

## BOOSTING INCLUSIVE ENTREPRENEURSHIP AS A STRATEGIC OPTION OF LOCAL DEVELOPMENT IN ROMANIA IN 2014-2020 (I)

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**Abstract:** *The present paper is the first part of an analysis that aims to clearly identify and assess the needs of the inclusive entrepreneurship target groups in Romania for 2014-2020, in order to encourage inclusive entrepreneurship and self-employment as local development strategic option. The specific objectives of the analysis are: 1. to analyze the national context in terms of employment and entrepreneurship for the period 2014-2020; 2. to identify the groups at risk and uncertainty compared to employment and entrepreneurship, disadvantaged on labour market or under-represented in entrepreneurship; 3. to assess the specific needs of identified groups in four small towns in Romania and if boosting inclusive entrepreneurship is a viable local development strategic option. As first part of this research, the present paper analyses the national and regional context regarding boosting inclusive entrepreneurship as a strategic option for 2014-2020. In the second part of the research, in order to investigate if boosting inclusive entrepreneurship is a viable strategic option of local development, we'll analyse through comparison this option for 4 small towns in Romania: Slănic Moldova, Găești, Balș, Seini located in different development regions, respectively North-East, South, South-West Oltenia and North-West. The paper uses OECD/EC inclusive entrepreneurship framework and OECD research methodology. The analysis of needs is based on Eurostat and national statistics, EU strategic documents, national strategies, regional development strategies for 2014-2020.*

**Keywords:** *inclusive entrepreneurship; self-employment; labour market; regional development; local development.*

**JEL classification:** L26; O18; O20; R11; J21; M21.

### 1. Theoretical and research background

The inclusive entrepreneurship concept was launched by the Organization for Economic Co-operation and Development (OECD) and European Commission (EC) through Local Economic and Employment Development (LEED) programme, looking both to support business creation and self-employment for groups at risk and uncertainty compared to employment and entrepreneurship, disadvantaged groups on labour market or under-represented in entrepreneurship: youth, women, seniors, ethnic minorities, rural people, people with low education levels, people with disabilities, migrant populations, etc. (OECD/EC, 2013: 18-19). Consequently, boosting inclusive entrepreneurship as a strategic option addressed both economic and social objectives: promoting entrepreneurship, securing labour market and reducing social exclusion (OECD/EC, 2013). The most sensitive issue for boosting

inclusive entrepreneurship is the carefully setting of target groups (Dodescu and Pop-Cohut, 2016) tailored on local needs. Generally, women have a smaller inclination to entrepreneurship than men, young people encounter the great difficulties in accessing financing, rural people face specific obstacles in self-employment, but only local needs analysis can identify specific target groups in order to design specific measures for inclusive entrepreneurship support.

The present analysis aims to clearly identify and assess the needs of the inclusive entrepreneurship target groups in Romania for 2014-2020, in order to encourage entrepreneurship and self-employment as regional and local development strategic option.

Our analysis is derived from a larger study looking at inclusive entrepreneurship in Romania in the context of European Union. Our previous research on this topic addressed policy analysis for 2007-2013 (Dodescu and Pop-Cohut, 2015, 2016). We concluded that the need for inclusive entrepreneurship policy support definitively exists in Romania but the target groups are partially different compared to the EU general context, more disadvantaged groups are especially: youth, women and rural people (Dodescu and Pop-Cohut, 2016). Looking at existing policies and programmes in 2007-2013, we identified national programmes targeting only youth and women entrepreneurship, the strengths in 2007-2013 are related with EU structural and agricultural funds, particularly ESF-supported actions (Dodescu and Pop-Cohut, 2015).

The specific objectives of the present analysis are: 1. to analyze the national context in terms of employment and entrepreneurship for the period 2014-2020; 2. to identify the groups at risk and uncertainty compared to employment and entrepreneurship, disadvantaged on labour market or under-represented in entrepreneurship; 3. to assess the specific needs of identified groups in four small towns in Romania and if boosting inclusive entrepreneurship is viable local development strategic option. The tools used for need analysis were the following: Eurostat and national statistics, EU strategic documents, national strategies, regional and local development strategies.

The present paper is the first part of this research and analyses the national and regional context regarding boosting inclusive entrepreneurship as a strategic option for 2014-2020. In the second part of the research, in order to investigate if boosting inclusive entrepreneurship is a viable strategic option of local development, we'll analyse through comparison this option for 4 small towns in Romania: *Slănic Moldova*, *Găești*, *Balș*, *Seini* located in different development regions, respectively North-East, South, South-West Oltenia and North-West. The paper uses OECD/EC inclusive entrepreneurship framework and OECD research methodology. The paper is structured in 2 main sections: *Section 1* analyses the need for inclusive entrepreneurship support in Romania in 2014-2020 based on the labour market and entrepreneurship context and describes inclusive entrepreneurship target groups; *Section 2* analyses if boosting inclusive entrepreneurship is a strategic option of local development based on national and regional strategies for 2014-2020 and is finalized by *Conclusions*.

## 2. Needs Analysis for Inclusive Entrepreneurship in Romania, 2014-2020

The analysis of Romanian labour market indicators according with Eurostat and national statistics (RNIS, 2016) in correlation with Romanian strategic documents (NRP 2015, AGS 2015, CSR 2014, 2015; NSE, IPYW 2014-2015) and RPES data (collected through caravans on employment, awareness campaigns organized in partnership with local authorities, etc.) leads to following interesting findings:

- There are optimistic forecasts regarding employment - projected to grow in 2016 and 2017 along with sustained economic growth (EC, 2016). At present, there are limited employment opportunities and a lack of opportunities in rural areas.

- Over the period 2000-2014, the unemployment rate in Romania was constantly below EU average with several points (6.8% compared to the EU average of 11.4% in 2014) (Eurostat, 2015). There are some hidden causes for low rate of unemployment: a continuous decline in the working-age population due to ageing and net outward migration (EC, 2016, p. 3) and an important share of total employment in subsistence agriculture (RNIS, 2010).

- *Unemployed and long-term unemployed people* are not necessarily disadvantaged in labour market access and participation. Despite low rate of unemployment, there is a continuous increase of the share of *long-term unemployed people* but *long-term unemployed people* are rather just pursuing to benefit from unemployment benefits than seeking employment.

- *Women* aren't disadvantaged on the labour market access and participation. The unemployment rate for women is slightly below the overall unemployment rate by less than one percent on average, while the unemployment rate for men is slightly above the overall unemployment rate with less than one percent on average throughout the period 2000-2014 (RNIS, 2016). In 2014, the unemployment rate for women was 6.1% compared with 7.3% for men and 6.8% the general average (RNIS, 2016).

- Worrying increase in the unemployment rate for young people and disparities related to access to and participation in the labour market of certain disadvantaged persons leads to the identification of the following *disadvantaged groups in labour market access and participation*:

### *Youth and NEETs*

In 2014, young people employment rate had reached one third of the total employment rate (EC, 2016). The analysis of the unemployment rate for young people (15-24 years) compared with the one for people of 25 years and over shows an alarming increasing over the period 2000-2014 from 18,4% (compared with 5,1%) in 2000 at 24% (compared with 5,1%) in 2014, from 3.6 times higher in 2000 at 4.36 times higher in 2014 (RNIS, 2016). Even more worrying is the increase of percentage of young people not in employment, education or training (NEETs) well above the EU average, underscoring the difficulties in ensuring adequate transition from the education system to the labour market. According with HC OP 2014-2020 (2016), the NEETs rose to 17.2% in 2013 compared to 12.9% in the EU but the number of unidentified young people NEETs was approx. 441.000. NEETs became a *multiple disadvantaged group* on the labour market due to their age and social status. According to the RPES (2016), the NEETs indicator recorded important disparities - by gender: young women being more affected than men (18.9% versus 13.2% in the EU); educational level: high school graduates (approx. 70%) are more affected than university graduates (approx. 20%); other criteria: approx. 5% are people with

disabilities and approx. 1% belong to the Roma minority. According with IPYW 2014-2015, the situation of young Roma in the labour market is influenced especially by low level of education (8 grades or less).

#### *Older workers*

The analysis of the employment rate over the period 2000-2014 shows, also, a progressive worsening of the employment situation of older (55-64 years) people (RNIS, 2016). In 2014, the rate of employment among older workers (55-64 years) was 43.1% well below the national average (61%) (RNIS, 2016) with significant regional differences (the lowest rates recorded for Bucharest-Ilfov and Central Region) as shows HC OP 2014-2020.

#### *People with low level of education*

During 2000-2014 period, the unemployment rate for people with medium and low education is higher by about 1% to 5% from that of people with higher education (RNIS, 2016), those with medium level of education tend to be more affected than those with low education (EC, 2016). The employment rate for people with low levels of education showed similar trend with unemployment: 40.5% for those with low levels of education in 2013, 62.3% for those with average education compared to 82.1% for people with higher levels of education (RNIS, 2016). Low level of education is an aggravating factor of risk in relation to employment for people from rural area, persons with disabilities and Roma people – another multiple disadvantaged groups on the labour market.

#### *People from rural area employed in subsistence agriculture*

At national level, the agricultural sector comprised 31.9% of the total employment, while 52% of the active rural population was working in agriculture; also, 87.4% of people engaged in secondary and multiple activities and 90.1% of those who said they were own-account workers and unpaid family workers (farm work is their secondary activity) live in rural areas according to the AMIGO Survey conducted in 2010 by the RNIS in individual households (RNIS, 2010). The farming population is aging, the share of people aged over 54 in employment was 33.6%, in 2010 (RNIS, 2010). Low level of education and qualification is predominant, that determine weak possibilities of migration to other activities. Moreover, according with HC OP 2014-2020, agricultural exploitations in Romania cover only 29.7% of the total utilised agricultural land and the farms under 5 hectares represented 93% of total, which indicates the magnitude of the subsistence and semi-subsistence agriculture.

#### *Roma people*

Characteristic for Roma people is the predominance of unskilled occupations. According with RPES, the registered unemployment among the Roma population is 3 times higher than among non-majority population (RPES, 2016). According with Duminica and Ivasiuc (2013), only 1 from 10 Roma people had a permanent job in the past two years, the employment rate among Roma workforce was only 46.2%. Roma youth or Roma women are *multiple disadvantaged* on the labour market due to their age/gender and social status.

#### *Persons with disabilities*

According with HC OP 2014-2020, from the total of 1.4 million people reported as persons with disabilities, 56% said they have never worked and only 12.7% were employed. Low level of education is an aggravating factor of risk in relation to employment for people with disabilities.

The analysis of Romanian SBA profile and SMEs sector according with EC (2015a, b) and RG (2014) leads to the identification of interesting findings:

- There are optimistic forecasts for 2016: 6.2% increase in the number of SMEs, around 190,000 new SMEs jobs and 8.5% annual growth of SMEs added value (EC, 2015a). EC considers that “the outlook for the 'non-financial business economy' as a whole, and especially for SMEs, is positive”, even if Romania's non-financial business economy has not recovered fully from the crisis (EC, 2015a). SMEs account for 99.7% of total enterprises and 67% of total employment, in line with the EU average (RG, 2014), but the SMEs influence on the Romania's economic evolution (about 55-56% of GDP) and the SMEs value added, productivity and competitiveness are significantly lower than the EU average, the most important gap being registered at the level of labour productivity (75-77% lower than the EU average) (EC, 2015b).

- Romania's SBA performance was visible improved, from 2008 to 2015, in particular for entrepreneurship (best performance, Romania is the EU leader), access to finance, and state aid & public procurement (EC, 2015b). Romania scores average results for 'second chance', 'responsive administration', state aid & public procurement and access to finance, but remains well below the EU average for four SBA principles - skills & innovation (worst performance), internationalisation, environment and single market (EC, 2015b). Also, Romania is making important progresses regarding business environment: in 2014, time to start a business in Romania was 2 days (while the EU average was 3.5 days), cost to start a business in Romania was 100 EUR (while the EU average was 313EUR), paid-in minimum capital (in percentage of income per capita) was 0.7%, (while the EU average was 11.3%), time to transfer property was 19 days (while the EU average was 26) and the cost of the property value was 1.5% (while the EU average was 4.5%) (EC SWD, 2016).

- There is no national data about business creation or self-employment rates for inclusive entrepreneurship target groups: women, youth, seniors, people with disabilities, people with low education, rural people, ethnic minorities, migrant populations etc. The analysis of the self-employment rate according with OECD (2015) leads to the identification of the following *under-represented groups in self-employment*:

#### *Women and youth*

The self-employment rates for young people and for women are well below the overall self-employment rate throughout the period 2000-2013, just over half in 2013 for both women and young people (OECD/EU, 2015). On the contrary, the self-employment rate of older people is almost double than the overall self-employment rate in 2000 and higher in 2001, fell sharply in the 2001-2013 period, but remained 1.5 times higher than the overall self-employment rate in 2013 (OECD/EU, 2015).

### **3. Boosting inclusive entrepreneurship as strategic option in Romania, 2014-2020**

The analysis of the Romanian strategic documents (GSDSMEIBE 2020, PA 2014-2020, NSE 2014-2020, NCS 2014-2020, NSSIPR 2015-2020) leads to the identification of the following strategic targets in the SME sector in Romania - 2020 and *relevant* objectives for boosting inclusive entrepreneurship in major national strategies for the 2014-2020 as shown below in the Tables 1 and 2.

**Table 1. The strategic targets in the SME sector in Romania – 2020**

<b>Performance indicators</b>	<b>31-Dec.-2011</b>	<b>31-Dec.-2012</b>	<b>31-Dec.-2013</b>	<b>Increase (2020 / 2013)</b>	<b>31-Dec.-2020</b>
Number of active SMEs cf. CAEN Rev. 2 B - J, L - N	435,778	437,126	474,416	195,584	<b>670,000 (+ 41.23%)</b>
<b>The target of SMEs economically active: surpassing the ceiling of 670,000 SMEs active in the Romanian economy</b>					
<i>Romania's population</i>	20,121,641	19,920,425	19,721,221	-1,338,653	<b>18,382,567 (-6.79%)</b>
Number of active SMEs per 1,000 inhabitants	21.66	21.94	24.06		<b>36.45 (+51.50%)</b>
<b>The density target of SMEs: increase by more than 50% of the density of active SMEs</b>					
Total number of employees in active SMEs	2,519,954	2,522,128	2,623,448	609,552	<b>3,233,000 (+ 23.23%)</b>
Average number of employees in active SMEs	5.78	5.77	5.53		<b>4.8 (-13, 20%)</b>
<b>The target of employees in SMEs: surpassing the ceiling of 3.2 million employees in active SMEs in the Romanian economy</b>					
Gross value added of SMEs (EUR million)	24,963	24,849	26,792	11,208	<b>38,000 (+ 41.83%)</b>
The contribution of SMEs to the gross value added	49.51%				<b>approx. 60%</b>
<b>The target of the gross value added (GVA) of SMEs: Creating a total GVA of SMEs of 11 200 million EUR in the 2013-2020 period</b>					
Labour productivity (EUR / employee)	9,906	9,852	10,212	1,541	<b>11,754 (+ 15.09%)</b>
<b>The target of labour productivity per employee: Increasing by 15% in 2020 compared to 2013.</b>					

Source: GSDSMEIBE 2020, Annex no.5

**Table 2.** Relevant objectives for boosting inclusive entrepreneurship in major national strategies for the 2014-2020

Direction	Strategic document	Objectives/Priorities
Promoting entrepreneurship and self-employment	<i>GSDSMEIBE 2020</i>	<p><i>General objectives:</i> creating a favourable environment for business, private initiative and entrepreneurial spirit, boosting the creation and growth of SMEs and supporting more competitive local business environment on local, regional, national, European and international level by a significant increase in terms of dimensional, sectoral and regional net balance of economically active SMEs, the development of existing businesses and creating new jobs by the end of 2020.</p> <p><i>Directions:</i></p> <ol style="list-style-type: none"> <li>1. Supporting and promoting entrepreneurship</li> <li>2. Access to appropriate finance for SMEs</li> <li>3. Innovative SMEs</li> <li>4. Access to markets and internationalization of SMEs</li> <li>5. The reactivity of government to the needs of SMEs</li> </ol>
Securing labour market & promoting entrepreneurship and self-employment	<p><i>PA 2014-2020</i></p> <p><i>NSE 2014-2020</i></p> <p><i>NCS 2014-2020</i></p> <p><i>NSSIPR 2015-2020</i></p>	<p>Thematic Objective 8: Promoting sustainable and quality jobs and supporting labour mobility</p> <p>Priority investment 8.iii - Self-employment, entrepreneurship and business creation, including of some micro, small and medium innovative enterprises</p>

Source: processed by the authors

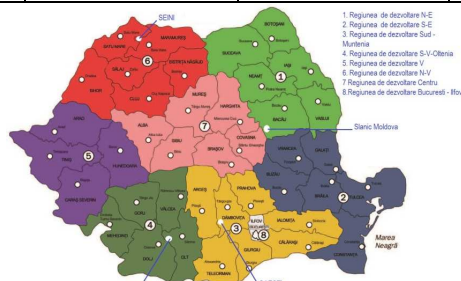
The analysis of the regional context addresses four development regions in Romania: North-East, South, South-West Oltenia and North-West and four small towns as shown above in the Table 3.

Through regional context comparative analysis of strengths, weaknesses, business environment, regional specialization, competitive advantages, position and regional significance – we tested the regional conditions that could boost or adversely affect the inclusive entrepreneurship.

Given that the regional structure of Romania is the centre-periphery type and the direction of growth and economic development is from West to East, there is a general tendency to increase the regional disparities between the West-East and the centre-periphery in terms of employment, industrial production, investments and incomes (Dodescu, 2013). In this context, the comparative analysis of the four regions analysed highlights the following particularities: North-East and South-West

regions are agricultural regions with the lowest levels of economic development; the South-Muntenia region has the largest rural population, the North-West region has the largest share of the population in the services sector.

**Table 3.** Presentation of the development regions and towns analysed

Region	North - East	South - Muntenia	South – West Oltenia	North - West
	<p><i>Counties: Bacău, Botoşani, Iaşi, Neamţ, Suceava, Vaslui.</i></p> <p><i>The surface of the region is 36.850 sq. km and thus represents 15,46% of Romania.</i></p>	<p><i>Counties: Argeş, Călăraşi, Dâmboviţa, Giurgiu, Ialomiţa, Prahova and Teleorman</i></p> <p><i>The region's surface is 34.453 sq. km and represents 14,5% of Romania.</i></p>	<p><i>Counties: Dolj, Olt, Vâlcea, Mehedinţi and Gorj</i></p> <p><i>The surface of the region is 29.212 sq. km and thus represents 12,25% of Romania.</i></p>	<p><i>Counties: Bihor, Bistriţa-Năsăud, Cluj, Maramureş, Satu Mare and Sălaj.</i></p> <p><i>The surface of the region is 34.160 sq. km and thus represents 14,3% of Romania.</i></p>
County	<i>Bacău</i>	<i>Dâmboviţa</i>	<i>Olt</i>	<i>Maramureş</i>
Town	<i>Slănic Moldova</i>	<i>Găeşti</i>	<i>Balş</i>	<i>Seini</i>
Population	<i>4.198 inhabitants</i>	<i>13.317 inhabitants</i>	<i>18.164 inhabitants</i>	<i>8987 inhabitants</i>
Location	 <p>The map shows the eight development regions of Romania, numbered 1 to 8. Region 1 (North-East) is red, Region 2 (South-East) is orange, Region 3 (South-Muntenia) is yellow, Region 4 (South-West Oltenia) is green, Region 5 (North-West) is blue, Region 6 (North) is purple, Region 7 (Central) is pink, and Region 8 (Bucuresti-Ifov) is dark blue. The towns Seini, Balş, and Găeşti are marked on the map. A legend in the top right corner lists the regions and their corresponding colors.</p>			

Source: processed by the authors on the basis of: MRLD, 2014; RDA S Muntenia, 2014; RDA S-V Oltenia, 2014; RDA N-V, 2014.

We notice as *strengths* that could boost inclusive entrepreneurship the following:

- favourable geographical position and natural resources endowments, dynamic business environment, entrepreneurial mind-set and the ability to attract foreign direct investment and structural funds make the difference in all the analysed regions;
- educated population and relatively inexpensive workforce in all analysed regions;
- long tradition in higher education and the largest share of student population (17.2% and 17.7%) in North - West and North – East (MRLD 2014);
- valuable tourism potential (spa and therapeutic tourism, rural tourism, sport tourism) in North-East and North-West (MRLD 2014);



The main *weaknesses* identified at regional level that could adversely affect the inclusive entrepreneurship are:

- active population migration, mono-industrial or predominantly agricultural economic structure, poor infrastructure and low accessibility to Western Europe in all analysed regions (MRLD 2014);
- structural vulnerability of the population due to massive migration of men working abroad, compounded by the limited offer of workplaces for women, low qualification of population, labour productivity lower than the national average, high percentage of population concentrated in rural areas (59.23%), highest unemployment rate (12.3% in Vaslui county) in North – East (MRLD 2014);
- low standard of living, low accessibility of rural areas to major transportation network and urban technical facilities, high percentage of mono-industrial localities in the region (17.8%); aging of the employed labour force, low levels of education, high unemployment and rising levels of poverty and social exclusion in South-Muntenia (RDA South Muntenia, 2014);
- improper roads and railways, lack of the basic infrastructure in rural areas; insufficiency of support structures for the creation and development of businesses; the economy of the region still relies on large industrial facilities with outdated technology; higher share of rural population 52% compared to 48% in urban areas in South - West Oltenia (RDA SV Oltenia, 2014);
- low accessibility and reduced mobility, poor road infrastructure, high rurality (47.4% of the population lives in rural areas, the degree of rurality is higher than the national average) accentuated by population decline, deindustrialization, external migration and internal migration from town to village); low wages, low labour productivity, R&D infrastructure concentrated in Cluj-Napoca in North – West (RDA NW, 2014).

Regarding *regional specialization*, we identified key areas/ industries specific to each region and economic agglomerations (industrial parks, business incubators, clusters, etc.) that could help stimulate inclusive entrepreneurship, as follows:

- woodworking industry, furniture industry, textile industry; 2 industrial parks (Bacau and Iasi), 3 business incubators in North – East (MRLD 2014);
- automotive industry, metallurgical industry for the extraction and processing of petroleum and natural gas, electrical industry, tourism, agriculture, food industry, textile industry; 20 industrial parks (1st nationally), more than half of which are located in rural areas in South-Muntenia, an innovative functional cluster (RDA South Muntenia, 2014);
- electrical industry, chemical (rubber) and engineering (with skilled labour in the field), clothing and textile industry, wood products and metal (aluminium) in South - West Oltenia (RDA S-W Oltenia, 2014);
- furniture industry, electrical equipment industry, metallurgical industry, leather and footwear industry; 10 industrial parks and 5 business incubators, 2 logistics parks; 6 active clusters and high clustering potential in the following areas: creative and cultural industries, agriculture, tourism, water distribution, food industry, environmental technology, healthcare, ICT - software, automotive in North – West (RDA NW, 2014).

Regarding the *competitive advantages* of the four regions analysed, we identified the following competitive advantages that could underpin the stimulation of inclusive entrepreneurship:

- originality of the Bucovina area and the village specificity as valuable potential for sustainable tourism, including sports, leisure and health improvement activities

(Vatra Dornei, Solca, Cacica and on the Bistriței and Moldovei Valley) in North - East (MRLD 2014);

- the presence of a great number of localities with touristic, historic and cultural importance; the existence of pair-towns on the Danube shore (Turnu-Măgurele-Nicopole, Giurgiu-Ruse, Oltenița-Turtucaia, Călărași-Siliștră); an innovative functional cluster; Giurgiu Free Zone which aims to promote international trade and attract foreign capital to introduce new technologies and to increase efficiency in the national economy's resources in South-Muntenia (RDA South Muntenia, 2014);

- the existence of areas of economic concentration: Craiova for the vehicle manufacturing industry and the machine building industry, Slatina metallurgy, chemical industry Ramnicu Valcea, Targu Jiu for extractive industry, energy industry Drobeta Turnu Severin; Airport Craiova; waterway - access to the Danube river; the presence on the territory of the most important development corridor in Romania (axis Brasov - Ploiesti - Bucharest) in South-West Oltenia (RDA S-V Oltenia, 2014);

- Spa tourism potential (Baile Felix, 1 May); light industry: apparel, clothing, textiles, leather and footwear, food industry, automotive industry, electrical equipment industry, electronics industry, chemical industry, woodworking and mobile; 2nd place nationally in terms of area of pastures and meadows and, respectively, the number of head of sheep and ovine animals (favourable conditions for the development of animal husbandry and food industry - meat processing, traditional products etc. in North-West (RDA N-W, 2014).

### 3. Conclusions

Romanian inclusive entrepreneurship policy must be tailored on Romania's specific needs for inclusive entrepreneurship support, partially different compared to EU general context, and target, especially, youth and rural people business creation, respectively youth and women self-employment. Structural problems on labour market, active population migration, big disparities between rural and urban areas as major weaknesses at national level are completed by mono-industrial or predominantly agricultural economic structure, poor infrastructure and low accessibility at regional level. The analysis of the regional context in the four development regions (North – East; South - Muntenia; South - West Oltenia; North - West) revealed that the all analysed regions have great potential for the development of inclusive entrepreneurship within the activity fields preferred by women and youth, namely: services, tourism, light industry, manufacturing, education, etc. The major problem that may cause a limitation of boosting inclusive entrepreneurship as a strategic option for local development in these areas is related to rural people but also to people from small towns with mono-industrial specialization. High share of population concentrated in rural areas with low standard of living, low accessibility of rural areas to major transportation network and technical – urban facilities, low levels of education and qualification, low wages and labour productivity, lack of opportunities and business support infrastructure are the main challenges that must be addressed carefully and integrated at local level.

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