

32 **Romania**

This country profile describes current inclusive entrepreneurship policy issues and recent developments in Romania. It also benchmarks self-employment indicators for women, youth, seniors and immigrants against the average for the European Union and reports on the conditions for entrepreneurship.

Conditions for inclusive entrepreneurship

The overall entrepreneurship conditions are less favourable than in most of the European Union (EU) Member States. Barriers to entrepreneurship are largely due to the challenging regulatory environment and heavy administrative burden on new start-ups. Entrepreneurship policy in recent years has been guided by an SME and entrepreneurship strategy for 2014-20. Policy has focussed on improving the business environment through innovation programmes, new incubator programmes and education measures targeting entrepreneurship and digital skills. Some support is offered to (potential) entrepreneurs from groups that are under-represented or disadvantaged in entrepreneurship (e.g. women, youth, people living in rural areas), notably through preferential access to general entrepreneurship programmes.

Recent trends

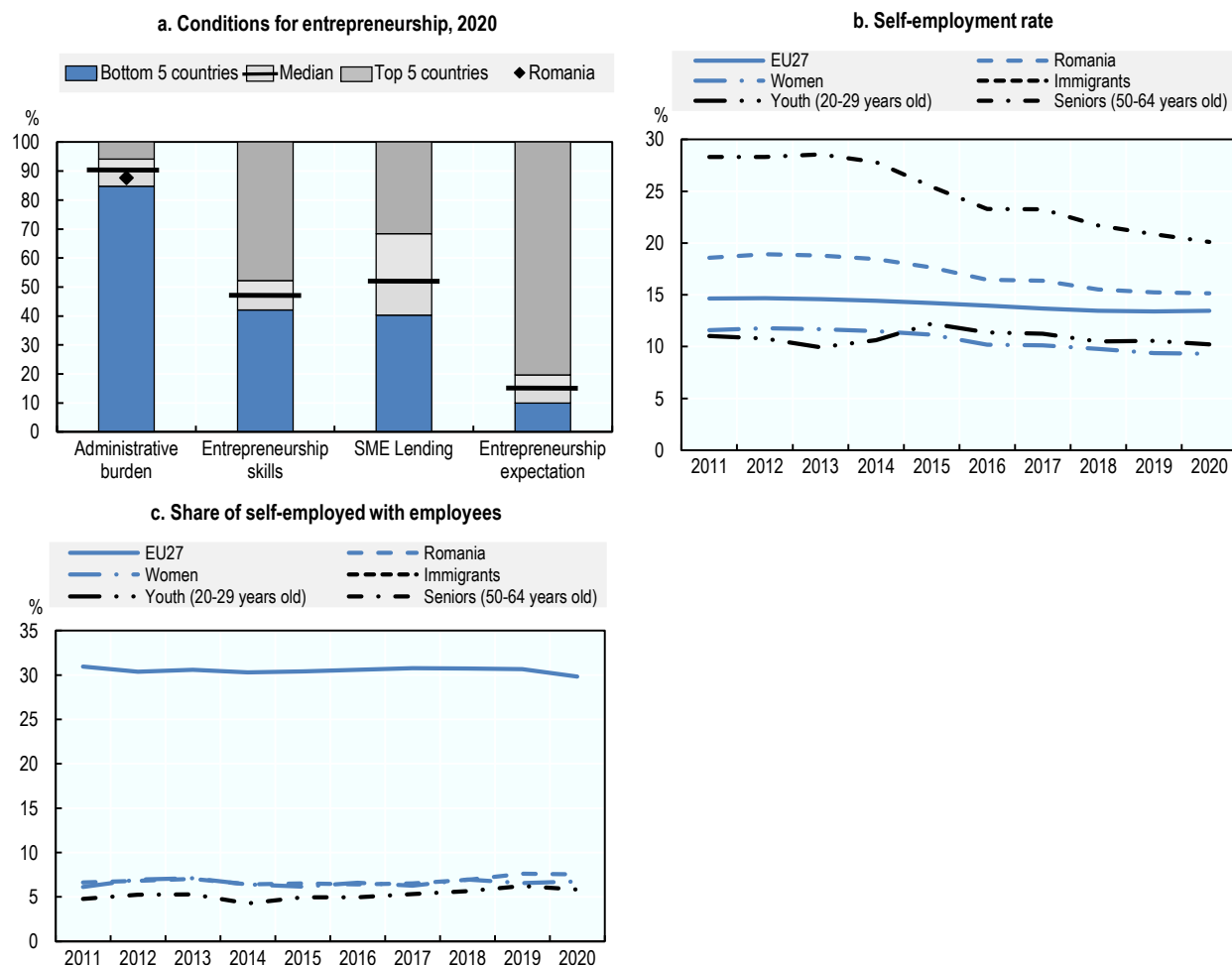
Overall, self-employment declined over the last decade yet remained slightly higher than the EU average (15% vs. under 14% in 2020). This is largely due to high levels of self-employment among seniors (50-64 years old) (20%) and youth (20-29 years old) (10%). Population aging and high levels of emigration largely explain the different age profile of the self-employed. There is also a notable gender gap among self-employed workers as women only account for about one-quarter of the self-employed workforce compared to an EU average of 33%. Eliminating the gaps in entrepreneurship activity rates as measured by self-employment across population groups (i.e. applying the self-employment rate of men who are 30-49 years old to the whole population) would result in an additional 577 000 entrepreneurs. 85% of these “missing” entrepreneurs are female and 62% are between 50 and 65 years old.

Hot policy issue

Several measures and programmes designed to support the self-employed and SMEs during the COVID-19 pandemic came into effect in March 2020 and were extended several times. These included liquidity support, loan and credit extension and deferring loan payments until 31 December 2020. For example, within the first three weeks of the SME Invest Romania programme, partner banks extended 451 loans totalling LEI 332 million (EUR 67 million) to support businesses address issues related to liquidity, working capital or investments. Another new guarantee scheme supported commercial credit by using regressive factoring tools (recourse), discount credit and guarantee-leasing products. Furthermore, the State supported workers unemployed due to suspended contracts with a financial benefit of at least 75% of the basic salary.

Inclusive entrepreneurship indicators

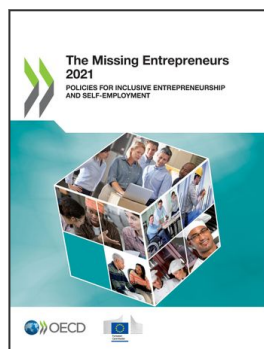
Figure 32.1. Entrepreneurship and self-employment in Romania



Note: Please see Chapter 9 for notes on the figures.

Source: Panel a: (World Bank, 2020^[1]; Global Entrepreneurship Monitor (GEM), 2021^[2]; OECD, forthcoming^[3]); Panels b-c: (Eurostat, 2021^[4]). Please see Chapter 9 for the full citations.

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