

EU-Funded Romanian Startup SMEs. Lessons Learned from Initial Market Steps

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Abstract. The European Union's commitment to economic growth in Romania is evident through the SPEED program (Spree o Economie Eficientă si Dezvoltată - Towards an Efficient and Developed Economy). The EU Structural Funds Human Capital Operational Program, an essential resource for optimizing support for entrepreneurial skills development in the Central Statistical Region of Romania, provided funding for this exercise.

Over the program, 1.205 people participated in an extensive formation course to improve their entrepreneurial skills. The foundation for equipping aspiring entrepreneurs with the knowledge and abilities required to successfully navigate the challenges of starting and running a successful business venture was this rigorous training program facilitated in partnership with two non-governmental organizations (NGOs). After completing the formation course, participants were required to conceptualize and draft business plans that would be carefully examined and scrutinized. A rigorous selection process identified 36 plans deserving significant financial support. The EU provided a maximum of EUR 40,000 in non-refundable grants to each of these selected projects, an amount meant to spur the conversion of creative concepts into real, sustainable projects.

Additionally, NGOs provided ongoing support beyond financial aid by offering mentoring and consulting services to newly established companies. This vital support system acted as a lifeline, offering strategic guidance and practical advice to navigate early business challenges. One observable result of the SPEED program is the creation of 76 new jobs, which is evidence of the program's effectiveness in promoting job opportunities and economic growth in the area. Despite COVID-19 challenges, these startups endured and flourished, highlighting entrepreneurial resilience.

In summary, the present research attempts to summarize the transformative impact of the SPEED program by comparing the experiences of the newly created companies with those of established small and medium-sized enterprises (SMEs) that have not benefited from the program's financing. Valuable insights and lessons learned are generated through thorough analysis and assessments, providing helpful guidance for future efforts to promote business growth and economic development.

Keywords: SPEED program, startup SMEs, economic growth, formation, business strategy

Declaration of conflicts of interest

Árpád Szabó participated as an external contractor, lecturing development of basic managerial skills for 3 groups of 20 participants each at the entrepreneurial training courses organized by Civitas Foundation. Tünde Zita Kovács declares no conflicts of interest.

1 Introduction

The European Union's cohesion policy is implemented through the European Structural and Investment Funds (ESIF), supporting small and medium-sized enterprises (SMEs), employment and job creation, thus promoting economic and social convergence (Morris, McKay, and Oates 2009, European Commission 2024a, Becker, Egger, and von Ehrlich 2018). The European Social Fund (ESF) can be

seen as a pillar for ensuring the socio-economic integration of Member States in the context of the European Single Market (Udrea 2016). The priorities and objectives for the Romanian "POCU - Program Operațional Capital Uman" (POCU – Operational Programme Human Capital) for the implementation of the ESF in the years 2014-2020 were as follows: reducing poverty and social exclusion, promoting improved social services and labour market institutions, and assisting Romanians, especially the youth people, in finding employment and improving their education and skill set. Youth, Roma people, and the rural populace receive special attention. The programme was structured along seven priority axes (PA), with a €4,3 billion EU-funded total budget (Figure 1): Youth Guarantee in Romania €573 million (PA 1 and 2); Jobs for All €1,1 billion (PA 3); Social inclusion and to fight poverty €940 million (PA 4); Local development under the responsibilities of the communities €201 million (PA 5); Education and skills €1,2 billion (PA 6) and Technical assistance to implement the programme €258 million (PA 7) (European Commission 2024b).

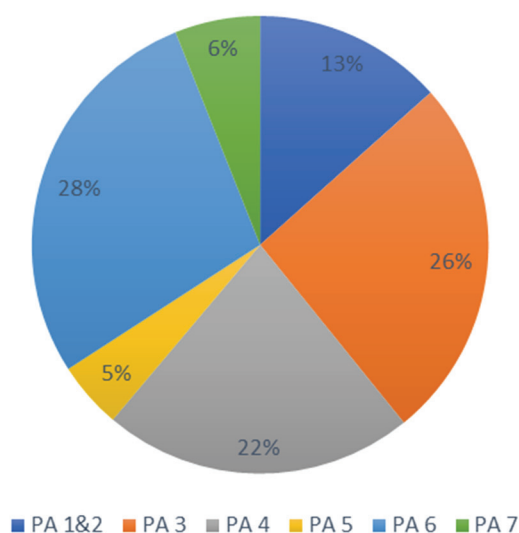


Figure 1: Operational Programme Human Capital (POCU) 2014-2020 Priority Axes budget distribution

Source: Own editing, based on (European Commission 2024b)

In Romania, the specific objective of POCU PA 3 was to improve the workforce's knowledge, skills, abilities and competencies in the economic sectors and areas defined by the National Competitiveness Strategy (NCS) and the National Strategy for Research, Development and Innovation (NSRDI). To achieve this specific objective, the ESF supported the following investment priorities: participation of workers in vocational training programmes, with a particular focus on senior workers; assessment/validation and certification for the recognition of competencies related to the requirements of jobs in economic sectors with competitive potential identified according to the NCS and in the smart specialisation areas according to the NSRDI; and stimulating employers to organise workplace learning programs (Romanian Government 2024). Investment priorities had been implemented through 12 strategic objectives. The categories of eligible beneficiaries were generally relevant entities, e.g. training providers, providers of employment services/skills assessment and certification, trade unions, employers, NGOs/youth organisations, etc.) in partnership with employers, but not exclusively (Proconsult 2024). In Romania, eight development regions (North East, South East, South Muntenia, South West Oltenia, South West Oltenia, West, North-West, Center and Bucharest-Ilfov) have been established to implement the regional development policy. The development regions are territorial-statistical units, constituted of 4-7 counties (except Bucharest-Ilfov region) through the free association of County Councils. Development regions represent the framework for elaborating, implementing,

monitoring and evaluating regional development policies, including regional development strategies and economic and social cohesion programs. Each of these regions is represented by a Regional Development Agency (Romanian Government 2013).

Romania's Central Development Region includes six counties: Alba, Braşov, Covasna, Harghita, Mureş and Sibiu.

The Civitas Foundation for Civil Society works to develop and sustain social businesses. It is active in Romania's North-West and Center development regions, with many other companies and associations. Since its foundation in 1992, Civitas's mission has remained unchanged: "to increase the development capacity of local communities through building success models that trigger well-being" (Civitas Foundation 2024). It constantly seeks innovative solutions for the entrepreneurial sector and social enterprises, serving the local small communities' knowledge transfer and survival.

In January 2018, the Civitas Foundation, as the principal applicant, in partnership with the Business Incubation and Innovation Center Association Harghita (BIIC) from Miercurea Ciuc, launched the project "SPEED-Spre o Economie Eficientă și Dezvoltată" ("SPEED - Towards an Efficient and Developed Economy"), financed by the ESF through POCU Priority Axis 3, Specific Objective 7, under the POCU/82/3.7/104273 statistical number. The project's main objective is to improve the living standards of the population in the Central Development Region, develop their entrepreneurial skills, create non-agricultural urban enterprises and create sustainable and quality jobs. The project implementation duration was 36 months, until January 2021, with a total value of around €2,3 million. The aim of the present study, in cooperation with the implementing organisations (Civitas Foundation and BIIC), is to aggregate, synthesise and present the results of the SPEED programme at the level of the Central Development Region and to explore the first market impulses experienced by startups/entrepreneurs through qualitative research of 35 in-depth interviews.

2 Literature Review

SMEs are the backbone of the EU-27 economy, accounting for over 99% of all businesses in the EU (Di Bella et al. 2023). In most world economies, especially in developing and emerging countries, SMEs significantly drive economic development (Gherghina et al. 2020, Bika and Rosa 2022, Tumiwa and Nagy 2021). The same situation is in Romania, where 99.7% of active businesses fall into this category. The SMEs account for 66% of all non-financial private sector employment and 56% of gross value added. Most active businesses are microenterprises, which comprise approximately 90% of all SMEs, have fewer than ten employees, and a turnover of less than €2 million (McDonagh et al. 2023). The COVID-19 epidemic also led to a slowdown in the economic performance of the SME sector. Still, the slowdown was relatively mild thanks to national and EU policy measures to combat the epidemic and support the economy (Ștefănescu, Cristian, and Dănciulescu 2022). In 2020, the value added of SMEs decreased by 0,5%, while employment increased by 1,1% (European Commission 2021b).

For some social groups, such as young people, women or people over 45, entrepreneurship often remains only a dream. Since the early 2010s, the European Commission (EC) has been promoting the social economy and social and inclusive entrepreneurship model, intending to make entrepreneurship an option for everyone (European Commission 2024c). Putting people first is a common trait that various businesses, organisations, and legal structures share in the social economy. These include social enterprises, cooperatives, mutual benefit societies, non-profit associations, and foundations. The EC seeks to establish favourable financial, administrative, and legal conditions to provide these businesses with the same opportunities as other business models within the same industry (European Commission 2021c). Despite the efforts of the EC, the absorption of EU funds in Central and Eastern European countries is often hampered by bureaucracy, corruption, unpreparedness, or the cumbersome functioning of management authorities (Udrea 2016).

Inclusive entrepreneurship also assumes skills and capabilities that are more than just starting a sole proprietorship (Henriques and Maciel 2012). Pilková, Jančovičová, and Kovačičová (2016), based on their research in the V4 countries (Czech Republic, Hungary, Poland and Slovakia), found that three

sets of factors are the most important in early-stage entrepreneurship: (1) human capital and demographic variables; (2) confidence in one's knowledge and experience; and (3) ability to perceive business opportunities. The latter two factors are closely linked to education and national culture, of which entrepreneurship is a part (Pilková and Reháč 2017, Pilková, Mikuš, and Káčer 2019). In their research for Romania, Iancu et al. (2021) classified the factors influencing social entrepreneurship intention according to their positive and negative impact. The former includes knowledge of the concept of social entrepreneurship and the social problems of the region under study that can be solved through entrepreneurial initiatives. At the same time, the adverse effects are fear of failure, lack of resources and experience, and lack of participation in social projects and activities.

The Barcelona City Council Development Agency launched the Inclusive Entrepreneurship Model in 2004. Between 2004 and 2016, it supported the creation of 18,000 new businesses and 32,000 new jobs. The model is based on horizontal integrated (economic, social) and vertical integrated interventions (cooperation with local stakeholders and different levels of government). Key features of the inclusive entrepreneurship model applied in Barcelona: (1) *universal*, as it is addressed to all those who would like to become entrepreneurs; (2) *tailor-made*, as the tools and services used are adapted to the needs of the most vulnerable populations, who would not benefit from traditional entrepreneurial services in principle; (3) *blended*, because it combines online and offline services and tools, thus enabling people with time or even mobility constraints to have personalised start-up options; and (4) *integrated*, because people who do not feel that entrepreneurship is the best option for them are allowed to participate in training courses to improve their professional profile (Gil 2017).

Fernández-Guadaño and Diez (2023) have demonstrated that the same economic and social factors drive social businesses as traditional businesses. However, for social enterprises, there is a positive and significant relationship between the impact of social factors on innovation and sustainability. According to Virlanuta (2014) and Wellalage and Fernandez (2019), EU funding plays a catalytic role in the growth and employment of the European economy, particularly in stimulating productive investment and human capital. Dodescu and Pop Coșuț (2018) and (Radu 2021), in their study about the inclusive entrepreneurship programme in Romania, found that implementing a new business idea is not seamless (e.g. excessive bureaucracy, unclear legislation, difficulty in public procurement procedures). The sustainability/the long-term operation of newly created businesses is also questionable. This difficulty persists despite a business start-up grant being conditional on developing and presenting a business plan to demonstrate the business idea's viability. A significant percentage of Romanian businesses (89%) find that the intricacy of administrative procedures poses a challenge when conducting business, and a further 96% view rapidly evolving legislation as an obstacle. Corruption is another significant issue facing the business environment (European Commission 2021a).

3 The SPEED Project

Two non-governmental organisations implemented the SPEED project: the Civitas Foundation for Civil Society in Odorheiu Secuiesc, in partnership with BIIC - the Business Incubation and Innovation Center Association Harghita from Miercurea Ciuc. The SPEED project was carried out within the POCU/82/3/7 program "Increasing employment by supporting non-agricultural enterprises in the urban area." The project implementation duration was 36 months, starting from January 2018. It targeted individuals interested in starting a non-agricultural business in a city in Romania's Central Development Region (counties of Alba, Brașov, Covasna, Harghita, Mureș, and Sibiu).

The project's general objective was to support improving the living standards of the population in the Central Development Region by developing entrepreneurial capacity, supporting the establishment of new innovative non-agricultural enterprises in the urban area, and promoting the creation of new sustainable and high-quality jobs.

The main requirements for the implementing organizations were to select and train for basic business administration skills at least 360 persons living in urban areas, who wanted to establish new businesses. After completing the training course and passing the final exams, the participants had one month to write

a business plan. The planned businesses had to create at least 2 new jobs and maintain them throughout the running of the project plus 18 months after the end of the EU funding. The maximum amount of obtainable funding was EUR 40.000 of which 75% would be transferred to the business owners at the beginning and 25% after 12 months, but only if the businesses had obtained incomes more or equal to those 25%. The business plans participated at a contest, and a maximum of 10% of them could obtain the funding.

The project's main activities and results were (Figure 2):

- (1) Informing the public about the project, the advantages of participation, and the expected results. Informational events were organised in the six counties of Central Development Regions, with 1205 participants, well above the initial target of 480. Participants could express their interest in this concept during these events by filling out the attendance sheets.
- (2) As a result of the selection process, 420 people were selected who were interested in acquiring knowledge or starting a business. They were invited to participate in theoretical and practical business development training organised within the confines of the SPEED project. Among the participants, 60% were unemployed or inactive persons (e.g., students, homemakers), and 40% were employed or engaged in independent activities or held minority shares in a business but wished to establish a new enterprise to create new jobs.
- (3) The planned entrepreneurial training course was eight days, with a minimum of 40 hours, which eventually grew to 46 hours according to the participants' needs. The course modules were: Be an Entrepreneur!, Setting up a Business, Business Accounting, Business Communication, Marketing, Business Plan Development, and ICT. The top 10 individuals from each group were awarded cash prizes based on the graduation exam results. A total of 363 people completed these courses.
- (4) Participants presented their business plans during the graduation exams and had one more month after the exam to improve them. These business plans participated in a business plan competition, 162 in number.
- (5) Assisted by an independent jury, 36 business plans were selected. Their owners were allowed to receive non-reimbursable funding of approximately €40,000 (177,740 lei) for each newly established enterprise. Business owners completed internships (lasting two months) at units whose activity was identical to the business activity undertaken within the project.
- (6) The winning applicants registered 36 new enterprises (SMEs), at least 2 in each county in the Central Development Region, to implement the business plans. The SPEED project created 76 new jobs in the project area. During the implementation of the business plans, the entrepreneurs could develop their skills through an incubation programme.
- (7) The owners of the new businesses have been visited periodically by the employees of Civitas and/ or ACHIA both for assistance and control/ report. These visits proved to be very helpful. On demand, Civitas and ACHIA offered consulting free of charge.

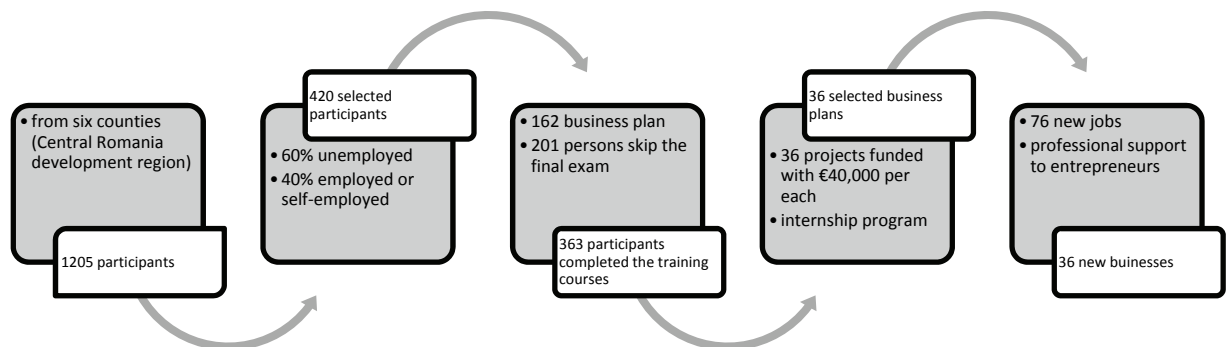


Figure 2: Results of the SPEED programme
Source: own editing based on (Szabó 2021)

During the project, a technical study was elaborated, examining the current state of the entrepreneurial environment in Romania, focusing on the Central Romanian Development Region, assisted by representatives of enterprises established within and outside the project (Civitas Foundation 2020, Szabó 2021).

4 Data and Methods

Qualitative research was used to explore the first market impulses experienced by startup entrepreneurs, and 35 in-depth interviews were conducted. We have used this unstructured, exploratory method to identify possible shortcomings and weaknesses of the SPEED project. For the interviews were selected 20 entrepreneurs who had started their businesses under the SPEED programme, ten entrepreneurs whose businesses were not linked to the programme, three staff members of the organisation running the programme (Civitas and BIIC) and two trainers who had been trained under the programme. The interview questions covered five thematic categories: (1) Entrepreneurial skills courses and business plan competitions; (2) Setting up firms and meeting authorities; (3) First steps in the market: buyers, suppliers, and labour market; (4) Mentoring and project management; (5) The impact of COVID-19. The interviews were conducted between August to October 2020. All interviews, notes, and recordings complied with GDPR. Interviewees were not required to present personal data and could not be identified in any way.

5 Results

5.1. The Entrepreneurial Skills Courses and Their Efficiency

Establishing 36 companies in each of the six counties in the Central Development Region, some of which are a considerable geographical distance from the headquarters of the two NGOs running the project, was a significant organisational challenge. The partner organisations involved in the project's development and execution were known in the localities surrounding their location. Still, they were entirely unknown in other counties and localities. It was a challenge for Civitas and BIIC to select 420 out of 1205 individuals contacted who will have the opportunity to complete the training in this way. Of these, 363 participants completed the training, and 162 completed the final test, the business plan elaboration. The 36 winning business plans were chosen from 162 submitted for the competition. The 36 enterprises, instead of the minimum 72 jobs, created no fewer than 76 jobs.

The preliminary stage of the business plan competition was an entrepreneurial skills course attended by 420 candidates. The first part of the interview focused on the quality and effectiveness of these courses. Interviews were conducted with both participants and trainers. The control group also included individuals who organised such courses or participated in similar classes organised by other institutions. The gender of entrepreneurs participating in the project and interviews were 45% women and 55% men. 67% of the course participants had no entrepreneurial knowledge before attending the course, but 85% of the entire sample of entrepreneurs had participated in an entrepreneurial skills course before establishing their first company. Moreover, more than 50% of practitioner entrepreneurs have stopped training, no longer considering it necessary to attend entrepreneurial skills courses. 50% of entrepreneurs who thought it necessary to continue training after starting their business tended to do so in their core business areas, i.e., they had trained themselves.

Interviewed trainers assert that 40 hours is too little for participants to receive all the necessary knowledge. Often, these courses provide marketing and management learning but too little and superficial practical knowledge in corporate finance and legislation. Some course participants affirm that very little was said about relationships with financial institutions and various credit products during these courses. They would have needed an additional module on these topics.

Entrepreneurial skills courses were very comprehensive. Participants with no prior experience are very satisfied; they received much information and learned a great deal. Interviewees who went through the procedures of setting up a business on their own, without using the services of a specialised firm, stated that these courses should present in much more detail the steps to follow when establishing a company and the necessary documents. Some also reported that they would have been happy if someone had pointed out before finalising the business plan that they had set gross wages that were too high or incorrectly calculated the taxes they would have to pay. These training courses would benefit future entrepreneurs by teaching them more about the authorities and offices they must interact with and the methods of "coexisting" and communicating with them.

Interviewees believe that entrepreneurial skills courses should include minimum knowledge of commercial law. The control group included entrepreneurs who attended entrepreneurial skills courses in other EU countries or outside them (e.g., Austria and Switzerland). They claimed that these courses were more practical, providing a toolbox of knowledge that could be used immediately after establishing the companies.

Changes in business relationships following the COVID-19 pandemic have raised the need for these courses to include developing a webshop and using smartphone applications. Regular organisers of entrepreneurial skills courses reported that marketing and online marketing courses are the most popular ones. Communication and time management courses are also of broad interest.

Considering the identified shortcomings, the entrepreneurial skills course under the SPEED program was rated by the participants interviewed with a score of 4.48 on a scale from 1 to 5.

Course organisers always request feedback from graduates. Usually, the scores given are above 4 out of 5. Typically, participants give higher scores to lecturers with real economy experience than those who teach in higher education. Some SPEED entrepreneurs who attended entrepreneurial training courses from the entrepreneurial environment claim that the courses were somewhat too theoretical. More lecturers who were or are entrepreneurs should have been involved. More practical knowledge applicable to real life could be learned from them. Based on the two years of operation, some argue it would have been good for experienced practical lecturers to draw more attention to the practical problems and difficulties an entrepreneur may encounter during these courses.

Different methods were used to determine the intensity or frequency of training courses in different centres and counties. When students had to attend several afternoons a week, some complained of exhaustion after work. In other centres, if too many days passed between the training modules, some participants argued that the courses were not intensive enough. In cases where it was decided to hold courses over a more extended period, the participants' work schedules and family time were considered. Some lecturers believe the most effective method was when training participants and lecturers stayed for a week in a dorm (organised like a camp) and worked on the business plan every afternoon after the

course. In the afternoon or evening, students could consult the lecturer on-site regarding the drafting process. Participants who were given business plans as homework and advanced from module to module managed to draft excellent business plans and clarify their business model to the last detail.

According to the respondents, preparing a business plan was not a common practice; for 55%, it was new. However, it was found that the business plan model offered during the courses was not the most successful. It would be better for the model to have an improved structure in the future.

5.2. Establishing Companies and Contacts with Authorities

The second part of the interview was related to the practical experience of the company's establishment and communication with the authorities. Related experiences differ from county to county. In some counties in the Central Region, many documents and forms can be obtained online, but start-up entrepreneurs have to travel between many locations in others. All offices and registers should move to online operations as much as possible.

Training and incubation centres usually assist in establishing companies. When the start-up entrepreneur agrees to travel to the county's centre city, companies can be established in 2 or 3 days. If entrepreneurs address the local National Trade Register Office (ONRC) in other county towns, registration may take up to 8 or 9 working days. Most people do not seek anyone's help before establishing a company. 35% declared they benefited from consultancy, sometimes only from parents or friends. In half the cases, the consultancy referred to the establishment, but in a few cases, it also referred to marketing and management.

73% of the companies registered under the SPEED project used the consultancy services provided by Civitas and BIIC. 18% of the entrepreneurs benefited from the services of specialised firms from the private sector in establishing companies. They had to visit the ONRC once, and their companies were established in 10-14 days. However, there were problems also here, as the consultant did his best to explain to the prospective entrepreneur the advantages and disadvantages of registering a VAT-paying business. This option was not necessary from the outset in the case of project start-ups, and this was undoubtedly the result of inattention on the part of the participants.

Others, however, started the establishment process independently, spending plenty of time travelling between different offices and procuring many documents. They often did not know the proper order to obtain these documents. Some who went through the establishment procedure on their own complained about the behaviour and attitude of the office staff. For example, the lack of goodwill and intention to help clients manifested in Braşov and Mureş counties. The information on the institutions' websites is incomplete. When they appeared at the office, it turned out that they had not completed certain forms correctly and that the documentation was incomplete despite conforming to the information on the webpage. Moreover, in some cases, the officials rejected the documents to be submitted without justification. Documentation was sometimes rejected because "municipality" was missing before the locality's name. Often, the acceptance or rejection of documentation is circumstantial, depending on the person on duty at the office.

When citizens face the authorities, they encounter bureaucracy. Entrepreneurs who have embarked on the bumpy road to business registration on their own appear to complain about the ONRC. There are also cases where start-up entrepreneurs encountered problems at the city hall by obtaining a criminal record or registering a car at the Romanian Auto Registry. Some interviewees mentioned that financial authorities are still (in their words) in the "prehistoric era" in some locations, and very few problems can be solved online. Another problem is related to the attitude of state control authority staff. Most complain that in addition to acting like they are out to punish entrepreneurs, they consider everyone who requests documents to be someone without knowledge of the law. Staff show little inclination to advise or help entrepreneurs who need to procure documents. As mentioned earlier, the documentation is sometimes rejected for no reason or because of trivial errors. Furthermore, officers do not specify what

should be corrected. Only 25% of those who completed the setting up procedure by themselves were satisfied with service speed and duration.

Several institutions find credit card payments or bank transfers impossible, while most accept cash or postal orders. Although many offices have websites, only half accept documents by e-mail.

5.3. The Incubation Process

Entrepreneurs who received financial aid benefited from assistance during the establishment and incubation periods. Both Civitas and BIIC offered consulting and mentorship during the project. The third part of the interview referred to the period of after-establishment of companies, mainly focusing on what happened to the companies that did not complete the process. Out of the 36 established companies, 28 operated for the two years required by the project, and 18 intend to operate after the incubation period.

Most interviewed company owners decided to suspend their operations due to the COVID-19 pandemic. It turns out that although their market opportunities seemed good during the business plan drafting, these disappeared during the pandemic. Additionally, several companies that depended on regular local authority activities could not operate. For example, a food company stopped producing pastries for school and kindergarten children after these institutions were closed for an extended period. Additionally, some businesses managed to establish themselves in a saturated market.

Most active companies have not changed their business plan during the pandemic and have ceased communication with the consultants. They enter into contact again when needed to solve some specific problems. In this case, the contact was made by e-mail or phone. Financial accounting is the most frequently mentioned for those needing consulting services, usually once a year, during tax declaration periods. Otherwise, 50% of the company owners consider they have the necessary knowledge, so they do not need financial consulting and legal advice.

For the vast majority of the companies set up, the field of operation did not require specific technical vocational training, so the training provided under the project proved sufficient to start and run the business.

Growth is not in the plans of new entrepreneurs. The precise aim is to consolidate and run the business long-term. Businesses do not face labour shortages, as they are mostly run as one-person SMEs, with all functions performed by the owner. Only a few enterprises have been set up in the project that have additional employees (in this case, no more than two) and employ additional workers on a seasonal basis as needed.

5.4. Market Development and Continuity

In the final part of the interview, we asked our participants about further development and continued operations. The interviews revealed that most entrepreneurs had a plan to survive the startup phase because they all have a 3-year business plan. However, COVID-19 has also impacted their business, profoundly affecting their day-to-day operations. Despite the support received, almost all the entrepreneurs reported financial difficulties; in some cases, additional funding was needed. Against all the difficulties, they look to the future with optimism. They are open to attending further training courses to improve their knowledge, even though they already have an established business.

6. Discussion

The present research aims to identify the weaknesses and shortcomings of the SPEED programme, as we aim to provide quality training to those who choose to take part in the Civitas Foundation's courses. The 40 hours dedicated to entrepreneurship skills training were considered insufficient by participants and trainers alike. However, the two associations that organised the training were flexible and adapted to the needs as they went along, with the final number of hours increasing to 46. Participants were trained

in seven areas: Be an Entrepreneur!, Setting up a Business, Business Accounting, Business Communication, Marketing, Business Plan Development, and ICT. After completing the project and considering the lecturers' and entrepreneurs' comments, it would be helpful to introduce a financial management module covering financial literacy, credit and investment skills, and a module on basic commercial law. Ilie (2021) and Csintalan, Badulescu, and Cadar (2016) draw similar conclusions in their research on Romania and Bergmann and Utikal (2021) by analysing 63 European start-ups with sustainable business models. A common problem is that entrepreneurs have limited knowledge of the relevant regulatory acts (Horobeţ et al. 2020). It is not uncommon to have international transactions worth millions of euros, but at the same time, entrepreneurs have no idea how to fill out an official form. Several studies underline that Romania lags far behind digitally compared to other EU Member States (Kovács et al. 2022, Fernández-Portillo, Almodóvar-González, and Hernández-Mogollón 2020, Hadad 2017). Almost all the participants in the training have experienced the disadvantages of this, as most of the institutions do not have online administration. Communication between institutions, i.e. networking, is still a distant dream (Kovács and Bittner 2022). Some entrepreneurs have sought help from specialised firms or experts when setting up their companies. Many of those who did not, however, suffered from red tape. The difficulties faced when registering companies differed from county to county. The most common problems raised concern the services of the ONRC and registering as VAT payers at the National Agency for Fiscal Administration. The COVID-19 pandemic has shown that many procedures can be done online. It was recommended that the services provided by offices, institutions, and authorities be shifted even more online.

The importance of practice-oriented training was raised several times during the interviews. For example, when starting a business, as most interviewees had not yet started a business, they did not know the steps and the documents needed to do so. Similarly, respondents in the control group reported that the business development training provided them with a practical toolbox that enabled them, for example, to start their own business. The consensus among the participants is that they would prefer practising business people as trainers rather than theoreticians.

The programme's organisation and delivery presented several logistical challenges, given that six counties applied for the training. Different lecturers taught different modules to make the courses more attractive. Organising was much more challenging in these situations, but the courses were less monotonous for participants. There were also difficulties in delivering the training to ensure the right intensity. According to the trainers interviewed, the best results were achieved in camp-like training. Regular work in step-by-step preparation of the business plan according to the pace of the training has yielded results and business plans of high quality and detail. During the business plan competition, the organised interviews were considered very useful, during which the jury could ask questions that would enable them to assess better the business idea and the person who took part in the competition.

Concerning the labour market, it became clear that there are differences depending on the level of training required by staff. In professions requiring specialised knowledge, there is a shortage of specialists. Supply far exceeds demand in occupations that do not require specialised education and market experience. Some of the firms that have received SPEED funding are seasonal and have found it difficult to maintain full-time employees throughout the period. Firms should also be allowed to hire people for seasonal work, and hiring should be calculated on the grand total of the business plan implementation period. Although most firms complained about the lack of specialists in the labour market, some thought the problem with employees was mainly a lack of education, respect, and motivation. It is often said that young people today want to work as little as possible for as much money as possible. However, some interviewees believe they prefer hiring young people with no work experience, who will be trained on the job, rather than older people who need to be retrained. Older or more experienced specialists may show a certain rigidity.

7 Conclusions

The project leader of SPEED had informed the authors, that control staff from the National Management Authority stated that from the POCU/82/3/7 program the SPEED was the only project in Romania where all newly founded businesses survived. All 36 companies remained operational and managed to fulfil their contractual obligations. The 36 companies established created 76 new jobs. Less than a year after the companies were set up, the COVID-19 pandemic broke out, but the businesses were able to survive even in those conditions. Considering the above mentioned facts the project can be considered a success. The participants highly appreciated the entrepreneurial skills courses. Not many with prior knowledge of entrepreneurship felt that some topics were primarily theoretical. After the end of the project and taking into account the lecturers' and entrepreneurs' opinions outside the project, it would be helpful in the future to introduce a module on the subject of financial management, where credit and investment skills are presented, and a module containing basic notions of commercial law.

The data collected from the interviews with participants and trainers, as well as the control group, highlights the need for more practical and comprehensive entrepreneurial training, continuous support, and streamlined bureaucratic processes. It also emphasises the importance of adapting to changing market conditions, particularly during unforeseen events like the pandemic. The insights gained will be helpful and valuable in refining future entrepreneurial support programs to better meet start-up entrepreneurs' needs.

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