

WHAT KIND OF BUSINESS IS PROFITABLE IN THE CURRENT ECONOMIC CONDITIONS IN ROMANIA?

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Abstract: Small and medium enterprises are an important source of jobs, contributing to the development of entrepreneurship and innovation at EU level and therefore have a crucial role in increasing competitiveness and employment. In this paper we would like to underline what business is profitable in nowadays Romanian economy, according to the answers we received from the 50 people that we talked to. First, we asked them if they have a business, if they want to start one, what amount they are willing to invest and of course what kind of business they consider will succeed in Romania.

1. THE IMPORTANCE AND THE ROLE OF SMEs IN ECONOMY

SMEs play a crucial role in the European economy. They are a source of entrepreneurial skills, innovation and job creation. The European Union expanded to 27 countries, about 23 million SMEs provide around 75 million jobs and represent 99% of all businesses. [1]

The place of SMEs in the economy can be represented graphically as follows: [2]

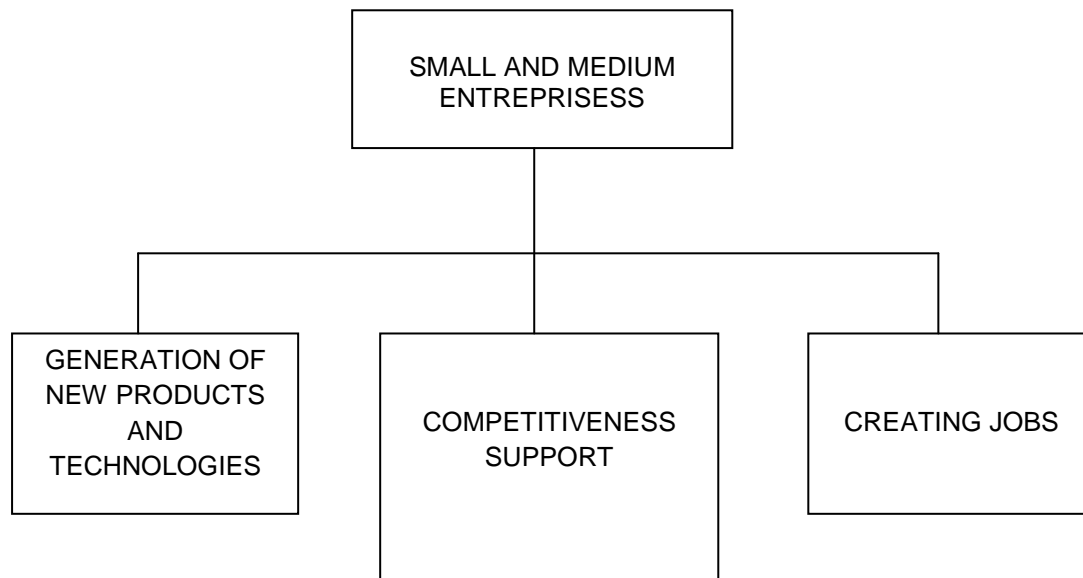


Figure 1. The place of SMEs in economy

Regarding the *importance* of SMEs to the any country's economy, we can identify the following:

- help to enhance the entrepreneurial spirit;
- stimulate competition;
- through innovation and productivity growth, they have beneficial effects in terms of economic efficiency;
- stimulate employment;
- are more productive than large firms.

The *role* of SMEs in economic development is materialized as follows: [3]

- generate the largest share of GDP;
- provides employment;
- generate innovations that can be implemented for economic growth;
- are dynamic;
- introduce products and services at lower costs than large firms;
- show flexibility and adapts easily to changes and market requirements;
- one of the main sources of State budget revenues through taxes, value added tax , etc..;
- offers professional fulfillment and social population;
- economic environment provides a market economy characterized by flexibility, dynamism and innovation.

2. CASE STUDY

The purpose of this paper is to identify what business is profitable in nowadays Romanian economy, according to the answers we received from the 50 people that we talked to. The questionnaire had questions regarding their wish of starting a business, what amount they are willing to invest in a business, what business would they start if they would have much money, if they would have little money, if they would access European funds and of course what kind of business they consider will succeed in Romania, in nowadays economic conditions.

At the question: "Would you like to start a business?", 10% told us that they already have one, 60% answered "Yes I would, but I'm not sure in which field", 20 % answered "I'll start one and I know exactly the field", and 10% answered that they are satisfied with their current job even if they aren't the owners.

At the question "What amount will you invest in the new business?", the answers are reflected in the following figure:

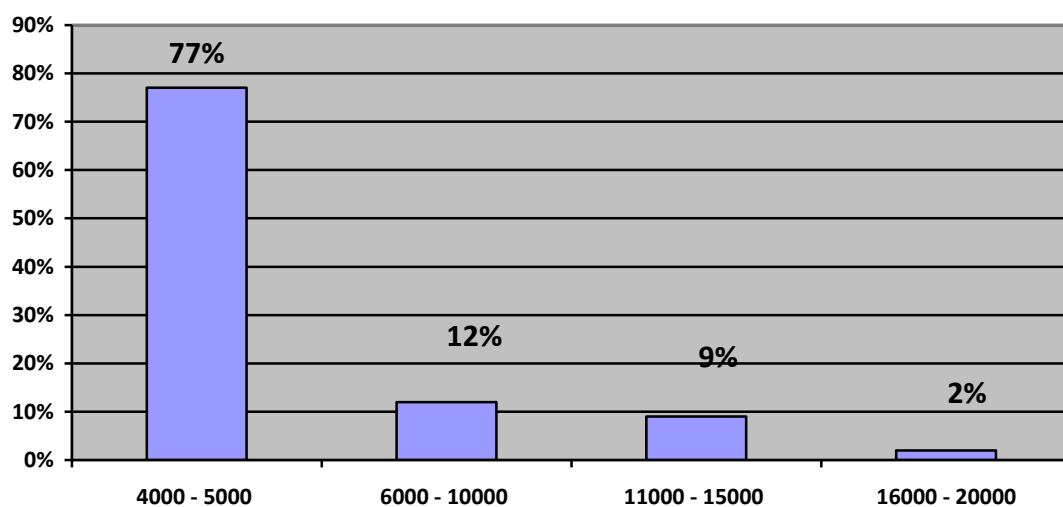


Figure 2. The amount of money people are willing to invest in a business (EURO)

At the question “What kind of business would you like to start (in what field) if you would have a little money?” we received the following answers:

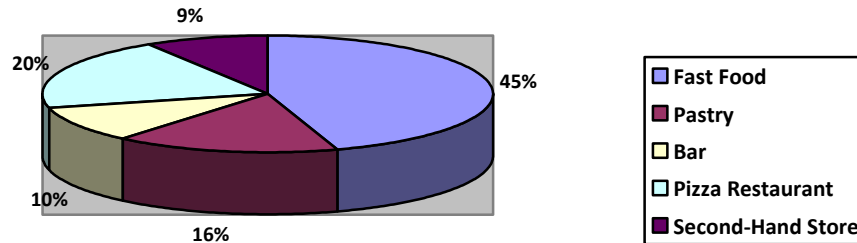


Figure 3. Businesses to start with little money

At the question “What kind of business would you like to start (in what field) if you would have a lot of money?”

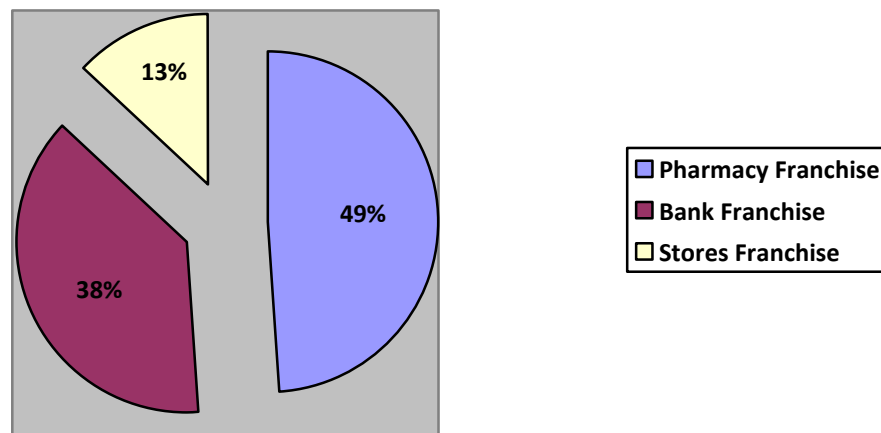


Figure 4. Businesses to start with a large amount of money

At the question “Do you consider that European funds are useful for the Romanian growth?” we received the following answers:

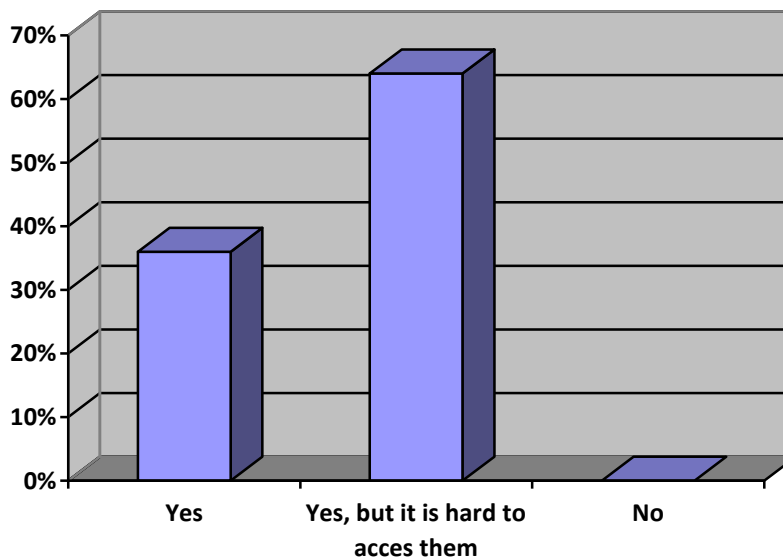


Figure 5. The importance of European Funds for Romanian growth

At the last question “ What kind of business would you start by accessing European funds?” there were the following answers:

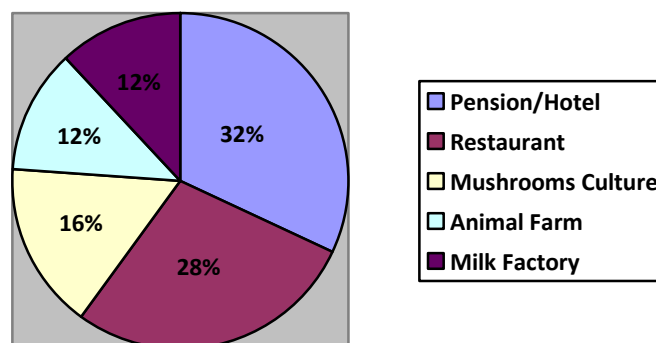


Figure 6. Starting a business by accessing European Funds

3. CONCLUSION

As we can see, even if Romania is passing a hard period, Romanian people didn't stop thinking about starting a business, considering that is better to work for yourself then for strangers. The most wanted businesses are those regarding the eating sector, the interviewed people motivating that one can give up anything but they will never stop buying food.

References:

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