**Course II**

**The Premise/Promise of Entrepreneurship: from idea to action**

**Raluca Petre**

In principle, it is nice to be rich and famous. We know many people that want it but are not sure how to achieve it. At the same time, being rich and famous is the end of an exciting road. In this manual, we speak about the neat road of sustainable entrepreneurship and the main argument is that **the road is even more interesting and fulfilling than the end of it**. The entrepreneurial spirit can be incapsulated in an example from the popular culture. Costin is telling his story: “One of my favourite cartoon series, that impressed my childhood, was *The Simson’s*. The head of the family, Homer Simson, was not always having all necessary resources to lead his family as he would have liked, but he was always finding a way out. Actually, this is what being an entrepreneur is about. It is not always about having all resources, but to obtain the maximum with the resources as hand” (Sorici, 2016: 16).

IF you bear with us, we will discover together how to produce value in the process of sustainable entrepreneurship. When one embarks on an entrepreneurial endeavour, **resources are needed**. These are **financial, social, and natural**. No less important is **knowledge**, a type of capital that is especially relevant in the information society. Nevertheless, the financial capital is a basic starting point for each enterprise. How does one make and invest, rather than spend the money? The idea of having money and not spending is a bit counterintuitive and requires a valid explanation, especially for the Romanian readership. The wonderful theory of Max Weber (1904-5) connects early entrepreneurship with the accumulation of capital by the hard-working, no money spending, God fearing early protestants. The main explanation that the German sociologist gives is that the protestant ethic of hard-work, individual autonomy and initiative, accumulation, and no waste led to the first formation of capital. Weber argues that never before had it been a historical time and circumstance whereby wealth would exist without the lavish display of it.

On the relation between wealth display and status, the classical book of the American-Norwegian researcher Torstein Veblen (1899) is telling. The author introduces to the world the concept of `conspicuous consumption`, that refers to the lavish spending and display of wealth especially be the *nouveaux riches*. Basically, it is far more common for people throughout history to show that they are rich, than to abstain from making a point of status out of it. It took the unique circumstance of the protestant ethic of wealth accumulation without the display and spending of it that ultimately led to extra financial resources to be invested in lucrative enterprises. This stage came to be known in economics as early capital accumulation. Entrepreneurship was born, and it is still the main engine of growth around the capitalist world. If we are to consider the main qualities of the entrepreneurial spirit, we observe **hard-work, concentration, diligence, intelligence, energy and initiative**. Like the early protestant, the entrepreneur relies on himself/herself, is autonomous, determined, and does not expect that others do his/her work, but is aware of the road ahead. **The entrepreneurial spirit observes opportunities and uses them**, **is observant of resources and the needs of the potential consumers and clients**. One example of early understanding of opportunity was provided by a professor at Rochester University, USA. He told us that he was reading about the telecommunication technology and mobile phones in the early nineties. He understood the market potential of the mobile technology and thought that eventually everybody would like a mobile phone and that this represents a huge potential market. Did he start investing in mobiles? No. He started buying barns on high hills in the countryside. He bought them cheap, and sold them expensive a decade later to telecommunication giants that needed antennas to make their signal circulate.

The more individual agency in a society, the more people are empowered and feel confident about what they are and what they can do; thus the more space is created for meaningful action and the creation of value. Entrepreneurship requires that people are free to act and responsible for their own actions. They know that if they are wrong, they will be accountable. Here the socio-political context provides very different environments for the thriving, or lack of entrepreneurship in a society. In this sense, if we identify the loci of agency within a given society, we can evaluate the resources, availability, wealth and progress of initiatives as well as the creation of value. It is important to observe that there is a great deal of variability when it comes to agency and its affordances in different societies. One of the fundamental questions when it comes to sustainable entrepreneurship is: Whose responsibility is it? In our project the main areas of reference have been Western Norway, and Southeast Romania. While Norway has a long tradition of self-reliance, increased autonomy, and a culture of initiative and cooperation, Romania is a polity that has traditionally been led by an overarching state. In this context, individual initiative has not really been enhanced, and has not yet grown into a full-fledged value shared at the level of the Romanian society. In general, we expect that entrepreneurial practices are more widespread in Norway than in Romania, but we expect as well a solid implication of public authorities in the Nordic country, given the welfare model that this policy is known for. Nevertheless, entrepreneurship is about accomplished action.

**Entrepreneurship is about solving real problems**

**The capacity to transform an idea into action is the defining characteristic of entrepreneurship** (Ploum et al., 2018: 125). It is about an action that is completed, all the way to implementation. This action is undertaken in order to materialise an idea, to transform it into reality. In this course **we try to understand the road from idea to accomplished action taking into account the three pillars of sustainability: people-planet-profit**. We start from the very simple question: **Can we manage to transform an idea into reality, and make some honest money out of it?** What kind of ideas can we have and how do we proceed with finding them, then make them reality? In order to accomplish something, we need to start the work. The Romanian education system is set around solving already given problems. It is about finding solutions to pre-defined issues. It is what we do when we are in school and solve exercises on various subjects. We, as pupils, are not really trained to identify problems and provide solutions to them, we are a little assisted on the whole knowledge track. The entrepreneurship road means taking in our hands the definition of the problems to solve, without the backing of predefined tasks. It is not like a treasure hunt whereby the organisers know where the treasure pieces are, but like a wild west where we need to find our way and map for the first time the whole territory. We are the ones that need to find the water sources in the new territory, to locate the food sources, the heating opportunities, and the whole development frame, but without destroying the resources in our quest.

In order to map new territories, **the first task is to identify the needs, the real pain points**. We can start looking in a fresh way to the most familiar: our family, friends, community, or even society. People are very much routine based, and normative in their social life. Social rules are not written, but they are strong nevertheless. Doing things in a different way can mean breaking the familiar rules, but it is as well of thinking outside the box, and maybe dragging the social situation out of a toxic spiral. For example, if one group functions around the idea of consuming together substances, the entrepreneurial spirit that looks for solutions and thinks outside the box would consider substituting chemical substances with smoothies. In this way, the main glue of the group, consuming substances together would be conserved, but the nature of the substance would be improved. On the long run, the whole group might glue around the entrepreneurial idea of producing and distributing smoothies for an emerging market that aims at improving its lifestyle. It is of course not very easy in real life if the substances consumed are producing addiction, but if the group spirit is strong and positive, there is a possibility to solve a real problem and train the entrepreneurial spirit with such an idea transformed into reality.

Another way to start is by subject. If one is a student in Geography, he/she can identify solvable geographical problems that affect a lot of people and attempt to find the action road to find solutions. If one is a student in Communication, she/he can start by identifying communication problems and propose ways to solve them. Each action to solve a problem can be an entrepreneurial endeavour. **The best ideas are the ones that solve real problems**. It can be one that people do not even realise that they have a problem, but a visionary entrepreneur sees it and offers the solution to the ones that need it. For example, if senior citizens are lonely, and their families care for them but do not have too much time to devote to them, all parts involved perceive stress and unhappiness about it. There are many people that that such a situation as a given, and be fatalist about it. But there are entrepreneurial spirited that can see in this sour context a fair way of solving a real problem. The little entrepreneur can consider a club for senior citizens, financially supported by their families. In this case the problem is loneliness, the solution is a club, and the road to it is to create the club with all the aspects that make it a sustainable reality. Besides profit, we address the other two sustainability aspects: people and planet. Thus, we try to create a friendly work environment for the people involved in running our club, and consider all the waste and energy challenges involved in our enterprise.

**The entrepreneurial ecosystem as success factor**

In order for an individual entrepreneur to succeed though, some systemic conditions need to be met. No matter how talented or driven one is, the structure that enables his/her success, is vital. “**The systemic conditions are the heart of the ecosystem: networks of entrepreneurs, leadership, finance, talent, knowledge, and support services**. The presence of these elements and the interaction between them predominantly determine the success of the ecosystem” (Stam in Pankov et al., 2021: 1075). At the moment, the modern universities set themselves the task to become such hubs of opportunities for their students. Ovidius University is just one example of a structured effort to create the best entrepreneurial premises for its students[[1]](#footnote-1). HVL University from West Norway is the inspiration that shows that it is indeed possible that universities function as hubs of innovation and entrepreneurship in a society[[2]](#footnote-2). In Romania, “exploratory analysis of the national entrepreneurial ecosystem undertaken in 2015 from the perspective of the relationships established between various determinants of economic development, such as leadership, human capital or culture, and which also influence entrepreneurship to the extent that finance and markets do, highlighted that this ecosystem is very poorly developed in Romania, as the links established between the entrepreneurs are not strong enough to lead to a self-sustaining environment” (Gheorghiu et ali, 2021: 269).

**From idea to action**

We need to admit that we need more than an idea in our head for a lucrative materialisation. According to the legislation on intellectual property**, the ideas in our head are not protected by law, only the ones that are materialised, available on a perceivable medium** (print, digital, visual, audio etc.). It is only when they become material, that they are legally recognised as intellectual property[[3]](#footnote-3). For example, if we have an idea for a novel in our head, this is still nothing from the legal point of view, the novel does not really exist. It is only when we have the novel written or spoken, or presented on stage, or made into a movie, that the legal protection starts. When the idea becomes shaped in reality we can start to enjoy the moral and patrimonial fruits of our work and creativity. The nice thing about intellectual property is that one does not need to officially register the *oeuvre* in order to be legally recognised, but its mere existence gives all the intellectual rights. The material existence of an intellectual work does not necessarily have to be fixated on paper, the digital forms are equally admissible as means of materialisation. The writing of a novel is an action and finishing it is the activity taken up to the end. Perhaps you are familiar with the writing exercises from the Wattpad platform[[4]](#footnote-4), where a lot of teenagers try their luck with various forms of fan-fiction. From these initiatives, there are not that many that are fully materialised, and even less bring money to the amateur writers. One happy example are the novels of the writer known as Pufoșenia on the platform and outside of it. She launched her activity on the platform, and eventually materialised it as full-fledged books. This i s ahappy example, but it is not by any means the rule in the creative industries. The British researcher David Hesmondhalgh (2013) observed the fact that the actual success rate in the creative sphere is around 2%. This means that merely two out of one hundred people that try to have a career in the creative industries, created something and wished to have a profit from it, really managed to achieve this. This minuscule rate of success is valid in all areas of the creative industries: music, design, content making, photography, audiovisual production, and all the rest of the creative spheres. It is interesting to observe in our pedagogical and mentorship practice quite a lot of students that are not expressing their ideas for fear of them being stolen. Low trust is not a fertile ground for exchanging ideas and information, and for learning in general (Ploum et al.2018). **Good ideas and high trust are a good starting point for making innovative things come true.**

**Trust as premise for accomplished actions**

In order to grow in the field of entrepreneurship in general, and especially in the field of sustainable entrepreneurship, we need to observe to what extent we are able to feed trust; in ourselves, in others, in the society we live in. An important part of trust is represented by reciprocity. **High trust leads to cooperation, because there is a legitimate expectation about symmetry, if I do something fair for you, you will do the same for me**. It is interesting to observe how the Northern European countries like Norway have particularly high ranks when it comes to trust. From direct observation we can say that the basis of entrepreneurial development in Norway is cooperation, not competition. The most modern business model, the platform, functions as a hub of cooperation between providers and users (Hagiu & Wright, 2015). Moreover, cooperation builds on trust. Competition requires an individualistic approach, **cooperation rests on more people working together in full trust**.

It is quite obvious that more minds can accomplish more than a single one, moreover, teams are complementary social structures. Not everybody is talented in the same way. When cooperation occurs, each is able to contribute with his/her specific skills. Some people are creative, others are well organised, there are people who are are good analysts, others that are sociable, and there are the ones that see opportunities and strive to make them come true. People that are trustful enough to combine theirs skills can accomplish a lot, and innovate a lot. This is a virtuous circle where all resources are put together in the trust pot of cooperation. It is the philosophy that drives the cross-campus entrepreneurial activities driven by Ovidius University since 2017[[5]](#footnote-5).

There are other social configurations that are less successful in terms of outcome. Here we see people that try to profit from others, to use their fellows for their own ends, that wish to impose their own will by any means, that are not interested in the end result but in their personal gain. In this case, the vicious circle is being built, and no positive outcomes come out of it. Actually, it is more likely that vicious, rather than virtuous circles come true. It is in this vain that this manual points to the benefits of trust and reciprocity, even when it might take more time, less personal gain, and more effort to make it functional.

There is a very interesting parable about doing something together for long-term gain. Let’s take the example of a communal pasture When we take an individualistic approach to it, it is only rational and reasonable to feed your own cattle to the maximum, irrespective of others. It is your right. On the other hand, if everybody overuses the pasture, it will get barren in no time. It is in this context that long-term, counterintuitive thinking can help. If each cattle owner observes the needs of the others, and together they design a plan for feeding their cattle in a reasonable way, then the pasture will be a good place to feed for all on the long run. The main risk is represented by the cheaters, that will take advantage of the trust of others to overuse the resource in his/her own interest This kind of opportunistic behaviour will destroy both trust, as well as the pasture (Olsen in Douglas, 2002). Yet, cheating seems more reasonable than not cheating in most of the human encounters led by mutual suspicion.

**Low trust and responsibility as barriers to sustainable development and entrepreneurship**

In this course the main focus and comparison is between Norway and Romania, because they represent two very different societies when it comes to principles of action, agency, and responsibility. Norway is a vast country where people have managed to live and develop despite harsh natural conditions and political ambitions from neighbouring countries. What did the Norwegians rely on in times of need? Basically on themselves and on each other, having learnt to cooperate and trust each other for the common good (the discovery of gas in the North Sea provided with the economic resources to built on the already existing human capital and protestant ethic) .

On the other had, Romania is a country where people in power have tended to be quite authoritarian and controlling over the whole polity. In this context, one of the main virtues of a good citizen had traditionally been that of being passive and observant of the rules imposed. Individual compliance would eventually pay off in the shape of privileges. Moreover, in Romania, until very recently, all major issues have been considered to be the state’s responsibility. Thus, a regular Romanian would expect that the state (and the secret services) know best, find solutions, and are the main engine of action. This mindset has led to a curious situation whereby it is not really considered the focus or responsibility of regular people to understand, learn, and manage important issues. Our own research on the inter-sector cooperation in the region of Dobrogea revealed that not taking responsibility is a serious break: “These people that run away from responsibilities represent barriers to progress, they do not take responsibility for decisions according to the positions they occupy”(Ștefan Ilie, mayor elected of the municipality of Tulcea). We could call it a limited perceived citizenship as active participation within one’s policy. In order to make sense of this widely shared expectations, one needs to understand the institutional legacy of an *etatist* polity, within the conceptual framework offered by the theory of path-dependence (North, 1990). If we are to understand this limitation we can research the institutional legacy of countries like Romania, heavily dominated by their states until three decades ago. We believe the time has come in our part of the world to move beyond a narrow understanding because it both places responsibility outside the focus of the citizens, as well as moving away the perspectives and creativity of action. In order for this course to be useful, we need to trust: ourselves, the professors, the colleagues, the community we are part of. It is only in this context that the exchange of ideas and knowledge in general can thrive. If we remain fearful in a little corner, there is no chance to use all entrepreneurial opportunities and growth that are really available around.

**The way ahead: putting on the entrepreneurial spirit**

It is indeed the case that in our society trust is low. According to recent statistical significant European opinion polls, most Romanians consider that they cannot count on the government, the ones that theoretically are delegated to represent the legitimate interests of the citizens that endorsed them by means of a democratic vote[[6]](#footnote-6). Practically speaking, we do not expect positive things form the other people, but expect to be used, cheated, mistreated. At our turn, if we get the opportunity, we will use the weaker people to our own advantage. Recent social anthropology research show the effects of low trust and instrumentality in contemporary Romania (Umbreș, 2022). On the same token, the recent revelations about the inhuman conditions in some Romanian elderly houses speak of the practice of taking advantage of the weaker, the most vulnerable of us all[[7]](#footnote-7). It is an institutional legacy that seems to reproduce, rather than disappear. At the same time, if we are conscious about the moral opportunities ahead, we can do better than just use weaker people for individual ends. We can start solving real problems to the benefit of our communities with an entrepreneurial mindset.

The thing that differentiates entrepreneurship from other aspects of our lives is that the entrepreneurial action is undertaken by the person that has generated the idea, not by a state institution, a public authority, a famous firm, or by the extended family network. Another aspect that is closely related to that of accomplished action has to do with the idea of responsibility. In entrepreneurship there is no delegation of responsibility to a third party. The one that undertakes the entrepreneurial activity is the sole responsible for its, and the one to enjoy the fruits of this very activity. The most intense part of the responsible action is that both success, as well as failure are of the one that materialised the idea, not the appurtenance of anybody else. We explain these aspects because in our institutional tradition the main initiator of the materialization of ideas has been the state until a few decades ago. Private initiative has started to be encouraged after 1989, but it did not really make sense to most of the people. If we consider as valid the explanatory framework of path dependence (North 1990), then we can understand that the Romanian society no longer wanted the tight control of the state in December 1989, but was not yet ready to take initiatives on its own. The result that we witness nowadays is a kind of laissez-faire, whereby individual initiatives spark but are rather fragmented and inconsequential. Nevertheless, this is an especially fertile ground for development by means by sustainable entrepreneurship.

***Quiz:***

**Test your entrepreneurial level[[8]](#footnote-8)**

1. Do others consider you a leader?
   1. Yes
   2. No
2. Do you see problems as obstacles?
   1. Yes
   2. No
3. Do you prefer doing things your own way?
   1. Yes
   2. No
4. Do you consider yourself a risk taker?
   1. Yes
   2. No
5. Do others ask you for help and guidance?
   1. Yes
   2. No
6. Are you competitive?
   1. Yes
   2. No
7. Do you enjoy working with others?
   1. Yes
   2. No
8. Do you get stuck when things get tough?
   1. Yes
   2. No
9. Are you driven to succeed?
   1. Yes
   2. No
10. Do you considers problems as opportunities?
    1. Yes
    2. No
11. Are you coach-able and willing to listen to others?
    1. Yes
    2. No
12. Do you plan ahead?
    1. Yes
    2. No

*.* ***Exercises:***

1. **What is your favourite movie/cartoon/song, that illustrates the entrepreneurial spirit?**
2. **What kind of actions have you accomplished so far?**
3. **Identify an idea that you turned into an action. What were the steps, and what was the result?**
4. **What do you propose to do in order to materialise an idea? What are the main challenges?**
5. **What are the main problems in your family/group/community/society?**
6. **What are the best ideas that can solve the main problems identified?**
7. **Whom do you trust and whom you don’t? Why?**
8. **Identify a public action. Whose responsibility is it?**

***Quiz keys:***

Majority *Yes* on questions 1, 4, 5, 6, 7, 8, 9, 10, 11, 12 + *No* on questions 2, 3, 8 = entrepreneurial spirit

***Bibliography:***

ANDERSON, R. Alistair (2000), ”Paradox in the periphery: an entrepreneurial reconception”, *Entrepreneurship and Regional Development,* Vol 12, No 2, pp 91–110

DOUGLAS, Mary (2002) *Cum gândesc instituțiile*. Editura Polirom, Iași

GHEORGHIU, Gabriela, Spătariu, Elena Cerasela, Sorici, Costin Octavian, Ștefan, Marcela, Bunghez, Corina Larisa (2021) “Creating a Sustainable Entrepreneurial Ecosystem at Higher Education Institution Level”. *Economic Computation & Economic Cybernetics Studies & Research*. Vol. 55(2): 265-280.

HAGIU, Andrei & Wright, Julian, 2015, "Multi-Sided Platforms." International Journal of Industrial Organization. Vol 43: 162-174.

HESMONDHALGH, David, 2013, *The Cultural Industries*. (3rd ed.). London: SAGE

NORTH, Douglas (1990) *Institutions, Institutional Change, and Economic Performance*. Cambridge: Cambridge University Press.

PANKOV, Susanne, Velamuri, K. Vivek & Schneckenberg, Dirk (2021) “Towards sustainable entrepreneurial ecosystems: examining the effect of contextual factors on sustainable entrepreneurial activities in the sharing economy”, *Small Business Economics* (56):1073–1095

PLOUM, Lisa, Blok, Vincent, Lans, Thomas, and Omta, Onno (2018) “Towards a Validated Competence Framework for Sustainable Entrepreneurship”. Organisation & Environment, 31 (2): 113-132.

SORICI, Costin, *Călătoria antreprenorului*. 2016

UMBREȘ, Radu (2022) Living with Distrust. Morality and Cooperation in a Romanian Village. Oxford University Press, Oxford.

VEBLEN, Torstein (2009) [1889] *Teoria clasei de lux*. Publica, București

WEBER, Max (2003) [1904-5] *Etica protestantă și spiritul capitalismului*. Antet, București

1. <https://focuspress.ro/sustent-scoala-de-vara-de-antreprenoriat-sustenabil-de-la-universitatea-ovidius-din-constanta-participa-studenti-norvegieni-alaturi-de-studenti-ai-uoc/> accesat ]n 26.09.2023 [↑](#footnote-ref-1)
2. <https://www.hvl.no/en/about/mohn-centre/> accesat în 26.09.2023 [↑](#footnote-ref-2)
3. Cf Legea 8/1996 a *Dreptului de autor și drepturilor conexe* coroborată cu principiile Convenției de la Berna, actualizată. [↑](#footnote-ref-3)
4. <https://www.wattpad.com/?locale=ro_RO> accesat în 18.07.2023 [↑](#footnote-ref-4)
5. <https://focuspress.ro/studenti-din-12-facultati-ale-universitatii-ovidius-din-constanta-genereaza-impreuna-solutii-practice-la-scoala-de-vara-de-inovare-si-antreprenoriat-oiess/> accesat în 26.09.2023 [↑](#footnote-ref-5)
6. <https://webgate.ec.europa.eu/ebsm/api/public/deliverable/download?doc=true&deliverableId=83463> accessed on 17.07.2023 [↑](#footnote-ref-6)
7. <https://www.libertatea.ro/subiect/azilele-groazei> accessed on 26.09.2023 [↑](#footnote-ref-7)
8. <https://www.proprofs.com/quiz-school/story.php?title=are-you-entrepreneur> accessed on the 26th of September 2023 [↑](#footnote-ref-8)