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## Economic and Entrepreneurial Education in Romania in the European context

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### Abstract

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Economic and entrepreneurial education in Romania represents both an absolute necessity at individual level, and an opportunity which requires to be followed in the present European context of an increasingly important role attributed to entrepreneurship. Economic education, if started at young ages, could contribute to better preparing the individual for an autonomous life, by endowing him or her with knowledge and abilities related to personal budget administration, better understanding of financial mechanisms, role and opportunity of credit and lending, efficiency of personal expenditure etc. Meanwhile, it is an opportunity in the present conditions, when a strong discussion of new curricular architecture has emerged. We strongly consider that economic and entrepreneurial education should be a mandatory study object. This opportunity is also a challenge, given the actual trend of global economic development, when the knowledge of the economic and entrepreneurial environment should become an activity of modelling individuals through different economic and entrepreneurial game scenarios, starting from the school age, as to eventually become a successful entrepreneur. We argue in this paper why Romania should benefit from this opportunity and align its curriculum to European standards and finally recognise the importance of economic education for promoting the welfare of our future society and educate individuals who are responsible for their decisions.

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**Keywords:** Economic development; entrepreneurship; Europe 2020; European Commission; creative economic education.



## **1. Introduction**

The concept of education must be based upon a strong cooperation between educators and students, by providing an academic mentorship able to come forward with new forms of education. Therefore we strongly consider that economic and entrepreneurial education in the 21st century must not be an optional subject in the secondary school curriculum, but rather a compulsory one from the earlier possible level (i.e. secondary school) (Hatos & Saveanu, 2016), (Badulescu & Badulescu, 2014). In Romanian present educational system, optional subjects are perceived as not necessary and redundant. Therefore, we must consider the curriculum reform as a present opportunity, as something that we are doing today for the future. What we are learning today at theoretical and educational level will act as a strong foundation meant to lead to the creation of new entrepreneurs, whose role is to generate economic growth and development. Economic and entrepreneurial education assimilated within the educational system becomes at individual level, a possibility for self-management, for understanding economic and financial mechanisms, from winning to losing and from winning to paying taxes.

Through the perspective of life lived in society, as Galbraith stated, “education makes democracy to be possible and, together with the economic development, to become necessary, even unavoidable” (Tasnadi et al., 2010). Albert Szent-Gyorgyi (1981, p. 166) had a similar view: “a good education could also solve another important problem that man has: what to do with himself once he starts produces more than he consumes” or “education is one of the most important activities of humankind” (Szent-Györgyi, 1981). Education is “neither mine, nor yours”, it belongs to the past, present and future, it is within ourselves, from behaviour to solidarity. Therefore, education has to manifest itself permanently and theory must be put into practice. There’s nothing more clear and appropriate nowadays in order to become a compulsory subject than economic and entrepreneurial education taught in secondary school. Today’s economy cannot be viewed without entrepreneurship, economy, marketing or management. Besides the fact that it is crucial to economic growth and development, it contributes to the development of self-consciousness and self-esteem, it encourages independence and leads to the development of the abilities of taking decisions and it enables a proper climate for integration in a successful business.

## **2. The content and role of the “Economic and Entrepreneurial Education” as subject in secondary school**

Economy must not be seen as a simple notion over which we stumble daily. It is present in our personal as well as social life. But we must focus on it in the future in order for it to have a well-defined presence in the educational system, since it is a known fact that economy profoundly influences our life ever since childhood. In order for the economic environment to be better understood and supported, the deciding factors must tackle economy in the educational system. We define education as a continuous process of education which contributes to the education of a person, to the development of the society thanks to the work carried out, assimilated by some form of education. Thinking about economy, savings, economical, we tend to think about money, remuneration, making profit or calculating savings. From this perspective, we coined the notion of “economic education” and

we defined it as follows: “the educational institutional place called school where money should be known under its virtual aspect, through different practical activities taking place in the classroom in order for the pupils to better understand financial mechanisms in the future”. Through economic education we create the conditions that young people to realize the value of money and the necessity of respecting every amount of money obtained. Consequently, economic education plays an important role in the development of the pupils’ way of thinking issues which depend on certain financial mechanisms (e.g. selling, buying, earning, losing). Pupils must discover within themselves certain economic skills that can be put into practice through different role plays, ever since the first level of education (preparatory class). The educational economic project must be considered as a form of early education, which will enable children to contribute to their own financial and economic support. Economic education, declared by UNESCO as one of the new forms of education, makes the pupil understand daily problems, identify solutions and evaluate the consequences of their personal decisions, but also those of their parents or those taken by the authority. Economic and entrepreneurial education constitutes itself in modern dimensions of education which influences the future entrepreneur. It aims at an early formation of entrepreneurial knowledge which will, at some point, have an impact on the economic and growth and development.

In this context, the main strategic targets of the economic and entrepreneurial education regard: introducing economic topics through different role plays, starting with secondary school level, aiming at the assimilation of information regarding the functioning of market mechanisms; familiarity with key notions of economy; introductive notions of entrepreneurship as a way of economic support; the role of work in the familial environment and elsewhere, a way of economic and familial support; an early economic mentality, an advantage for the future entrepreneur; the development of the spirit of initiative, encouraging an early entrepreneurial role; a chance for those who cannot continue university studies, but have the abilities of becoming successful entrepreneurs; understanding the motivation beneath carrying out a service; assuming the role of the decision maker; supporting a new generation regarding economic thinking and assuming entrepreneurial roles.

Educating people, generally, and young people, particularly, in the spirit of the market economy, is beneficial for everyday life, but also for their professional evolution, being an indirect preparation for work and private initiative, and it helps personal and social development. The need for economic and entrepreneurial education is a nowadays reality. The syllabuses concerning economic and methodological education in our countries have been reconsidered and considerably improved from the qualitative and methodological points of view, but there was no further interdisciplinary direction in the post/secondary school education system. Not to mention the information content which is not suitable for the class level intended for or the information is common to other subjects as well. Not lastly we would like to reiterate the insufficient number of classes allotted for this subject (one hour per week). It is completely insufficient, considering the importance of the economic subject. For high school and vocational school, the educational framework mentions, within the “People and society” curricular area, economic subjects such as: Economics, Entrepreneurial Education, Methods and Techniques of Economic Analysis.

Therefore, economic and entrepreneurial education is shaped as a system with different components demanding specific approaches, meant to offer to those with real entrepreneurial abilities, the necessary information to achieve success. Indeed, even since 2006, the European Parliament and the Council from 18 December 2006, proposed the Key Competences for Lifelong Learning – a European Framework (Recommendation 2006/962/EC). It is recommended that the educational system be centered on key-competences, which include entrepreneurship (the abilities of discovering, of team work, of creating projects and taking decisions regarding the objectives of the project, risk taking in different situations). But in order for the economic information to be easily assimilated in the academic system, the post-secondary school education system must focus on the opportunity of introducing economic classes in school as early as possible (secondary school).

### **3. The economic and entrepreneurship education from the European perspective**

With a future perspective of the market economy in particular, economic education must be a necessary and essential component of the socio-cultural environment, of the formation of all human personalities and not lastly of their economic responsibilities. In this context, family life, as well as activities belonging to all fields of the socio-economic life, without exception, must include, to a higher or lesser degree, economic problems that must be known through some form of education and that must significantly contribute to economic growth and development. Closely linked to this reality, it is necessary to have a minimum of economic knowledge that must be taken into account in the framework of the pupils' economic educational system, regardless of the profession they will choose after graduating from school or university. This kind of necessary knowledge belongs to fields such as: political economy, national economy, economy and entrepreneurship, international economic relations, economic competition, merchandise, goods and services, trade, marketing etc.

Consequently, several objectives set by the European Commission within the Europe 2020 strategy (European Commission, 2010) are related with the economic education.

Regarding the entrepreneurship education, many experts agree that promoting entrepreneurship is very important, as it generates prosperity in the business environment, leading to economic growth and development, but also to the creation of new jobs. Entrepreneurial education at all levels, i.e. secondary school, high school, university and long-life learning, has a major role in acquiring key entrepreneurial competences. According to a recent study of the European Commission, entrepreneurial education has a positive impact on the entrepreneurial spirit of the young generation, on the attitude and availability for private initiative and finally on its role in society and economy (European Commission, 2012a).

Entrepreneurial education represents a major topic for the European Union, being sustained by the policies developed in the last decade. In Europe, an important role in entrepreneurial education is played by the governments, by the different organizations, institutions, associations. The entrepreneurial activity is not considered a professional option by the majority of the population, not being fully aware of the importance of entrepreneurial education. Moreover, there is an entrepreneurial common action plan in Europe. It proposes three areas of immediate intervention (European Commission, 2012b): entrepreneurial education and training to support growth and business creation; strengthening framework conditions for entrepreneurs by removing existing structural barriers and

supporting them in crucial phases of the business lifecycle; dynamising the culture of entrepreneurship in Europe: nurturing the new generation of entrepreneurs.

The development of entrepreneurial education was one of the key elements of the policy of entrepreneurial education in the last years, on a legislative level in the European Union, according to legislative documents. In 2000, the European Charter for Small Enterprises drew attention to the general and specific modules of business and entrepreneurship which must be taught at all levels of education. The Lisbon Special European Council (<http://www.eso.org/~cmadsen/EiFSPP.pdf>) has identified the necessary components of a knowledge based economy as follows: the technology of information and communication, the technological culture, entrepreneurship, foreign languages, social abilities. Moreover, European Commission Vice-President Antonio Tajani, responsible for industry and entrepreneurship stated: “To make it very clear: more entrepreneurs mean more jobs, more innovation and more competitiveness” ([http://europa.eu/rapid/press-release\\_IP-13-12\\_en.htm](http://europa.eu/rapid/press-release_IP-13-12_en.htm)).

With this background, European Commission has undertaken a plan which is mainly aimed at increasing and encouraging young entrepreneurs, operating in six key areas, i.e.: access to finance, assistance, taking advantage of the business opportunities of the digital area, the simplified transfer of ownership, a second chance after bankruptcy, administrative simplification.

As mentioned, entrepreneurship education is considered as an engine for inclusive and sustainable growth, but it is also being increasingly promoted in most European countries. As revealed by studies and reports published by the European Commission, eight countries (i.e. Denmark, Estonia, Lithuania, the Netherlands, Sweden, Norway, Wales and the Flemish part of Belgium) have launched specific strategies to promote entrepreneurship education, while 13 others (Austria, Bulgaria, the Czech Republic, Finland, Greece, Hungary, Iceland, Liechtenstein, Poland, Slovakia, Slovenia, Spain and Turkey) include it as part of their national lifelong learning, youth or growth strategies. Moreover, half of European countries are engaged in a process of educational reforms which include the strengthening of entrepreneurship education (Entrepreneurship Education at School in Europe National Strategies, Curricula and Learning Outcomes, 2012). Several studies of Eurydice ([http://europa.eu/rapid/press-release\\_IP-12-365\\_en.htm](http://europa.eu/rapid/press-release_IP-12-365_en.htm)) showed that many countries have already implemented national/regional strategies and initiatives for integrating the entrepreneurship education within the general education (ISCED 1-3). Unfortunately, Romania is among the few countries in Europe where entrepreneurship education is regarded as an activity in phase of initiative, while in some countries entrepreneurship is part of an educational strategy much larger, and it is even part of the general education.

Entrepreneurship is an essential condition of economic growth and development. The European Union, under pressure due to the going of the global economy, in order to increase the social dynamism so it can still remain between communities with a high standard of living initiated major priority programs for developing entrepreneurship education in all countries including Romania. Entrepreneurship education in Romania is performed through both formal curriculum/official curriculum and through informal/non-formal. The current economy cannot be conceived without entrepreneurship and the future will be marked by a more powerful development of it. Sense for initiative and entrepreneurship can be formed through education. The study on the impact of the entrepreneurship education on skills and entrepreneurial intentions is becoming increasingly important

in the curriculum centring on the eight key competences recommended, used and agreed by the Council and The Parliament of the European Union.

#### 4. Conclusions

As it can be deduced from the above context, both the economic education and the entrepreneurship should be a national priority to education, taking into account the trend of socio-economic development of the EU. We strongly believe that economics and entrepreneurship must be more than a theoretical concern, one rather based on its applicability of the theory in practice, from the lowest possible level of education (ISCED 1 + 2 + 3), having the obligation to continue with the other possible levels that learners could cope with. We cannot hope to a better future unless we think to the opportunities of the future, by providing labour force that relies on a creative economic education, by simulating educational games with undertaking economic and entrepreneurial risk, games in which they could even be the managers of a company. We almost always hear of solidarity within various actions, activities, events (desired or undesired). But what should we do to become more sympathetic to economic education, to lobby for it to become a compulsory subject, to change the trend of the education system in terms of the subjects, the number of hours allocated, teaching methods, content etc., to convince political deciders that it the only way of growth and development the economy has relies in education. The educational system teaches you how read, to reckon, but which should teach you how to prevent an economic-financial- entrepreneurial failure through various game scenarios, before making a hasty decision on economy. Of course, the role of the state in economy should be of encouraging, supporting, monitoring young entrepreneurs, even by providing mentoring opportunities to start entrepreneurial career, issue which unfortunately in Romania seems not to be, or is really not promoted, where if in the first month or in early years the young entrepreneur makes a mistake, he or she “is charged with two hands”, which is taken from the craving of “a second chance”. Certainly, if within the classes of economic - financial – entrepreneurial education, by the familiarization of some legislative packages both in terms of rights and obligations of the young entrepreneurs, would come from the education system, national economy as a whole would be the first beneficiary and would ensure economic growth and development of that country.

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