ENTREPRENEURIAL CULTURE IN ROMANIA

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Abstract: Currently, the development of an entrepreneurial culture, based on values specific to a democratic society, such as freedom and free initiative, work and respect for work, recognition of authentic standards, equal opportunities and impartial access to opportunities are a real priority in Romania. We could say that entrepreneurial education is a process that begins during the school years and continues throughout life, with universities making a decisive contribution to the training of future entrepreneurs. The study focuses on highlighting the reasons that can challenge students to start their own business and analyze the cultural implications behind entrepreneurial motivation.

Keywords: entrepreneurial culture, entrepreneurship, entrepreneurial education, innovation, business environment.

1. INTRODUCUCTION

Entrepreneurship can be the key to the growth and development of society, in this social context in which we are found. The solution that people have at hand is education in this respect and the development of entrepreneurial knowledge, whether it is entrepreneurial education in the pre-university and university system, NGOs, qualification courses, and, why not, from the business experiences of others and then from your own experiences.

The role of the entrepreneur in the contemporary economy is well determined and we refer to the fact that they are the ones who develop new and bold models, they come with absolutely innovative solutions and assume part of the risks associated with business development, have the vision and tenacity to succeed.

Entrepreneurial activity involves innovation in the most varied forms: as a way of mobilizing and using resources, as a way of serving customers, obtaining products, identifying, and meeting market needs.

Entrepreneurial is a special lens through which the world can be seen,

"a lens through which problems can be transformed into business opportunities that create new solutions". Entrepreneurial is a special lens through which the world can be seen, "a lens through which problems can be transformed into business opportunities that create new solutions". The importance of this type of understanding of the world should be implemented in the thinking of young people during the period of their training, whether we refer to pre-university or higher education.

2. HISTORICAL PERSPECTIVES ON ENTREPRENEURSHIP

In various forms, entrepreneurship has been present in our lives since the beginning of human existence. If we make an effort of imagination, we will see that the entrepreneur was also the first man who managed to discover how to make fire, and then, to use fire for his personal purposes.

In Romanian law the notion of "entrepreneurs", designates an activity with commercial connotation. An entrepreneur was considered the renter, as well as the person who managed his own construction. In the Middle Ages, the notion of "entrepreneur" had several meanings: people dealing with foreign trade; organizers of parades, shows; managers of industrial objects, construction sites. They did not take any risks, but only managed all the activities, using the financial, material and commercial resources allocated to them.

France in the sixteenth century was the period when entrepreneurs were called the people employed in leading military expeditions. After 1700, the concept was redefined, an entrepreneur being the person who manages roads, forests or ports.

Richard Cantillon (1697-1734) introduced the term entrepreneur. For him, this term revolves around risk taking. He describes the entrepreneur as a trader who risks his own capital. From that time to the present day, entrepreneurial activity has been associated with risk-taking.

The second author interested in entrepreneurial aspects and who made a great contribution to the school of entrepreneurial thinking was Jean Baptiste Say (1767 - 1832). The definition given by him, and which is known until the XX century is the following: "an entrepreneur is an agent who unites all means of production and who finds in the value of the products the recovery of all the capital he uses, the amount of wages, interest and rent he pays, as well as the profit that belongs to himself".²

¹ https://conaf.ro/educatia-antreprenoriala-in-scoli/

² https://administrare.info/domenii/economie/13574-istoricul-antreprenoriatului?cookie 831ce817bd5171fd4425e89be83c2728=accepted

In 1848 John Stuart Mill approached the subject of the entrepreneur in "Principles of Political Economy".

The progress in the field of entrepreneurship is largely due to the economist Joseph A. Schumpeter and the Austrian school.

Joseph Schumpeter, in 1934, said: "In entrepreneurship there is an understanding that we make regarding a certain type of behavior and that includes: initiatives, organization and reorganization of socio-economic mechanisms, and the acceptance of risk and failure". ³

Joseph Schumpeter contributed significantly to the theory of entrepreneurship through the theory of economic development. Schumpeter considered the entrepreneur as a leader and innovator or "the main engine of the economic system".⁴

For Schumpeter, an entrepreneur is a person capable of converting a new idea into a successful innovation, which achieves new aspects, such as the introduction of new products or processes, the identification of new export markets or resources, or the creation of new types of organization. He created a strategic vision of the entrepreneur, being a person motivated by the "dream and desire to establish a private kingdom" ⁵, the desire to conquer, the impulse to fight, to prove himself superior to others, and "the joy to create". ⁶

The American F. H. Knight, in 1942, found that the entrepreneur contributes to the productive process by taking risks that are not insurable and market uncertainties. He also assigns the entrepreneur the following 3 functions:⁷

- "Management function.
- Function to adapt to changes.
- Risk-taking function."

The establishment and recognition of entrepreneurship goes back to the creation of the "Research Center for the History of Entrepreneurship" in 1948, at Harvard University. In the 80s, Peter Drucker made a significant contribution in defining the concept of the entrepreneurial path, which gave a new meaning to this meta-economic phenomenon.

³ J.A. Schumpeter, The Theory of Economic Development, Oxford University Press, P.16, New York, 1961

⁴ Schumpeter, Joseph A. Ten great economists: from Marx to Keynes. San Diego: Simon Publications, p.380. 2003

⁵ https://administrare.info/domenii/economie/13574-istoricul-antreprenoriatului?cookie_831ce817bd5171fd4425e89be83c2728=accepted

⁶ https://accesispro.wordpress.com/2018/01/05/geert-hofstede-cele-5-dimensiuni-culturale 7 https://administrare.info/domenii/economie/13574-istoricul-antreprenoriatului?cookie 831ce817bd5171fd4425e89be83c2728=accepted

However, the study of contemporary entrepreneurship requires knowledge of the opinion on it from Geert Hofstede's perspective.

Geert Hofstede's research has great practical value in understanding the national culture that largely defines the entrepreneurial national culture.

Professor Geert Hofstede from the University of Maastricht conducted a research on the differences in values between the employees of the IBM company from over 40 countries and concluded that "each nation can be described from the perspective of the place it occupies on a scale from 0 to 100 in relation to:"

- The way of perceiving social inequality, of power and authority, and the way of relating to authority,
- The way of relating between individuals and groups,
- The social and emotional implications of being born male or female,
- Ways to deal with uncertainties and ambiguous situations, controlling aggression and expressing emotions,
- Orientation towards the future as opposed to orientation towards the past and the present.

Hofstede's first intention was to understand why some IBM organizations in different countries were more productive than others, although they had a similar organizational culture and used the same recruitment techniques, therefore employees could have had a similar behavior.

Hofstede's study proved that employees in organizations will adopt the "practices" presented by the organization, local or foreign, but will keep their "values" that is, the values of the culture they come from and that characterize them. Values are expressed through the behavior adopted from the way they interact with the direct superior, to the desire or lack of desire to take actions now that ensure a long-term result.

His research on culture has mostly focused on the influence of national culture and its role in determining organizational culture. Hofstede proved through his research the importance of culture in determining human relationships in the workplace. People can adapt to both organizational rules and cultural norms, but they really give priority only to the latter.

If we look at the current context, modern business theory claims that entrepreneurs are "those who through innovation and their business development activity transform the static circular flow of economic and social flows into a dynamic one".9

 $^{8\} https://accesispro.wordpress.com/2018/01/05/geert-hofstede-cele-5-dimensiuni-culturale$

⁹ https://antreprenor.digital/ce-este-antreprenoriatul-ce-face-un-antreprenor

3. ENTREPRENEURIAL CULTURE. ENTREPRENEURSHIP. ENTREPRENEURIAL EDUCATION – METHODS OF ACHIEVEMENT

Entrepreneurial culture Entrepreneurial culture is essentially the culture of an organization. The organization is a collective of people who work together in a process that is based on the division of labor, in order to achieve a common goal. Any entrepreneurial project capitalizes on cultural elements, for entrepreneurs' culture is perceived as a force with double impact: individual and creation of new value. Knowledge of entrepreneurial cultures is becoming clear now, during the globalization period, with cultures interacting more often, including at the entrepreneurial level. Their knowledge and "the efficiency of communication between cultures can be an asset in the open world market." 10

In the case of Romania, we consider that the set of historical conditions played a significant role in the formation of existing cultural values, the influences of the entrepreneurial culture being linked to the communist past and the feudal system of the country, historically speaking. The communist system, which shaped the cultural values of the Romanian society, was hierarchical, authoritarian and dictatorial. The power was concentrated in the upper part of society, belonging to a small group, thus, individual initiative, entrepreneurship was almost cancelled, individuals having to accept decisions taken at higher hierarchical levels, after the revolution we are witnessing a revival of the entrepreneurial domain. To talk about entrepreneurial culture, it is necessary to describe the term entrepreneurship and entrepreneurial education as factors of interaction.

The term **entrepreneurship** – according to DEX online¹¹ to the Centre National de Ressources Textuelles et Lexicales, entered the dictionary of the Romanian language as a neologism, coming from the French language ("entrepreneur" – entrepreneur, the one who undertakes, organizes or a person who manages an enterprise).

According to some authors, the term entrepreneurship represents "the process by which individuals become aware that the development of a business is a viable option for them, formulate business ideas, learn the skills needed by an entrepreneur and carry out the necessary steps to start and

¹⁰ Becker, G., *Human behavior - an economic approach*, ALL Publishing House, Bucharest, 1994.

¹¹ https://dexonline.net/definitie-antreprenor

develop a business".12

The concept of entrepreneur and the entrepreneurial process can go in parallel, signifying the person and the activity conducted by him. Entrepreneurship is a process, a series of activities and not an extraordinary or supernatural activity intended only for predestined people. Entrepreneurial activities involve a range of skills and abilities that can be learned and applied to any organizational context (you can be an entrepreneur including as an employee). These activities also need to be analyzed to learn from mistakes and can be continuously improved.

If we consider entrepreneurship a stage, **the entrepreneur** is the conductor who skilfully leads the entire orchestra. The entrepreneur is the person who takes the risk of entrepreneurship and looks for means to organize the business. He must know how to conduct entrepreneurial activity, the business environment, the problems he can encounter in his activity and the possibilities for solving them. In order to make correct decisions, the entrepreneur must estimate at fair value the conjuncture of the market and his position at the time of participation.

The entrepreneurial process, as we find in the specialized literature, includes five distinct stages. These stages are:

- identifying and assessing opportunities,
- obtaining the necessary resources,
- elaboration of the business plan,
- establishment of the company,
- ensuring management.

There is a strong link between innovation, entrepreneurship and economic development. New and expanding businesses are important sources of job creation and innovative activity, two factors that generally contribute to raising the standard of living for all community members. The ability to turn ideas into new products and services that people need is the secret of prosperity for any country. Economic growth is generally supported by new technologies and their creative and practical applications.

These are possible thanks to **entrepreneurial education**. Periods of rapid innovation have always been accompanied by periods of strong economic growth. The abilities to learn and innovate are, without a doubt, the most important natural resources of the human mind. The creation of innovative products and services cannot take place without the education

¹² Chigunta, F. (2002). "Youth Entrepreneurship: Meeting the Key Challenges", European Youth Forum Position Paper on Youth Entrepreneurship

of entrepreneurs and without an environment in which teamwork can take place normally. In addition to the benefits for the business environment, entrepreneurial education improves the creativity of the workforce and the quality of life. Overall, "entrepreneurship means a state of mind, education, courage and it also means an appropriate framework".¹³

As entrepreneurial skills are not something you are born with, but acquired and educated, we consider that supporting entrepreneurial education in institutions can be a lever for the formation of successful entrepreneurial behavior.

Education is the key to the development of a society, being practically the best investment for the future, including the dynamics of entrepreneurial culture. The present determines us to find answers to questions such as: How do we prepare today's young people for tomorrow's jobs? How do we adapt the current school curriculum to the needs of the labor market over 20 years from now? Why does entrepreneurship education and innovation fuel the development of the business environment? How can it be supported through entrepreneurial education in pre-university and higher education?

In order to confer the potential role of entrepreneurial education in the development of the business environment in Romania, we believe that entrepreneurial education drives entrepreneurs to set up businesses that offer products and services that meet the needs of consumers in any field. When products and services are innovative, the entrepreneurs who have developed them contribute significantly to the economic growth of the region in which they operate. Choosing to be an entrepreneur following the entrepreneurial education received involves engaging a responsible spirit in such a way that the created economic opportunities support communities by increasing the quality of life.

Entrepreneurial education "is a complex process, made up of both formal and informal elements"¹⁴ as Marius Ghenea said. Formal elements are related to the entrepreneurial education in school, high school, college or from the complementary programs of formal entrepreneurial education, and the informal ones are acquired in one's own entrepreneurial activity or from reading books or other materials specialized in the entrepreneurial field.

If we look at the level of the current society, as a whole, we find that entrepreneurial education is introduced in state and private schools, receiving an added value in faculties with economic specificity, but not only, through the courses taught to students, in higher education, entrepreneurship courses aim to gain knowledge and deepen the main theories and concepts

¹³ https://cnipmmr.ro/2024/04/01/lansarea-indexului-antreprenoriatului-romanesc-sem-1-2024/

¹⁴ https://www.startups.ro/stiri/educatia-antreprenoriala-importanta-atat-la-niv-

el-de-start-up-cat-si-pe-parcursul-afacerii

specific to the entrepreneurship activity, but especially understanding the fundamental role played by the entrepreneur in the new market economy.

The courses of entrepreneurship in higher education deal with various topics such as: approaches and schools of thought regarding entrepreneurial thinking, factors that influence entrepreneurial activity, the establishment of entrepreneurial objectives, satisfactions and dissatisfactions of entrepreneurial activity, entrepreneurship and the entrepreneur in the current stage, typologies of entrepreneurs, entrepreneurial culture, female entrepreneurship, social entrepreneurship, entrepreneurship and innovation, entrepreneurial strategies, and others.

Strengthening entrepreneurial education in schools and higher education institutions will have a positive impact on the dynamic nature of entrepreneurship in our economy, given that entrepreneurship is a competence that can be learned. You don't have to be born with this skill to be a successful entrepreneur, but you can become a successful entrepreneur by learning and practicing some skills.

As Europe needs as many entrepreneurs as possible to create new jobs, it is necessary to support this type of education in all the countries of the European Union. The main objective of the European Commission is to promote entrepreneurial education and to emphasize its importance at all levels, from primary school to university studies and beyond.

Entrepreneurial education aims to provide young people skills, knowledge and appropriate motivation to encourage them to achieve entrepreneurial success in a variety of directions. Currently, entrepreneurial education is offered in a variety of forms at all schooling levels. Currently, the educational system in Romania is militating for the achievement of an institutionalized entrepreneurial education, in pre-university and university education.

In Romania, the level of entrepreneurial education is low, mainly due to the weak relationship between research, knowledge, education and industry. The Ministry of Education adopted the necessary legal framework and introduced in the curricular areas disciplines related to entrepreneurial education and is taking steps to promote entrepreneurship by: approving alternative manuals for the discipline Entrepreneurial education, introducing new and optional subjects from the level of primary education, of some disciplines and optional for the development of professional orientation capacity, the launch of programs that contribute to financial education and the development of entrepreneurial culture.

Optional programs were introduced within the national education system for the training of entrepreneurial skills among pupils and students,

such as the Junior Achievement Program for pupils and students and ECO NET – Network of exercise companies in Eastern Europe. The Junior Achievement Romania program has been running since 2003, based on the Protocol concluded between the Ministry of Education and the organization Junior Achievement Romania (JAR), in the pre-university public education, on the curriculum area Man and Society (Economic and Entrepreneurial Education, Professional and/or vocational counselling), by taking over and adapting international economic and entrepreneurial education programs Junior Achievement – Young Enterprise (JAYE).

We mention, for example, the JA Entrepreneurship Program "JU-NIOR Entrepreneur" which was designed to motivate, inspire and prepare both young people, as well as coordinating teachers to use an entrepreneurial approach in solving the problems they may face in the community or in their careers. Based on these programs, young people in Romania have the opportunity to better understand the concept of business, how the financial field works, what are the different occupations in Romania depending on the industry, how you can manage a start-up and how you can better integrate into a market economy based on principles of ethics and sustainability.

Students in the JUNIOR Entrepreneur program (a program recognized by the European Commission as a model of good practice in entrepreneurial education) can develop their entrepreneurial skills through *learning by doing activities*, which involve a real entrepreneurial experience in the development of a business pilot. The activities are conducted under the coordination of a teacher and receive counselling from a JA volunteer, entrepreneur or specialist with experience in the business field. The students taking part in this program can take the exam for obtaining the European Certificate of Entrepreneurial Skills (European Skills Pass – ESP), free of charge, thus gaining recognition of their entrepreneurial skills at European level.

However, entrepreneurial education in higher education has the greatest impact on entrepreneurship, given that most entrepreneurs are college graduates, and entrepreneurial knowledge can best develop in this stage. European studies show that companies founded by students or young graduates are the most innovative and ambitious in terms of turnover and number of employments.

Universities can play a major and complex role in the formation and dissemination of entrepreneurial culture, in three directions:

- 1. Providing entrepreneurial education and training for students, graduates and businesses.
- 2. Developing innovative technologies, especially within technical

and economic universities, and promoting the creation of new subsidiaries to enable these technologies to be applied in dynamic entrepreneurial projects that bring added value.

- 3. Establishing links between academia and the business environment, through the following methods:
- becoming a center of intellectual attraction of the community,
- ensuring connections between innovators, researchers, students, entrepreneurs, businesses and venture capital institutions,
- developing practice-oriented course materials on business development.
- attracting funds for innovation and entrepreneurship.

For universities, it is particularly important to have the following aspects in order to conduct entrepreneurial education, in this direction:

- Choosing university programs to improve employment opportunities and open up work opportunities by familiarizing learners with the fundamental problems of economic activity and beyond, readjusting and adjusting to the priorities and challenges of digitization, training programs aimed at skills of analysis, design, implementation, evaluation of decisions and processes specific to economic activities, performance and competitiveness from the perspective of performance management.
- Offering internships, where students can have easy access to people in corporations, could be a start, and developing work-related projects or activities would also help.
- Improving career counselling services and opportunities for young people to interact with professionals from various fields, generating choices in the educational, training or work sphere, as well as in career management.
- Giving young people the chance to work during their studies and develop practical knowledge, as well as essential skills and attitudes, including creativity, initiative, tenacity, helpfulness, ability to understand risk and a sense of responsibility, also consolidating their entrepreneurial skills.
- Encouraging non-traditional employment options such as setting up their own business. Young entrepreneurs would benefit from access to mentoring and locations dedicated to learning entrepreneurship, thus becoming role models for other students.

Currently, in our country, some progress has been made in terms of entrepreneurial training in universities, both through the specialized university curriculum and through the recently approved project of the *European Commission*, in Romania, PEO 2021-2027 which comes to replace, since 2023, the old Human Capital Operational Program (POCU) 2014-2020¹⁵, which financed, among others, startup projects.

In 2023, 18 financings were launched, with a total value of 1.15 billion euros, which are aimed, among other things, at "activating the entrepreneurial potential of young people", within the Education and Employment Program (PEO) 2021-2027. The 1.15 billion euros will finance interventions aimed at:

- activating the entrepreneurial potential of young people,
- integrated employment services,
- correlation of tertiary studies with the requirements of the labor market.
- the development and implementation of university programs,
- internships for students,
- career guidance and professional training for people with a low level of education,
- internships for students in professional and technical education.

The objectives of population training for the labor market are also aimed at developing "digital and entrepreneurial skills" but also "life-long learning". "Entrepreneurship and social economy" are among the top 10 investment priorities of the PEO Program. The entrepreneurship schemes will aim to create a number of 877 new jobs.

The European Commission (EC) aims to encourage as many people as possible to set up their own business. In particular, certain groups are targeted, such as: women entrepreneurs, family businesses, liberal professions, migrants, the elderly or social economy enterprises.

To encourage entrepreneurship, the European Commission aims to:

- supporting entrepreneurial education,
- co-financing the Erasmus exchange program for young entrepreneurs,
- managing support networks.

The reasons why young people should participate in such actions are: learning the steps that an entrepreneur must take from an idea to a success-

¹⁵ https://cepu.ro/finantari-europene-pentru-antreprenori-tineri-prin-peo-2021-2027/

¹⁶ https://www.startupcafe.ro/fonduri-europene/lansare-finantari-2023-antreprenori-tineri-program-peo.htm

ful business, writing a business plan and presenting the idea to investors, Interacting with successful entrepreneurs and investors, identifying potential business partners and meeting new entrepreneurs.

Young people considering the path of entrepreneurship need continuous entrepreneurial education achieved through specific courses, as well as exposure to successful models and entrepreneurial practice, including in the university environment.

The consolidation of an entrepreneurial ecosystem conducive to innovation in Romania will depend, in the following years, mainly on:

- a) "attracting people with higher education into the entrepreneurial ecosystem,
- b) developing support mechanisms for innovation to prove potential for internationalization and respond to the need for innovative solutions for the public environment."¹⁷

We consider that **entrepreneurial education** helps to **promote an entrepreneurial culture**, to change mentality and to acquire the necessary skills to conduct an innovative activity, to train the future entrepreneur to respond to current economic and social problems. The consolidation of entrepreneurial education in schools and educational institutions will have a positive impact on the dynamic character of entrepreneurship within the Romanian economy.

4. CONCLUSIONS

In the current context, entrepreneurial education prepares us to be responsible and initiative-driven people. We do not learn for school, but for life. Each of us needs an enterprising spirit, initiative and commitment to what we do.

In conclusion, in order to think entrepreneurially, we must have the necessary openness to the unknown, to invest in people, and to understand that the future belongs to those who dare and are prepared. Successful entrepreneurs present qualities such as: internal control, planning ability, risk-taking, innovation, use of feedback, decision-making, and independence. This list of qualities is in continuous improvement and addition of new features through the process of entrepreneurial education.

Entrepreneurship was and will remain, for all countries, an import-

¹⁷ Curaj A., Mitroi, M., Paul, C., Simion, E., Jonescu, O., Coșcodaru, R., Dinu, M.A., *Sustainability and innovation in the entrepreneurial ecosystem in Romania - exploratory study*, pg. 20 Bucharest, 2021

ant organizational and managerial configuration, continuing to exist as long as the society will generate the conditions for the emergence of this type of organization, namely: the appreciation of entrepreneurial initiative.

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