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## EDITORIAL EJAFB

# THE EFFECTS OF SHARE CAPITAL INCREASES ON ECONOMIC OPERATORS AND THE ABSENCE OF SOLUTIONS AT THE MACROECONOMIC LEVEL

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The decision to reintroduce and increase the minimum share capital requirement for commercial companies in Romania, starting in 2026, is more than just a technical adjustment of a legal and accounting nature. It is symptomatic of an incoherent economic paradigm, in which microeconomic instruments are used to mask profound structural dysfunctions at the macroeconomic level. In a context characterized by persistently high inflation, excessive budget deficits, rising capital costs, and contracting credit, this measure risks exacerbating the fragility of the entrepreneurial environment, especially for small and medium-sized enterprises.

The official argument for increasing share capital, namely, to strengthen guarantees for creditors and make entrepreneurs more "accountable," is questionable from an economic perspective. Share capital, in its accounting form, is not a blocked reserve nor a real mechanism for protecting creditors. Once established, it can be used immediately in current operations, thus losing its supposed guarantee function. For this reason, in developed economies, the emphasis is not on the formal level of share capital, but on solvency, cash flows, corporate governance, and access to finance.

In Romania, however, the increase in share capital comes at a time when companies are already facing cumulative fiscal pressure: additional taxes on turnover, extended social contributions, increased energy costs, and high interest rates. Data on the accelerated increase in the number of companies dissolved in 2025 indicates a systemic phenomenon, not a one-off failure of entrepreneurs. Imposing new administrative and financial obligations in such a climate is tantamount to transferring responsibility for macroeconomic imbalances to the private sector.

From a macroeconomic perspective, the measure betrays the absence of a coherent strategy to stimulate investment and restore confidence in the economy. Instead of structural reforms, reducing budgetary waste, streamlining public administration, and broadening the tax base through real economic growth, the state resorts to solutions with marginal fiscal returns but a disproportionately negative impact on the business environment. The increase in share capital thus appears to be more of an indirect tool for increasing parafiscal revenues and administratively filtering access to entrepreneurship.

The anticipated economic effect is to discourage private initiative, especially among start-up entrepreneurs and companies with low profit margins. In an economy where private investment is already inhibited by uncertainty and high financing costs, this policy risks accentuating the polarization between large, well-capitalized companies and an SME sector in a state of permanent survival.

In conclusion, increasing social capital does not solve the fundamental problems of the Romanian economy. Without credible macroeconomic policies geared towards fiscal stability, reducing inflation and stimulating productive investment, such measures remain formal exercises with real negative effects. The economy cannot be strengthened through accounting constraints, but through trust, predictability and public policies based on economic reality, not on the illusion of administrative control.

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