

# Perspectives of Entrepreneurship Education in the Danube Region

*Foreword to the 2022 Special Issue of  
Review of Economic Theory and Policy*

Education has a transformative effect. Without entrepreneurial education, there are no entrepreneurs. Even born entrepreneurs need new information and knowledge (all the time). Entrepreneurship is not an intuitive thing, even though intuition is an important issue during business activities, especially in the decision-making process. Many of today's successful entrepreneurs attribute their success to their intuition. Bill Gates says for example, "you cannot ignore your intuition." [LaPira, 2010]

At the same time, theory is an essential component of the learning process. Without accumulated, abstract general knowledge, learning would be slow, difficult, and ineffective. This is especially true for university-level education, where a correctly chosen theory is the building block of teaching. Among other things, entrepreneurial theories help us better understand entrepreneurial behaviours. [Endres & Woods, 2006] Entrepreneurial theories also help us understand why some people have greater entrepreneurial inclination than others. Macroeconomic research makes it clear that there is a need for entrepreneurship and activity, as this is how companies are created that provide work and a living for employees. But even sole proprietorships are valuable participants in value creation.

When it comes to teaching entrepreneurship, practice is just as important, since it is difficult to understand abstract concepts without real-life experience. Looking at the lessons learned from the cases of several universities around the world, it seems that the balance and relationship between theory and practice is one of the biggest challenges in entrepreneurship education. Sharing experiences can contribute to solving this important problem. [Sassmannshausen & Gladbach, 2013]

At some universities, the traditional form of formal lectures seems still to be predominant in entrepreneurship education. Other business schools, such as Harvard Business School, prefer to teach entrepreneurship through the active use of case studies as a teaching methodology that supports the teaching of entrepreneurship skills from several sides: this is suitable when participants' prior knowledge is heterogeneous, and they have different interests in entrepreneurship courses. As Sassmannshausen & Gladbach [2013] argue, the usage of case study-based teaching should increase and

more case studies should be written, because they are helpful in bridging business theory and practice.

There is no generally accepted definition of entrepreneurship education. The term entrepreneurship education is used to describe the development of one's own ideas and learning the skills to implement these ideas. In a broader sense, it encompasses all educational measures to stimulate entrepreneurial attitudes and skills, i.e., it refers to the development of certain values and attitudes and personal qualifications that can both lead to the establishment of a company and are essential for employed work. In a narrower sense, entrepreneurship education means the development of specialist knowledge, skills and abilities that are required for a successful company start-up and company management as well as for an independent, self-reliant lifestyle. As described above, the main purpose of entrepreneurship education is to equip potential and future entrepreneurs with the knowledge and skills to discover and exploit business opportunities and create start-ups. [Shane & Venkataraman 2000]. The goal is future value creation, especially through the dynamic process of creating new businesses.

It is widely recognized that entrepreneurship is vital to regional economic development. And recent studies on entrepreneurial expertise have shown that implementation is important for doing business well. [Harmeling et al., 2006]. Furthermore, the education of entrepreneurial skills plays a significant role in regional economic development, since entrepreneurship accelerates economic growth. Experts confirm the relevance of the early and sustainable integration of Entrepreneurship Education. [Pock et al., 2019] Still there are great regional differences in the forms and levels through which national governments mediate and help the practical dissemination of entrepreneurial knowledge and culture. The TRIO model of entrepreneurship education developed in Austria comprises for example three levels: Level I ("Core Entrepreneurship") teaches core competencies for entrepreneurial and professional independence as well as for independent private living. Business models for ideas of entrepreneurial, professional and private challenges are developed and implemented. Level II ("Entrepreneurial Culture") emphasizes the promotion of a culture of independence, openness to innovations, empathy and sustainability as well as an encouraging relationship and communication culture. Level III ("Entrepreneurial Civic Education") emphasises the strengthening of a culture of responsibility, autonomy and responsibility for social challenges. [Lindner, 2019] In other countries of the Central European region, the national governments do not seem to be 100% devoted to the fostering of entrepreneurship education. A 2016 report of the European Commission on the issue declares that some EU member states failed to integrate the

skill of entrepreneurship into their education policies. For example, Hungary exclusively relies on EU funds when developing and executing relevant strategies of entrepreneurship education. [European Commission / EACEA / Eurydice, 2016.] Relying on external sources gives the impression that the Hungarian government is not 100% dedicated to promoting entrepreneurship education.

Today's university students, if they think about starting a business or founding a company, are increasingly planning to create start-up businesses with high growth potential. In the case of start-ups, the basis of growth is scalability, which allows them to nurture quickly and efficiently. Scalability is usually enabled by a business and/or product innovation. In a university environment, we can only talk about the development of very early phase start-ups, when there is still a lot of uncertainty in the entrepreneurial vision. This is where, as an instructor, you must see the opportunity and support talents.

Entrepreneurship education programmes have been proven to contribute to the development of entrepreneurial intentions. However, the content and context of higher education entrepreneurship education programmes vary by country. Estonian researchers investigated the effectiveness of entrepreneurship education among 55,781 university students from 17 European countries. The results have showed that traditional forms of education (conventional lectures) are not the most effective in terms of developing an entrepreneurial mindset. More interactive learning approaches are needed, like mentoring, case studies or face-to-face contacts with practising entrepreneurs and company managers. [Küttim et al., 2014] In addition, business start-up competitions which create a simulation environment for young entrepreneurs are very stimulating.

According to research [Imreh-Tóth, 2015], gaining international experience is one of the most important success factors for university students' willingness to do business and for the development of their skills. Presumably, the international and multicultural experience increases students' independence, on the other hand, it can also facilitate the acquisition of multiple points of view. It is no coincidence that, like American universities, leading European universities in the field also offer extensive opportunities in this area.

With this background and challenges in mind, the teaching staff of the Corvinus University of Budapest and the Budapest University of Technology and Economics founded the Danube Cup competition. At Danube Cup, teams that already have a validated idea and well-founded ideas about their business model compete with one another. Experience shows that foreign partner universities expect a very high level from their own students in terms of thoughtfulness, maturity, and validation of business plans.

In the meantime, the Danube Cup has developed into an international university network. Its main mission is to help improve the international success rate of new ventures founded by university students by bringing together the most motivated student start-uppers from universities located along the River Danube. The Danube Cup network is committed to quality in entrepreneurship and start-up education, to facilitating knowledge sharing among instructors and researchers and to promoting international cooperation.

In 2022, the Danube Cup partner universities developed a second pillar for the network, in the form of the Danube Cup conference. The first international Danube Cup conference was hosted by the Corvinus University of Budapest. The central theme of the conference was entrepreneurship/start-up education at universities. The conference aimed to highlight trends in entrepreneurship/start-up education, to share experience and knowledge and to identify applied teaching/learning techniques which can be implemented at other Higher Education institutions. An international forum is to be developed where participants can attend sessions held by entrepreneurship educators and practitioners from the Danube region. There are many academic professionals working in many different disciplines and faculty areas. The conference is therefore an essential means of gathering academic professionals and others to share ideas in order to improve student learning experience.

The present special issue of the journal 'Review of Economic Theory and Policy' contains a mix of research studies on start-ups, entrepreneurs and entrepreneurship education. Most of the authors of the special issue participated in the Danube Cup conference in 2022. The structure of the special issue faithfully reflects the professional focus of the conference: we tried to form a bridge between researchers of the start-up topic, specialists dealing with entrepreneurship education, and practising entrepreneurs, with a regional focus.

In our special issue, we present an interview with Nikolett Deutsch, head of the Institute of Entrepreneurship and Innovation at the Corvinus University of Budapest. During the organizational transformation of the university, the institute began its operation in July 2022, on the base of the educational, research and knowledge utilization activities and achievements of the previous Institute for Entrepreneurship Development. As the head of the institute emphasizes in the interview, both domestic and international higher education strategies encourage HEIs to become active players in local, regional and international networks aimed at research, education and knowledge transfer services, through fostering the entrepreneurial attitudes among their students (and staff). In addition to classic knowledge sharing, these activities also include the training of the necessary skills and

abilities. The goal of the Institute of Entrepreneurship and Innovation of the Corvinus University of Budapest is to emphasize entrepreneurship knowledge in the training courses, as well as to create intensive cooperation with other actors and partners of the domestic and international business/innovation ecosystems. The mission is common: to train a generation of entrepreneurs and business managers who are capable to run successful businesses not only in our country, but also beyond the borders, while starting and leading innovative, growth-capable ventures to success.

Balogh, Baranyi and Trautmann aim to highlight the importance of economics in higher education in their paper. They believe that economic knowledge is essential for future managers, whether they are "ordinary" economists or found a new venture and become start-uppers. The authors draw attention to the fact that while currently approximately eleven thousand 1st year students study business at Hungarian universities, just over a hundred students study economics. The main goal of the paper is to analyse what the process of knowledge construction in introductory economics courses currently looks like, and with the help of a few examples, to demonstrate possibilities for incorporating a constructivist approach into the teaching of basic economics subjects. Constructivism as a learning theory goes back a number of decades [see among others Richardson, 2003]. However, constructivist teaching as theory or practice has only received attention for about a decade.

Referring to constructivist pedagogy, the authors point out that the topics of the market, supply and demand, as well as macro- and microeconomics could be successfully taught with the methodologies of constructive pedagogy at university level, primarily based on one's own experience and on drawing conclusions.

The labour market is constantly changing, as a result of which today's young people have to prepare for increasingly flexible career paths. For this reason, the role of education in starting a business by young graduates is becoming an increasingly important issue in the European Union, including in Hungary. Research results only agree that there is a complicated, difficult-to-discover connection between the education of business skills and the number of successful businesses started by graduates. [Mihalkovné Szakács, 2014; Maresch et al, 2015] In his study, Kerégyártó reviews the literature and states that it is important to distinguish the effect on the intention to start a business from the results achieved in real life. In the meantime, the role of previous studies in the success of businesses actually started by young adults must be explored and separated from family and other environmental factors.

While research into innovation ecosystems has recently received wide attention [see among others Yaghmaie & Vanhaverbeke, 2020], our knowl-

edge of the practical implementation of relevant ecosystem models is quite limited. The aim of Horváth's study is a case study-based analysis of the Hungarian innovation ecosystem in relation to one of the largest Hungarian multinational companies, Tungsram. Based on 26 interviews, the research results show that the main benefits of participating in the ecosystem are value creation by sharing resources and knowledge; optimising the costs of networking and innovation. The pitfalls of cooperation are closely related to the credibility of the ecosystem leader, the formation of the ecosystem strategy and the willingness of the partners to cooperate. As the focal company of the investigated collaboration, Tungsram, faced a severe financial crisis in 2022, the research can also provide practical insight into how to ensure the survival of an ecosystem after the leader has weakened or left the cooperation.

Interest in corporate dynamic capabilities has grown continuously over the past twenty years, becoming one of the most researched topics in management [Danneels, 2016; Schilke et al., 2018]. Although we have a wide range of findings on dynamic capabilities, some issues require further elaboration. The process of the development or formation of dynamic capabilities (whether it occurs from external or internal sources, whether it is a "bottom up" or a "top down" process) is an important area not only for scientists, but also for practising managers. Further deepening the understanding of the process of developing dynamic capabilities can be beneficial for both parties. Until now, research on dynamic capabilities has primarily been conducted among multinational, global companies, but we still have limited knowledge about the dynamic capabilities of the SME sector, family businesses or new ventures. So, it is reasonable to examine start-ups separately. The study by Farkas, which sheds light on the differences between the dynamic capabilities of start-ups and older, more established organisations, is related to this gap in literature. From his literature analysis, we learn that small companies and start-ups can also have dynamic capabilities, but these are based much more on human and entrepreneurial capabilities than on organisational routines.

The volume "Competitiveness mosaic", edited by Magdolna Csath, covers the topic of competitiveness thoroughly, returning again and again to the most important messages - for example, the importance of people, knowledge, innovation, and learning. A conscious choice of values can also be read from the book: valuing performance, prioritizing quality over quantity in all areas, and the importance of reliability, honesty, and trust. The most important findings of the system relate to the development of human capital and social capital, since this is what permeates the economic operation in all areas and is an important basis for productivity and competitiveness. All other changes can basically be derived from this, so sum-

marizing the proposals of the collective of authors, the message they want to convey to economic policy decision-makers is clear. In our special issue, you can read *Ádám Vertetics'* review of the volume.

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**Loretta Huszák and Erika Jáki (Guest Editors)**

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