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National incentive analytical study that support business culture
-Romania case study-

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Abstract The role of entrepreneurship has become critical to the prosperity of society as it is receiving more attention from governments and institutions. In recent years, academics and economic policymakers have been told that entrepreneurship is an activity that provides jobs, innovation and economic growth, creating better social conditions and addressing much of environmental .challenges

Despite the great interest in understanding it, since entrepreneurship is a multi-faceted concept, there has been an intersection in many academic fields such as economics, psychology, management or sociology with regard to the concept of entrepreneurship. The incompatibility of this concept has given rise to some ambiguity in its interpretation. However, in a rapidly evolving world, the role of entrepreneurship in the economy has changed dramatically, so the specific factors and impact it brings to societies are different.

The aim of the research is to discuss incentives and national measures that promote the culture of entrepreneurship within countries, as well as the understanding and transmission of guidelines on measures that promote the culture of entrepreneurship within European countries, with special emphasis on Romania. To do this, the researcher will follow an Empirical approach to the determinants, impact and frameworks of entrepreneurship that operate in Northern Europe and Romania.

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INTRODUCTION

The role of entrepreneurship becomes undeniably pivotal to a society's prosperity and receives more and more attention from governments, institutions and entrepreneurship enthusiasts.

In recent years, academics and policymakers have widely claimed entrepreneurship as an activity providing employment, innovation and economic growth, creating better social conditions and tackling and resolving environmental challenges. The need of creating more entrepreneurial cultures, societies, ecosystems is cited continuously and, as it should, the pragmatic arguments underlying this stringently presented are being thoroughly studied. As a consequence, the interest on understanding the methods, policies and other all types of measure that create a pro entrepreneurial culture has increased considerably.

Despite the great interest towards its understanding, due to the fact that entrepreneurship is a multi-faceted concept found at the intersection of numerous academic domains such as economics, psychology, management or sociology, a lack of consensus over this concept causes, most of the time, ambiguity (Audretsch D.B., 2004). Still, in a fast-paced evolving world, the role of entrepreneurship in the economy has significantly changed and, consequently, the determinants and the impact it brings to societies are different.

Having all these in mind, this thesis seeks to provide and understanding over the concept of entrepreneurship, its determinants and impact to whomever has an interest in this field.

Research objectives

The research objectives result from the anterior section. The thesis examines national incentives and measures fostering an entrepreneurial culture within countries. Therefore, the main objective is to understand and transmit guidelines regarding measures that foster an entrepreneurial culture, both within European countries, with a specific focus on Romania. To do these, my study will follow an empirical research into determinants, impact and frameworks of entrepreneurship that function within Nordic European countries and Romania.

Regarding the research objectives: Assess successful entrepreneurial cultures (Nordic European countries), identify the common pillars leading to pro-entrepreneurship environment and analyse Romania's policies through the lens of the determinants identified in order to be able to provide recommendations. As well, the incentives that create disparities and are counter effective regarding the entrepreneurial culture will be identified and mentioned.

Chapter 1: Theoretical and empirical perspectives on entrepreneurship

"Never believe that a few caring people can't change the world. For, indeed, that's all who ever have". Margaret Mead

Back in 1992, Hornaday claimed that there was no accepted definition over the concept of entrepreneurship or of its agent, the entrepreneur. (Hornaday W. R., 1992). Nowadays, consensus is yet to be reached, as entrepreneurship is a multi-faceted concept found at the intersection of many academic domains such as economics, psychology, management or sociology (Audretsch D.B., 2004). Consequently, the ambiguity caused by its misunderstanding leads to measures that are actually counterproductive.

However, the role of entrepreneurship becomes undeniably pivotal to a society's prosperity and receives more and more attention from governments, institutions and entrepreneurship enthusiasts. Many studies and academic paper provide pragmatic evidence for which governments choose to consume energy and spend a significant part of their capital on creating entrepreneurial policies having the hope of creating an entrepreneurial culture.

Meanwhile, literature reveals that not evaluating the determinants fostering entrepreneurship as well as its impact and efficacy, these policies might cause harm rather than economic growth (O'Neill k., 2010).

Accordingly, a logical first step in my study is to define entrepreneurship through the visions of the main authors, from many perspectives, classical as well as contemporary, followed by an immersion in the factors leading to an entrepreneurial culture.

1.1 Theoretical perspectives on entrepreneurship

One of the first perspectives on entrepreneurship was provided by **Richard Cantillon (1680?-1734)**, French economist which brings clarity over entrepreneurship and the attributes of an entrepreneur, defining the agent through an economic lens.

In his most appreciated publication, "Essai sur la Nature du Commerce en Général", published in 1755, Cantillon describes the entrepreneurs as individuals contributing to the economic welfare of a society. As well, they are seen as *risk-takers* who buy goods at low prices, selling them at uncertain prices in the future, perspective that is found in the twentieth centuryin Stevenson & Jarillo work (Stevenson & Jarillo, 1990).

Moreover, the economist creates an economic system with three categories of agents:

landowners(capitalists), entrepreneurs(arbitrageurs)and hirelings(employees). In the author's vision, the market works through a set of rules having at its foundation mutual exchanges, system in which the entrepreneur's abilities are extremely important. The agent has to manage the demand and the supply in order to achieve an equilibrium on the market.

Concluding, in Cantillon's vision, the entrepreneur has a pivotal role in the economy, being a risk bearer, having the abilities to identify opportunities and obtain benefits out of them to the best of his abilities. As for entrepreneurship, is perceived as a factor that leads to economic activity and growth, but having at its roots demand and supply factors which are not always in the control of the agent. Later on, a more advanced vision, some might say, is the managerial role interpretation of the entrepreneur that **Jean Baptiste Say (1767-1832)**offered in its paper "A Treatise on Political Economy or the Production, Distribution and Consumption of Wealth".

An interesting debate carried along the years over Say's opinion was the opposition to Aristotle's belief over the 'zero-sum game'. The academician concludes that the market functions on exchange of equal values. Hence, the buyer or the seller have no gain whatsoever:"When Spanish wine is bought at Paris, equal value is really given for equal value: the silver paid, and the wine received, are worth one the other."(Jean Baptiste Say, 1817).

Despite all these, Jay stressed over the importance of management vs. ownership in an enterprise and identified the entrepreneur as the manager. The author stressed over the importance of managerial and leadership skills of an entrepreneur, owning a central role in both production and distribution within their enterprise.

The chance of managing production is emphasised as well by Say and the ability of creating utility, he says, represents obtaining welfare. Baptiste Say identified three kinds of industries, but, most interestingly, three types of work undertaken within them: building theoretical knowledge, application of knowledge, ending with the execution itself. The role of the entrepreneur in this scheme is represented by the application of knowledge in order to create products destined to consumption.Regarding the role of the agent in the distribution part, he needs abilities to gather and manage money covering the expenses that arise in its firm.

All in all, Jean Baptiste Say differentiated the definition of the entrepreneur from Cantillon's through abilities as managerial, leadership, coordination and capital management, creating a broader understanding on the factors influencing entrepreneurship.

In addition, a modern interpretation of entrepreneurship, is to be found in **Joseph Schumpeter's (1883-1950)** work which interprets it as a process of innovation, a radical change which will move society toward evolution: *"the* *entrepreneurs function is to combine the productive factors to bring them together"(*Schumpeter, J.A., 1934, *The Theory of Economic Development*).

Otherwise, the author concludes, the economy will mould a circular movement based on anterior experience which is characterised by routine.

The entrepreneurs have the ability to come up with radical and disruptive improvements, creating unpredictability to the society, which, in the economist's view is a positive 'creative destruction'. Creative destruction is perceived as the essence of the economy, as it is altering the economic system from within along with technology and communication.

Summing up Schumpeter's vision and focusing on the factors leading to entrepreneurship, the author brought the perspective of innovation, which presumes that the market is a playground for fostering creativity.

A more contemporary vision, of **Israel Kirzner (1930-2013)**, transmits that the market equilibrium may be settled by entrepreneurs, contrary to Schumpeter's theory. The entrepreneur could be able to achieve this by innovating, identifying and changing opportunities in within a market.

Despite all these, the market cannot achieve a state of equilibrium constantly, only in a utopic world, and, in the decisions the entrepreneur made, there can be identified errors. However, these errors will turn into new opportunities. Consequently, the author's vision concludes that entrepreneurs are undertaking producing activities as well.

Interestingly, Kirzner's theory assumes that an entrepreneur should be a life long learning person, having research abilities and curiosity:

"The kind of knowledge required for entrepreneurship is 'knowing where to look for knowledge.' ... The word which captures most closely this kind of 'knowledge' seems to be alertness. It is true that 'alertness' too may be hired; but one who hires an employee alert to possibilities of discovering knowledge has himself displayed knowledge of a still higher order. Entrepreneurial knowledge may be described as the 'highest order of knowledge" ***[1]***(Kirzner, 1973, p. 68)

Therefore, summing up Kirzner's vision, entrepreneurship supposes a continuous state of learning, discovering opportunities and learning from past experiences, as for the factors that would foster these abilities and attitudes in a citizen the educational system has a great importance.

In a Delphi study, Gartner (1990) tried to manage the ambiguity of entrepreneurial definitions, including 44 definitions of entrepreneurship which concluded in 90 characteristics of an entrepreneur. Finally, with the use of factor analysis, Gartner concluded that the research could not conclude over a generally accepted definition on entrepreneurship. As advice resulting from the study, the author suggested that academicians should s explicitly define entrepreneurship in their works. (Gartner, 1990).

1.2 The determinants of entrepreneurship

Having a broader understanding over the concept of entrepreneurship according to the last subchapter, the determinants and the impact that business actions have in an economy are yet to be studied. Even from the late 1980s numerous academicians tried to explain pragmatically the factors conducing to an entrepreneurial culture and the impact of entrepreneurship on the economic performance of a country.

In order to have a proper overview on what a successful entrepreneurial culture is, an in-depth analysis over a quadruple helix of stakeholders at national level and its effects is to be undertaken. The helix is formed of academia, business sector, government and civil society.

More recently, in various studies of the experiential literature arose different frameworks expanding on policies of entrepreneurship. One of the frameworks most frequently quoted in the literature and different works are: The OECD/EUROSTAT which is studied further on.

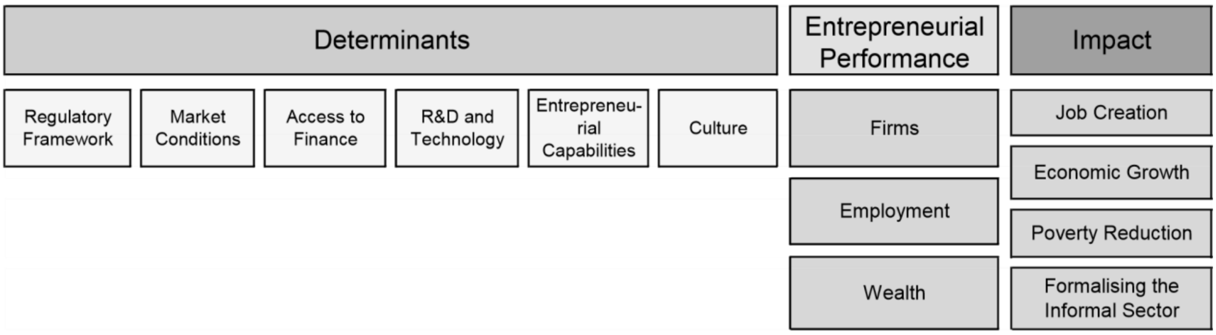
1.2.1 The OECD/EUROSTAT framework

In order to tackle the essence, outcomes and manifestations of entrepreneurship within the society, OECD partnering EUROSTAT developed a simple, yet very effective framework for understanding and measuring this phenomenon.

The framework created by Ahmad N. and Hoffman A. (2007) has comprised many factors clustered in separate themes on which we will develop later. It is to be mentioned that it has at its basis the stunning contributions of Audretsch, Thurik and Verhul (Audretsch et. al, 2002), also, the framework developed by Lundström and Stevenson (Lundström and Stevenson, 2005) and the Danish Entrepreneurship Index (Hoffmann, 2007), all these placed in a pragmatic approach. The three themes identified within the framework are: determinants, entrepreneurial performance and impact (figure 1).

The determinants are represented by the fundamental factors influencing the entrepreneurial performance, while the latter refers to the indicators that affect directly the society. The impact is measured by Hoffman in indicators as: “job creation, economic growth and poverty reduction”.

Figure 1.1 OECD/EUROSTAT Framework



Source:A Framework for Addressing and Measuring Entrepreneurship, OECD, 2008

The majority of the determinants in this framework, still, revolve around three factors: **opportunities, skilled people and resources**.

Opportunities are a result of the market climate within a country. The market conditions are represented by public involvement, procurement regulation as well as competition or intervention within the market. These market conditions include public involvement in markets, competition in the markets, access to foreign markets, procurement regulation and so on. Thus, it can be said that entrepreneurship is influenced by a regulatory framework (OECD, 2008).

When considering '**Resources'**, R&D, technology and access to capital are mentioned, elements of crucial importance to entrepreneurs. Other research conducted on capital put emphasis on its necessity in either of an enterprise's development phases (EU, 2003), be it the seed funding or access to R&D resources which can help enterprises gain competitive advantage.

Regarding '**Skilled people'**, the OECD study measures this determinant as "Capabilities of an entrepreneur and access to other capabilities within the entrepreneurial infrastructure" (Lee et. al, 2000). The writers of the study themselves recognize that this determinant is still debatable and in development in future works. Considering the determinant differently, the entrepreneurial capabilities include the human and social capital of the entrepreneurs. The factors mentioned above, according to the literature, are affected by two main themes: Regulatory framework and Culture.

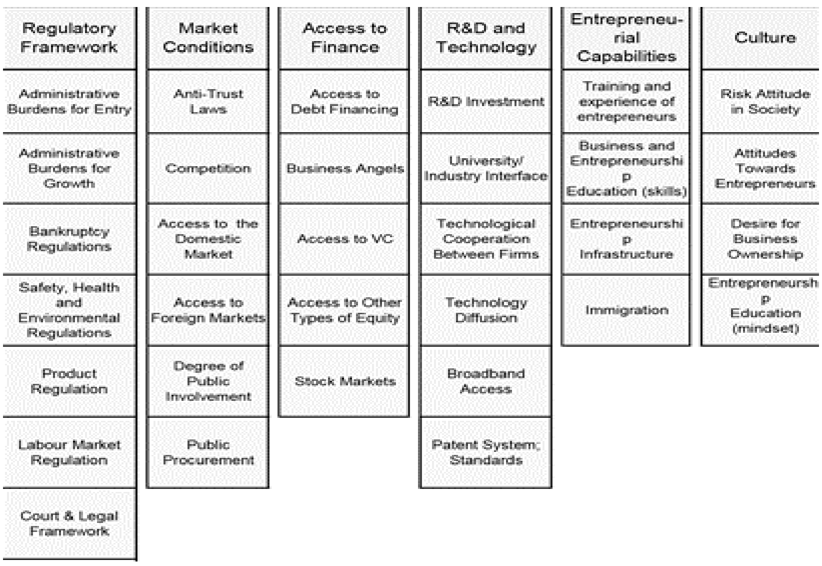


Figure 1.2 Determinants of entrepreneurship OECD Framework

Source: A Framework for Addressing and Measuring Entrepreneurship, OECD, 2008

Culture

Considering Ivancevich & Matteson's view, culture has an influence on an entrepreneur's behaviour, attitude and effectiveness (Ivancevich & Matteson, 1996). In this framework, culture comprises each individual assumptions, adaptations, perceptions and learning. A comprehensive list of policy areas for the understanding of the determinants could be found **in Annex 1.**

1.2.2 Entrepreneurial performance

The indicators set within this category are created so that the framework could benefit international comparisons. As a consequence, the indicatorstarget various types of entrepreneurship. Briefly, they are described as Firms, Employment and Wealth.

1.2.3Impact

The outcomes identified in the context of the framework are economic growth, job creation and poverty alleviation and formalising the informal sector. They might be identified in figure 1.

Developing on indicators for each of them, we find that they are measured in objectives such as growing number of self-employment or exports which have impact on a macroeconomic level. Another important aspect mentioned regarding the performance indicators is the fact that they are seldom singular factors, but rather a cumulus.

For example, when jobs are created within an enterprise, implicitly, in a chain relation, jobs will be created in other enterprises interconnected. When we reiterate Schumpeter's opinion related to the process of creative destruction, the logics of the OECD platform is relevant.

1.2.2 Cultural dimensions. Why different drivers have different effects

Factors such as economic, political, psychological or socio-cultural are considered to have impact on the level of entrepreneurship within a country. However, there is no absolute certainty that to be attributed to the determinants. Starting from the premises that each country has its own particularities, the results may be positively or negatively related to different factors and measures undertaken will therefore, be different.

An interesting perspective that emphasis on these particularities is represented by the Hofstede's view on cultural dimensions (1980). In his work, Hofstede stresses over the cultural differences between countries. The author took into consideration dimensions such as power distance, uncertainty avoidance, masculinity/femininity and individualism/collectivism.

Adding to the dimensions identified, studies proved that combinations of the dimensions mentioned might lead to a flourishing entrepreneurial culture, or the opposite, suppress it. Wildeman argues that low uncertainty avoidance, low power distance and high individualism are related positively to business environment (Wildeman et al.,1999).

As well, a contradictory vision, reveals that cultures in which high power distance and high uncertainty avoidance provides more entrepreneurs (Wennekers, Uhlaner and Thurik A.R., 2002). As well, individualism was negatively related to self-employment (Wennekers, Uhlaner and Thurik A.R., 2002).

Contextual characteristics have very uncontrollable results most of the times, as in USA individualism is positively related to entrepreneurship, while in China is perceived differently due to the fact that in China the business environment is mostly formed of family ventures.

Demography and population density are sensitive subjects also. While some academicians argue that a high population density leads to negative outcomes regarding business ownership (Bais,Van den Hoeven and Verhoeven, 1995). On the other hand, Brüderl, J. and Preisendörfer (1998) emphasis on the idea that having resources as market proximity and business infrastructure within an urban area highly populated benefits the business environment. Other studies on the effects of demography come up with contra arguments towards fostering business environment (Wennekers, Uhlaner and Thurik A.R., 2002).

Chapter 2: Understanding entrepreneurial culture

2.1 Typologies of entrepreneurial policies

Entrepreneurship is "at the heart of national advantage" (Porter, 1990, 125)

According to Lundström and Stevenson (2007), governments or countries have their own way of choosing a policy mix which suits the needs, economic performance and development objectives of the country. According to the cumulus of policies identified within nations, the researches stated these four approaches: Add-on Policy or SME Policy, Extension, Niche Entrepreneurship Policy, New Firm Creation Policy and Holistic or Generic Entrepreneurship Policy.

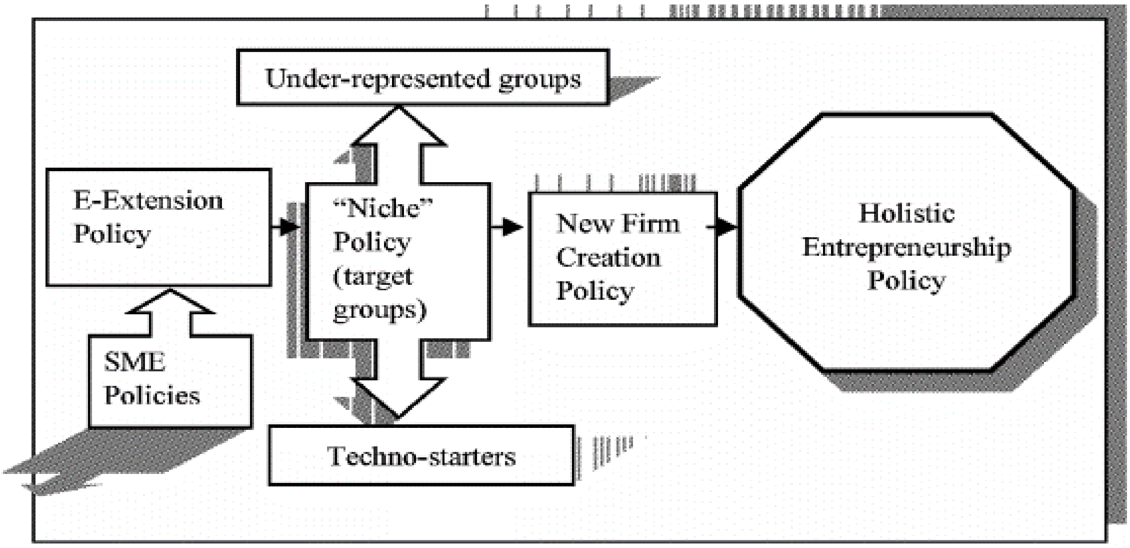


Figure 2.1. policy typology

Source: Stevenson and Lundstrom (2002), p. 55.

E-Extension Policies

Governments with these types of policy approach do not generally develop a specific policy targeting entrepreneurship, the attention is paid to "market failures" and "levelling the playing field". These policies are created as a reactive action to the needs of start-ups, small enterprises by providing other services the ventures are in necessity of.

Examples of entrepreneurship extension policies measures are informing enterprises and providing tools they might benefit, assistance in the creation of the firm, financing and even trainings related to self-employment. Countries identified within this category were: Canada, Sweden, Taiwan as well as US which already own developed entrepreneurial environment. Consequently, the authors identified high level of self-employment and numerous enterprises.

Within these countries administrative and regulatory burdens are generally reduced, as the process of starting a business is neither time wasting nor excessively expensive.

Perhaps, a flaw of the governments applying these types of policies is that they do not undertake specific actions to impact the "entrepreneurial climate" regarding inclusion of entrepreneurship in the educational system.

New Firm Creation Policy

The "Business Start-up policy" represents the policy which targets the creation of new ventures in a country by creating opportunities for more and more people. Consequently, the majority of the measures taken are related to reducing and even excluding regulatory and administrative burdens of opening and closing a business.

Policies entering this category are, as well, the ones connected to the number of days for obtaining approvals, the amount of money paid to register the enterprise or number of procedures that have to be fulfilled. It is acknowledged, still, the fact that many institutions, departments and ministries have a very important role and coping one with another might be the indictors for such a policy's success. An example of measure for easing the access of firms on the market is One-Stop Shops for Enterprises.

Policy features	Type 1 – Under-represented groups	Type 2 – Techno-starters; innovative entrepreneurs
Rationale for policy	Job creation, social inclusion, diversity; gender equity	Wealth creation; innovation; creation of value from R&D
Basis of demographic selection	Groups with lower than national average self-employment or business ownership rates	People with post-secondary educations; working in post-secondary educational environments (graduates, researchers, technologists)
Objectives	Develop entrepreneurial potential; increase start-up rates	Stimulate innovative start-ups; foster development of high-growth potential firms
Dominant policy areas		
Financing	Micro loan programmes; loan guarantee schemes	Equity financing schemes (pre-seed funds, angels, venture capital)
Support Infrastructure	Dedicated enterprise centers/agencies	Technology incubators/ innovation centers
Business support measures	Advice and counseling	Technical assistance and consulting
Regulatory issues	Government procurement set-asides	Review of intellectual property rules; simplification of patenting laws and procedures
Networks	Support for formation of entrepreneur associations	Support for cluster networks; networks of high-growth firms
Skills development	Self-employment training	Entrepreneurial skills, business development support

Figure 2.2 Comparison Type 1, Type 2 Policy

Source: Stevenson and Lundstrom (2002), p. 55.

"Niche" Entrepreneurship Policy

The "Niche" entrepreneurship policy places emphasis on raising the number of start-ups for certain groups of citizens as minorities, women or high-tech development within the country. At the core of the policy are profound needs the government seeks to solve, such as social inclusion, gender equality or economic growth.

Examples of measures within this category are targeting the development of entrepreneurial skills, providing mentors for entrepreneurs, funding (pre-seed and post-seed) or incubators at national levels.

"Holistic" Entrepreneurship Policy

This typology of policy responds to all the stages of development of a venture. Within its framework, it includes easing the process of business entry on the market, offers support for small businesses already registered and new ventures as well, includes entrepreneurial education, fostering, finally, an entrepreneurial culture.

According to the researchers, this typology of policy is the most comprehensive one and cultivates a culture of dynamism, innovation, productivity and growth, in other words, an entrepreneurial culture. The incentives offered within such a policy are from creating a facile entry and exist of business on the market, to offering support to all needs and stages of a venture, as well as access to finance and including entrepreneurship within the educational system.

All these factors are considered by Lundström and Stevenson as fostering a real entrepreneurial culture. Countries mentioned having this holistic approach are Netherlands, Finland and UK.

Feature	**E-extension policies**	**New firm creation policies**	**'Niche' target group policies**	**'Holistic' *Ep***
Objectives	Improve access to start-up supports through existing SME structures; better service to starters	Reduce barriers to business-entry and exit; simplify start-up procedures and requirements; increase the start-up rate.	Increase the start-up rate among groups underrepresented as business owners or potential starters of innovative firms.	Strengthen entrepreneurial culture, enhance entrepreneurship as a career option, create dynamic start-up markets/better growth conditions
Measures	Micro-loans; business advisory services; web portals; self-employment training programmes; local services	Flexible labour markets; open competition; less stringent bankruptcy laws; fewer business registration steps; lower cost, faster approvals; simplified incorporation processes; one-stop shops; reduced tax burden.	Tailored supports for each identified target group-enterprise centres; promotion and award programmes, start-up loan funds; web portals; networks and mentoring programmes; incubation units; role models	Promotion and award programmes; role models; entrepreneurship in schools; one-stop shops; enterprise centres; incubators; mentoring and peer-networking programmes; start-up advice and web portals; seed capital and micro-loans
Limitations	Start-up initiatives are 'added-on' to existing local SME support structures on a piecemeal basis; limited focus on entrepreneurship in the education systems; and removing barriers to entry	Primary focus on changes to 'business environment'; simplifying the business start-up phase; less emphasis on longer term strategy of promoting enterprise culture and integrating entrepreneurship in schools	Focus on target groups may lead to overlooking the growth potential of non-targeted groups or low-tech sectors; may have limited focus on regulatory changes or fail to address overall weaknesses in the culture of entrepreneurship.	Difficulty in managing policy interdependencies across departments and levels of government.

Figure 2.3 Comparison between policy areas

Source: Stevenson and Lundstrom (2002), p. 55.

Considering the definition of holistic policy approach, which, in most cases leads to entrepreneurial success within a country, in the next subchapter, we will focus on observing best practices in countries identified within this category.

The holistic approach implies the fact that through that policy the government addresses all the stages of the development cycle of a business. An example of a policy plan that could be mentioned in this case is the one of Netherlands: "Action Plan Start, Action Plan Growth, and Action Plan Business Transfer and Winding Up" (Lundstrom and Stevenson, 2006, p. 135).

2.2 Analysis over entrepreneurial culture in Nordic countries

We admit that there is no perfect entrepreneurial environment, as research evidences. Still, there are countries or economies that manage to get close toa holistic approach, foster the right attitudes and put at the disposal of citizens the resources needed for the creation of entrepreneurial cultures.

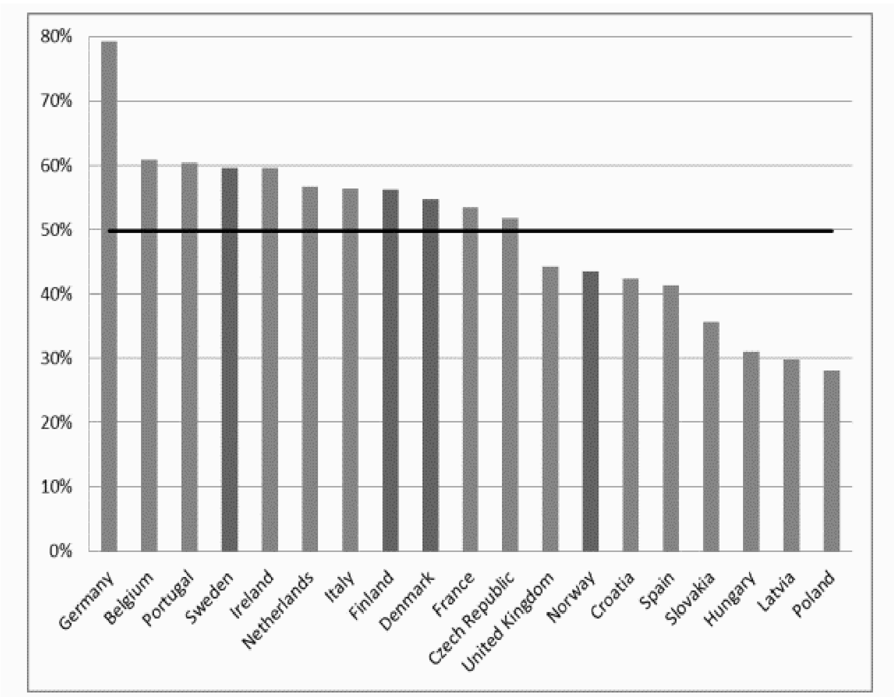
Within this subchapter, I will immerse into an analysis over few Nordic countries from Europe, namely Denmark, Finland and Sweden, as these countries are among the most developed and innovative which links them to entrepreneurship. Once again, starting from the premises that there is no perfect economy, yet, there is evidence that Nordic countries are thriving economies. For instance, within the research "Innovation Scoreboard" from 2015, the three most performant economies were Denmark, Finland and Sweden. Another reason for pointing these economies is that, in comparison with EU average employment rate, namely 64.9%, their employment rate was 73.4% in 2015.

As identified beforehand, according to Lundström and Stevenson(2006), an entrepreneurial climate is established in the following conditions: facile entry and exist of business on the market and a a favourable regulatory framework overall, offering support to all needs and stages of a venture, as well as access to finance and which includes entrepreneurship within the educational system.

Consequently, the Nordic countries, likewise Romania in the third chapter, will be evaluated through three pillars: Investment in Education, The Regulatory Framework, namely entry/exit barriers and taxes payment and Ease of Accessing Finance. The pillars were deducted on the cosulting of many studies and to the theoretical frameworks mentioned before which demonstrate that this pillars are some of the most important to creating an entrepreneurial environment.

The nordic countries are among the most innovatice economies in Europe, as Sweden, Finland and Denmark are above the European innovation average rate, as it may be seen in figure 2.4.

Figure 2.4 Rate of Innovation



Source: „Innovation and innovation policy in the Nordic region, 2014; JAN FAGERBERG AND MORTEN FOSAAS) innovation firms; 2010

2.2.1. Ease of doing business in Nordic countries

Regarding the **business barieers**, in the Doing Business Survey from 2017 conducted by the World Bank, out of190 countries, Denmark is ranked on the 3rd position regarding ease of doing business. One entrepreneur has to fill 4 procedures in the process of registering its business and it takes only 3 days for obtaining the registration permit. When paying taxes, the entrepreneur needs to spend approximately 130 hours for dealing with payments per year and has 10 payments to make, while the tax rate is represented by 25% of the profit.

According to the same study, out of 190 countries, Sweden is ranked on the 9th position regarding ease of doing business. One entrepreneur has to fill 3 procedures in the process of registering its business and it takes 7 days for obtaining the registration permit. When paying taxes, the entrepreneur needs to spend approximately 122 hours for dealing with payments per year and has 6 payments to make, while the tax rate is represented by 49.1% of the profit.

Lastly, Finland is ranked on the 13th position regarding ease of doing business. One entrepreneur has to fill 3 procedures in the process of registering its business and it takes 14 days for obtaining the registration permit. When paying taxes, the entrepreneur needs to spend approximately 93 hours for dealing with payments per year and has 8 payments to make, while the tax rate is represented by 38.1% of the profit.

2.2.2 Educational system in Nordic countries

According to „Education and Training Monitor 2016", in 2011 Denmark was giving away 8.8% of its GDP as public expenditure on education, and in 2016 the percentage was 7.2, among the highest rates, while the European average is 4.9%. As highlights the Council of Europe mentioned are:

- Denmark deals with early school leaving, as the rate is low, as for univiersities attainment rate, Denmark is classified among the highest in Europe;
- leaving rates for early schoolers are small;
- Its strategy for growth („Vækst og Udvikling i hele Danmark) offers online learning for all levels of education;
- The biggest number of vocational schools or programmes are found in Denmark, respectively, lifelong learning for adults is on good terms compared to Europe;
- The results of the BIG expenditure on education helped decrease costs in education.

As for Sweden, the survey mentioned before states that the country spends 6.6% of its GDP on education, while in 2012 the percentage was 6.5%. As highlights, the European Council mentioned:

- Sweden’s expenditure on education is one the most substantial ones;
- Children’s operation of basic skills decreased in the last years, fact which should be taken into consideration;
- It may be observed an increase in school segregation, assimilated to liberty of choice in schooling;
- The tertiary education attendance among the highest.

Finland gives away 6.4% of its GDP on education. Regarding the highlights, the European Council mentioned:

- Finland developed a new project for „knowledge and education” in the strategy „Vision: Finland 2025”;
- Children from Finland (at the age 15) obtain the highest results in the European Union, still, in the last decade the results kept a decreasing trend;
- The curricula is being updated constantly;

In the tertiary education system reforms are undertaken, still, attendance is one of the greatest is Europe, likewise, for the number of students in in vocational schools.

2.2.3Access to financingin Nordic countries

Further on, access to finance in Nordic countries may be generally characterised as a real incentive. In the „Global Entrepreneurhsip Monitor 2016” on the Nordic countries, governement incentives seem to be granted the most by Finland.

It is observed that the principal manner of funding was represented by direct measures of public funding. More than that, indirect incentives have been increasing as the countries in matter are highly innovative and began receiving funds from business angels, foreign direct investment and venture funds. Actually, there is an increasing trend towards private funding, as the know-how and experience of an investor, mentor or business angel is highly important. Accordig to the final report of the „Nordic Entrepreneurship Check of 2016”, when asked to name the three most relevant sources of funding, the Nordic entrepreneurs concluded firstly professional investors, followed by own funds and business angels.

It is to be noted also that being countries with such an economic growth and stability, the Nordic countries presents an interest and attractiveness to to foreign direct investments. According to the „Nordic Venture Capital: Cross Border Investments” report, between 2006 and 2016, the foreign direct investment increased at a rate of 50% compared to the EU average. While Sweden does not rely on FDI that much, Norway brought more and more British investors, while Denmark and Finland rely on European or Asian investors. As a DIAGNOSIS, in 2016 regarding the venture capital spent as percentage of GDP was ranked on an European comparison, on the 1st position in Finland, the third position assigned to Ssweden, and Denmark above the EU average as well. (Finnish provate equity and venture capital statistics, 2016).

Aditionally, wiithin the Nordic region, organizations of funding have been created, comprised of business angels, but venture capital as well. Among them are: Across Nordics, which comprises eleven venture capital funds, being the highest funds on technology. Notably, other organizations are: Business Angel Network, Finnish Venture Capital Associaton, Stockholm Ange Investers .
Additionally, despite the fact that the Nordic countries comprise out of Eurpe's population the humble percentage of 3, from 2005, the region's exits are represented by 50% of billion dollars, with Sweden owning 59% of the exits, Denmark with 22% and Finland with 7% of exits.

2.3 Conclusions

The Nordic countries are investing the highest amount of their GDP for education and on life-long learning, and are described as highly innovtive nations. Within the „Global Entrepreneurship Index", the countries of subject, namely Denmark(4th place), Sweden(5th) and Finland(18th) are among the first the first 20 economies of the world.

Moreover, these countries have some of the most accesible processes of entering the market with a business, the time for obtaining the registration permit are of 3, 7 and 14 days, while the number of procedures are 4 in Denmark, 3 in Sweden and Finland, some of the fewest in the world. With thriving economies, the countries mentioned are strongly supported by the Government with financial incentives as well as foreign direct investments, as investors trust their economies.

„A national system of innovations ss formed over a long period of time thourgh interaction or coevolution between its economic system(major industries, firms), and its political system"(Fagerbergf et al. 2009a,b).

Despite all these, we mention that each country has its specificities, as one size does not fit all and not all the measures that might function in some country or region might be applied, and we do not support best practices, but guidelines identified to leading to success. For instance, the investment in education or regulatory incentives identified should be analysed, and, on the economic, politic and social premises of a country, measures should be taken.

Chapter 3: Case study – Romania's entrepreneurial context

3.1 Introduction and methodology

Within this chapter an analysis over Romania's business environment will be perceived. The purpose is to identify the effectiveness of the measures identified. However, we admit that mentioning best practices would not lead to an entrepreneurial culture, but to create an overview to the processes that have a positive impact on Romania. The approach we will use is comprised of an analysis of Romania's business environment based on the pillars already identified as leading to a successful entrepreneurial culture within a country.

The pillars are represented by: Access to finance, Ease of doing business and Education. The pillars were chosen, firstly, due to the theoretical findings and empirical examples from the first two chapters which proved that these indicators lead to a thriving entrepreneurial culture. A second motivation for choosing these pillars is represented by a study conducted by Ernst & Young in Romania, namely, the "Entrepreneurs Speak Out: Entrepreneurship Barometer 2015. The results of the research emphasised on the most stringent obstacles entrepreneurs and young people who would pursue an entrepreneurial career and the respective impediments are the four pillars mentioned above, along with the need of being part of an entrepreneurial culture.

As method of presenting the information, for each pillar I will make an analysis.

3.2 Why is Romania an interesting case study?

The major challenge that Romanian entrepreneurs are facing is coping with the rapid evolution created at the pace of developed economies. As well, romanian institutions face the exact same challenge. Problems related to the regulatory framework as fiscal burdens, birocratization, unpredictability of fiscal evolution or access to finance represent the most pressing aspects for the romanian entrepreneurship culture. Despite these, entrpreneuship seems to be on an ascending trend in Romania as initiatives are encountered every day.

According to EUROSTAT, Romania has only 24 businesses per 1000 citizens, which places it on the second lowest place in Europe, above Serbia, while the average in Europe is represented by 40 enterprises per 1000 people. However, a percentage of 99.6 of Romanian companies is represented by small and medium enterprises, which offers them a privileged status for the Romanian GDP.

Therefore, considering Romania's development, economic, political and social background, we will procede in identyfing measures for improvig the entrepreneurial climate.

3.3 Carrying the burden of history

From the perspective of Smallbone and Walter (2001), the model of entrepreneurship of the East European countries cannot be assimilated to a relevant and authentic one. If developing and trying to find the root causes of the slow economic growth, an analysis over Romania's heritage should be taken into consideration. In order to create an honest and realistic image over Romania's economic growth, mapping the root causes and an analysis over the heritage of the Second World War is the first step into the analysis.

Following the instauration of the communist regime(1947-1955), Romania's evolution took, in fact, a downturn, followed by a "forced industrialization" which is interpreted as harmful.

In the 1980's under the dictatorship of Nicolae Ceausescu, Romania faced a period of centralization and, supposedly, "total economic independence" which lead to starvation and cost cuts.

Under these conditions, more than 40 years the Romanian economy was stuck between the phenomenon of corruption, distrust in the political views and systems. As a consequence, the transition to the status of a market economy that Romania tried to reach ever since was and still is evolving heavily. In such an environment, businesses were unable to thrive and have a real impact to a flourishing economy.

Further on 1990, Romania managed to access a somehow freer market economy and was beginning to benefit liberalization and privatization the its economy.

Romania has had a free market economy despite 1990, early Since continuing government presence in the industrial sector. Successive governments have taken steps to liberalize and privatize the economy and a considerable progress may be observed. A great achievement represented for Romania its European integration in 2007, since then reforms trying to lead to better living standards have been undertaken.

3. 4. Defining problems that persist

Characterised by low competitiveness, emphasis of a polarization phenomenon and a modest entrepreneurial spirit, the Romanian business environment seems to be at an incipient development stage and incapable of moving forward to a next level.

According to National Institute of Statistics, Romania registered only 24 ventures per 1000 people, the lowest level in the European Union, after Serbia. As well, the average life expectancy of a business is represented by 10 years. In another study worth mentioning regarding the maturity of the Romanian business environment, Iancu Guda, President of The Romanian Association of Financial Analysts(AAFBR), identifies four underlying causes of the state of the entrepreneurial environment:

- **The decreased Competitivity level of Romanian firms**. Debating on this effect, the academician argues that the costs of the salaries and the increasing raw material prices are the determinants in this case. Thus, Romanian ventures are not able to balance between the increasing costs and the efficacy of their activity, considering as well the aspect that innovation is not one of the strengths of the Romanian system.
- **The Polarization phenomenon** which leads to creating large and extreme disparities among companies. A trend regarding large companies obtaining greater profits, such, while in 2008 the biggest 1000 Romanian firms were generating 35% of the profits became 50% by 2015. Therefore, small enterprises are not enhanced sufficiently.
- **The human resources are modestly prepared** for a thriving entrepreneurial environment and **the decrease in young population**. The population over 70 years increased with 53%, while a decrease in young people under 29 years old with 40 % has been observed. Another aspect of great importance, Romania's spending on education as the percentage of the GDP is the lowest from the EU, namely 3%. As well Romania has the lowest level of students enrolled in primary and secondary school out of the total population number, namely 16%.
- **The slow revival of business environment.** The number of companies that close their activity is double compared to the ones creating a venture, the latter being of small calibre.

3.5. Post EU integration of Romanian business environment

In the boom period after the accession to the European Union, approximately two ventures were opened for each company closing its activity. Still, the financial crisis destabilised this report and between 2009-2016, for each business opened, 2,19 firms were closing their activity.

The Coface research shows that only two out of ten companies from Romania opened before 2010 are still active after 2011. Apparently, the companies being closed have a medium life expectancy of 10 years, with a profit of 4 million RON and 20 employees.

Figure 3.1 Life expectancy of the Romanian firms

Source: ONCR

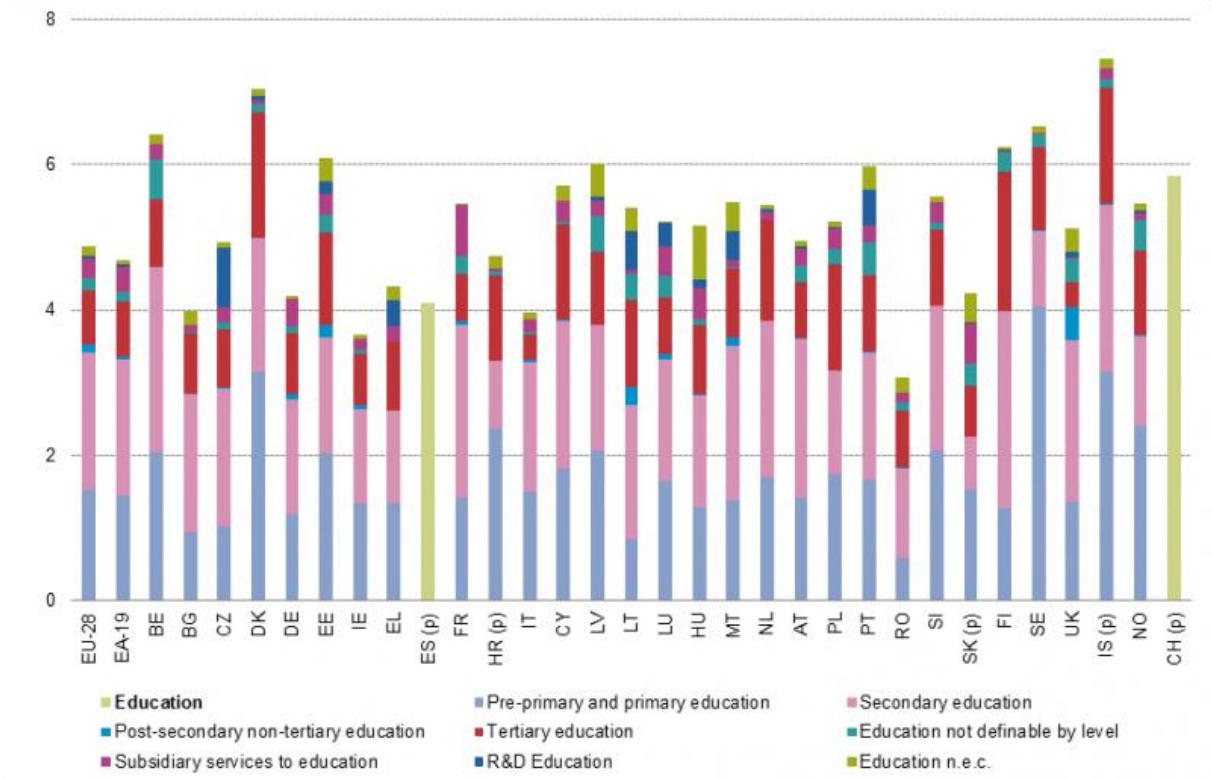
Anul inregistrarii	Functiune in 2016	Non-Functiune in 2016	Functiune % in 2016	Non-Functiune % in 2016	Total
2005	37.328	53.289	41%	59%	90.617
2006	40.020	51.032	44%	56%	91.052
2007	48.624	51.396	49%	51%	100.020
2008	51.069	49.592	51%	49%	100.661
2009	33.422	23.276	59%	41%	56.698
2010	34.714	13.388	72%	28%	48.102
Total	**245.177**	**241.973**	**50%**	**50%**	**487.150**

As it may be observed in Figure 3.1, only half of the companies enrolled between 2005 and 2010 are still active in 2016.

3.6 Education as the basis of development in Romania

Investing in education is a trigger of great importance to economic growth. Fostering human capital leads to reducing the disparities in employment and more other areas of the society.

Figure 3.2 The reality of Romania's educational system



Source: EUROSTAT - 2015

Romania's public expenditure on education as a percentage of its GDP continues to be approximately 3% despite the fact that European average in 5%. Thriving economies as Sweden, Denmark and Belgium are at the opposite pole spending approximately 7-8% of their GDP on education. (EU Education and Training Monitor, 2016). NIS data proves that more than 6% of children that should attend lower secondary and primary school are not, while 17.5% aged 18 to 24 are early school leavers (left school before attending high school). Moreover, a humble percentage of 21.8% of Romanians aged 30 to 34 attended tertiary studies, opposing to 34.6%, the average in EU, while the rate of unemployment is 25%.

Highlights Education and Training Monitor for Romania, EU, 2016

The research conducted in the „Education and Training Monitor" of EU in 2016, revealed that early school leaving is the third highest in EU and carried on increasing in 2015 in Romania. There are wide rural urban disparities in education, the worst situation being reflected on poor families and Roma population, who, in most cases, drop out of school. On the other hand, an improvement on the school curricula was observed, namely an adoption towards learning competencies rather than theory.

Within the**„2016 European Semester country-specific recommendations (CSRs) for Romania”,** the European Union Council made a very clear and specific suggestion: „Take action to prevent early school leaving and increase the provision of quality education, in particular among Roma”.

The Government’s solutions seem to target more the problems of school leaving, the private system is the one which brings innovative entrepreneurial education and has results. For example, in the previous mandate of the Government, in 2015, an important number of the measures adopted attempted to corroborate policies in education with social policies towards poverty. Examples of such measures are: “School for all” (EUR 173 million) was an educational programme included in the antipoverty package. The number of children which would benefit were 17.000 from pre-primary education, 41.000 children which would not quit school anymore. Moreover, 16.000 persons would benefit from the second chance project and 20.000 teachers.

Another governmental project which is aiming the same niche of the society was the “Motivated teacher in disadvantaged schools” benefitting from EUR 25 million. The scope of the programme was to decrease early school abandonment by bringing professional, skilled 5000 teachers in 150 schools from disadvantaged areas or social classes.

How the entrepreneurs perceive the educational system?

In the Entrepreneurship Barometer 2015 conducted by EY, entrepreneurs identified lack of entrepreneurial and an entrepreneurial culture as the third obstacle towards creating enterprises in Romania. In order to identify and involve actively the entrepreneur’s opinion, within the barometer were included the most mentioned solutions that entrepreneurs came up with towards solving this problem. These were:

- Practical Business classes among high-schoolers in real enterprises;
- Better methods of teaching within the educational system;
- Funds targeted to support the classes of entrepreneurs;
- Coherent Programs for improving vocational schools;
- Financial education classes in school;
- Involvement of professional entrepreneurs in teaching entrepreneurship;
- The university system should be connected to the private system.

Private incentive: A successful and sustainable example of entrepreneurial University

The Alternative University is a learning environment that HELPS students grow in their own way. The University has within it a Business Incubator from 2013, in partnership with the support of a bank. Within the incubator the students have access to resources they need to create a business from mentoring to trainings and seed funding.

The learning track SUPPOSES: market understanding, business plan, start-up and growth. In the second and third stages, the entrepreneur-students have pitches in front of the board members of the bank in order to obtain financial support and feedback for their business idea.

Results: in the academic year 2013-2014, students created 9 start-ups which in the first 10 months of functioning obtained profits of 63.000 EUR and created 11 work places. Moving on to the tertiary education system, many impediments were identified(Ministry of Education 2015c):

- Financing is not flexbile so the process of modernisation and innovation could occur;
- The inclusion of students from rural areas, minorities and poor families is still dispersed;
- The labor market is not relevant, as well, classes implemented cannot lead to aquiring skills needed on the market(as transversal skills).

3.7 Ease of doing business in Romania

While conducting an analysis over the Romanian regulatory framework, in the “Entrepreneurs Speak Out”, Entrepreneurship Barometer 2015, researchers reveal adjectives as “excessive” or “unattractive” mentioned by the entrepreneurs. 65% of the Romanian respondents admitted that measures regarding taxation and reducing bureaucracy would have considerable, if not the greatest impact on the business environment.

Considering the World Bank conclusions from Doing Business study of 2017, the Romanian legislative environment improved considerably in the benefit of small and medium enterprises. Romania is ranked on the 36th position out of 190 countries analysed from the perspective of ease of doing business in the private system. However, in 2014 Romania was ranked on the 73rd place, a clear improvement explained by changes in administrative and legislative burdens registered. Despite these facts, in countries as Latvia, Bulgaria or Poland is still more facile to conduct business, as the research proves.

Figure 3.3 Ease of doing business in Romania

ROMANIA	
Ease of doing business rank (1–190)	**36**
Starting a business (rank)	62
DTF score for starting a business (0–100)	89.48
Procedures (number)	6
Time (days)	12
Cost (% of income per capita)	2.0
Minimum capital (% of income per capita)	0.6

Source: Doing Business Study

According to the previously mentioned study, at the "Starting a business" area, Romania is ranked as the 62nd economy out of 190, the indicators within this category being: the number of procedures for registration (6 in the case of Romania), number of days for obtaining the permit (12 for Romania), the cost in percentage of income per capita(2%) and the minimum capital percentage of income per capita(0.6%).

Making a comparison between the report of Romania from 2008, 8 days were needed in order to register a business and only 5 procedures, therefore, situation regarding starting a business seems to deteriorate.

Paying taxes (rank)	50
DTF score for paying taxes (0–100)	81.64
Payments (number per year)	14
Time (hours per year)	161
Total tax rate (% of profit)	38.4
Postfiling index (0–100)	79.62

Figure 3.4 Paying taxes in Romania

Source: Doing Business Study

In addition, the total number of 160 hours a start-up has to spend to navigate the fiscal system represents a burden to entrepreneurs and might lead to a decrease in the productivity of the respective firm.

Another measure that was signalled by Doing Business Report as combative was represented by the fact that in 2016, within the regulatory framework, the necessary time to register for VAT was increased.

Romania's legislation system is often marked by uncertainty, unpredictability and constant concern as the tax legislation is adjusted frequently (Country Review Romania, EU, 2016). The Fiscal Code was amended in the last two years, still, the government intervened in the work of the new projection of the Code. One positive mention that could be made, the corporate income tax in the Romanian economy is 16%, being the lowest in Europe. In 2013, the European Union recommendations regarding the reform of the bureaucratic processes of Romania which may be found in Annex 2.

Another positive measure identified in 2016 was the creation of a website, namely, www.maisimplu.gov.ro, which is projected to ease the bureaucratic procedures. The website was created in order to serve as a one stop shop online which leads to debureaucratization.

3.8 Access to financing

The reality of Romania regarding to access to finance and fiscal issues is diagnosed by EU studies as still limited and creating difficulties. Access to loans is risky as enterprises are considered having non-performing loans. Moreover, a regulatory framework regarding financing and for the protection of entrepreneurs and investors does not exist. However, in 2015 a law tackling the issue of "Business Angels" was enforced, but it continues to be an exception. According to the law 120/2015, the business angels who invest in small enterprises benefit of: no longer paying taxes on the dividends obtained and for the transfer of property right to the social parties for three years, however, the payment is offered until the equivalent of the respective sum of money invested. There are conditions under the settlement of which the law may be applicable, still, as mentioned in EU (Country Report Romania, 2016) it is a positive measurethat fosters investment.

Improvement of the process of obtaining access to finance would represent the area which could impact most the development of enterprises (EY G20 Entrepreneurship Barometer 2013). 82% of the Romanian entrepreneurs considered that access to finance is very difficult at the end of 2014, according to the "Entrepreneurs Speak Out Barometer". Moreover, lack of capital is perceived by students as the first impediment in starting a business.

The credits to banks and European funds are the most important sources of funds, having, in the Romanian entrepreneur's opinion, a real impact in starting and growing a business. Other instruments mentioned were microfinancing and venture capital having the last position. In the EY Barometer, entrepreneurs mentioned the following measures to ease the process of accessing finance: 26% of the respondents mentioned fiscal facilities for investments in small ventures, followed by credits guarantees (20% of respondents) and a decrease on taxes on profit (18%).

However, in Romania there are some organisations, like National Council for Small and Medium Sized Private Enterprises in Romania, which defend and represent the SMEs' interests. One of the main problems that SMEs are facing is the access to finance.

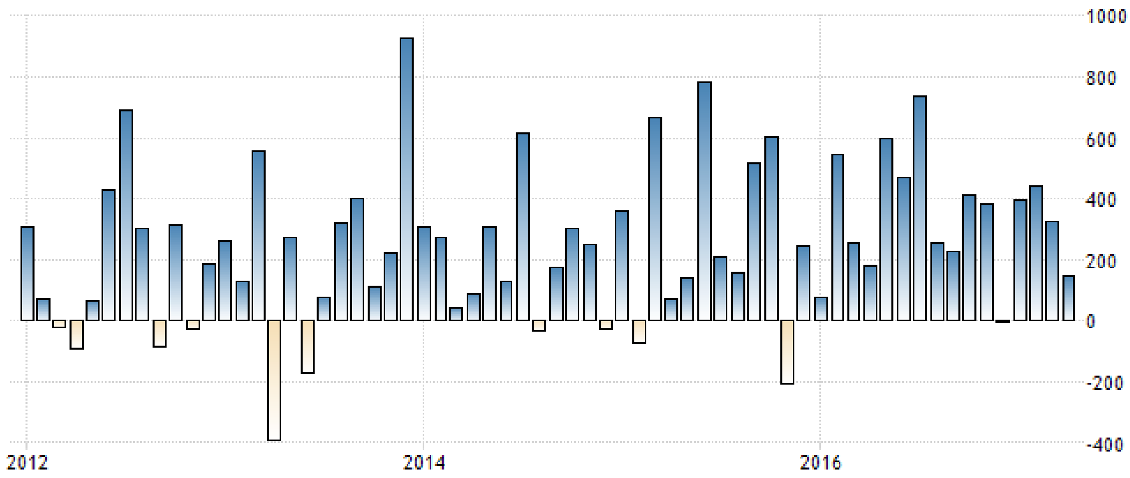


Figure 3.5 Foreign direct investment
Source: EUROSTAT

According to „Country Report Romania 2015”, the foreign direct investment is Romania represents a certain and becoming a secure form of funding. While in 2002 the rate was 17% of the GDP, in 2009 the inward was measured at 40%. Normally, during the crises following 2009, and a real growth was observed from 2013 ar 69% of GDP.

SRL-D, success or failure?

Under the guidelines of Small Business Act (SBA) from European Union, Romania implemented in 2011 the SRL-D program for incentivizing young citizens to start and grow a business. The project targeted young people from 18 to 35 years old. The benefits the program offered: A non-reimbursable sum of money, represented by 50% of the financial allowance or below 10000 EUR; in case the firm had four permanent employees, it would not pay social security; a guarantee of paying over 80% of the duties from the business plan by the state. The program was received with enthusiasm by young people, as in the first year more than 4000 firms were created, in 2012 more than 6000, ending with 24706 in 2015, as it can be seen in Figure 3.6.

Figure 3.6 SRL-D Number of participants

Nr.	Date	Total number of SRL- Ds
1	30 June 2012	5.341
2	30 January 2013	6.860
3	31 December 2013	10.777
4	31 December 2014	17.019
5	30 November 2015	24.706

Source: National Trade Register office statistics

According to the state, SRL-D program had the most substantial rezults among other measures promoted. The final report presents that the program created 8800 jobs, 17000 limited liability companies were founded, out of them only 15% obtaining the grant. Further research reveals that only 2 work places are created within each enterprise, jobs which do not have a clear purpose and continuity. Money granted from the government delayed for two years, causing losses in the entrepreneur’s businesses.

Figure 3.7 Outcomes of SRL-D Program

Year	Number or registerd SRL- Ds	The turnover of SRL- Ds registered in the program -lei-	Total profit of registered SRL- Ds -lei-	Jobs Created by the Program	Total jobs created by the SRL- Ds
2011	1256	149.775.145	11.019.062	3217	13069
2012	1332	107.922.033	11.764.236	2583	4070
2013	1176	134.469.815	8.327.877	2187	4000
2014**	1231	56.000.000	3.500.000	830	6400
Total	4995	448.166.993	34.611.175	8869	27539

Source: AIPPIMM statistics

Tackling the issue of absorbtion of the funds, estimations reveal that the funds had a peak of 60% of absorbtion, but the average was 35%. There is no clear evidence that the money were used accordingly, as a follow up process did not exist. Evidence also demonstrates that many firms failed in the first year.

Concluding, a program such SRL-D requires more than just funds provided to young people, but courses for learning to implement the business and stimulate them through research and development(Romanian Economic and Business Review – Vol. 11, number 2).

Moreover, many initiatives as the previous one may be tracked in Romania, offering chances to finance to entrepreneurs as the "Credit Guarantee Programme for SME" or the National Guarantee Fund.

Chapter 4: Conclusions and recommendations

Recommendations

Concluding, the findings from the research, Romania is still carrying the burden of its history and still faces disparities from economies such the Nordic countries analysed within the paper. Romania has only 24 enterprises per 1000 citizens, which places iton the second lowest position in Europe, above Serbia, while the average in Europe is represented by 40 enterprises. However, regarding the ease of doing business, the country is ranked on the 36th position out of 190 economies and the educational system is far behind the European Union's standards. In addition, researchers reveal adjectives as "excessive"or "unattractive" mentioned by the entrepreneurs regarding the regulatory framework of Romania.

Regarding Romania's public expenditure on education as a percentage of its GDP, the rate continues to be approximately 3% despite the fact that European average in 5%.

Early school leaving is the third highest in EU and carried on increasing in 2015. There are wide rural urban disparities in education, the worst situation being reflected on poor families and Roma population, who, in most cases, drop out of school.

It is to be mentioned that, despite the fact that within the study of our paper, we analysed the Nordic European countries in order to understand how some of the most thriving economies in Europe function and what the triggers of entrepreneurship are within those economies, we admit that one size does not fit all and conclude that best practices should be studied thoroughly. The thorough study should consider each country's specificities.

As a result of our study, in the following lines we will bring recommendations in order to foster the Romanian entrepreneurial culture. The suggestions will be made on the premises of the pillars that were identified as creating a sustainable and successful entrepreneurial culture:

- Firstly, in order to foster a long-term, successful climate, the Romanian government should support the educational system by awarding a greater percentage of its GDP, as, for instance, the Nordic European countries do. It is clear that the economic level of the Nordic countries is highly different from the Romanian, still, as it was demonstrated, education fosters innovation and might have very much importance and bring impact on all levels of the society, especially on entrepreneurial initiative.
- Secondly, the private initiatives as the Alternative University's example should be incentivised as they prove that have positive impact within the society, namely, foster entrepreneurial spirit among young people which eventually create start-ups.
- Moreover, regarding the ease of doing business perspective, Romania could decrease the time spent for a business to be registered, as proved that in Denmark and Sweden the number of procedures and the time of registration and obtaining the business permit is limited. Such measures are perceived as fostering an entrepreneurial culture.
- Lastly, considering the access to financing, the example of the SRL-D proved that sustainable measures that would foster the economy with lasting results takes into consideration further steps as follow up of a financing project. As well, actions that should be considered by the government are offering students the resources, trainings and know-how that could incentivise young people to implement their business. Besides financing grants, business incubators are a much comprehensive and holistic approach to a sustainable business environment.

CONCLUSION

Along the paper, I tried to provide as many and comprehensive information as I could in order to provide an understanding over what entrepreneurship means and what a successful entrepreneurial culture is. I have also stated why the theme of the paper is important to me, as my personal mission is to bring impact to the entrepreneurial culture in Romania to the best of my ability.

In the first chapter, I immersed into a study of understanding entrepreneurship from theoretical perspectives of well-known authors and their works. Secondly, I identified practical frameworks created by organizations such as OECD, EUROSTAT. In order to understand what an entrepreneurial culture is, in the second subchapter, I studied the determinants of entrepreneurship. According to the frameworks, the majority of the determinants revolve around three factors: opportunities, skilled people and resources. Factors such as culture, regulatory framework were identified as leading to an entrepreneurial culture as well.

In addition, in the second chapter, I studied different entrepreneurship policies to discover which ones lead to entrepreneurial success, from Lundstrom and Stevenson's perspective. The holistic entrepreneurship approach proved to be an integrative policy which responds to all the stages of a venture. This framework includes easing the process of business entry on the market, offers support for small businesses already registered and new ventures as well, includes entrepreneurial education, fostering, finally, an entrepreneurial culture.

The study proved that this typology of policy is the most comprehensive one and cultivates a culture of dynamism, innovation, productivity and growth, in other words, an entrepreneurial climate. Further on, we made an analysis over few Nordic countries from Europe, namely Denmark, Finland and Sweden, as these countries are among the most developed and innovative, linking them to entrepreneurship. The three economies were analysed from the perspective of three pillars: Educational system, Access to Finance and Ease of doing business.

The research revealed that The Nordic countries are investing the highest amount of their GDP for education and on life-long learning, have some of the most accessible processes of entering the market with a business and re strongly supported by the Government with financial incentives.

Lastly, in the third chapter, I analysed the Romanian entrepreneurial culture through the same pillars identified in the second chapter. Romania proved to still carry the burden of its history and in need of strong reforms regarding the educational system, the ease of doing business and access to finance which could lead, eventually, to an entrepreneurial culture.

To conclude with, my paper tried to create an image over the pillars of a successful entrepreneurial environment within a society to whomever might have an interest in this fields or seeks to comprehend it. Additionally, the recommendations and learnings gained through this research should be applied.

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