Beyond the Classroom: Implementing Entrepreneurial Education to Empower School Students for Social Cohesion and Economic Empowerment

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Abstract

This paper explores the design, implementation, and impact of an entrepreneurial education pilot program aimed at re-engaging secondary school students (Grades 8–10) who have become disengaged due to Sri Lanka's exam-centric, theoretical, and outdated curriculum. Using a qualitative research methodology with inductive thematic analysis of data from 25 purposively sampled students across three government schools, the study finds that students previously labeled "academically weak" demonstrate strong entrepreneurial capabilities when provided with practical, income-generating opportunities. The program implemented through school-based "Entrepreneur Clubs" improved student engagement, self-efficacy, school attendance, and social cohesion. The paper concludes with a replicable framework and policy recommendations for integrating entrepreneurial education into formal secondary schooling.

Keywords: School dropouts, exam-oriented curriculum, theoretical education, outdated syllabus, lack of practical life skills, entrepreneurship, income generation, digital divide, poverty, student engagement

Introduction

Background

Sri Lanka's secondary education system remains heavily examination-focused, prioritizing routine learning and theoretical knowledge over practical skills. Despite national policies advocating for competency-based education, classroom practices continue to emphasize memorization and high-stakes testing (World Bank, 2021). Consequently, a significant number of students particularly those in rural, under-resourced schools become disengaged, viewing formal education as irrelevant to their economic aspirations.

Many students disengage from the local education system due to its exam-focused, outdated, and theoretical curriculum. The current education system lacks practical life skills. Despite this, they show strong interest in doing entrepreneurship and rapid income generation programs as a meaningful way to success and dignity. However, technological limitations, including lack of access to computers and modern tools, hinder their progress. To overcome poverty and support future education, they start small businesses, but the current system provides no clear pathway to develop essential entrepreneurial skills or teaches the ways earn income legally.

Problem Statement

Many students from low-income families express strong interest in entrepreneurship and rapid income generation as pathways to dignity and financial independence. However, the current system provides no structured support for developing entrepreneurial skills, accessing digital tools, or earning legal income within the school environment. Technological limitations (e.g., lack of computers, internet, and modern tools) further hinder their progress. This mismatch between student aspirations and curricular offerings contributes to dropout rates, disaffection, and lost human potential.

Research Objectives and Research Questions

The study aims to –

1. Explore how government secondary school students (Grades 8–10) perceive the curriculum's relevance to economic goals and real-world skills.
2. Identify school setting to promote entrepreneurship and digital skill development.
3. Design and pilot a practical "learning-by-earning" entrepreneurship module.
4. Assess its impact on engagement, self-efficacy, and income-generating abilities.
5. Propose a framework and policy recommendations for integrating skill-based pathways into formal secondary education.

Research Questions

1. How do Grades 8–10 students perceive the connection between formal education and future economic success?
2. What drives their interest in entrepreneurship, and what barriers (e.g., digital access, financial literacy, mentorship) exist?
3. What are the essential elements of an in-school entrepreneurship program offering practical skills, digital tools, and legal income opportunities?
4. How does taking part in the "entrepreneur club" affect students' school attendance, confidence in starting a business, and ability to earn a small income?
5. How can the pilot inform sustainable integration with the national curriculum?

Significance of the Study

This study addresses a critical gap in the literature on entrepreneurial education at the secondary school level, particularly in low- and middle-income country contexts. Most existing research focuses on university students (Wibowo et al., 2021; Ferdousi, Rahman, & Qamruzzaman, 2025). By contrast, this paper demonstrates how school-based, "learning-by-earning" entrepreneurship programs can serve as interventions for student re-engagement, social cohesion, and economic empowerment.

Literature Review

Introduction to the Literature Review

This literature review examines four interrelated domains, (1) the nature and consequences of exam-centric education systems, particularly in South Asia; (2) theoretical foundations of entrepreneurial education; (3) empirical evidence on entrepreneurship education at secondary level; and (4) the intersection of entrepreneurial education with student engagement, social cohesion, and economic empowerment in low-resource settings. The review identifies a significant gap, most entrepreneurship education research focuses on university students, leaving secondary education particularly in rural, low-income contexts severely understudied.

The Crisis of Exam-Centric Education in South Asia

Historical Roots and Persistence

South Asian education systems, including Sri Lanka, inherited a colonial examination-based model that prioritizes memorization, theoretical knowledge, and high-stakes testing (?, ?, ?). Despite decades of reform efforts such as Sri Lanka's National Policy on Education (1992) and the introduction of competency-based curricula in 2007 classroom practices remain overwhelmingly exam-driven (?, ?).
Sri Lankan Context- The Grade 5 Scholarship Examination, Ordinary Level (O/L), and Advanced Level (A/L) examinations function as high-stakes gatekeepers determining access to prestige schools, university admission, and employment. Consequently, teachers "teach to the test," and students engage in rote memorization rather than critical thinking or practical skill development (?, ?).

Disengagement and Dropout Rates

The mismatch between curriculum and student aspirations contributes to significant disengagement. According to UNESCO (2022), Sri Lanka's

lower secondary completion rate is approximately 87%, meaning 13% of students drop out before Grade 9. Among rural, low-income families, dropout rates are significantly higher. The COVID-19 pandemic exacerbated this trend, with an estimated 15–20% of students from disadvantaged backgrounds failing to return to school post-lockdown (?, ?).

Reasons for Disengagement- Research by Aturupane et al. (2020) identifies five key factors, (1) perceived irrelevance of curriculum to future employment; (2) poverty-driven need for immediate income; (3) lack of practical, skills-based learning; (4) teacher-centered, authoritarian classroom practices; and (5) absence of school-based income-generating opportunities (?, ?).

The "Practical Life Skills" Deficit

The current curriculum emphasizes theoretical subjects (mathematics, science, history, language) while marginalizing practical life skills such as financial literacy, marketing, negotiation, supply chain management, and digital tools (World Bank, 2021). Even where "Life Competencies" or "Entrepreneurship Education" appear in policy documents, implementation is rare due to lack of teacher training, assessment challenges, and the continued dominance of exam-oriented pedagogy (?, ?).

Theoretical Frameworks for Entrepreneurial Education

Human Capital Theory

Human Capital Theory (Becker, 1964) posits that education enhances productivity and earnings by developing knowledge and skills. However, traditional schooling focused on theoretical knowledge develops only a narrow subset of human capital. Entrepreneurial human capital includes opportunity recognition, risk assessment, resource mobilization, and market navigation skills rarely taught in conventional classrooms (?, ?).

Application to This Study- The "learning-by-earning" module operationalizes entrepreneurial human capital development by having students engage in real market activities (surveys, production, pricing, sales) within a safe, school-sanctioned environment.

Experiential Learning Theory (Kolb)

David Kolb's (1984) experiential learning cycle concrete experience, reflective observation, and abstract conceptualization, active experimentation provides a strong pedagogical foundation for entrepreneurial education.

Self-Efficacy Theory (Bandura)

Bandura's (1977, 1997) concept of self-efficacy belief in one's ability to succeed in specific situations is critical to entrepreneurial behavior (?, ?).

Entrepreneurial Self-Efficacy (ESE)- McGee et al. (2009) identified five ESE dimensions: searching, planning, marshaling, implementing, and harvesting.

Job Demands-Resources (JD-R) Theory

Bakker and Demerouti (2007, 2017) developed JD-R theory to explain work engagement. Applied to educational contexts, engagement occurs when job resources (autonomy, feedback, social support, skill variety) outweigh job demands (workload, pressure, role ambiguity). Traditional schooling is high-demand, low-resource for many students particularly those with learning difficulties or poverty-related stressors.

Finding from Recent Research- Bakker et al. (2023) demonstrated that entrepreneurship programs increase student engagement precisely because they provide autonomy (students choose business ideas), feedback (immediate profit/loss signals), social support (teacher mentorship, peer collaboration), and skill variety (marketing, finance, production).

Social Cohesion and Recognition Theory (Honneth)

Axel Honneth's (1995) recognition theory argues that individuals require three forms of recognition for psychological well-being- love (emotional support), rights (legal/formal equality), and solidarity (social esteem for unique achievements). Disengaged students often lack solidarity recognition they are labeled "weak," "lazy," or "undisciplined."

Application- The entrepreneurship program provides alternative pathways to solidarity recog-

nition. Students previously stigmatized for academic failure earn recognition as "young entrepreneurs," transforming their social identity and reintegrating them into the school community.

International Evidence

Developed Countries- In the United States, the Network for Teaching Entrepreneurship (NFTE) program has reached over one million students. Rigorous evaluations show NFTE participants demonstrate significant gains in entrepreneurial knowledge, career aspirations, and academic engagement (?, ?, ?).

European Evidence- A meta-analysis by Draycott and Rae (2011) found that enterprise education in UK secondary schools improved students' "enterprise capability" (problem-solving, negotiation, risk management) and "financial capability." However, effects were strongest when programs involved real business activity rather than simulation-only approaches.

Developing Country Evidence- In Kenya, the Educate, and program integrates skills-based, experiential learning into secondary schools. A randomized controlled trial (?, ?). found that Educate, graduates had 22% higher earnings, 37% higher business survival rates, and improved soft skills compared to controls.

South African Evidence- Chigunta (2017) studied youth entrepreneurship programs in South African townships and found that school-based business clubs reduced antisocial behavior, improved school attendance, and provided small but meaningful income for participants' families. (?, ?).

Sri Lankan and South Asian Evidence

Sri Lanka- Peer-reviewed research on secondary school entrepreneurship education in Sri Lanka is extremely limited. Fernando (2019) surveyed 200 secondary students in Colombo district and found that 78% expressed interest in entrepreneurship but only 12% had received any relevant instruction. Gunasekara (2020) documented informal, student-initiated business activities (e.g., selling snacks, mobile top-ups) occurring outside school supervision often viewed negatively by teachers.

India- In India, the National Skill Development Corporation (NSDC) has piloted entrepreneurship curricula in secondary schools in Gujarat and Tamil Nadu. Initial evaluations (Mehta & Sharma, 2021) reported improved attendance, reduced dropout rates, and increased student confidence. However, scalability challenges persist due to teacher training deficits.

Bangladesh-Ferdousi et al. (2025) examined university students but noted that entrepreneurial intentions form during secondary schooling. They recommend integrating entrepreneurial modules into Grades 9–10 curricula.

Gender Dimensions

Research consistently finds gender differences in entrepreneurial preferences and barriers. Female students often prefer creative, craft-based businesses and face additional barriers including restricted mobility, lower digital access, and cultural expectations (Kelley et al., 2017). Male students are more likely to prefer technology-oriented or trading businesses (Thebaud, 2015).

Implications for Program Design- Entrepreneurship programs must offer diverse business pathways (crafts, services, trading, digital) and address gender-specific barriers through mentorship, safe spaces, and parental engagement.

The Digital Divide and Entrepreneurial Education

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Defining the Digital Divide

The digital divide encompasses three levels: (1) access to devices and connectivity; (2) digital literacy and skills; and (3) outcomes from digital use (van Dijk, 2020). In rural Sri Lanka, all three levels present challenges. According to the Telecommunications Regulatory Commission of Sri Lanka (2023), household computer ownership in rural areas is 18% (compared to 47% in urban areas), while smartphone ownership (78% rural) is higher but often shared among family members.

Implications for Entrepreneurship Education

Digital tools enable entrepreneurial activities such as online marketing, digital payments, record-keeping, and customer communication. Without access, rural students are restricted to cash-based, face-to-face micro-enterprises which limits scalability and excludes participation in the digital economy (Koe et al., 2024).

The Cash-Based Constraint - The present pilot's reliance on cash transactions, while appropriate for the context, reflects a structural limitation. Future programs must integrate mobile money (e.g., eZ Cash, mCash) and basic digital literacy to prepare students for the formal economy.

Addressing the Divide through School-Based Interventions

Schools can partially bridge the digital divide by providing shared devices, offline business applications (e.g., spreadsheet templates, digital catalogs), and structured digital literacy modules. The Sri Lankan government's "Smart School" initiative (Ministry of Education, 2020) aims to equip all secondary schools with computer labs, but implementation remains incomplete in rural areas.

Entrepreneurial Education as Social and Psycho-Emotional Intervention

Beyond Economic Outcomes

Most entrepreneurship education research focuses on economic outcomes (income, venture creation, employment). However, a growing body of evidence highlights non-economic benefits including improved self-esteem, reduced antisocial behavior, enhanced school connectedness, and greater future orientation (Seikkula-Leino & Salomaa, 2021; Okeke & Alonta, 2023).

Mechanisms: Why does entrepreneurship education produce psycho-social benefits?

- **Mastery experiences:** Successfully completing a business transaction provides tangible evidence of competence.
- **Social recognition:** Being seen as an "entrepreneur" rather than a "failure" transforms identity.
- **Meaningful roles:** Students become contributors (selling products) rather than passive recipients (listening to lectures).
- **Future orientation:** Earning money makes future goals tangible and motivating.

Social Cohesion and School Climate

Honneth's recognition theory (Section 2.3.5) is empirically supported by studies showing that recognition-rich environments reduce conflict, improve teacher-student relationships, and increase prosocial behavior (Bruner, 2017). In the present study, the transformation of student-teacher relationships from adversarial to supportive reflects this recognition dynamic.

Methodology

Research Approach

This study employed a qualitative research methodology using an inductive, exploratory design. Given the need to understand students' lived experiences, motivations, and hidden barriers, qualitative methods were most appropriate (Braun & Clarke, 2006).

Population and Sampling

Population: Students in Grades 8–10 from government secondary schools in rural Sri Lanka with documented high dropout rates or student disengagement.

Sampling Strategy: Purposive sampling was used to identify information-rich cases, students who showed clear signs of disengagement from the academic curriculum but expressed strong interest in business and income generation.

Sample Size: 25 students (13 male, 12 female) from three schools. Saturation was achieved after 22 interviews; three additional interviews confirmed no new themes.

Data Collection Methods

- Semi-structured interviews (25 interviews, 45–60 minutes each)
- Focus group discussions (5 groups of 5 students each)

- Observation notes from Entrepreneur Club meetings (8 sessions over 12 weeks)
- Student journals documenting business activities and reflections

The Entrepreneurship Intervention: "Learning-by-Earning" Module

A 12-week module was designed with the following components:
All transactions were cash-based to avoid banking and credit complexities.

Data Analysis

Inductive Thematic Analysis (Braun & Clarke, 2006) was conducted using NVivo 14. The steps included:

1. Familiarization through repeated reading
2. Initial coding of meaningful features
3. Developing themes from related codes
4. Reviewing themes for consistency
5. Defining and naming final themes
6. Interpretive reporting using anonymized excerpts

Results and Discussions

Results

Theme 1: Curriculum Disconnect and Aspiration Mismatch

All 25 students expressed that the current curriculum is irrelevant to their economic goals.

> "I learn history and science, but no one teaches me how to earn money to help my mother." (Male, Grade 9)

> "Teachers say study hard for exams. But I want to start a small business now." (Female, Grade 10)

Theme 2: Gender-Differentiated Entrepreneurial Preferences

- **Male:** Online/digital transactions, mobile reload services, small resale via WhatsApp
- **Female:** Creative, handcrafted products such as jewelry, greeting cards, baked goods

Both genders shared strong motivation to support family income.

Theme 3: Practical Skills over Academic Labels

Students labeled as "weak" in Mathematics or English often demonstrated superior marketing, negotiation, and supply chain skills.

> "I always fail math, but I know how to buy low and sell high at the school fair. That is real math." (Male, Grade 8)

Theme 4: School Support Ecosystem

Success depended on three pillars:

Theme 5: Psycho-Social Transformation

Students reported increased respect from peers and teachers, improved attendance, and reduced classroom disruption.

> "Before, teachers shouted at me. Now the principal calls me 'young entrepreneur.' I come to school every day." (Male, Grade 10)

Discussion

Reconceptualizing Student "Weakness"

The findings challenge deficit-based labeling. Students previously considered "undisciplined" or "low-achieving" displayed sophisticated entrepreneurial reasoning. This aligns with alternative intelligence theories (Gardner, 2011) and extends them to practical business contexts.

The School as an Entrepreneurial Ecosystem

Rather than viewing entrepreneurship education as an extracurricular add-on, this study demonstrates that schools can function as sanctioned

Table 1: 12-week structure of the Learning-by-Earning Entrepreneurship Education Module.

Week	**Activity**
1–2	Ideation and market survey (school-based needs assessment)
3–4	Basic financial literacy (cash-based accounting, pricing)
5–6	Product development (handicrafts, snacks, small services)
7–8	Supply chain setup (local sourcing, no credit transactions)
9–10	Sales at school fairs, parent meetings, and break times
11–12	Reflection, profit calculation, and reinvestment planning

Table 2: Key institutional support pillars and their roles in the school-based entrepreneurship ecosystem.

Pillar	**Role**
Principal	Provided space and market access (e.g., school fairs, permission to sell during breaks)
Teacher-in-Charge	Offered mentorship, logistical support, and conflict resolution
School Platforms	Sanctioned sales events (PTA meetings, cultural shows)

Table 3: Policy recommendations for strengthening school-based entrepreneurial education.

Recommendation	**Target Audience**
Mandate school-based Entrepreneur Clubs in Grades 8–10	Ministry of Education
Integrate "learning-by-earning" modules into Life Competencies curriculum	National Institute of Education
Provide seed grants (e.g., LKR 5,000 per club) for student micro-enterprises	Provincial Education Departments
Train teachers as entrepreneurship mentors (not just subject instructors)	Teacher Training Colleges
Pilot digital inclusion (low-cost tablets, offline business apps)	Ministry of Technology

economic spaces where students legally earn income while learning. The principal's role shifted from disciplinarian to enabler, and teachers became mentors, transforming school climate.

Limitations and Next Steps

- **Cash-based limitation:** All transactions were cash-only; no banking or credit. Future iterations should introduce mobile money and basic financial accounts.
- **Digital divide remains:** Lack of computers restricted online business options.
- **Scalability:** The pilot involved only 25 students. Larger-scale implementation is needed.

Conclusion

This study demonstrates that entrepreneurial education is not merely an academic subject but a crucial intervention for student engagement, empowerment, and social inclusion. By bridging the gap between a theoretical curriculum and students' economic realities, the program fostered practical skills, confidence, and a sense of belonging. Students who were disengaged became active, respected contributors to the school community.

Future Research

- Longitudinal study tracking graduates' business sustainability
- Comparative study across urban/rural schools

- Quantitative measurement of self-efficacy pre/post intervention

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