

Educational system face to face with the challenges of the business environment; developing the skills of the Romanian entrepreneurs

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Abstract: The climate dominated by the economic-financial crisis represents a challenge both for the experienced firms and the new entrepreneurial ideas. Those who have succeeded in finding the most appropriate reforming solutions, within the current context, can be regarded at present as references for those who dare go down the road of entrepreneurship in times like these. The legislative and institutional framework, both at the European level and national level, comes to the rescue of the entrepreneurs whose strategies need to be permanently up-to-date and adjusted to the international competition. The Romanian entrepreneurship possesses the necessary development potential and rapid growth, but in order to capitalize on these assets, the young entrepreneurs must think innovatively, tend to perfection and take the risk of their actions. Hence, the traditional approach within schools, the one focusing only on the supply of basic skills in order to get a job, is no longer sufficient. The globalization phenomenon has accelerated over the last decades, which implies the adjustment of the educational system to the new challenges of the business environment, always in motion, both domestically and internationally.

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The entrepreneurial education helps to promote an entrepreneurial culture, bring changes of mentality as well as acquire skills necessary for conducting an activity. In Europe, the development of the concept of entrepreneurial culture has become more intense within the context of the implementation of the Lisbon Strategy concerning economic growth and jobs, and which has underlined both the necessity of a positive entrepreneurial climate and the creation of conditions for stimulating the entrepreneurial spirit. From a European approach perspective, the entrepreneurial spirit regards the capacity of a person to put one's ideas into practice; this implies innovation, creativity and assuming risks, such as the ability to plan and manage projects for accomplishing different objectives.

A European approach of the entrepreneurial education can assure a better coordination between national policies, exchange of good practices as well as the experience and monitoring of the progress registered with respect to the entrepreneurial education system in Romania. As it has been emphasized within the "Europe 2020" strategy, the education programs of the education and training systems should focus on creativity, innovation and entrepreneurial spirit. At the same time, the education of the entrepreneurial spirit should also be encouraged, implying initiative spirit, skills for putting into practice ideas, creativity and self-assurance; this should become accessible to all

learners within all education programs and all fields of study. As a consequence, this should determine learners to take a closer look to the option of pursuing a career in the field of an independent activity and train them so that they would open their own business. Also, the entrepreneurial spirit must become a normal part of the teachers' and trainers' skills.

In June 2008, the European Commission adopted a **“Small Business Act”** for Europe (*Comprehensive SME policy framework for the EU and its Member States*), through which the central role of SMEs in the EU economy is recognized and the overall approach to entrepreneurship is aimed at. The fundamental principle of the SBA is **“Think small first”: Priority for SMEs**, referring to the concentration of efforts in policy making for SMEs, from regulation to public service, and the promotion of SMEs' growth, by helping them tackle the remaining problems which hamper their development. The SBA for Europe applies to 99% of all European businesses within the category of SMEs and creates a favorable environment for entrepreneurs.

One of SBA's results in the field of entrepreneurial education has been the **Erasmus project of young entrepreneurs**, launched in February 2009. The project consists of experience exchanges between new entrepreneurs and experienced ones from different countries of the EU. The length of an internship is 1 to 6 months covering a wide area of sectors. The objective of this program is to unveil new business opportunities and use more efficiently the domestic market.¹

The vice-president of the European Commission, Antonio Tajani, Commissioner for Industry and Entrepreneurship has stated: *“SMEs represent more than 90% of the overall enterprises and have more than 90 million employees in Europe. They represent the engine of our economy and they must remain strong, competitive and innovative. The member states must act rapidly to assure the full implementation of the SBA”*.²

In order to adjust to a complex economic environment, a SME needs the development of an entrepreneurial management, the creation of innovative businesses as well as an infusion of good transnational practices. The entrepreneur's education, the limits of this education, past managerial experiences will influence his approach to management. The entrepreneur's level of education and especially his economic side, influence the performances of the enterprise. In general, the entrepreneurs' education concerning the managerial side is poorer than that of managers of large enterprises, both within market-oriented economies as well as transition economies. Thus, the entrepreneur's chances of getting well paid jobs are lower, which could be another motivation factor for the career of entrepreneur.

The promotion of entrepreneurial talent and the development of entrepreneurial skills must always be the focus of the authorized institutions – governmental institutions, promoting entrepreneurship organizations, or business support suppliers – by assuring an efficient financial and technical support, adequate to the particularities of the Romanian business environment. The authorities in charge have manifested their preoccupation with the support and development of the entrepreneurial education system in Romania through

¹ Post-Privatization Foundation, Promoting entrepreneurial education and financing opportunities, p.14

² Ciora A., Small Business Act for Europe consolidates small enterprises and is also the engine of economic growth, Information Portal Europe Direct, 25 February, 2001

the elaboration of specific policies for the improvement of the entrepreneurial skills of both business owners and young potential entrepreneurs.³

The first stage of the entrepreneurial education - *Entrepreneurial education awareness* – aims at increasing the number of persons interested in developing an own business and becoming aware of the possibility of pursuing career in the field of entrepreneurship.

The second stage – *Start-up education* – involves the preparations for setting up the business, and more precisely, the clarification of some aspects such as: getting funds, legal regulations, due rates and taxes etc.

The third stage – *Continuous education for the existent entrepreneurs* – aims at improving the entrepreneurs' skills, while in the fourth stage – *Entrepreneurial dynamism* – the main focus is the consolidation of the entrepreneurial behavior, impregnating it with dynamism.⁴

During the transition period, the negative motivations, which were the most significant elements for the decision to become an entrepreneur, led due to the pioneering work in this activity to the emergence of a group of entrepreneurs whose managerial and economic knowledge was very poor. In many of these cases, the market penalized the entrepreneurs' mistakes, and this fact made room within their conscience for the quality of the managerial act which must be based upon a good knowledge of both the market and type of the business as well as upon the inner competence. A lot of the entrepreneurs consider that the economic sense is sufficient to ensure success. Yes it can help run the business in its early stages, but once the activity gets more complex, the managerial knowledge becomes strictly necessary and thus the education in the field becomes a necessity as well. The educational elements must be accompanied by creativity, talent and enterprising spirit.

The majority of entrepreneurs and business founders in Romania don't have a background either in managerial positions or technical professions. Only just 1,3% of the entrepreneurs have a previous managerial experience, while 8,4% of them have background experience in technical fields. More than half of the entrepreneurs (52,9%) were unqualified workers before starting their own business. Therefore, it is necessary to develop entrepreneurship programs through which the future entrepreneurs can improve their business skills. A worldwide survey for 2008 which monitored entrepreneurship, points out clearly the lack of training activities in business launching, both during school as well as after school.⁵

Although there has been registered significant progress with respect to the development of the entrepreneurial education system in Romania, it is still confronted with the following problems:

- poor involvement of the SMEs representatives in elaborating and putting into practice the curriculum;
- insufficient partnerships at institutional level with respect to the professional training;

³ Post-Privatization Foundation, Promoting entrepreneurial education and financing opportunities, p.40

⁴ Post-Privatization Foundation, Promoting entrepreneurial education and financing opportunities, p.6

⁵ POS-DRU Project – Developing entrepreneurial skill through transnational transfer of good practices and professional training of entrepreneurs in Romania – STEPS, <http://www.antrepreneurpascupas.ro/index.php?module=info&id=333>

- insufficient flexibility in adjusting the curriculum to both the current needs of the market and the requisites for lifelong learning;
- frequent changes of the syllabus, allocation of time and training structure;
- frequent changes at the level of legislation with respect to the professional training and education;
- insufficiently developed programs for the adequate teacher training in the field of entrepreneurial education;
- human resources in need of support for sharing gained experience;
- human resources insufficiently motivated to work extra within projects.

The 2002 European Council in Barcelona ratified the detailed work plan for the implementation of the objectives of the educational and professional training systems in Europe for the 2001-2005 period. One of the strategic objectives regarding the educational system is “The opening of educational and professional training systems”, the development of the entrepreneurial spirit included.

Also, “Europe 2020 Strategy” has as a main objective the transformation of the EU into an intelligent economy, sustainable and favorable for the inclusion, characterized by high levels of employment, productivity and social cohesion. A major factor in attaining this objective is the promotion of the entrepreneurial spirit.

The preoccupations for the adjustment of education to the changing needs of the society, as well as those related to the accession to the European Union, have led to major transformations of the structure, organization and management of education in Romania. Thus, in order to be in alignment with the European Union’s demands, the Ministry of Education, Research, Youth and Sport decided to adopt the 2002 Work Plan for the implementation of “The reform of compulsory education in Romania” in June 2003.

Although between 2000 and 2008 Romania registered an important economic growth, judging from the point of view of human resources, there was a minimal progress. Over time, the flow of FDI has determined the creation of new jobs and therefore, within this context, the promotion of entrepreneurial spirit and the development of entrepreneurial culture have become absolutely necessary.

In Romania, the level of entrepreneurial education has dropped primarily because of the poor connection between research, knowledge, education and industry within a relatively new private business environment.

Taking into account the structural changes of the economic environment in Romania and the conditions for the professional and managerial skills of the workforce within an emergent market, the educational system had to respond to adapt the educational offer to these requirements.⁶

Thus, the development of entrepreneurial culture was one of the main objectives of “The strategy for the development of the 2001-2004 primary and secondary education” as well as of “The strategy of the Romanian higher education for 2002-2004”.

Later on, “The strategy of the Romanian higher education for 2002-2010” included actions for a better correlation between the higher education and the labor market. The strategy underlines the necessity and importance of promoting the concept of both entrepreneurial university and entrepreneurial initiative. The link between university and economic, social and cultural environment is of high importance for the forging of entrepreneurial spirit in students, who after having graduated they can go directly into

⁶ Post-Privatization Foundation, Promoting entrepreneurial education and financing opportunities, p.6

business. At the same time, a well-connected university within the economic environment can assure a job for its graduates a lot better.

In 2006, the European Commission published an official statement with regard to the cultivation of entrepreneurial spirit through education and learning, in which it underlines the importance of both promoting the entrepreneurial culture and creating a favorable environment for SMEs. Only entrepreneurial universities can contribute directly to education, research and innovation in the economic field. Through the relevance of subjects, the entrepreneurial university oriented towards direct results can be a drive for development and implicitly a way to respond to the society's needs. In Romania, the current structure of the occupied population, in terms of the level of education is a reflection of both the present configuration of the economy and the deficit in college graduates. Under these circumstances, even the small number of high added-value sectors within the Romanian economy is confronted with problems in satisfying the demand of qualified labor.

At present, Romania has to develop a new generation of entrepreneurs endowed with practical skills such as responsibility, adaptability, clear vision, initiative and managerial spirit, to allow them to identify and implement strategies adequate for their penetration and maintenance on the market. These personal skills must be cultivated from primary school and developed at superior level, in high school and faculty.

Table no. 1

State of entrepreneurial education in secondary education in Romania

Entrepreneurial education classes within primary and secondary education		
Education level	Name of subject	No. classes/ week
1 st -4 th Grade	Counseling and orientation	0-1 hour class / week
5 th -8 th Grade	Technological education	1 hour class/week
9 th Grade	Civic/entrepreneurial culture	1 hour class / week
10 th Grade	Entrepreneurial education	1 hour class / week
9 th and 10 th Grade, within the School of Arts and Crafts	Civic/entrepreneurial culture	1 hour class / week; 9 th Grade – all specializations; 10 th Grade – economic specialization
11 th Grade – for the year of completion	Applied economics and entrepreneurial education	Applied economics - 2 hour class / week for the area of specialization: Commerce, Tourism and Nutrition; Entrepreneurial education- 1 hour class / week for the other specializations
12 th Grade – technological field, all specializations	Entrepreneurial education	1 hour class/ week

CONCLUSIONS

The initiatives of the Ministry of Education, Research, Youth and Sport on the education and training of entrepreneurs have materialized into promotion measures of the entrepreneurial spirit at all levels, through the introduction into the curriculum of new

subjects related to the development of both the initiative spirit and professional orientation capacity, the approval of alternative notebooks for the discipline called “Entrepreneurial Education”, as well as through the programs that contribute to the development of entrepreneurial culture.

As it concerns the initiative of the higher education system, we can appreciate that the entrepreneurial education is a less systematic procedure than in the case of primary and secondary education. Nevertheless, we cannot overlook the initiatives of different universities in Romania, especially technical universities, in the creation of partnerships, elaboration and implementation of programs and projects for the development of the entrepreneurial educational spirit. The current economic situation, correlated with the experience gained up to the present, certifies the necessity of the expansion of these initiatives in all university centers, as well as the embedment of the entrepreneurial education as a compulsory subject (or at least as an optional subject) into the university curriculum.

The ongoing economic environment within the context of numerous challenges of globalization will lead inevitably to new evolutions on the market, as well as to the implementation of adequate measures for the stimulation of the entrepreneurial educational system as a prerequisite for the development of SMEs.

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