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**Desk study report on:
State of the art of Self-Employment in Romania**
(Project Deliverable 2.1)

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1 This study

This desk study report on the state of the art of self-employment in Romania is made within the framework of Self-Employment project, i.e. "Guidance and counselling for self-employment". The aim of this study is to give a wide picture how entrepreneurship and self-employment are developing in Romania.

Main target groups of the whole project are:

- Students that have just graduated and will soon graduate that consider self-employment
- Unemployed people that consider self-employment
- People that are working somewhere at the moment but consider self-employment

There are 19 million small and medium-sized enterprises in the European Union representing 99,8 % of all EU enterprises and employing more than 74 million people¹. These enterprises are a source of employment, innovation, entrepreneurship and growth. They are particularly important in a context of insecurity and with a view to achieving the objectives of the Lisbon European Council regarding the competitiveness of the European Union.

Lisbon European Council of March 2000 sets out its strategic goal for the next decade: "to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion". This goal was to be achieved through policies boosting the information society and R&D, stepping up structural reform for competitiveness and innovation, and completing the internal market, while modernising the European social model and applying a macroeconomic policy mix that would favour growth.

In Romania, the rapid development of entrepreneurship from the beginning of the 90's directed to the establishment of thousands of small companies.

According to recent statistics, SMEs represent over 99% of the companies in Romania. Their contribution in the economy is significant.

Romanian governments (former and current) recognize the importance of SMEs. Policy for SMEs has become an important part of the regional development policy.

This study is trying to answer to the following question:

1. What is the state of the art of Self-Employment in Romania?

It can be divided into the following sub-questions:

1. How is self-employment defined in Romania?
2. What kind of national support for and actions on self-employment are there?
3. National and international research made on self-employment?

¹ http://europa.eu.int/comm/enterprise/consultations/sme_definition/

2 Descriptions and definitions

Self-employment is at the same time one of the oldest forms of labour and a very modern one. Its existence is connected to well-established sectors like agriculture, as well as to newly developing high-tech sectors involving information and communication technologies and tele-work. It includes established occupational forms like the sole trader and the independent professional, as well as new occupations that arise from the use of new technologies and the growing flexibility of labour forms and contracts. The Self-employed can view themselves as entrepreneurs, as workers bearing a heavy load of economical and social risks, or as something in-between. The self-employed are an increasingly diverse and heterogeneous group, who cannot easily be brought under one definition.

2.1 Country description in the context of self-employment

General Data

Romania is situated in the south-eastern part of Central Europe and on the lower Danube, bordering the Black Sea.

With a population of 22 million, Romania is the second most populous country in Central and Eastern Europe.

It is rich in natural resources-petroleum, timber, natural gas, coal, iron ore, and salt. The main features of Romania's relief are its proportionality (31% mountains, 36% hills and plateaus, 33% plains and meadows), a concentric display in amphitheatre form of the major relief forms.

Its access to the sea enables the connections with the countries in the Black Sea basin, in the Mediterranean basin, and therefore with all the countries in the world. The Danube-Black Sea canal favours connections with the North of Europe.

Political environment & history

The Romanian political and economic system at the end of the 1980s was one of the most tightly controlled and centralized in all the former communist countries. All sectors of the economy were planned and supervised centrally. Unlike some other neighbouring Eastern European countries, hardly any public or economic initiative was in the hands of individuals.

Following 40 years of communist rule, Romania experienced a dramatic regime change in 1989. Free elections were organised (1990, 1992, 1996, 2000, 2004), a new democratic constitution was voted and the country engaged in economic and social reform. It has applied for membership to the EU, started negotiations in 1999 and the goal is to become a member in 2007.

Romania is a constitutional republic with a multiparty parliamentary system. The parliament includes 332-member Chamber of Deputies and 137-member Senate, representing 41 counties plus Bucharest municipality. The president is elected by universal suffrage. The position is non-partisan under the terms of the constitution. The President has responsibility for foreign and security affairs.

Economic Environment

Romania has undergone profound political and economic changes since the 1989 revolution and is over passing a period of economic transition. Over the past fifteen years, the Romanian economy has been characterized by a series of stop-and-go reform attempts resulting in a highly cyclical growth pattern.

Like most transition countries, Romania experienced a sharp recession during the early 1990s, followed by a period of steady growth and declining inflation from 1993 to 1996. This first phase of economic stability was short-lived as it was built at the expense of large subsidies to state-owned enterprises, rising fiscal and current account deficits, and the rapid accumulation of foreign debt. These imbalances became unsustainable by the end of 1997 when inflation reached a peak of over 150%, prompting sharply tighter monetary and fiscal policies. Inflation declined rapidly to around 40% at the end of 1998, but economic growth was brought to a sudden halt and the economy plunged into a deep recession.

After years of disappointing economic performance, macroeconomic trends and prospects have recently improved. In particular, following a three years decline and a modest rebound in 2000, in 2001, the economy expanded faster than expected with GDP growing by 5.3% as investment accelerated and private consumption boomed pulled by rising real wages and income.

Much of the recent improvement in macroeconomic performance is due to the improved co-ordination of monetary and budgetary policy. In particular, the authorities have been adopting an increasingly responsible fiscal behaviour. After being loosened in 2000 and over the first half of 2001, in fact, the policy stance was tightened in mid-2001 when the deficit target was reduced down from the original objective of 3.7% of GDP. As revenues still fell short of the revised yearly target, expenditures were cut in order to meet the nominal deficit target, equivalent to 3.3% of actual GDP.

In the medium term, however, the authorities face major fiscal challenges and consolidation will be hard to sustain without a resolute reform of public enterprises and a significant increase in tax compliance. Further medium-term challenges include the reform of the increasingly unbalanced public pension system, the need to relinquish inflation as a fiscal tool, the provision of sufficient resource to the institutions for a market economy, and, more generally, the necessity to focus fiscal outlays on growth-enhancing expenditures.

Small and medium enterprises.

The SMEs sector grew rapidly during the initial years of transition. However, the recession of 1997 to 1999 affected this sector and the pace of new registrations slowed during 1997-2000. The economic recovery of 2001-2002 has probably helping to reverse this trend.

The SMEs sector was one of the main beneficiaries of the *Action Plan applied in order to eliminate administrative barriers and improve the business environment*. The following measures provided the background:

- setting up of the Joint Office of the Chambers of Trade and Industry;
- simplification of the legal framework (more favourable to investors);
- Granting credit facilities.

Role and share of SMEs in the economy

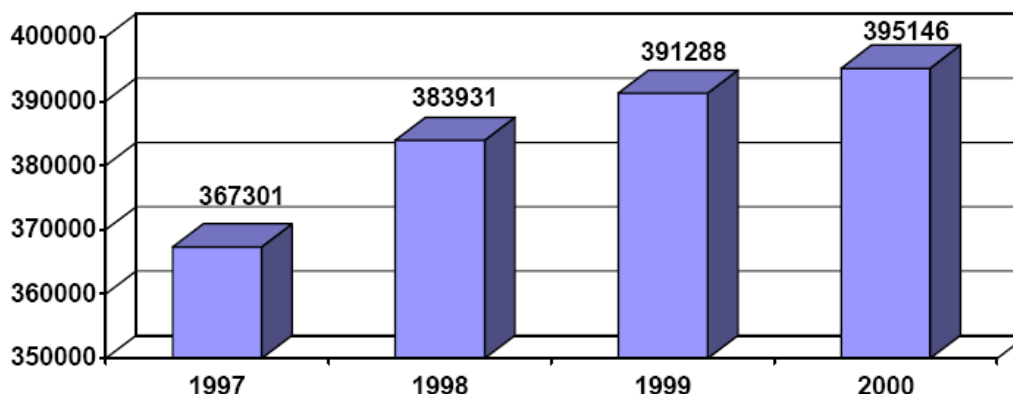
Ratios	% within the total number of active companies	% within the total number of private active companies
	2000	2000
- Number of companies	96,8	97,5
- Number of employees	41,1	57,3
- Turnover	44,2	57,8
- Gross profit	42,2	53,8
- Losses	25,6	58,3
- Net profit	41,1	51,8
- Total assets	25,3	51,5
- Development fund used	35,7	47,9
- Granted loans	25,3	41,8
- Export revenues	4,4	6,3
- Gross added value	29,1	43,6

Source: Small and Medium sized enterprises in Romania, Ministry of SMEs and Co-operatives, 2001

Number of enterprises

395,146 active SMEs were registered at the end of 2000.

Diagram 1 Evolution of the private SME sector



Source: Small and Medium sized enterprises in Romania, Ministry of SMEs and Co-operatives, 2001

The structure of the SME sector by size classes points out that micro enterprises continue to hold the main share, experiencing a slightly descending trend. The micro enterprises' share decrease was accompanied by an increase of the medium sized, and in particular, small enterprises' share, by 0.3% and 0.9%.

Number of employees in the SME sector

The employees' number in the private sector of SMEs increased continuously during the analysed period; this increase reached 15.2% in 2000 as compared to the year 1998. At the same time, the share of this category in the total number of employees working within the firms active in the sector increased, reaching 41.1% in 2000. There is a non-homogeneous distribution of employees, with shares varying from 43.2% in the field of trade (a decrease of 5% as against the year 1998) to 0.4% in the mining and quarrying industry (an increase of 0.2% as against the year 1998)².

Romanian SMEs are determined according to the number of employees, turnover, and social criteria. Table below compares the Romanian definition of an SME with that of the European Union.

Table: Romanian and EU SME Definitions			
Romania	Micro	Small	Medium
Maximum number of employees	<10	<50	<250
Turnover	<8 mil * Euro	<8 mil Euro	<8 mil Euro
Capitalisation	n/a	n/a	n/a
Other conditions (social capital/ the right to vote obtained by other companies)	n/a	25%	25%

² Source: Small and Medium sized enterprises in Romania, Ministry of SMEs and Co-operatives, 2001

European Union			
Maximum number of employees	<10	<50	<250
Maximum turnover (in million Euros)	n/a	7	40
Capitalisation (in million Euros)	n/a	5	27
Other conditions (social capital/ the right to vote obtained by other companies)	n/a	25%	25%

Source: Clusters of enterprises and the internationalisation of SMEs: the case of the Romanian region of Timisoara, 2004;

*<100.000 Euro- different taxation regime.

At the end of 2002³, there were 804,335 registered enterprises in Romania, of which 343,000 were active SMEs. A large proportion of dormant enterprises still exist, in part because the exit barriers remain high. The birth rate of enterprises was significantly lower (7.5%) than the mortality rate (19%) in 2002, due mainly to the fact that significant efforts have been made to delete many dormant enterprises from the register.

IT & C

Hardware local market was of EUR 540 mn in 2003, and would reach EUR 560 mn in 2004. Software and IT service local market could reach EUR 250 mn in 2004, compared to EUR 220 mn in 2003. Software and IT service export is estimated at EUR 210 mn in 2004, up from EUR 170 mn in 2003.

Consequently, IT market including export could reach EUR 1 bn in 2004, compared to EUR 900 mn in 2003. It is expected that the software and service segment increases sharply than the hardware component in the next years.

In Romania software and service segment accounts for 30-35% of the market, compared to 60-70% in EU. The accession process of Romania in EU will support the development of the IT segment, mainly for small office – home office and small and medium enterprises, stimulated by the leasing financing facility.

Communication market could increase in 2004 by 10% as to the previous year, to approximately EUR 4.5 bn, from EUR 3.7 bn in 2003. Mobile telephone segment will lead the market, with the number of subscribers and the revenues going up by 10-20% as to 2003. Mobile telephone market was of USD 1.15 bn in 2003 and is expected to increase to USD 1.35 bn in 2004. Competition will increase on the business segment, where the companies will offer integrated services – voice, data, fix and mobile Internet⁴.

The IT&C sector progress will rely in the next years on the expansion of information technology segment and the development of governmental projects, as well as on the consolidation of the communication segment.

³ Source: Romanian Agency for SMEs, MIMMC, 2004.

⁴ Romanian Economic Environment, June 2004 - RoBank

Positioning the country on the international market⁵

The weight of imports, respectively exports of services in total imports, respectively exports, is considered to become with approximately 5%, respectively 2.5%. This reflects the mutations induced by the European integration at the level of trade diversification as well as service trade liberalisation.

As a consequence of the increase in the productivity of agriculture due to the assimilation of specific EU funds, as well as the comparative increase of the purchasing power of the Romanian population, in the integration scenario the income elasticity (world demand for Romanian exports) is supposed to increase towards the end of the prognosis period. A comparative diminution of the income elasticity occurs for the imports of processed products.

Moreover, the income elasticity of the energy products is decreasing, due to the envisaged start-up of a new atomic energy reactor at the Cernavoda plant, expected for 2007-2008.

The rate of custom duties is diminishing slightly, as a result of quickening the implementation scheme for the new tariffs and quotas, as an integration result, and also as a result of modifications in the structure of imports.

Demographic evolutions

In the past 10 years the population of Romania has been falling steeply and steadily. The negative values of the natural growth rate coupled with the emigration rate (especially in the first half of the interval) led to a decrease of close to 1 million people (- 4.2%). According to the preliminary results of the census of 18 March 2002, the population of Romania was 22,048.4 thousand inhabitants. Distribution by area was: 54.4% in urban areas and 45.6% in rural areas.

According to the results of the population and residence census, the population of Romania was 21698.1 thousand inhabitants on 18 March 2002. If the current trends of the main demographic indicators remain, the estimate is that the population of Romania in the next years will fall below the 20 million limit.

An analysis of the population by age brackets reveals on the one hand, an ageing process and on the other hand, a decrease of the school-age population. These tendencies have direct effects on the labour market: growing pressure on this as a result of the population growth in the 20-24 and 25-29 age brackets; a relaxation of the labour market will occur when the population now aged 0-14 reaches active age.

Juridical environment

The general legal framework for commercial activities has been established by the Constitution adopted in 1991. The Constitution specifically describes the Romanian economy as a market economy. According to the Constitution, the state is bound to ensure the necessary conditions for free trade and fair economic competition.

⁵ Source: Paper prepared for the UN Project Link Fall Meeting New York, 22-24 November 2004, The Outlook for the Romanian Economy 2003-2008, Constantin CIUPAGEA)

Therefore, the law of supply and demand functions in the Romanian economy. The grounds of this system are ensured by the existence of private property, which is protected and GUARANTEED. Article 41 of the Constitution, entitled The Protection of Private Property specifies (at paragraph 1): "the right to property and debts of the state are guaranteed". Private property is subject to the same conditions and is equally protected by the law, regardless of the holder of the right. Within this general framework there are specific laws regulating various aspects such as the legal ways to create, obtain authorization and carry out the activities of a commercial company, taxes, consumer protection, etc. All these specific laws comply to the general principles prescribed by the Constitution.

The following types of commercial companies can be created, according to Romanian laws (set up by the association of individuals or legal persons according to Act. No. 31/1990, republished):

- general partnership (societate in nume colectiv);
- limited partnership (societate in comandita simpla) ;
- joint-stock company (societate pe actiuni);
- limited partnership by share (societate in comandita pe actiuni);
- limited liability company (societate cu raspundere limitata);

Each of these types of companies has specific traits. The choice among these types is determined by various factors, such as: the way the entrepreneur conceives the structuring and the further development of the business, the number of partners, the starting capital, etc.

2.2 Self-employment in Romania

The term 'one-person company' is not legally defined⁶ in Romania, but statistically self-employed is defined as "a person who conducts his/her activity at his/her own headquarters or runs an individual business without employing other persons, with the possibility of assistance from unremunerated family members." Because self-employed persons are not conceptually deemed an important component of the labour market, the legislation in force does not include any special provisions regarding this category.

Neither the political decision makers nor civil society have been specifically concerned with the status of self-employed persons. Statistics indicate that the number of the self-employed persons in Romania in 2000 was 1,717,000 (29.1 percent of whom were women and 15.2 percent in urban areas), and that self-employed persons and unpaid family members comprised 42.4 percent of the active population, including 91 percent in rural areas. These statistics are misleading, however, since self-employment in rural areas is a means of survival, and not an income-generating enterprise.

However, in this study we try to concentrate on the following categories that can be assimilated with self-employed persons:

- freelancers (persoana fizica autorizata =authorized individuals);
- household associations (asociatie familiala = family associations) and

⁶ Except authorized individuals and family associations.

- micro-enterprises, particular case of SMEs.

Authorised Individual - has an independent activity authorised by Mayorality, and is registered in the Trade Register. It does not have legal personality.

Family association - established by members of one family, authorised and registered as the individuals. It does not have legal personality.

Micro-enterprises – legally defined since late 2001. It is legally set up according to the same regulations as the other companies. It has to have at least 1 employee and maximum 9 and a turnover up to 100.000 Euro. Due to regime of taxation, it seems to be preferred by individuals with activity in services sector.

Recently has been adopted a new law regarding authorised individuals and family associations that simplifies the procedures of authorization. The law nr.300/2004 lays down the conditions for individuals, Romanian or foreign citizens coming from EU member states and the states in the European Economic Area, to carry out economic activities within the territory of Romania as freelancers or organised in household associations.

So, under self-employment, two types of unincorporated agents, without legal personality, are grouped: on the one hand, so-called own-account workers, and, on the other hand, family associations and other small-scale unincorporated businesses. The common feature of these entities is that their capital is not distinguished from the personal assets of their owners, therefore the income they draw from operations is included in the gross operating surplus (GOS) of the household sector.

From the economic point of view, there are also two types of individual or family businesses from which the GOS of households takes its source: one is rural and agricultural, the other is urban and mainly geared on services. The most numerous and also the most traditional ones are family agricultural farms, which may be of a very small size (like from less than one hectare to two or three hectares) and appear as the “heritage” of what the communist system was always obliged to let to rural households so that these may get their foodstuff. These farms are mainly oriented towards the self-consumption of their owners.

Besides, there is another type of small businesses dealing with services in urban areas and which is definitely more dynamic and modern. Small enterprises appear as the economic agents’ best adapted to the transition context: first of all, the size of start-up capital needed for operation is very low; taxation is lower. Such an enterprise⁷ has maximum flexibility and accommodates the easiest the product/services or market innovations. They are generally operating in the services sector, taking advantage of the previous underdevelopment of this sector and the consequent high demand; until the excess demand in services has not been answered, small enterprises provide their managers with higher than average incomes.

⁷ Entrepreneurship and Institutions in Transition, Gérard Duchne, Philippe Rusin, Geomina Turlea

However, the self-employed (or the micro-entrepreneurs) are of several types: some are start-ups turning into competitive market segment, others are viable, but inhibited, others are rather inactive, while a part could be certainly included into the subsistence economy.

A key indicator of enterprise dynamism is the number of SMEs per 1,000 inhabitants. The Romanian average of 10.3/1,000 inhabitants compares poorly with the average for EU-19 countries of 52.8/1,000 inhabitants⁸, suggesting that there is a good deal of scope for strengthening the MSME sector in Romania.

In line with other countries, an analysis of the composition of registrations based on Chamber of Commerce and Industry data shows that micro enterprises dominate the SME sector (92.8%). There is a high concentration of SMEs in the trade sector (66.9%) reflecting the fragmentation of the distribution and retailing industry in Romania. The data also suggest that the service sector (14.5%), although still relatively underdeveloped, has a good deal of potential for development.⁹

According to a study called “Regional Patterns of Private Enterprise Development in Romania”, presented at the 41st Congress of the European Regional Science Association, the estimation of self-employment at regional level early 1998 in Romanian is presented in the table below. The estimation method used is Ordinary Least Squares (OLS).

SELF	
U	5.611 * (2.527)
HOWN	-1.496 (2.352)
EDU	200.419 (381.307)
URB	-1.836 * (0.879)
SCIE	0.130 * (0.028)
INFR2	0.134 (0.106)
NAT	12.151 (15.794)
Constant	45.465 (421.745)
Adjusted R²	0.337

Standard errors in parentheses; * statistically significant at 5% critical level

Where:

U unemployment rate

URB the share of urban population

HOWN the percentage of home-owners

⁸ Source: OECD-EBRD, 2003

⁹ Source: OECD Small and Medium Enterprise Outlook, 2002

EDU UNDP education index (weighted index of adult literacy and gross rate of school attendance)

SCIE R & D personnel/ 100000 inhabitants

INFR2 density of railways/1000 km²

NAT dummy variable taking value 1 for counties having the share of minorities above 10% and 0 otherwise (proxy for potential cross-border relationships)

According to the same study there are different regional patterns of entrepreneurship intensity for new private firms, self-employment and new firms with private foreign capital.

The new firms with private capital are concentrated in the capital city, west and north-west regions as well as south-east counties bordering the Black Sea.

This distribution suggests that the proximity to the west and north-west borders and, respectively, the Black Sea harbour areas may play a role in the development of the private sector in Romania. In the case of the capital city, external economies of scale from agglomeration economies may explain the high concentration of new private firms.

The number of self-employed is more evenly distributed across regions. There is little overlapping with the distribution of new firms suggesting that in the case of individual entrepreneurs other factors explain their distribution.

The regional distribution of new firms with private foreign capital shows a high concentration in the capital city, the west region and the main Black Sea harbour area. Agglomeration economies and proximity to international connections seem important in this case.

Anyhow, according to official data, self-employment has been on a growing trend since the mid-nineties. The number of self-employed and non-paid family workers increased by 11.8% and 9.7% respectively between 1996 and 2001. In 2001, according to the Romanian LFS, of the total employed population, 54.3% was employees, 24.1% self-employed, and 20.2% non-paid family workers. Employers, whose number has been decreasing since the mid 1990s, represented only 1.2% of the total employed population in 2001. Self-employment is nearly entirely in agriculture (89.2% of all self-employed) while 80.2% of the employers are in the service sector, in particular, in trade (62.8% of all employers)¹⁰.

Political aspirations¹¹ & statements connected with One-Person-Companies

The new Romanian Government's policy upon the business environment is based upon the support granted to private entrepreneurs and the stimulation of free initiative. Since self-employment is not legally defined the government support is addressing the SMEs sector, including micro-enterprises, authorized individuals or family associations.

¹⁰ Source: Joint Assessment of Employment Priorities in Romania, 2002

¹¹ Compilation made using official Government documents, like "Programul de guvernare 2005-2008"

In order to achieve its objectives, the new government considers that it is necessary to remove the obstacles that hinder the private initiative. It is necessary to become aware of the fact that the citizen's prosperity is given by a functional market economy which in its turn, cannot exist without the rule of law, private property and a strong middle class.

As for the *fiscal policy*, the Romanian Government achieved the following:

- Reduction of the quota of the profit tax from 25% to 16%;
- Introduction of the flat tax of 16% - as tax on the individuals' income. The basic and the supplementary deductions are maintained so that the low income persons should not be affected.
- Gradual reduction of the tax quota for the contributions to social funds starting with year 2006, both for employee and for employer, so that in 2008, this would reach 39,5% in comparison with 49, 5% as it is now.

The measures concerning the reduction of direct taxes are found also within the modifications of the Fiscal Code that entered into force as of 2005.

On the other hand, this fiscal relaxation leads to an increase of other taxes, including the ones for the micro-enterprises which were doubled.

Another issue had in mind by the government in order to support the growing of SMEs is the *elimination of administrative barriers*, by:

- Drafting a simple, clear and stable legislation;
- Simplification of the procedures for the market entrance and exit of the companies.
- Reduction of the administrative procedures related to obtaining authorizations, approvals and notices.

Supporting the small and medium sized enterprises sector represents for the government an important solution for counterbalancing the negative effects of the process of structural adjustment and of the industry restructuring, generating economic and social alternatives and sustain for the consolidation of middle class.

The new private sector, in particular SMEs is the main driving force for economic transformation and job creation. In Romania, the SMEs sector accounted for 56% of total turnover in the economy in 2001. Their contribution to total employment is estimated to have substantially increased, from 25% in 1995 to around 50% in 2001. Over the same period, all job creation took place in the SME sector with an estimated total increase of 700 000 jobs, insufficient however to compensate for job losses.

3. National support for and actions on self-employment

Promotion of entrepreneurship

The attitude of the general public to entrepreneurs is generally negative in transition economies such as Romania, reflecting an inheritance from the communist regimes which discouraged such activity. Combined with recent experiences such as the uneven effectiveness of the privatisation process, entrepreneurs and entrepreneurship are often equated with opportunism and dishonesty by the general public. In addition, the private sector often perceives the attitude of the public administration, whose mandate is to assist entrepreneurial activities, as indifferent.

In order to encourage the development of the MSME sector, the Government of Romania created a National Agency for SMEs and Cooperatives in 2002 to achieve various objectives in relation to MSME development, including improving access to financing for MSMEs such as the provision of grants to fund necessary start-up and/or expansion costs, the establishment of loan guarantee funds to facilitate access to credit, etc.

The Agency for SMEs and Co-operatives is working to cultivate a more entrepreneurial culture in Romania. In its SME strategy, it highlights the need to support the improvement of the business culture by generating a more positive attitude towards businesses and entrepreneurs, for example through focusing on:

- Information campaigns: government-led information campaigns (TV, press and radio) designed to generate a more positive attitude towards entrepreneurship;
- Media reporting: the Ministry requires a long-term strategy, in co-operation with the SME policy community, to highlight positive developments and success stories.
- Publications for entrepreneurs: publications focusing on enterprise activities are an important source of information for business people, especially those running small firms. Currently, the most significant publication is “Revista IMM”, which only reaches a small proportion of entrepreneurs.

3.1 Regional or local initiatives

There are many initiatives supporting self-employment in Romania. These initiatives do not target specifically only self-employment, but SMEs as a whole and development of entrepreneurship.

Maybe the most important initiative showing political interest in developing SMEs is The Government Strategy for development of SMEs during 2004-2008. It is available in Romanian at <http://www.mimmc.ro/imm/strategia/>.

Many local or regional initiatives (like business incubators) were set-up with the financial support of Phare programme implemented in mid-90's. However, it seems very hard to find data on which of them are still operational.

Lately, the Romanian government, sometimes with external financial assistance has set-up Information Technology Parks or Industrial Parks.

3.2 Supporting

This section examines the main sources of finance available in Romania, designed to address whether the area suffers from a finance gap, as far as MSMEs are concerned.

Commercial banks provide the great majority of finance available to the MSME market. There is no shortage of branches of commercial banks operating. One of the most important of these banks, as far as MSMEs is concerned are the Romanian Commercial Bank (BCR).

BCR is the largest commercial bank, with about 30% of the total banking assets and 286 branches throughout the 41 Counties in Romania. It is state-owned but is being restructured for privatization. The bank manages or managed several credit lines devoted to the MSME market such as:

- An EBRD credit line (SME Finance Facility) worth € 75 million.
- The PHARE MARR fund worth € 6 million.
- The PHARE RICOP fund worth € 34 million.
- Various other PHARE funds (e.g. SAPARD) and credit for disadvantaged areas, some of which are designed to assist start-ups.

BCR's loan portfolio to the SME enterprise sector in Romanian was about \$600 million in 2003. This suggests that a considerable amount of its own funds is being used to support the enterprise sector, but BCR does not distinguish between the MSME sector and other enterprises in its lending strategy. They are not subject to special credits and conditions. All enterprises follow the same application process and may obtain such services as credit, factoring, leasing, pre-finance for export, etc. The bank recognises that the MSME sector may experience problems in obtaining credits, but this is thought to be because they tend to underreport their levels of profit as a means of minimising their tax burden (see OECD-EBRD, 2002 and 2003a for an analysis of the significant fiscal difficulties experience by MSMEs in Romania, such as constantly changing tax rates and incentives, frequent visits by the tax inspectorate, etc.), may be engaged in informal activities and generally have difficulties fulfilling BCR's list of requirements:

- Loan application signed by the mandated company representatives.
- Company balance sheet, management report, profit and loss statement for the previous two years, latest Financial Results and Net Worth statements, the last month's trial balance.
- Forecast payments and collections (cash-flow) and income and expenditure budget.
- Inventory of costs to be financed by the loan (quantity, value, sales dates, etc.).
- Status of contracts for goods to be financed by the loan.
- Repayment schedule.
- Collaterals and related title deeds.
- Business plan (companies more than \$1 million).

– Any other documents needed by the bank.

Source: BCR, 2004

It is not possible in this short paper to provide an exhaustive analysis of what is on offer by commercial banks, but certain other banks are worth noting. Banca Romaneasca has 15 branches and focuses on the MSME market. Banca Transylvania was originally founded as a SME- focused bank, but has subsequently broadened its target market. Raiffeisen Bank operates in all 41 Counties of Romania through a network of 200 branches and agencies. It focuses on the lower and middle market tier, primarily those firms with a turnover of €1-€2 million.

Micro Finance

There are six main micro finance providers in Romania: Community Habitat Finance International (CHF), Soros Foundation, World Vision's Credit Consulting and Training for Business (CAPA Foundation), ROMCOM, Romanian American Enterprise Fund and Opportunity International. CHF International operates a MSME credit programme (including a housing credit programme), which started in 1994 from an office in Timisoara and now has 15 offices covering 20 counties. The programme makes individual loans of \$ 2,000-\$20,000 for maturities of up to 24 months. Very small loans of \$ 1,000 are made on an exceptional basis. The loans are US\$-denominated and the interest rate is 16% declining balance, plus a commission of 2%-4%. The average loan size is about US\$7,000; over 50% of the loans are made for commercial activities, while 27% are for services, and 19% for production.

As of April 2004 the SME loan portfolio outstanding was US\$ 4.7 million, consisting of 1,009 loans. The loan portfolio quality is good, with a portfolio at risk > 30 days ratio of 2.04% of the total portfolio outstanding. CHF also offers a short-term loan (\$500-\$2,500 for a maximum of 3 months, 6% commission) for clients.

Insurance and Leasing

There are many important insurance companies, several of which also provide leasing. Leasing is a market in expanding but focus is mainly used for the purchase of vehicles, rather than equipment and appears to be largely restricted to medium sized enterprises at present.

Equity

There are currently five venture capital funds operating in Romania:

- Romanian American Investment Fund.
- Romanian Post Privatization Fund.
- Romanian and Moldovan Direct Fund.
- Advent Central and Eastern Europe II.
- Oresa Ventures S.A.

Credit Guarantee Funds

Romania has a relatively long history of establishing credit guarantee funds:

- The Romanian Credit Guarantee Fund for Private Entrepreneurs (CGFPR) is a private initiative that was created in 1993. It targets all private enterprises and is not restricted to a particular sector of activity. It provides 70% guarantees and charges an annual commission of 3% - 3.5% of the outstanding guarantee.

- The Rural Credit Guarantee Fund (RCGF) was created in 1994 and issues guarantees of up to € 1 million for private companies mainly in the agriculture and food processing sectors. It provides 70% guarantees (medium and long term loans) and 50% in the case of short term loans. Its commissions range from 2.5% - 3% of the outstanding guarantee, with some exemptions, such as for Farmers' Associations.
- The National Credit Guarantee Fund for SMEs (FNGCF) was created by the National Agency for SMEs and Cooperatives in 2002 with state funding to support the MSME sector, including start-ups in the industry, services, agriculture, construction and transportation sectors. There are strict criteria for eligibility and the € 10 million fund offers three products:
 - Guarantees for established firms: maximum of € 400,000 – € 500,000; 60% - 70% credit coverage; annual premium of 1% of the outstanding loan for short term loans; and 2.5% - 3.5% for medium and long term loans.
 - Guarantees for start ups: maximum of € 400,000 – € 500,000; 70% - 80% credit coverage; annual premium of 1.5% of the outstanding loan for short term loans; and 2.5% - 3.5% for medium and long term loans.
 - Leasing guarantees: cover instalments (maximum of three consecutive instalments) for leasing contracts.

Lately, the FNGCF's short term loans have been suspended, pending clarification as to whether this represents anticompetitive state aid. Since no long term credit guarantees (10 years) have been issued and the short term loans have been suspended, the volume of activity was significantly reduced in 2004.

Other funds and credits

Numerous other forms of finance exist in Romania. Examples include factoring (e.g. Romanian Commercial Bank), micro finance by various NGOs /donors, PHARE funded programmes and state funded initiatives such as those focusing on disadvantaged areas of the country. A comprehensive analysis of such funding sources is available through the National Agency for SMEs and Cooperatives (2003b). The funds are usually allocated on criteria related to sector prioritisation and geographical targeting.

Access to finance

According to the BEEPS (2002) analysis, MSMEs' access to finance (cost of, and access to, capital) is ranked fourth and ninth in the set of 21 potential obstacles to doing business in Romania (see OECD BRD, 2003b). Nevertheless, an analysis of the sources of finance used by the Romanian entrepreneurs to finance their working capital needs and new investments (see Table below) demonstrates a heavy reliance on internal funds and loans from family and friends which is greater than in western European economies.

Source of Finance	Working Capital	New Investment
Internal funds	69.5	62.2
Private local banks	8.1	6.4
Family/friends	5.9	5.6
Supplier credit	3.5	1.3
State-Owned banks	2.6	2.0
Equity	2.3	0.9
Leasing	2.1	3.6
Other	2.0	1.2
Government	2.0	2.4
Customer credit	1.2	0.1
Money lenders	1.1	1.0
Foreign banks	1.0	1.4
Credit cards	0.7	0.8

Source: OECD-EBRD, 2003b

Private commercial banks meet a modest share of financing needs (8.1% for working capital requirements and 6.4% for new investment requirements). Foreign commercial banks are currently largely irrelevant in the provision of finance to the MSME sector.

The problem of inadequate access to finance is explicitly recognised by the National Agency for SMEs and Cooperatives (2004):

“Although in recent years the Romanian banking sector has been transformed, entrepreneurs and SMEs still have difficulties accessing finance on acceptable terms. Credit is available but the credit technologies used by the banking sector work against SMEs – long-term loans or cash-flow support are rarely available. The banks impose debt-to-equity ratios that are virtually impossible for SMEs to meet because of their thin capitalisation and lack of collateral. Micro and small enterprises are unlikely to grow and entrepreneurs will be unable to enter the market with innovative ideas and products unless actions are taken to improve access to finance.”

The above statement points the way in terms of what might be done to improve access to finance in Romania generally.

Public policy initiatives to support entrepreneurship are mainly driven by the National Agency for SMEs and Cooperatives. The National Agency for SMEs and Cooperatives has been active in several domains:

- It organises the annual “Financing Fair for SMEs” with PHARE support.
- It organises quarterly, Round Table discussions with bankers with a view to streamlining
- SMEs’ access to finance.
- It organises the annual “Fair for SMEs” to promote services such as consultancy and finance.
- It organises country-wide events on the impact of enlargement on the MSMEs sector and discussions on access to finance for MSMEs.
- It has organised, jointly with CHF, a draft law on micro-financing for MSMEs.

3.3 Services

There are several organisations which offer services and support for development of entrepreneurship. Once again, these services are not specifically aimed to self-employment, but to SMEs and entrepreneurship.

National Council of Small and Medium Sized Private Enterprises in Romania (CNIPMMR) - <http://www.cnipmmr.ro/enql/about.htm>

- member of UEAPME - European Union of Craft and Small and Medium Enterprises
- member of WASME - World Association for Small and Medium Enterprises
- the only employers association in Romania which is representative at national level for SMEs

Main activities: Protecting and promoting private SMEs interests at international, national and local level; promoting and defending private enterprises interests in the relationship with decision-making public authorities, as well as with other bodies and organizations in Romania and abroad; stimulating, by its specific ways, privatization and setting up of small and medium size enterprises based on local private capital and/or with foreign participation.

National Agency for SMEs and Cooperatives –government body (ANIMMC) - <http://www.mimmc.ro> . Main goal to implement the government programme for SMEs.

On-line entrepreneurship for young- <http://www.basepoate.ro/index.htm>

The first web-page for entrepreneurship on-line. Important resources on how to start a business, financial sources, business plan a.s.o.

Romania-US Centre for Business Excellency (Centrul Romano-American de Excelenta in Afaceri) - <http://www.consult-ase.ro/> - founded thanks to a cooperation programme between [Academia de Studii Economice](#) Bucuresti and [Washington State University](#) . Its goal is to create a Centre that develops entrepreneurial spirit.

Chamber of Commerce and Industry of Romania - <http://www.ccir.ro/Index.html> - that supports and promotes the businesses in the field of industry, agriculture, trade, tourism and services. Main services: Business consulting; Assistance to company formation and operation; Promotion of business contacts, Basic information and co-operation in local development problems; Expert assistance in matters of commercial law and arbitration of business disputes. It also offers representation and protection of the Romanian business community's interests in relation to policy-making bodies at local and national level.

Other services related to entrepreneurship: Starting a business, Competence evolvment, Guidance and assistance, Access to financing sources, Investment partnership, Business promotion a.s.o

Counties Employment Agencies – offices in each county and also offers support for business start-up.

The **Centre for International Private Enterprise** has had a presence in Romania since 1991-92. CIPE has conducted training programs for business association executives, supported the development of a Strategic Alliance of Business Associations (SABA), provided grants for institutional development, and conducted

workshops in corporate governance. In 2000, USAID-Romania selected CIPE as the contractor for a major initiative to support business association development in the information technology, manufacturing, and tourism sectors. CIPE also worked with multi-sector and women's associations, as they had members in each of the target sectors. Under this three-year program, CIPE was responsible for a number of activities: technical assistance for institutional development; support for public policy advocacy initiatives; constant information for targeted associations through forums, think tanks, and conferences; grants; creating investment opportunities; volunteer experts. <http://www.ciperomania.org>

3.4 Training

Chamber of Commerce and Industry of Romania - <http://www.ccir.ro/Index.html>

Occupational training and further training of economic operators in Bucharest and in the country:

- Organisation of post-graduate (high school and academic school) training;
- Short-term advanced courses in business organisation, management and programming;
- Occupational certification for business;
- Organisation of symposia, colloquia and round tables focused on business training;

Commerce Training and Management Center - C.F.M.C. - http://www.mimmc.ro/comert_interior/info_cfmc/ - organisation of training courses for adults, under life-long learning principles. Main domain: commerce and marketing services.

International Programme EMPRETEC – coordinated by UNCATD, United Nations Conference on Trade and Development http://www.mimmc.ro/animmc/centrul_empretec/. The target group is potential and existent entrepreneurs.

There are also many free training programmes for potential entrepreneurs, mainly targeted to unemployed or laid-off people, as part of various projects funded by EU, under Phare Programmes like Economic Development and Social Cohesion, Human Resources development component, RICOP, a.s.o.

4 Research made on self-employment

4.1 Internationally

“Growth and patterns of self-employment in the EU member states”, European Parliament, Directorate General for Research, Social Affairs Series, 1999 - http://www.europarl.eu.int/workingpapers/soci/101/101sum_en.htm

The report 'Growth and patterns of self-employment' was written at the commission of the European Parliament by a consortium of four institutes: The University of Utrecht (NL), the Free University of Brussels (B), Ruskin College, Oxford (UK), and B&A Group Policy Research and Consultancy, The Hague (NL), the latter of which acted as the co-ordinating partner. On the basis of literature study, analysis of Eurostat statistics and three essays on the situation of self-employment in respectively the Netherlands, Belgium and the United Kingdom, the report provides a broad overview of developments around self-employment and draws conclusions and implications with relevance for policy makers and researchers.

According to the report,

Self-employment can contribute a good deal to the quality of (working) life. It offers individuals a chance to participate on the labour market and to exploit their talents in a less restricted way than in a situation of (un-)employment, thus also gaining more job satisfaction than they would have acquired otherwise. Moreover, self-employment can offer a good deal of societal benefit, as it contributes to more dynamic economy and a fuller mobilisation and utilisation of human resources to generate new economic activity and technological innovation.

There are also, however, several aspects of self-employment that make it a less attractive position to be in. Examples are the sometimes problematic health and safety conditions of self-employed work. These may be the consequence of the kind of work and of the circumstances under which self-employed occupations typically take place, but they may also follow from the lack of systematic attention these aspects typically get in small and medium sized enterprises.

The same holds for lacking entrepreneurial abilities, and for insufficient opportunities for ongoing training in entrepreneurial and professional skills. These shortcomings may cause the high-potential self-employed to perform systematically below standard, or may even cause serious damage to any market position

4.2 In Romania

Once again, there are not any specific researches targeted on self-employment, or even on micro-enterprises in Romania. Most studies are dealing with SMEs sector in general, and entrepreneurship.

- *State of Small and Medium-Sized Enterprise Development in Romania , 1990-2001* by The Center for International Private Enterprise (CIPE) Bucharest Romania

Specific recommendations from within the agenda that pertain to SME development drafted by the Open Doors Coalition, a consortium of Romanian business associations that advocate for the growth of the private sector:

- The passage of laws to decrease the bureaucracy associated with starting a business and operating a small or medium enterprise.
- The passage of a law reducing the amount of payroll taxes paid by employers. The current tax system is a disincentive for companies to hire more workers, and it encourages tax evasion. This reduction in payroll and benefit taxes should be applied to all companies, but if this is not possible in the near term, the ITC sector is the logical place to begin.
- Simplification of labour and tax reporting procedures to ease the administrative burden on SMEs and employees.
- Establishment of a loan fund (similar to the United States Small Business Administration) to provide government-secured financing for the growth and development of small and medium-sized enterprises (SMEs).
- Total restructuring of the public education system to produce workers that have an understanding of the private sector and the qualifications, both technically and socially, to meet the needs of private employers.

- *Regional Patterns of Private Enterprise Development in Romania* by Iulia Traistaru - Center for European Integration Studies (ZEI), University of Bonn, 41st Congress of the European Regional Science Association.

Some of the conclusions of the paper were already presented before in this study.

- Conference on "*Clusters of Enterprises and the Internationalisation of SMEs: the Case of the Romanian Region of Timisoara*", 24 May 2004, - Background Reports; Timisoara, Romania -

The study concerned mainly Timisoara area, but came to a set of interesting conclusions and recommendation. They were based on extensive research, meetings with banks' representatives and business associations and 8 interviews with MSME companies. A number of issues are worth highlighting from the discussion with entrepreneurs:

- None of the eight Romanian enterprises were able to obtain any form of funding at the startup stage. All relied on internal sources, as well as family and friends. This situation is by no means unusual in that commercial banks do not generally provide support to start-up enterprises.
- The main constraints to accessing formal sources of finance are perceived to include: excessive reliance on collateral by commercial banks, high collateral requirements (150% - 200%), high interest rates, high commission charges, excessive bureaucracy (lengthy and complex application process), inflexibility (e.g. one loan at a time), short maturity of loans, etc.
- Only two of the four established enterprises had been able to access formal sources of finance (loans and leasing). These are both well established, were formed 6-8 years previously, are medium sized and have access to collateral. The other two established enterprises are not in such a favourable position and continue to experience liquidity problems and restrictions in growth due to the lack of working and investment capital.

- The entrepreneurs note an increasing level of competition in the commercial banking sector. They also recognize that the interest rates are gradually being reduced, however, consider that more fundamental changes are required before they can access finance from formal sources.
- Entrepreneurs are looking for the following basic conditions, if they are to access credit from commercial banks:
 - Reduction in interest rates.
 - Longer grace period.
 - Long term funding (10 years).
 - Reduction in commissions.
- They perceive the situation to be so grave in terms of accessing any form of finance, that none of the entrepreneurs had devoted much time developing their strategies for innovation. They were not aware of any options being offered by banking and non-banking institutions to assist with this aspect of their activities (such as EU programme, state programme, etc.).

Solutions proposed:

- Improve information and access to financing sources

Both start-ups and established MSMEs are not aware of the full range of sources of finance available (credit lines, grants, leasing, factoring, etc.), as well as the detailed terms and conditions on offer. This is a constantly changing situation, which requires updating at least every six months, followed by wide dissemination. This is a fundamental starting point for enhancing access to finance for MSMEs.

-Implement a Business Support Centre

The Timisoara area (and also many other area in Romania) lacks a Business Support Centre (BSC) to provide customised services to start-ups and early growth enterprises, including assisting them to access finance opportunities.

Although the Chamber of Commerce, which has regional offices in each county, has a business centre (and manages a Euro Information Correspondence Centre), this institution is focused primarily on its members as well as firms willing and able to pay commercial rates for the business advice and support. It is widely recognized that potential and actual start-ups, as well as early growth enterprises are not able or willing to use such commercial services.

4.3 What kind of research would be needed

There are almost none relevant researches about 1 person company (the way we define self-employment in this project) in Romania. Therefore, any study that aims to gather information on experiences in developing entrepreneurial skills among children, young people and others considering self-employment, to understand and in-depth analyse data to evaluate the self-employment is most welcome.

5 Summary and conclusions

This desk study report on the state of the art of self-employment in Romania is made within the framework of Self-Employment project, i.e. “Guidance and counselling for self-employment”. The aim of this study is to give a wide picture how entrepreneurship and self-employment are developing in Romania.

In the decade the dynamics of self employment have been subject to a continuous process of change. Compositional change as the level of self employment rose or fell in different sectors of the economy and demographic change in the self employed themselves.

The importance of self-employment and of the stimulation of entrepreneurship is gradually being recognised. The experience of individual EU member states of massive structural unemployment, trends towards individualisation in society, and Europeanisation and globalisation, have all aided this process.

Policies indirectly targeting on self-employment arise from different policy fields. Examples are given in the national essays of typical labour market policies, industrial policies, technology policies, welfare policies, social protection and insurance policies and fiscal policies.

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Appendixes

Active economic and social units of national economy, by size class, 2001-2002
(source: Romania Statistical Data 2003, National Institute of Statistics)

Structure of active enterprises from industry, construction, trade and services, by size class, according to employees number in 2002 (source: Romania Statistical Data 2003, National Institute of Statistics)

Employment Structure by professional status in 2002 (source: Romania Statistical Data 2003, National Institute of Statistics)

State of the art of Self-Employment in Romania (D 2.1)

număr / number

Tipul agenților economico-sociali <i>Economic and social units type</i>	Total	din care: pe clase de mărime, după numărul de salariați <i>of which: by size class, according to employees number</i>			
		0-9	10-49	50-249	250 și peste <i>250 and over</i>
2001					
Total	797960	744968	39019	11483	2490
Întreprinderi / <i>Enterprises</i>	322375	280238	31873	8203	2061
din care: / <i>of which:</i>					
Întreprinderi agricole / <i>Agricultural holdings</i>	9669	7382	1762	451	74
Întreprinderi din industrie, construcții, comerț și alte servicii <i>Enterprises from industry, construction, trade and other services</i>	311260	271713	29888	7702	1957
Întreprinderi financiare și de asigurări <i>Financial and insurance companies</i>	1446	1143	223	50	30
Administrația publică / <i>Public administration</i>	31981	21628	6731	3199	423
Administrația privată / <i>Private administration</i>	40271	39769	415	81	6
Întreprinzători privați / <i>Private entrepreneurs</i>	403333	403333	-	-	-
2002					
Total	810084	754248	41059	12322	2455
Întreprinderi / <i>Enterprises</i>	327712	284756	32433	8493	2030
din care: / <i>of which:</i>					
Întreprinderi agricole / <i>Agricultural holdings</i>	10467	8324	1714	374	55
Întreprinderi din industrie, construcții, comerț și alte servicii <i>Enterprises from industry, construction, trade and other services</i>	315105	274674	30418	8067	1946
Întreprinderi financiare și de asigurări <i>Financial and insurance companies</i>	2140	1758	301	52	29
Administrația publică / <i>Public administration</i>	28608	16398	8080	3709	421
Administrația privată / <i>Private administration</i>	55152	54482	546	120	4
Întreprinzători privați / <i>Private entrepreneurs</i>	398612	398612	-	-	-
Întreprinzători privați / <i>Private entrepreneurs</i>	403333	403333	-	-	-

State of the art of Self-Employment in Romania (D 2.1)

număr / number

Tipul agenților economico-sociali <i>Economic and social units type</i>	Total	din care: pe clase de mărime, după numărul de salariați <i>of which: by size class, according to employees number</i>			
		0-9	10-49	50-249	250 și peste <i>250 and over</i>
		2002			
Total	315105	274674	30418	8067	1946
Industrie extractivă <i>Mining and quarrying</i>	379	205	96	41	37
Industrie prelucrătoare <i>Manufacturing</i>	46517	31889	9381	4000	1247
Energie electrică și termică, gaze și apă <i>Electric and thermal energy, gas and water</i>	388	69	79	130	110
Construcții <i>Construction</i>	16567	12052	3207	1123	185
Comerț cu ridicata și cu amănuntul, repararea și întreținerea autovehiculelor și motocicletelor și a bunurilor personale și casnice <i>Wholesale and retail, repair and maintenance of motor-vehicles and motorcycles and of individual and household appliances</i>	177660	164110	12122	1330	98
Hoteluri și restaurante <i>Hotels and restaurants</i>	13535	11913	1371	229	22
Transport, depozitare și comunicații <i>Transport, storage and communications</i>	17955	15894	1550	412	99
Tranzacții imobiliare, închirieri și activități de servicii prestate în principal întreprinderilor <i>Real estate transactions, rentings and service activities mainly rendered to enterprises</i>	30549	27891	1934	611	113
Învățământ ¹⁾ <i>Education</i> ¹⁾	762	696	62	4	-
Sănătate și asistență socială ¹⁾ <i>Health and social assistance</i> ¹⁾	4424	4273	135	15	1
Alte activități de servicii colective, sociale și personale <i>Other activities of collective, social and personal services</i>	6369	5682	481	172	34

¹⁾ Include numai întreprinderile cu activitate de învățământ sau sănătate și asistență socială, organizate ca societăți comerciale.

¹⁾ Only include the enterprises with activities related to education or health and social assistance, organized as companies.

3.1.3 STRUCTURA POPULAȚIEI OCUPATE, DUPĂ STATUTUL PROFESIONAL, PE ACTIVITĂȚI ALE ECONOMIEI NAȚIONALE, ÎN 2002
EMPLOYMENT STRUCTURE, BY PROFESSIONAL STATUS, BY ACTIVITY OF NATIONAL ECONOMY, IN 2002

	Total populație ocupată (mii persoane) Total employment (thou persons)	din care, după statutul profesional, în %: of which, by professional status, in %:					Din total, femei: (%) Of total, women (%)	din care, după statutul profesional, în %: of which, by professional status, in %:					
		Salariat Employee	Patron Employer	Lucrător pe cont propriu Self-employed	Lucrător familial Unpaid family worker	Membru al unei societăți agricole sau al unei cooperative Member of an agricultural holding or of a co-operative		Salariat Employee	Patron Employer	Lucrător pe cont propriu Self-employed	Lucrător familial Unpaid family worker	Membru al unei societăți agricole sau al unei cooperative Member of an agricultural holding or of a co-operative	
Total	9234	61,7	1,5	21,5	15,1	0,2	45,5	27,4	0,4	7,0	10,6	0,1	Total
Agricultură, vânătoare și silvicultură	3357	5,9	0,2	52,2	41,0	0,7	48,2	1,3	-	17,5	29,1	0,3	Agriculture, silviculture and hunting
Pescuit și piscicultură	5	96,7	-	3,3	-	-	2,0	2,0	-	-	-	-	Fishery and pisciculture
Industrie	2311	97,1	1,0	1,7	0,2	-	42,6	41,9	0,2	0,4	0,1	-	Industry
Industrie extractivă	144	99,3	0,1	0,6	-	-	12,7	12,4	-	0,3	-	-	Mining and quarrying
Industrie prelucrătoare	1972	96,7	1,2	1,9	0,2	-	46,8	46,0	0,3	0,4	0,1	-	Manufacturing
Energie electrică și termică, gaze și apă	195	99,6	0,2	0,2	-	-	22,6	22,6	-	-	-	-	Electric and thermal energy, gas and water
Construcții	413	87,2	2,1	10,0	0,7	-	10,0	9,5	0,2	0,3	-	-	Construction
Comerț	859	82,6	8,8	7,9	0,6	0,1	54,3	48,3	2,6	3,0	0,4	-	Trade
Hoteluri și restaurante	112	91,4	5,3	2,9	0,2	0,2	66,4	63,5	1,8	1,0	0,1	-	Hotels and restaurants
Transport, depozitare și comunicații	458	91,0	1,2	7,4	0,4	-	24,5	24,0	0,3	0,2	-	-	Transport, storage and communications
Intermedieri financiare	74	97,5	0,5	2,0	-	-	65,1	63,4	0,3	1,4	-	-	Financial intermediations
Tranzacții imobiliare și alte servicii	135	92,8	2,7	4,5	-	-	41,1	38,2	1,1	1,8	-	-	Real estate and other services
Administrație publică și apărare	549	99,2	-	0,8	-	-	27,8	27,4	-	0,4	-	-	Public administration and defence
Învățământ	411	99,3	0,1	0,6	-	-	71,1	71,0	-	0,1	-	-	Education
Sănătate și asistență socială	350	97,6	0,7	1,7	-	-	76,6	75,1	0,3	1,1	0,1	-	Health and social assistance
Celelalte activități ale economiei naționale	200	84,4	1,8	13,2	0,4	0,2	43,3	37,8	0,2	4,9	0,2	0,2	Other activities of national economy

Sursa: Anchetă asupra forței de muncă în gospodării (AMIGO) - 2002.

Source: Household Labour Force Survey (HLFS) - 2002.

