

THE PLACE OF ENTREPRENEURIAL STUDENTS IN THE NATIONAL ECONOMY

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Abstract: Entrepreneur is a term commonly used in the contemporary economic environment, to which many people aspire. The paper is related to the definition of this concept and the presentation of the facilities that the (Romanian) state provides to young people, as students - entrepreneurs. All this strengthens our belief that starting and running a business can start as a student and the role of universities in training entrepreneurs is particularly important.

Key words: *student, changes, advantage, enterprise, facilities, beginner-entrepreneur*

INTRODUCTION

At the conceptual level, the term "entrepreneur" is not defined in a single way in economic theory. So:

-the term entrepreneur comes from "entrepreneur" (a person who initiates an action, an activity on their own) [3];

- "entrepreneur" in English - comes from the French word *entreprendre*, which means "to initiate", "to undertake". In the context of economic activity, it means starting a business [10];

-the entrepreneur is the person able to overcome the obstacles for the implementation of an innovative idea in the sector of new products and new services [4];

- in the specialized economic literature, the entrepreneur is considered the person who initiates a new business, either within a business, developed, or initiates a process of radical change [5];

-the entrepreneur is a person with a special talent for initiating change and who is endowed with traits that are found in only a small segment of the population, [9];

-on the other hand, anyone who wants to work for themselves can be considered an entrepreneur [6].

From all these definitions it follows that the entrepreneur is the one who organizes, manages and assumes the risks of a business or enterprise.

The paper comes as a continuation of (our) concerns related to the analysis of the problems facing the national and local business environment [1,8], and the dynamism of economic operators at national and regional level. During 2020, we published a paper related to the evolution of market entries/exits of companies in the West-Romania Development Region in a pandemic context [2].

In this paper we analyze the facilities offered by the Romanian state to entrepreneurs who come from among students and entrepreneurs starting in business. The statistical analysis of the data collected on these two sections we chose to perform for the component counties of the West Region [14] and will allow us to draw conclusions about the place and role of young entrepreneurs in the regional and local economy.

MATERIALS AND METHODS

The paper uses statistical data reported by the National Office for Trade Register [ONRC] and the Romanian National Institute of Statistics [INSSE].

Certain legal provisions are used and discussed to stimulate the business environment, existing in Romania [11,12,13].

Table processing was performed using Microsoft Excel. The Past4.03 application was used for statistical calculations [7].

RESEARCH RESULTS

Among the enterprising students, successful businessmen have risen in the last 15-20 years. Among the facilities offered to students who want to set up their own business are:

EXEMPTIONS OFFERED TO STUDENTS (according to Government decision no 166/2003)	➤ taxes and fees for registration operations performed by the National Office of the Trade Register
	➤ the fees and tariffs for the authorization of the merchants' functioning, requested at the establishment
	➤ the fees and tariffs for the authorization of the traders' functioning, requested at the establishment
	➤ the fees for the publication, in the extract, in the Official Gazette of Romania of the registration conclusion
	➤ stamp duties for the notarial activity, related to the documents in case of which the obligation to conclude them in the authentic form is provided

Figure 1. Exemptions offered to students

Source: construction after Government Decision 166/2003 [11]

In order to benefit from exemptions, the student who establishes a company must meet the following conditions:

Requirements	✓ to follow the courses of a long or short-term form of higher education (at an accredited higher education institution)
	✓ to be a student at least in the second year of study and has passed all the obligations provided by the university
	✓ not to exceed the age of 30 years

Figure 2. Requirements for students

Source: construction after Government Decision 166/2003 [11]

Students may form a company under the law, individually or together with other students who meet the requirements of the government decision. It should be noted that the facilities are granted only once, for the establishment of a single company / student. The Trade Register Office has provided statistical data on this section since 2013.

Table 1.
Situation of company registrations in the Western Development Region
(GD 166/2003-Facilities offered to students) and reporting on the number of students

Year / Month	Total companies set up by students			School population (University education)			Total companies established by students / 100 students		Radiated		
	RO	West Region	West Region (%)	RO	West Region	West Region (%)	RO	West Region	RO	West Region	West Region (%)
2013 (XII)	18854	1881	9.98	-	-	-	-	-	-	-	-
2014 (XII)	19240	1932	10.04	541653	58189	10.74	3.55	3.32	6497	610	9.39
2015 (XII)	19517	1952	10.00	535218	56677	10.59	3.65	3.44	7476	697	9.32
2016 (XII)	19672	1967	10.00	531586	55790	10.50	3.7	3.53	8580	792	9.23
2017 (XII)	19749	1971	9.98	538871	55791	10.35	3.66	3.53	9317	874	9.38
2018 (XII)	19808	1975	9.97	533749	55778	10.45	3.71	3.54	9944	945	9.50
2019 (XII)	19856	1975	9.95	543299	55934	10.30	3.65	3.53	10512	1088	10.35
2020 (XII)	19892	1978	9.94	560490	58989	10.52	3.55	3.35	10793	1045	9.68
2021 (IX)	19917	1981	9.95	-	-	-	-	-	11055	1038	9.39

Source: Processing after National Office for Trade Register [15], Romanian National Institute of Statistics [16]

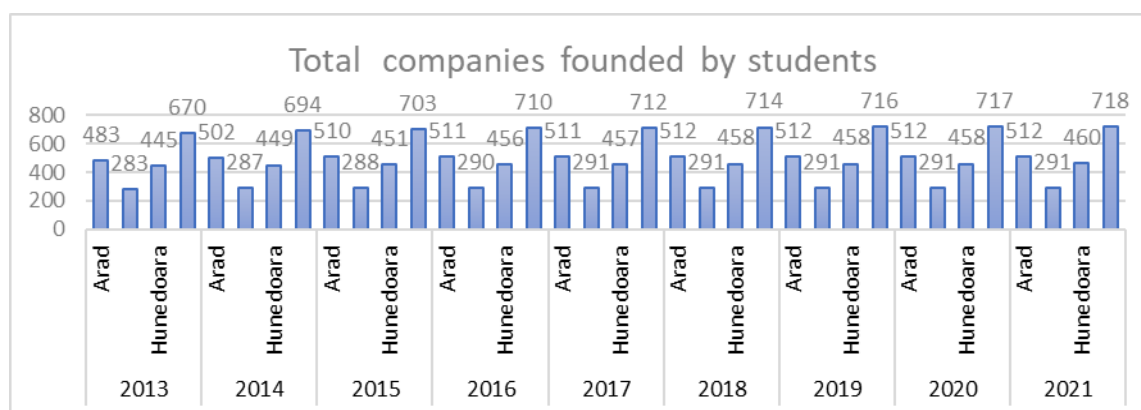


Figure 3. The numerical situation of the companies set up by students, reported by counties, Western Development Region

Source: Processing after National Office for Trade Register [15]

The statistical testing of the differences between the number of companies set up by students in Romania compared to the Western Development Region indicates that at national level the average is slightly higher, the average difference being 0.17, compared to 100 students. The Past 4.03 application was used for statistical titration. The t test for paired data has the value $t = 12.02$, $p < 0.001$ indicating that the differences are statistically significant. The non-parametric Sign and Wilcoxon tests also confirm the existence of differences at a 5% threshold. The comparative statistical data are presented in the table below (Table 2).

Table 2.
Statistical comparisons regarding the situation of companies reported per 100 students in Romania with similar data from the Western Development Region

Total companies established by students / 100 students (RO)		Total companies established by students / 100 students (West Region)	
N:	7		7
Mean:	3.6399	Mean:	3.464
Median:	3.6547	Median:	3.5257
t test			
Mean difference:	0.17589	95% conf.:	(0.14025 0.21153)
t :	12.075	p (same mean):	1.96E-05
Exact:	p (same mean):	0.0078125	
Sign test			
r :	7	p (same median):	0.015625
Wilcoxon test :			
W :	28		
Normal appr. z :	2.3664	p (same median):	0.01796

Source: Own calculations using Pat4.03 based on statistical data: National Office for Trade Register [15], Romanian National Institute of Statistics [16]

The analysis of the companies registered at the Trade Register Office based on the facilities offered by the GD above, indicates a positive evolution at national level, the number of companies registered in this category in 2021 compared to 2013 being higher by 1063. Of the registered companies. not all remained in operation. The situation is as follows:

- in 2013- 70.22% of the established companies remained in operation while the difference represents deregistered companies (29.77%),
- in 2014- 66.23% of the established companies were functional while 33% were deregistered. Of the total number of deregistered companies, 33.67% were voluntary deregistrations,
- in 2017- 53.82% were functional companies and 47.17% were deregistered, of which 38.31% were voluntary deregistrations,
- in the first nine months of 2021 only 44 49% of the companies were functional, the number of deregistrations increasing to 55.48% and of these 36.12% were voluntary deregistrations.

In order to create a more complete picture of the entrepreneurial situation in the West Region, we analyzed the number of legally active professionals from a comparative point of view, September 2020-September 2021 (because in previous research we stopped at September 2020).

Table 3.
Categories of active professionals in the Western Development Region

Categories of active professionals	The region/ County	Number of professionals / 1000 people September 2020	% county in the region	Number of professionals / 1000 people September 2021	% county in the region
Individuals authorized	Western Region	21.71	100	23.18	100
	Arad	26.64	28,81	28.34	28,70
	Caras-Severin	19.93	13,96	21.21	13,85
	Hunedoara	22.14	21,88	23.59	21,62
	Timis	19.24	35,32	20.69	35,81
Legal entities	Western Region	53.20	100	57.32	100
	Arad	50.67	25,54	54.33	22,25
	Caras-Severin	34.84	9,97	37.52	9,91
	Hunedoara	44.18	17,81	48.01	17,80
	Timis	66.56	49,85	71.47	50,02

Source: Processing after National Office for Trade Register [15], Romanian National Institute of Statistics [16]

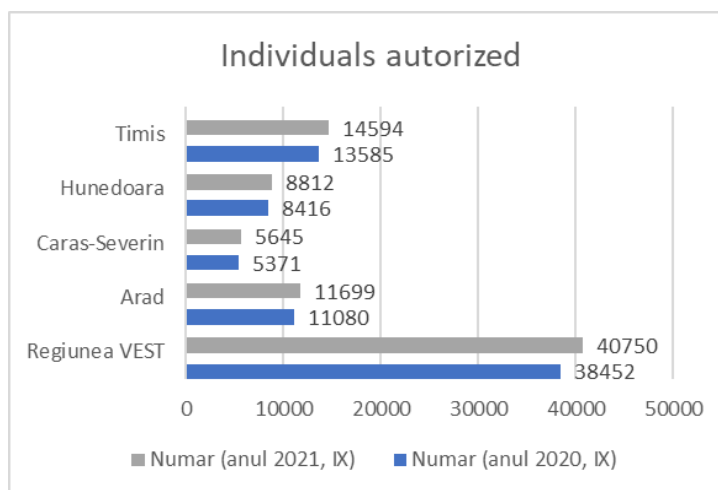


Figure 4. Individuals authorized active in the Western Development Region of Romania

Source: Processing after National Office for Trade Register [15]

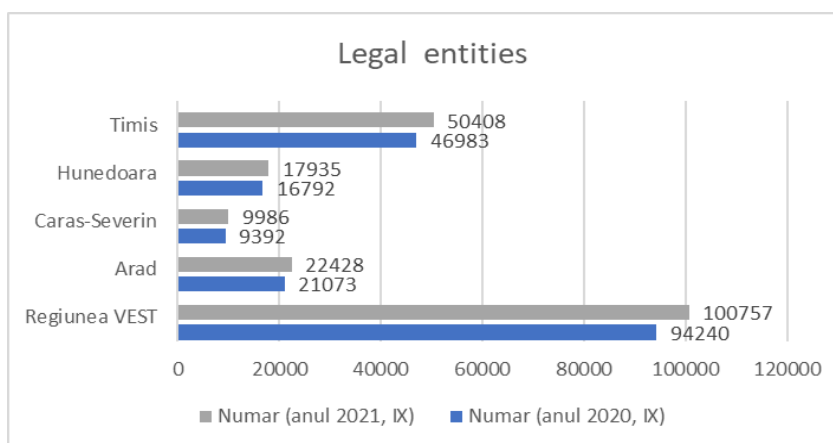


Figure 5. Legal entities active in the Western Development Region of Romania

Source: Processing after National Office for Trade Register [15]

The statistical data indicate a dynamic, which can be summarized as follows - in Arad County, the total number of active professionals increased by 6.14%, in Caraş-Severin by 5.20%, in Hunedoara by 6.11%, in Timiş by 7.40%.

In 2021 (September), of the companies in operation set up by students, the largest number is in Timis County (36.24%), followed by Arad (25.84%), Hunedoara (23.22%) and Caras-Severin (14.68%) This situation was valid for the entire analysis period, Timiş County being the first in the region in terms of the number of companies registered in National Office for Trade Register.

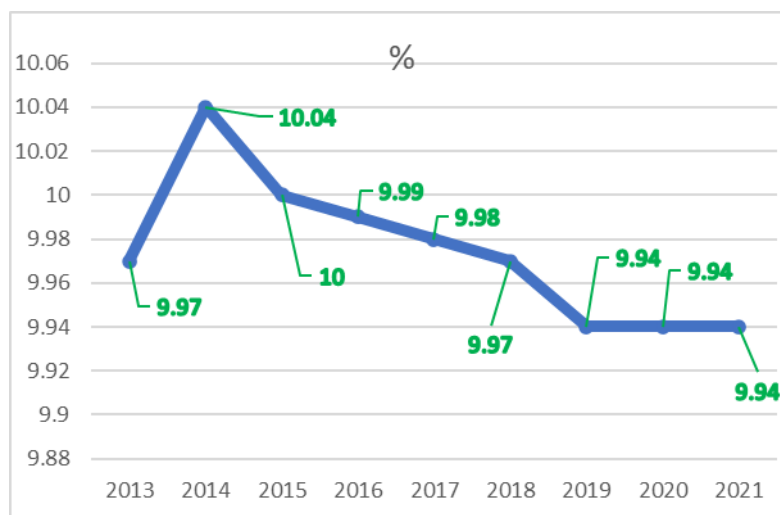


Figure 6. The weight of companies set up by students in the Western Region in relation to the national total

Source: Processing after National Office for Trade Register [15]

In order to stimulate the business environment, was launched at national level "Program for stimulating the establishment and development of micro-enterprises by start-ups in business", (according to the provisions of art. 2 of Government Emergency Ordinance no. 6/2011 and implementing rules). This program provides facilities for micro-enterprises newly established by start-ups in the business, which for the first time carry out economic activity, through a limited liability company. The start-up entrepreneur must be of legal age, have full legal capacity, have not held or hold the status of shareholder in a company in the European area.

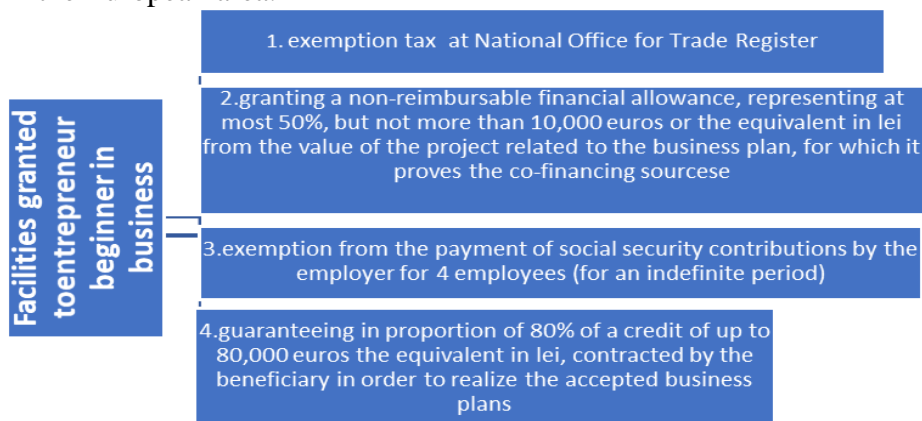


Figure 7. Facilities granted to the novice entrepreneur

Source: construction after Government Emergency Ordinance nr. 6/2011[12]

Although Government Emergency Ordinance no. 6 published in 2011, statistical data for this section are available from September 2013.

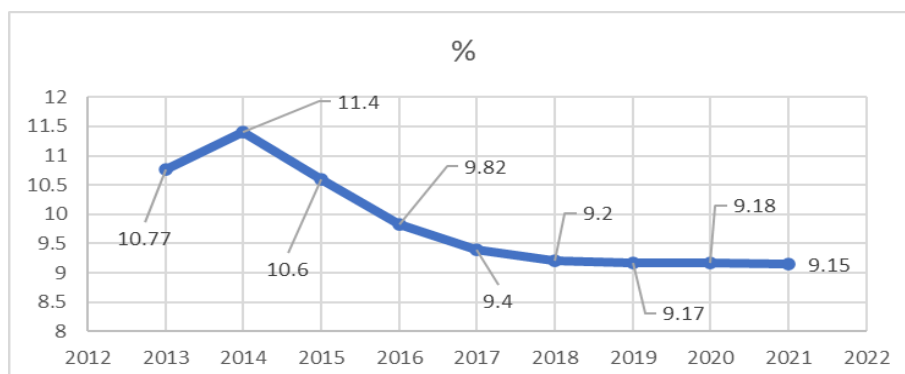


Figura 8. The weight of beginner-limited liability company in the Western Development Region relative to the national total

Source: Processing after National Office for Trade Register [15]

Table 4.

Beginner-limited liability company in operation (September 2013-September 2021)

Year	B-LLC national level (number)	B-LLC W Region (number)	% B-LLC W Region in total	which from							
				AR	Weight AR in the W-Region (%)	C-S	Weight C-S in the W-Region (%)	HD	Weight HD in the W-Region (%)	TM	Weight TM in the W-Region (%)
2013	10096	1087	10.77	174	16.01	73	6.72	177	16.28	663	60.99
2014	15366	1751	11.40	261	14.91	97	5.54	291	16.62	1102	62.94
2015	23278	2467	10.60	371	15.04	123	4.99	428	17.35	1545	62.63
2016	32834	3225	9.82	474	14.70	170	5.27	572	17.74	2009	62.29
2017	41006	3853	9.40	551	14.30	216	5.61	702	18.22	2384	61.87
2018	42140	3877	9.20	542	13.98	227	5.86	729	18.80	2379	61.36
2019	41772	3830	9.17	539	14.07	243	6.34	733	19.14	2315	60.44
2020	40763	3744	9.18	521	13.92	235	6.28	729	19.47	2259	60.34
2021	39562	3621	9.15	502	13.86	226	6.24	706	19.50	2187	60.40

Source: Processing after National Office for Trade Register [15]

The largest number of Beginner-Limited Liability Company – in operation, in the West Region is registered in Timiș County, over 60%, followed by Hunedoara, Arad and Caraș-Severin. Of course, this fact tests absolutely normal, if we look we analyze the counties from the point of view of population and economic attractiveness.

CONCLUSIONS

The entrepreneur (entrepreneur) is the person who assumes the risk of starting and running their own business, either in the form of a legal entity or in the form of an authorized natural person - and this must start during the studies.

The elaboration and implementation two normative acts by the Romanian Government, had in time the expected results, the number of students who developed their own business registering on an ascending trend, in the analyzed intervals.

The overall statistical evolution on the two analyzed sections - The situation of company registrations by students and the Beginner-Limited Liability Company situation - at national level and in the West Region indicates an upward trend. We can say that, despite all the difficulties faced by entrepreneurs in the analyzed period (especially in the last three years -mainly due to the pandemic evolution), the number of companies registered by young entrepreneurs is increasing. Young entrepreneurs - through professional and managerial training, through attitude and vision - have the capacity to develop and support the Romanian economic environment in the future.

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