

ENTREPRENEURSHIP EDUCATION IN ROMANIA IN COMPARISON TO THE EUROPEAN UNION

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Abstract

Developing the entrepreneurial spirit in the young generation is one of the priorities the European Commission has set under the Lisbon Conference in 2000 concerning the competitiveness and innovation in the knowledge-based society. The current concerns of the Commission in this field relate mainly the contribution of instruction in schools and universities in the development of the entrepreneurial capacity of young people.

The paper meets the European concerns in the field of entrepreneurial education by investigating the role of education in entrepreneurship in Romania in comparison to the European Union. For this analysis we used the "Flash Eurobarometer 354, Entrepreneurship in the EU and beyond conducted in June - August 2012".

Keywords: *entrepreneurship education, entrepreneurship, competencies, schools, universities*

1. INTRODUCTION

The investments in the entrepreneurship education have one of the largest levels of return on investment that can be recorded in Europe which is why a number of Member States have implemented national strategies for entrepreneurship education.

In Europe, the entrepreneurship education was adopted much later than in the US and the first attempt of this kind was reported in 1970. For example, in the UK, the first meeting of the *UK Small Business Management Education Association* was held in 1975 and reunited a group of academics interested in boosting small businesses. The first course on creating a business has occurred in France in 1978 within the „Hautes Etudes Commerciales schools” (Toboşaru, 2014).

Today, entrepreneurship is a key competence within the European framework, but also an action in the recent communication of the Commission on Rethinking Education. The role

of entrepreneurship as a tool to increase the chances of getting a job is also highlighted in the Annual Growth Survey on 2013. A number of Member States have successfully introduced national strategies for the entrepreneurial education or have imposed the compulsoriness of entrepreneurial education as part of the curriculum (Toboşaru, 2014).

However, turning the European society into one of the most dynamic in the world is a difficult thing to achieve in terms of entrepreneurial education. It is necessary to transform the entire educational system – from the primary education to the upper education (Comisia Europeană, 2013) (the case of Finland), the results being visible in the long term.

In this regard, the main challenge for educational institutions is to develop the entrepreneurial capacity of the youth, because the creation of new enterprises provides new opportunities for professional insertion of students and graduates, which is a major challenge to achieve them professionally.

2. LITERATURE REVIEW

Researchers in entrepreneurial economy (Drucker, 1993), (Fayolle, 2003), (Watson, 1998), (Timmons, 1999) have shown through numerous studies that entrepreneurship, a successful component in sustainable development, is a *multidimensional phenomenon*, positively impacting on economic growth and the entrepreneurship education is part of the quadrangle of success of a knowledge-based society.

The entrepreneurial education starts early and has been the subject of numerous studies and

research. In the work *Impact of Entrepreneurship Education, A competitive study of the U.S.A. and South Korea* (Sang et. al, 2005) the authors conducted a study on the impact of entrepreneurship education in the US and Korea and found that "while entrepreneurship is becoming increasingly prevalent worldwide, the entrepreneurship education varies depending on the cultural context".

K. Watson (Watson et. al, 1998) in the work *Small Business start-ups: Success factors and support implication* reveals that an entrepreneur education differs from a simple employee training, highlighting the key role that education and research have on the final results.

Timmons Jeffrey A (Timmons J. A., 1999), in the work *New Venture Creation: Entrepreneurial for 21st Century* (5th ed.) shows that *entrepreneurship education has exploited the competitive advantages of SMEs by creating innovative products and services.*

In the research conducted by **J. Veciana** (Veciana et al., 2005) *University Students Attitudes Towards Entrepreneurship: A Two Countries Comparison*, on a sample of 837 students from Catalonia and 435 students from Puerto Rico and which aims at assessing and comparing the attitudes of students towards entrepreneurship, it clearly shows that the entrepreneurship education is a determining factor for the students who decide to have an entrepreneurial career.

Numerous works point out about the important role of entrepreneurship education in schools and universities. In the study "*Students' entrepreneurial competencies and orientation. Reality and prospects*" the authors (Boldureanu et al, 2013) analyzed the contribution of higher education institutions in Romania to the development of entrepreneurial skill of the youth and concluded that the educational offerings of the investigated universities should include entrepreneurial training programs and provide active support to students and graduates interested in the establishment of new businesses.

In the article *Entrepreneurial Intentions of Business Students: A Benchmarking Study* (Franke & Lüthje, 2004) the authors compare the entrepreneurial intentions of students in two universities (Vienna University of Economics and Business Administration and the University of Munich), with the entrepreneurial intentions

of the Massachusetts Institute of Technology (MIT). The results revealed that there were very different patterns of entrepreneurship education in these universities and that the lowest level of entrepreneurship intentions among the students in Munich and Vienna can be attributed to entrepreneurship education.

Other studies (Shapiro & Sokol, 1982), (Fayolle, 2007) reveal that besides the major interest of an individual to develop a business, two additional conditions are necessary: relevant knowledge in the field of innovation and entrepreneurship education as a prerequisite to correctly perceive, manage and streamline the research and innovation.

In the US the entrepreneurial education records a real boom (Kuratko, 2003):

- More than 2.200 courses within 1.600 universities and schools;
- 277 jobs positions in universities in the field of entrepreneurship (professors and researchers);
- 444 academic journals specializing in entrepreneurship;
- Over 100 specialized research centers.

In Europe, the entrepreneurship education was adopted much later than in the US and the first attempt of this kind was reported in 1970. For example, in the UK, the first meeting of the *UK Small Business Management Education Association* was held in 1975 and reunited a group of academics interested in boosting small businesses. The first course on creating a business has occurred in France in 1978 within the „Hautes Etudes Commerciales" schools (Toboşaru et al., 2014).

In Romania, in 2002, the Ministry of Education and Research – due to international programs requesting such action – introduced in the pre-university education the discipline *Entrepreneurial Education*. Unfortunately, the Romanian higher education grants the entrepreneurial education relatively little attention, there is no pragmatic approach to training programs at academic level so that the profession and processes specific to the Romanian entrepreneurship in the knowledge-based society run properly, efficiently and effectively.

In Western Europe, the importance of entrepreneurship and the entrepreneurship education is emphasized by the proposed

measures and actions since 2005. In order to implement the Community Lisbon Program, the European Commission drafted a Modern Policy for the Development and Employment COM (2005 551) from 11.11.2005 which provided *specific actions to promote entrepreneurship and professional skills through: exploiting the entrepreneurial potential, promotion of best practices, reducing disparities in skills development in accordance with the framework program Education and Training 2010, promoting women entrepreneurs and young entrepreneurs.*

In the current period, as a result of the revision from the April 2011 of the Small Business Act and the adoption in October 2012 of the Communication on industrial policy, an action plan setting out a new vision and a series of actions to be taken at the EU and Member States level to support entrepreneurship in Europe was proposed. This is based on three strategies: developing education and training in the field of entrepreneurship; creating the right business environment; models and involvement of specific groups (Comisia Europeană, 2013).

3. MATERIAL AND METHOD

This study is the result of a process of induction and deduction, investigation and critical interpretation of comparative studies, conducted nationally and internationally, focusing on entrepreneurship education.

This paper aims at studying entrepreneurship education by identifying the role of education in entrepreneurship in Romania in comparison to the EU *by utilizing the Flash Eurobarometer 354, Entrepreneurship in the EU and beyond databases* (Comisia Europeană, 2012). *A total of 42080 respondents were investigated of which 27059 respondents in the European Union. In this research the number of Romanians surveyed was 1.005.*

The survey took place from June 15 – August 8 2012 in all EU countries and 13 other countries worldwide (Croatia, Iceland, Israel, Norway, Switzerland, Turkey, Brazil, Russia, the United States, China, India, Japan and South Korea). The interview took place by telephone and in the native tongue of the responders. In India alone, the interview took place face-to-face.

The statistical analysis on identifying the role of education in the entrepreneurial activity in Romania in comparison to the E.U. was descriptive and was performed utilizing the SPSS statistical program.

4. RESULTS AND DISCUSSIONS

Identifying the role of education in the entrepreneurship activity in Romania in comparison with the E.U.

4.1. Data concerning the sample in Romania

The number of interviewed Romanians was 1.005 persons of which the male population was 46.2% and the female population was 53.8%. Depending on the age group 17.2% of respondents are aged between 15-24 years old, 27.9% are aged between 25-39 years old, 27.4% are aged between 40-54 years old and 27.6% of respondents are aged over 55 years old. Regarding the age of the last graduated school, 42.4 % of the respondents have completed their studies at the age 16-19 and 36.2 % have completed the studies after the age 20. In terms of occupation, 6.9% of them self-employed, 33.3% employees, 8.8% manual workers and the majority of those surveyed (50.7%) were not working.

4.2. Situation of the participation in courses or other educational activities - Romania vs EU

The respondents were asked whether they have attended courses or other educational or entrepreneurship activities, whether they have put their ideas into practice and whether they have developed their own projects. Less than a quarter (23 %) of the EU respondents answered that they participated in courses and other educational activities while three quarters (76%) answered that they have never participated in such courses. This question is new to the questionnaire so that no developments could be analyzed.

Romania is very close to the European average: a percentage of 22.1% of the European responders state that they have participated in courses and educational activities on entrepreneurship while a percentage of 77.1 % of them state that they have not participated in such courses.

Socio-demographic elements:

a) Gender

Gender	Romania			EU		
	Yes	No	Do not know	Yes	No	Do not know
Male	23.5%	75.4%	1.1%	26%	73%	1%
Female	20.9%	78.6%	0.6%	21%	78%	1%

Source: *Flash Eurobarometer 354* statistical database

In Romania, the male population (23.5 %) participated in entrepreneurship courses more than the female population (20.9 %). This element is very close to the European Union average.

b) Age

Age	Romania			EU		
	Yes	No	Do not know	Yes	No	Do not know
15-24	45.1%	54.9%	0.0%	34%	66%	0%
25-39	19.6%	79.6%	0.7%	28%	71%	1%
40-54	17.1%	81.8%	1.1%	22%	78%	0%
55+	15.2%	83.8%	1.1%	17%	82%	1%

Source: *Flash Eurobarometer 354* statistical database

The young respondents participate more in entrepreneurship courses than those in the other age groups: from a maximum percentage of 45.1 % to the age group 15-24 years up to a minimum percentage of 15.2 % - the age group 55+ years. The same trend is noticed in the case of the European Union.

c) Level of education (age of latest studies)

Education (graduation age)	Romania			EU		
	Yes	No	Do not know	Yes	No	Do not know
15	11.4%	87.5%	1.1%	9%	90%	1%
16-19	12.4%	86.9%	0.7%	19%	81%	0%
20+	29.2%	69.7%	1.1%	31%	68%	1%
Still studying	46.0%	54.0%	0.0%	35%	65%	0%

Source: *Flash Eurobarometer 354* statistical database

The individuals who have completed their studies after the age 20 (29.2%) as well as those who are still studying (46.0%) are more interested in participating in entrepreneurship courses than those who have completed their studies at the age 15 (11.4 %) or at the age 16-19 years (12.4 %). The same trend applies to the European Union.

d) Occupation

Occupation	Romania			U.E.		
	Yes	No	Do not know	Yes	No	Do not know
Self-employed	24.6%	73.9%	1.4%	26%	74%	0%
Employees	26.3%	73.1%	0.6%	28%	72%	0%
Manual workers	13.6%	86.4%	0.0%	21%	78%	1%
Not working	20.4%	78.6%	1.0%	20%	79%	1%

Source: Flash Eurobarometer 354 statistical database

While 24.6% of the self-employed and 26.3 % of the employees participated in entrepreneurship courses, only 13.6 % of the manual workers and 20.4 % of the not working have participated in such courses. The proportion is similar to the one in the European Union.

4.3. THE INFLUENCE OF THE ENTREPRENEURSHIP EDUCATION ON RESPONDERS

4.3.1. Did the school education help them develop their sense of initiative and their entrepreneurial attitude?

In the E.U., half of the surveyed responders (50 %) agreed that the school education helped them acquire/develop an entrepreneurship attitude of which 22 % totally agree and 28 % agree. This percentage is slightly decreasing in comparison to the percentage recorded in the preceding survey (51 %) in December 2009. The countries that have a high percentage on this issue are as follows: Portugal (75 %), Finland (63 %) and Spain (60 %). 48 % do not agree that the school education helped them to have an entrepreneurial attitude in life, of which 21 % disagree and 27 % totally disagree on this issue. The countries that display the lowest percentage were: U.K. (28 %), Italy (36 %) and Estonia (39 %).

In Romania the situation is somewhat different from the European average in the sense that 72.5 % agree that the school education helped them acquire/develop an entrepreneurial attitude (with a percentage of 49.7 % totally agree and 22.88 % agree on the matter). The Romanian responders in a proportion of 24.6 % disagreed

that the school education helped acquire an entrepreneurial attitude in life, of which 8.3 % disagreed and 16.3 % totally disagreed.

Evolution in the European Union

In between the two surveys (2009-2012) there were countries where the share of Europeans which responded that the school education did help them better understand the role of the entrepreneur in society increased. The countries that experienced the largest increase are Latvia (55 % increase + 29 %) and Lithuania (60 % increase + 28 %) while Malta was the country experiencing the largest decrease in awareness (48 % decrease -10 %).

Among the European and non-European countries in the study the largest increase was experienced by Norway (76 % increase +18 %) and the largest decrease was experienced by Japan (18 % decrease - 28 %) and the U.S. (59 % decrease - 15 %).

4.3.2. The entrepreneurial education helped them better understand the role of the entrepreneur in society;

The responders in Romania totally agreed on the matter (43.8 %) and 24.4 % agreed that the school education helped them understand the role of the entrepreneur in society. In a smaller percentage, the responders agreed (18.1 %) and totally disagreed (10.3 %) with the above statement.

In comparison to the other European countries, Romania is next to Portugal (75 % agreed and totally agreed) among the countries which believe that the school education helped them to

better understand the role of the entrepreneur in society.

Evolution in the E.U.

During the analyzed period the largest increase in positive opinions is recorded in Lithuania (56% increase + 29%) and Latvia (54% increase + 23%). The largest decrease was recorded in Malta (48 % decrease -7 %). Among the non-E.U. countries surveyed the largest increase was recorded in Norway (54 % increase +6 %) and the largest decrease was experienced by Japan (22 % decrease 20 %) and the U.S. (59 % decrease - 12 %).

4.3.3. The school education has sparked the interest of the interviewees to become entrepreneurs

In a great majority of 35.6 % who totally agree and 23.4 % who agree, the Romanian responders agree with the statement that the school education has sparked their interest to become entrepreneurs. Also, 25.4 % of the respondents disagree and 11.9% totally disagree with the above statement.

In comparison with the EU average of 28%, 59% of the surveyed Romanians were convinced that school education had a decisive role in increasing their interest in becoming entrepreneurs.

Evolution in the E.U.

During the analyzed period, the largest increase in positive opinions was recorded in Latvia (37% increase + 21%) and Lithuania (38% increase + 19%). The largest decrease was recorded in Malta (31 % decrease - 11 %) and Ireland (27% decrease - 8 %). Among the non-E.U. countries surveyed the largest increase was recorded in South Korea (45 % increase +8 %) and China (63% increase + 6%) and the largest decrease was recorded in Turkey (59 % decrease - 13 %) and the U.S. (39 % decrease - 11 %).

4.3.4. The school education has provided skills and know-how to open a business

In a great majority of 38.9 % who totally agree and 21.7 % who agree the responders in Romania agree to the statement that the school education has provided them skills and know-how to open

a business. A smaller percentage of responders disagree (24.3 %) and 12.2 % totally disagree with this statement.

In comparison to the European average (41%), Romania (61%) has greater confidence in the fact that the school education provides skills and know-how to open a business.

Evolution in the E.U.

During the surveyed period (2009-2012) the highest positive opinions were recorded in Latvia (46% increase + 29 %) and Lithuania (58% increase + 24%). The largest decrease was recorded in Ireland (37% decrease - 13 %) and Malta (40% decrease - 10%). Among the non-E.U. countries surveyed the largest increase was recorded in Norway (55 % increase + 10 %) and China (61% increase + 8%) and the largest decrease was recorded in the U.S. (54 % decrease - 13 %) and Japan (20 % decrease - 12 %).

5. CONCLUSIONS

The analysis on identifying the role of education in entrepreneurship in Romania in comparison to the E.U. shows that:

- Romania is very close to the European average: an average of 22.1% of respondents say they have participated in courses and educational activities about entrepreneurship, while a share of 77.1% say that they have not participated in such courses.
- In Romania, the male population attended more entrepreneurship classes than the female population. This element is very close to the E.U. average.
- The young responders participate more in youth entrepreneurship training courses than other age groups. The same trend is noticed in the case of the European Union.
- The people who have completed their studies over 20 years ago and those still studying are more interested to participate in entrepreneurship courses than those who have completed their studies 15 years ago or at the age 16-19 years. The same trend is noticed in the case of the European Union.
- While 24.6% of the self-employed and 26.3% of the employees participated in the

entrepreneurship courses, only 13.6% of the manual workers and 20.4% of those who do not work, have participated in such courses. The proportion is similar to the one in the European Union.

- In the E.U. half of those surveyed (50%) agreed that the school education helped them to acquire/develop an entrepreneurial attitude, while in Romania, 72.5% agreed that the school education helped them to acquire / develop an entrepreneurial attitude.

- In comparison with other European countries together with Portugal Romania is among the countries which believed that school education helped them to better understand the role of entrepreneur in society;

- In comparison with the E.U. average (28%), 59% of the interviewed Romanians were convinced that school education had a role in increasing their interest in becoming entrepreneurs;

- In comparison with the E.U. average, Romania has greater confidence in the fact that school education provides skills and know-how to open a business.

Although these results show that there have been advances in the field of entrepreneurship education, the transformation of the European society in one of the most dynamic in the world in this area is a fairly elusive goal. It is necessary to transform the entire educational system - from the primary education to the higher education with results visible on the long run.

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