

Education for Small Business: An Option for South Pacific Schools

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Introduction

Youth unemployment is perhaps one of the most important challenges facing our society today. Whenever a generation of young people cannot be absorbed in economically productive sectors, it should be a source of concern because of the implications not only to the youths themselves as individuals, but also to the future stability of the society and nation as a whole. At the individual level, lack of employment opportunities during their early years has the potential of lowering youths' self-esteem, work-culture, and individual dignity. At the societal or national level, lack of employment opportunities for the young people results in the loss of national output possibilities, waste of precious human capital and undesirable social consequences including criminal acts. It is in this context that the youth unemployment problem should be seen as a challenge to all people who, in one way or another, are involved in the development process.

Like all attempts at addressing socio-economic problems, there are no overnight or quick-fix solutions to today's youth unemployment. There are both long-term and short-term decisions that need to be made. Of crucial importance however, is the need to internalise the problem and to take both strategic and tactical steps to deal with it. This problem of youth unemployment should be a concern of many parties - government, parents, development agencies and educators. In this paper, the authors examine the potential for education for small business in schools as a way of ameliorating the youth unemployment problem.

Formal education and unemployment

Increasingly, people in South Pacific countries are questioning the purpose and function of education, when increasing numbers of their youth leave school to face unemployment. It is no longer a radical position to query the type of schooling which seems to prepare young people for the 'white collar' jobs which just aren't there for many of them. While a significant number of young men and women may go back into the traditional farming and fishing work their forefathers and mothers have done, many more look to the urban areas where there may be work to suit the type of education which has engaged them for many years in schools.

The problem in a number of countries in the South Pacific, as in other predominantly rural societies, is that formal education tends to lead to some degree of dissatisfaction with traditional roles. It seems there is a feeling that education cannot be complementary to traditional roles. The latter have proven a success through propagation of life and instilling values and norms over centuries. Education should be seen as complementing traditional roles by improving the quality of life through the promotion of certain skills. This view is important not only to policy makers, but to parents as well.

Parents often want more for their children than the life of labour they have had themselves. For many, education is seen as the key to a more affluent lifestyle in the capital, frequently overseas study and travel and often influential positions in government.

In many ways, migration or overseas study can even help to disguise the problem of youth unemployment in South Pacific countries. Associated with these aspirations are the moves to urban areas in countries such as Australia and New Zealand where, in the past, there have been plenty of low-level and relatively well-paid jobs on farms, in factories and supermarket chains. This has changed. In some cases the economic situation has even meant that young Pacific Island law offenders are encouraged to 'go home'. Some people return. Others flock to the capital looking for a style of life for which they believe their education has prepared them.

However, South Pacific countries just do not and will not have the jobs to match the numbers coming out of school at the end of each year. Wagapu (1992) writing of Solomon Islands for instance, states that of the 10,000 students completing primary school in any one year, there are only 2,000 places at high school. Added to this was a situation where, in 1991, there were 500 new jobs targeted for some of the 2,000 graduates likely to come out of secondary and provincial high schools that year. In Fiji, it is reported that between 1987 and 1993, 60,000 young school leavers remained unemployed (The Daily Post, 1994).

An additional problem which affects many South Pacific countries is that added to the number of school leavers there are those who are still unemployed after several years. Clearly, there is a need to re-examine less *ad hoc* and more self-sustainable methods of dealing with the unemployment problem. One way of doing this is to examine the problem in terms of the education system in the South Pacific. How can schools prepare teenagers for a life where many of them will not be able to find substantial salaried jobs? More importantly, how can school curricula show that salaried jobs in capital cities are only one aspect of the contribution of education to society and that the other is the ability to provide goods and services based on the twin principle of self-reliance and self-sufficiency in the youths' own environments?

Employment creation and the role of schools

To a more limited extent than might be expected, schools in South Pacific countries have incorporated traditional areas of work into the school curriculum. However, as many educators know only too well, parents, on the whole, see training for traditional work roles as the duty of the community and not the domain of schools. Thus attempts to set up community high schools in Kiribati or multicraft schools in Fiji (Sharma, 1992) for example, have been largely unsuccessful, at least in terms of students and parents opting for this mode of education. Even moves towards establishing small rural training centres at secondary school level have not had a lot of community support and have certainly had little prestige for the same reason (Bamford, 1992; Jones, 1992). Skills are to be

taught by families, and parents still look towards government and professional jobs as the measure of success.

These attempts to encourage alternative education have concentrated on traditional types of work such as agriculture and fishing, or trades such as carpentry and mechanics for boys, and sewing and cooking for girls. To a large extent, classes have focused largely on imparting technical skills. What these programs have failed to do however, is to put this work into the context of the business world, so that instead of seeing these activities and skills in terms of labour which is to be sold, they may be seen as part of small businesses which under certain conditions could be set up with room for development.

Educators may ask what is so special about teaching for small business in secondary schools. Larger schools already have a good selection of subjects in their commerce departments. Ironically, the accounting, economics and business studies taught in many secondary schools in the Pacific have few practical implications for students. Part of the problem is that the curriculum is usually designed and taught by (sometimes) qualified accounting and economics teachers who have not actually been involved in the day to day running of small businesses themselves. The approach in these subjects is so 'academic' as to cut out those students whose sights are set on leaving school at the end of Form 3 or 4. In addition, those who study these subjects are more likely to be learning to pass examinations rather than to use their knowledge in practical ways.

It is a rare case that business studies is put into practice by students, applying what they are learning to a real business situation. Understanding business concepts is not an automatic process. It needs to be recognised, for instance, that accounting is a 'language' that serves the ethos of the capitalist mode of production which is based on the predominance of the market economy. In contrast to the capitalist mode of production, socio-economic activities in traditional societies rely more on familial and other communal ties than the market exchange arrangement/system.

Thus 'accounting' as a language which is imbued with capitalist values should be taught in essentially non-capitalist societies using appropriate

methodologies rather than taking for granted that certain concepts carry universal meanings. For instance, the *business entity concept* which is well understood in societies that have embraced capitalism for a long time, is not in evidence in most traditional societies. Yet an appreciation of such a concept is essential for small business success. Utilising appropriate methodologies such as practical examples or case study methods is important, since regurgitating textbook material verbatim will tend to reinforce the development of mental blocks. Our view is that this is particularly essential for students who have had no exposure to business situations before.

A non-formal, participatory approach to small business training

Earlier we referred to the need to integrate business studies and values at school with what goes on in the day-to-day business environment. One example where the worlds of work and study are brought together is being attempted at a girls' school in Fiji where some students are learning about small business through the day-to-day work of running their own enterprise.

At Form 6 level, more than thirty girls have bought shares in the company which they are establishing. The choice of business venture, in this case a recycling project, was decided after a series of meetings with two staff members (one a Peace Corps volunteer) who proposed the idea of learning about business by students conducting their own enterprise.

Basically, the students learn to identify 'seed money' to initiate the project, as well as the resources necessary to develop their product. They learn where to collect materials and hire or buy equipment necessary for production. They discuss and decide on marketing strategies, appropriate outlets for their product and likely labour costs, including their own time for which they are financially rewarded or compensated. All participants in the newly formed company buy shares. The 'business' continues for fifteen weeks, at the end of which students have the option to continue or terminate the venture.

The business operates on the school premises but outside class hours. It has been established as a club in the school's extra-curricula program. Members have regular times to meet and work, although weekend activities are also required. After the initial training, the staff members play a low-key role so that the students themselves are forced to take control of what becomes their own venture.

Although only an outline of the procedure is presented here, it is clear that such an approach could easily be adapted to meet the school routine and with some preparation could even be adapted to fit into the formal school program, particularly where staff anticipate large numbers of students leaving at lower or mid-secondary levels. Incorporating business skills and attitudes into the teaching of new technical skills or traditional trade courses, can give hope to students who are likely to leave school without a chance of securing one of the few public sector jobs available.

Issues for small business trainers in schools

Cultural appropriateness of methods and materials

Increasingly, those involved in small business training for both the formal and informal sectors, where many youth will probably be found, are recognising that attitudes towards business vary from country to country in the South Pacific. Indeed, innovative approaches to this end need to have regard for relevant circumstances in each situation - level of business motivation, outlet or market and the background of the students. For instance, a person brought up in a commercial environment may be comfortable with issues involving credit and loans. Others will find that traditional obligations make it difficult to accept credit.

The school business project outlined earlier is in its initial stages, but already the trainers involved have identified changes which need to be made. For instance, the *Junior Achievement* concept upon which the project is based, originated in the United States, so materials have to be adapted rigorously to suit the South Pacific situation. Clearly, approaches to

business in an American or any western industrialised country will be different from approaches in South Pacific countries. Yet how often do the curricula of accounting or business studies in secondary schools deal with issues such as business and culture or business and social expectations and obligations? So, along with topics involving small business management, significant consideration needs to be given in curriculum planning to socio-cultural aspects of small business in the South Pacific. The importance of emphasising cultural factors and dealing with their potential effects on small business must be highlighted.

Image and small business

The concept of image is important for young people thinking of going into small business ventures. There can be two problems which particularly affect youth in relation to involvement in business. On the one hand, they may be over confident, but more commonly, they lack the self-esteem to embark on the business journey.

It is not just a matter of trainers in school situations telling students that they can do it, but rather of them actually working on appropriate ways of developing self-confidence and positive images. In the South Pacific, this will necessitate public speaking activities in a variety of situations, interview procedures on a range of topics, general presentation and the development of related social skills which will help youth to operate in different social situations.

The other aspect of image to be considered in small business training is that of the business itself. Students may actively participate or regularly visit small businesses appropriate to their own planned ventures. Some of these they may get to know through small 'market' contacts. Relevant government departments and non-government organisations can put trainers or students in touch with small business operators willing to share ideas and experiences with students.

Involvement of the business community in school programs

With the growing number of opportunities for teachers to be involved in small business training and more importantly, for community members to participate more closely in school activities, there is room for enlightened and experienced business 'trainers' to be involved in establishing business activities and programs for young people.

The challenge is also for teachers to be part or initiators of small business networks. Successful entrepreneurs may be prepared to join teams involved in passing on the attitudes and approaches to small businesses which work in their community.

Methods of training, the venue and the trainers themselves, while relevant to the area of study, should be as informal as possible. Classrooms are probably not the ideal places for such training, so alternative centres for school small business ventures need to be found.

In Fiji, the Small Business Advisory Unit has been set up with UNDP, AIDAB and ILO funding and resources to train, develop resources and offer consultancy services to people setting up their own businesses. NGOs have also benefited from this training and have been involved in non-formal training of 'out-of-school' youth in the area of small business. What schools can do is foresee the needs of the students who will leave during the course of their secondary schooling and prepare them for the work which they choose or may be forced to generate for themselves.

Youth and the management of small business

One of the problems associated with small business training in schools is that training for business ventures such as the one outlined earlier in this paper, generally takes place in the rarefied school atmosphere which has little in common with the real market or business environment. In turn, the very fact of being young and being a beginner in the business world may be off-putting to some. Good training will show the sense of starting small, of the necessity of feasibility studies, of the importance of making the most

of the youth and energy of students rather than perceiving age as a negative factor, working against them.

In the Pacific, certain qualities may be expected of young people dealing with officials and local leaders. The challenge for trainers is to work with out-of-school youth or prospective school leavers on ways of integrating their young years, cultural background and innate management aptitude into successful business practice.

Giving them the planning and management skills to cope with the vagaries of the market and the unique aspects of South Pacific business will go a long way towards developing young adults confident to meet the challenges facing the Pacific with a spirit of energy rather than one of defeat. The important point is to recognise the changing emphasis and environment in the labour market and to adapt to these changes in a pro-active rather than re-active way. The changes in our external environment call for an innovative approach to business curricula development in tomorrow's schools. As Mudogo (1984) has argued, for societies in which there is a co-existence of traditional and capitalist modes of production, development entails the promotion of changes that foster the habit of producing more and investing in more productive assets. Innovative and entrepreneurial values instilled through a purpose built curriculum in tomorrow's schools, should be one way of coping with changes and challenges of the 1990s.

Conclusion

In this paper we have looked at the issue of unemployment facing Pacific youth today. We have noted that the previous approaches to resolving short-term unemployment problems are no longer reliable. Even regional migration is less of a viable option.

We have suggested that one approach to the problem lies in schools being involved in small business education in such a way that values of self-reliance and an entrepreneurial spirit are instilled. We have also outlined factors to be considered in such training. These include cultural issues, building self esteem among students, personal small business experience for

teacher/trainers and the involvement of small business entrepreneurs in school programs. Only then are the commercial aspects of small business training likely to have relevance for people in the South Pacific.

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