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IMPACT OF ENTREPRENEURSHIP EDUCATION OF YOUTH ON THE DEVELOPMENT OF SMEs IN THE REPUBLIC OF MOLDOVA

ABSTRACT

Involvement of youth in the field of entrepreneurship in the Republic of Moldova is one of the important tasks carried out by the Government, in the framework of the development policies for small and medium-sized enterprises (SMEs), as well as of policies in the sphere of education. The solution of this task can positively affect the well-being of young people, improving opportunities for self-development, increasing their social activity, as well as limitation of the mass migration of youth.

The paper presents an overview of the development of SMEs and their support policies (with an emphasis on involving young people in business), as well as there is presented, in general, participation of youth in the economy of the Republic of Moldova.

The main attention is paid to the analysis of entrepreneurial education of youth. In the article, the emphasis is made on teaching entrepreneurship in Moldova in the system of secondary vocational education: a list of implemented measures and developed documents that provided the beginning of this process are presented; the influence of entrepreneurial education on the emergence of a start-up business or ensuring self-employment is analyzed; the problems of development of entrepreneurial skills are approached. The survey of graduates of the technical vocational education institutions, which passed a learning course on entrepreneurship, represents the base for results and conclusions. After the completion of the studies, a part of graduates created their own business or got self-employed. The survey was carried out during 2016-2017, with the active involvement of authors.

Keywords: SMEs, SMEs support policy, young entrepreneurs, entrepreneurial education, technical vocational education institutions.

JEL Classification: I25. L53

INTRODUCTION

In the modern economy of European countries, small and medium-sized enterprises (SMEs) have a multifaceted input in the economic and social development. In the Republic of Moldova, SMEs also have a significant role and is manifested, first of all, in ensuring the internal consumption market with products and services, creation of new jobs and ensuring self-employment, as well as in increasing the number of private businesses, emerge of the entrepreneurial activity experience and entrepreneurial spirit in a part of the population.

Support of the SMEs sector is reflected as one of the main directions in the country's main economic policy. At the same time, within the framework of state support for SMEs, special attention is paid to the involvement of young citizens of the country in business, representing a significant number of active population, who often can not find a decent job in the country. As a result, a part of them remains unemployed or go abroad in search for a job or for a permanent place of residence. In addition, it should be noted that young Moldovans are not sufficiently represented in business - the share of young entrepreneurs is significantly lower than their share in the population of the country. Therefore, it is absolutely necessary to use various methods in order to involve youth in the social and economic environment of the country, mainly, supporting young people in launching their own business.

In order to initiate and create a new business with growth prospects, a set of favourable conditions is necessary, one of which is the entrepreneurial education. The more knowledge about business a beginner entrepreneur will have, the more successful the results of his business can be. In the Republic of Moldova, in recent years, the system of education of young people has been purposefully implemented, which today encompasses not only higher education (universities), but starting with 2012 - the level of secondary vocational education. As a result, there is already possible to sum up the first results, including analyzing whether the training course of entrepreneurship influences graduates to establish their business or ensuring them with self-employment.

It is important to take into account that entrepreneurial education does not only mean the educational program that provides information related to establishment and development of a business, but it has a wider sphere of perception. In a broader context, the task is to form entrepreneurial competencies that not only contribute to the formation and development of business, but also teach young people to use more active and creative approaches in all areas of activity.

1 BRIEF CHARACTERISTIC OF THE SMEs DEVELOPMENT AND POLICY OF THEIR SUPPORT IN THE REPUBLIC OF MOLDOVA

1.1 SMEs definition

In accordance with the legislation of the Republic of Moldova, the criteria for including enterprises in the SMEs sector are the following: number of employees, turnover or total assets. Therefore, the SMEs sector includes three groups of enterprises - medium, small and micro, depending on quantitative indicators of the above-mentioned criteria.

No.	SMEs groups	Number of employees, pers.	Turnover or total assets, mil. MDL ¹
1	Micro	≤ 9	≤ 9
2	Small	from 10 ≤ 49	More than 9 and up to 25
3	Medium	from 50 ≤ 249	More than 25 and up to 50

Table 1: Classification of SMEs in the Republic of Moldova

Source: Law on Small and Medium-sized Enterprises

1.2 Contribution of SMEs to the economic development of the country

¹ The exchange rate of the Moldovan leu (MDL) against the Euro as of 07/04/2018 according to the National Bank of Moldova was: 1 EUR = 20.1422 MDL.

Currently, the SMEs sector in the Republic of Moldova makes a significant contribution to the economic and social development of the country. In particular, during the last years, the number of SMEs is constantly increasing, despite the numerous and serious problems faced by Moldovan business. As a result, 98.7% of the total enterprises refer to the sector of SMEs. The largest share of SMEs carries out its activity in the field of trade - more than 39%. 8.5% of all SMEs operate in the field of manufacturing industry; 6.6% - in agriculture, forestry and fishery. As in many European countries, the SMEs sector of the Republic of Moldova is seen as a provider of job places: the SMEs sector employs 61.2% of the total number of employees. The contribution of SMEs to GDP is about 32%. In 2016, long-term investments increase: the share of SMEs investments in the total amount of investments accounted for 47.4%. The main indicators of SMEs development for 2015-2016 are shown in the table below.

The main indicators	2015	2016
Number of SMEs, thousand units. <i>% of SMEs in the total number of enterprises</i>	50.6 98.7	51.6 98.7
Number of employees in SMEs, thousand people. <i>% of SMEs employees in the total number of employees</i>	316.9 62.2	313.5 61.2
Revenues from sales of SMEs, billion MDL <i>% of sales of SMEs in total sales</i>	119.4 42.3	125.0 41.5
Long-term financial investments, billion MDL <i>% of SMEs investments in total amount of investment</i>	11.2 44.0	13.6 47.4

Table 2: Main indicators of the development of the SMEs sector in Moldova in 2015-2016.

Source: Developed by the author, based on *National Bureau of Statistics of the Republic of Moldova, 2018*

1.3 SMEs support policy (with an emphasis on involving young people in business)

Currently, the SMEs sector support policy in the Republic of Moldova at the state level is defined in two main documents - the Law on Small and Medium-Sized Enterprises and the Small and Medium Enterprise Sector Development Strategy for 2012-2020.

The Law on Small and Medium-sized Enterprises establishes the legal framework for the activity of micro, small and medium-sized enterprises and measures of state support for their creation and development. At the legislative level, it is stated that specific support measures will be implemented through the development of state programs in the following 6 directions:

- a) supporting young entrepreneurs in launching a business in the country;
- b) stimulating migrants to start a business in the Republic of Moldova;
- c) developing female and social entrepreneurship;
- d) supporting SMEs with export potential and their internationalization;
- e) adapting SMEs to the "green economy" principle;
- f) expanding business support infrastructure by developing business incubators, industrial parks, clusters, etc.

Thus, the law provides that the task of supporting young entrepreneurs is the most important priority in the development and implementation of government programs for the development of SMEs.

In the *Small and Medium Enterprise Sector Development Strategy for 2012-2020*, 8 priority directions of state policy are currently defined, but support of young entrepreneurs is not emphasized as a separate priority. However, Action Plans for the implementation of the Strategy (which are developed every 3 years) include actions aimed at supporting young entrepreneurs. In particular, the National Program of Economic Empowerment of Youth (PNAET) has been implemented for many years. PNAET is a program intended for young people aged 18-30 years who wish:

- to develop entrepreneurial skills;
- to launch or expand their own business in rural areas, except Chisinau and Balti municipalities.

PNAET offers a set of services:

1. entrepreneurial training and consultancy (free of charge);
2. financing, in particular, provision of preferential credits, of which 40% represent the non-reimbursable grant;
3. post-funding monitoring.

It is important to note the important document adopted by the Republic of Moldova jointly with the EU (National Action Plan for the Implementation of the Association Agreement between the Republic of Moldova and the European Union) provides that the implementation of development strategies for SMEs should be based on the basic principles of the Small Business Act for Europe. At the same time, the first principle of the Small Business Act for Europe implies giving a special attention to future entrepreneurs, especially among young people and women.

2. PARTICIPATION OF YOUNG PEOPLE IN THE ECONOMY OF THE COUNTRY

An analysis of the demographic situation in the country shows that the share of young people (age 15-34 years) in the total number of the Moldovan population accounts for 32%, of which the age group of 15-24 years old - 13% of the population; group of 25-34 years - 19%. In the total number of young people, the proportion of males is slightly higher (51%), the proportion of women being 49%. Relatively more young people live in rural areas (56.9%), respectively, in urban areas - 43.1%.

Indicators	Share
Total	100.0
Including young people,	32.0
<i>Of which:</i>	
15-24 years	13.0
25-34 years	19.0
Of the total number of young people:	
Men	51.0
Women	49.0
Of the total number of young people:	
Urban	43.1
Rural	56.9

Table 3. Distribution of youth from the Republic of Moldova on age groups, gender and place of residence, at 01.01.2017, %.

Source: Developed by the author, based on *National Bureau of Statistics of the Republic of Moldova, 2018*

Estimating the involvement of young people in the economy, it should be noted that the share of young people in the working-age population (15 years and over) accounts for 38.1% of the population. Indicators characterizing the economic activity, employment and unemployment among young people, of course, vary for individual groups. Thus, the indicators of the level of economic activity and employment are significantly lower for the age of 15-24 years (because many young people are still studying), and significantly higher - for the age of 25-34 years. However, for both groups, the unemployment rate is higher than the average indicator for the economy (4.2%), and accounts for 11.2% for the age group of 15-24 years, and 5.2% for the age group of 25-34 years.

Age groups, years	Activity rate	Employment rate	Unemployment rate
Total, aged more than 15 years old, Including young people:	42.6	40.8	4.2
15-24 years	19.6	17.4	11.2
25-34 years	49.0	46.5	5.2

Table 4. Activity, employment and unemployment rate of young people, 2016, %

Source: Developed by the author, based on *National Bureau of Statistics of the Republic of Moldova, 2018*

A high level of unemployed among young people has been maintained over the past few years, and this is also indicated by absolute data on the number of unemployed.

Age groups, years	Years				
	2012	2013	2014	2015	2016
15-24	16.1	14.5	10.3	13.8	10.7
25-34	21.6	19.4	14.7	20.6	17.2
Total youth (15-34 years)	37.7	33.9	25.0	34.4	27.9
35-44	13.8	13.0	11.7	14.2	11.4
45-54	11.9	11.6	7.8	8.6	9.9
55-64	4.3	4.5	3.1	4.7	4.0

Table 5. Unemployment level in the Republic of Moldova, 2016, thous. people

Source: Developed by the author, based on *National Bureau of Statistics of the Republic of Moldova, 2018*

The education level of young people (belonging to the economically active population), which largely reflects their potential, is quite high, and is characterized by the following indicators: 32% of young people have higher education; specialized secondary - 9%; secondary vocational - 17%. 41% have graduated from high school, or have general secondary, and gymnasium education. Only 1% of this group of young people have primary education or no education at all.

The unemployment rate indicator is different for people with different levels of education. In the age group of 15-24 years, this indicator is the highest for people who have a higher level of education: higher - 17.3%; specialized secondary - 14.8%; secondary vocational - 11.1%. It is likely that among these young people there are many graduates who have not yet found the first workplace after receiving an education. For the young people aged 25-34 years, the highest unemployment rate belongs to graduates of gymnasium, (6.1%), followed by those having higher and specialized secondary education - 5.7% and 5.0%, respectively.

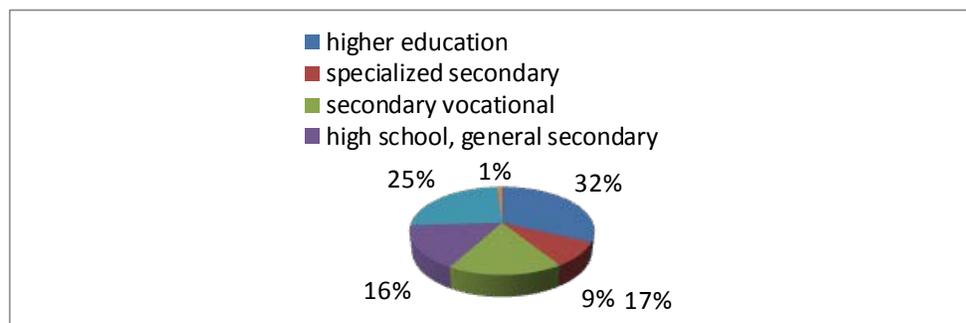


Figure 1. Education level of youth, %

Source: Developed by the author, based on *National Bureau of Statistics of the Republic of Moldova, 2018*

Age groups, years	Education level					
	Higher education	Specialized secondary	Secondary vocational	High school, general secondary	Gymnasium	Primary education or no education
15-24	17.3	14.8	11.1	8.1	9.2	-
25-34	5.7	5.0	3.4	4.6	6.1	4.4
35-44	2.6	1.7	4.2	4.3	4.6	16.4
45-54	3.2	3.7	3.7	3.8	1.8	-
55-64	2.0	1.3	2.4	2.4	1.2	-
65+	-	-	0.5	-	-	-

Table 6. Unemployment rate in the Republic of Moldova, according to the education level, 2016, %

Source: Developed by the author, based on *National Bureau of Statistics of the Republic of Moldova, 2018*

In 2016, of the total population of 15 years and over, employed or searching for a job, abroad, more than half (56%) are young people. Of these, 18.1% are of 15-24 years old; 37.9% - 25-34 years old. The high level of migration of young people reflects a relatively higher level of unemployment among them. That is, young people, including those who received education, are often less required on the labour market due to the lack or insufficient work experience. In such circumstances, entrepreneurship development (or ensuring them with self-employment) may be an additional opportunity for youth in order to provide them with a certain level of income; feel more confident in all spheres of life, actively participate in public life, stay to live and work in their country.

Data on the involvement of young people in entrepreneurial activities in Moldova are very limited and refer to 2009; more relevant and actual data are missing. In accordance with the available indicators, the share of young people in the total number of entrepreneurs accounted for 22.7%; including in the group of 15-24 years - 2.4%, in the group of 25-34 years - 20.3%. The study showed that the youngest entrepreneurs (age 15-24 years) indicated in the survey for the presence of relatively more significant barriers to their business. In particular, 77.3% of respondents of this age indicated that they are experiencing difficulties in managing the enterprise (the average sample indicator was 73.8%). As the main barrier, they named the lack of financial resources, as indicated by 80.6% of entrepreneurs of this age group (the average sample indicator was 74.1%). The differences in the structure of the starting capital due to the age of entrepreneurs can serve as an illustration of the difficulties in accessing financing. For example, in young people aged 15-24 years, a significantly higher proportion of funds are the borrowed ones - 21.8% (with an average level of 12.1%); while

the minimal share belongs to foreign investment - 1.9% (with an average level of 5.3%) (Aculai E., 2009, pp.17, 46, 54, 62).

3 ENTREPRENEURIAL EDUCATION OF YOUNG PEOPLE IN THE REPUBLIC OF MOLDOVA: MAIN GOALS AND FIRST RESULTS

3.1 The task of developing entrepreneurial skills in the Moldovan legislation and policy documents

The education system in Moldova has undergone significant changes in the past 5-7 years, taking into account the current trends in the economy and business. As a result, nowadays, the need to study the entrepreneurship basics is fixed in a series of policy documents, laws, normative and methodical acts, adopted in the country.

The main document for preparing pupils and students at all levels and cycles of the education system is the Education Code of the Republic of Moldova, adopted in 2014. The Code clearly sets out the main purpose and key competences that include knowledge, skills, attitudes and values that allow the active participation of the individual in social and economic life. In particular, Article 11 stipulates that education aims the establishment of the following 9 key competences:

- a) communication competencies in Romanian (national language of Moldova);
- b) communication competencies in the native language;
- c) communication competencies in foreign languages;
- d) competences in mathematics, science and technology;
- e) digital competences;
- f) competence to study to learn;
- g) social and civic competences;
- h) entrepreneurial competencies and initiative spirit;
- i) cultural expression competencies and awareness of cultural values.

Thus, among the 9 key competences, on which the education system of the Republic of Moldova is centred since 2014, "entrepreneurial competencies and initiative spirit" are indicated as separate competences.

A new Law on Small and Medium-sized Enterprises was adopted in July 2016, Article 16 of which is fully devoted to entrepreneurial education. The article emphasizes the fact that entrepreneurial education is oriented towards the development of entrepreneurial spirit, which is a fundamental competence for lifelong learning and is mandatory for inclusion in vocational education and training programs at all levels. The law stipulates that competent authorities with competences in the field of education initiate and carry out actions to promote attitudes and behaviours of the entrepreneurial spirit through the following basic actions:

- a) introducing entrepreneurial education at all levels of the education system, starting with primary education;
- b) initial and continuous formation of teachers for entrepreneurial education;
- c) including entrepreneurship in professional orientation;
- d) providing counselling to educational institutions and teachers for the development of initial vocational training programs and dissemination of successful experiences and practices;

The Small and Medium Enterprise Sector Development Strategy for 2012-2020 – the main document, in which the Government provides the main directions and actions related to the support of the SMEs sector, there are also presented measures targeted at promotion of entrepreneurial competencies and culture, for example: organizing trainings for youth in the framework of the National Program for Economic Empowerment of

Youth or supporting the organization of training sessions, round tables and creative workshops in order to develop the entrepreneurial skills of young people. Actions related to supporting young people do not differ according to levels and education cycles, i.e. referring to all institutions involved in the educational process, training and retraining of the staff, including the one from technical vocational education institutions.

In the *Education Development Strategy for 2014-2020 "Education-2020"* the task of developing entrepreneurial skills has been set up repeatedly. In particular, it was noted that pedagogical staff, students and parents mention the insufficient formation of entrepreneurial skills as one of the obstacles of the education system. Accordingly, the priority measures for the implementation of the Strategy include, among others:

- Development of lifelong learning programs, in view of the development of key competencies, including entrepreneurial ones.
- Development of curricula for pre-university education with the prospect of developing the necessary competencies, in particular, the development of entrepreneurial skills. Involving the business community in the process of developing curricula.
- Review of the initial education of teachers, including their taught entrepreneurship courses.
- Legislative recognition of the possibility of higher education institutions to organize and provide business services in order to obtain their own income.

In the Republic of Moldova, a series of measures for the entrepreneurial education of pupils has been implemented in accordance with the approved documents, by introducing the discipline: "Entrepreneurship basics", which is a mandatory discipline nowadays in all universities and secondary vocational education institutions. The aim of introducing this course was to form a set of key competencies necessary for the development of young people, so that they could establish their own business, increase their chances of finding a job on the labour market, as well as for their more active participation in other areas of activity. The most important objectives of entrepreneurial education are:

- acquiring knowledge specific to entrepreneurship;
- acquiring skills in using technology, analyzing business situations, synthesizing action plans;
- identifying and stimulating entrepreneurial desire, entrepreneurial talent and entrepreneurial skills - increasing the perception of individuals about new business opportunities, supporting individuals in developing these possibilities;
- reducing the level of aversion to risk;
- encouraging new business.

Implementation of tasks set in the policy documents faces many challenges. One of the main among them is that this course is largely theoretical in nature. In particular, teachers teach students / pupils about the main concepts and definitions, general methods and structures of enterprise management; basic laws governing business. But within the framework of the training sessions, practical examples (case studies) are analyzed extremely rare, which would make it possible to apply theoretical concepts and ideas in practice. The lack of practical orientation of entrepreneurial training is due to a number of circumstances. These include, first of all: the lack of specific teachers in the field of business management, especially the experience of entrepreneurship; rare involvement of practicing entrepreneurs in the learning process; the lack of educational specialties in the country related to the training of teachers in this specialty; lack of scientific, didactic and methodological manuals, corresponding to the level of training of teachers and students / pupils.

So far, it has not been possible to establish an effective partnership between education institutions and business. Many entrepreneurs are not yet interested in improving the education process, although they acknowledge that the lack of qualified personnel is becoming an increasingly important problem. An unfavourable business environment also does not help entrepreneurs to get actively involved in the education

process, including, openly speaking about their problems and ways of solving them (which are not always legitimate).

Another obstacle in the development of entrepreneurial skills is that despite the presence of a large number of SMEs, the spirit of entrepreneurship is poorly developed in society. Some of the small entrepreneurs came into the business compelled, not having other opportunities to support their family. Therefore, even the presence of a family business does not always cause the parents the desire to transfer their business by inheritance. In addition, due to historical conditions, there are no traditions of educating entrepreneurship in families, especially since business is connected with a high level of stress and uncertainty.

The above mentioned circumstances are difficult to be overcome quickly. This requires a certain period of time and purposeful actions from governing bodies in the educational system, the teaching community, as well as business.

3.2 Education of entrepreneurship in the system of secondary vocational education

3.2.1 The main measures implemented for the purpose of entrepreneurial education

Introduction of training courses aimed at forming entrepreneurial skills in youth began in Moldova from universities. The idea on the importance to start teaching young people the basics of business as early as possible has been expressed in society for several years. Nevertheless, concrete measures have been taken in the last 6 years namely in the system of secondary vocational education.

The main directions and actions of the state policy in the field of development of technical vocational education in Republic of Moldova are laid down in the *Strategy for the Development of Vocational / Technical Education for the years 2013-2020*, approved by the Government Decision in 2013. Although the Strategy does not directly mention the development of students' entrepreneurial skills, some actions from the Action Plan to implement this Strategy for the years 2013-2017 include, however, separate elements of entrepreneurial education. In particular, the following measures are provided:

- Promotion of entrepreneurial courses in the vocational / technical education institutions;
- Development of models of continuous professional training of the teaching / managerial staff, including business management courses
- Elaboration and application of new mechanisms for financing vocational / technical education, including the possibility of marketing the products made by pupils in workshops

During 2012-2016, a series of important measures for the entrepreneurial education of pupils was carried out in the vocational-technical education system in the country. In particular:

1) The project of the National Curriculum for the "Entrepreneurship Basics" discipline was developed for the formation of entrepreneurial skills in the secondary vocational technical education institutions. The approaches outlined in the Curriculum are in line with the spirit and theses of the main laws of the Republic of Moldova on entrepreneurial activity. The "Entrepreneurship Basics" discipline is aimed at providing students with skills that will enable them to efficiently capitalize their own professional potential, and in the future – to effectively initiate and manage the entrepreneurial activities. In a wider context, these skills should help young people become more creative and active in any activity they will carry out in their personal and social lives. For this discipline, 120 hours are reserved in the framework of the framework-plan of secondary technical vocational education.

2) The teaching materials for the "Entrepreneurship Basics" discipline were developed in addition to the curriculum – a set of documents for teachers aimed at increasing the quality of the teaching process and providing support for pupils in assimilating the new discipline. The set of documents included:

- The methodological guide for teachers;
- Suggestions for designing lessons in the "Entrepreneurship Basics" discipline;
- Student specifications.

These documents were of great importance, since the teachers of the "Entrepreneurship Basics" discipline often became persons without economic education.

- 1) At the national level, the curriculum for the "Entrepreneurship Basics" discipline and the set of teaching materials were piloted in 15 vocational secondary education institutions. The results have been widely discussed among teachers, pupils and representatives of public bodies in the field of education, which allowed improving the Curriculum, as well as the set of documents attached to it. After piloting, all the materials were initially approved by the order of the Minister of Education. At present, the modular curriculum and course support are the main normative documents, mandatory in the process of teaching, educating and evaluating the entrepreneurial education in secondary vocational education institutions.
- 2) Since the role of the teacher in the teaching process, especially in the Entrepreneurship learning discipline is of high priority, training programs have been organized for teachers involved in teaching the "Entrepreneurship Basics" discipline.
- 3) Training courses have been organized with the aim of improving the possibilities of graduates of technical vocational education institutions to create their own business, for those who were interested and prepared business plans for investors. Some of the training participants received mini-grants to initiate their own business.

All these actions were undertaken by the **Centre for Entrepreneurial Education and Business Support (CEDA)**. **CEDA is a non-governmental, non-profit organization. The aims of the Centre are: training and capitalizing on professional skills, individual initiative and entrepreneurship spirit; also promoting entrepreneurship and entrepreneurial spirit through education, business initiation and development. In recent years, CEDA has paid special attention to the development of entrepreneurship in the institutes of the vocational education system. As part of this activity, CEDA works in close partnership with the Ministry of Education, Culture and Research. The main measures related to the development of entrepreneurial skills among students of vocational schools were realized within the framework of the MEEETA - Moldova project (IIIrd phase) "Employment and Entrepreneurship Education and Training Activity" implemented with the financial support of the Liechtenstein Development Service Foundation (LED).**

3.2.2 Development of entrepreneurial competencies as an independent task of education

Entrepreneurship education in scientific materials and political documents has recently been seen as another chance to develop an own business. At the level of positioning the problem and discussions, it is already quite clear today that within the framework of the entrepreneurship training course, the student acquires entrepreneurial competences - additional knowledge and skills that can be successfully used in other spheres of social activity. This is, in particular, about such qualities and skills as creativity, innovation and willingness to take risks, which allows us to reasonably plan and effectively manage projects to achieve goals in any activity. That is, entrepreneurial competencies are considered as a transversal competence that is applied to all spheres of life, not just for the initiation and development of business, but also for ensuring self-employment.

If we consider the formation of entrepreneurial competencies more widely, then there is an opinion that such competencies can and should be formed not only in the framework of training courses related to the basics of entrepreneurship / business / enterprise management, but also in the process of teaching of other academic disciplines. In Moldova, similar ideas are already beginning to gradually take root in the system of vocational education, nowadays. In particular, a draft document has been already prepared - Conceptual benchmarks for the development of entrepreneurial skills in general and technical subjects in secondary vocational and post-secondary technical education systems (Version 1), in which there is proposed a conceptual model for the development of entrepreneurial skills in general and technical subjects in secondary vocational and post-secondary technical education systems. The theoretical basis of the conceptual model is the "EntreComp" European Entrepreneurship Competence Framework, published by the European Union in 2016, focused on unifying approaches and efforts to promote and develop entrepreneurial competence as key competency. Theoretical ideas in the developed document are brought to practical implementation; in particular, a functional model of organization of the work process for ensuring the development of entrepreneurial skills at general and technical disciplines from the secondary technical and post-secondary technical vocational education is proposed. The proposals were discussed at the beginning of February 2018, in the framework of the workshop "Development of entrepreneurial skills in different educational disciplines", organized the Centre for Entrepreneurial Education and Business Support. The developed mechanisms and documents deserve attention and implementation not only in institutions of secondary vocational education, but also at other levels of education in Moldova.

3.2.3. Involving graduates of vocational schools in business (survey results)

After 4 years of introduction in the professional-technical education system of the "Entrepreneurship Basics" discipline, the need to analyze its results and its effectiveness emerged, and also the necessity to carry out research of the professional path of graduates of technical vocational education institutions, including the development of entrepreneurial career of respondents who act independently as self-employed or set up their own business. Tracer Study was initiated and organized by the Centre for Entrepreneurial Education and Business Support (CEDA)

The survey was carried out within the MEEETA - Moldova project (IIIrd phase) "Employment and Entrepreneurship Education and Training Activity" implemented with the financial support of the Liechtenstein Development Service Foundation (LED). The study has been developed during the period of October 2016 - January 2017. During the research, 90 graduates have been surveyed. Of the total number of respondents, 39% created their own business, including being self-employed.

Graduates of technical vocational education institutions indicated that different people and events encouraged them to establish their own business. Most often (42.0%) it was the family, close relatives. However, every fifth respondent (20.0% of the sample) noted that professors from education institutions encouraged them to create a business. Examples of surrounding people who already have a business - 16.0% were also essential.

The "Entrepreneurship Basics" discipline significantly influenced students' decision to establish a business, according to 78.8% of respondent. For 15.1%, the impact of the discipline was not significant (6.1%), or was absent - 9.0%.

The business established by graduates, in most cases (77.4%), is not registered. Young entrepreneurs, when explaining the reasons why they did not register their business, pointed first of all on high tax rates or small turns/earnings/profits, which make official registration of business unprofitable. Directly or indirectly, this was noted in most of the answers.

Sources of encouraging establishment of own business	%
Family, close relatives	42.0
Teachers from the educational institution	20.0
Examples of surrounding people who already have a business	16.0
Friends, neighbours	8.0
Success stories read in literature, Internet	8.0
Others	6.0
Total	100.0

Table 7. Sources of encouraging establishment of own business, %

Source: outcomes of survey from the Centre for Entrepreneurial Education and Business Support

Assessing the effectiveness of their business, the majority of business graduates - entrepreneurs (71.9%) noted that income from their business allow them, to a certain extent, to support themselves. Only 9.4% of respondents can support themselves from the business incomes; and 18.8% of respondents even partially can not support themselves from their incomes.

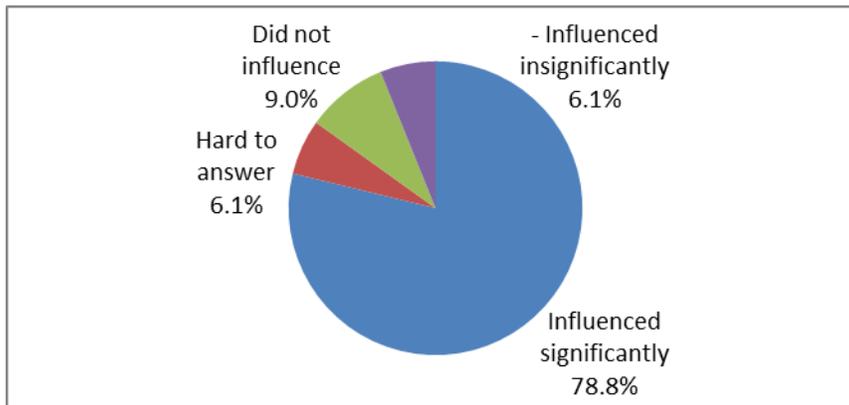


Figure 2. Influence of the Entrepreneurship Basics discipline on the decision establish a business, %

Source: outcomes of survey [Centre for Entrepreneurial Education and Business Support, 2017]

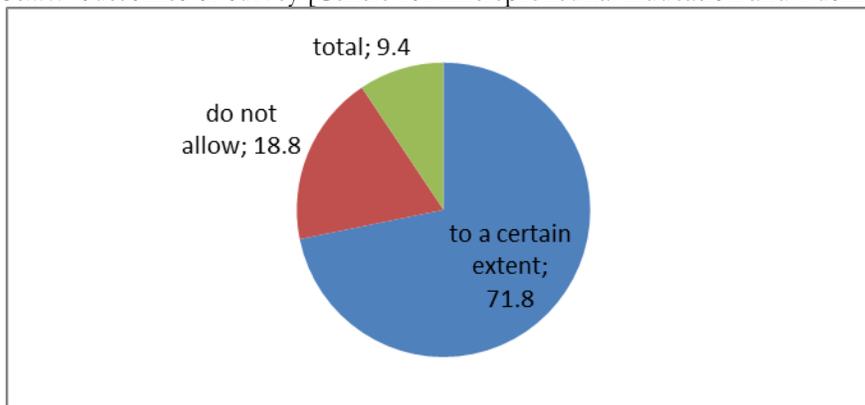


Figure 3. To a what extent income from business allow the respondent to support itself, %

Source: outcomes of survey [Centre for Entrepreneurial Education and Business Support, 2017]

Graduates involved in entrepreneurship were asked: what is the biggest obstacle for them to develop their business? The lack of financial resources was indicated most often (in every fifth response). Other obstacles mentioned by several respondents were attributed to: the lack of qualified personnel, the general economic situation in the country, the narrow internal market and high competition, as well as insufficient experience in the field.

Analyzing the perspectives of the business/personal career in 1 year and 5 years, a relatively large proportion of the respondents expressed the intention of develop/expand their business. 48.6% of respondents indicated on this perspective in 1 year; in 5 years even more respondents (60.6%) see the prospect of growth for their business. A 5.7% of respondents see the prospect of closing their own business in 1 year. The same percentage of respondents (5.7%) plans to go abroad in search of a workplace or emigrate.

Career perspectives	In 1 year	In 5 years
Develop / expand the business	48.6	60.6
Maintain the business at the same level	40.0	33.3
Closing the business and looking for a job as an employee	5.7	-
Migration to work or emigration	5.7	6.1

Table 8. Career perspectives in 1 year and 5 years, %

Source: outcomes of survey [Centre for Entrepreneurial Education and Business Support, 2017]

Respondents have indicated on the support, which they need. Accordingly, the first place is occupied by the need in finance (37.5%). To a lesser extent, but also significant, there was a need for information (20.0%), consultations (15.8%) and training (13.3%).

Types of support	%
Financial resources	37.5
Information	20.0
Consultancy	15.8
Training	13.3
Space	10.8

Table 9. The need for support for business development

Source: outcomes of survey [Centre for Entrepreneurial Education and Business Support, 2017]

The majority of young entrepreneurs-respondents (66.7%) do not know about institutes that can offer support for business development. That is, organizations that support young entrepreneurs are not actively promoting their services.

The results of the survey made it possible to elaborate proposals to improve the work of the teachers of the "Entrepreneurship Basics" discipline, in particular, to pay more attention to the topics related to financing and accounting of business activities (which are quite difficult for students) or risk management problems, the importance of which is underestimated by young people. With regard to the improvement of teaching methods, the need to increase the emphasis on the practical orientation of teaching was noted, more often to use "live" practical examples to illustrate theoretical provisions, including inviting young entrepreneurs-graduates of the school, who had achieved success. One of the proposals was considered to be the dissemination of knowledge about new opportunities related to the organization of entrepreneurial activities in secondary vocational education institutions (in accordance with the profile of the educational institution) and the involvement of students in this work. Some of the proposals are already being developed and discussed with the stakeholders, meaning that they are already in the process of practical implementation.

CONCLUSIONS

In the Republic of Moldova, the SMEs sector significantly affects the development of the national economy, first of all, saturating the domestic consumer market, creating new jobs and improving the structure of the economy, in particular, expanding the sphere of private business.

Legislation and policy documents aimed at supporting SMEs in the Republic of Moldova, like in other European countries, are geared towards involving different groups of people in the business. For the economic growth of our country there is especially important to involve in the business more entrepreneurs from the youth group, who represent a significant number of the population that often can not find a decent job in the country, as a result remaining unemployed or go abroad.

One of the conditions for the development of entrepreneurship, in particular, the increase in the number of new enterprises created by young people, is the development of entrepreneurial education. The significant role of entrepreneurial education in many European countries and at the EU level has already been recognized and has been reflected both in documents developed by the European Commission, as well as in publications of scientific researchers.

In the Republic of Moldova, the need to study the entrepreneurship basics has also been fixed in a series of policy documents, laws, normative and methodical regulations adopted in the country. However, the implementation of the tasks set in the policy documents faces many challenges. The main among them is the theoretical nature of this academic discipline at the expense of practical orientation; the lack of specific knowledge in the field of business management, especially the experience of entrepreneurship; lack of scientific, didactic and methodological aids; lack of effective partnership between educational and business institutions; lack (due to historical conditions) of traditions of educating entrepreneurship in families.

Over the years, the society has expressed the idea that it is necessary to start teaching young people the basics of business as early as possible. In the Republic of Moldova in the last 6 years, specific measures to develop the system of entrepreneurial education have been undertaken in the system of secondary vocational education. In particular, in 2012-2016, there was developed, piloted and approved the National Curriculum for the "Entrepreneurship Basics" discipline, as well as a set of methodological documents to help teachers and students from technical-vocational schools. Nowadays, practical steps are being taken in the system of technical-vocational education aimed at forming entrepreneurial competencies. These measures to develop entrepreneurial education and entrepreneurial competencies in the system of vocational and technical education of Moldova became possible thanks to the close cooperation of the body of public administration - the Ministry of Education, Culture and Research of the Republic of Moldova, the non-governmental organization Centre for Entrepreneurial Education and Business Support (CEDA) and the external donor - Liechtenstein Development Service Foundation (LED).

The first experience of the introduction of the "Entrepreneurship Basics" discipline in the technical-vocational education system was analyzed within the framework of the research of professional path of technical-vocational education institutions graduates, some of which began to develop the entrepreneurial career. The survey was initiated and organized by CEDA and was carried out the framework of the MEEETA – Moldova project (IIIrd phase) with the financial support of the LED. The survey of graduates of vocational schools showed that the "Entrepreneurship Basics" discipline has significantly influenced on the decision of students to establish a business, as a result, 39% of respondents created their own business. The analysis of the identified problems and the needs of young entrepreneurs has shown that it is important to promote and apply learning programs based on practical experience, to involve entrepreneurs and local companies in carrying out entrepreneurial trainings, to promote closer linkages between education institutions and companies, to disseminate wider the information about successful histories of Moldovan entrepreneurs.

The proposals developed as a result of the survey made it possible to prepare corrections and make improvements in the National Curriculum for the "Entrepreneurship Basics" discipline, and will also serve as a base for other practical measures aimed at improving entrepreneurial education in the education system from the Republic of Moldova.

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