THE ROLE OF ENTREPRENEURSHIP EDUCATION IN THE CURRENT GLOBAL ECONOMY RECOVERY PROCESS

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Abstract: The current society is bringing more and more demanding requirements to the educational system, in the field of entrepreneurship. The paper highlights some key aspects such as the need of the introduction of entrepreneurship education at all levels of training, a few different ways of realizing the business opportunities, the global crisis in quality education. There are also presented various initiatives implemented at international level (Global Education Initiative), at European level (The new Europe 2020 Strategy), but also in Romania (Romania Junior Achievement). In addition, the paper emphasizes a few difficulties encountered by the entrepreneurship in Romania both related to training and also implementation.

Keywords: entrepreneurship education, development, Global Education Initiative, global crisis, obstacles, Romania.

The necessity of entrepreneurship education. Contemporary society is bringing more and more demanding requirements to the educational system, formulating a previously non-existent social order. These transformations are mainly generated by the extraordinary changes in the last decades, by the need of active citizens having initiative, able to integrate into this society and participate, in turn, to the continued progress thereof.

In this context, besides the economic education, the development of entrepreneurship at the school level completes a gap, a major issue in education: entrepreneurial skills training. These and the initiative spirit are included within the integrative social competence, such as: active consumer, able, having knowledge of the price formation mechanism and of its rights, able to develop and manage the personal or family budget. On the other hand, specific skills are also developed, very useful in the current environment, such as: opening a business, obtaining a profit through legal means, taking risks and responsibilities for this activity, which expresses in fact the essence of entrepreneurship.
Entrepreneurship education. “Education is the number one issue. If we don’t educate people, it will be very difficult to have progress.” Oscar Arias Sánchez, President, Costa Rica.

Entrepreneurship education seeks to provide students with the knowledge, skills and the appropriate motivation to encourage entrepreneurial success in a variety of situations. Variations of entrepreneurship education are offered at all levels of schooling from primary or secondary schools through graduate university programs.

What makes entrepreneurship education distinctive is its focus on the reaction with respect to opportunities, where management education is focused on the best way to operate existing structures. Both approaches share an interest in achieving "profit" in some form (which in non-profit organizations or government can take the form of increased services or decreased cost or increased responsiveness to the customers or citizens).

Entrepreneurship education can be oriented towards different ways of realizing opportunities, as follows:

- **Regular entrepreneurship.** This is the most popular approach and consists of opening a new organization (e.g. starting a new business).

- **Corporate entrepreneurship or intrapreneurship**\(^1\). Another approach is to promote innovation or introduce new products or services or markets in existing firms. This approach was made popular by author Gifford Pinchot in his book *Intra-Corporate Entreprenuership*\(^2\). Recent research indicates that clustering is now a driving factor. Clustering occurs when a group of employees breaks off from the parent company to found a new company but continues to do business with the parent. Silicon Valley is one such cluster, grown very large.

- **Social entrepreneurship or social venturing.** A recent approach involves creating charitable organizations (or portions of existing charities) which are designed to be self-supporting in addition to doing their good works. A version of public sector entrepreneurship has come into being in governments, with an increased focus on innovation and customer service. This approach got its start in the policies of the United Kingdom's Margaret Thatcher and the United States' Ronald Reagan.

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\(^1\) Intrapreneurship is creating some type of value inside of an existing entity by taking some kind of new product or business and looking for new ways to bring it into the market.

Global crisis in quality education. The world is facing a global crisis in quality education that requires urgent action and coordinated efforts to restart educational systems worldwide. Incorporating entrepreneurship and innovation in the educational process ensures that skills such as creativity, leadership, critical thinking, decision-making and social awareness are passed on to students, creating a significant impact in their personal and social development.

Entrepreneurship has never been as important as it is today when the world is faced with big challenges that extend further than the global economy. Entrepreneurship is a significant force that can have a big impact in recovery, growth, and social progress by stimulating innovation, employment generation and social empowerment.

While it is clear that the world is in need of more entrepreneurial societies who can address more complex, interlinked and fast changing problems, greater awareness is needed about the critical role education has in developing the next wave of leaders, innovators and entrepreneurs who can not only create jobs and value for society, but also empower others to dream of a better future.

Global Education Initiative. Global Education Initiative (GEI) engages leaders from all stakeholder groups in society in the support and implementation of relevant and sustainable education sector plans facilitating the multistakeholder partnerships.

The initiative seeks to bring about positive and sustainable changes in education at the global level by supporting the issues of access, quality and cooperation.

Global Education Initiative has made significant progress in its overall objective to raise awareness and support the implementation of relevant national education sector plans on a global level, through the increased engagement of the private sector.

In 2008, the Global Education Initiative launched a work stream to advance entrepreneurship education globally as one of the key drivers of sustained social development and economic recovery. The work stream has four major objectives, as follows:

1. Highlight and raise awareness of the importance of entrepreneurship education in spurring economic growth and in achieving the Millennium Development Goals;
2. Consolidate existing knowledge and good practices in entrepreneurship education around the world in the form of a report to enable the development of innovative new tools and approaches;

3. Provide recommendations to governments, academia, the private sector and other actors on the development and delivery of effective education programmes for entrepreneurship;

4. Launch a process in which the recommendations can be discussed on the global, regional, national and local levels and implemented with the involvement of key stakeholders.

**Educating the next wave of entrepreneurs.** Global Education Initiative through European Roundtable on Entrepreneurship Education wants to consolidate existing global knowledge and good practices in entrepreneurship education around three focus areas that cover the lifelong learning process of an individual:

1. Youth (with a focus on disadvantaged youth),
2. Higher Education (focusing on high growth entrepreneurship) and
3. Social Inclusion (with a focus on marginalized communities).

This is the first time entrepreneurship education has been considered in such a comprehensive manner.

GEI also outlines specific approaches that are needed for each one of these areas, as well as opportunities, challenges and practical recommendations for key stakeholders.

**Investing in Europe’s future – a program for unlocking human potential.** European countries are facing challenges in terms of competitiveness as well as economic and sustainable growth. Competition is increasing from other regions around the world that have been quicker to adapt and pursue new opportunities, and the gap between skills and jobs is widening at the European level.

Consequently, European countries must invest in developing entrepreneurial and innovative skills to build sustainable economic development, create jobs, generate renewed economic growth and advance human welfare. Europe needs to equip future generations with the necessary skills for the 21st century. The new *Europe 2020 Strategy* emphasizes skills and education, but the mandate needs to go beyond quantitative measures to qualitative outcomes.

On 11-12 May 2010, on the occasion of the World Economic Forum on Europe, the steering board of the World Economic Forum’s Global Education Initiative, the European Advisory Group and other leaders
from business, government, academia and civil society gathered in Brussels for a private, high-level roundtable meeting on entrepreneurship education. The discussions led to the creation a program, which is built around seven pillars.

a. **Transform the educational system through entrepreneurship.** Educational institutions, from the earliest levels up, need to adopt 21st century methods and tools to develop the appropriate learning environment for encouraging creativity, innovation and the ability to think “out of the box” to solve problems. Entrepreneurship enables the development of leadership and life skills, and has become increasingly recognized as a key competency. Entrepreneurship and innovation are driving new ways of learning, living and working.

Embedding entrepreneurship and innovation, cross-disciplinary approaches and interactive teaching methods in education requires new models, frameworks and paradigms. It is time to rethink old systems and fundamentally “reboot” the educational process in Europe. Changes in the educational system are needed across all levels and should address the life-long learning process as well as critical links and interactions between levels (primary, secondary, higher and continued education).

b. **Build policy commitment.** Governments across Europe must act now to address the growing skills gap. This requires a clear and coherent commitment at the highest political levels. Policies should send a strong signal of support for entrepreneurship and also set the strategic framework in which schools and universities can work to implement programs and activities within their institutions.

To do so, greater coordination and action are needed at the national, regional and local levels. In addition, the engagement of stakeholders from academia, business, the NGO community and foundations is important in the development of policies and implementation of programs.

c. **Develop institutional commitment.** Academic institutions in Europe must revamp their programs to enable the development of 21st century skills. Commitment is required from the top of the institution coupled with clear strategies and tangible action plans. Currently, too much “lip service” is being paid to entrepreneurship without sufficient reach to students.

Academic institutions need to “walk the talk”, which includes providing the proper incentives and support for educators and students. Student-led initiatives should be encouraged to leverage the inherent interest of students in entrepreneurship.
d. Train, develop and motivate teachers. There is a need to increase the number of entrepreneurship educators in Europe as well as further develop them by providing the appropriate training, particularly in interactive teaching methods. Entrepreneurs and others with entrepreneurial experience should also be allowed, encouraged and trained to teach. They not only provide great value in the classroom, but also enhance entrepreneurial spirit throughout the institution and create stronger links with the local community and the entrepreneurial ecosystem.

There are many new models being tested around the world – both inside and outside formal educational systems – which need to be shared more broadly to fuel new and more effective approaches to entrepreneurship education. More must be done to facilitate collaboration, exchanges and research across borders.

e. Catalyze multistakeholder partnerships. Entrepreneurship thrives in ecosystems in which multiple stakeholders play key roles. In particular, education should be better linked with practice to ensure that future skills match future jobs. Academia should be encouraged to reach out to the European business community and integrate them into the learning process. Students need to be given the opportunity to experiment and experience entrepreneurship.

Greater awareness and access to role models and success stories (international, national and local) are needed to encourage young people to pursue their potential. The media and new forms of social media should be leveraged to raise awareness as well as facilitate networks and partnerships.

f. Leverage and scale good practices. While an increasing number of entrepreneurship education programs exist in Europe today compared to a decade ago, scalability and penetration remain key challenges. In today’s environment, technology plays an increasingly important role in the educational process, both as a delivery channel and a teaching tool.

Not only can technology help reach larger audiences, including those who previously might not have had access to entrepreneurship education, but it can also help in the development of interactive and locally relevant programs and materials. Technology provides a mechanism for reaching greater economies of scale as well as providing broader sharing of practices.

g. Strive for effective outcomes and impact. More effective measurement and evaluation of the impact of entrepreneurship education programs and policies is needed. These should be based on a broadly
defined set of outcomes, not only on narrow measures such as the number of start-ups created. Evaluation needs to go beyond short-term results, measuring longer-term impact.

At the same time, there is limited data on entrepreneurship education. For comparable data across Europe, there needs to be agreement on the definition of entrepreneurial competency, the scope of what should be measured, and on the process of data collection. Existing data collection efforts should be coordinated to enable the development of a framework and process for collecting entrepreneurship education indicators.

**Entrepreneurship development – an extraordinary opportunity for Romania.** The lack of understanding of the business rules represents the cause of many of the current problems of entrepreneurs in Romania.

The entrepreneurship development is a tremendous opportunity for Romania, representing the most dynamic economic area. In addition, the status of emergent country thereof, as well as the high entrepreneurship spirit of many Romanians recommend Romania as favourable for the entrepreneurship development.

This probable development could have a positive role in the overall development of the Romanian society, including the involvement in the community, personal responsibility, generation of an overall positive climate, absolutely necessary for Romania.

**The communist legacy unfavourable for the Romanian entrepreneurship.** Given the tradition of entrepreneurship in Romania before the communist period, after 1989, the entrepreneurship behaviour has been quickly resumed, but somewhat at random and without continuity. Analyzing this issue regionally, it is highlighted the fact that in other neighbouring countries in Central and Eastern Europe, the pursuit of entrepreneurial activities was possible, even during the communist period, both in rural areas and in cities, especially in the small services field.

Unfortunately, the communist legacy unfavourable for the Romanian entrepreneurship is still being felt 20 years after 1989. Currently, the focus is on the development of the entrepreneurial activities in Romania, entrepreneurial education and culture. This approach is hindered by the economic crisis, together with the challenges for the entrepreneurial start-ups, and also for the entrepreneurs who have started their businesses before the crisis.

In addition to the decreased demand or sales, as objective effects of the crisis, as well as the unfavourable governmental measures that were
taken under the current economic crisis conditions, many of the current problems of many entrepreneurs are also due to the substantial lack of understanding of the business rules. Examples of misunderstanding with respect to business rules might be: the fact that any development of a sustainable business should contain solid capital elements not only debt or should rely only on the illusion of an external market growth. This is a learning process that lasts and which really ends, unfortunately, only with the complete change of the generations.

The need for entrepreneurship education in the Romanian education. The issue of the education performance achieved in Romania regards the entire Romanian society, with no exception. It represents a point of interest not only for teachers, current and future students, but also for employers, and for every development factor in the society.

As for the business environment, the education ineffectiveness in Romania is rendered by the gap between theory and practice. Although many young graduates come within companies with a solid theoretical baggage, the lack of practical training during the college is the main criticism brought to the education system. What is most worrying is the fact that they encounter difficulties inclusively relating to the management of their own professional lives, coherent acting or consistent thinking i.e. the formation of attitudes of some people in the first line of the political, social and economic life.

Junior Achievement Romania. Identifying the need to implement some entrepreneurship education programs in Romania and taking into account the existing patterns in other countries with tradition in the entrepreneurship field, Junior Achievement Romania\(^1\) launched a new series of educational programs in economics, entrepreneurship, financial and professional fields, received by nearly one million students across the country (up to 2010).

In partnership with the Ministry of Education, Junior Achievement programs are granted free of charge to the education institutions with the support of the business community, supplementing the curriculum of the public education by the introduction of some new economic concepts and training the entrepreneurship and social skills closely related to the reality.

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\(^1\) Junior Achievement Romania is a non-profit association, created in 1993, member of Junior Achievement Worldwide, USA and Junior Achievement - Young Enterprises, Europe. Junior Achievement is active in over 112 countries worldwide.
Junior Achievement programs are designed for all education levels (elementary, primary, secondary, university) and are aimed for the following areas: business and economics, entrepreneurship, career planning and financial education.

**Entrepreneurship as a career opportunity for Romanian students.** Since 2003, the Romanian State has been committed to providing facilities to the second year of study students who are under 30 years old and who set up a business, the number of companies registered with the National Trade Register Office has reached approximately 17,000. Unfortunately, only half of these are still operational.

Among the reasons most young entrepreneurs claim we mention the discouraging unstable economic environment, the fear of risk or bankruptcy or the fact that they do not relate to entrepreneurship as a career opportunity. The evolution of the registration number of new business set up by students stands in support of this claim. Thus, since 2004, there has been a steady decrease in the number of listed companies (3,700). In 2009, the economic crisis reduced the number of companies opened by students based on the government resolution 166/2003 to 772, almost three times lower than in 2008.

The most resistant firms were in the IT and software fields, the areas where young people have more experience. Generally, students choose areas with a high degree of innovation, where the initial investment is not very high, such as advertising agencies or consulting companies.

In order to help young entrepreneurs, Young Entrepreneurs Employers’ Association in Romania is conducting a project funded by the Ministry of Youth and Sports, called "First Company". The project aims to meet the need of information and active involvement of at least 200 young people in socio-economic life of the communities of origin and aims to initiate a draft law containing tax and administrative regulations to encourage the entrepreneurship among young people.
BIBLIOGRAPHY


