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Romania

This country profile highlights recent policy developments and current policy issues related to inclusive entrepreneurship policy. It also presents recent trends in entrepreneurship and self-employment for women, youth, seniors and immigrants in Romania compared to the European Union average.

Recent trends in inclusive entrepreneurship activities

Business entry and exit rates were above the European Union (EU) average and a high proportion of people self-report having entrepreneurship skills. This suggests that there are reasonably strong conditions for entrepreneurship, which is consistent with a high proportion of people involved in business creation (i.e. TEA rate). Over the period 2018-22, about 9% of adults were involved in starting or managing a new business. About 12% of young people (18-30 years old), 8% of women and 5% of seniors (50-64 years old) reported that they were starting or managing a new business. All of these rates are above-average, and these high rates do not appear to be driven by “necessity-driven” entrepreneurship. If all of the gaps in rates across population groups were set to the same rate as 30-49 year old men, there would be an additional 210 000 early-stage entrepreneurs and three-quarters would be women.

About 12% of the working population is self-employed, which is essentially the same as the EU average. However, the self-employment rate declined substantially over the past decade, notably among young people (20-29 years old) (a decline of 20%), women (-45%), and seniors (50-64 years old) (-49%). A caution is needed in interpreting this data because of a methodology change in the Labour Force Survey that occurred in 2021. To comply with the new EU regulations, the Household Labour Force Survey in Romania was revised and people who produce agricultural goods exclusively or mainly for self-consumption are now excluded. This affects the self-employed disproportionately.

Recent policy developments

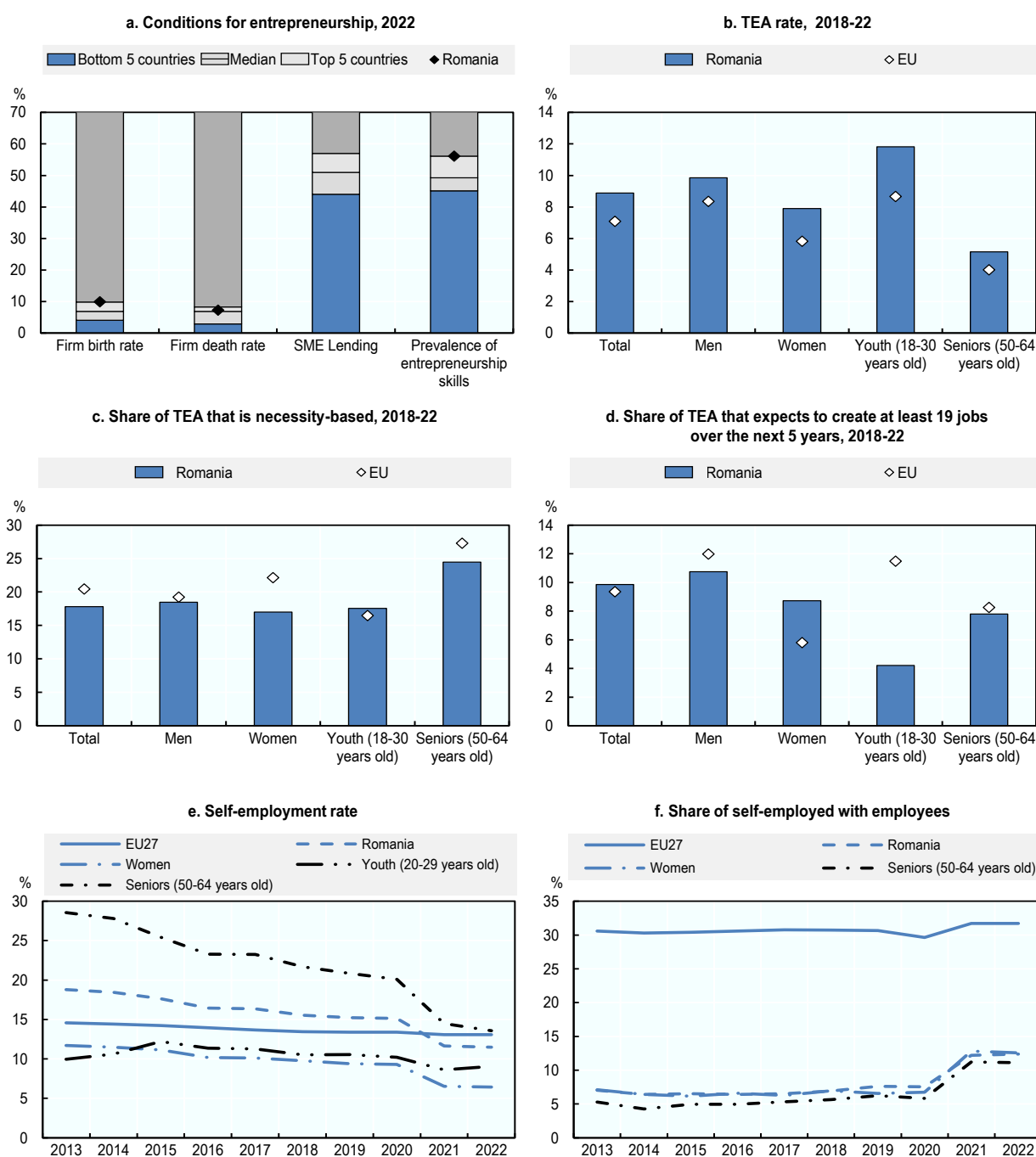
The Start-Up Nation is the most ambitious new entrepreneurship initiative in recent years. The third edition was launched in 2022 with an initial budget allocation of RON 2.2 billion (approximately EUR 440 million) in commitment credits (i.e. money to be advanced by the entrepreneurs and later to be reimbursed by the state budget) as well as RON 1.009 billion (approximately EUR 200 million) allocated to allow 11 000 entrepreneurs to benefit from financing on this state support scheme. These allocations covered both pillars – the national scheme as well as the diaspora component which is dedicated to Romanian citizens living and working abroad.

Hot policy issue

The “twin transition” (i.e. green and digital) has become a major theme in all entrepreneurship policies and programmes. For example, the new Start-Up Nation programme awards additional points during the in-take process to entrepreneurs with sustainable and digital business proposals.

Inclusive entrepreneurship indicators

Figure 33.1. Entrepreneurship and self-employment data for Romania



Note: In Panel a, the data for the EU median for SME lending excludes the following countries: Austria, Bulgaria, Croatia, Cyprus, Denmark, Finland, Germany, Luxembourg, Malta and Romania. The EU median for the entrepreneurship skills indicator excludes: Belgium, the Czech Republic, Denmark, Estonia and Malta. In Panels b-d, the data for the EU average refers to a population-weighted average and excludes Belgium, the Czech Republic, Denmark, Estonia and Malta. Please see Chapter 10 for detailed notes on the figures.

Source: (Eurostat, 2023; GEM, 2023; OECD, 2023). Please see Chapter 10 for full citations.



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