

THE MAIN PROBLEMS AND DEFICIENCIES THAT PREVENT THE TEACHING AND IMPLEMENTATION OF ENTREPRENEURIAL ACTIVITIES IN THE REPUBLIC OF MOLDOVA

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Abstract: The purpose of this article is to identify the main problems and deficiencies that prevent the teaching and implementation of entrepreneurial activities in the Republic of Moldova. Entrepreneurship is a very dynamic field, thus continuously improving methods of business organization, especially in the digital age. In order to ensure the successful development of entrepreneurship activities, it is necessary to examine the problems and shortcomings specific to entrepreneurship based on the vision of different actors, namely: companies, startups, incorporated companies and academic staff involved in training future entrepreneurs.

Thus, this article is focused on identifying and analyzing the main problems and deficiencies that prevent the teaching and implementation of entrepreneurial activities in the Republic of Moldova, based on the results of the survey conducted within the Erasmus + Project "Connecting universities-industry through smart entrepreneurial cooperation & competitive intelligence of students in MD, GE and AM (CONNECT)". The analysis of the survey results was the basis for formulating justified proposals to improve teaching and implementation of entrepreneurship.

The research was conducted within the Erasmus+ Project „Connecting universities-industry through smart entrepreneurial cooperation & competitive intelligence of students in MD, GE and AM (CONNECT)", reference number: 617393-EPP-1-2020-1-MD-EPPKA2-CBHE-JP.

Keywords: acceleration programmes, digital skills, digital platforms entrepreneurship, entrepreneurial knowledge, startup business.

Jel classification: L26, M13

Introduction

Entrepreneurship as an effective lever for the development of a country's economy is becoming more and more promoted, especially among developing countries.

The entrepreneurial activity contributes to the development of the country's economy through new goods and services formation, as well as the development of new industries and markets.

At the same time, it must be taken into account that the entrepreneurial field is very dynamic and dependent on the macro-environment, trends and global strategies in prioritizing and organizing activities. The current situation related to the effects of the COVID-19 pandemic has shown that in the entrepreneurial field are needed much more digital skills, especially in order to communicate with customers, promote production, organize online sales etc. At the same time, enterprises use different kind of operation systems, organization and monitoring systems to increase activities' efficiency and these softs, platforms and systems need to be known and promoted.

Taking into account the changes that take place in the macro and microenvironment of the enterprise, we come to the conclusion that the entrepreneurial field of the Republic of Moldova faces multiple problems and deficiencies in terms of teaching and implementation of entrepreneurial activities

In order to form a clear vision of the entrepreneurial skills needed for successful business development in the Republic of Moldova, through the prism of companies, startups and incorporated companies and the academic staff's visions, a research was conducted based on a survey organized within the project „Connecting universities-industry through smart entrepreneurial cooperation & competitive intelligence of students in MD, GE and AM (CONNECT)". Each of the categories of

respondents covers a wide range of fields, thus reflecting the visions on entrepreneurial skills, based on its specificity.

Research results and analysis

At first glance, the situation seems to be quite optimistic, so most young people are open to collaboration and want to get involved in developing their own business. On the other hand, over 90% of startups point out that they need to enhance your knowledge and practical performance in terms of entrepreneurial topics, which confirms gaps and problems in the formation of entrepreneurial skills and opens the area for improvement.

In order to identify areas for improving entrepreneurial skills, the interviewed startups were asked to answer the question: "Which training courses do you prefer most for your individual and professional development?" where several options could be chosen, we have the following results (Figure 1):

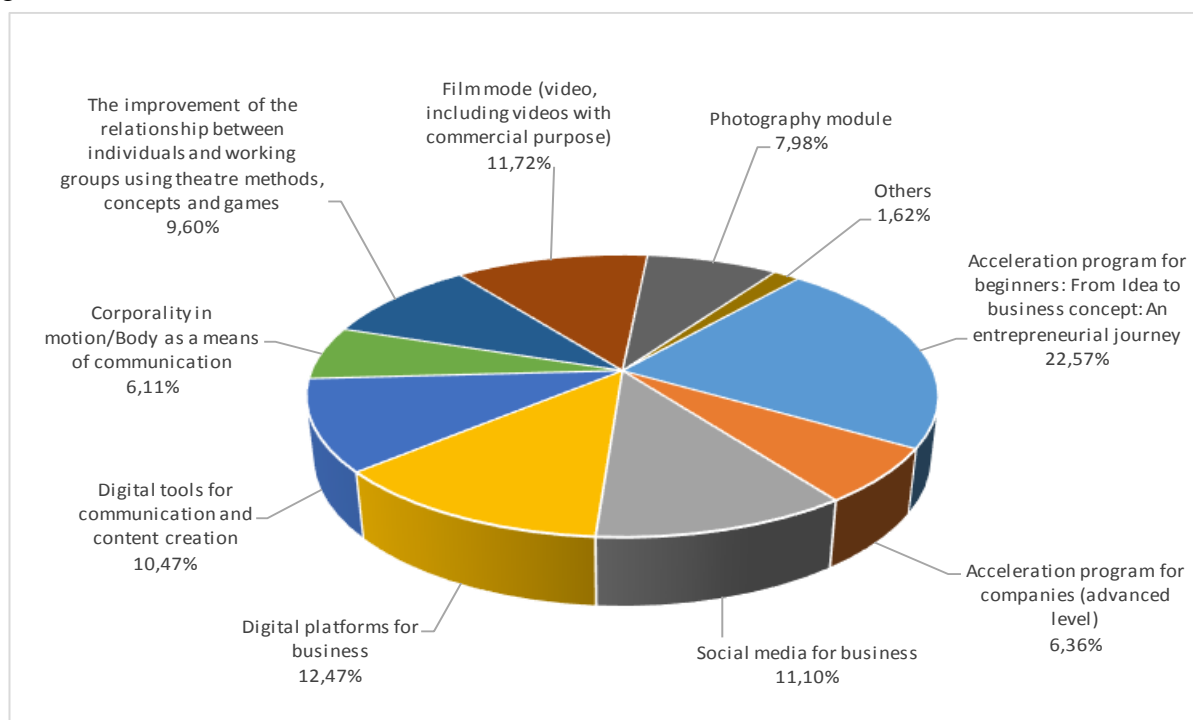


Figure 1. The training categories preferred the most by teaching staff for his individual and professional development

Source: Elaborated by the authors based on the statistical data obtained in the Erasmus+ Project 617393-EPP-1-2020-1-MD-EPPKA2-CBHE-JP „Connecting universities-industry through smart entrepreneurial cooperation & competitive intelligence of students in MD, GE and AM (CONNECT)”

Most of the 344 de respondents prefer training courses for individual and professional development based on the acceleration program for beginners: from idea to business concept. A significant part of the respondents request to follow trainings in the field of Digital platforms for business (12.47%), Film mode based on the video, including videos with commercial purpose (11.72%), Social media for business etc. (11, 10%).

Startup representatives think entrepreneurial education should be implemented at higher education institutions through seminars and trainings (extra-curricular activity) or as a special course (extra-curricular activity). Fewer respondents considered that the entrepreneurial education should be a course included in the curriculum of bachelors and master's degree programs.

In addition to the lack of knowledge and certain skills, startups mention the main barriers to launching a startup business (figure 2).

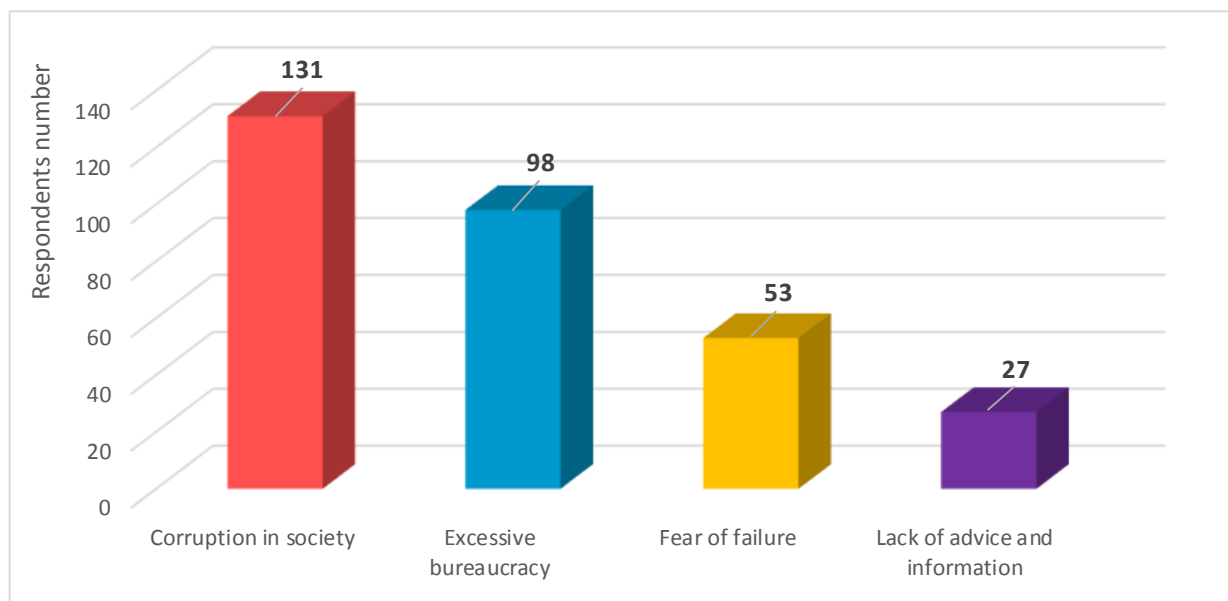


Figure 2. The main barriers to launching a startup business

Source: Elaborated by the authors based on the statistical data obtained in the Erasmus+ Project 617393-EPP-1-2020-1-MD-EPPKA2-CBHE-JP „Connecting universities-industry through smart entrepreneurial cooperation & competitive intelligence of students in MD, GE and AM (CONNECT)”

The main cause of the startup business is corruption in society, mentioned by 133 respondents. In this context, it was examined the presence of corruption in different countries' societies and its impact on the development of startup businesses.

The World Bank's Doing Business 2020 report states that there is a very close link between the level of corruption in society and business development, namely: those economies that have a good score on Doing Business, in which entrepreneurial activity is active and growing, have lower levels of corruption [8].

Studies on the impact of corruption on business in China show that corruption negatively affects the performance of small businesses. In this situation in areas where the level of corruption is high, small firms have a lower sales' increase, because large firms can afford to spend much more money on corruption of officials [3].

Research has shown that corruption discourages entrepreneurship in both developed and developing countries. However, it is less clear to what extent corruption affects the development of the impact of institutions on entrepreneurship in the context of emerging economies, such as those in post-communist countries [2].

As mentioned by researchers in the field, corruption can take different forms, corruption in the entrepreneurs is mainly focused on taxes, institutional corruption, and lately, the issue of new information technologies [7]. Other research has found that corruption mediates only part of the effect of institutional quality on entrepreneurship, ie institutional quality has a direct residual effect even after corruption has been introduced into the model as a factor of influence [5].

As research by other scientists shows, corruption plays an informal but legitimate institutional channel in facilitating entrepreneurship in sub-national regions with underdeveloped formal institutions and the high levels of corruption have a negative effect on entrepreneurship [4].

For the Republic of Moldova, the phenomenon of corruption is often mentioned and discussed in the business environment. Namely, the corruption factor prevents the orientation of entrepreneurs towards opening new businesses, stops potential foreign investors from focusing on business development in the Republic of Moldova, reorienting them to reorient investment flows to other countries with a lower level of corruption.

Another important barrier is the excessive bureaucracy mentioned by 98 respondents. Bureaucracy or the state apparatus is an important player in maintaining the social market economy and directly influences entrepreneurial activity [1].

For the economy of the Republic of Moldova, bureaucracy is a specific phenomenon in the case of multiple state institutions. Although some procedures, such as the business registration procedure, have been simplified, there are still large reservations for optimizing activities and reducing bureaucracy.

Although at first sight it would seem that dynamic, determined people are open in the business, open to change, some of the potential entrepreneurs are blocked by the fear of failure. Namely, the fear of bankruptcy is on the third position among the main barriers to launching a startup business, mentioned by the respondents. In most cases, the fear of failure is an obstacle especially for young entrepreneurs, while experienced entrepreneurs are less afraid to open new businesses and can better control their emotions even if the business is not successful.

Another factor that hinders startup business development is the lack of advice and information. This factor is important because the lack or insufficiency of information does not ensure transparency and prevents the development of effective strategies.

A very important pillar in the training of startup skills requires a professional training of academic staff. In this context, the professors of the Technical University of Moldova mentioned his position on those areas in which experience the gap between existing and preferred entrepreneurial knowledge (Figure 2).

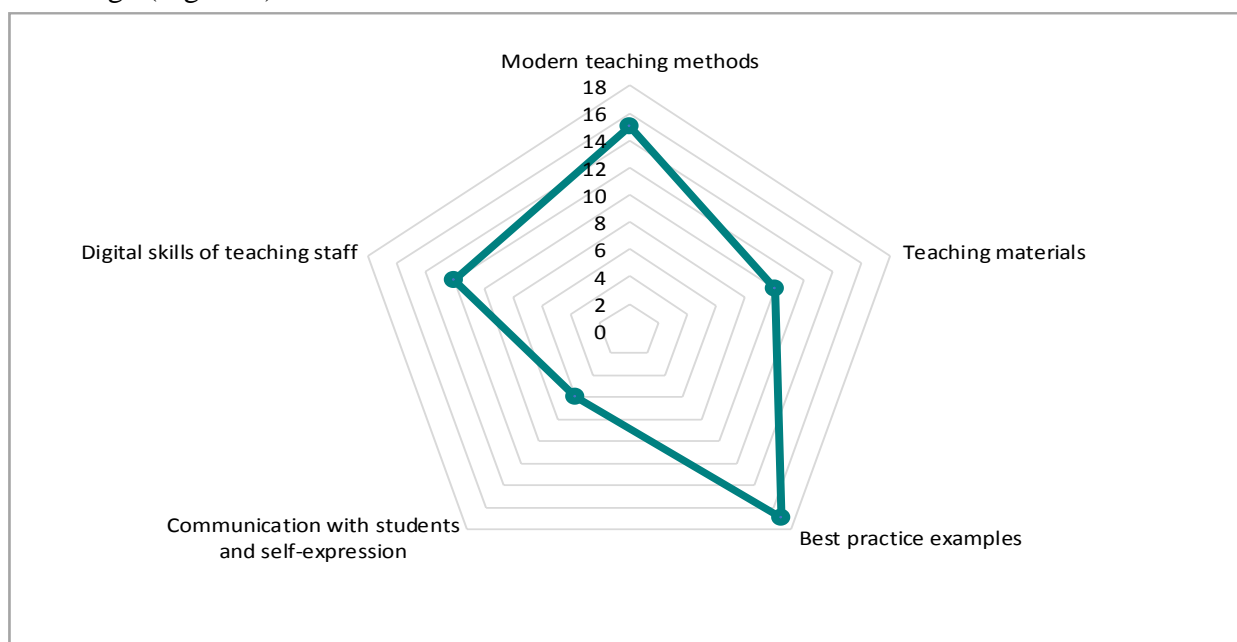


Figure 3. Particular areas in which academic staff experience the gap between existing and preferred entrepreneurial knowledge

Source: Elaborated by the authors based on the statistical data obtained in the Erasmus+ Project 617393-EPP-1-2020-1-MD-EPPKA2-CBHE-JP „Connecting universities-industry through smart entrepreneurial cooperation & competitive intelligence of students in MD, GE and AM (CONNECT)”

The most part of the respondents which was represented by the academics staff from the Technical University of Moldova feel the gap between existing and preferred entrepreneurial knowledge in terms of the best practical examples. On the second position in this sense are placed modern teaching methods, being followed by digital skills of the teaching staff.

The teachers feel the gap between existing and preferred entrepreneurial knowledge in terms of the best practical examples, modern teaching methods and the digital skills of the teaching staff. In a context, it is necessary to provide teachers with training opportunities in the field of the best practical examples, modern teaching methods, and the digital skills of the teaching staff.

Particular areas in which academic staff have an interest to improve entrepreneurial knowledge are represented in figure 4.

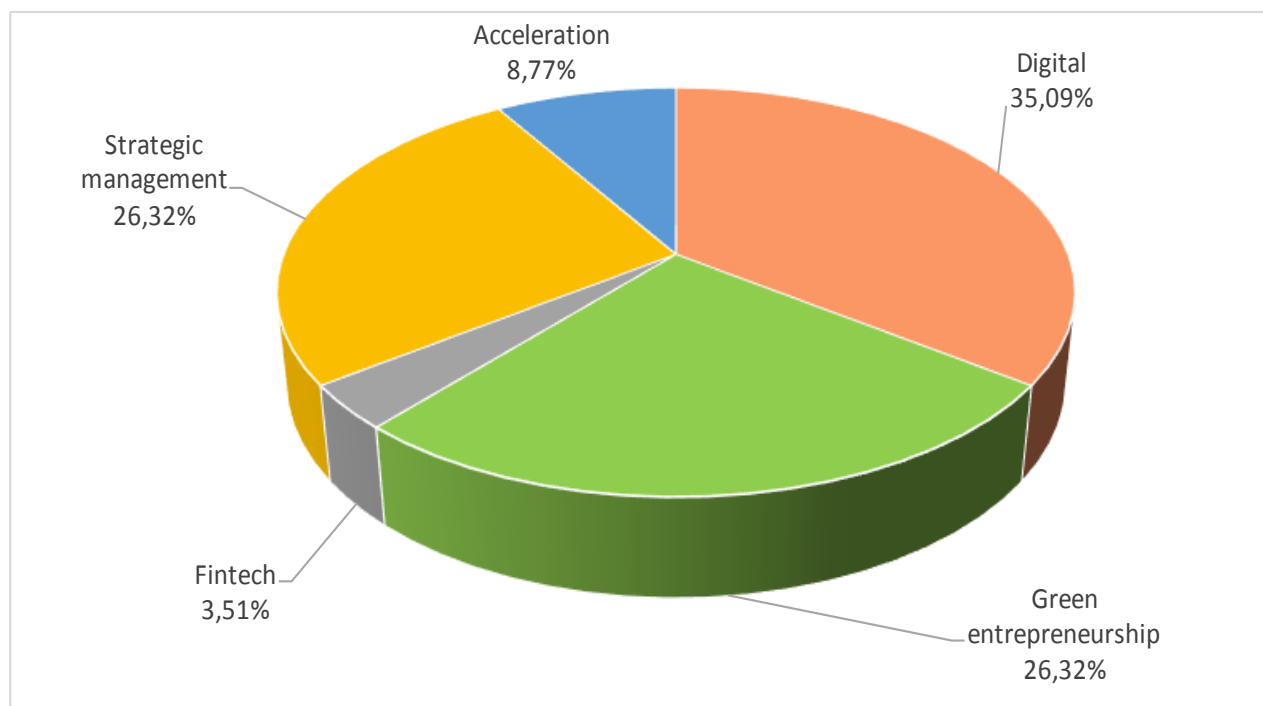


Figure 4. Particular areas in which academic staff have an interest to improve entrepreneurial knowledge

Source: Elaborated by the authors based on the statistical data obtained in the Erasmus+ Project 617393-EPP-1-2020-1-MD-EPPKA2-CBHE-JP „Connecting universities-industry through smart entrepreneurial cooperation & competitive intelligence of students in MD, GE and AM (CONNECT)”

The most part of the total number of respondents represented by the Technical University of Moldova’s teachers have an interest in digital skills field (35.09% of the respondents). The next two identical important positions belong to teachers who show interest in strategic management (26.32% of the respondents) and green entrepreneurship (26.32% of the respondents).

Regarding digital skills, it is absolutely obvious the need for these skills in a digital age, in which digitalization is spreading at very high rates, affecting all socio-economic areas of life.

In order to assess how essential are different types of knowledge, skills, and competencies to the Technical University of Moldova’s teachers, there were proposed 3 variants of the answer: not important, important and very important. The Technical University of Moldova’s teachers appreciated most of the knowledges, skills, and competencies as important and very important. The knowledges, skills, and competencies are very important in the entrepreneurial education.

Conclusions and suggestions

A good part of the teachers experiences the gap between existing and preferred entrepreneurial knowledge. As a solution, we propose offering different kinds of training in order to increase skills and develop entrepreneurial knowledge. The teachers feel the gap between existing and preferred entrepreneurial knowledge in terms of the best practical examples, modern teaching methods and the digital skills of the teaching staff. In this context, we propose to provide teachers with training opportunities in the field of the best practical examples, modern teaching methods and the digital skills of the teaching staff.

The students need to enhance their knowledge and practical performance in terms of entrepreneurial topics. Taking into account the opinion of students who want to start entrepreneurship,

we propose to promote the infrastructure of co-creative hubs that support students who generate, develop, and market their own innovative ideas through entrepreneurship.

The research demonstrated that students and students with experience need the acceleration program for beginners: from idea to business concept: an entrepreneurial journey. In this context, we aim to improve students' entrepreneurial behaviors, skills, mindsets of future start-ups and support recently incorporated companies at university settings.

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