

## **Entrepreneurial Initiative Teaching, Education in the Context of Globalization and Specifics of the Moravian-Silesian Region**

### **Abstract**

The report refers to the importance of entrepreneurial initiative teaching, education of entrepreneurs in the educational system in the context with new social-economic conditions at the beginning of the 21st century. Technological progress and globalisation of the economical processes create the new environment and new requirements for the educational systems which make young people ready for their future lives. In this connection the author also writes about the specifics of the Moravian-Silesian region.

**Key words:** *entrepreneurial initiative teaching, globalization, Moravian-Silesian region*

The University of Ostrava is a partner of the international project Comenius 2.1. Teach@ESPRIT Developing Entrepreneurial Spirit In European Teacher Training for Vocational Education. The scope of the project is the training of teachers of specialized education for entrepreneurial initiative formation and the project associates 15 partners from 4 European countries (Next to the University of Ostrava there is also the University of Entrepreneurship, Inc in the Czech Republic). The University of Ostrava and the University of Entrepreneurship in Ostrava also submitted an application for the financial support from OP RLZ in order to innovate the study branch Teaching of specialised subjects in the sense of intensifying of entrepreneurial education.

There is no doubt about the importance of entrepreneurial activity in the economic and social development of a given area. High entrepreneurial activity of citizens is a source of economic increase, new jobs and economic prosperity. From

this point of view building of entrepreneurial spirit of the young generation is an extremely important educational area. Entrepreneurial education has to become a necessary part of a complex evolution of today's man.

## **Globalization and technological progress**

The term "globalisation" appeared approximately at the turn of the 80s and 90s of the last century and it is currently used in journalism and specialized literature in various forms and connections. Globalization is a new phenomenon of the economy; it represents the process of making the production and market world-wide. The process of wider and deeper interconnection of world parts which is called globalization today is not a new event. But in the past it was never as intensively developed and as wide-spread as today. This range was caused by information technology, development of telecommunication and transport and internationalisation of economic and cultural ties among the regions of the world. The process of globalization expresses itself especially in the increase of direct foreign investment, intensification of economic competition in consequence of market coalescence, expansion of production integration and increase of the importance of multinational corporations.

In the present social-economic conditions in connection with continuous technological progress and running globalization of economic processes there is a decrease of the possibilities of the traditional employer – employee relationship. Technological progress pushed man away from factories and now it even pushes him away from the sector of widely understood services. New technology causes a fast decrease of working opportunities and we can fear the approach of the "end of work". Moreover, technological progress supports globalization – companies from the developed countries export labour-intensive activities to the countries with cheap labour force. Globalisation enables and also deepens the worldwide expansion of information technologies. Information technologies simplify moving of companies' routine work to the countries where higher profits can be achieved (cheaper labour force, lower taxation, more advantageous legislative, less strict norms concerning environment protection, etc.) Some working places or the whole labour-intensive branches in the developed countries are liquidated because the competition of cheaper labour force from developing countries grows due to globalization and because the technological production level is still improved. We can say that the labour market decreases in many branches. On the other hand, this development leads to the creation of new branches, opportunities and also jobs with the requirement of higher qualifications in the developed countries.

Stated social-economic trends are irreversible and our educational system has to react effectively. The projects carried out by the University of Ostrava and the University of Entrepreneurship try to do this and are pointed at the change of the teacher's role, the enhancement of his/her competence and intensification of entrepreneurial education. Education is often understood as information and not abilities or attitudes. So the educational system produces good "fulfillers of tasks", who are afraid of making a mistake, and not independent, creative people. Many graduates cannot find a job and do not try their own entrepreneurship. They do not have the so-called soft skills as communication, project leadership, team work, readiness and ability to bear liability (Linkeschová 2005). Therefore it is necessary to strengthen the entrepreneurial initiative role in the educational system. The educational system has to train a graduate who has not only a certain special profile but who is also able to achieve success at the labour market and also in life. Students have to be provided with competences which will help them to utilize their personal and professional potencies optimally for successful assertion and for building of a professional career. It is necessary to lead them to the realisation of responsibility for their own lives and to motivate them to the economic activity and a successful career. There is no correlation between success at school and success in the entrepreneurial activity (Linkeschová 2005). Success in entrepreneurship is the result of searching for new ways, experimentation and risk. School success depends on the perfect managing of tasks which are prepared in advance. The teacher's role should gradually change to a trainer, consultant, or coach. **It will be ever more difficult for young people to look for a job and that is why they ought to want to create new job opportunities and be able to create them.**

### **Specifics of the Moravian-Silesian region**

The stated facts stand generally but I think that in our region they are of double relevance. The Moravian-Silesian region is characterised by low entrepreneurial activity and high unemployment. The labour market in the Czech Republic has a markedly regional character. Different geographical, demographic, social and especially economic conditions in every single region evidently affect the whole employment sphere. The conditions expressively determine, among others, the professional and branch structure and the unemployment rate on the labour market is a final result.

The Moravian-Silesian region is a varied territorial entity and its core is the agglomeration of Ostrava and Karviná. It is the traditional industrial area with a high rate of the so-called heavy industry (mining, metallurgy, heavy engineering,

and chemical industry). The economic decline of traditional industrial branches in the Moravian – Silesian region after the social-economic changes in the 90s of the previous century and **slow development of other economic activities** led to the fast increase of unemployment rate with a synchronic decline of new job opportunities. The change from the centrally planned economy to the market economy led to the new structure of jobs and new requirements for workers. A rapid increase of unemployment was noticed in the second half of the 90s in the region when the pressure on companies restructuring became stronger. Also the absorbing ability of the service sector to absorb dismissed employees from other branches was reduced. Since 2001 the unemployment rate has stabilised but the level remained very high and also the duration of being unemployed started to extend. Negative trends at both sides of the labour market – supply and demand – have been noticed in the region. There has been no steady revival yet and the stress on the labour market (unemployment rate has been exceeding 15% for a long time) still causes social problems. Most of the regional districts belong to the areas most afflicted by unemployment in the Czech Republic (Karviná, Jeseník, Bruntál, Ostrava). There are more than 30 unemployed per one job offer (in the whole country it is about 9). Gross domestic product (used as the criterion of economic level) is 17% lower than the Czech Republic average. [4].

Strongly endangered by unemployment are **young people and graduates** who often become the employment office's clients instead of entering a job after the finish of their educational process. Then quite a few of them **leave the region because they cannot find any suitable job opportunity** and this fact leads to a decrease of population. Others become long-unemployed. They lose working morality, motivation for looking for a job, qualifications, work habits and employers' confidence. Graduates' chance to seize an opportunity is very low, and it concerns all the education groups. Graduates in the Moravian-Silesian region have ones of the most difficult conditions for looking for suitable job opportunities. Graduates' unemployment rate in the region exceeds 22% (in the whole Czech Republic it is 13%). In some professions it is easier to find a suitable job (waiter, shop assistant) but here the low wages lead to higher rotation of young people ([www.mpsv.cz](http://www.mpsv.cz)).

It is not easy to analyse the causes of this situation (among others the historically one-sided orientation to the heavy industry) and it is not the target of this report. But the fact is that there is **the lowest intensity of entrepreneurial activities, the lowest number of self-employed professionals per 100 economically active citizens among all the regions of the Czech Republic**. But the basic conditions for entrepreneurial activity cannot be indicated as bad. The region has a sufficient potential of qualified, or in many branches good re-trainable labour force at the

development of new economic activities. There are many suitable objects and property for investment, old industrial areas equipped with infrastructure, the so-called “brown fields“ with a possibility of their utilization for the development of new entrepreneurial activities. The central part of the region in the area of Ostrava belongs to the most populous areas in the republic. This fact in the context of the above-average wage level creates sufficient effective demand.

So we can note that the conditions for entrepreneurial activity do not belong to the worst ones in comparison with other regions of the CR. Despite that, the rate of entrepreneurial activity is very low in the Moravian–Silesian region. We cannot only rely on foreign investors for the future; the basis of future prosperity is in economic and entrepreneurial activities of the citizens. Next to the traditional tools in the shape of various investment conditions it is **necessary to build the entrepreneurial spirit in the young generation and to strengthen the role of entrepreneurial initiative in the educational system. It will be harder and harder for young people to look for working opportunities so they have to create them somehow.** The educational system should make young people ready to use their utmost ability and willing to employ themselves.

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