

Education of Young People in the Field of Entrepreneurship Through Innovative Concepts, Prerequisite for the Growth of the Romanian Economy

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Abstract

The paper presents the results of research into entrepreneurship in the context of globalization, its capacity to cope with economic and social changes, which sometimes have negative effects on the environment and the population, i.e. the educational process by which people are primitive in their way of thinking and action, the lifestyle of each individual, to maintain a balance between society, the environment and the economy.

The paper also analyzes the attractiveness of entrepreneurship in Romania, the diverse challenges of the world specific to dynamic societies, with high uncertainty for future entrepreneurs, the introduction of teaching methods in the educational process that would develop the potential of young people to critically analyze economic phenomena, social and environmental impacts with a view to integrating them into a society of the future, economic growth through successful businesses.

Key words: practice firm, entrepreneurship, curricula, sustainable development, economy.

J.E.L. classification: M21

1. Introduction

A successful, long-term business is a business where the entrepreneur effectively manages material, financial, human and information resources while taking into account the sustainability of consumption and production. These entrepreneurs sometimes integrate *innovation* into the business that drives new products/services or their upgrading with implications for increasing the profitability of the production factors and thus the efficiency of the firm. Entrepreneurs, who know the environmental, social, cultural and economic consequences of climate change, can initiate actions to reduce the negative environmental and climate impacts by developing efficient, responsible and inclusive firms that reduce greenhouse gas emissions, protect the environment and maintain biodiversity.

In this respect, natural resources, which are exhaustible or difficult to renewable, are used by rational entrepreneurs in those businesses that bring high added value by processing the resulting products at a higher level. The technological process used in production, technological water and energy consumption must not affect the natural balance. The introduction of advanced technology and innovation in the production process ensures the quality of products/services that can be marketed at competitive prices. Modern vision supports the responsiveness of the firm to offer good quality goods at competitive prices to meet the needs of consumers.

Globalization, the communication and information system, freedom of action create new business opportunities for entrepreneurs going beyond territories and cultures. The many theories of entrepreneurship present the dominant idea that the entrepreneur has the ability to recognize opportunities and act on them by starting a new business (David B., Audretsch and Max Keilbach, 2007). While generating competition in attracting and using resources and in distributing customers, in identifying factors of production and markets. Alvarez (2003) and Alvarez and Barney (2005, 2007) suggest that as the degree of uncertainty increases, the entrepreneur gains a

competitive advantage, as some business opportunities can be exploited by entrepreneurs because they are rejected by existing firms, as opportunities.

2. Literature review

The entrepreneur is a person who has a business idea or business ideas, solid knowledge in an area of activity, flexibility, willingness to invest time, money, working capacity, critical thinking, creativity, critical analysis of external phenomena and skills can continue.

These entrepreneurial skills are formed over time, involving potential entrepreneurs in planning, organizing, managing and controlling activities at the earliest possible age. Literature presents aspects that support the theory of professionalization of this profession. The working population in general and young people in particular should have access to information, management training and state support with concrete measures for the establishment and operation of SMEs, so that those with entrepreneurial skills and adequate training start and develop successful business.

Entrepreneurship has evolved at a faster pace after the 90s, in the same trend is the research in the field of entrepreneurship, *a mature field of study* (Meyer and coll., 2012; Busenitz and coll., 2014, van Burg and Romme, 2014).

Entrepreneurship education and state policies, which support the efforts of entrepreneurs, have been noticed by the community and have stimulated the research work of scientists (Manuel P. Ferreira, Nuno R. Reis and Rui Miranda). Identifying viable models in the field of entrepreneurship in order to implement and multiply at the level of the whole community is a main study problem.

Many articles have been published on entrepreneurship, business risk and innovation as factors influencing success, journals have appeared and have sold on the market (eg. Journal of Business Venturing, Entrepreneurship Theory and Practice and more Strategic Entrepreneurship Journal and others).

There are scientists who claim that the field of entrepreneurship is mature (Schildt HA, Zahra SA, Siilanpaa A., 2006) and (Landstrom H, Harirchi G., Astrom F., 2012) and others suggest lack of maturity and divergent patterns in entrepreneurial research (Schildt HA, Zahra SA, Siilanpaa A., 2006), (Grégoire D. a., Noël M.X., Déry R., Béchard J.P., 2006 Gartner WB, Davidsson P, Zahra SA. (11,12,15). The emphasis of research is often on the person, on the psychological traits and characteristics of people as predictors of entrepreneurship.

Characteristic of the developed economies, entrepreneurship generates jobs and added value, for any company, at the same time benefits for the person, the people who assume the risk of starting their own business (Praag and Versloot ,2007) distinguish four measures: employment, innovation, productivity and individual utility levels Entrepreneurs are those who identify innovative solutions, develop new and bold models, have vision and perseverance in succeeding. The entrepreneur is the individual, who alone or in association initiates a business, assuming a certain risk, in which invest resources in order to obtain profit.

Entrepreneurs usually have professional experience, but few focus on management knowledge for organizing and developing the business. The school can offer young people the training necessary for a young entrepreneur and knowledge in the field of management.

Entrepreneurship is perceived differently from one country to another, compared to the EU average. In Romania, the working population considers that there are business opportunities in each area, but they have a greater fear of risk in starting a business in relation to the EU average, as many people have little confidence in their entrepreneurial skills.

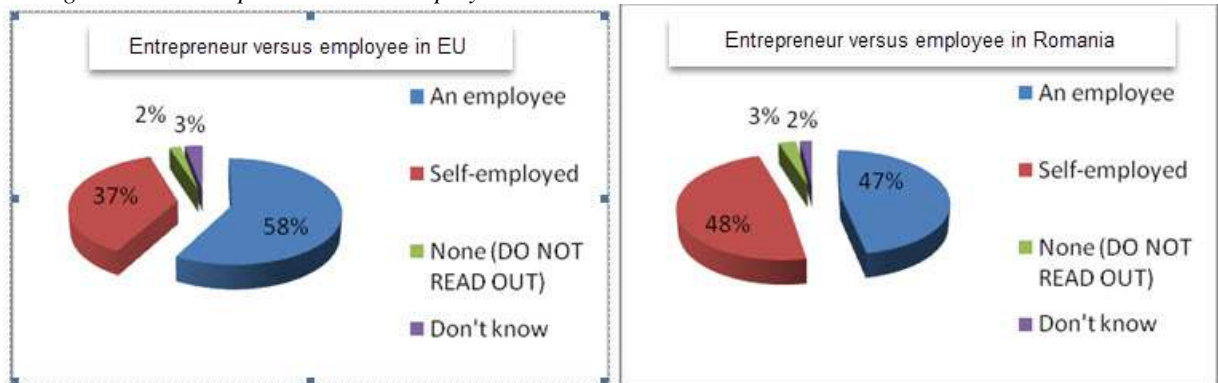
Table no. 1 Entrepreneurial skills

Indicator	Risk-taking / fear of failure	Entrepreneurial skills	Business opportunities
EU average	39%	42%	31%
Romania's population	41%	38%	37%

Source: Created by the author after Xavier et.al (2012), Global Entrepreneurship Monitor 2012 Global Report, pg.20

The population appreciates business opportunities in the larger area 37%, while the European average is 31%. As for people's attitudes and perceptions toward entrepreneurship, the same source mentions a greater fear of the failure of Romanians 41% than the European average 39%, only 38% of the population think they have entrepreneurial skills and the EU average is 42%.

Figure no 1. Entrepreneur versus employee in EU and in Romania



Source: Created by the author after Xavier et.al (2012), Global Entrepreneurship Monitor 2012 Global Report, pg.20

According to the data provided by the Global Entrepreneurship Monitor, 48% of the active population in Romania see entrepreneurship as more attractive than the European average, which has a 37% level, positive attitude due to the possibility of accessing finance or business partners.

The attractiveness of entrepreneurship for the working population does not translate into starting a business, a company, according to the European Commission's annual report, Romania is the last with 29 businesses/1000 inhabitants, half the European average, which in 2018 was 58 SMEs/1000 inhabitants. The same source says that we are the last in the EU to be in innovation, with 10% of Romanian SMEs.

It is a quite large variation, from one country to another, from 29 SMEs/1000 inhabitants in Romania to 115 SMEs/1000 inhabitants in the Czech Republic. There are seven countries in the EU with fewer than 50 SMEs/1000 inhabitants: Austria, Germany, Denmark, Finland, Croatia, Romania and the UK, the same report says.

According to the 17th edition of the Romanian SME White Paper, 37,22% of all investigated companies develop annual plans and policies, tools that are absolutely necessary for a company to function normally, which is why training for future entrepreneurs is needed to set up and run sustainable businesses.

Sustainable business is the result of a powerful, innovative management that leverages the potential of the internal environment: Human resources, financial resources, materials, information and external environment customers, suppliers. It's a sustainable development goals business, an efficient long-term business.

3. Research methodology

To write the article I investigated the potential of people in starting an developing a business locally and nationally, I used a diagnostic analysis of evolution of entrepreneurship nationally and internationally, by consulting specific bibliography and interpreting statistics to identify risk factor to start a business. The research aimed to make an x-ray of entrepreneurship in Romania in the European context, highlighting the aspects that characterize the current stage of entrepreneurship and identifying solutions to prepare future entrepreneurs for sustainable business to stimulate the economy. The investigation was based on consultation of national and foreign literature, as methods we used: comparative method, analysis, synthesis, induction and abduction, quantitative analysis.

4. Results

The framework and curricula on secondary and vocational education established by the Ministry of Education and Research and implemented in pre-university education form the methodological framework through which they develop in young people and entrepreneurial skills.

Young people can start up in the field of entrepreneurship from secondary education and training their skills at high school and then at work or through higher education will ensure a new level of development. *Primary education achieves balanced cognitive, emotional and psychomotor development, adapted to individual needs, a basis for the assimilation of new knowledge and skills* (Main objective of the Romanian primary education according to the vision of the Ministry of Education and Research).

From the 5th grade to the 8th, by introducing *Technological Education* and *Practical Applications*, 1h/week in the Framework Plan, students have the opportunity to know concepts, concepts, activities in the fields of Quality, Economy and Entrepreneurship; Sustainable Development and Activities/ occupations/ jobs.

In lower secondary school students study 1h/week in the 10th class *Entrepreneurial Education* for the purpose of training skills in starting, running and evaluating a business.

The subjects of Economy and Applied Economy, which are studied in the higher education of the 11th and 12th grades, offer students the possibility of content, covering consumer, producer, market types, growth, globalization, entrepreneurship, planning and management strategies, financing opportunities, etc. develop active and responsible social behavior appropriate to a changing society.

4.1. Training entrepreneurial skills among young people

The study carried out on existing school Curricula (5th-8th) identifies the training of skills for using hygiene, safety and safety standards, choosing technologies and products to ensure environmental and health quality, re-use of waste in order to save resources, by students through the content on a learning unit.

Skills in healthy lifestyles, clean environment and their influence on the population, innovative solutions that benefit society and the choice of technologies for sustainable development are formed through the content of a new learning unit.

Secondary school courses also cover themes, which train students' skills in research on the specific characteristics of occupations/professions by professional field and entrepreneurship for choosing the course of school and work.

The 1 hour/week time budget for Classes (5th-8th) allocated through the Framework Plan for Education to Technology and practical applications is small in relation to the importance of the subjects covered and for the training of professional skills. At most, there is a question of giving pupils concepts, concepts and areas mentioned, in the allotted time.

Entrepreneurial education discipline, which is studied in the 10th grade, requires practical activities, with the active involvement of the student, which will shape his personality and develop his/her entrepreneurial skills. The content covers issues related to starting a business, achieving a business plan, business ethics, developing skills for a viable future entrepreneur. The discipline is studied 1 hour/week by all high school and vocational school pupils regardless of their profile, qualification/specialization.

Business plan is a complex document that presents the company's strategy, the resources involved, and business ethics form the business behavior of the future entrepreneur, together provide the prerequisites for a successful business. Training skills requires more hours to be spent on content and entrepreneurial skills for students through practical applications.

Business ethics principles must be applied and developed in all areas of activity, for the long-term success of the business, regardless of the field. In the work carried out, the day-to-day conduct, attitudes and habits of entrepreneurs, employees, suppliers, customers, competitors, organizations, opinion leaders, etc., should reflect the principles of ethics in the relationships they initiate and conduct, having regard to the general concepts *of good and harm, truth and lie, fairness and discrimination, freedom and constraint.* (Popa, I; Filip, R., 1999).

Through the content studied, in economic discipline, pupils develop active and responsible social behavior. It learns to analyze and interpret economic indicators (output volume, productivity, costs, profit), economic phenomena, types of market, identify economic imbalances, the challenges of integration and globalization.

Discipline the economy applied by the two learning units develop skills for pupils in managing their personal and family budgets using opportunity cost and tools for saving, investment and efficient management of the firm by taking advantage of business opportunities based on SWOT analysis and marketing strategies, management and control of the revenue and expenditure budget and cost-effectiveness.

For the subjects economy and applied economy are allocated by the Framework Plan, 1 hour/week to real profile theoretical high schools, technological high schools technical profile and 2 hours/week to technological high schools service profile, and 4 hours/week to theoretical high schools human profile, social science specialization.

Too few hours for training skills, skills and skills, young people with entrepreneurial potential, services and technical, natural resources, areas that can generate small and medium-sized enterprises, by area: construction, tourism, car, food, trade, clothing, etc.

4.2. The introduction of business incubators into the school system to develop the skills needed for dynamic and viable entrepreneurs

In technological high schools, service profile, economic disciplines are studied by modern and interactive method the practice firm, according to the framework plans and the curriculum in force. The method was introduced in the Romanian vocational education and training in 2001-2004 and is still being developed today, with different intensities from one educational establishment to another, according to the participants of the practice companies in the national competitions: Quality Mark, Business Plan or Fairs of the practice companies.

The practice firm develops the entrepreneurial spirit of students by simulating the processes in a firm. Grouped into teams of 10-15 students, they set up a business with money and virtual goods in which they carry out all economic processes in a real firm. The activities take place under the coordination of a teacher, within the technological laboratory, content taught in economic disciplines (e.g. Company management, Marketing, Accounting) is more easily assimilated, learning becomes attractive, applying developing skills, skills and deepening theoretical knowledge. At the same time the capacity of communication in Romanian and foreign languages is developed, the skills of using information and communication technologies are also used to other knowledge acquired through the subject of general and specialized culture.

The national and international exercise firms establish commercial relationships in a market for exercise machines, where they play different roles as suppliers, customers and competing businesses. Students are initiated in technological processes specific to companies in different fields of activity, trade, tourism, finance, clothing, pastries, bakery, etc. with the support of parent companies (partner companies), companies that have the same object of activity as the exercise companies.

Every student occupies a job in the company, which allows him to become familiar with the requirements of a job, to know his rights and obligations and his role in the success of the firm. The behavior of the future employee can improve as it claims (Solomon R., 1996) *„a job is never just a job, there is always a moral dimension: pride in the work results, team spirit, care for the well-being of the company, attachment to colleagues, skills developed by the practice firms method.*

High school, which implements this method in the educational process, becomes a business incubator in which young people develop key skills: entrepreneurial skills, creativity, critical thinking, teamwork skills, perseverance, job organization, leadership, application of theoretical knowledge in practice and specific skills: organization and management of a company, elaboration of strategies, development of offers of products and services, analysis and interpretation of economic phenomena, etc. The benefits of the institution increase, compared to the providers of training for young people, by increasing the value on the educational component through the faster integration of young people into the labor market or further education.

The business environment benefits from the knowledge and creativity of young people through their mother companies, which can test new products, through the practice firm, in a virtual market, by innovative solutions to promote products, and by training future employees through the development of skills required by the labor market.

5. Conclusions

In the new millennium, economic education has gradually expanded from primary classes through non-formal activities, which are the first attempts to understand the economy toward business education in secondary education and training skills and competences acquired through economic disciplines to develop a high-school business society.

Modern methods, centered on teaching and learning pupil, interactive, used in the education system alongside traditional ones allow pupils to participate and collaborate, problem orientation, transdisciplinarity, the relationship between informal and formal learning, engaging the student in learning and acquiring the skills and attitudes of active participation in the social area.

The extension of the method to the level of high school and vocational school, gives the opportunity for young people from the technical profile (construction, mechanical, clothing, agriculture, etc.), real profile (Mathematics – Information technology, Science), human profile (Social Sciences), vocational profile (artistic management) to develop their entrepreneurial skills by introducing 1-2 hours/week of technological laboratory the training firm.

Teaching of content by qualified staff in economic sciences, professionally trained through training or exchange of experience in companies of high profile in fields and training courses in the initiation and operation of a company of practice.

In relation to the challenges of this process, the introduction into the curriculum of topics such as: climate warming, poverty and sustainable consumption, which train young people specific skills for sustainable economic development and the use of interactive methods that guide teaching toward learning are relevant for each learner.

Sustainable development issues and the promotion of sustainability skills can be ensured through non-formal and informal education.

The formation of a solid economic culture for young people with entrepreneurial skills enables them to start and develop business in line with the natural environment, which stimulates the economy, benefits the community, and makes use of the human and natural potential of the area.

Dynamic societies have a high degree of uncertainty for future entrepreneurs, young people today, and to cope with them they need new skills, values and attitudes. The new international strategies aim to achieve a healthy life, well-being and eradicate poverty in each country. In this respect, education systems must rethink learning objectives and content so that they are relevant to the changes in society.

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