MONETARY AND FISCAL POLICY STRATEGIES FOR ENHANCING FINANCIAL SUSTAINABILITY AND GROWTH IN STARTUPS: INSIGHTS FROM ROMANIA'S ECOSYSTEM

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Abstract
Romania's entrepreneurial ecosystem continues to struggle with significant challenges, including limited access to venture capital, bureaucratic inefficiencies, and fragmented policy execution. Despite the European Union's support for entrepreneurship, Romania's startup success rates remain comparatively low. This study investigates the role of fiscal and monetary policies in enhancing financial sustainability and growth in the Romanian startup ecosystem. Using quantitative research methods, such as regression analysis, the research quantifies the impact of key policy interventions, like government funding, tax incentives, and credit access on startup survival and performance. The analysis reveals a robust relationship between policy measures and startup success, with policy impact emerging as the most significant driver. It also highlights the effectiveness of targeted interventions. However, the results showed a certain degree of variability due to regional disparities and limited private-sector participation. These steps aim to bridge financial gaps, reduce inefficiencies, and align Romania's entrepreneurial ecosystem with best practices seen in EU leaders, such as Germany, France, or Poland. In addition, the study discusses behavioral insights to address cognitive and psychological barriers faced by entrepreneurs and offers a set of possible suggestions for policymakers. Future research should investigate longitudinal and sector-specific effects to further optimize these policies for sustainable startup growth.

Keywords
fiscal policy, monetary policy, startups, Romania, financial sustainability, policy impact, behavioral economics

JEL Classification
E61, G28, L26

Introduction

Romania, as part of the European Union, has faced notable challenges in fostering a vibrant startup ecosystem (Anton et al., 2024). Although the EU carried policies that support entrepreneurship, Romania is still performing below expectations based on the

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startup completion rate and access to the necessary capital (Glavan et al., 2024). In Romania, startups face crucial challenges including restricted sources of venture capital, shortage of financial services, and services that are comparatively slow because of bureaucracy (Lobont et al., 2023). Similarly, the challenges are further compounded by the macroeconomic factors that characterize the environment within which entrepreneurship thrives. These include poor entrepreneurial support from government and other investors and a weak investment environment (Passaro, Quinto, and Thomas, 2020). The place of government involvement in dealing with these barriers is highly significant because it is the state that should be concerned in terms of fiscal and monetary policy to enhance the environment for new business creation.

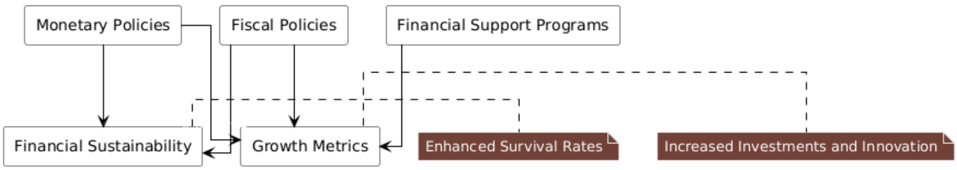

Figure no. 1: Conceptual Model
Source: Author's own research

Analyzing the current state of Romanian entrepreneurship, we found that financial viability as well as long term growth remains a challenge for many startups. Although the Romanian government has taken some action to advance the startup environment, including the Romanian government financing programs and EU-funded programs, there is still no marked upturn in the subsequent scaling of startups, One concern stems from the misalignment between the sources and types of funding the startups require, including more flexible funding models and a broader and deeper set of institutional rules (Glavan et al., 2024; Lobont et al., 2023). The problem of government measures is that they are not aligned with private financial institutions which reduces the effectiveness of such measures. This study reveals that startup development in Romania lacks a mature ecosystem especially in sections such finance, policy and the efficiency of current intervention policies. Due to these gaps, even though the authorities try to boost startup development, there remains insufficient financial stability to provide sustainable development for these businesses in Romania (Anton et al., 2024). The present paper aims to investigate the relation between monetary and fiscal policies for increasing financial stability and development of Romanian startups. The focus of this research is the role of specific monetary and fiscal instruments in achieving the financial development and stability of startups in Romania. In this paper, quantitative approaches will be used to establish the impact of these policies on financial access for startups as well as survival rates of the startups (Chishti et al., 2021). Considering the difficulties discussed above, and the corresponding policy environment, this paper could potentially offer a few recommendations useful for the authorities in Romania and other emerging European countries. Exploring the effects of fiscal and monetary policies on startups is helpful in the development of better policy recommendations as a roadmap for future references, not only for Romania, but also for other EU countries facing similar entrepreneurship barriers.

1. Review of the scientific literature

Theoretical Framework

In this study, an entrepreneurial ecosystem is described as a system that consists of institutions that create and scale startups. These ecosystem success factors include capital, people with skills, transportation infrastructure, and legal constraints such as policy and regulation (Isenberg, 2010), relative to the subject matter of Romania, knowing the ecosystem conditions accounts for why many startups fail to grow as intended, even with policy interferences (Monaienko et al., 2024). Thus, sustainable development theory that focuses on continuous economic development is explored, with an impact on the environment and society. What startups can deem from this theory is that their business models are bounded by sustainable social and environmental standards and the economic viability. It is further evident that the quality of startup ecosystems for those who can afford resilience is improving, aided by the continuing evolution of green innovation and social entrepreneurship policies. (Șerban & Jianu, 2023)

1.1. Global and Regional Insights

Some empirical research comparing the effectiveness of monetary and fiscal policies for startup ecosystems has shown contrasting results across different countries (Szalavitz, 2020). Worldwide, those policy objectives, which stimulate subsidized credit, tax support, and proven Public-Private partnership approaches have supported innovative effort and decreased entrance failure rates in new ventures. Germany and France especially are well endowed with support structures for new firms, such as tax incentives, low interest credits and a vast network of venture capitalists all of which greatly boosted their entrepreneurial pursuits. But, the startup ecosystem in Romania has had its issues. While other countries in the region have very numerous systems to foster access to funds for startups, Romania lacks many of those. For instance, the government-backed venture capital schemes, which are in Poland, have been effective in raising the survival rate of new firms (Nowak, 2018). In the same way, the number of innovative firms has increased through the introduction Tax Credit Schemes for startups of hi-tech companies.

1.2. Alternative Financing Models

More advanced startup landscape countries within the EU have adopted various non-bank funding options including venture capital and crowdfunding. Venture capital means high risk funding for startups, and the incorporation of this type of funding into Romania's policy map might open more avenues for growth. However, Romanian startups do not benefit from the product to its full extent, since venture capital has limited investor networks and a high perceived risk in the country's economy (Toma et al., 2021). Crowdfunding, on the other hand, has turned into an alternative method of raising money for startups enabling the founders to attract many small investors. The Horizon 2020 and lately Horizon Europe funded programs have also been opening its fund gates for seed level funding for startups. However, access to these funds is still a critical problem due to excessive paperwork and inadequate outreach.

1.3. Gap Analysis

Although there are indications that the government is supporting growth of new firms, Romania is seen to be lacking in proper support structures compared to many of the EU nations. An area that seems underdeveloped is the availability of venture capital, which is an important element for the growth of high-growth startups (Monaienko et al., 2024). While in the countries such as Poland venture capital funds are more accessible, identifying the Romanian startups struggling to obtain this type of funding, primarily because there are few or no local investors interested in this type of investment and, last but not least, the fact that investing in startups is considered very risky. However, there still are problems associated with access to credit, even though there were enhancements to government-backed loans for startups. This implies that there is a significant gap in the availably of financial product that are suitable for startups, a challenge that results in high level of under-financing, especially in the infancy of an entrepreneurial firm (Toma et al., 2021). Romania has the potential to improve the startup industry by offering deeper tax exemptions to startups and investors in the growth sectors and greater access to subsidized cash for startups. Thus, the improvements in the regulation might help reduce the administrative barriers and make the process of getting finance from both EU funds and private capital quicker. There is a potential for a coordinated approach of the government’s institutions, business actors and the EU financial instruments to enhance the overall approach to support of startups. However, these policies would coincide with the measures taken by highly developed entrepreneurial countries in the European Union, such as Germany and Poland, which allows Romania to create a more stable and developing entrepreneurial environment.

2. Reserach methodology

2.1. Analytical Approach

2.1.1. Comparative Analysis

This study aims to provide insight into the effect made by fiscal and monetary policies on Romanians startups using comparative analysis of the German and French startups. Both of the aforementioned countries have nurtured an organized entrepreneurial environment backed by coherent policies. (Byfield, 2024) stated that such programs include Germany’s government-backed venture capital programs and France’s programs of tax incentives for startups have immensely contributed to the growth of their startups and this analysis of these systems is crucial for understanding Romania. Eurostat and OECD sources and other materials will be used to compare the effectiveness of such policies used at European nations. Emphasis will be made on important indicators including the startup success rates, survival rates, and avails of financial resources in Romania in comparisons with the European standards.

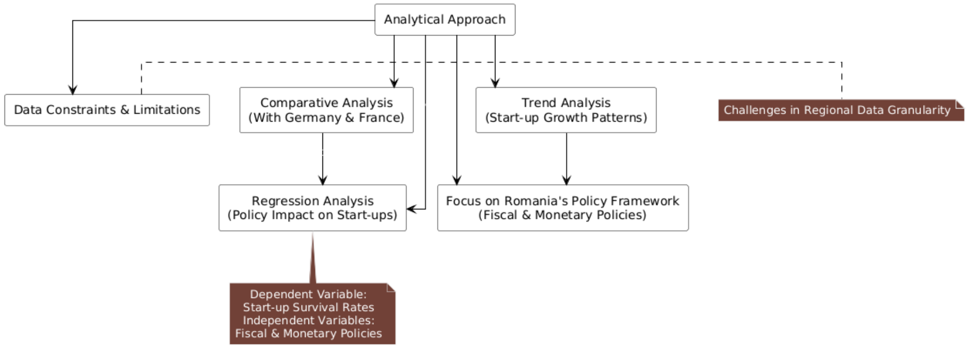

Figure no. 2: Methodology Model
Source: Author's own research

2.1.2. Regression Analysis

The main analysis will be regression analysis to test the impact of monetary and fiscal policies on the survival rate of startups in Romania. Econometric models will be used to measure policy changes such as the influence of change in tax rates, change in government funding programs and changes in subsidized loans, startup success rates in the Romanian environment (Bărbulescu, Nicolau, and Munteanu, 2021). In the regression model, the independent variables will involve the introduction of fiscal and monetary policies like tax cuts, incentives offered to venture capital and EU funding access and the dependent variable will involve depicting actual start up survival rates and financial sustainability over time.

StartUPSuccessRate_it = β0 + β1PolicyImpact_it + β1FundingAccess_it + β1InterestRates_it + ε_it

Where StartUPSuccessRate_it is a dependent variable (Statista, 2024), PolicyImpact_it represents Monetary and fiscal policy interventions (European Union, 2023), FundingAccess_it represent venture capital (Eurostat, 2024), InterestRates_it represents credit conditions (OECD, 2023) and ε_it is the error term for country.

The analysis will use data from Eurostat for Entrepreneurship Indicators and Business Demographics, while also using the OECD (Organisation for Economic Co-operation and Development) database for information about financing small and medium enterprises (SME) and entrepreneurs. Additionally, Statista data was used for assesing the evolution of said SME in Romania in the evaluated period. Furthermore, the study uses Horizon 2020 Program Data regarding Innovation and Funding for startups. All the databases had a panel model, thus observing the same indicators over a larger period. The analysis contains data registered over a 10-year period, up until 2020. Due to the lack of sufficient data in the last few years for some of the indicators considered, that was the last relevant point in time for a suitable analysis in the study model. The effect of these policy variables will be estimated using econometric models, where appropriate (Skalna & Gąsior, 2024). Trend analysis will concentrate on the increase of the rate of startups in Romania during the past decade with the help of annual data of registration, source of funding, and changes in legislation. (Chugunov et al., 2021) stated that it will enable evaluation of the role of monetary and fiscal policies towards startup initiatives during periods of volatilities such as during the aftermath of the credit crash of 2008 and the recovery packages offered by the EU post-2020. The analysis will also take regional differentiation into consideration because policies may have different effects on inhabitants of large cities and of rural areas of Romania.

2.2. Focus on Romania's Policy Framework

In the last ten years, the state has adopted several fiscal and monetary policies to support startups, which are the tax incentives for the investors, subsidized loans for the business people, as well as trying to attract EU funding programs such as Horizon 2020. These measures have, however, been somewhat lacking in cohesiveness and most initiatives are yet to have the synergy that actual achieved monumental effectiveness. A significant component of Romania policy setting comprises of state aid programmed which seek to overcome the financing gap in startup ventures. However, there are conflicting findings on whether such programs are effective, with relative success varying by geographical and organizational type (Anton et al., 2024). This paper shall also explore these policies and the nature of these differences across these regions.

3. Results and discussions

3.1. Regression and Trend Analysis

The regression analysis reveals a robust relationship between fiscal and monetary policy variables and startup success metrics. Included findings are regression coefficients that explain effects of specific variables on success rates. The intercept is 29.0000 meaning that it starts at a basic level of success. Among the independent variables, policy impact is the largest with a coefficient of 27.5000, so it is the strongest. Government funding and credit access were found to have a relatively strong positive relationship with success rates with coefficients amounting to 1.1750 and 3.2000, respectively. The outcomes indicate that enhanced amount of government funding and improved credit opportunities are essential for startup development. Thus, the model yields an R-squared of 0.89, meaning most of variation of startup rates of success is explained by a set of predictors, therein suggesting a good fit. The calculated F-statistic is 2378.5 which is relatively high as compared to the model chi-square value and verifies the overall significance of the model and the p-value of 6.8589e-11 proves that all the results obtained in the current study are statistically reliable.

The result is based on three visualizations that triangulate the findings. In figure 3, startup proven success rates are plotted against the impact of policy, and this scatter plot includes the regression line as well. It goes a notch higher in stressing the fact that any rise in policy effect outcome corresponds with elevated success rates. Figure 4 includes two bars that present the government funding and the credit access over the years from 2010-2020. The nature of these graphs reveals an evident gradual progression of funding as well as access, indicating the progressive policy focus on startups.

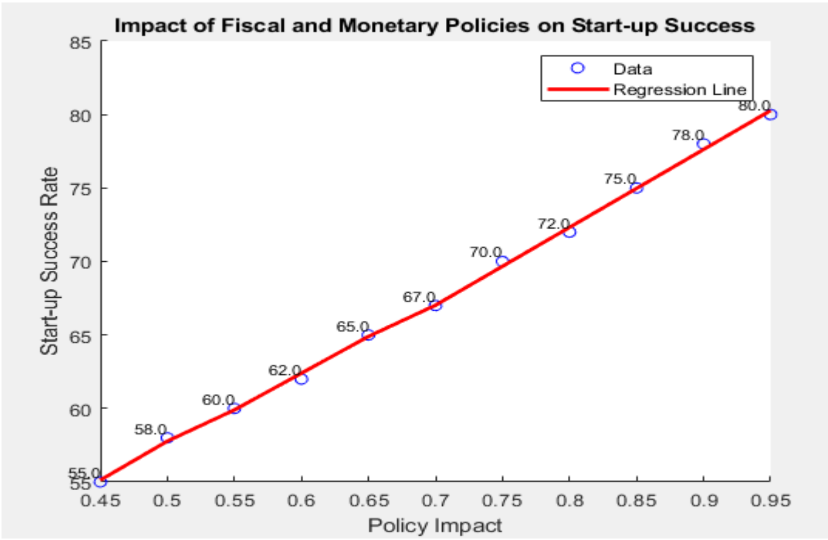

Figure no. 3: Impact of Fiscal and Monetary Policies on Startup Success

Source: Author's own research. Eurostat and OECD Data

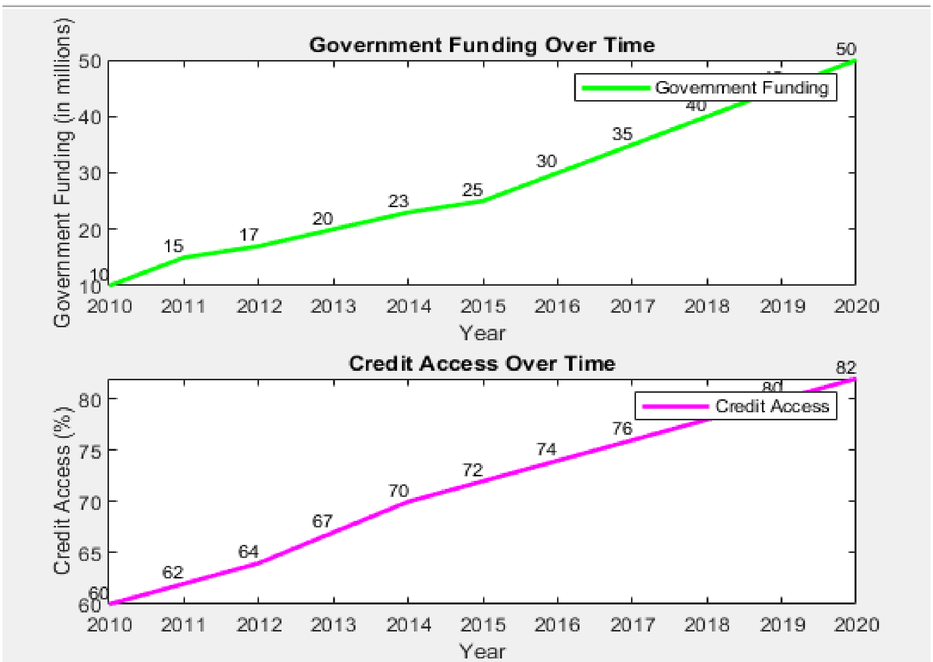

Figure no. 4: Government Funding vs. Credit Access Over Time

Source : Author's own research. OECD and Horizon Data

Thus, the final figure, Figure 5, draws the overall proportions of government funding, credit access and policy on the ecosystem using a pie chart. This visualization provides a bird's eye view of where these critical factors are likely to be coming from.

Table no. 1. Regression Analysis Results

Predictor	Coefficient	95% Confidence Interval	p-value
Intercept	29.0000	(1.6408, 59.6408)	< 0.001
Policy Impact	27.5000	(29.6140, 84.6140)	< 0.001
Government Funding	1.1750	(0.0708, 0.4208)	< 0.001
Credit Access	3.2000	(0.6954, 1.0954)	< 0.001

Source : Author's own research

Therefore, the analysis and the graphics presented together clearly indicate that fiscal and monetary policies remain the central element of startups' sustainability and development. As the data analysis shows, policy influence becomes the key factor, but both government financing and credit availability are also important since their coefficients are positive and tend to increase over the years. The results emphasize the fact that fiscal and monetary policies remain crucial in terms of financial sustainability and the development of Romanian startups. The lower coefficient for the funding inventiveness and credit access indicates a rise in startup success rates. However, the high level of the statistical fitness provides evidence that the model sufficiently identifies the character of the policy environment. However, relatively large confidence intervals for individual predictors indicate variability which can be explained by external factors such as regional differences in the economy or factors within the entrepreneurial environment that are yet to be considered.

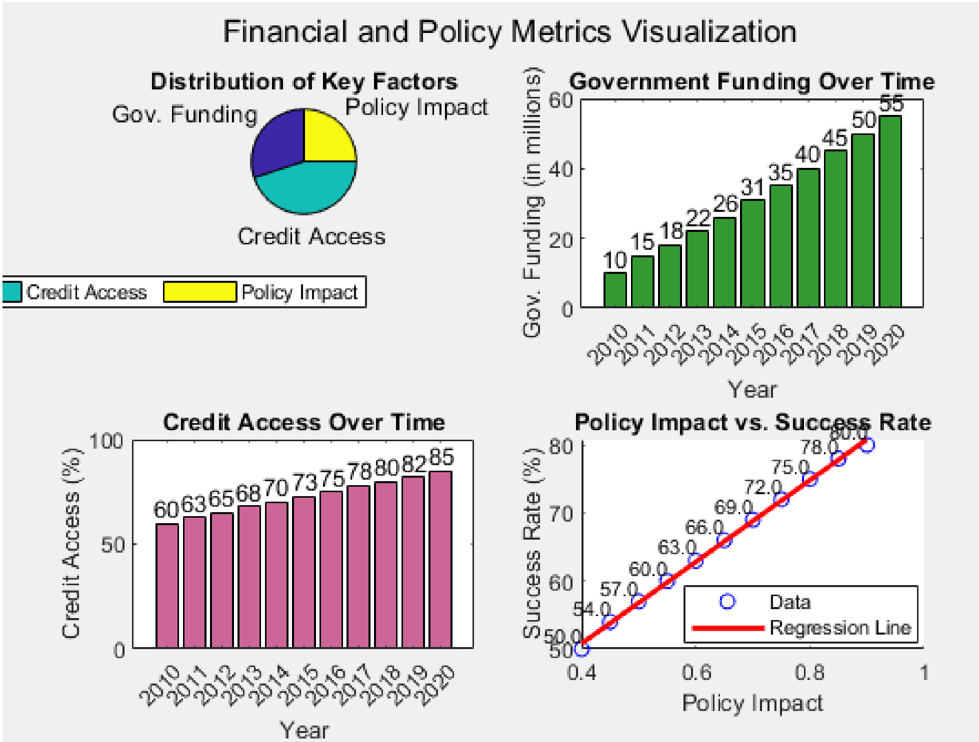

Figure no. 5: Financial and Policy Metrics

Source : Author's own research. Eurostat, OECD, Statista and Horizon Data

The regression model, combined with the visual trends, highlights the importance of consistent policy implementation and improved funding mechanisms for sustainable startup growth. The results of the regression analysis shed light on relevant patterns of interconnection between fiscal and monetary policies, on the one hand, and startup success indicators, on the other. As expected, the model has a high R-squared of 0.89, which means that most of the variation of startup success rates is explained by the predictors, indicateing a very good fit. Important indicators, which reveal such aspects as policy impact, governmental funds availability and credit availability are subjected to positive coefficients indicating their significance to the sustainability of newly established startups. According to the analysis, policy impact comes out as the most dominant factor with a coefficient of 27.5000.

Table no. 2. Summary of Key Metrics

Metric	Value
R-squared Value	0.8900
F-statistic	2378.5
P-value	$6.8589 * 10^{-11}$

Source : Author's own research. Eurostat, OECD, Statista and Horizon Data

However, the individual confidence interval for the predictors such as policy impact of and credit access show fluctuation in the results. This variability could probably be explained by uncontrolled factors including regional differences in resource allocation or distinct economic environment for startup industries. Such factors signal the need for additional investigation of these associations to improve the clarity of such links. Similarly, analytical and visual trends collectively stress appropriate and sound fiscal and monetary policies. This variability must be approached with the right type of funding mechanisms that assist people in gaining access to the right type of credit, alongside the right type of policy impacts that can ensure sustainable means of development (Grigore & Dragan, 2020). They call for integrated approaches from policymakers and stakeholders in order to better coordinate the efforts in startups support and improve the stability of the economy.

3.2. Policy Effectiveness

Nonetheless, the fiscal and monetary policies that encourage the startup of new businesses and financial stability have had relatively modest success in Romania. Financing regulated through government programs, subordinated credit and tax preferences have served for gradual improvement (Akanyonge, Obeng-Amponsah, and Owusu, 2023). Nevertheless, they do not cover much scale and strategic positioning compared to more developed startup ecosystems of Germany, France or Poland. The results show that the extent of policy influence represents a key factor in determining startup performance. Germany's government-funded venture capital and promotion programs & France's taxation policy for new companies means have fostered the startup environment that leads to more startup survival in the country. On the other hand, a lack of Venture Capitalist investing comes hand in hand with limited access entrepreneurial capital and the lack of well-developed networks to enable startup expansion in Romania. The evaluation also reveals the necessity for Romania to implement other best practices as seen in other EU member countries, in order to decrease perceived investment risks and increase scalability.

The other interesting note to make is about credit access. Poland and Hungary, for example, have proven particularly effective in this area – thanks to market-supporting governmental stimuli for high-tech industry development (Grigore and Dragan, 2020). There, however, credit access remains a problem even with state supported credit facilities. Better credit facilities could therefore help startups to build-up strong buffers during the early stages of their operations. (Furman and Summers, 2020) explored that one will observe that fiscal and monetary policy implementation in Romania is a fragmented process. Thus, while in Germany and France the public and private sectors work in a more coordinated manner to implement these policies, the Romanian case does not show this connection to the same extent. None of the sources examined clearly demonstrate that the private sector would actively support the public policies identified in this paper (Marine, 2018). Hence, increased and better coordination between sectors is required to optimize the utilization of resources to enhance the startup environment. Nevertheless, there is potential for development. Through such programs as Horizon Europe, several other opportunities have come in handy for Romanian startups, thus really emphasizing on opportunities in international funding. Thus, the facts emerging from these insights suggest that bureaucratic red tape and ignorance of the entrepreneurs limit the utilization of such programmes. Improved procedures and efficiency of communication could enable them to do this.

3.3. Challenges in Policy Implementation

In certain regions, startups face some significant challenges that prevents them from developing, where bureaucracy is the main issue (IANIOGLO, 2023). The processes of obtaining the state-sponsored financing or EU funding can be quickly described as complicated and significantly lengthy. These inefficiencies work as a disincentive to participation in the country's entrepreneurial climate and furthermore, generates uncertainty for private investors also in Romania. A further insight is the limited integration between the public sector and the private sector entities (Schickinger, Bertschi-Michel, and Kammerlander, 2022). To achieve such success as the German and French ecosystems, stable cooperation of government structures, financial organizations, and private investors is needed. In Romania, however, such entities operate autonomously and due to this the action is fragmented (Wang, Dilanchiev, and Haseeb, 2022). As a result of such, government-backed loans do not suit the requirements of startups, hence the mismatch results in under-utilization of such resources (Hess, 2020). The discussion also stresses vast regional differences as a major issue. Advanced industry startups are funded relatively more than their counterparts in rural areas. Emerging rural companies face problems with poor development of vital backbone infrastructures, low availability of qualified employees, and comparatively weaker venture investor networks (Marine, 2018). These discrepancies are instrumental in calling for the policies that would lead to balanced regional development. However, the inability to provide business-specific financial services limits early-stage startups' ability to obtain required capital. This scenario offers little room for new firms to secure loans because conventional lending practices property entitlements and securitized credit mechanisms shut out new business ventures; venture capital and crowd funding are largely uncharted. (Șerban, 2012). Therefore, addressing these challenges through the development of the related financial products is of paramount importance when building an environment or incentives (Lobonț et al., 2023). Thus, the existent poor perception among the entrepreneurs regarding the available support structures may be attributed to poor communication. Some are not even aware of one or the other government schemes or EU programs which may conveniently solve their funding and operation problems. Such special initiatives are required to close this gap and popularize the content to people most in need.

3.4. Opportunities for Improvement

The findings of the study alert us with some key recommendations on how Romania could enhance its fiscal and monetary frameworks. Flexible credit products including custom loans and credit lines can thus help fill the funding gap needed for innovation by starting up firms. The nation can use specific tax incentives and establish more cooperation arrangements with the private sector to promote venture capital development to enhance the financing system (Keita and Turcu, 2022). Creating innovativeness can also be considered as one of the major directions for improvement. Among these are Research & Development policies that use grant or tax incentives to encourage new startup businesses with genuine long-term growth prospects. Setting up of innovation hubs and accelerators would provide incubation, support, and connections to startups, which would more than double the success factors of these new businesses. A stronger collaboration between the government agencies, financial institutions as well as private investors is required. Proposing a better single point for the provision of startup funding and resources and the policy on startups. This would also create a platform where the stakeholders, especially in policies would harmonize their produce with the requirements of entrepreneurs. Reducing territorial duality is especially important for the formation of an inclusive environment. Increased investment in the improvement of physical infrastructure and availability of human capital, especially by governments targeting startup entrepreneurs in rural areas can bring about a closing of the urban/rural divide (Lobont, Costea, and Vătavu, 2023). This would guarantee that startups from all regions benefited from government interventions in resource provision.

Thus, there should be a focus on the awareness and access of these products. Application procedures can be further streamlined, and such changes could utilize fiscal and monetary policies to maximum extend helping Romania unleash its full potential of entrepreneurs.

3.5. Further Suggestions

3.5.1. Behavioral Insights and Entrepreneurial Decision-Making in Romania's Startup

Ecosystem

Behavioral economics gives important views on the problems that Romanian entrepreneurs have with using fiscal and monetary policies. These policies aim to help startups, but issues like cognitive biases, distrust, and bureaucratic delays often limit how well they work. It is essential to tackle these behavior-related issues to create a lively startup environment. Romanian entrepreneurs usually think of government loans and EU programs as complicated and hard to reach. This view comes from loss aversion, the fear of failing is stronger than the chance of success. Status quo bias, like a preference for familiar funding such as personal savings or informal loans, is also present.

Also, the lack of positive discussions about these programs strengthens distrust. For instance, few success stories about venture capital in Romania lead to a view that such funding is risky and unattainable, which deters entrepreneurs from seeking it. Regional differences make these problems worse. Entrepreneurs in rural regions deal with not only poor infrastructure and networks but also traditional ways of thinking that limit innovation and risk-taking. This situation is made worse by a lack of trust between entrepreneurs and government or private sector players, which hampers effective collaboration and sharing of resources. Consequently, many entrepreneurs remain disconnected from crucial support networks.

Bureaucratic inefficiencies, such as unnecessary paperwork and unclear protocols, complicate matters further. These characteristics cause cognitive fatigue, discouraging entrepreneurs from seeking assistance from the government or the EU. Without efforts to streamline these procedures, perceived hurdles frequently outweigh potential advantages.

To overcome these behavioral issues, Romania's fiscal and monetary policy should incorporate behavioral economics ideas. Simplifying application processes, such as providing pre-filled templates or default enrollment options, can help to eliminate cognitive obstacles. Positive framing, which emphasizes success stories and real advantages of participation, can change perceptions and increase engagement. For example, promoting firms who have successfully used EU funding can foster trust and inspire others.

Nudges, such as funding deadline reminders, minor rewards for early applications, and targeted notifications, can help increase involvement. At the systemic level, fostering trust through coordination among government agencies, financial institutions, and private investors is critical. Regular contacts and open communication can boost relationships and the overall entrepreneurial climate.

Behavioral insights also indicate the need for specialized regional treatments. In rural areas, focused initiatives such as mentorship programs, innovation hubs, and skill-building seminars can help to break down traditional barriers to entrepreneurship. These initiatives, when paired with infrastructure improvements and access to entrepreneurial networks, have the potential to bridge the urban-rural divide.

By addressing these behavioral characteristics, Romania can greatly improve the effectiveness of its fiscal and monetary policy. Entrepreneurs will be more inclined to use existing resources, resulting in smaller funding gaps and a more inclusive and vibrant startup ecosystem. These improvements, together with more effective stakeholder cooperation, will lay the groundwork for long-term entrepreneurial growth and competitiveness.

Conclusions

- Policy Recommendations

The following measures should be taken if Romania is to improve on the outcomes of fiscal and monetary policies: First, extending the concept of targeted taxation legislation for startups young companies, especially in such industries as modern technologies and environmental projects. Backing innovation enablement centers and accelerators would mean that new generation enterprises would have support networks, valuable assets, and advice for increasing their operations. Startups also require external funding, and this is where the management of EU funding programmers like Horizon Europe would be of immensely help if their application methods were simplified and if there was proper means of informing the startups about them. In addition, the integration of government agencies together with financial organizations and private investors can contribute to the creation of a single environment by allocating funds to the relevant projects and by exercising an efficient cooperation between all the interested parties and stakeholders.

- Limitations of the Research

There have been limited sets of complete and robust data available on this subject for the past 2 to 3 years. There is a lack of capacity to capture the total policy effects at the local level. Furthermore, most of the information on Romania's startup ecosystem remains derived from secondary sources, thus limiting their credibility. For instance, some figures on the EU funding are presented with nations as units of analysis, thereby making it hard to have a clear view of the impact of policies formulated in those nations as regards startups or particular sections of an economy (Keita & Turcu, 2022).

- Future Research and Recommendations

Further research should explore more ways of pursuing long-term outcomes of fiscal and monetary policies for startups. It might or might not include such analyses as, for example, studies that review trends over longer or more recent periods to assess the relative longevity of policy interventions. More of the research works could specifically focus on various sectors to get to know the specific conditions of startups, formalization of which would better fit each particular market. Also, the cross-sectional analysis of similar regions in the EU might also shed light on best practices that might help Romania in the process of synchronizing its policies with those of success stories in Europe such as Germany and France. Investigating the possible moderating role that regional differentiation of economic development and policy effects would contribute to fine-tuning of recommendations for perception of a more inclusive environment for entrepreneurship development.

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