curriculum often offers students the opportunity to visit companies and participate in internships. While these are important building blocks of a sound economic and financial education, they are clearly not the only ones. In addition, we need interdisciplinary, project-oriented teaching of economic topics in general-education schools.

Economic and financial education should take into account the diverse roles that are part of a globalized market economy: private household/consumer, employee/employer, national/global citizen – each of which requires accepting responsibilities and risks. Thus, the goal of entrepreneurship education is to enable young people to make full use of their creative potential and to act as entrepreneurs in translating innovative ideas into promising business models.

Young people also need to know how to achieve social innovations. A sustainable society requires entrepreneurial thinking and shared responsibility in every sector. We need people who, instead of looking to the responsibility of the government or third parties, focus on their own responsibility and ability to solve problems. We need “social entrepreneurs” who are capable of taking creative action, whether by producing innovations for the common good or by mobilizing others to become engaged in civil society.

Understanding society, economics and entrepreneurship requires more than familiarity with the complex interrelationships and principles – or the “grammar” – of a globalized market economy. Despite the widespread perception that “turbo-capitalism” is inevitable, it is also important to understand the role of engaged citizens. Their entrepreneurial spirit and commitment are crucial for shaping a cohesive society and meeting the social and environmental challenges of the future.

Social entrepreneurship education should begin very early, as part of a comprehensive educational program. This offers a number of other potential benefits: In addition to providing examples of entrepreneurship that appeal to young people, social entrepreneurship education can help students explore the practical world around them and learn more about themselves. Young people can get involved, play a role in social change, develop their own initiative and take on responsibility. From this perspective, involvement in social entrepreneurship organizations can be regarded as part of a society’s educational system.

And despite – or perhaps because of – skepticism and declining confidence in our economic and social systems, young people want to become involved in business and work to benefit society. They are not interested in growth at any cost, they want to assume responsibility and take the initiative in shaping their own future, and they want to be taken seriously. If they are to do so, they need to acquire the necessary tools at an early stage: values, knowledge, skills and the opportunity to gain their own first experiences.

Dr. Stefan Empter is Senior Director at the Bertelsmann Stiftung in Gütersloh and Member of the Board of the Stiftung Wirtschaft Verstehen (Foundation for Economic Understanding) in Essen. *Prof. Dr. Helga Hackenberg* teaches Social Policy and Social Management at the Evangelische Hochschule Berlin (Protestant University of Applied Sciences in Berlin).

An extended and annotated version of the paper was presented at the European Forum Alpbach, August 28 - 30, 2012. It can be found in the GES Virtual Library.