

**Working group on  
“Citizenship Education and Economic Literacy in the (Eco-)Social Market Economy”**

Julius Raab Foundation, Stiftung Wirtschaft Verstehen and the Ecosocial Forum

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## **Beyond Economics in the Schools – The Case for Social Entrepreneurship Education**

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The global financial and economic crisis of 2008/2009 led to a sharp drop in people’s confidence – in the sustainability of our economic order, in the social market economy and its fundamental principles, in the financial markets, banks and corporations, in the stability of our currency and economic institutions, in policymakers, bankers and business leaders. Indeed, it undermined society’s guiding principles and role models.

However, declining trust in our economic and social systems is not only the result of malfunctioning systems and markets, perverse incentives, mistakes by institutions and officials, poor entrepreneurial decisions, human weakness, and the perception that those responsible for managing such crises are helpless to do so. A major reason for the lack of confidence is that economic and political systems are globally intertwined and lack transparency.

In addition – and this is perhaps the heart of the problem – there is widespread ignorance of how society and the market economy work, and of the role of the social market economy in an era of globalization. Our citizens, 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 all, rather than individual interests. As a result, they feel that they are at the mercy of the systems around them. They respond with distrust and skepticism, disengaging rather than contributing their talents to shape a better society.

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## **“Teach more economics in the schools!”: Entrepreneurship education**

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 (Becker 2012). Accordingly, calls to “Teach more economics in the schools!” and related initiatives are welcome, and they are coming at just the right time (cf. European Commission 2004). The policy brief “Improving Economic Education,” published in 2010 by the German stiftung neue verantwortung (New Responsibility Foundation), shows how the economic literacy of students and teachers can be increased by offering comprehensive learning opportunities in the classroom. It proposes a “Nationwide Initiative for Economic Education” in Germany to bring together existing resources as well as institutionalized programs from the private and public sectors.

This brief takes a realistic approach to the familiar calls for “more” economics in schools and for a separate course in economics (elective or compulsory) – an enormous and virtually impossible task, given Germany’s system of decentralized state-level control of education and inter-disciplinary disagreements about the number of class hours and the subject matter to be taught. It focuses on the need for a certain minimum level of pluralistic content, to be determined free of lobbyists’ influence. The curriculum should not only include giving students the opportunity to visit companies and participate in internships, both of which are clearly important, but also interdisciplinary, project-oriented teaching of economic topics in the general-education schools.

Economic 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. 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. But it is not enough to learn how creative entrepreneurship can open up new business areas and produce economic value added. Young people also need to know how social innovations are achieved, which can generate social value added and help to solve the problems of society.

## **Going beyond “Teach more economics in the schools!”: Social entrepreneurship education**

This, too, is why the call for entrepreneurship education is coming at precisely the right time, provided that it expands what is often a narrow focus on pure economics and takes into account the multiple roles that people will play in the future. 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. This “enhances society’s ability to heal itself and its resilience in times of difficulty” (cf. Oldenburg 2011: 131 f).

Simply demanding that more economics be taught in the schools is not enough. Young people need to understand the interdependent relationship between business and society. They need citizenship education and social entrepreneurship education: comprehensive, interdisciplinary learning opportunities, both within and outside of schools, that will allow them to use their talents and potential and find their place in society – an independent, innovative society that is mindful of the needs of future generations (Holzapfel et al. 2009: 305).

Understanding society, economics and entrepreneurship requires more than familiarity with the complex interrelationships and principles – the “grammar,” as it were – 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. “Profit without profit” – there are innumerable examples of entrepreneurial initiatives under the headings of “social entrepreneurship” and “social business” that provide a market-economy perspective, in the best sense, to support charitable and governmental efforts to solve social problems (cf. Hackenberg/Empter 2011).

Learning how to help society by engaging in business and assuming responsibility requires more than studying economics; this aspect is still largely neglected in school curricula and (teacher) training at university level in Germany. As far as we know, internships and visits to “real” social enterprises (businesses that bear the entire risk of entrepreneurship, in contrast to organizations that are part of Germany’s traditional social-welfare system) are not currently part of the curriculum, just as textbooks for economics education fail to mention “social business,” “social entrepreneurship” and “social value added.”

Social entrepreneurship education should begin when students are very young, as part of a comprehensive educational program. “MBA programs teach young people how companies must operate to maximize their profits. We can teach them that a social company must be run in the same manner. This includes how to combat malnutrition, which efficient and economical healthcare measures can be taken, etc.” (cf. Muhammad Yunus in Yunus/Hackenberg 2009: 310). This offers a number of other potential benefits: In addition to providing examples of entrepreneurship that appeal to young people because of their social or environmental focus, 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 – and in so doing, they will learn more about entrepreneurial processes and gain practical knowledge and skills. Indeed, from this perspective, involvement in social entrepreneurship organizations can be regarded as part of a society’s educational system (cf. Priddat 2011: 118).

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 (cf. Picot 2012; Julius Raab Foundation 2012; Bertelsmann Stiftung 2012). 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.

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