

## **POLICIES FOR THE DEVELOPMENT OF ENTREPRENEURSHIP AND THE CREATION OF JOBS IN SOUTH-MUNTENIA REGION**

**Loredana-Maria Păunescu, Assist., PhD. Candidate, "Petroleum and Gas" University of Ploiești**

*Abstract: In this paper I decided to present the appearance of a common event in our country, namely the fact that in the present moment, the South Muntenia region is experiencing a phenomenon of migration abroad of highly skilled students and researchers. Regional analyses have shown that the weak level of public and private funding for research and development activities, insubstantial or inadequate facilities, the low level of wages, and the opportunities created by research in other countries has led to an old infrastructure of young labor. Thus the present paper puts an emphasis on the fact that entrepreneurship is a crucial "engine" for innovation, competitiveness, job creation and economic growth.*

*Keywords: entrepreneurship, entrepreneurial society, innovation, competitiveness, economic growth*

Entrepreneurship is a crucial engine for innovation, competitiveness, job creation and economic growth. It also allows new innovative ideas into successful businesses and can unlock the potential of individuals. Thus, in recent years, researchers have demonstrated that increasingly smaller and newer companies are the main provider of new jobs rather than large ones, because they are more flexible and adaptable to the demands of the market. Thus, innovation is induced (adopted) in companies thanks to the new entrepreneurial initiatives that lead to increased competition and cause companies to react by choosing to innovate or to increase efficiency.

Education plays a central role in the development of qualifications and skills required and geared towards shaping the entrepreneurial society. For processing a business idea into a successful company, it is necessary the combination of creativity and innovation with a solid business education.

Needs analysis of regional SMEs emphasized that a cause of ineffectual innovation performance of companies is linked to the lack of entrepreneurship, knowledge management and skills of local entrepreneurs. Therefore, the aim of this action is to support the integration of entrepreneurship education into the curricula at all educational levels, thus all young people can learn what it truly means the entrepreneurial activity, entrepreneurial skills, and to acquire the business and decide whether this is a proper career for them.

Development of such skills must begin in primary/secondary school and must be sustained throughout the period of education. Education on the business venture must encourage the development of a variety of skills that are useful and develop the personality traits: curiosity, openness to the continuous study, pro-active attitude, confidence and creativity. Students must learn how to build and develop a company, and how to get used to the idea that a company is a legal instrument for the marketing of ideas and not a personal commitment for life.

For this purpose there are given a few lines of needed action, namely:

- ☐ Support for the development of formal education in fostering entrepreneurship in primary and secondary school ;
- ☐ support for initiation of business courses in secondary school;
- ☐ support for the programs of non-formal education in fostering entrepreneurship in primary and secondary school (virtual enterprises, meetings with local entrepreneurs, competitions, visiting companies, etc);

□ support for the development of formal education in the field of business and entrepreneurship programs in universities;

□ support for the programs of non-formal education of entrepreneurship in universities (game - like examples of business/contests in creating business plans, the creation of incubators, virtual enterprises) in universities.

In the case of adoption of these policies the direct beneficiaries will be at the same time, both the high schools (theoretical and technological) and the universities.

For the implementation of development strategies and job creation there can be also monitored the creation of a favorable environment for newly established companies based on knowledge. In the region of South - Muntenia, as in any other region, the new companies have a different environment in comparison with the companies which were already on the market and the level of competency must be increased. Thus, in general, these businesses do not have a stable position on the market and are trying to persuade potential investors in connection with the future success of the company and often have a deficiency of personnel and resources. Such companies need help with a view to processing (transposition) pilot ideas regarding business by a company of success. Creating a favorable environment for the establishment of new business based on knowledge consists in promoting and encouraging a culture of business (one which rewards success and deals with the failure as an opportunity to study), accessing a sufficient financial capital and of the services of mentorat and a physical reliable infrastructure (management incubators and accelerators business).

Therefore, this measure will focus on providing support for activities which will promote a better picture and understanding of the entrepreneur spirit, demonstrating their benefits and to facilitate access to the capital of the pre-start and start a business, but also on promoting innovative new ways of individual investment. Access to specialist services is also crucial for potential entrepreneurs and beginners for that allows them to acquire the skills and knowledge required for the head of a company. In this respect, there will be granted support for the development of the schemes for consultancy and mentoring, what are the main approaches, effective in an attempt to provide new entrepreneurs a winning combination of knowledge and practical experience.

With a view to stimulating domestic entrepreneurship a key role can play the researchers who can improve the managerial skills. The South - Muntenia region should take advantage of its potential to research, technological results and patents, by leveraging research results. This implies that researchers must think like entrepreneurs and acquire practical knowledge about how to develop the marketing potential of their profession (labor). The training schemes in this sector are, therefore, the ones that prevail. Mastering the skills of business will help them to turn innovation into a commercial success.

Regional analysis system to support the innovation indicates a low level of exploitation of the results of research in the economic activity at the level of universities and of enterprises due to low level of involvement of researchers in developing the research activities. With a view to correcting this flaw, this measure is aimed at stimulating the introduction in universities of the teaching modules about specific skills for the construction of a business among the scientists and to encourage an increased mobility of researchers between the fields of research and industry.

The inter-sectoral mobility is a valuable tool that can provide researchers the opportunity to improve their careers, or their reward and personal achievement, and it is essential for the transfer of knowledge. The implementation strategies with a view to improving skills researchers and promoting research for economic development should be taken a few guidelines, namely:

- The development of doctoral and post-doctoral programs in association with the business environment by innovating their content - including modules for the acquisition of management skills and knowledge by the researchers;
- Providing entrepreneurial training for young people and senior researchers;
- Development of vocational training programs concerning with the management of technology, innovation and research for researchers with experience in different fields;
- Support for the development of intersectoral mobility by means of personnel exchange, part-time positions offered for both beginners and for well-known researchers.

Another important element is to obtain intellectual property rights on the field of economic development based on knowledge. In the context of a continuous process of economic globalization and a smooth transition to towards a knowledge-based economy, the ideas that generate new information and also their legal protection are of an extreme importance.

Exploitation and protection of intellectual property rights are one of the main components that determine the ability of a region to compete in a global economy. Thus, the principal advantages of the South – Muntenia region consist of creativity, innovation and quality. But all that is put at risk, when the ideas, brands and products are counterfeit and become pirated goods on a large scale by competitors. Intellectual property (IP) includes intangible property, as well as the portfolio of patents, trade marks, designs or work guaranteed by copyright and also the human capital and the know-how. All of these goods are of a major importance in an economy based on knowledge, therefore the PI owners shall be carefully identified and there will be taken into account all the modalities through which certain persons may not benefit from this rights.

For this purpose it is necessary to grant a focal point for support to carry out campaigns to promote the benefits of using intellectual property rights within the framework of the regional business environment, in order to develop information services and consultancy in the field of intellectual property rights and support for approved applications and for the purchase of intangible assets (patents, licenses, trade name).

In the South - Muntenia region, in order to start a relevant analysis of the current situation regarding the possibilities to inclusion into the labor market of qualified staff, it is therefore necessary the creation of a SWOT analysis in order to identify the strengths, weaknesses, threats and opportunities that can be created for this area, laying down the items that are specific for the analyzed area .

From the point of view of existing resources and strengths specific to the South - Muntenia region there are highlighted the following:

- A rich potential of natural and rich resources with possibilities of economic development,
- Ideal geographically positioning for deploying various development strategies,
- Tourist potential raised in the counties of the northern region,
- Important developers in the region such as the Russian company LukOil, Dacia Renault, Petrobrazi Arpechim, Coca Cola, Arctic, etc. ,
- Large percentage of SMEs average total 250 employees in active units,
- High volume of investments,
- Existing training programs and professional reconversion,
- „Oil and Gas University” of Ploiesti generating annually graduates of higher education for the various areas of activity,
- Program implementation of active measures to combat unemployment, differentiated according to the market needs.

Specific weaknesses to the South - Muntenia region are as follows:

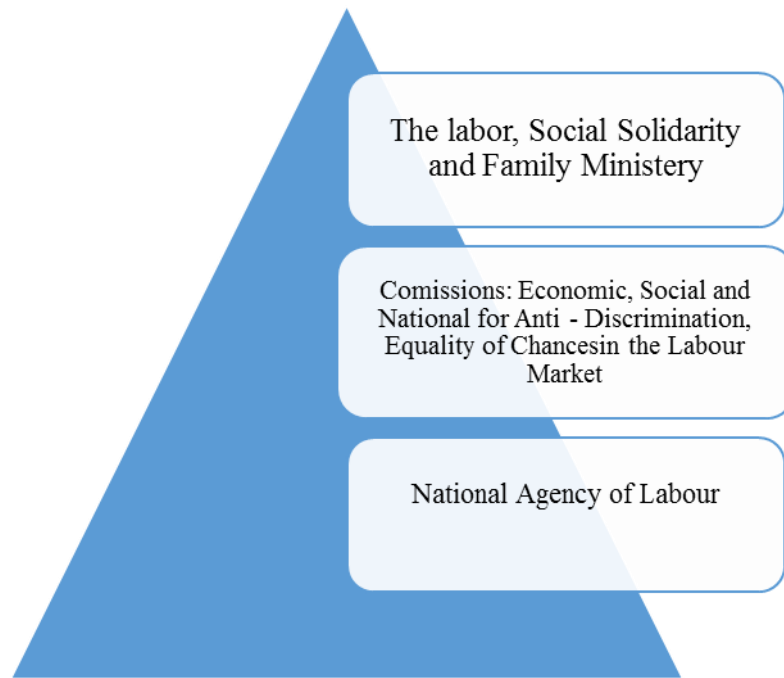
- ☐ Decreasing tendency of the population,
  - ☐ Presence of an important populations in rural areas,
  - ☐ During the period of financial accentuated crisis, hires have been the most affected
  - ☐ Degree of insertion on the labor market is on the down path as compared to the previous years,
  - ☐ Uneven distribution of investments in the region,
  - ☐ Still quite low interest, from the active population to entry to educational programs on long life – learning,
  - ☐ Lack of employment opportunities in rural areas,
  - ☐ High level of poverty of people in rural, agricultural areas.
  - ☐ Increase of school abandonment and the entry of the specialized vocational training courses or higher education,
  - ☐ Low level of training and adaptability of unemployed persons,
  - ☐ Insufficient harmonisation of the educational system and the vocational training requirements from the labor markets,
  - ☐ Marginalisation of the elderly regarding the insert on the labor market,
  - ☐ Low occupational mobility and fluctuation of the teaching staff concerned with the not granted wage compensations for transport difficulties,
  - ☐ Low degree of involvement of the various social partners in the programs for the development and promotion of human resources,
  - ☐ Lack of statistical studies of relevant labor market message or local and county needs on the active labor force and the number of employees on administrative units.
- The opportunities that the South - Muntenia region can produce would be:
- ☐ Development services for bio agriculture,
  - ☐ Consultancy for the development of services specific to the South - Muntenia region,
  - ☐ Existing capital city in the center region which creates opportunities for the development of neighboring localities,
  - ☐ Assessment of the quality of education studies by ARACIS (Romanian Agency for quality assurance in higher education),
  - ☐ Decentralization of public employment services through the creation of a permissive legal framework for the provision of services,
  - ☐ Viable strengthening partnerships for accessing structural funds.
- This SWOT analysis could not deprive the specific threats or risks of the South - Muntenia region, thus it is worth mentioning the following:
- ☐ Insufficient developed infrastructure which contributes to the decreased attractiveness of the business environment for new investors in the area,
  - ☐ Regress of some economic areas such as the chemical industry, mineral-extracting industries, metallurgy and engineering,
  - ☐ Low number of employment in the rural areas based on financial and travel considerations,
  - ☐ Accentuated phenomenon of aging of the population,
  - ☐ Reducing the number of employees in the sector budget and restructuring of activities,
  - ☐ Possibility of highly qualified labor migration,
  - ☐ Economic recession,
  - ☐ Increasing unemployment among the graduates,
  - ☐ Low level of adaptability of persons that are seeking for employment in accordance with the requirements of the current labor market,

□ Reduction of efficiency in continuing vocational training in the absence of further developments and changes which have occurred in the labor market.

Regular participation in courses of young employees are important because in this manner this training would be able to provide opportunities for the development and that is why it is necessary that the companies should be encouraged to invest in such actions. As a solution to determine employers to invest in their employees, it is worth being referred to possibility to access special loans. On the other hand, the development at the work place, the acquisition of new skills can be undertaken also by young people. Unfortunately, employers are not willing to cover the necessary costs, especially in time of crisis, or have an employee engaged in different courses. The solution applied by firms is employment of qualified individuals with experience, (the "right man in the right place") and support more difficult professional development of employees in the workplace.

Another solution is organizing seminars and meetings to raise the awareness of employers to acceptance of young people, despite their lack of experience. It is necessary to a much greater extent on the part of employers who would be able to provide for a trial period for the employees, in which to familiarise themselves with the requirements of the job. Ensurance by firms of a number of posts specifically allocated for courses of practical activities could be another solution. Here, however there has been a fault cost to support these jobs, being proposed the idea that they should be paid with money from the state budget. Ensurance for that periods of work experience for young people requires material and time resources on the part of employers, and they are not willing or cannot afford to cover the costs. Lack of resources from the state budget also makes it difficult the supporting training periods of practice by public institutions, thus there is a process of appearing challenges regarding the insert on the labor market of young qualified staff.

For this analysis, I considered to be necessary to carry out a study of the existing institutions in the labor market which promote the policies of insertion of the labor force in the economic activity. There is a hierarchy of these institutions on the basis of the central economic bodies and up to the territorial ones which ensure the effective coordination of the activities that concern the legal deployments and the smooth operation of the integration in the economic activities. If we look at this picture of the institutions through the prism of a pyramid this would look like this:



**Fig.1. The pyramid of the institutions related to the Labor market in Romania**

**Source: The Author**

### Conclusions

At the macro-economic level the labor market policy should be arranged as to facilitate redistribution of employment and equitable sharing of the costs between the different segments of the population, through:

- Raising the preparation of employment in needed professions in order to develop skills for a career which generate flexible preparation and permissive frequent changes in the number of jobs, rather than a particular profession, as well as a matter of prioritizing in the case of young people;
- Production regulated realistically regarding the decency in the minimum wage having interest to increase somewhat artificial and excessive wage inequality;
- To avoid discrimination of any kind in the work field;
- A current legal system rather generous on the granting of aid to the unemployment allowance;
- Activation of active measures which would contribute to an increased employment level.

In the case of the South - Muntenia region the research showcases essential characteristics emphasizing the need to implement some educational programs and economic resources to augment, both the natural and human resources. There is a need for creating favorable conditions for investments based on knowledge. The attraction and retainance of highly skilled human capital in the region is one among a number of elements of these central strategies developed with the aim of improving competitiveness in the context of a region development based on knowledge.

At the moment, the South - Muntenia region is faced with a phenomenon of migration of students and researchers that are highly gifted abroad.



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