Governments and Global Entrepreneurs: Always in the Way?

SUBMITTED BY: Kamaila A. Sanders, The University of Pennsylvania

SUBJECT(S): Entrepreneurship

GRADE LEVEL(S): 9, 10, 11, 12

OVERVIEW:

In this lesson, students will discover the role governments can play in encouraging or hindering entrepreneurship. They will also learn the role governments, both local and international, play in global entrepreneurship. They will listen to the Knowledge@Wharton podcast “In Global Entrepreneurship, One Small Initiative Can Make One Huge Difference,” and discuss its key ideas. To highlight many of the examples mentioned in the podcast, students will watch the video: “Chinatown, Africa” by Vanguard and discuss the problems faced by governments and global initiatives that the video underscores.

NBEA STANDARD(S):

- Entrepreneurship, VII. Global Markets

RELATED ARTICLES:

- “What Is a Smart City?”
- “Venezuela’s Eugenia Carmona on the ‘Complete Chaos’ Afflicting Her Country”
- “Inside the Economic Warfare Involving Tariffs and Trade”
- “Exploring Immigration: Will the U.S. See Reform in 2019?”
- “Educator Toolkit: Becoming Global Citizens”
- “A Summer Trip to Ghana Inspires a Global Health-care Mission”
Common Core Standard(s): Technology and digital media, vocabulary acquisition and use, key ideas and details.

Objectives/Purposes: Students will understand the role governments play in economic globalization and global entrepreneurship.

Knowledge@Wharton Article: “In Global Entrepreneurship, One Small Initiative Can Make One Huge Difference” (podcast)

Wharton Global Youth Program Article: “Regulatory Restrictions” (video)


Activity:

1. *(5 mins)* Begin this lesson with a short discussion on regulations. Ask a volunteer to define a regulation, and then you can play the video of Wharton professor Alan Eizenberg defining the term regulatory restriction.

2. *(15-20 mins)* Have students listen to the podcast “In Global Entrepreneurship, One Small Initiative Can Make One Huge Difference,” and answer the following questions:

   - What do some entrepreneurs think of government?
     - That they only create roadblocks, delays, are slow and only care about creating rules.
   - According to the podcast, do government regulations always restrict entrepreneurship?
     - No. If the initiatives are simple and smart they can enhance entrepreneurship. Especially if they create tools like electronic business registries.
   - What is red tape?
     - Regulations.
   - Why do developed countries tend to exhibit higher levels of entrepreneurship?
   - What was a problem with rich countries investing in big infrastructure projects in developing countries?
     - They did not foster entrepreneurship or teach the people how to succeed on their own. They only tried to give them some of the necessities of life.
What are some bureaucratic hurdles that hinder business?
- Too many procedures.
- Cost (time and money) of starting a business.

What can governments do to relieve business of these concerns?
- Registries that operate as public registries to make sure that a business operates transparently and is a legal, solid business as well as help to shape policy by giving lawmakers information and data about employment and the strengths and weaknesses of the economy’s sectors. This can also help to develop better policy.

What is a criticism of electronic registries?
- They do not actually capture levels of entrepreneurship but instead only the movement of businesses from the informal sector to the formal one.

Like red tape, what else saps business formation?
- Political corruption.

What types of businesses are starting in industrialized countries? Developing ones?
- Service businesses.
- Wholesale and retail trading.

What hinders entrepreneurial activity in Korea? How is it different in the U.S.?
- They have a stigma against failure.
- In the U.S. you are rewarded for trying and attempting to succeed.

After the podcast, have students discuss their answers with a partner. Then discuss the answers as a class. As the podcast suggests, it is important to emphasize the role that governments can and should play in encouraging and fostering entrepreneurship in a country.

3. (20 mins) Have students watch the video: “Chinatown, Africa,” which shows how the Chinese government is trying to collaborate with Africa to build infrastructure there in exchange for access to some of Africa’s natural resources.

In particular, you should also have students pay attention to the following themes that were mentioned in the podcast they just heard:

- Charges of corruption within the local government.
- The fact that China is investing in the continent by building large infrastructure projects like a trans-continental railroad as well as schools and hospitals.
- Keep in mind that, as the video highlights, they are not employing many Africans to build these projects and the podcast mentioned that this was not an effective way to build wealth or improve conditions in these countries.
• Is it New Colonialism or does this effort have the potential to improve conditions in Angola and Africa?
• Are the governments of both countries looking after the best interests of their people?
• Will there be U.S. involvement if this becomes a conflict? Should it be there?

Tying It All Together: After the video, you should lead a class discussion on China’s efforts in Africa. You can begin by just asking students for their reactions to the video. Then press students on other more specific points that qualify the initiative. In particular, since the lesson is about governments and global markets, have students think about how both the Chinese and Angolan governments are treating their people? Are they looking after their best interests?

Practice Outside of the Classroom: What kinds of “red tape” would you have to cross to set up a business in your community? If you don’t know, take a look into it!

What Worked and What I Would Do Differently: Students loved this lesson. The conversation about governments was easy for them to follow and the article well illustrates the productive role a government can play in fostering business and entrepreneurship. The article also provides a great transition to the video. Students loved watching this video. Right from the moment it started it caught their attention and they were interested to learn more about China’s efforts in Africa as none of them knew anything about this. If you are running out of time, you may want to stop the video after the first commercial. You will definitely want to give students time to discuss what they have just seen, so if you can’t watch the entire video, just watching the first half will be fine.