

The Dynamics of New Enterprises in Romania in the last decade

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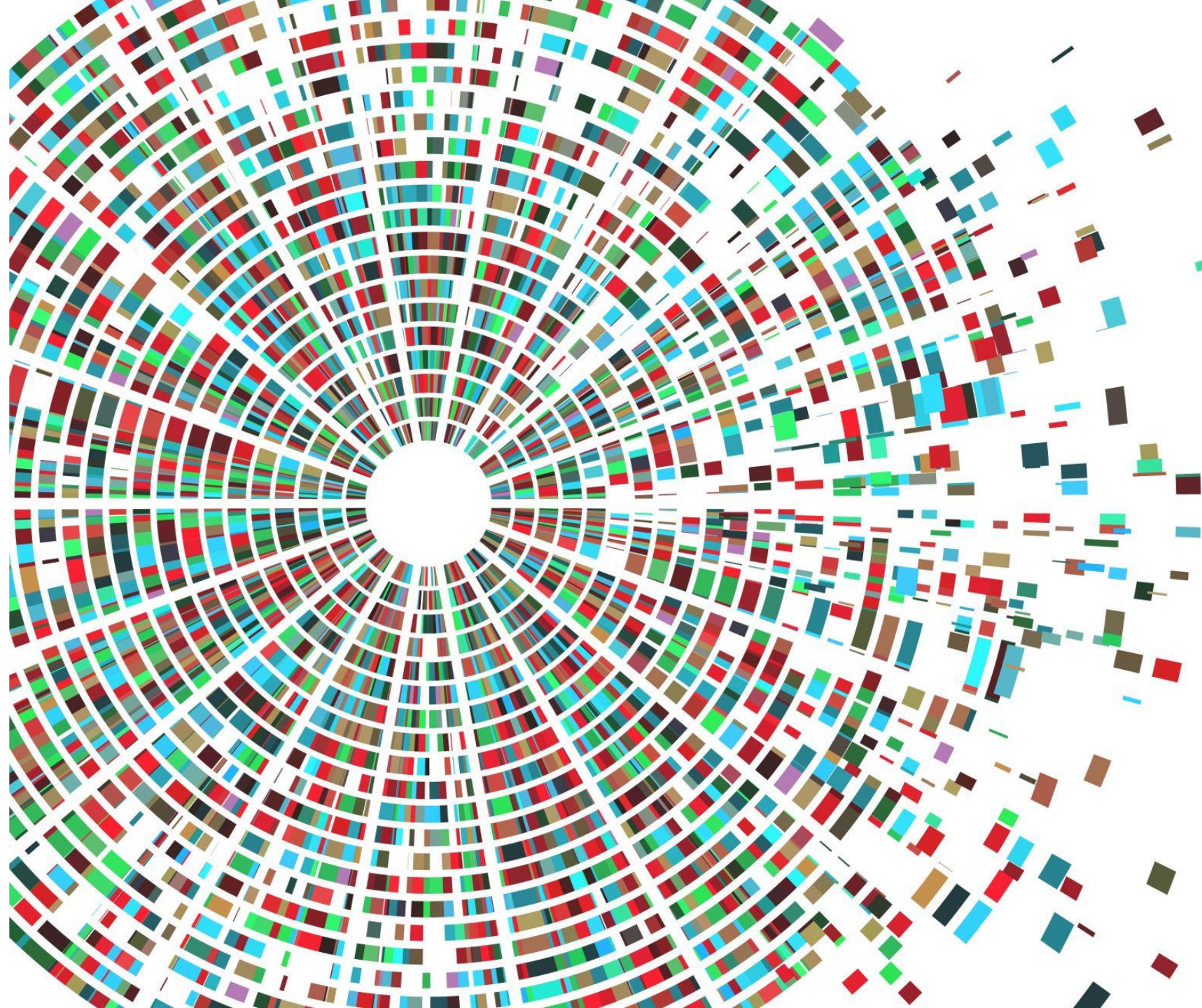
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Introduction

- Supporting entrepreneurship is vital to any dynamic economy.
- Currently, there are many projects that widely promote the start-up of new businesses by reducing constraints.
- Other projects provide assistance, aimed at combating the forces that cause business failure, while others seek to help existing businesses improve their performance and expand.
- Entrepreneurship plays an influential role in the economic growth and standard of living of the Romania country.



Theoretical background

- Entrepreneur plays a vital role in economic development because entrepreneurs serve as the catalysts in the process of industrialization and economic growth. (Shubhanwita, S., 2019)
- The development of new businesses is an opportunity to improve the condition of national economies and the situation of society, and above all to increase the innovativeness of regions. (Joanna Szarek, Jakub Piecuch, 2018)
- Startups may be small companies but they can play a significant role in economic growth. They create more jobs which means more employment, and more employment means an improved economy. Not only that, startups can also contribute to economic dynamism by spurring innovation and injecting competition. New entrepreneurs can bring new ideas to the table, much needed to stimulate innovation and generate competition. (Ahmad, Fahim, 2016)
- Even if entrepreneurship is known for the high risks involved in launching a startup, entrepreneurs remains the prime movers of innovation. (Aakash, Ranjan, 2019)

Methodology

- This article has the main goal to examine the magnitude and the determinants of enterprise births and closures.
- The study we propose will highlight the contribution that new enterprises generate to the process of creating and maintaining jobs in an economy.
- The research will identify which are the contributing factors and also the factors that slow down the increase in the number of jobs, and the degree of employment in certain sectors of economic activity.
- The data collected from the website of The National Institute of Statistics, were analyzed from a statistical perspective.

Rezults

The results highlight that over 70% of new enterprises are in urban areas.

The largest share of companies opened in rural areas, by development regions, is in the South Muntenia Region (44,9%) followed by the North East Region (39,2%).

The rate of creation of new companies is different by region. The lowest rate is in the South West Oltenia Region (2.6%) and the highest in the Bucharest Ilfov Region (7.7%).

Conclusion

Entrepreneurship manifests itself in the economy in a multitude of forms, with very different results that are not only reflected in economic and financial well-being but are correlated with technological progress, job creation and the reduction of social inequities.