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ENTREPRENEURSHIP IN ROMANIA COUNTRY REPORT 2014

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Executive Summary

The Global Entrepreneurship Monitor (GEM) is the most important and comprehensive international study of entrepreneurship and the entrepreneurial environment. In 2014, more than 206,000 individuals were surveyed across 73 economies and 3936 national experts on entrepreneurship from 73 economies participated in the survey. The GEM study in 2014 covers 72.4% of the world's population and 90% of the world's GDP. In Romania the study is conducted by the team of Babeş-Bolyai University of Cluj-Napoca, Faculty of Economics and Business Administration. A total of 2,001 adults were interviewed in the Adult Population Survey (APS) for this study in 2014. In order to assess the national conditions influencing entrepreneurial activity 36 national experts completed a questionnaire on factors related to entrepreneurial environment.

The early-stage entrepreneurial activity rate in Romania in 2014 is 11.35% of the adult working age population. This rate is slightly higher than it was in 2013 (10.1%), it is higher than the rate registered in Croatia, Hungary and Poland and it is similar to the rate measured in Lithuania. The share of nascent entrepreneurs decreased to 5.33% in 2014 from 7.94% in 2013. This rate is similar to Croatia, Hungary, Lithuania, and Poland. The share of young business entrepreneurs increased to 6.17% in 2014, from 4.20% in 2013, which value is the highest among the efficiency-driven economies from the European Union.

The opportunity-driven early-stage activity rate increased to 7.96% in 2014 in comparison to the rate measured in 2013 (6.8%). This value is higher than it is in Croatia, Hungary and Poland, but lower than the one measured in Lithuania (9.01%). The necessity-driven early-stage entrepreneurship rate is 3.28%, similar to the rate registered in 2013. The ratio of opportunity motivated and necessity motivated early-stage entrepreneurs increased compared to 2011 (from 1.39 in 2011 to 2.43 in 2014).

In Romania early-stage entrepreneurial activity appears to be more oriented towards transforming sector (31.31%), followed by the extractive sector (26.89%). Only 15.57% of the early-stage entrepreneurs use very latest technology, 25.82% new technology. The most of the early-stage entrepreneurs (62.0%) offer 1-5 jobs.

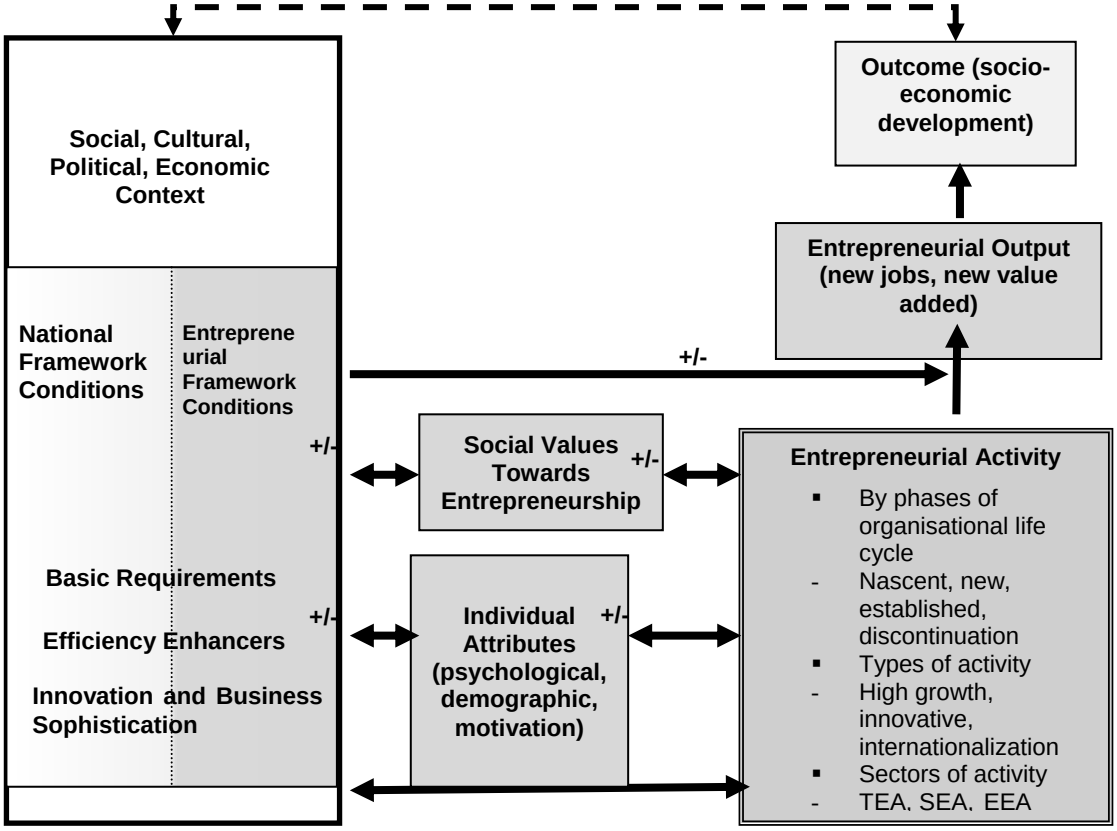
The entrepreneurial framework conditions present the less proper conditions in government policies, entrepreneurial education in primary and secondary school, and entrepreneurial finances. The best rated conditions are the internal market dynamics and professional and commercial infrastructure. National experts were also asked about the most important constraints and supports for fostering entrepreneurship in their country in their view. We can observe that government policies is a constraint in each analyzed EU efficiency-driven country, followed by financial support and education and training framework conditions. Although the financial support framework condition is placed second in case of each analyzed country, in Romania in view of national experts this is a much pressing problem. The most important institutional

success in view of national experts in is the financial support framework condition in Croatia, Hungary and Lithuania, government programs in Poland, and economic climate in Romania. They also provided some recommendations for fostering entrepreneurship. The most frequent recommendation in case of each analyzed country is the support of government policies to entrepreneurship. In Romania the second most frequent recommendation is the financial support for entrepreneurship, followed by the improvement of the entrepreneurial education and training, which takes the second place in case of Croatia, Hungary and Poland, and first in case of Lithuania.

1 Theoretical aspects of GEM research

The main aim of Global Entrepreneurship Monitor (GEM) research project is to explore and assess the role of entrepreneurship in economic growth, enhancing the national characteristics of the entrepreneurial activity (Bosma et al., 2012, p. 9). GEM defines entrepreneurship as any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business (Reynolds et al., 1999, p. 3). During the last 16 years, its conceptual framework and basic definitions evolved gradually, but bringing more clarity into assumed relationships. The major revision of this GEM conceptual framework was to open the "black box" called Entrepreneurship Profile. Since the GEM survey's early beginnings, the implicit assumption of mutual relationships among attitudes, aspirations and activities was in-built in the conceptual framework, without spelling out the nature of these relationships.

Figure 1 GEM conceptual framework



Source: Singer et al., 2015, p. 20

In the revised GEM conceptual framework (Figure 1), this "black box" has been opened in order to test the characteristics of the assumed relationships between social values, personal attributes and various forms of entrepreneurial activity (Singer et al., 2015, p. 17).

GEM continues to focus on contributing to global economic development through surveying entrepreneurship initiatives that are helping to improve research-based education and research-based design of public policies in the field of entrepreneurship. For this purpose it follows three objectives:

- Determine the extent to which entrepreneurial activity influences economic growth within individual economies.
- Identify factors which encourage or hinder entrepreneurial activity, especially the relationships between the National Entrepreneurship Conditions, social values, personal attributes and entrepreneurial activity.
- Identify policy implications for enhancing entrepreneurial capacity in an economy (Singer et al., 2015, p. 21).

The following are the components of the revised GEM conceptual framework (Singer et al., 2015, p. 21):

- **Social, cultural, political and economic context:** defined by using the World Economic Forum's twelve pillars for profiling economic development phases when surveying competitiveness[1] and nine components of the GEM National Entrepreneurial Conditions (for more details see section 5). The levels of economic development are determined by the dominant presence of the identified group of pillars.
- **Social Values towards Entrepreneurship:** including how society values entrepreneurship as a good career choice; if entrepreneurs have a high social status; and how media attention to entrepreneurship is contributing (or not) to the development of a national entrepreneurial culture.
- **Individual Attributes:** including several demographic factors (gender, age, geographic location), psychological factors (perceived capabilities, perceived opportunities, fear of failure) and motivational aspects (necessity-based versus opportunity-based venturing, improvement-driven venturing, etc.).
- **Entrepreneurial Activity:** defined according to the ventures' life cycle phases (nascent, new venture, established venture, discontinuation), the types of activity (high growth, innovation, internationalization) and the sector of the activity (Total Early-stage Entrepreneurial Activity—TEA, Social Entrepreneurial Activity—SEA, Employee Entrepreneurial Activity—EEA).

The rising number of participating countries and consistent conceptual framework, surveying tools and applied methodology contribute to build the biggest database on entrepreneurship in the world. The GEM survey generates a variety of relevant primary information on different aspects of entrepreneurship and provides harmonized measures about individuals' attributes and their activities in different phases of venturing (from nascent to start-up, established business and discontinuation). GEM also tracks highly ambitious entrepreneurship (by identifying aspirations to grow among owner-managed businesses and the presence of entrepreneurial employee activity). All harmonized measures can be enriched with information

[1] The 12 pillars of competitiveness: institutions, infrastructure, macroeconomic environment (these pillars are keys for factor-driven economies), health and primary education, higher education and training, goods market efficiency, labor market efficiency, financial market development, technological readiness, market size (keys for efficiency-driven economies), business sophistication, innovation (keys for innovation-driven economies). For more details see Schwab (2012, pp. 4-8).

on inclusiveness, using as lenses age, gender and income. The GEM survey also provides insights on the perception of whether the entrepreneurship ecosystem's components support or hinder entrepreneurial activity in the economy (Singer et al., 2015, p. 11).

In 2014, more than 206,000 individuals were surveyed across 73 economies and 3936 national experts on entrepreneurship participated in the survey. Using the United Nations classification for regions, and the World Economic Forum Global Competitiveness Index Report's classification for economic development levels, GEM participant economies represent 72.4% of the world's population and 90% of the world's GDP, enables GEM to feature different profiles of entrepreneurship according to regions and the economic development stage.

Since 2008, GEM followed the World Economic Forum's typology of countries based on Porter's (Porter et al., 2002) definitions of economic development levels: factor-driven, efficiency-driven and innovation-driven economies (Schwab, 2012, pp. 8-9):

- The **factor-driven economies** compete based on their factor endowments—primarily low-skilled labor and natural resources. Companies compete on the basis of price and sell basic products or commodities, with their low productivity reflected in low wages. Maintaining competitiveness at this stage of development hinges primarily on well-functioning public and private institutions (pillar 1), a well-developed infrastructure (pillar 2), a stable macroeconomic environment (pillar 3), and a healthy workforce that has received at least a basic education (pillar 4).
- As a country becomes more competitive, productivity will increase and wages will rise with advancing development. Countries will then move into the **efficiency-driven** stage of development, when they must begin to develop more efficient production processes and increase product quality because wages have risen and they cannot increase prices. At this point, competitiveness is increasingly driven by higher education and training (pillar 5), efficient goods markets (pillar 6), well-functioning labor markets (pillar 7), developed financial markets (pillar 8), the ability to harness the benefits of existing technologies (pillar 9), and a large domestic or foreign market (pillar 10).
- As countries move into the **innovation-driven** stage, wages will have risen by so much that they are able to sustain those higher wages and the associated standard of living only if their businesses are able to compete with new and/or unique products, services, models, and processes. At this stage, companies must compete by producing new and different goods through new technologies (pillar 12) and/or the most sophisticated production processes or business models (pillar 11).

According to the geographic region and economic development level, participating economies in the 2014 GEM survey are presented in 0.

Table 1 GEM economies by geographic region and economic development level, 2014

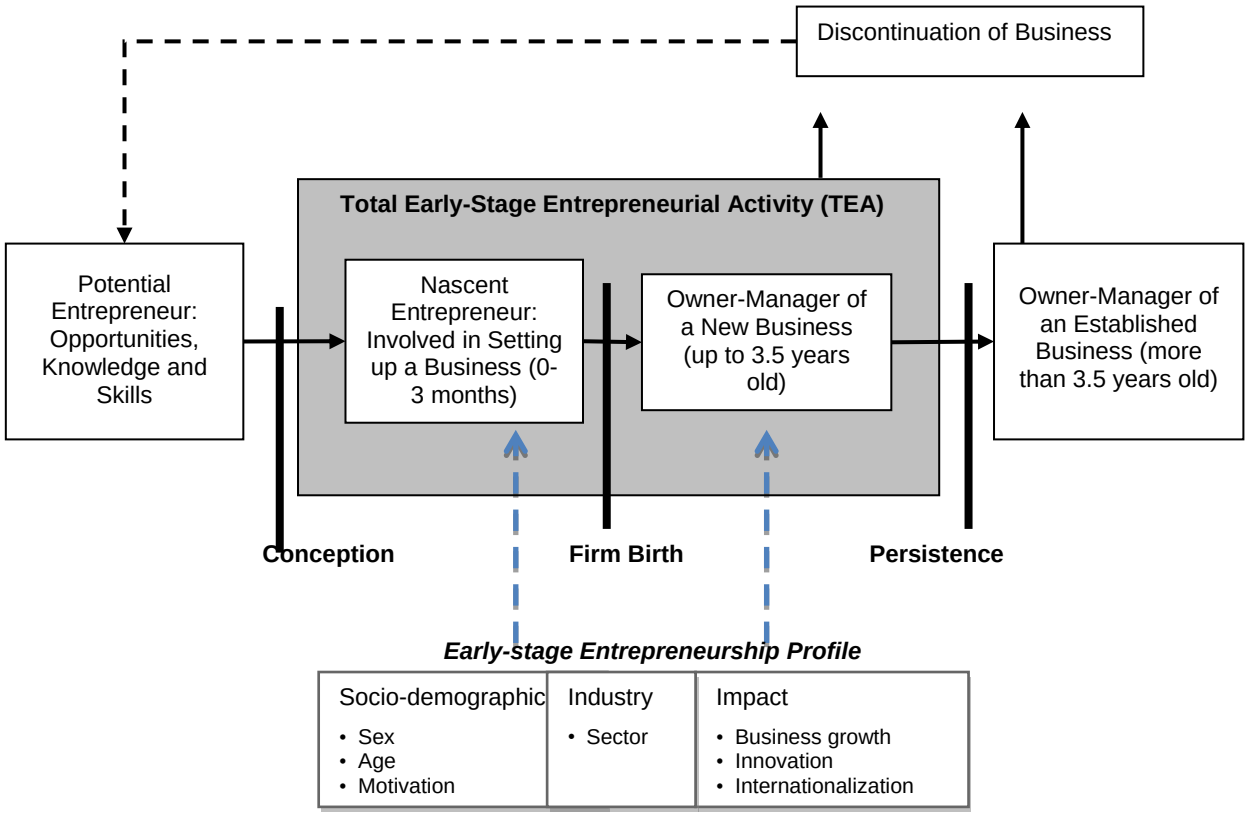
	Factor-driven Economies	Efficiency-driven Economies	Innovation-driven Economies
Africa	Angola[1], Botswana[1], Burkina Faso, Cameroon, Uganda	South Africa	
Asia & Oceania	India, Iran[1], Kuwait[1], Philippines[1], Vietnam	China, Indonesia, Kazakhstan[2], Malaysia[2], Thailand	Australia, Japan, Singapore, Taiwan, Qatar
Latin America & Caribbean	Bolivia[1]	Argentina[2], Barbados[2], Belize, Brazil[2], Chile[2], Colombia, Costa Rica[2], Ecuador, El Salvador, Guatemala, Jamaica, Mexico[2],Panama[2], Peru, Suriname[2], Uruguay[2]	Puerto Rico, Trinidad and Tobago
European Union		Croatia[2], Hungary[2], Lithuania[2], Poland[2], Romania	Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Netherlands, Portugal, Slovenia, Slovakia, Spain, Sweden, United Kingdom
Non-European Union		Bosnia and Herzegovina, Georgia, Kosovo, Russian Federation[2], Turkey[2]	Norway, Switzerland
North America			Canada, United States

1) In transition to efficiency-driven economies
2) In transition to innovation-driven economies

Source: Singer et al., 2015, p. 11

The GEM project views entrepreneurship as a process comprising different phases, from intending to start, to just starting, to running new or established enterprises, and even discontinuing a business (Xavier et al., 2013, p. 13). **Potential entrepreneurs** are identified as those individuals, who manifest entrepreneurial attitudes as potential prerequisites of the entrepreneurial. These individuals believe they possess the capabilities to start a new business, they see opportunities for entrepreneurship, and would not be dissuaded from doing so by fear of failure (Amorós and Bosma, 2014, p. 19). For some potential entrepreneurs, their intentions to start businesses are underpinned by the perceptions society holds of entrepreneurs, the status these individuals enjoy in their society, and whether the media positively represents entrepreneurs (Xavier et al., 2013, p. 13). The next phase is the **nascent entrepreneurial activity**, with individuals starting a new business less than 3 months old. **New business owners** are defined as those former nascent entrepreneurs who have been in business for more than three months, but less than three and a half years (42 months). Taken together these two phases are denoted as **total early-stage entrepreneurial activity** (TEA). The **established businesses** are those former new businesses which have been active for more than 42 months. The multiphase process deals also with the **discontinuation** of the entrepreneurial activity (Amorós and Bosma, 2014, p. 19). 00summarizes the entrepreneurship process and the operational definitions of GEM.

Figure 2 The entrepreneurship process and GEM operational definitions



Source: Singer et al., 2015, p. 23

The data used in the analyses is gathered annually and is derived from two major sources: Adult Population Survey (APS) and National Experts Survey (NES). The Adult Population Survey is a survey of random representative sample of at least 2000 adults, aged between 18-64 years, using a standardized questionnaire developed by the GEM consortium. In 2014 in Romania 2001 of APS questionnaires were applied via phone according to GEM methodology standards to randomly chosen adult individuals in a nationally representative sample, stratified by age, geographical region and status of the locality they live in.

The National Experts Survey provides insights into the entrepreneurial startup environment in each economy with regard to the nine entrepreneurial framework conditions (Amorós and Bosma, 2014, p. 45):

- Financing: the availability of financial resources, equity, and debt, for new and growing firms, including grants and subsidies.
- Governmental policies: the extent to which government policies, such as taxes or regulations are either size- neutral or encourage new and growing firms.
- Governmental programs: the extent to which taxes or regulations are either size-neutral or encourage new and growing firms.
- Education and training: the extent to which training in creating/ managing new, small or growing business entities is incorporated within the education and training system at all levels. There are

two sub-divisions – primary and secondary school entrepreneurship education and training; and post-school entrepreneurship education and training.

- Research and development transfer: the extent to which national research and development will lead to new commercial opportunities, and whether or not these are available for new, small and growing firms.
- Commercial and legal infrastructure: the presence of commercial, accounting and other legal services and institutions that allow or promote the emergence of small, new and growing business entities.
- Entry regulations: there are two sub-divisions – market dynamics, i.e. the extent to which markets change dramatically from year to year; and market openness, i.e. the extent to which new firms are free to enter existing markets
- Physical infrastructure: ease of access to available physical resources – communication, utilities, transportation, land or space – at a price that does not discriminate against new, small or growing firms.
- Cultural and social norms: the extent to which existing social and cultural norms encourage, or do not discourage, individual actions that might lead to new ways of conducting business or economic activities which might, in turn, lead to greater dispersion in personal wealth and income.

The NES sample comprises a minimum of 36 respondents with four experts drawn from each of the entrepreneurial framework categories. A minimum of 25% in the sample must be entrepreneur or business owner, and 50% must be professional.

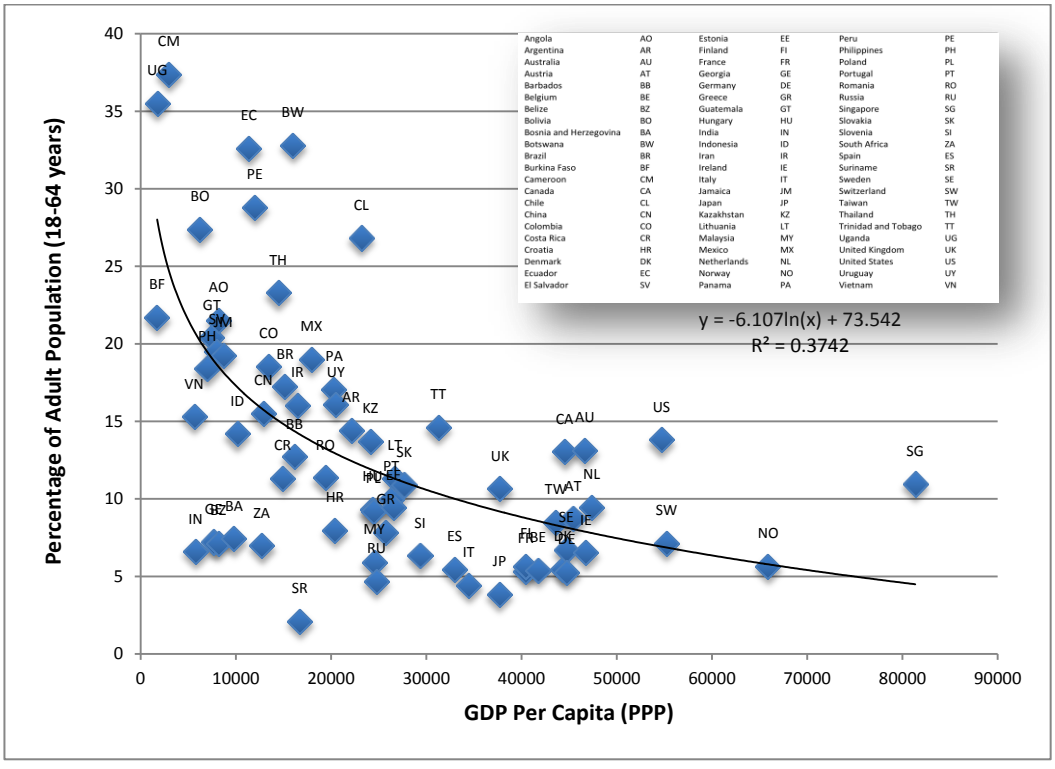
According to these, GEM uses a group of terms in assessing the entrepreneurial activity of the adult population (Appendix 1). Entrepreneurial activity is seen as a process and GEM measures nascent, new and established business activity and business discontinuation activity, according to the entrepreneurship phases following the initial intentions, defined as follows (Appendix 1).

2 Entrepreneurial activities

2.1 Entrepreneurial activities in international view

GEM surveys confirmed that the level of entrepreneurial activity varies among countries at a fairly constant rate, thus additionally confirming that it requires time and consistency in policy interventions in order to build factors that contribute to entrepreneurial activity. Surveys also confirmed that entrepreneurial activity, in different forms (nascent, start-up, intrapreneurship), is positively correlated with the economic growth, but that this relationship differs along phases of economic development (Ács and Szerb, 2007; Wennekers et al., 2010). Figure 3 shows TEA rates and the GDP per capita in the 73 GEM participating economies in 2014. We can see that in economies with low GDP per capita TEA rates tend to be high with a relatively high proportion of necessity-driven entrepreneurship. As per capita income increases, larger established firms play an increasingly important role in the economy (which provides an option for stable employment for a growing number of people, serving as a viable alternative to start a business) (Xavier et al., 2013, p. 26).

Figure 3 Total early-stage entrepreneurial activity rate and GDP per capita in GEM countries, 2014



Source: Singer et al., 2015, p. 53

According to the GEM definition, entrepreneurship is seen as a continuous process that includes nascent entrepreneurs, young business entrepreneurs, and established entrepreneurs. Appendix 2 shows the most important entrepreneurial activity rates by region in GEM participating countries in 2014. The highest rates are reached in the factor-driven economies, while the lowest entrepreneurial activity rates in the innovation-driven economies. The highest entrepreneurial activity rates are measured in Africa, followed by Latin America and Caribbean region, while the lowest rates can be found in Europe. The share of those early-stage entrepreneurs who were motivated by necessity is highest in the factor-driven economies, while the share of those who were engaged in entrepreneurial activity motivated by improvement-driven opportunity is highest in the innovation-driven economies (see Appendix 3).

Table 2 shows the entrepreneurial activity rates in the efficiency-driven EU countries in 2014. The rate of those individuals who intend to start a business in the next three years and the rate of young business entrepreneurs are the highest in Romania. The total early-stage entrepreneurial activity rate reaches the highest value in Romania and in Lithuania. In these two countries the rate of opportunity-driven early-stage entrepreneurs is also the highest. The share of established business owners is the lowest in Croatia, while in the other four countries the level of this rate is almost similar. We can observe that in Romania the entrepreneurial employee activity is spread much more than in the other analyzed countries.

Table 2 Entrepreneurial activity rates in efficiency-driven EU countries, 2014 (% of population aged between 18-64 years)

Entrepreneurial activity rates	Romania	Croatia	Hungary	Lithuania	Poland
Intentional entrepreneurs	32.67	22.87	15.98	22.27	19.41
Nascent entrepreneurs	5.33	5.95	5.56	6.07	5.77
Young business entrepreneurs	6.17	2.02	3.87	5.34	3.58
Early-stage entrepreneurs (TEA)	11.35	7.97	9.33	11.32	9.21
Necessity-driven early-stage entrepreneurs	3.28	3.71	3.10	2.22	3.39
Opportunity-driven early-stage entrepreneurs	7.96	4.09	6.04	9.01	5.45
Established business owners (EB)	7.60	3.61	7.95	7.84	7.30
Entrepreneurial employees[2]	4.05	2.98	1.83	3.35	2.26
Discontinuation rate (business did not continue)	2.48	2.61	2.69	1.86	2.88

Source: GEM, Adult Population Survey, 2014

The evolution of the entrepreneurial activity rates between 2011-2014 period can be found in 0. Almost in case of each entrepreneurial activity rate the highest values are measured in 2014, which could be the result of the improving macroeconomic climate. The relative prevalence of opportunity-motivated versus necessity-motivated early-stage entrepreneurial activity increased considerably in the analyzed period, which means that the number of individuals who are pulled into entrepreneurship is increasing, they may desire greater independence in their work or seek to maintain or improve their income.

[2] Employee who is actively involved in and has a leading role in at least one of the following phases: idea development for a new activity or preparation and implementation of a new activity (base: adult population).

Table 3 Entrepreneurial activity rates in Romania, 2011-2014 (%)

Entrepreneurial activity rates	2011	2012	2013	2014
Potential entrepreneurs[3]	7.70	6.20	6.10	10.09
Intentional entrepreneurs	27.71	30.76	26.84	32.67
Nascent entrepreneurs	5.56	5.51	6.20	5.33
Young business entrepreneurs	4.51	3.81	4.20	6.17
Early-stage entrepreneurs (TEA)	9.89	9.21	10.12	11.35
Necessity-driven early-stage entrepreneurs	4.09	2.23	3.20	3.28
Opportunity-driven early-stage entrepreneurs	5.68	6.92	6.83	7.96
Established business owners (EB)	4.57	3.87	5.40	4.05
Discontinuation rate (business did not continue)	3.90	3.76	3.41	2.48

Source: GEM, Adult Population Survey Romania, 2011-2014

Discontinuance may be considered along with TEA and established businesses as a component of entrepreneurial dynamism in an economy. The share of individuals who have discontinued a business in the last twelve months decreased considerably from 2011 to 2014, which can be another sign of the improving macroeconomic climate in Romania. Financial difficulties (unprofitable businesses and problems getting finance) were mentioned most often as the reason for discontinuing a business in 2014.

2.2 Profile of the Romanian entrepreneur

Women's involvement in early-stage entrepreneurship varies greatly across the globe. These differences reflect distinction in culture and customs regarding women's participation in the economy. Individual results by economy, including the proportion of necessity-driven and opportunity-driven entrepreneurs by gender can be found in Appendix 4. In case of Uganda, Indonesia and Philippines the proportion of women entrepreneurs is higher than man entrepreneurs. The involvement of women entrepreneurs is the lowest in Europe. If we analyze the opportunity and necessity motives, we can conclude that men are more likely opportunity-motivated, while women have higher necessity motives.

A society can benefit from entrepreneurs of all ages, although this activity is most prevalent among those 25-34 and 35-44 year olds (as it can be seen in Appendix 5). Some differences between economies should be noted, the highest share of the younger age category (18-24 year olds) involved in early-stage entrepreneurial activity can be observed in Uganda, while among European countries in Slovakia and in Romania.

The distribution of entrepreneurs in Romania by gender, age, education and household income can be seen in Table 4 . The share of male entrepreneurs is higher in all entrepreneurial categories, but the distribution by gender is more balanced in case of intentional entrepreneurs, while the highest gap can be observed in case of nascent entrepreneurs. The share of those who are aged between 25-44 years old is 58.14% in case of early-stage entrepreneurs, 46.44% of established business owners are older than 45 years. The distribution by educational level shows that more than 50% of the early-stage entrepreneurs

[3] Potential entrepreneurs are those individuals who manifest entrepreneurial attitudes as potential prerequisites of the entrepreneurial. These individuals believe that they possess the capability to start a business, see new business opportunities and would not be dissuaded from doing so from fear of failing.

and established business owner-managers have at least post-secondary degree. The distribution of early-stage entrepreneurs and established business owner-managers by household income shows that more than half of them are situated in the upper 33% tile.

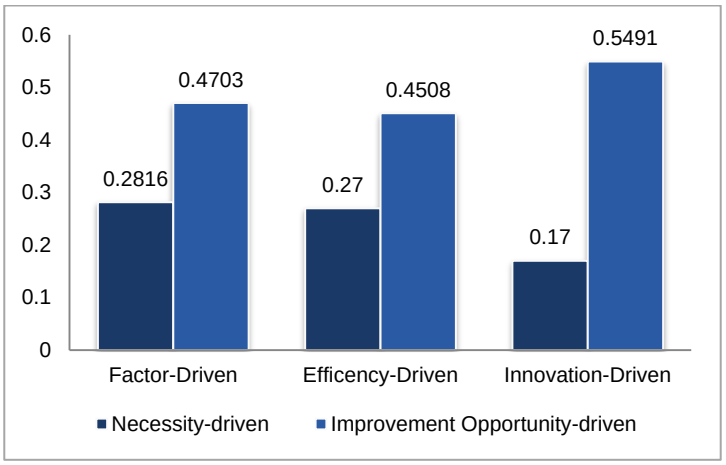
Table 4 Distribution of entrepreneurs by gender, age, education and household income in Romania, 2014 (%)

Variable		Potential	Intentional	Nascent	Young	TEA	EB
Gender	Male	68.67	54.59	72.65	67.89	70.59	66.37
	Female	31.33	45.41	27.35	32.11	29.41	33.63
Age category	18-24	18.16	22.84	18.54	19.87	19.08	4.78
	25-34	30.61	25.79	29.02	29.14	29.03	21.94
	35-44	28.25	24.75	30.68	29.00	29.71	26.84
	45-54	12.00	15.46	10.16	13.79	12.27	26.30
	55-64	10.99	11.16	11.61	8.20	9.91	20.14
Educational level	Some secondary degree	6.07	10.67	4.88	5.50	5.28	4.00
	Secondary degree	44.34	51.47	38.80	34.34	36.95	39.07
	Post-secondary degree	33.04	29.61	36.35	37.78	37.16	42.59
	Graduate experience	16.55	8.25	19.97	22.38	20.61	14.33
Household income	Lowest 33% tile	39.07	21.07	23.89	11.50	17.61	12.05
	Middle 33% tile	29.34	30.87	29.05	33.71	31.83	33.83
	Upper 33% tile	31.59	48.06	47.06	54.80	50.56	54.12

Source: GEM, Adult Population Survey, Romania, 2014

Motivations to start a business differ across the globe. A necessity-driven entrepreneur is one who indicates that she/he started the business because there were no better options for work, rather than because she/he saw the start-up as an opportunity. Improvement opportunity-driven entrepreneurs are defined as those opportunity-driven entrepreneurs who sought to either earn more money or be more independent, as opposed to maintain income. 0shows that the proportion of improvement opportunity-driven early-stage entrepreneurs is the highest in innovation-driven economies, while in case of factor-driven economies this value is slightly greater than the one measured in case of efficiency-driven economies. Between the efficiency-driven economies from the European Union the proportion of the necessity-motivated early-stage entrepreneurs is the highest in Croatia (46.57%), followed by Poland (36.75%). In Romania (49.75%) and in Poland (47.11%) can be found the highest rates of improvement-driven opportunity-motivated early-stage entrepreneurs.

Figure 4 Early-stage entrepreneurial motivation by economic development, 2014



Source: Singer et al., 2015, p. 42

In Romania more than half of young business owner-managers and early-stage entrepreneurs are improvement-driven opportunity motivated (Table 5). The non-opportunity motive (necessity or maintain income) is the most frequent in case of established business owner-managers.

Table 5 Distribution of entrepreneurs by motivation in Romania, 2014 (%)

	Nascent	Young	TEA	EB
Opportunity motive: increase income	28.83	36.01	32.63	25.80
Opportunity motive: independence	20.21	15.99	17.79	18.60
Mixed motive: combination of necessity and opportunity	16.62	15.97	16.50	13.46
Non-opportunity motive: necessity or maintain income	34.34	32.03	33.09	42.14

Source: GEM, Adult Population Survey, Romania, 2014

2.3 Characteristics of the Romanian entrepreneurial activity

In this subsection we will analyze the distribution of early-stage entrepreneurs and established business-owner managers by the main industry sectors, by the level of technology they use, and by the number of current employees first in the efficiency-driven EU countries, second in Romania.

Table 6 Table 6 shows the distribution of early-stage entrepreneurial activity by four main industry sectors in 2014. In Romania and in Poland the transforming businesses (manufacturing and construction) are more prevalent, while in Croatia, Hungary and Lithuania early-stage entrepreneurial activity appears to be more oriented towards consumer-oriented services (these businesses tend to have relatively low resource needs and are often local in nature). In case of all analyzed countries entrepreneurs operate with the lowest share in the extractive sector (farming, forestry, fishing, and mining), except for Romania.

Table 6 Distribution of early-stage entrepreneurs by industry sector in efficiency-driven economies from the European Union, 2014 (%)

	Romania	Croatia	Hungary	Lithuania	Poland
Extractive	26.89	10.05	15.16	9.71	1.89
Transforming	31.31	23.17	27.47	28.83	41.93
Business services	21.11	30.64	22.15	16.81	24.36
Consumer oriented services	20.69	36.14	35.22	44.66	31.81

Source: GEM, Adult Population Survey, 2014

In case of each efficiency-driven EU countries in 2014 established business owner-managers operate mostly in the transforming sector. In Hungary the business services and the consumer oriented services are equally common (as it can be seen in Table 7).

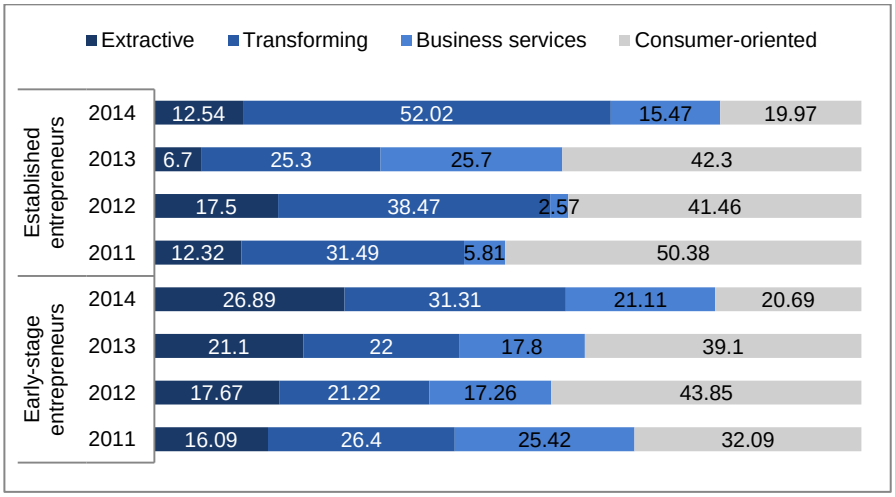
Table 7 Distribution of established business owner-managers by industry in efficiency-driven from the European Union, 2014 (%)

	Romania	Croatia	Hungary	Lithuania	Poland
Extractive	12.54	24.37	9.18	20.41	6.93
Transforming	52.02	32.55	34.01	38.69	41.04
Business services	15.47	23.12	28.75	11.79	21.98
Consumer oriented services	19.97	19.96	28.06	29.10	30.05

Source: GEM, Adult Population Survey, 2014

Figure 5 shows the distribution of entrepreneurs by industry sector in Romania between 2011 and 2014. In case of both types of entrepreneurs (early-stage entrepreneurs and established business owner-managers) in 2014 the transforming sector gains a significant share at the expense of the consumer-oriented sector, which sector had the highest prevalence rate between 2011 and 2013.

Figure 5 Distribution of entrepreneurs by industry in Romania, 2011-2014 (%)



Source: GEM, Adult Population Survey, Romania, 2011-2014

Comparing the technology level of early-stage entrepreneurs with the technology level of established entrepreneurs (Table 8), we can conclude that early-stage entrepreneurs use very latest technology more often than established entrepreneurs in the analyzed efficiency-driven EU countries in 2014. Among these countries we can find in Croatia and in Romania the highest share of early-stage entrepreneurs using very latest technology (16.75%, respectively 15.57%), while in case of those early-stage entrepreneurs who do not use new technology the highest share is reached in Hungary (80.66%). In Lithuania and in Romania the percentage of those established entrepreneurs who use technology that is available no longer than five years is the highest (23.71%, respectively 19.82%), while in Hungary is measured the highest rate of those who use technology that is available more than five years (92.11%).

Table 8 Technology level within early-stage entrepreneurs and established business owners in efficiency-driven economies from the European Union, 2014 (%)

	Romania	Croatia	Hungary	Lithuania	Poland
TEA					
Very latest technology (newer than one year)	15.57	16.75	9.37	12.98	7.07
New technology (one to 5 years)	25.82	23.80	9.96	23.09	22.14
No new technology (more than 5 years)	58.60	59.45	80.66	63.93	70.79
EB					
Very latest technology (newer than one year)	4.27	4.41	2.01	4.00	0.36
New technology (one to 5 years)	15.55	9.97	5.88	19.71	11.98
No new technology (more than 5 years)	80.19	85.62	92.11	76.29	87.66

Source: GEM, Adult Population Survey, 2014

Analyzing the novelty of the technology used by the entrepreneurs (both early-stage and established business owner-managers) in Romania in 2011-2014 time period we can conclude that the share of those entrepreneurs who use very latest or new technology slightly decreased.

Table 9 Technology level within early-stage entrepreneurs and established business owners in Romania, 2011-2014 (%)

		Uses very latest technology (only available since last year)	Uses new technology (1 to 5 years)	Uses no new technology
Early-stage entrepreneurs	2011	17.55	30.74	51.71
	2012	16.32	30.43	53.25
	2013	16.71	30.13	53.16
	2014	15.57	25.82	58.60
Established entrepreneurs	2011	3.75	33.91	62.34
	2012	11.15	26.36	62.48
	2013	3.17	20.12	76.71
	2014	4.27	15.55	80.19

Source: GEM, Adult Population Survey, Romania, 2011-2014

In Romania the most of the early-stage and established entrepreneurs offer 0-5 jobs. According to Table 10 , we can observe that in case of established entrepreneurs the share of those who offer high number of jobs (20+) increased slightly, while the early-stage entrepreneurs tend to be offer less jobs.

Table 10 Current number of jobs offered by early-stage entrepreneurs and established business owners in Romania, 2011-2014 (%)

		2011	2012	2013	2014
TEA	No jobs	8.9	14.3	13.4	24.98
	1-5 jobs	62.0	69.0	61.9	54.99
	6-19 jobs	19.3	7.8	13.0	14.58
	20+ jobs	9.8	8.9	11.8	5.45
EB	No jobs	16.7	17.3	13.8	18.02
	1-5 jobs	50.1	57.3	59.1	50.10
	6-19 jobs	21.8	17.1	19.7	20.56
	20+ jobs	11.4	8.3	7.5	11.32

Source: GEM, Adult Population Survey, Romania, 2011-2014

We can conclude that in 2014 the dominant industry sector in case of both early-stage entrepreneurs and established business owner-managers is the transforming sector. Almost half of early-stage entrepreneurs use technology newer than 5 years, while this applies for only a quarter of established business owner-managers.

2.4 Aspirations of entrepreneurs

The Global Entrepreneurship Monitor measures the following forms of entrepreneurial aspirations: the job growth expectation, innovation, and internationalization profiles of entrepreneurs.

The growth expectations relate to job creation potential, which is an important policy concern for nearly every government, particularly in the aftermath of the global financial crisis and to accompanying upswing in unemployment rates (Xavier et al., 2013, p. 32). The growth expectation of entrepreneurs is the difference between the number of employees they expect to have within five years' time and the number of employees they have at the time of the survey. Early-stage entrepreneurs may be optimistic in their expectations thus their expectations for job creation are not always realized.

Innovation is viewed of the perspective of the market and industry. It represents the perceived extent to which an entrepreneur's product or service is new to some or all customers and were few or no other businesses offer the same product or services (Amorós and Bosma, 2014).

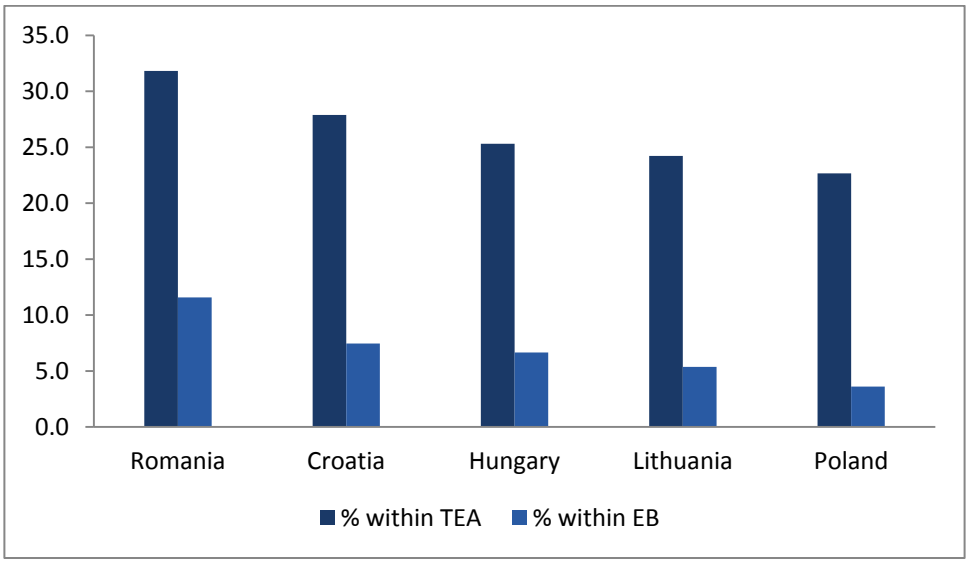
The international orientation of early-stage entrepreneurs has been studied with export intensity analysis, by the estimation of foreign clients' share. This measure assesses the extent to which entrepreneurs sell to costumers outside their economies (Kelley et al., 2012, p. 21).

There are four categories of entrepreneurs based on expected number of jobs within the next five years:

- expects between 0-5 jobs: solo entrepreneurial activity (self-employed entrepreneurs, who do not aim at creating workplaces) and low job expectation entrepreneurial activity (modest job creators, often employ people from their own personal network)
- expects between 6-19 jobs: medium job expectation entrepreneurial activity
- expects 20 jobs or more: high job expectation entrepreneurial activity (ambitious entrepreneurs) (Xavier et al., 2013, p. 32).

Figure 6 shows the distribution of high job expectations by entrepreneurial activity in EU efficiency-driven economies in 2014. The highest job growth expectations (more than 10 jobs and over 50% growth in 5 years) are reached in Romania and in Croatia in case of both early-stage entrepreneurs and established owner-managers. The early-stage entrepreneurs tend to have significantly higher job expectations than established entrepreneurs in all analyzed countries, but as we mentioned earlier their optimistic expectations for job creation are not always realized.

Figure 6 High job expectations for entrepreneurs in efficiency-driven economies from the European Union, 2014



Source: GEM, Adult Population Survey, 2014

The following table shows that in Romania the highest percentage among established business owner-managers are those with low job expectations, which expect to add less than 5 employees within the next five years (54.45% in 2014). In 2014 almost a quarter of entrepreneurs (early-stage entrepreneurs, as well as established business owner-managers) from Romania are expecting to create 20 or more jobs in the next five years (have high-growth expectations).

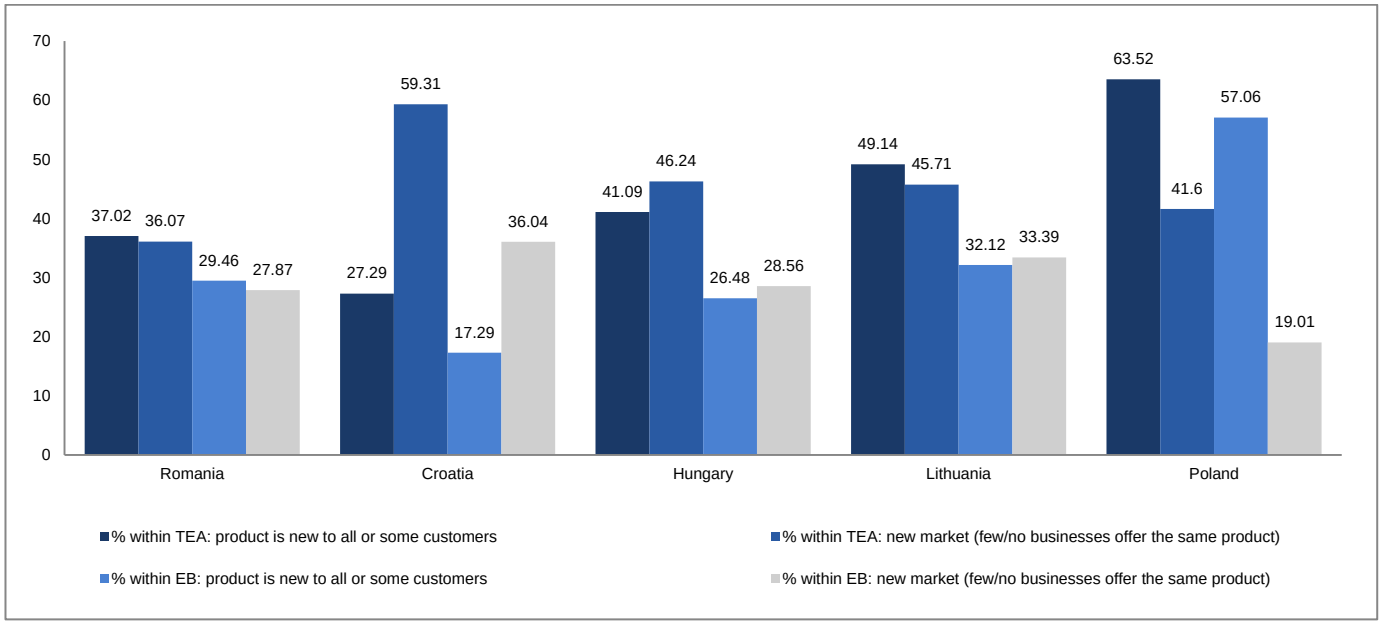
Table 11 Expected number of jobs offered by early-stage entrepreneurs and established business owners in Romania, 2011-2014 (%)

		2011	2012	2013	2014
TEA	No jobs	3.8	7.4	8.0	6.71
	1-5 jobs	41.3	29.6	35.5	33.32
	6-19 jobs	30.6	41.0	33.9	33.91
	20+ jobs	24.3	22.0	22.6	26.06
EB	No jobs	16.1	15.8	15.1	17.07
	1-5 jobs	43.6	37.4	47.3	37.38
	6-19 jobs	29.4	24.8	24.1	22.93
	20+ jobs	10.9	22.1	13.5	22.61

Source: GEM, Adult Population Survey, Romania, 2011-2014

In the analyzed efficiency-driven EU countries the product novelty (the product or services are new or unfamiliar to some or all customers) is the highest in case of Poland, followed by Lithuania, among the early-stage entrepreneurs and the established owner-managers as well (Figure 7). The competitive uniqueness (the product or services are offered by few or no other businesses) is the highest in Croatia in case of both types of entrepreneurs. Both measures of innovativeness indicate that Romania show low level of innovativeness.

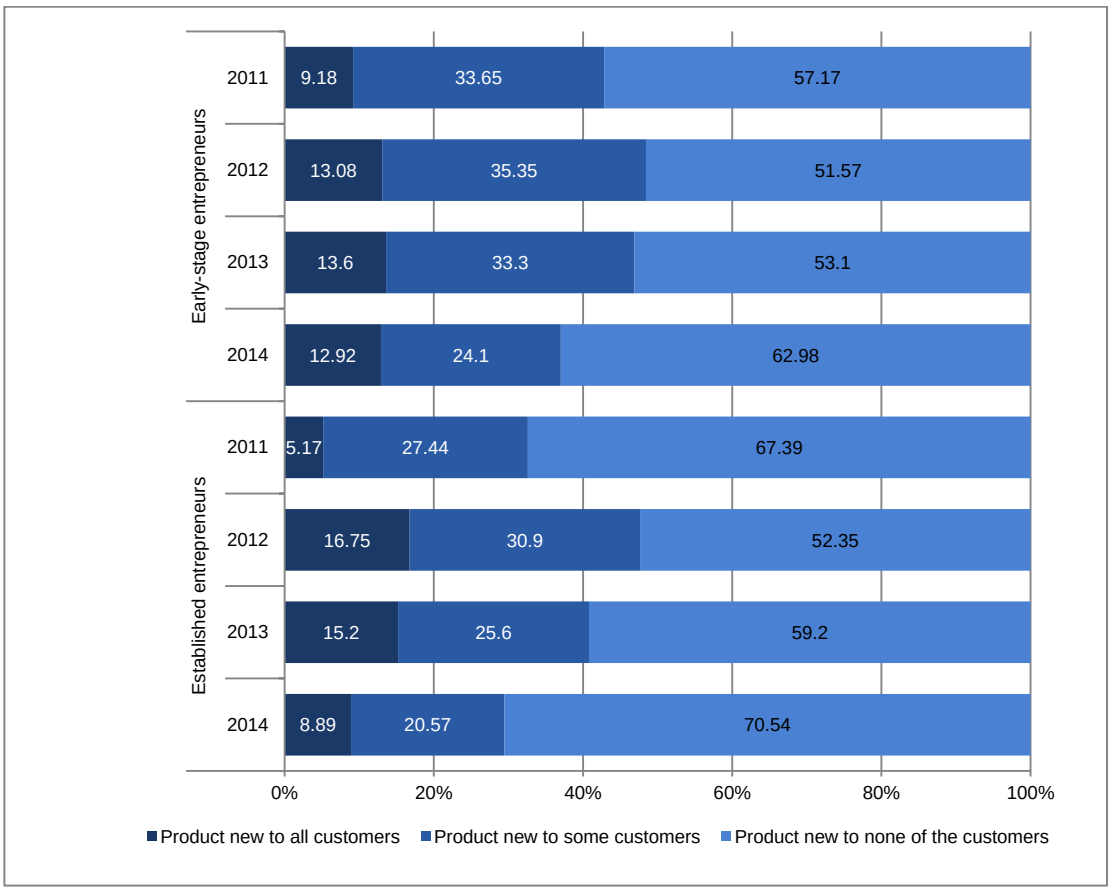
Figure 7 Innovative orientation of entrepreneurs in efficiency-driven economies from the European Union, 2014 (%)



Source: GEM, Adult Population Survey, 2014

The percentage of entrepreneurs with product or services that they consider novel and unfamiliar to none of their customers increased in the analyzed period, reaching almost three quarters of established business owner- managers in 2014. The early-stage entrepreneurs are slightly more innovative than the established business owner-managers.

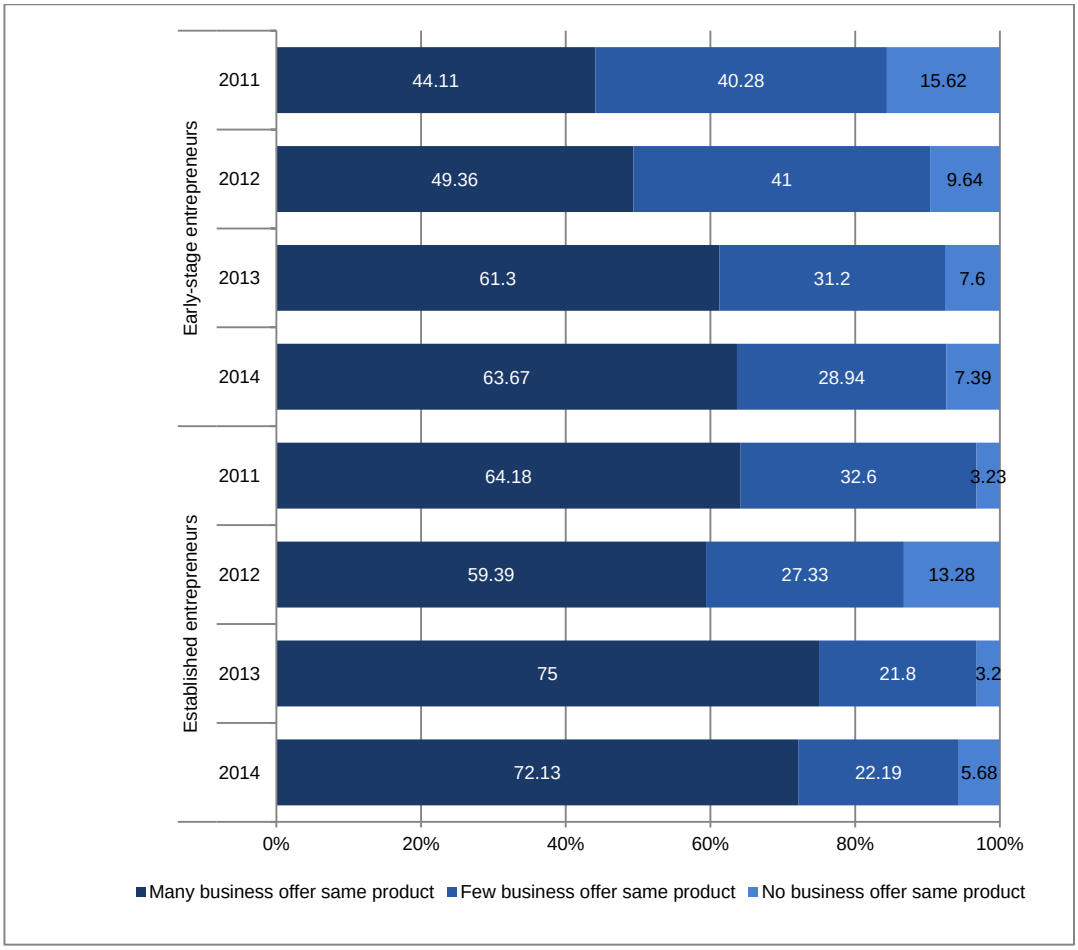
Figure 8 Product novelty of entrepreneurs in Romania, 2011-2014 (%)



Source: GEM, Adult Population Survey, Romania, 2011-2013

The degree of competition increased in case of early-stage entrepreneurs in the analyzed time period in Romania, nevertheless one-third of the early-stage entrepreneurs consider that few or no other businesses offer the same product or services, as it can be seen at 0. In case of established business owner-managers the competitive uniqueness slightly increased from 2013, when 25% of them considered that few or no other business offers the same product or services, to 27.87% in 2014.

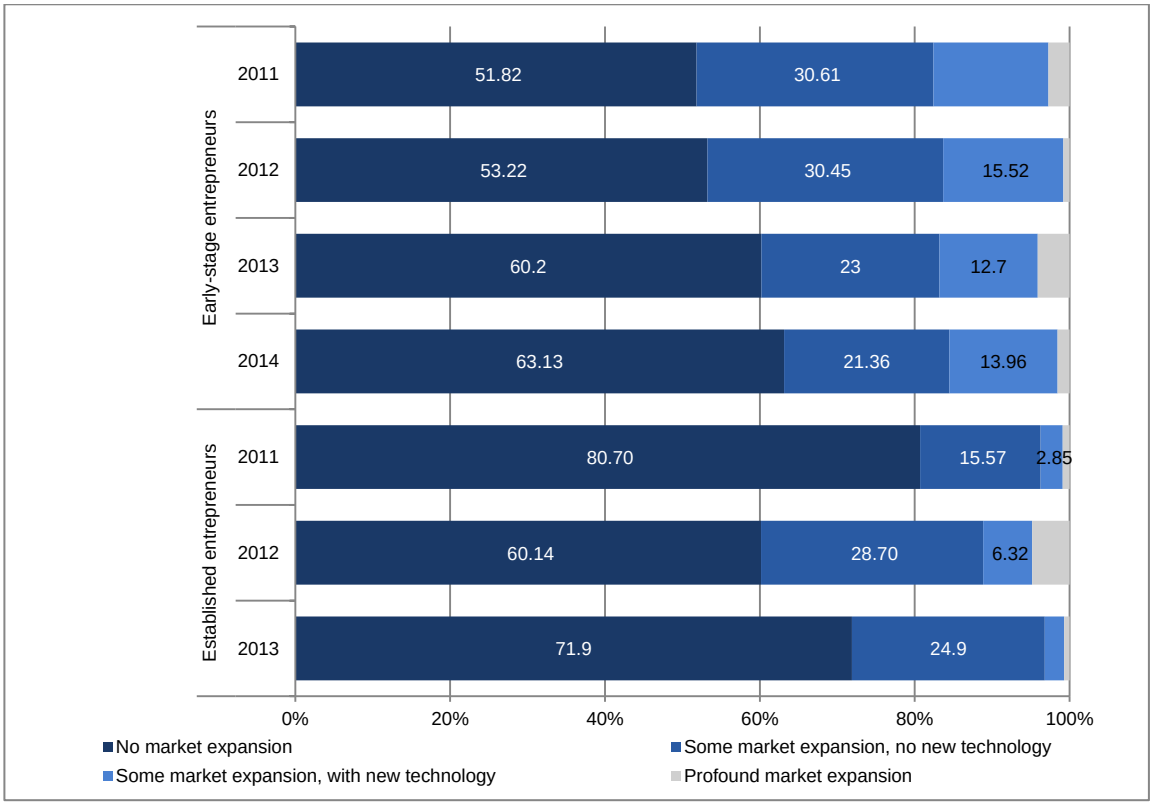
Figure 9 Degree of competition within early-stage entrepreneurs and established business owners in Romania, 2011-2014 (%)



Source: GEM, Adult Population Survey, Romania, 2011-2014

If we analyze the market expansion expectations of early-stage entrepreneurs and established business owner-managers in Romania, which are illustrated at 0, we can conclude that market expansion expectations of early-stage entrepreneurs are higher than in case of established entrepreneurs. In case of early-stage entrepreneurs the share of those without market expansion expectations in the analyzed period is the highest in 2014.

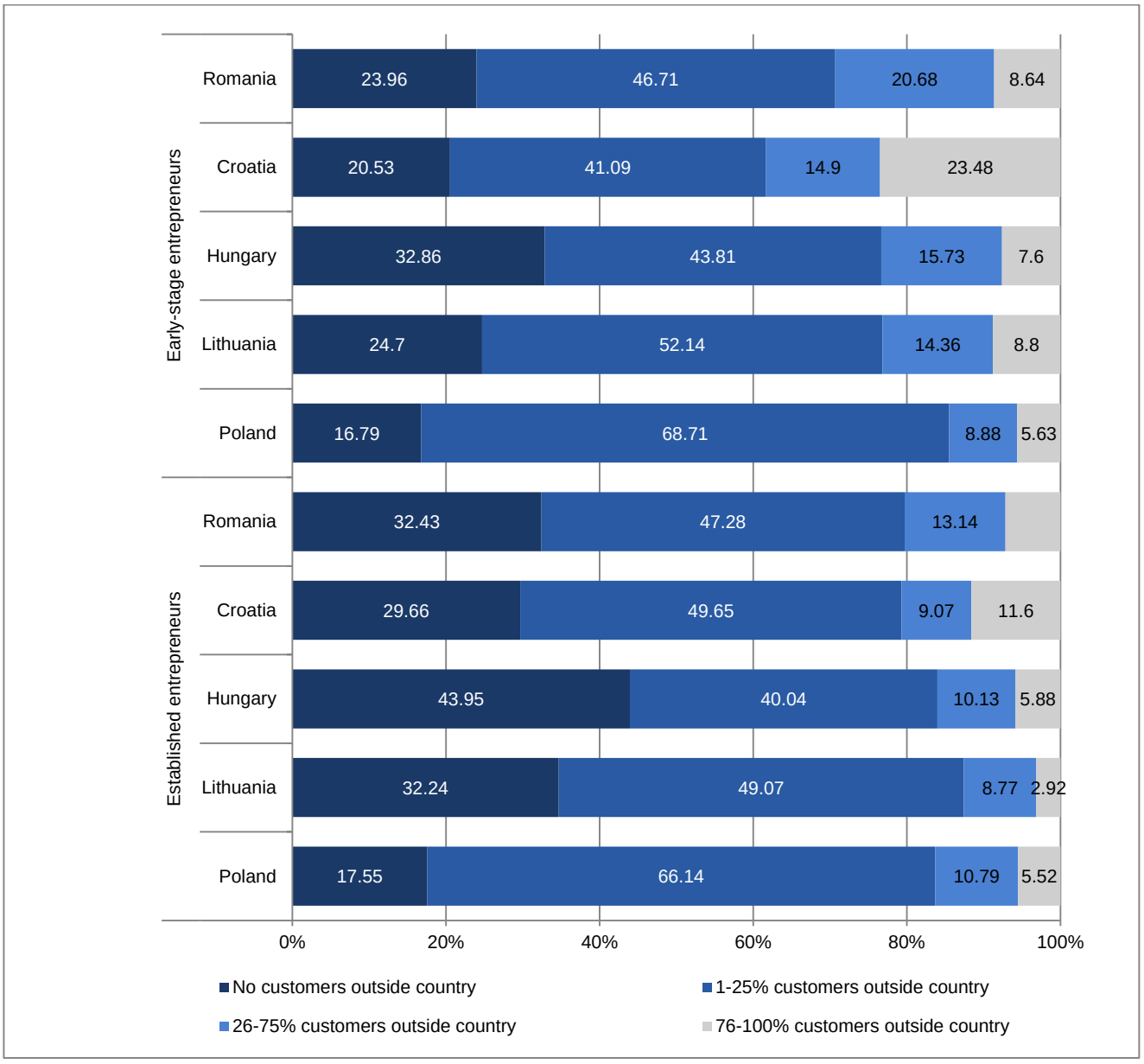
Figure 10 Early-stage entrepreneurs and established business owners by market expansion expectation in Romania, 2011-2014 (%)



Source: GEM, Adult Population Survey, Romania, 2014

The third measure of entrepreneurial aspirations describes the international orientation of entrepreneurs, based on the extent to which customers are from other countries. This measure refers to exports as well as to international customers who buy products online, or visit the country as tourists or for work purposes. In the analyzed efficiency-driven economies from the European Union the highest share of entrepreneurs with significant international orientation to their businesses (at least 25% of their customers are from a different country) can be found in Croatia, followed by Romania.

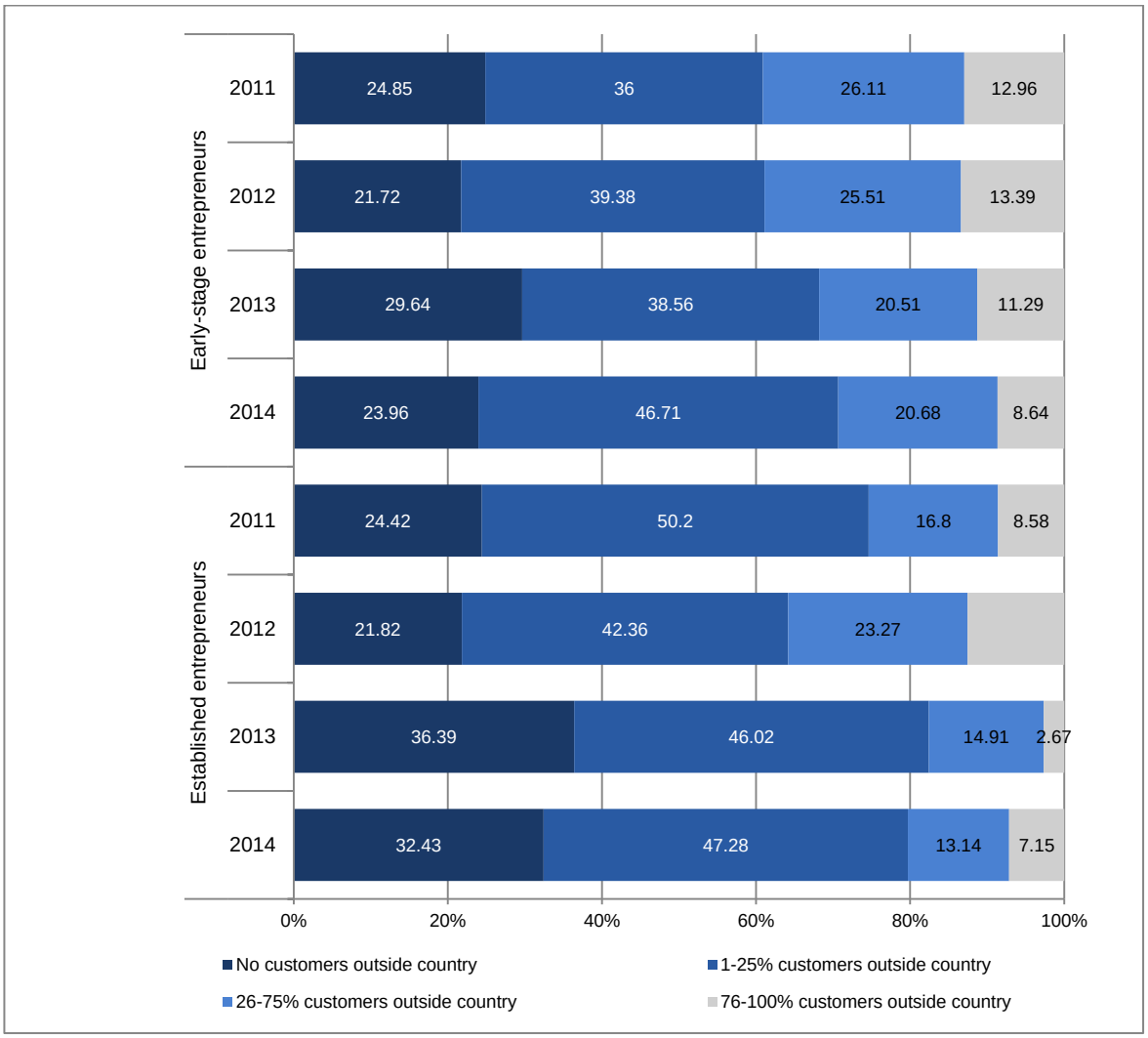
Figure 11 International orientation of entrepreneurs in some efficiency-driven CEE countries, 2014



Source: GEM, Adult Population Survey, 2014

As it can be seen in 0, in Romania 29.32% of the early-stage entrepreneurs had more than 25% foreign clients in 2014, slightly lower than the value measured in 2013 (31.8%). In case of established entrepreneurs the percentage of those who have more than a quarter foreign customers increased compared to 2013 from 17.58% to 20.29% in 2014. The comparison between early-stage entrepreneurs' and established business owner-managers' structure by share of foreign clients indicate that the internationalization of the early-stage entrepreneurs remained higher in the analyzed time period.

Figure 12 International orientation of entrepreneurs in Romania, 2011-2014 (%)



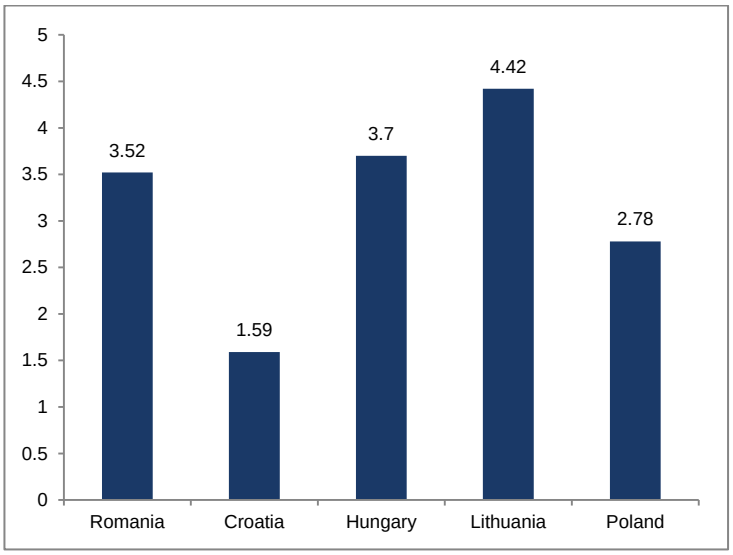
Source: GEM, Adult Population Survey, Romania, 2011-2014

We can conclude regarding the entrepreneurial aspirations that the early-stage entrepreneurs are optimistic in Romania. One of the great weaknesses of the entrepreneurs is the low degree of innovative orientation. The proportion of high international oriented entrepreneurs is the second one in Romania from the analyzed efficiency-driven economies from the European Union in 2014.

2.5 Financing entrepreneurial ventures

Informal investors are important for the entrepreneurial society. Informal investors are identified in the GEM countries by asking every respondent if they had made a recent informal investment in a business startup that was not their own. In Romania, 3.52% of the adult population responded affirmatively to this question in 2014 (0), which value is third one between the efficiency-driven economies from the European Union.

Figure 13 Informal investor rate in the EU efficiency-driven economies, 2014 (%)



Source: GEM, Adult Population Survey, 2014

The profile of the Romanian informal investor can be seen at Table 12 Informal investors are more likely to be man, aged between 25-44 years, with post-secondary degree educational level, with household income from the upper 33% tile. We should observe that the share of males between informal investors is significantly higher than in case of entrepreneurs.

Table 12 Distribution of informal investors by gender, age, education and household income in Romania, 2014 (%)

Variable		Informal investors
Gender	Male	70.78
	Female	29.22
Age category	18-24	17.07
	25-34	28.68
	35-44	20.86
	45-54	14.31
	55-64	19.08
Educational level	Some secondary degree	3.63
	Secondary degree	36.46
	Post-secondary degree	49.37
	Graduate experience	10.54
Household income	Lowest 33% tile	21.21
	Middle 33% tile	27.25
	Upper 33% tile	51.50

Source: GEM, Adult Population Survey, Romania, 2014

3 Entrepreneurial perceptions and attitudes

The positive entrepreneurial attitudes and perceptions could affect the entrepreneurial activity. Entrepreneurial attitudes convey the general feelings of a population toward entrepreneurs and entrepreneurship. A society can benefit from people who are able to recognize valuable business opportunities, and who perceive they have the required skills to exploit them (Kelley et al., 2011, p. 17). If the economy in general has a positive attitude towards entrepreneurship, this can generate cultural and social support, financial and business assistance, and networking benefits that will encourage and facilitate potential and existing entrepreneurs (Xavier et al., 2013, p. 18).

3.1 Perceptions about entrepreneurship (individual attributes)

The perception of entrepreneurial opportunities reflects the percentage of individuals who believe that there are opportunities to start a business in the area they live in. Perceived capabilities reflect the percentages of individuals who believe they have the required skill, knowledge and experience to start a new business. Fear of failure reflects the percentage of individuals who believe that failure would prevent them from starting a new business. Entrepreneurial network reflects the percentage of individuals who know other entrepreneurs who started a new business in the past two years.

In the analyzed efficiency-driven economies from the European Union in Croatia is the lowest the percentage of those individuals aged between 18-64 years who know a person who started a new business in the past two years, while the highest rate is measured in Poland.

Table 13 Percentage of population aged between 18-64 years who knows someone who started a business in the last two years in EU efficiency-driven economies, 2011-2014 (%)

	2011	2012	2013	2014
Romania	29.36	30.36	28.31	28.59
Croatia	24.85	23.48	24.45	25.05
Hungary	28.64	27.59	28.01	28.72
Lithuania	28.38	32.91	37.08	32.37
Poland	39.02	40.95	37.77	39.04

Source: GEM, Adult Population Survey Global National Level Database, 2011- 2014

Table 14 reflects the percentage of individuals who believe that there are opportunities to start a business in the area they live in in the next six months in efficiency-driven economies from the European Union in 2014. In Romania, Lithuania and Poland are measured the highest prevalence rates of perceived opportunities, while the opportunity recognition of individuals from Croatia is very low.

Table 14 Percentage of population aged between 18-64 years who considers that there are good conditions to start a business in the next 6 months in the area they live in EU efficiency-driven economies, 2011-2014 (%)

	2011	2012	2013	2014
Romania	36.06	36.73	28.86	32.41
Croatia	18.25	17.15	17.58	18.43
Hungary	14.22	10.95	18.87	23.40
Lithuania	23.20	29.99	28.72	31.66
Poland	33.10	20.42	26.06	31.35

Source: GEM, Adult Population Survey Global National Level Database, 2011- 2014

The share of those who think that they have the necessary knowledge, skills and experience to start a business is relatively stable in the analyzed countries in the 2011-2014 time period. In Romania this percentage was 48.44% in 2014, higher than the 41.63% measured in 2011. Poland presents higher, Croatia, Lithuania and Hungary present lower shares in 2014 than Romania regarding this indicator. The mentioned rates can be followed in Table 15 .

Table 15 Percentage of population aged between 18-64 years who considers that they own the necessary knowledge and skills to start a business in EU efficiency-driven economies, 2011-2014 (%)

	2011	2012	2013	2014
Romania	41.63	38.34	45.87	48.44
Croatia	48.97	44.06	47.18	45.91
Hungary	39.98	39.83	37.50	33.44
Lithuania	35.40	39.83	35.38	40.94
Poland	51.99	53.89	51.77	54.30

Source: GEM, Adult Population Survey Global National Level Database, 2011- 2014

The share of those who consider that fear of failure would prevent them from starting a new business, present no significant differences among the analyzed countries in the 2011-2014 time period, except for Poland. In 2014, 47.93% of Romanian working age population answered that fear of failure prevents them from start a business, lower and better values were registered than the Romanian level in Croatia. The risk-taking propensity of the analyzed efficiency-driven economies from the European Union can be followed in Table 16 .

Table 16 Percentage of population aged between 18-64 years who considers that fear of failure would prevent them to start a business in EU efficiency-driven economies, 2011-2014 (%)

	2011	2012	2013	2014
Romania	43.05	45.05	45.98	47.93
Croatia	45.72	46.30	46.03	44.47
Hungary	44.54	45.86	47.88	48.09
Lithuania	48.24	45.58	49.36	49.16
Poland	54.05	58.72	56.34	58.47

Source: GEM, Adult Population Survey Global National Level Database, 2011- 2014

The entrepreneurial perceptions by phases of entrepreneurial activity in Romania are summarized in Table 17 in 2014. The analysis indicate one of the smallest share of those who know a person who started

a business in the past two years (22.00%), of those who sees good opportunity for starting a business in the next six months (26.31%) and those who consider that they have the required knowledge and skills to start a business (39.64%) in case of the non-entrepreneurs, meanwhile the share of those who feel that fear of failure would prevent them from starting a business is the highest among the non-entrepreneurs (50.81%).

Table 17 Entrepreneurial perceptions in Romania, 2014 (%)

	Knows a person who started a business in the past two years	Sees good opportunity for starting a business in the next six months	Has the required knowledge and skills to start a business	Fear of failure prevents from starting a business
Intentional entrepreneurs	31.98	36.11	58.97	45.92
Nascent entrepreneurs	56.64	40.65	78.01	39.64
Young business owner-managers	64.81	43.01	86.24	29.68
TEA	60.48	41.60	82.17	34.35
TEA male	60.87	41.76	84.33	29.62
TEA female	60.44	40.34	76.71	46.22
TEA opportunity	65.93	42.27	85.04	28.75
TEA necessity	49.11	41.27	74.60	49.09
EB	47.39	26.09	78.61	36.70
Informal investor	56.33	46.28	67.34	31.90
Entrepreneurial employee	49.81	38.78	72.93	39.63
Not entrepreneur	22.00	26.31	39.64	50.81

Source: GEM, Adult Population Survey, Romania, 2014

The intentional entrepreneurs in Romania present the lowest share among any categories of entrepreneurs of those who know a person who started a business in the past two years (31.98%) and of those who consider that they have the required knowledge and skills to start a business (58.97%). The fear of failure prevents from starting a business 45.92% of the intentional entrepreneurs.

The entrepreneurs who are in the next two phases of the entrepreneurship (nascent entrepreneurs and young business owner-managers) differ regarding the mentioned individual attributes. The young business owner-managers have a larger entrepreneurial network, have higher perceived opportunities and capabilities and they also have low aversion to risk.

The perceptions of early-stage entrepreneurs (nascent entrepreneurs and new business owner-managers) were analyzed by gender and motivation. There is a similar share of those male and female early-stage entrepreneurs who know a person who started a business in the past two years and of those who sees good opportunity for starting a business in the next six months in the area they live. There is an important difference in the share of those who consider that they have the required knowledge and skills to start a business (male 84.33% and female 76.71%) and in the share of those who think that fear of failure would

prevent them from starting a business (male 29.62% and female 46.22%). Male early-stage entrepreneurs seem to have more self-confidence regarding their business starting skills and to have less fear from failure than female early-stage entrepreneurs.

Important differences can be identified analyzing the entrepreneurial perceptions of the early-stage entrepreneurs by their motivation. The percentage of those opportunity-motivated early-stage entrepreneurs who know a person who started a business in the past two years, who see good business opportunities and of those who think that fear of failure doesn't prevent them from starting a business present better shares than it is in case of necessity-motivated early-stage entrepreneurs.

A lower percentage of the established entrepreneurs know a person who started a business in the past two years (47.39%) than it is in case of early-stage entrepreneurs (60.48%). The share of those established entrepreneurs who see good opportunities (26.09%) and of those who consider that they have the required knowledge and skills to start a business (78.61%) is also lower than it is in case of early-stage entrepreneurs. The highest opportunity recognition is measured in case of informal investors (46.28%).

3.2 Social values towards entrepreneurship

In GEM survey social values are revised through three dimensions (Singer et al., 2015, p. 28):

- If most people consider starting a new business a desirable career choice;
- If those individuals who are successful at starting a new business enjoy a high level of status and respect in the society;
- If media attention to entrepreneurship (by promoting successful ventures) contribute or not to develop an entrepreneurial culture in a country.

EU economies show the lowest social values towards entrepreneurship, in all three dimensions: starting a new business is a desirable career choice, high social status and media positively contributes to developing an entrepreneurial culture (Singer et al., 2015, p. 12).

0presents the entrepreneurial attitudes of individuals by entrepreneurial activity in Romania in 2014. The perception about the attractiveness of entrepreneurship as a career, respectively about the status of the entrepreneurs is the highest in case of intentional entrepreneurs (79.89%, respectively 79.58%), followed by the necessity-motivated early-stage entrepreneurs (78.5%, respectively 79.31%). The entrepreneurial employees consider in the lowest proportion that the media attention toward entrepreneurship is adequate. The necessity-driven early-stage entrepreneurs and those who are not involved in any kind of entrepreneurial activity consider mostly that successful entrepreneurs gain high level of status and respect.

Table 18 Entrepreneurial attitudes in Romania, 2014 (%)

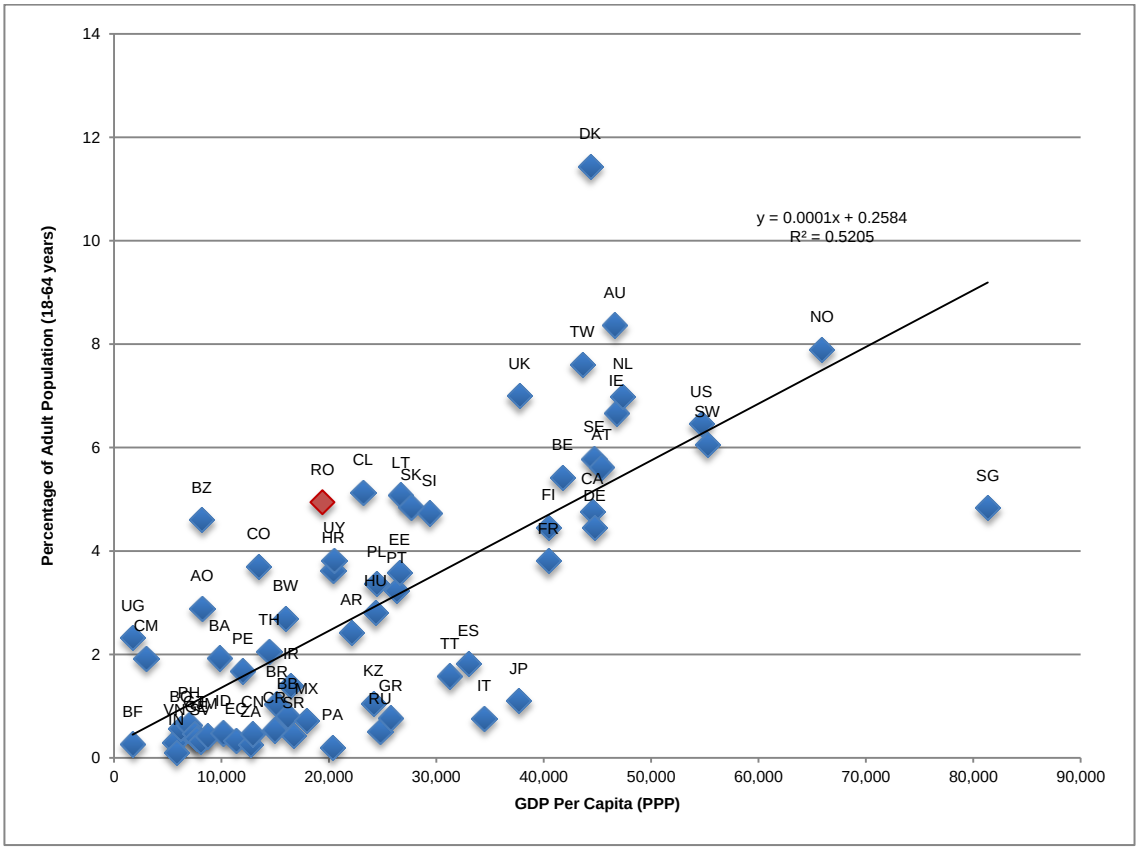
	Most people consider starting a new business a desirable career choice	Those successful at starting a new business have a high level of status and respect	There are many stories in the public media about successful new businesses
Intentional entrepreneurs	79.89	79.58	73.16
Nascent entrepreneurs	69.66	67.54	78.21
Young business owner-managers	65.63	64.60	70.46
TEA	67.54	66.39	74.04
TEA male	67.71	67.10	72.94
TEA female	68.19	65.72	77.94
TEA Opportunity	64.09	61.50	70.40
TEA Necessity	78.50	79.31	84.07
Established business owner-managers	69.20	67.89	67.11
Entrepreneurial employee	52.32	69.10	60.92
Informal investor	74.49	64.42	69.46
Not entrepreneur	74.99	77.29	71.42

Source: GEM, Adult Population Survey, Romania, 2014

4 Entrepreneurial employee activity

Since 2011, GEM captures entrepreneurial employee activity (EEA), acknowledging the existence of different types of entrepreneurship (early-stage entrepreneurs, established businesses, and ambitious entrepreneurial employee activity), which together build an economy's entrepreneurial capacity. GEM operationalizes entrepreneurial employee activity as a situation where an employee in the past three years was actively involved in and had a leading role in either the idea development for a new activity or the preparation and implementation of a new activity. The measure of entrepreneurial employee activity (EEA) is increasing along the development stages, higher in innovation-driven economies, the lowest in factor-driven economies (Singer et al., 2015, p. 13). Figure 14 presents the entrepreneurial employee activity rate and the GDP per capita in the GEM participating countries in 2014. We can observe that there is a positive correlation between GDP per capita and the entrepreneurial employee activity rate.

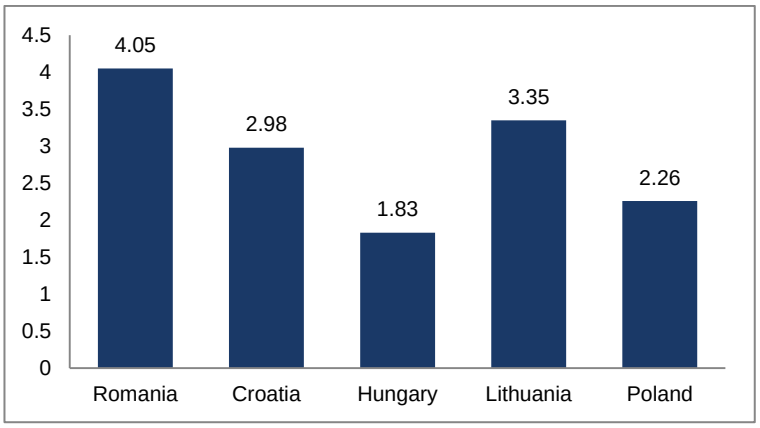
Figure 14 Entrepreneurial employee activity rate and GDP per capita in GEM participating countries, 2014



Source: Singer et al., 2015, p. 53

Figure 15 illustrate the entrepreneurial employee activity rate in the efficiency-driven economies from the European Union in 2014. We can found the highest EEA rate in Romania, followed by Lithuania and Croatia.

Figure 15 Entrepreneurial employee activity rate in efficiency-driven EU countries, 2014 (%)



Source: GEM, Adult Population Survey, 2014

The profile of the entrepreneurial employee in Romania can be seen in Table 19 . We can observe that the typical entrepreneurial employee in Romania is male, older than 25 years, situated in the upper 33% regarding household income, with at least post-secondary degree.

Table 19 Prevalence of entrepreneurial employees across gender, age, education and household income, 2011-2014 (%)

Variables	Categories	2011	2012	2013	2014
Gender	Male	55.8	56.6	57.3	71.4
	Female	44.2	43.4	42.7	28.6
Age	18-24	15.1	10.7	4.9	8.9
	25-34	32.1	36.9	24.7	39.5
	35-44	15.1	24.5	42.0	21.0
	45-54	20.8	23.6	19.8	21.2
	55-64	17.0	4.2	8.6	9.5
Education level	Some secondary degree	0.0	18.7	2.5	2.4
	Secondary degree	14.0	33.8	24.7	16.1
	Post-secondary degree	74.0	34.4	54.3	40.2
	Graduate experience	12.0	13.0	18.5	41.3
Household income categories	Lowest 33%	2.2	3.6	9.3	6.4
	Middle 33%	20.0	28.2	20.0	17.7
	Upper 33%	77.8	68.2	70.7	75.9

Note: The narrow definition of EEA was adopted for this table

Source: GEM, Adult Population Survey, Romania, 2011-2014

Table 20 shows the entrepreneurial perceptions and attitudes of employees in Romania in 2011-2014 time period. In 2014 there are significant differences between the perceptions and attitudes toward entrepreneurship of entrepreneurial employees and other employees. The percentage of entrepreneurial employees who confirmed that they have the necessary skills and knowledge to start a new business is significantly higher than the one measured in case of other employees. It can be observed that the entrepreneurial employees have lower risk aversion than the other employees, in case of entrepreneurial employees the fear of failure rate is 39.6%, while in case of other employees is 49.7%. Half of the entrepreneurial employees consider entrepreneurship to be a good career choice, while in case of other employees this share is almost three quarters.

Table 20 Individual perceptions and attitudes of employees regarding entrepreneurial activity, 2011-2014 (%)

	Entrepreneurial employees				Other employees			
	2011	2012	2013	2014	2011	2012	2013	2014
Knows a person who started a business in the past 2 years	47.2	36.0	51.9	49.8	29.8	23.6	28.5	25.7
Sees good opportunities for starting a business in the next 6 months	55.9	34.1	31.4	38.8	33.8	33.9	26.1	31.1
Has the required knowledge/skills to start a business	65.7	51.1	83.3	73.9	37.6	30.6	44.8	45.9
Fear of failure would prevent to start a business	27.3	40.2	38.2	39.6	49.7	46.7	45.3	49.7
Starting a business is considered as a good career choice	59.4	67.4	66.0	52.3	66.7	73.3	72.4	72.7
Persons growing a successful new business receive high status	70.6	70.0	56.6	69.1	68.6	74.5	72.7	76.3
Lots of media coverage for new businesses	47.2	57.0	52.8	60.9	54.8	55.5	60.4	72.4

Note: The narrow definition of EEA was adopted for this table

Source: GEM, Adult Population Survey, Romania, 2011-2014

5 Entrepreneurship in Romania in view of national experts

The entrepreneurial framework conditions are studied by the GEM through the National Experts' Survey in every participating country. In each country 36 national experts rate the nine entrepreneurial conditions of the country from 1 (totally disagree) to 5 (totally agree), indicating the degree of their agreement on the questions regarding entrepreneurial finance, government policy, government entrepreneurship programs, entrepreneurship education, R&D transfer, commercial and legal infrastructure, entry regulation, physical infrastructure and cultural and social norms. The results obtained for Romania in 2014 are presented in comparison with the results obtained in Croatia, Hungary, Lithuania and Poland, the efficiency-driven economies from the European Union.

The first set of questions addressed to the national experts was questions regarding the entrepreneurial finance, aiming to emphasize the availability of financial resources (Table 21). The experts from Romania highlighted the lack of the availability of financial resources, equity, and debt for new and growing firms, including grants and subsidies. The higher scores in case of Romania were registered in case of government subsidies for new and growing firms (2.86) and in case of availability of equity funds (2.61). In comparison with the analyzed efficiency-driven economies from the European Union we can conclude that the score for financing for entrepreneurs in Romania is the second lower (2.43).

Table 21 Entrepreneurial finances in view of the national experts (1-totally disagrees, 5-totally agrees), 2014

	Romania	Croatia	Hungary	Lithuania	Poland
There is sufficient equity funding available for new and growing firms	2.61	2.45	2.94	2.50	3.06
There is sufficient debt funding available for new and growing firms	2.47	3.03	2.67	3.38	3.20
There are sufficient government subsidies available for new and growing firms	2.86	2.76	2.57	3.21	2.76
There is sufficient funding available from private individuals (other than founders) for new and growing firms	2.32	1.86	2.21	3.35	2.51
There is sufficient venture capitalist funding available for new and growing firms	2.03	1.83	2.86	3.13	2.58
There is sufficient funding available through initial public offerings (IPOs) for new and growing firms	2.16	1.86	2.00	3.07	2.65
Financial environment related with entrepreneurship (summary)	**2.43**	**2.32**	**2.63**	**3.19**	**2.77**

Source: GEM NES database 2014

The next studied framework is the government policy and its support to entrepreneurship, with two main components: entrepreneurship as a relevant economic issue and taxes and regulations being size-neutral

or encouraging the small and medium enterprises. Experts in the analyzed countries believe that the national policy, in general, not offer sufficient support for entrepreneurs (as it can be seen at Table 22). With respect to the government support the lowest score was reached by Croatia. In Romania the experts emphasized the lack of favorable government policies for new firms, respectively the high amount of taxes for new and growing firms.

Table 22 Government policies in view of the national experts (1-totally disagrees, 5-totally agrees), 2014

	Romania	Croatia	Hungary	Lithuania	Poland
Government policies (e. g. , public procurement) consistently favor new firms	2.03	1.84	1.91	2.47	2.76
The support for new and growing firms is a high priority for policy at the national government level	2.78	2.31	3.17	2.39	3.00
The support for new and growing firms is a high priority for policy at the local government level	2.72	2.18	2.22	2.44	3.41
Government concrete policies, priority and support (summary)	**2.53**	**2.15**	**2.43**	**2.39**	**3.07**
New firms can get most of the required permits and licenses in about a week	2.53	1.57	1.72	2.42	2.12
The amount of taxes is NOT a burden for new and growing firms	2.09	1.51	2.03	2.29	2.24
Taxes and other government regulations are applied to new and growing firms in a predictable and consistent way	2.19	1.62	1.94	2.76	2.19
Coping with government bureaucracy, regulations, and licensing requirements it is not unduly difficult for new and growing firms	2.15	1.56	1.97	2.24	2.14
Government policies bureaucracy, taxes (summary)	**2.24**	**1.55**	**1.93**	**2.46**	**2.16**

Source: GEM NES database 2014

Experts in the analyzed countries rate the presence of programs and other initiatives to support new and growing firms negatively (each score is below 3 points). According to the experts from the analyzed countries in Poland and in Lithuania are measured the highest scores, nevertheless these scores are also below 3. In opinion of the experts from Romania between the government program framework conditions the best score was given for the number of government programs for new and growing firms.

Table 23 Government entrepreneurship programs in view of the national experts (1-totally disagrees, 5-totally agrees), 2014

	Romania	Croatia	Hungary	Lithuania	Poland
A wide range of government assistance for new and growing firms can be obtained through contact with a single agency	2.00	1.67	2.09	2.53	2.56
Science parks and business incubators provide effective support for new and growing firms	2.47	2.97	3.16	2.84	3.17
There are an adequate number of government programs for new and growing businesses	2.83	2.37	2.65	2.79	3.00
The people working for government agencies are competent and effective in supporting new and growing firms	2.36	2.32	2.48	2.68	2.67
Almost anyone who needs help from a government program for a new or growing business can find what they need	2.51	2.08	2.09	2.59	2.51
Government programs aimed at supporting new and growing firms are effective	2.71	2.26	2.21	2.78	2.76
Government programs (summary)	**2.51**	**2.27**	**2.41**	**2.72**	**2.77**

Source: GEM NES database 2014

The questions regarding the entrepreneurship education are related to both basic school and post-secondary levels. According to the national experts, as Table 24 shows, the entrepreneurial education in primary and secondary school is ranked lower than in post-secondary, vocational, professional, college and university education in all analyzed countries from the efficiency-driven economies from the European Union in 2014. In Romania the highest value is registered at the question regarding the fact that colleges and universities provide good and adequate preparation for starting up and growing new firms (3.19). The lowest values are reached in case of questions regarding the fact that the vocational, professional, and continuing education systems provide good and adequate preparation for starting up and growing new firms (2.25).

Table 24 Entrepreneurship education in view of the national experts (1-totally disagrees, 5-totally agrees), 2014

	Romania	Croatia	Hungary	Lithuania	Poland
Teaching in primary and secondary education encourages creativity, self-sufficiency, and personal initiative	2.40	1.82	1.94	2.58	1.72
Teaching in primary and secondary education provides adequate instruction in market economic principles	2.33	1.72	1.69	2.44	1.80
Teaching in primary and secondary education provides adequate attention to entrepreneurship and new firm creation	2.32	1.51	1.43	2.08	1.76
Entrepreneurial level of education at Primary and Secondary (summary)	**2.34**	**1.68**	**1.68**	**2.37**	**1.75**
Colleges and universities provide good and adequate preparation for starting up and growing new firms	3.19	2.08	2.75	3.03	2.19
The level of business and management education provide good and adequate preparation for starting up and growing new firms	2.58	2.75	3.21	2.97	2.35
The vocational, professional, and continuing education systems provide good and adequate preparation for starting up and growing new firms	2.25	2.26	2.50	3.14	3.03
Entrepreneurial level of education at Vocational, Professional, College and University (summary)	**2.68**	**2.35**	**2.82**	**3.07**	**2.54**

Source: GEM NES database 2014

The R&D transfer refers to the extent to which national research and development will lead to new commercial opportunities and is available to new, small and growing firms. 0points out that in case of Romania none of the evaluations at any of the questions exceed 3 points. The highest rates are attributed to the questions regarding the fact that there are adequate government subsidies for new and growing firms to acquire new technology (2.83) and new and growing firms have just as much access to new research and technology as large, established firms (2.78). However, Romanian conditions at this chapter can be considered good in regional comparison, Romania presenting the second highest value among the analyzed countries.

Table 25 R&D transfer in view of the national experts (1-totally disagrees, 5-totally agrees), 2014

	Romania	Croatia	Hungary	Lithuania	Poland
New technology, science, and other knowledge are efficiently transferred from universities and public research centers to new and growing firms	2.56	1.92	2.42	2.38	1.57
New and growing firms have just as much access to new research and technology as large, established firms	2.78	1.87	1.69	2.55	1.76
New and growing firms can afford the latest technology	2.47	1.87	2.08	2.43	1.95
There are adequate government subsidies for new and growing firms to acquire new technology	2.83	2.39	2.50	2.30	3.68
The science and technology base efficiently supports the creation of world-class new technology-based ventures in at least one area	2.42	2.00	3.10	2.84	2.67
There is good support available for engineers and scientists to have their ideas commercialized through new and growing firms	2.29	2.03	2.68	2.94	3.14
R&D level of transference (summary)	**2.59**	**2.04**	**2.41**	**2.61**	**2.44**

Source: GEM NES database 2014

The questions regarding the commercial and legal infrastructure are related to the presence of property rights, commercial, accounting and other legal services and institutions that support or promote the emergence of small, new and growing firms. Table 26 shows that Romanian experts appreciate values over the medium 3 points at this framework condition at 4 of 5 questions. The highest values are attributed to the fact that there are enough subcontractors, suppliers, and consultants to support new and growing firms (3.33) and that it is easy for new and growing firms to get good banking services (3.33). The lowest value is registered at the question regarding the fact that new and growing firms can afford the cost of using subcontractors, suppliers, and consultants (2.50). Lithuania is the leader among the analyzed efficiency-driven countries from the European Union at all five related aspects.

Table 26 Commercial and legal infrastructure in view of the national experts (1-totally disagrees, 5-totally agrees), 2014

	Romania	Croatia	Hungary	Lithuania	Poland
There are enough subcontractors, suppliers, and consultants to support new and growing firms	3.33	3.16	3.64	3.91	3.29
New and growing firms can afford the cost of using subcontractors, suppliers, and consultants	2.50	2.15	2.72	3.56	2.03
It is easy for new and growing firms to get good subcontractors, suppliers, and consultants	3.06	2.59	2.89	3.63	2.35
It is easy for new and growing firms to get good, professional legal and accounting services	3.33	3.13	3.81	4.00	2.57
It is easy for new and growing firms to get good banking services (checking accounts, foreign exchange transactions, letters of credit, and the like)	3.19	3.51	3.47	4.23	3.89
Professional and commercial infrastructure access (summary)	**3.09**	**2.9**	**3.29**	**3.90**	**2.77**

Source: GEM NES database 2014

The entry regulation framework condition has two components: the level of change in markets from year to year (market dynamics), and the extent to which new firms are free to enter existing markets (market openness).

In Romania the highest values at this condition, as Table 27 indicates, are attributed to the fact that the markets for business-to-business goods and services change dramatically from year to year (3.17) and that new and growing firms can enter markets without being unfairly blocked by established firms (3.12). In Romania the internal market dynamics (3.14 in average) is ranked better by the national experts than the internal market burdens (2.86 in average). However the internal market burdens have the highest score among the analyzed countries.

Table 27 Entry regulation in view of the national experts (1-totally disagrees, 5-totally agrees), 2014

	Romania	Croatia	Hungary	Lithuania	Poland
The markets for consumer goods and services change dramatically from year to year	3.11	3.47	3.22	3.49	4.11
The markets for business-to-business goods and services change dramatically from year to year	3.17	3.26	3.09	3.32	3.97
Internal market dynamics (summary)	**3.14**	**3.37**	**3.13**	**3.38**	**4.04**
New and growing firms can easily enter new markets	2.83	2.10	2.66	2.49	2.84
The new and growing firms can afford the cost of market entry	2.67	1.89	2.58	2.69	2.27
New and growing firms can enter markets without being unfairly blocked by established firms	3.12	2.08	2.60	2.78	2.75
The anti-trust legislation is effective and well enforced	2.78	2.33	2.58	2.62	3.17
Internal market burdens (summary)	**2.86**	**2.08**	**2.62**	**2.66**	**2.75**

Source: GEM NES database 2014

The experts' opinion reflects in case of Romania a serious lagging behind in physical infrastructure. Physical infrastructure appears to be by far the most problematic area. The question regarding the physical infrastructure (roads, utilities, communications, waste disposal) provides good support for new and growing firms receiving the smallest average value (2.92), with more than 1.22 points lower than in case of Lithuania. Romania lags behind the other analyzed countries also at the cheapness of getting access for new firms to communications (2.86) with more than 1 point. The fact that new and growing firms can afford the cost of basic utilities (2.78) is also appreciated with around 1 point lower value than in case of the other analyzed countries. There are higher values attributed to ease of access to communication (3.09) and ease of access to utilities (3.06), but still with more than 0.5 points lower than the other three countries (except for Croatia at ease of access to utilities).

Table 28 Physical infrastructure in view of the national experts (1-totally disagrees, 5-totally agrees), 2014

	Romania	Croatia	Hungary	Lithuania	Poland
The physical infrastructure (roads, utilities, communications, waste disposal) provides good support for new and growing firms	2.92	3.76	3.64	4.14	3.17
It is not too expensive for a new or growing firm to get good access to communications (phone, Internet, etc.)	2.86	4.05	4.28	4.50	3.95
A new or growing firm can get good access to communications (telephone, internet, etc.) in about a week	3.09	4.05	4.09	4.32	4.41
New and growing firms can afford the cost of basic utilities (gas, water, electricity, sewer)	2.78	3.55	3.78	4.08	3.97
New or growing firms can get good access to utilities (gas, water, electricity, sewer) in about a month	3.06	3.06	4.00	3.94	3.47
Physical infrastructures and services access (summary)	**2.89**	**3.67**	**3.94**	**4.19**	**3.79**

Source: GEM NES database 2014

The cultural and social norms refer to the extent to which social and cultural norms encourage or allow actions leading to new business methods or activities that can potentially increase personal wealth and income. Table 29 Table 29 presents the supportiveness of the cultural and social norms for entrepreneurship. The highest values are reached in case of Lithuania (3.09), followed by Poland (2.96) and Romania (2.61).

Table 29 Cultural and social norms in view of the national experts (1-totally disagrees, 5-totally agrees), 2014

	Romania	Croatia	Hungary	Lithuania	Poland
The national culture is highly supportive of individual success achieved through own personal efforts	2.56	2.03	2.14	3.33	2.92
The national culture emphasizes self-sufficiency, autonomy, and personal initiative	2.77	2.13	2.20	3.17	3.08
The national culture encourages entrepreneurial risk-taking	2.29	1.69	2.11	2.66	2.86
The national culture encourages creativity and innovativeness	2.78	2.15	2.75	2.83	2.81
The national culture emphasizes the responsibility that the individual (rather than the collective) has in managing his or her own life	2.63	2.18	2.50	3.66	3.11
Cultural, social norms and society support (summary)	**2.61**	**2.02**	**2.32**	**3.09**	**2.96**

Source: GEM NES database 2014

National experts were also asked about the most important constraints and supports for fostering entrepreneurship in their country in their view. Appendix 6 shows the constraints for fostering entrepreneurship. We can observe that government policies is a constraint in each analyzed EU efficiency-driven country, followed by financial support and education and training framework conditions. Although the financial support framework condition is placed second in case of each analyzed country, in Romania in view of national experts this is a much pressing problem. The supports for fostering entrepreneurship are gathered in Appendix 7. The most important institutional success in view of national experts in is the financial support framework condition in Croatia, Hungary and Lithuania, government programs in Poland, and economic climate in Romania.

They also provided some recommendations for fostering entrepreneurship (Appendix 8). The most frequent recommendation in case of each analyzed country is the support of government policies to entrepreneurship. In Romania the second most frequent recommendation is the financial support for entrepreneurship, followed by the improvement of the entrepreneurial education and training, which takes the second place in case of Croatia, Hungary and Poland, and first in case of Lithuania.

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Appendices

Appendix 1 GEM operational definitions

Total Early-stage entrepreneurial activity (TEA) Percentage of individuals aged 18-64 who are either a nascent entrepreneur or owner-manager of a new business.
Nascent entrepreneurship rate Percentage of individuals aged 18-64 who are currently a nascent entrepreneur, i.e., actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages, or any other payments to the owners for more than three months.
New business ownership rate Percentage of individuals aged 18-64 who are currently an owner-manager of a new business, i.e., owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than three months, but not more than 42 months.
Opportunity-based early-stage entrepreneurial activity Percentage of individuals involved in early-stage entrepreneurial activity (as defined above) who claim to be purely or partly driven by opportunity as opposed to finding no other option for work. This includes taking advantage of a business opportunity or having a job but seeking better opportunity.
Necessity-based early-stage entrepreneurial activity Percentage of individuals involved in early-stage entrepreneurial activity (as defined above) who claim to be driven by necessity (having no better choice for work) as opposed to opportunity.
Improvement-driven opportunity early-stage entrepreneurial activity Percentage of individuals involved in early-stage entrepreneurial activity (as defined above) who (1) claim to be driven by opportunity as opposed to finding no other option for work; and (2) who indicate that the main driver for being involved in this opportunity is being independent or increasing their income, rather than just maintaining their income.
High-growth expectation early-stage entrepreneurial activity Percentage of early-stage entrepreneurs (as defined above) who expect to employ at least 20 people five years from now.
New product-market-oriented early-stage entrepreneurial activity Percentage of early-stage entrepreneurs (as defined above) who report that their product or service is new to at least some customers and that not many businesses offer the same product or service.
International-oriented early-stage entrepreneurial activity Percentage of early-stage entrepreneurs (as defined above) who report that at least 25% of their customers are from foreign countries.
Established business ownership rate Percentage of individuals aged 18-64 who are currently an owner-manager of an established business, i.e., owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than 42 months.
Business discontinuation rate Percentage of individuals aged 18-64 who, in the past 12 months, have discontinued a business, either by selling, shutting down, or otherwise discontinuing an owner/management relationship with the business.
Entrepreneurial employee rate (EEA) is measured by the following two rates: – broad definition: employee who in the past three years was actively involved in and had a leading role in at least one of the following phases, idea development for a new activity or preparation and implementation of a new activity – narrow definition: employee who is currently involved in the development of such new activities.
Perceived opportunities Percentage of individuals aged 18-64 involved in any stage of entrepreneurial activity excluded who see good opportunities to start a business in the area where they live.

Perceived capabilities Percentage of individuals aged 18-64 involved in any stage of entrepreneurial activity excluded who believe they have the required skills and knowledge to start a business.
Entrepreneurial intentions Percentage of individuals aged 18-64 involved in any stage of entrepreneurial activity excluded who are latent entrepreneurs and who intend to start a business within three years.
Potential entrepreneurial rate Percentage of those individuals aged between 18-64 years who believe they possess the capabilities to start businesses, who see opportunities for entrepreneurship, and who would not be dissuaded from doing so by fear of failure.
Fear of failure rate Percentage of individuals aged 18-64 involved in any stage of entrepreneurial activity excluded who report that fear of failure would prevent them from setting up a business.
Entrepreneurship as desirable career choice Percentage of 18-64 population who agree with the statement that in their country most people consider starting a business as a desirable career choice.
High status successful entrepreneurship Percentage of 18-64 population who agree with the statement that in their country successful entrepreneurs receive high status.
Media attention for entrepreneurship Percentage of 18-64 population who agree with the statement that in their country they will often see stories in the public media about successful new businesses.

Source: Singer et al., 2015, p. 24 and Amorós and Bosma, 2014, pp. 24-29

Appendix 2 Entrepreneurial activity rates in participating GEM countries by region, 2014 (% of population aged 18-64 years)

		Nascent entrepreneur-ship rate	New business ownership rate	Early-stage entrepreneurial activity (TEA)	Established business ownership rate	Discontinuation of businesses
Africa	**Angola**	9.5	12.4	21.5	6.5	15.1
	Botswana	23.1	11.1	32.8	5.0	15.1
	Burkina Faso	12.7	9.7	21.7	17.7	10.8
	Cameroon	26.4	13.7	37.4	11.5	17.7
	South Africa	3.9	3.2	7.0	2.7	3.9
	Uganda	8.9	28.1	35.5	35.9	21.2
	Average (unweighted)	**14.1**	**13.0**	**26.0**	**13.2**	**14.0**
Asia & Oceania	**Australia**	7.6	5.7	13.1	9.8	3.9
	China	5.4	10.2	15.5	11.6	1.4
	India	4.1	2.5	6.6	3.7	1.2
	Indonesia	4.4	10.1	14.2	11.9	4.2
	Iran	7.5	8.7	16.0	10.9	5.7
	Japan	2.7	1.3	3.8	7.2	1.1
	Kazakhstan	8.1	6.2	13.7	7.4	2.9
	Malaysia	1.4	4.6	5.9	8.5	2.0
	Philippines	8.2	10.5	18.4	6.2	12.6
	Qatar	11.3	5.4	16.4	3.5	4.8
	Singapore	6.4	4.8	11.0	2.9	2.4
	Taiwan	4.4	4.1	8.5	12.2	5.1
	Thailand	7.6	16.7	23.3	33.1	4.2
	Vietnam	2.0	13.3	15.3	22.2	3.6
	Average (unweighted)	**5.8**	**7.4**	**13.0**	**10.8**	**3.9**
Latin America & Caribbean	**Argentina**	9.5	5.2	14.4	9.1	4.9
	Barbados	8.5	4.2	12.7	7.1	3.7
	Belize	4.3	3.0	7.1	3.7	4.7
	Bolivia	21.5	7.1	27.4	7.6	6.9
	Brazil	3.7	13.8	17.2	17.5	4.1
	Chile	16.6	11.0	26.8	8.8	8.3
	Colombia	12.4	6.7	18.5	4.9	5.6
	Costa Rica	7.6	3.7	11.3	2.5	4.9
	Ecuador	24.5	9.9	32.6	17.7	8.1
	El Salvador	11.4	8.7	19.5	12.7	10.8
	Guatemala	12.0	9.2	20.4	7.4	4.4
	Jamaica	7.9	11.9	19.3	14.4	6.3
	Mexico	12.7	6.4	19.0	4.5	5.6
	Panama	13.1	4.1	17.1	3.4	4.5
	Peru	23.1	7.3	28.8	9.2	8.0
	Puerto Rico	8.8	1.3	10.0	1.3	3.6
	Suriname	1.9	0.2	2.1	5.2	0.2
	Trinidad & Tobago	7.5	7.4	14.6	8.5	2.8
	Uruguay	10.5	5.7	16.1	6.7	4.4

		Nascent entrepreneur-ship rate	New business ownership rate	Early-stage entrepreneurial activity (TEA)	Established business ownership rate	Discontinuation of businesses
	Average (unweighted)	**11.4**	**6.7**	**17.6**	**8.0**	**5.4**
European Union	**Austria**	5.8	3.1	8.7	9.9	2.7
	Belgium	2.9	2.5	5.4	3.5	2.3
	Croatia	6.0	2.0	8.0	3.6	3.8
	Denmark	3.1	2.5	5.5	5.1	2.2
	Estonia	6.3	3.5	9.4	5.7	2.0
	Finland	3.4	2.3	5.6	6.6	2.3
	France	3.7	1.7	5.3	2.9	1.7
	Germany	3.1	2.3	5.3	5.2	1.7
	Greece	4.6	3.4	7.9	12.8	2.8
	Hungary	5.6	3.9	9.3	7.9	3.1
	Ireland	4.4	2.5	6.5	9.9	1.9
	Italy	3.2	1.3	4.4	4.3	2.1
	Lithuania	6.1	5.3	11.3	7.8	2.9
	Luxembourg	4.9	2.3	7.1	3.7	2.6
	Netherlands	5.2	4.5	9.5	9.6	1.8
	Poland	5.8	3.6	9.2	7.3	4.2
	Portugal	5.8	4.4	10.0	7.6	3.0
	Romania	5.3	6.2	11.3	7.6	3.2
	Slovakia	6.7	4.4	10.9	7.8	5.2
	Slovenia	3.8	2.7	6.3	4.8	1.5
	Spain	3.3	2.2	5.5	7.0	1.9
	Sweden	4.9	1.9	6.7	6.5	2.1
	United Kingdom	6.3	4.5	10.7	6.5	1.9
	Average (unweighted)	**4.8**	**3.2**	**7.8**	**6.7**	**2.6**
Non-European Union	**Bosnia and Herzegovina**	4.5	2.9	7.4	6.7	4.5
	Georgia	4.1	3.2	7.2	7.3	2.5
	Kosovo	2.5	1.8	4.0	2.1	6.6
	Norway	2.8	3.0	5.7	5.4	1.9
	Russia	2.4	2.4	4.7	3.9	1.2
	Switzerland	3.4	3.8	7.1	9.1	1.5
	Average (unweighted)	**3.3**	**2.8**	**6.0**	**5.7**	**3.0**
North America	**Canada**	7.9	5.6	13.0	9.4	4.2
	United States	9.7	4.3	13.8	6.9	4.0
	Average (unweighted)	**8.8**	**4.9**	**13.4**	**8.2**	**4.1**

Source: Singer et al., 2015, pp. 35-37

Appendix 3 Motivation for early-stage entrepreneurial activity in GEM countries, 2014

		Early-stage entrepreneurial activity (TEA, %)	Necessity-driven (% of TEA)	Opportunity-driven (% of TEA)	Improvement-driven opportunity (% of TEA)	Motivational index*
Africa	Angola	21.5	24.5	72.1	43.4	1.8
	Botswana	32.8	30.3	67.2	54.7	1.8
	Burkina Faso	21.7	22.3	75.3	52.8	2.4
	Cameroon	37.4	33.5	59.2	40.5	1.2
	South Africa	7.0	28.2	71.3	35.5	1.3
	Uganda	35.5	18.9	80.8	54.3	2.9
	Average (unweighted)	**26.0**	**26.3**	**71.0**	**46.9**	**1.8**
Asia & Oceania	Australia	13.1	17.6	81.5	63.8	3.6
	China	15.5	33.2	65.7	45.4	1.4
	India	6.6	31.7	60.0	36.5	1.2
	Indonesia	14.2	20.5	78.6	38.0	1.9
	Iran	16.0	38.7	60.6	49.6	1.3
	Japan	3.8	18.8	76.2	68.2	3.6
	Kazakhstan	13.7	26.4	69.1	33.7	1.3
	Malaysia	5.9	17.5	82.5	64.0	3.7
	Philippines	18.4	29.4	70.5	33.5	1.1
	Qatar	16.4	21.5	77.1	54.4	2.5
	Singapore	11.0	11.4	84.3	70.8	6.2
	Taiwan	8.5	13.3	86.7	66.0	5.0
	Thailand	23.3	17.8	80.9	71.2	4.0
	Vietnam	15.3	29.7	70.3	53.3	1.8
	Average (unwighted)	**13.0**	**23.4**	**74.6**	**53.5**	**2.3**
Latin America & Caribbean	Argentina	14.4	28.0	67.8	43.5	1.6
	Barbados	12.7	14.6	73.8	53.1	3.7
	Belize	7.1	13.1	82.9	47.6	3.6
	Bolivia	27.4	22.8	76.7	51.7	2.3
	Brazil	17.2	29.0	70.6	57.8	2.0
	Chile	26.8	17.6	81.0	62.2	3.5
	Colombia	18.6	33.3	66.0	51.6	1.6
	Costa Rica	11.3	19.3	79.4	63.5	3.3
	Ecuador	32.6	29.4	70.1	35.0	1.2
	El Salvador	19.5	32.0	67.8	54.5	1.7
	Guatemala	20.4	40.6	59.2	38.9	1.0
	Jamaica	19.3	32.1	65.6	33.5	1.0
	Mexico	19.0	22.5	76.3	50.0	2.2
	Panama	17.1	26.3	73.1	60.2	2.3
	Peru	28.8	16.4	82.5	58.9	3.6
	Puerto Rico	10.0	20.5	79.1	51.1	2.5
	Suriname	2.1	5.4	73.2	39.8	7.3
	Trinidad & Tobago	14.6	12.0	86.5	64.3	5.4
	Uruguay	16.1	16.0	82.4	27.3	1.7
	Average	**17.6**	**22.7**	**74.4**	**49.7**	**2.2**

		Early-stage entrepreneurial activity (TEA, %)	Necessity-driven (% of TEA)	Opportunity-driven (% of TEA)	Improvement-driven opportunity (% of TEA)	Motivational index*
	(unweighted)					
European Union	Austria	8.7	11.0	81.7	37.4	3.4
	Belgium	5.4	30.7	63.2	43.1	1.4
	Croatia	8.0	46.6	51.3	28.7	0.6
	Denmark	5.5	5.4	91.1	60.2	11.1
	Estonia	9.4	15.1	74.5	41.2	2.7
	Finland	5.6	15.6	81.1	63.1	4.0
	France	5.3	16.1	82.0	69.2	4.3
	Germany	5.3	23.2	75.8	53.7	2.3
	Greece	7.9	34.8	61.5	30.5	0.9
	Hungary	9.3	33.2	64.7	36.3	1.1
	Ireland	6.5	29.7	68.4	48.6	1.6
	Italy	4.4	13.6	78.4	38.6	2.8
	Lithuania	11.3	19.6	79.6	43.8	2.2
	Luxembourg	7.1	11.8	85.4	59.8	5.1
	Netherlands	9.5	15.7	80.4	62.8	4.0
	Poland	9.2	36.8	59.2	47.1	1.3
	Portugal	10.0	27.4	71.3	49.3	1.8
	Romania	11.4	28.9	70.1	49.8	1.7
	Slovakia	10.9	32.6	64.2	51.8	1.6
	Slovenia	6.3	25.5	71.4	44.8	1.8
	Spain	5.5	29.8	66.1	33.5	1.1
	Sweden	6.7	7.9	84.2	56.2	7.1
	United Kingdom	10.7	12.9	83.6	52.7	4.1
	Average (unweighted)	**7.8**	**22.8**	**73.4**	**47.9**	**2.1**
Non-European Union	Bosnia and Herzegovina	7.4	50.8	48.5	25.2	0.5
	Georgia	7.2	48.6	50.6	31.0	0.6
	Kosovo	4.0	22.0	59.9	29.1	1.3
	Norway	5.7	3.5	86.7	69.0	19.5
	Russia	4.7	39.0	58.7	41.6	1.1
	Switzerland	7.1	14.4	74.9	58.1	4.1
	Average (unweighted)	**6.0**	**29.7**	**63.2**	**42.3**	**1.4**
North America	Canada	13.0	15.7	76.3	63.3	4.0
	United States	13.8	13.5	81.5	66.9	5.0
	Average (unweighted)	**13.4**	**14.6**	**78.9**	**65.1**	**4.5**

* Ratio between improvement-driven opportunity and necessity-driven entrepreneurs.

Source: Singer et al., 2015, pp. 40-42

Appendix 4 Gender Distribution of Early-stage Entrepreneurs (TEA) & Necessity vs Opportunity Entrepreneurship by Geographic Region, 2014

		MALE TEA (% of adult male population)	FEMALE TEA (% of adult female population)	MALE TEA Opportunity (% of TEA males)	FEMALE TEA Opportunity (% of TEA females)	MALE TEA Necessity (% of TEA males)	FEMALE TEA Necessity (% of TEA females)
Africa	**Angola**	22.79	20.37	73.91	70.39	21.77	27.09
	Botswana	34.79	30.93	72.22	61.96	24.52	36.25
	Burkina Faso	25.39	18.71	84.73	64.72	12.65	32.94
	Cameroon	40.94	34.10	65.53	52.29	27.63	39.89
	South Africa	7.72	6.29	71.38	71.16	28.62	27.70
	Uganda	33.73	37.15	84.55	77.82	15.20	21.89
	Average	**27.56**	**24.59**	**75.39**	**66.39**	**21.73**	**30.96**
Asia & Oceania	**Australia**	15.97	10.32	81.86	80.93	18.14	16.77
	China	16.83	14.18	69.58	60.95	29.39	37.95
	India	8.52	4.58	56.51	66.70	33.04	29.13
	Indonesia	13.23	15.16	80.56	76.85	18.28	22.45
	Iran	21.45	10.47	59.38	63.04	39.77	36.43
	Japan	6.12	1.50	76.41	75.06	17.34	24.94
	Kazakhstan	14.34	13.17	71.13	67.12	26.06	26.71
	Malaysia	5.10	6.78	86.16	79.47	13.84	20.53
	Philippines	15.85	20.78	83.93	60.78	15.79	39.22
	Qatar	19.29	10.32	75.50	83.43	23.02	15.75
	Singapore	14.83	7.17	85.53	81.76	11.38	11.44
	Taiwan	10.15	6.83	87.84	85.10	12.16	14.90
	Thailand	24.53	22.12	81.53	80.31	17.12	18.56
	Vietnam	15.13	15.47	71.14	69.43	28.86	30.57
	Average	**14.38**	**11.35**	**76.22**	**73.64**	**21.73**	**24.67**
Latin America & Caribbean	**Argentina**	17.84	11.22	73.88	58.76	22.00	36.93
	Barbados	14.33	11.23	74.40	73.15	12.74	16.69
	Belize	7.81	6.45	83.94	81.70	11.14	15.46
	Bolivia	29.89	24.98	81.05	71.59	18.80	27.51
	Brazil	17.01	17.45	78.88	62.71	21.06	36.47
	Chile	30.10	23.68	88.64	71.65	9.89	27.08
	Colombia	22.78	14.57	70.55	59.42	28.91	39.83
	Costa Rica	11.66	11.02	84.35	74.58	13.04	25.42
	Ecuador	33.04	32.18	73.33	66.78	26.33	32.55
	El Salvador	19.26	19.69	69.39	66.44	30.61	33.13
	Guatemala	24.43	16.85	61.85	55.74	37.75	44.26
	Jamaica	21.26	17.34	70.31	59.94	26.10	39.21
	Mexico	19.74	18.31	78.74	73.80	20.26	24.64
	Panama	17.98	16.14	75.56	70.37	23.89	29.01

		MALE TEA (% of adult male population)	FEMALE TEA (% of adult female population)	MALE TEA Opportunity (% of TEA males)	FEMALE TEA Opportunity (% of TEA females)	MALE TEA Necessity (% of TEA males)	FEMALE TEA Necessity (% of TEA females)
	Peru	29.65	28.00	86.07	78.90	12.63	20.24
	Puerto Rico	11.13	9.05	79.64	78.39	19.51	21.61
	Suriname	2.67	1.54	79.77	61.68	3.90	8.06
	Trinidad & Tobago	16.08	13.16	87.08	85.69	10.77	13.52
	Uruguay	19.17	13.23	86.45	76.91	11.29	22.20
	Average	**19.25**	**16.11**	**78.10**	**69.90**	**18.98**	**27.04**
European Union	**Austria**	10.38	7.06	82.48	80.54	11.31	10.43
	Belgium	7.65	3.14	66.41	55.29	29.38	33.83
	Croatia	11.28	4.75	52.11	49.38	46.27	47.24
	Denmark	7.12	3.79	91.72	89.81	5.64	5.02
	Estonia	11.21	7.71	75.89	72.50	13.39	17.50
	Finland	6.63	4.63	82.55	78.90	14.54	17.20
	France	6.68	4.03	87.25	73.50	11.42	23.57
	Germany	6.54	3.97	77.58	72.67	20.99	26.88
	Greece	9.89	5.81	67.13	51.82	30.01	42.90
	Hungary	13.48	5.29	67.73	57.25	29.34	42.75
	Ireland	8.87	4.23	73.12	58.47	26.01	37.20
	Italy	5.71	3.15	75.72	83.21	16.38	8.62
	Lithuania	16.19	6.78	82.81	72.31	16.59	26.35
	Luxembourg	8.89	5.32	85.87	84.49	11.97	11.55
	Netherlands	11.62	7.27	79.69	81.58	16.61	14.15
	Poland	12.50	5.95	59.33	58.82	36.09	38.14
	Portugal	11.68	8.36	74.69	66.92	23.95	31.89
	Romania	16.02	6.57	70.40	69.94	28.30	30.06
	Slovakia	14.37	7.41	64.58	63.51	31.94	33.78
	Slovenia	8.29	4.25	76.21	61.48	22.62	31.31
	Spain	6.36	4.57	69.61	61.03	26.13	34.95
	Sweden	9.54	3.79	85.62	80.35	6.61	11.30
	United Kingdom	13.82	7.53	83.24	84.17	14.91	9.27
	Average	**10.21**	**5.45**	**75.29**	**69.91**	**21.32**	**25.47**
Non-European Union	**Bosnia and Herzegovina**	10.60	4.25	52.45	38.51	47.55	58.98
	Georgia	8.05	6.47	54.39	46.33	45.61	51.90
	Kosovo	4.78	3.30	65.45	51.94	23.00	20.60
	Norway	7.29	4.00	89.04	82.50	0.00	10.00
	Russia	5.77	3.70	60.37	56.34	37.66	40.93
	Switzerland	7.03	7.20	79.85	69.93	10.97	17.72
	Average	**7.25**	**4.82**	**66.93**	**57.59**	**27.46**	**33.35**

		MALE TEA (% of adult male population)	FEMALE TEA (% of adult female population)	MALE TEA Opportunity (% of TEA males)	FEMALE TEA Opportunity (% of TEA females)	MALE TEA Necessity (% of TEA males)	FEMALE TEA Necessity (% of TEA females)
North America	**Canada**	16.23	9.93	80.12	70.35	13.17	19.62
	United States	16.53	11.20	83.85	78.24	11.70	16.04
	Average	**16.38**	**10.56**	**81.98**	**74.29**	**12.44**	**17.83**

Source: GEM Adult Population Survey 2014

Appendix 5 Age Distribution of Early-stage Entrepreneurs (TEA) by Geographic Region, 2014 (involved in TEA)

		18 - 24 years	25 - 34 years	35 - 44 years	45 - 54 years	55 - 64 years
Africa	**Angola**	14.85	26.97	22.51	22.19	23.88
	Botswana	24.71	37.95	39.85	35.54	25.92
	Burkina Faso	19.10	26.92	24.43	15.61	15.45
	Cameroon	25.98	42.90	44.76	40.47	33.33
	South Africa	4.78	9.01	7.47	7.36	4.87
	Uganda	41.35	41.38	30.87	21.73	12.74
Asia & Oceania	**Australia**	8.71	17.67	14.40	13.40	9.23
	China	13.41	21.97	20.79	11.24	5.34
	India	5.59	8.62	5.99	6.91	4.37
	Indonesia	9.85	16.75	15.80	14.38	10.05
	Iran	15.64	21.50	17.20	9.02	6.46
	Japan	0.80	5.08	4.65	4.04	3.21
	Kazakhstan	13.98	18.81	14.80	10.62	5.86
	Malaysia	3.92	7.72	5.48	8.30	2.28
	Philippines	12.00	19.42	20.10	19.23	25.11
	Qatar	15.20	18.59	17.48	11.83	9.38
	Singapore	10.29	13.40	14.10	8.45	7.40
	Taiwan	7.51	12.89	8.76	7.52	4.81
	Thailand	14.63	28.94	26.30	22.09	19.44
	Vietnam	12.00	22.10	15.03	12.95	8.65
Latin America & Caribbean	**Argentina**	12.86	17.78	17.30	13.09	8.49
	Barbados	13.01	16.80	14.30	10.39	8.46
	Belize	4.03	7.94	6.31	12.99	6.76
	Bolivia	21.62	33.20	32.52	29.40	13.63
	Brazil	16.18	22.20	18.20	15.14	9.96
	Chile	18.56	33.92	29.77	28.19	20.35
	Colombia	14.73	22.09	20.85	20.36	11.28
	Costa Rica	7.43	14.04	12.77	14.36	5.64
	Ecuador	31.20	35.21	35.24	29.49	28.84
	El Salvador	13.43	25.78	22.99	19.16	12.83
	Guatemala	17.63	24.98	22.20	18.19	12.86
	Jamaica	13.61	24.97	22.29	18.21	13.82
	Mexico	12.61	22.79	23.26	19.73	11.41
	Panama	14.05	16.73	17.52	20.26	16.33
	Peru	23.73	35.01	31.73	25.31	22.58
	Puerto Rico	8.06	15.94	13.54	8.91	2.55
	Suriname	1.84	1.45	3.23	2.74	0.92
	Trinidad & Tobago	11.01	16.22	22.25	13.13	7.66
	Uruguay	14.42	21.16	17.80	18.28	4.62

European Union	**Austria**	6.93	14.56	9.58	8.33	3.05
	Belgium	5.24	7.22	5.90	5.14	3.41
	Croatia	6.46	13.51	11.70	4.37	3.71
	Denmark	5.25	7.92	7.67	3.67	3.01
	Estonia	6.46	14.95	12.01	7.21	4.76
	Finland	1.52	6.92	10.56	4.3	4.27
	France	3.28	6.56	7.82	4.55	3.64
	Germany	6.90	8.90	6.39	3.76	1.55
	Greece	10.58	10.68	7.66	6.48	3.11
	Hungary	9.54	9.12	12.21	10.79	4.98
	Ireland	3.40	10.01	6.94	4.56	5.52
	Italy	4.51	7.73	6.20	2.44	1.47
	Lithuania	10.77	19.44	13.19	9.38	3.87
	Luxembourg	7.07	10.02	7.27	6.30	4.37
	Netherlands	13.00	10.85	10.14	9.27	5.22
	Poland	8.10	15.84	8.54	7.11	4.94
	Portugal	10.66	13.66	14.80	7.00	3.13
	Romania	15.57	15.17	13.34	7.56	5.43
	Slovakia	18.15	14.43	10.42	8.87	3.64
	Slovenia	4.04	9.84	6.83	5.80	4.05
	Spain	3.81	6.31	6.39	6.11	3.11
	Sweden	3.80	7.70	7.57	7.59	6.08
	United Kingdom	6.89	15.27	12.74	9.44	7.38
Non-European Union	**Bosnia and Herzegovina**	7.23	12.58	7.66	6.68	1.68
	Georgia	5.33	7.17	7.90	8.63	6.47
	Kosovo	3.46	5.34	3.70	5.07	0.94
	Norway	2.36	7.43	7.01	6.68	3.4
	Russia	3.71	7.54	5.86	3.59	1.95
	Switzerland	3.36	6.43	10.09	7.20	6.83
North America	**Canada**	11.97	15.83	11.85	15.43	9.33
	United States	13.46	18.13	14.81	11.88	10.54

Source: GEM Adult Population Survey 2014

Appendix 6 Constrains for fostering entrepreneurship provided by national experts from EU efficiency-driven economies, 2014 ()*

	Romania	Croatia	Hungary	Lithuania	Poland
Financial support	69.44	38.89	30.56	12.50	32.35
Government policies	83.33	86.11	77.78	81.25	85.29
Government programs	11.11	8.33	16.67	3.13	14.71
Education &Training	22.22	25.00	13.89	21.88	17.65
R&D transfer	8.33	2.78	2.78	6.25	2.94
Commercial Infrastructure	0.00	8.33	2.78	3.13	2.94
Internal Market Openness	11.11	13.89	5.56	25.00	8.82
Physical Infrastructure Access	13.89	0.00	0.00	3.13	2.94
Cultural & Social Norms	0.00	16.67	25.00	31.25	11.76
Capacity for Entrepreneurship	0.00	5.56	0.00	12.50	23.53
Economic climate	5.56	5.56	27.78	9.38	2.94
Work Force Features	2.78	0.00	8.33	6.25	5.88
Perceived Population Composition	0.00	0.00	0.00	0.00	2.94
Political, Institutional and Social Context	5.56	2.78	2.78	18.75	2.94
Economic Crisis	0.00	5.56	0.00	0.00	0.00
Corruption	5.56	2.78	19.44	9.38	0.00
Different performing of small, medium and large companies	0.00	0.00	2.78	0.00	0.00
Internationalization	0.00	0.00	2.78	0.00	2.94
Labor costs, access and regulation	5.56	5.56	2.78	0.00	11.76
Information	2.78	0.00	0.00	9.38	0.00

*Note: multiple responses where allowed.

Source: GEM NES database 2014

Appendix 7 Supports for fostering entrepreneurship provided by national experts from EU efficiency-driven economies, 2014 ()*

	Romania	Croatia	Hungary	Lithuania	Poland
Financial support	11.11	38.24	53.13	31.25	35.29
Government policies	8.33	8.82	28.13	9.38	32.35
Government programs	19.44	23.53	40.63	18.75	41.18
Education &Training	22.22	17.65	15.63	6.25	14.71
R&D transfer	13.89	20.59	3.13	6.25	0.00
Commercial Infrastructure	25.00	20.59	6.25	9.38	38.24
Internal Market Openness	16.67	2.94	9.38	15.63	14.71
Physical Infrastructure Access	19.44	8.82	9.38	15.63	17.65
Cultural & Social Norms	22.22	14.71	6.25	12.50	14.71
Capacity for Entrepreneurship	8.33	11.76	15.63	31.25	26.46
Economic climate	36.11	8.82	21.88	6.25	11.76
Work Force Features	5.56	23.53	18.75	9.38	8.82
Perceived Population Composition	0.00	0.00	0.00	6.25	0.00
Political, Institutional and Social Context	0.00	11.76	3.13	31.25	2.94
Economic Crisis	2.78	5.88	0.00	0.00	0.00
Corruption	0.00	0.00	0.00	0.00	0.00
Different performing of small, medium and large companies	0.00	0.00	6.25	0.00	0.00
Internationalization	5.56	8.82	18.75	18.75	2.94
Labor costs, access and regulation	22.22	8.82	0.00	6.25	0.00
Information	5.56	8.82	0.00	9.38	2.94

*Note: multiple responses where allowed.

Source: GEM NES database 2014

Appendix 8 Key recommendations for fostering entrepreneurship provided by national experts from EU efficiency-driven economies, 2014 ()*

	Romania	Croatia	Hungary	Lithuania	Poland
Financial support	41.67	36.36	29.41	9.68	14.71
Government policies	83.33	75.76	76.47	51.61	91.18
Government programs	11.11	15.15	29.41	25.81	23.53
Education &Training	36.11	48.48	55.88	51.61	44.12
R&D transfer	19.44	0.00	2.94	9.68	17.65
Commercial Infrastructure	2.78	6.06	2.94	0.00	5.88
Internal Market Openness	8.33	3.03	5.88	6.45	0.00
Physical Infrastructure Access	13.89	0.00	0.00	0.00	0.00
Cultural & Social Norms	0.00	33.33	5.88	9.68	0.00
Capacity for Entrepreneurship	2.78	0.00	2.94	12.90	5.88
Economic climate	8.33	0.00	2.94	3.23	0.00
Work Force Features	0.00	0.00	2.94	0.00	0.00
Perceived Population Composition	0.00	0.00	0.00	3.23	0.00
Political, Institutional and Social Context	0.00	3.03	8.82	9.68	0.00
Economic Crisis	0.00	0.00	0.00	0.00	0.00
Corruption	2.78	3.03	5.88	3.23	0.00
Different performing of small, medium and large companies	0.00	0.00	2.94	29.03	0.00
Internationalization	0.00	0.00	2.94	12.90	5.88
Labor costs, access and regulation	0.00	3.03	0.00	3.23	5.88
Information	2.78	6.06	0.00	12.90	5.88

*Note: multiple responses where allowed.

Source: GEM NES database 2014