

**ENTREPRENEURSHIP EDUCATION:
EMERGING TRENDS AND ISSUES IN
PAKISTAN**

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Abstract

The purpose of this research is to look into the importance of entrepreneurship education in the light of the compelling evidence surrounding us that it produces an enterprising environment or “The Entrepreneurial Society” and economic development. Entrepreneurship Education is so significant that it is compared to the role of venture capital and business incubators in enhancing economic growth. Recent education policies in Europe have Entrepreneurship Education as the central theme of the policy. The main objective of this research is to see how Pakistan is implementing entrepreneurship education in comparison to other countries to understand the phenomena. This research will also examine some notable works by Kuratko (Coleman White Papers and Kaufman Foundation Papers), and Fayolle papers on the European context. Therefore, qualitative research method was adopted working with phenomenological, grounded theory, basic interpretive study and from the lens of ethnography. (Prodi, 2002) Interviews were conducted from the most knowledgeable sources of entrepreneurship to go as deep as possible to establish the issues and trends in Pakistan. Since academically not much entrepreneurship education research work has been done in Pakistan hence visits to other entrepreneurship rich tradition countries were undertaken to gather from observation and by participating in doctoral seminars and interviewing renowned academics and researchers. Hopefully the research would create a paradigm shift towards a new paradigm of teaching and learning entrepreneurship through education theories and not through management science and economics. The conclusion has been that in Pakistan Entrepreneurship Education is a very recent phenomenon. As a new subject it will take time and concerted efforts to take root in Pakistan. Developing nations have to work on their pedagogies, on their curriculum, their text and develop case studies on their entrepreneurs. They must work on building their faculty for teaching entrepreneurship. An important

conclusion has been that entrepreneurship education must be given the central place in the education policy because the younger generation of 21st century is becoming the “most entrepreneurial generation since the Industrial Revolution”. Another recommendation has been that there should be planned and group efforts to introduce PhD programs in Entrepreneurship Education in at least top 10 universities in Pakistan and that entrepreneurship education research must be popularized and promoted.

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Chapter 1

Introduction

The sub-field of entrepreneurship education is in the process of growing and gaining legitimacy and being recognized in the scientific community. But it is somewhat different in the US and in Europe and Japan. There it has recognition and there is severe competition to keep pace with the economic growth and how to nurture entrepreneurship to impact economic growth. No doubt the US leads the way but European Council through the Lisbon Proclamation 2000 has launched itself in pursuit of economic growth through entrepreneurship. President of European Commission committed the European Union to become entrepreneurship leaders as it was acknowledged that economic growth productivity is generated by entrepreneurial capital (Audretsch, 2007).

The statement is proclamation of the significance and importance of entrepreneurship for economic development. In pursuit of entrepreneurship what is required is entrepreneurship education and the observation is that the trail it leaves behind is host of the emerging trends and issues that need to be examined and evaluated and worked out. Entrepreneurship education is the path to developing an enterprising environment, building '*social capital*' and '*entrepreneurship capital*'. These two terms are gaining currency in the field of economic development. The rationale of this research evolves around the spirit of these terms. My reasoning is that entrepreneurship education is the process of building this capital.

This refers to institutions, culture, and historical context that are conducive to the creation of new firms. This involves a number of aspects such as social acceptance of entrepreneurial behavior... the activity of bankers, venture capital agents (Audretsch, 2008a).

The purpose of this research is to explain the importance of entrepreneurship education in the light of compelling evidence surrounding us that it produces an enterprising society or 'entrepreneurial society' and economic development. There is significant evidence about the impact of entrepreneurship on economic development (Audretsch, Keilbach, & Lehmann, 2006; Carree, van Stel, Thurik, & Wennekers, 2002; Wennekers, van Stel, Thurik, & Reynolds, 2005; The way entrepreneurial activity has an effect on economy is that it is reflected in the macro-economic growth, value addition, employment generation, export growth, industrialization and poverty reduction (Wahga, 2010).

I began this research with the objective to see the issues and emerging trends in entrepreneurship education in the developed world and compare them to emerging trends and issues in developing countries with special reference to Pakistan. The process involved large scale of literature for review on the subject, which existed for the developed world but practically none for Pakistan. This was a good enough objective and to develop the research question which I have done in the research. But a wider and deeper study into entrepreneurship education at Harvard drew my attention on an area that would mean more from the research perspective in entrepreneurship education and from the perspective of a subsidiary approach for this research. "Research on entrepreneurship education is at best incomplete, with a primary focus on economic and business content to be taught" (Béchar & Grégoire, 2002). This area in my current view is more relevant and needs attention of scholars and researchers. Hence the paradigm has shifted yet the underlying subject is the relationship of entrepreneurship to economics.

I also realized the need to look at entrepreneurship education from the teaching and learning perspective and what should be of importance is how entrepreneurship education should be taught and the paradigm of research should be education and not merely economics and management, as observed by Béchar & Grégoire:

As far as education theories are concerned, the architecture underpinning research on entrepreneurship education is at best incomplete, with a primary focus on the economics and business content to be taught... cognitive processes, collaborative learning, personal growth, business ethics, or the development of critical thinking are all more or less absent from scholarly investigations of entrepreneurship education at the university level. As such, these results indicate that a number of relevant pedagogical dimensions are left under addressed by current entrepreneurship education research (2002).

According to this, teaching and learning theory from education should be given weight and importance and not exclusively rely on management science while researching entrepreneurship education.

My thesis is an outcome of theory-driven framework and based on journal articles, books, three dissertations and Theses and conference research and grey literature. But at the same time some interviews were conducted to collect empirical data pertaining to this subject and its pedagogy for this region. But care was taken to select a purposeful sample for collecting data from the most knowledge among the academics in Pakistan.

Entrepreneurship in the last two decades has achieved a central place in all recent discourse and debate and policymaking on education. Apparently there seems to be a consensus among policymakers, academics, researchers and economists that entrepreneurship education is the way to contribute to economic growth. There is a need for appropriate educational program at all academic institutions, universities, business schools and secondary schools. So significant is the role of entrepreneurship education that it is considered a powerful tool for propelling economic growth as significant as venture capital and incubators. A look at policy on education recently framed in different countries around the world almost all have entrepreneurship component and reveal that there is emerging need to focus on entrepreneurship education and research (Khan, 2008; Lee & Wong, 2005).

Now this was not the only issue that comes up through this research but it was also observed through empirical research and interviews that there is also the need to focus on the faculty of entrepreneurship education. There is an acute shortage of such teachers who are well versed in the pedagogy of entrepreneurship education. According to Murad (2011), in his keynote speech to Junior World Entrepreneurship Forum Pakistan 2011,

The problem is our faculty, those who are teaching in business school today. They are teaching in business schools because they were not entrepreneurs. They have a little bit of idea and understanding of entrepreneurship and it is not fully known to them, and this is a mismatch. They are inexperienced; they haven't a touch of the entrepreneur in their personality. There is a contrast as compared to the personality of an entrepreneur.

Our research for emerging trends and issues is a long research journey. This may be the first step but an important step. It cannot be dealt with in this thesis alone. Hence it is considered necessary to carry on this research in the thesis for the PhD. This will help and guide future research.

Global Entrepreneurship Monitor

In order to establish the absolute necessity of entrepreneurship in economic development, which is occupying the top position in the minds of economists and academics, we need to put in a few notes on the Global Entrepreneurship Monitor (GEM) at the outset. According to Kelley, Bosma & Amorós (2010), entrepreneurship and economic development are not mutually exclusive:

GEM is based on the following premises. An economy's prosperity is highly dependent on a dynamic entrepreneurship sector. This is true across all stages of development. Yet the nature of this activity can vary in character and impact. Necessity-driven entrepreneurship, particularly in less developed regions or those experiencing job losses, can help an economy benefit from self-employment initiatives when there are fewer work options available. More developed economies, on the other hand, can leverage their wealth and innovation capacity,

yet they also offer more employment options to attract those that might otherwise become entrepreneurs.

They go on to explain that the capacity of an economy is dependent upon highly competent individuals.

An economy's entrepreneurial capacity requires individuals with the ability and motivation to start businesses, and requires positive societal perceptions about entrepreneurship. Entrepreneurship should include participation from all groups in society, including women, a range of groups and education levels and disadvantaged populations. Finally, high-growth entrepreneurship is a key contributor to new employment in an economy, and national competitiveness depends on innovative and cross-border entrepreneurial ventures (Kelley et al., 2010).

GEM is a worldwide initiative to monitor and study the existence and the development of entrepreneurship in an economy. It has developed a number of standard criterion and measures of evaluating and testing the successful initiatives of entrepreneurship. It has also developed a standard for measuring the entrepreneurial activity in the country, which is known as Total Entrepreneurial Activity (TEA). This gives us a benchmark of standard measurement of entrepreneurial activity across a range of countries. Since this will play an important role in expanding the necessity of entrepreneurship in economic development, I quote:

The highest value of TEA (40.15) was for Peru in 2006 and 2.73 was Belgium. Some countries experience a double digit TEA while some experience single digit. Those economies which have double digit TEA rate are classified as "entrepreneurially active economies. Those with single digit TEA rate are classified as "entrepreneurial passive economies" (Bosma & Harding, 2007).

With GEM as a guide educators can build greater awareness of entrepreneurship around the world for cross-global understanding and for developing entrepreneurship education programs, e.g.:

- ✚ Comparison across both development-level and geographic groups may enhance understanding about entrepreneurship and the conditions that impact it, both within and across economies, thus allowing the framing of entrepreneurship education policy.
- ✚ Initiative aimed toward improving entrepreneurship should consider the development level of the economy. With a strong set of basic requirements in place, efforts can turn toward reinforcing efficiency enhancers, and then building entrepreneurship framework condition.
- ✚ Entrepreneurship does not impact an economy simply through higher numbers of entrepreneurs. It is important to consider quality measures, like growth, innovation and internationalization. Hence policy propels entrepreneurial environment and education.

Entrepreneurship is an all-embracing subject for society. Society grows and survives on entrepreneurship development. And the underpinning of this phenomenon is that education plays the most crucial and important role to develop an efficient, effective and progressive, innovative and entrepreneurial society.

Statement of the Problem

The statement of the problem can be expressed as such: - What is the significance of entrepreneurship education in economic development? For all practical consideration entrepreneurship education is considered as powerful a tool of development as venture capital and business incubators which had revolutionized the small enterprise sector, some five decade ago. However the imperatives of the new millennium are more exacting. There is the need for inducting entrepreneurship education from school to university level. This would precipitate new trends and issues and among the important issue will be the entrepreneurship

faculty. The question will be regarding the competence of the faculty and its ability to teach and to research in depth to understand and to deal with the issues facing entrepreneurship education. The purpose therefore is to expose the trends and issues in Pakistan.

In the midst of this expansion of entrepreneurship courses, there is bound to emerge challenges such as how to make teaching entrepreneurship effective? How to differentiate entrepreneurial program design from management program?

Objectives of the Study

The issues seem to be in the domain of legitimacy, paradigm, content, research and teaching methodology – to name a few. So significant is the role of entrepreneurship that the developed countries are perusing it by adopting new educational policies and by introducing strategies to create entrepreneurship capital.

1. The foremost objective is to create awareness of the significance of entrepreneurship education.
2. To see how Pakistan can gain from the experiences of the developed world and evolve a suitable strategy for implementing entrepreneurship education.
3. To observe and acquire knowledge how developing nations portray the idealism of this discipline.
4. The objective is also to select some of the best practices to be adopted for developing country like Pakistan which if disseminated will have positive impact.
5. To explain the context, the definition, the understanding of entrepreneurship education and its most appropriate pedagogy.

Scope of this Study

This research work is presumed to have a useful purpose in building the awareness and knowledge level of the education quarters, about the current status of the subject in the education system of Pakistan. Hence it will target the decision makers in universities, colleges and schools. It will also focus on the policymakers and will cater to the intelligencia, economic policymakers and economist. Last but not the least it may usher in another discipline for the students who are potential entrepreneurs.

Significance of the Problem

As can be seen, it is essential for all developing countries and the Islamic countries including Pakistan to undertake various studies pertaining to entrepreneurship, simply because this era of entrepreneurship is as potent as the era of Industrial Revolution. It has the potential for Pakistan to catch up with developed countries if the national economic agendas are prudently organized.

This era has dispelled earlier doubts that entrepreneurship cannot be taught. “Like other disciplines it can be taught” (Drucker, 1985). But the emerging trend is compounded by such factors as IT revolution and globalization. The youth of today are exposed to a world of information and rapid change.

Entrepreneurship is about change and competition, changing in its wake markets and ushering in technologies (Kuratko, 2005). It (entrepreneurship) has also been referred as the ‘social glue’ that binds together high-tech and ‘main street’ activities (Small Business Administration, 1998).

Main Research Question

Our main research question is:

- ✚ What are the emerging trends and issues in Entrepreneurship Education in Pakistan?

Subsidiary Question

It is clear to us that there is a need to look at entrepreneurship education from the teaching and learning perspective. Therefore we need to look for answers appropriate to how entrepreneurship education should be taught as a field of education and not merely economics and management. Some other subsidiary questions would be:

- ✚ How should entrepreneurship education courses be designed and structured given that entrepreneurship education should be taught from the perspective of education theory?
- ✚ What pedagogy would be considered appropriate to teach entrepreneurship?
- ✚ How to go about producing entrepreneurship faculty fast enough to keep pace with development.
- ✚ Would paradigm shift in education policy be appropriate measure to adopt entrepreneurship along with other professional studies?
- ✚ Should case studies of local entrepreneurs be inducted to localize the text and theory suitable to local environment, along with business ethics, business activity and practical experience and to induct entrepreneurial intentions among the students?

Definition of Key Terms

According to Béchard & Toulouse (1998), entrepreneurship education is

“... a collection of formulized teaching that informs trains and educates anyone interested in participating in social economic development through a project to promote entrepreneurship awareness, business creation or small business development.” (p.320)

Emerging Trends & Issues are related to the field of education. Education is an ever changing dynamics. It responds to the contemporary pressures of sciences, art, literature, technology culture and environment and quality of life.

Pakistan: A country located in sub-continent India or South Asia, with India to its East and Iran to its South West and Afghanistan to its North West. It has a population of 180 million people.

Justification

No nation can ignore its future generation education – every discipline has its place. With expansion comes the need for knowledge and research and theory. This research has endeavored to generate knowledge related to entrepreneurship.

Its contribution in terms of knowledge is significant. The empirical survey data and information gathered from those directly associated with entrepreneurship education is valuable knowledge for the economy and the society. To identify the emerging trends and issues in Entrepreneurship Education has never been done before. It will lay the foundation for future research.

This knowledge and this information is important for following beneficiaries:

- Policymakers
- Economists

- Universities and Educational Institutions
- Students
- Entrepreneurs and potential entrepreneurs

Limitations of the Study

The fundamental limitation is that journals on entrepreneurship are not easily available in Pakistan and certainly the launching of new journals or journals of entrepreneurship education are hardly expected to be available in Pakistan. However recent support provided by HEC for library data basis and resource centers has been very useful. Nevertheless the visit to Harvard, USA, Sweden and Estonia was all the more useful, which is explained below. Furthermore as entrepreneurship education has not drawn the full attention of academia or policymakers there are no forums or libraries that carry relevant entrepreneurship education research journals. Even though Kauffman Foundation has created the Centre for Entrepreneurial Leadership Clearing House of Entrepreneurship Education in the US, it is distant from Pakistan. The research on this subject is otherwise scattered across all journals and hence extremely difficult to access or identify.

The other fundamental handicap that the Pakistani researchers or students seeking to adopt this as their subject of specialization would face is lack of PhD faculty in Entrepreneurship. Currently there is no known or accessible faculty (save two) available in Pakistan with a PhD in entrepreneurship education. Hence there are no doctorates of entrepreneurship education to supervise or act as advisers to students desiring to do a PhD in entrepreneurship related subjects. While some worthy professors and doctorate of academia have shown interest in the subject and supervising, the limitation will be felt for some time.

In the process of research and survey of the Pakistan environment for academics credentials to educate or supervise the entrepreneurship thesis I learnt of the following: (1) Dr. Aftab Khalid, (2) Dr. Hasan Sohaib Murad, (3) Dr. Usman Khalil, (4) Dr. Sohail Zafar

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