



ASPECTS REGARDING THE IMPLICATIONS OF ENTREPRENEURSHIP IN THE DEVELOPMENT OF THE NATIONAL ECONOMY

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Abstract: Entrepreneurship plays a crucial role in the development of the national economy, stimulating innovation, creating jobs and contributing to economic growth. The development of entrepreneurial activity is of major importance in boosting the national economy, offering numerous benefits, from job creation and stimulating innovation to promoting regional development and business internationalization. Government policies to support entrepreneurship can amplify these positive effects, contributing to sustainable economic growth.

• Introduction

Innovation and entrepreneurship undeniably contribute to economic growth, making them a particular area of interest for economists and policymakers worldwide.

Romania is an 'emerging innovator' with the weakest innovation performance in the EU. According to the 2022 European Innovation Scoreboard Romania's innovation performance is just 50% of the emerging innovators' average and the gap between Romania's performance and the EU's is widening.

• Material and method

This paper is intended to be a current radiography of the Romanian SME sector, offering comparisons at European level. In this regard were used official statistics at national level, as well as Eurostat statistics or benchmarks from other international and national analyze.

• Results and discussions

Small and medium sized enterprises are a primary vehicle of innovation across the various EU industrial ecosystems. They are central to strengthen the resilience of European industry.

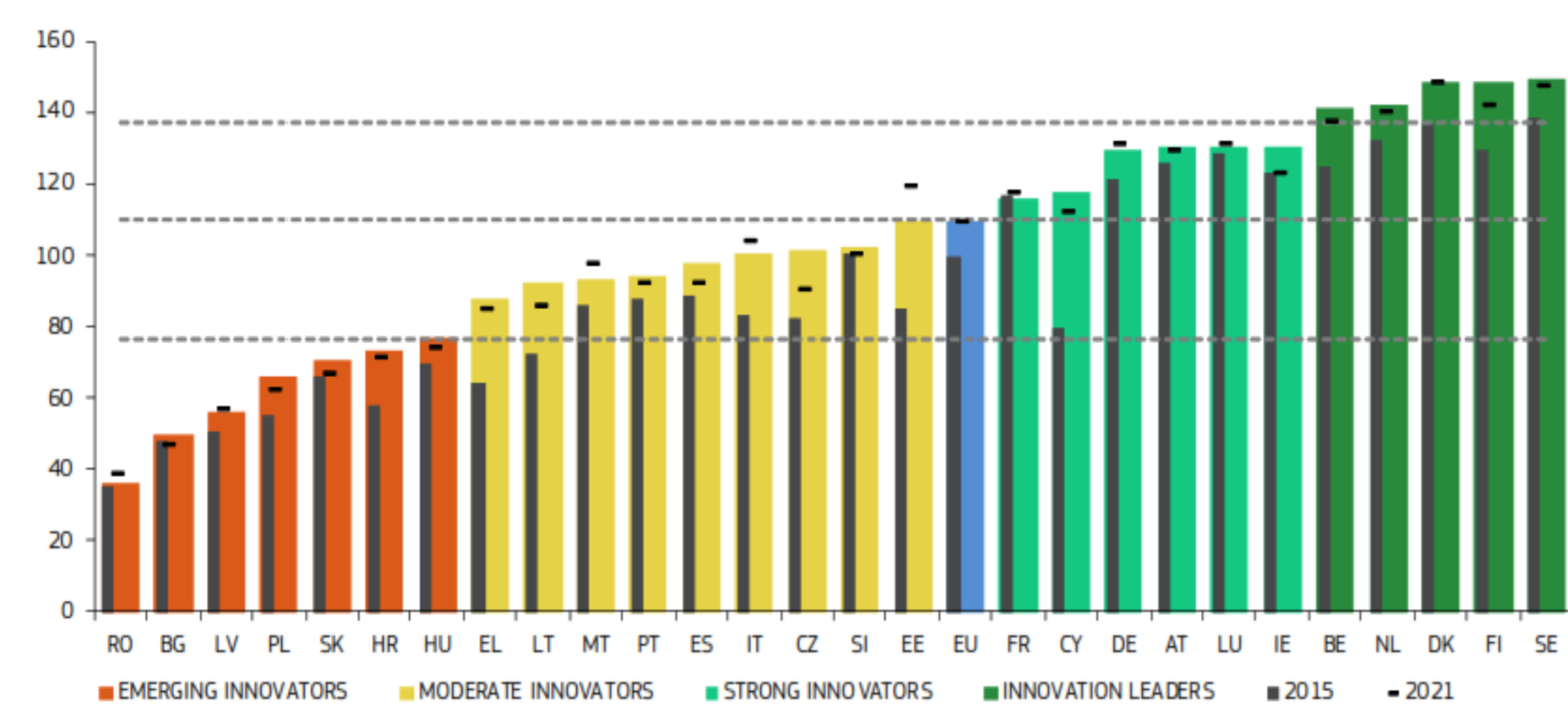


Figure 1. Performance of EU Member States' innovation systems

Figure 1 shows the scores for the Summary Innovation Index for all EU Member States in 2022 or the most recent year, in 2021, and the reference year 2015. Based on the 2022 results, the Member States fall into four performance groups.

Romania, Bulgaria, Croatia, Hungary, Latvia, Poland and Slovakia is including in the fourth group of Emerging Innovators includes seven Member States that show a performance level below 70% of the EU average.

Figure 1 illustrates that performance in 2022, when compared to 2015, has increased for almost all Member States. Compared to 2021, performance in 2022 has improved for 19 Member States and worsened for eight Member States. Section 2.3 discusses the performance changes in more detail. As shown on the map in Figure 2, the performance groups tend to be geographically concentrated, with the Innovation Leaders and most of the Strong Innovators located in Northern and Western Europe, and most of the Moderate and Emerging Innovators in Southern and Eastern Europe.

The productivity growth of the Romanian economy was the highest in the EU over the last 20 years (81). Productivity grew less quickly during the two years of the pandemic but rebounded strongly in 2022 (4.6 %, third best in the EU).

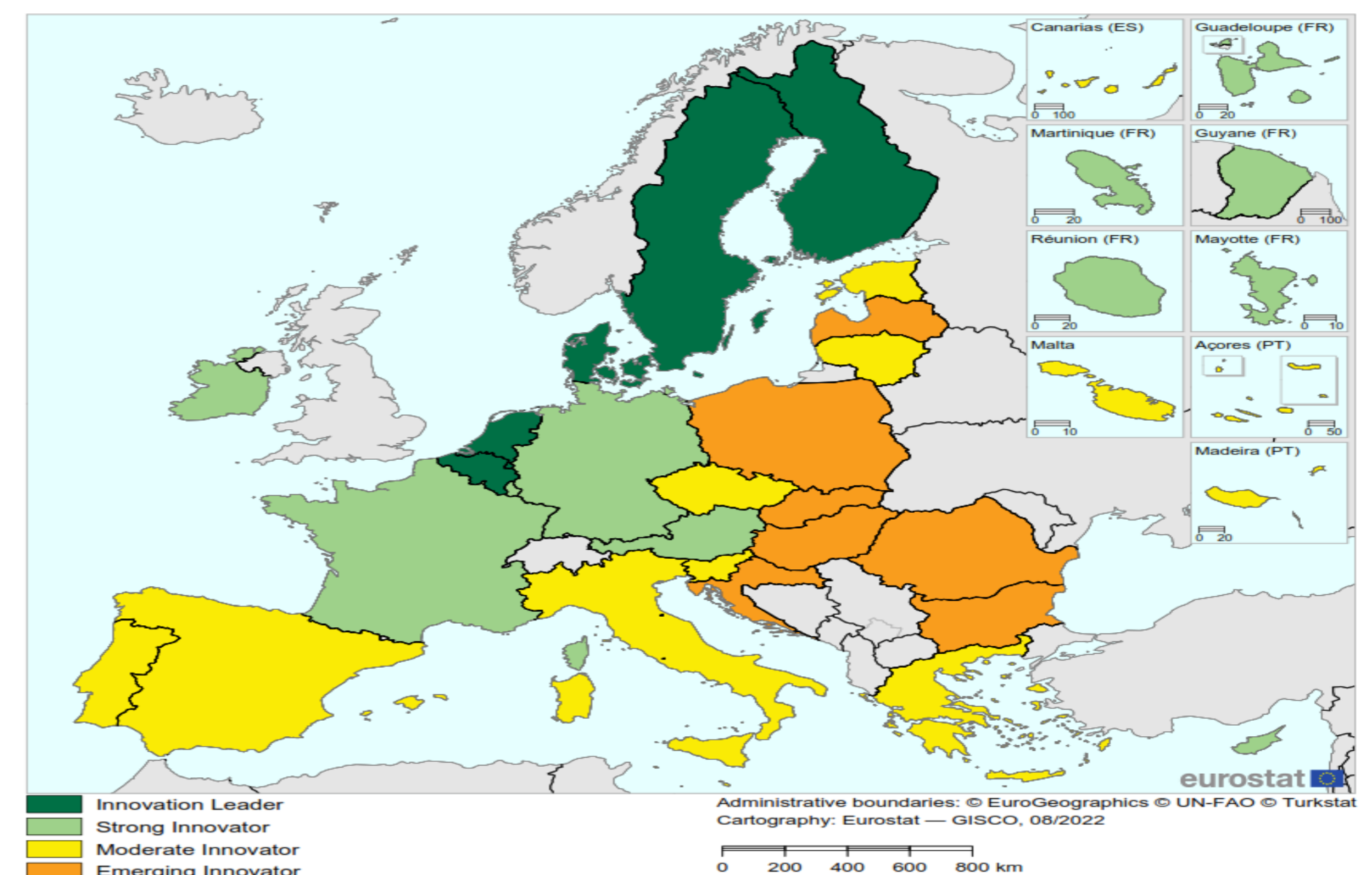


Figure 2. Map of the performance of EU Member States' innovation systems

Business environment and SMEs are key to improving the productivity level of the economy by boosting investment, especially for SMEs. As highlighted above, productivity has improved but it is still well behind the EU average (74 %). Figures for business registration show that the business environment is dynamic.

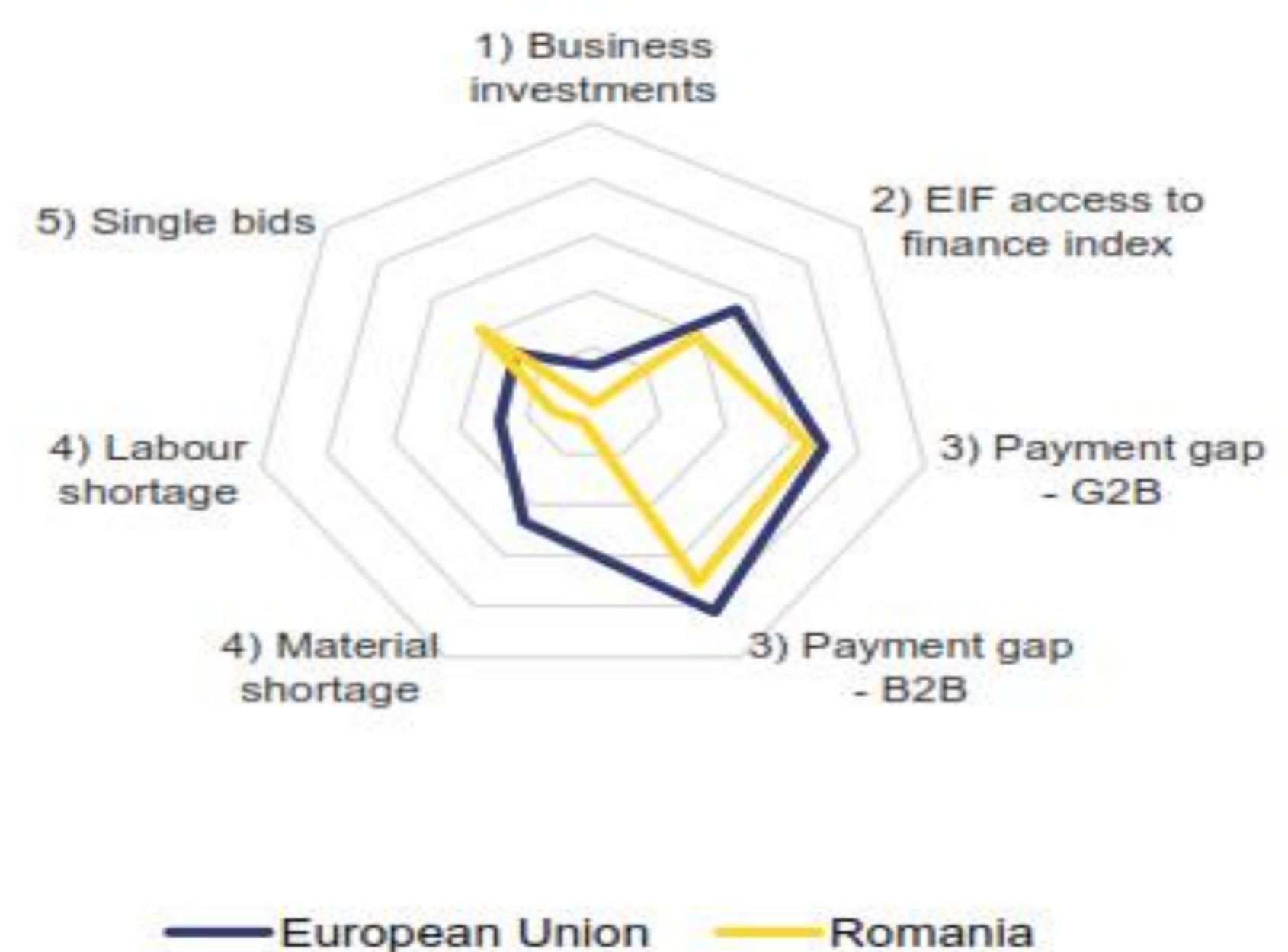


Figure 3. Business environment and productivity drivers

• Conclusions

Romania is an Emerging Innovator with performance at 32.6% of the EU average. Performance is below the average of the Emerging Innovators (50.0%). Performance is just increasing (0.2%-points) at a rate lower than that of the EU (9.9%-points). The country's performance gap to the EU is becoming larger.

In the future additional efforts will be need to create and retrain the population give the demographic trends and the impact of the labour market of the green and digital transitions.