

## THE EFFECTS OF REGIONAL POLICIES IN ROMANIA

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**Abstract:** *If we were to consider that Romania was formed by the unification of provinces that experienced a strong unity through culture, language, religion, as well as through the intense trade relations existing between them over time, we may say that our country has an important historical experience regarding regionalisation. After 1989, Romania underwent a radical change of economic and political organisation (from a centralised economy to a free, market economy) and the approximation to the Western economic structures, the European Union (EU). Under these conditions the national authorities had to take into account the principles and the organisation and functioning of the European capitalist economies. During the communist period, Romania had an administrative-territorial and economic organisation that favoured centralised decision making. In the case of market economies, organisation allows and encourages the decentralisation of decision making. In the mid '90s, the economic and social realities of Romania lead to the achieving of the regionalisation of the national territory in accordance with the subsidiarity principle of the EU. Regionalisation sought to identify the most appropriate spatial and territorial framework for guiding the economic development processes, by facilitating the use of tools and resources provided by the European Union. The regional development policy is a continuation of the policies of national economic growth and development, both aiming at improving the economic and social life of the national communities. The final aim of this paper is to identify the economic and social situation of the development regions in Romania. The study provides insight into Romania's relations with the European Union, with regard to the access and use of the pre-accession European funds. Furthermore, the paper achieves a qualitative analysis, through a positive approach, but also a quantitative one of the economic and social situation of each development region in Romania, taking into account the final aim of the regional development policy. The time period considered for the analysis starts in the year when negotiations for EU membership officially began and goes on for as long as possible, depending on the availability of official statistics. A heuristic presentation of the evolution of regional development in Romania is targeted through the analysis of certain economic indicators representative for the situation of the human communities in each development region.*

**Keywords:** regionalisation, development region, regional development policy, Romania

**JEL classification:** O18, O29, O52, R11, R58

### 3. Introduction

Regionalisation requires a series of complex actions involving the embedment of several communities, located nearby one another, that have a significant degree of cultural and socio-economic homogeneity, and in some cases even an ethnic one.

We can tell that a certain spatial separation is considered, as well as integrative-like actions (for example, the way in which the regions and macro regions are formed in Romania or the successive stages of accession of the countries to the EU area).

It is obvious that this process can not affect the territorial integrity of the states and, implicitly, its decisional sovereignty.

The territorial regionalisation is determined by the different evolution of the spatial economic structures and has a highly practical character. Its aim is to create territorial frameworks suitable for starting the growth and economic development processes, so as to ensure the premises for improving the economic disparities between communities and better the economic and social life. These differences are determined by the different ability of the regions to produce goods and services, to offer opportunities of earning higher incomes for their members (Polèse 1999:299-314).

Hence the concept of regional development, which "implies the use of resources (primarily the local ones, but also of those attracted from the national and international area) to increase overall competitiveness of the territory, to increase the adaptability of the production and functional elements to the structural adjustment needs (in order to meet the regional and national needs) and, ultimately, from the macroeconomic perspective, to reduce the disparities between different components from the structure of the national economic space". (Jula 2002)

Obviously, the European Union wants a reduction of the disparities within it, which ensures a greater economic and social cohesion. This balances the economies of the states and boosts trade by creating new markets. At the same time, this would significantly reduce social distress caused by the overcrowding of the more developed regions (it would ensure a balanced territorial development).

#### **4. Brief History of the Issue of Regionalisation in Romania**

All throughout the modern era, Romania has experienced several models of economic and social organisation, some incompatible with each other, which caused many economic and social failures, with negative effects on social welfare.

Considering the way in which The Great Romania was formed, through the unification of its principalities, it is clear that Romania experienced regionalisation many centuries ago. We can also note an ethnic diversity (as well as a cultural one) important in interwar Romania - Hungarians present in Transylvania, Germans in Transylvania, Banat and Bukovina, Ukrainians in Bukovina and Bessarabia, Turks, Bulgarian Tatars in Dobruja and Jews all over the country (Boia 2012:46).

However, overall, in the historic regions, there has been a strong unity over the centuries manifested through the language, culture and religion (Malița 2010:96-114). Furthermore, economically they had tight cooperation relations.

Already during communism, measures were taken in Romania to develop certain areas of the country, as well as to reduce and eliminate the economic and social disparities. The division of Romania in 1968 into territorial administrations may be deemed as having the clear purpose of facilitating the intensification of population control, but irrespective of this, the development of all counties was also pursued (Părean, Oțil, Boldea, 2012:623-624).

If in the interwar period we may consider that the development of each region was based on the potential of each territory, subsequently, as a result of the communist principles, a massive, autarchic industrialisation of each area and region followed.

In post 1989 Romania, ethnic issues reappeared. They were increasingly discussed and, thus, amplified. If we follow the evolution of heterogeneous nations from this point of view, we realise that ethnic differences can affect economic growth in many ways, but they should not be exaggerated. We are thinking of the ethnic diversity of societies based on immigration, the United States of America, Australia, Canada. Similar situations can be found in Europe, too: Belgium, Switzerland with its four languages, two religions and a history of several civil wars of religious origin (Chang, 2011:133); to this we add Spain with the Catalan and Basque ethnic issues.

#### 4.1. The Pre-Accession Period

In 1995 a plan was drawn at the EU level detailing the financial and technical aid for the candidate states for the opening the accession negotiations (O'Brennan 2006:29). It was stated that the pre-accession instruments were not negotiable. The EU tried to help Romania as much as possible by encouraging the adoption of measures with certified economic results throughout the years in the perimeter of the older member states. Thus, it followed the implementation of the *subsidiarity principle*, suggesting *regionalisation* for distributing the power at primary levels. In this way, the influence of the central government would be reduced, while the importance of the regional and local decision makers would increase, since they were the ones who were better acquainted with the needs of those communities.

In 1997, a green book on regional development was published. It was created by a Danish company (Ramboll), specialised in the topic of decentralisation. It was considered that the national territory was too fragmented and the administrative-territorial units were too small to act as a channel for attracting pre-accession funds. 8 development regions were suggested, that later would become territorial units in the regionalisation process of the country. Problems arose immediately because their status was unclear; it was not an extension of the Government, but they were not even non-profit organisations.

In Romania, the support programmes suggested in 1995 were carried out late, and those who began to get acquainted with them were moved from one institution to another, while many left for the private sector, where the remuneration was more appealing.

The oldest programme was Phare. Gradually, Phare turned into a programme intended to facilitate the expansion process. It was envisaged that 30% of the Phare budget would be used for administrative and institutional reform (Papidimitriou, Phinnemore 2004:624), precisely for the enhancement of the capacity of attracting structural funds. The activities covered by the programme targeted capacity building at the central and local level, grant giving for small firms and the civil society, social programmes. The projects were supposed to take place in cycles of three years (two years for the programming and contracting and one for the implementation). Late 2005, in Romania there were ongoing programmes for which the final payments had to be made in 2003, 2004, 2005, to which other outstanding payments would be added (Ioniță 2006:3).

Starting 1998, the Phare programme also had an important twinning component.

Civil servants from the candidate states were paired with people from the member states to collaborate on specific projects. This twinning was meant to allow a transfer of knowledge and competence in areas considered to be crucial for the adoption of the *acquis*. The civil servants that had to be relocated to Romania for two years did not benefit from training courses to become acquainted with the culture of Romanian administration, thus many were faced with a long and difficult period of adjustment (Papidimitriou, Phinnemore 2004:630). Unfortunately, most were busy filling in different documents with no energy left for achieving project objectives. A "fireman-like approach" appeared, that lead to the slow progress of the candidate states' capacity of adopting European standards based on meritocracy and efficiency.

A major problem occurred in the primary sector. The aid instrument in this situation was Sapard (Special Pre-Accession Programme for Agricultural and Rural Development). It addressed the problems in agriculture and the rural area, as well as the implementation of the *acquis* regarding agriculture. In 2004 in Romania 47,8% of the population was living in the rural area. Also, 36% of the population was working in agriculture, 70% depended on this economic sector and the contribution to the GDP was only 12% (Șerbănescu 2004). Another source stated that two years before, 35% of the population lived off the land, which could provide a subsistence living. Also, in the first part of the years 2000, 85% of the agricultural production was obtained on private land, but the average size of a private property was of 2.8 hectares, a fragment of a plot of land in Poland, which was a big obstacle in the way of rural development (Marinaș 2002). Moreover, EU Agriculture

Commissioner Franz Fischler warned in 2004 that middle size farms were missing in Romania, while only small and very small ones existed, and that phytosanitary standards were far from normal.(Gallagher 2010:90)

The Sapard programme started three years late in Romania, for lack of an appropriate organisation of the payment agencies. Normally, the funds should have been spent in a year, those between 2000 and 2002 were combined with those for 2003 and contracted in 2005. (Ioniță 2006:13) The programme began in 2002 and ran until 2006, and the money for 2004 – 2006 was to be contracted in 2006. The programme was worth € 600 million and Romania only managed to use a quarter of it. (Gallagher 2010:91). The bulk of these funds were meant for infrastructure and diversification of the rural economy.

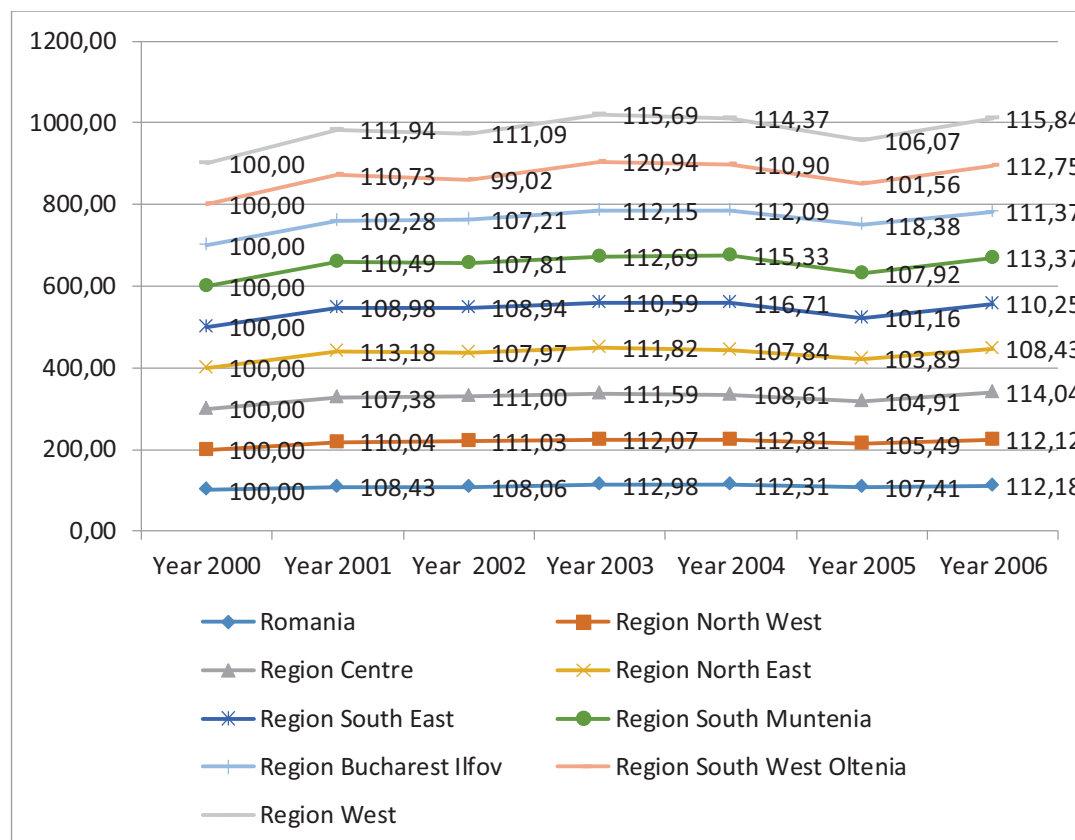


Chart 1. Dynamics of the GDP per capita at the regional level in Romania, 2000-2006  
Source: personal processing based on data extracted from the \*\*\*, Anuarele Statistice ale României, 2001-2007

Contracting Sapard funds was low because the peasants had to contribute part of the money (usually half of the value of the project), and the banks were willing to give loans at high interest rates. To this, the very extensive documentation and reports were added, quite discouraging for a regular person used to manual labour. Basically, there was a social chasm between bureaucrats and peasants, and the state was unable to solve the rural issue probably because it focused much more on solving the urban ones. In May 2006, Romania was given three red flags for agricultural problems to be solved urgently: a better organisation of the payment agencies (APIA): 1,400 professionals needed to be hired, an appropriate computer software, as well as a better gathering, treatment and disposal of animal waste were to be implemented. Since 2005, some simplifications have

been made. Thus, for the areas affected by natural disasters, EU contribution increased from 50% to 75%; for the young farmers (under 40 years old) and for those living in mountainous regions, European support increased to 60%, and if the farmers were young and living in a mountainous region then they would get 65% of the value of the project. In September 2006, in the final pre-accession report, it was stated that the issues related to agriculture had been solved, but after the accession the malfunctioning of the payment agencies came to light.

Bucharest is the only region that managed to reach European average levels. There are some other areas in Western and Central Romania that managed to come close to the development rates recorded by the Bucharest region. These areas were favoured by their position, due to their proximity to Western markets and because they depended very little on the agricultural sector. In this respect, we should also follow the dynamics of the gross domestic product (GDP) per capita (chart no.1). It is noted that in general the dynamics in the regions has been increasing from year to year except for 2005. Also, the South-Western region recorded a decrease in 2002 compared to 2001.

The pre-accession instruments, *Phare*, *ISPA* and *Sapard*, were designed to reduce the regional economic disparities, but the results were, at best, modest. Regional disparities related to income were deepened. Table no.1 shows that the difference between the total income and expenditure of the households in all regions of the country is small. What's more, there are situations where it is negative. In this respect, the situation of the Bucharest-Ilfov region for the year 2000 is interesting, but afterwards it recorded the highest rates of saving. Therefore, saving, which could further support a sustainable development and give people confidence, was insignificant. According to official data, the share of household expenditure on investments and production did not exceed 5% in any of the years.

Table no. 1 Dynamics of the total average income and expenditure of households at regional level in Romania (lei/person)

Year		2000	2002	2003	2004	2005	2006
Region							
North – West (lei RON)	Income (I)	123,01	237,97	292,37	388,41	417,89	474,64
	Expenditure(Ex)	121,78	238,05	297,04	387,76	407,10	470,94
	I- Ex	1,23	-0,08	-4,67	0,65	10,79	3,70
Centre (lei RON)	Income (I)	127,53	241,09	300,98	382,04	434,06	485,48
	Expenditure(Ex)	125,03	234,92	290,52	387,76	403,78	442,62
	I- Ex	2,50	6,17	10,46	-5,72	30,28	42,86
North-East (lei RON)	Income (I)	116,30	199,18	252,25	338,68	367,10	426,36
	Expenditure(Ex)	116,62	201,08	255,93	342,07	365,36	409,10
	I- Ex	-0,32	-1,90	-3,68	-3,38	1,74	17,26
South – East (lei RON)	Income (I)	125,39	220,58	271,98	329,40	374,10	425,09
	Expenditure(Ex)	124,44	224,39	275,51	323,44	363,90	403,64
	I- Ex	0,95	-3,81	-3,53	5,96	10,20	21,45
South Muntenia (lei RON)	Income (I)	117,94	207,30	265,97	335,55	376,26	424,45
	Expenditure(Ex)	116,17	205,17	253,35	325,36	358,32	415,90
	I- Ex	1,77	2,13	12,62	10,20	17,94	8,55
Bucharest Ilfov (lei RON)	Income (I)	139,49	301,44	362,97	478,50	578,21	686,71
	Expenditure(Ex)	140,82	207,85	350,26	448,88	523,35	609,91
	I- Ex	-1,33	93,59	12,71	29,61	54,86	76,80
South-West (lei RON)	Income (I)	131,92	216,86	266,35	345,77	384,10	441,74
	Expenditure(Ex)	128,75	209,73	255,82	319,87	347,85	397,62
	I- Ex	3,17	7,13	10,53	25,90	36,25	44,12
West (lei)	Income (I)	127,87	238,21	291,14	392,41	430,06	496,00



RON)	Expenditure(Ex)	123,38	227,02	280,84	367,73	400,67	465,44
	I- Ex	4,49	11,19	10,30	24,68	29,39	30,56

Source: \*\*\*, Tempo Online, Institutul Național de Statistică, [www.insse.ro](http://www.insse.ro), visited March 20, 2015

An overview on people's confidence in a better life is also provided by the balance of the definitive external migration (table no.2). If until 2002 the number of immigrants had been higher than that of the emigrants, after 2002 (starting January 1 the EU no longer required travel visas for the Romanians) the status of the migration balance was reversed. For Romania the situation is all the more critical as the negative balance is higher for the working-age population, followed by the category of people in the pre-active period (under 18).

From 1990 to 2005 the EU allotted € 6.5 billion to Romania, as pre-accession funds, most of the money being meant to speed the economic and social modernisation of the country. (Ioniță 2006:13). In June 2006, only 11% of the funds allotted for the past six years had been used, especially because the national authorities failed to adopt transparent procedures for public procurement and many projects were disqualified. The biggest failure seems to have been recorded in accessing the ISPA funds. (Gallagher 2010:274). In the European Parliament the correct perception that Romania is incapable of accessing European funding goes back to 2005 when it was so stated by Austrian parliamentary Herbert Bosch and hence it had to be excluded in 2007 from the EU budget. In 2006 the European Court of Auditors showed that less than half of the funds allotted to Romania were used for the purposes for which they had been granted. The Court of Auditors criticised the way in which the European Community managed projects from three points of view: the management capacity was overestimated, the principles of sustainability and co-financing were ignored (often, the projects approved were not backed up with Romanian money, although that was a requirement).(European Court of Auditors 2006:7), plus the carelessness towards the added value and general impact of the projects (Istrate 2006).

Table no.2 Migration balance for Romania by age groups, 2000 - 2006 (number of persons)

Year Definitive external migration		2000	2001	2002	2003	2004	2005	2006
Total	Emigrants	14753	9921	8154	10673	13082	10938	14197
	Immigrants	11024	10350	6582	3267	2987	3704	7714
Under 18	Emigrants	4372	2860	1233	1677	1417	765	963
	Immigrants	1743	1822	898	437	404	554	1083
18 – 25 years old	Emigrants	1513	938	1029	1426	1920	1408	1726
	Immigrants	1893	1772	1278	547	414	426	868
26 – 40 years old	Emigrants	1551	1013	915	1159	1414	1355	1782
	Immigrants	3588	3427	2405	1140	1028	1410	3265
41 – 50 years old	Emigrants	1551	1013	915	1159	1414	1355	1782
	Immigrants	2017	1802	1164	550	489	649	1469
51 – 60 years old	Emigrants	657	429	417	449	577	545	839
	Immigrants	908	833	526	315	348	376	729
61 and older	Emigrants	943	664	588	524	580	506	689
	Immigrants	875	694	311	278	304	289	300

Source: \*\*\*, Anuarele Statistice ale României, 2001 -2007

In fact, already in 2002 the European authorities recognised that regional planning had failed (there hadn't been a correlation between local, regional and national planning). This had previously been observed and said by Vasile Pușcaș (chief negotiator of Romania with the EU), considering that the failure had been caused by excessive politicising of the regionalisation process. (Gallagher 2010:68). It was surprising that the best results were obtained by North-East Romania, the poorest region of the country. This was possible because many activities had been coordinated *The British Department of International Development* for the promotion of local and regional partnerships (Gallagher 2010:68).

#### 4.2. The Post-Accession Period

As a general idea, one must note that during the economic growth of the years 2000 a recovery of the economic disparities was recorded compared to the EU average. (Mureșan 2008:419-448). Indeed, the recovery of disparities is obvious, but at the time of accession of our country to the European structures, Romania had a level of economic development of a little over a third of the European average, with about 30% of the population engaged in the subsistence agriculture. (Cerna 2011:2).

After the accession, Romania proved to be a rather dull member, lacking personality and initiative (Boia 2012:104). In 2007 Romania became a net contributor to the EU budget with € 1.35 billion (1.3% of the GDP) (Gallagher 2010:275), and the situation wasn't improved.

In 2007, upon accession of Romania, out of the 15 poorest regions in the EU, six were from Romania. The poorest region in the EU was the North-East region; practically, the only region not classified as "very poor" was the Bucharest-Ilfov region, which had 74% of the average EU GDP. (Rădulescu 2008). At the regional level (chart no.2) one can note the marked decrease of 2009, decrease which was also maintained, with some minor exceptions, in 2010. And the following year, the growth of some regions, apparently favoured by their position as well, determined a slight increase at the national level.

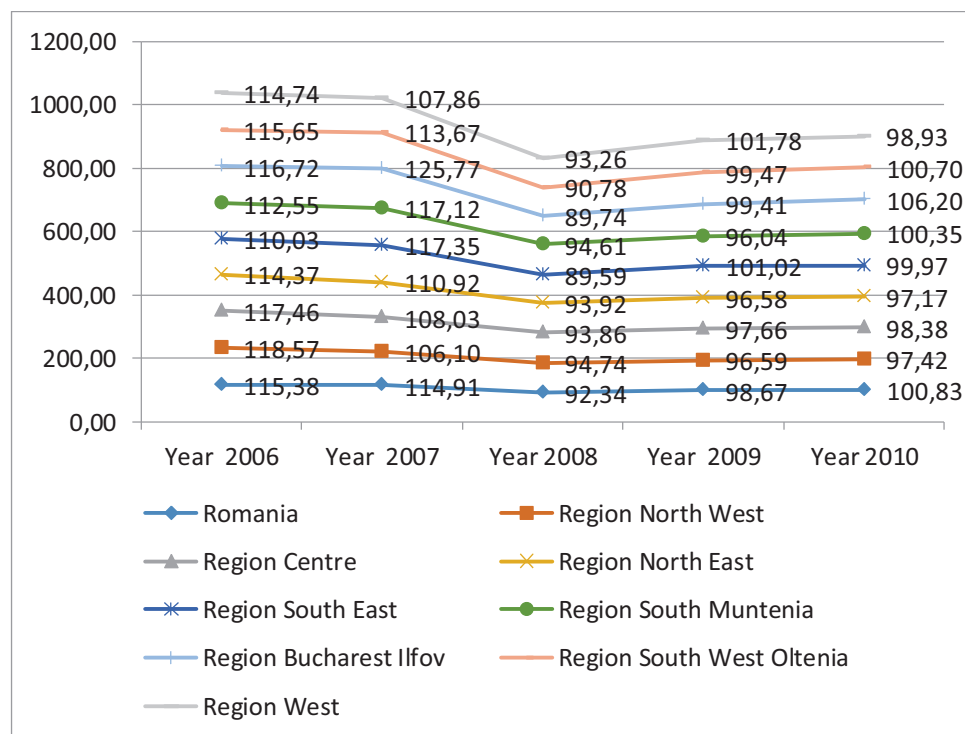


Chart 2. Dynamics of the GDP per capita at the regional level in Romania, 2007-2011  
Source: personal processing based on data extracted from the <sup>\*\*\*</sup>, Anuarele Statistice ale României, 2008-2012

Global experience shows that "catching up" requires, among other things, high saving and investment rates. Unlike the previous period, the income-expenditure balance situation has improved significantly (table no.3). However, the consumption expenditure structure has undergone insignificant change.

Table no.3 Dynamics of total average monthly income and expenditure of the households at the regional level in Romania (lei/household)

Year		2007*	2008	2009	2010	2011	2012	2013
Region								
North – West (lei RON)	Income (I)	582,0 5	2193,6 9	2270,7 6	2307,8 5	2511,9 4	2523,1 7	2609,7 3
	Expenditure(Ex)	516,4 0	2004,4 9	2055,0 1	2138,4 5	2293,1 9	2314,6 5	2398,2 3
	I-Ex	65,65	189,2	215,75	169,4	218,75	208,52	211,5
Centre (lei RON)	Income (I)	583,8 5	2132,8 7	2290,4 3	2298,9 7	2478,4 5	2504,2 5	2740,3 8
	Expenditure(Ex)	525,8 3	1896,3 3	1984,1 5	2015,9 4	2223,0 5	2233,5 4	2470,5 9
	I-Ex	58,02	236,54	306,28	283,03	255,4	270,71	269,79
North-East (lei RON)	Income (I)	508,0 3	1911,1 6	2133,7 3	2047,4	2174,5 8	2256,7 2	2303,4 7
	Expenditure(Ex)	481,7 7	1775,0 7	1971,4 8	1908,9 5	2056,7 3	2123,5	2175,4
	I-Ex	26,26	136,09	162,25	138,45	117,85	133,22	128,07
South – East (lei RON)	Income (I)	528,3 2	1922,7 6	2086,5 9	2029,6 9	2178,7 7	2170,3 7	2206,9
	Expenditure(Ex)	503,4 0	1748,0 1	1862,2 4	1823,8 6	1977,7 5	1980,4 7	2005,3 5
	I-Ex	24,92	174,75	224,35	205,83	201,02	189,9	201,55
South Muntenia (lei RON)	Income (I)	553,6 2	2059,4 5	2251,4 2	2369,2 1	2337,5 6	2434,8 9	2431,0 4
	Expenditure(Ex)	513,8 5	1889,4 6	2013,5 8	2120,0 7	2090,7 2	2209	2189,6 4
	I-Ex	39,77	169,99	237,84	249,14	246,84	225,89	241,4
Bucharest Ilfov (lei RON)	Income (I)	828,9 6	2845,4 7	3154,0 5	3039,8 2	3121,5 5	3113,1 5	3327,4 6
	Expenditure(Ex)	725,1 9	2387,8 9	2621,6 4	2598,3 7	2657,5 7	2679,8 7	2817,5 4
	I-Ex	103,7 7	457,58	532,41	441,45	463,98	433,28	509,92
South-West (lei RON)	Income (I)	515,6 5	1960,3 9	2067,6 9	2134,1 3	2159,5 4	2251,5 6	2363,2 2
	Expenditure(Ex)	459,9 4	1723,1 8	1770,0 9	1834,1 6	1919,7 6	2007,8 9	2131,6 3
	I-Ex	55,71	237,21	297,6	299,97	239,78	243,67	231,59
West (lei RON)	Income (I)	598,0 5	2183,6 9	2427,4 2	2344,6 4	2541,9	2733,1 3	2702,6 9
	Expenditure(Ex)	553,7 0	1992,9 3	2185,0 1	2147,5 1	2374,3 5	2547,2 2	2512,4 3
	I-Ex	44,35	190,76	242,41	197,13	167,55	185,91	190,26

\* lei/person

Source: personal calculations based on the statistical data provided by <sup>\*\*\*</sup>, Tempo Online, Institutul Național de Statistică, [www.insse.ro](http://www.insse.ro), visited March 20, 2015



During times of crisis, the major problem, both for Romania and for the Union as a whole, is that of employment. Accordingly, even if not at the same level, the labour resources have decreased, i.e. the working-age population (aged 15-64). Table no.4 highlights the fact that after the accession, the number of immigrants was higher than that of the emigrants until the effects of the crisis began to be felt harder by the population. This situation can be explained through the sustained economic growth up until 2008, and afterwards, the crisis and measures adopted by the government in 2010 for the macroeconomic stability generated a massive emigration phenomenon.

Table no.4 Migration balance for Romania by age groups, 2007 - 2012 (number of persons)

Year Definitive external migration		2007	2008	2009	2010	2011	2012
Total	Emigrants	8830	8739	10211	7906	18307	18001
	Immigrants	9575	10030	8606	7059	15538	21684
Under 18	Emigrants	1003	1214	1316	1062	4746	4787
	Immigrants	1434	1451	1266	951	1396	1844
18–25 years old	Emigrants	1062	1107	1270	1074	3417	3715
	Immigrants	1002	1309	1266	975	3405	5236
26–40 years old	Emigrants	4979	4722	5351	3955	6155	5857
	Immigrants	3755	3878	3104	2382	6322	9099
41– 50 years old	Emigrants	982	974	1393	1156	2003	1921
	Immigrants	1880	1687	1399	1264	2320	2922
51– 60 years old	Emigrants	460	445	522	406	1188	1047
	Immigrants	1004	1142	977	878	1332	1839
61 and older	Emigrants	344	277	359	253	798	674
	Immigrants	500	563	594	609	763	744

Source: \*\*\*, Tempo Online, Institutul Național de Statistică, [www.INSSE.ro](http://www.INSSE.ro), visited March 20, 2015.

The liberalisation of movement increased the number of Romanian citizens who chose to go to work in the West, therefore their number was estimated at approximately 2-2.5 million in 2007, of which 1.1 million were thought to be in Italy and 800 thousand in Spain. If in the year 2000 the Romanian migrants' remittances were estimated at under \$ 100 million, in 2004 they had reached \$ 1.7 billion, in 2006 \$ 6.7 billion, and in 2008 \$ 9 billion (Murgescu 2010:473). This may also somehow explain the higher amounts saved by the households in Romania.

## Conclusions

Regionalisation in Romania is deeply rooted in history. The historical provinces that formed Romania shared close cultural and economic ties over time. Despite this, a series of important economic and, implicitly, social disparities remained. In Romania, we find the concern to reduce these disparities already after the Union of 1918. This concern was pursued further in communist times, but then, the way in which it was done was not based on sound economic criteria. The programme of labour force displacement from rural to urban areas was intensely supported, without offering the slightest prospect of optimism to the rural population, outside the ties with the cities. To all these issues, the existence of mono-industrial urban centres was also added.

Their different endowment with natural and human resources was not taken into account, neither were the relatively specific evolution frameworks (economic, technological, demographic, social, political, cultural), that had shaped their development throughout history. Thus, after 1989, when economy had to observe the principles of efficiency and optimality, malfunctions appeared to be ever greater and more difficult to repair.

Surely the EU wanted Romania to restructure itself economically, but the transition from a centralised economy to a market economy was not managed properly. A regionalisation process took place, but its implementation failed because of institutional reasons (the unclear status of the regions) and not only: regionalisation implies a very good cooperation between people, and this was seen by the population as a return to a centralised control of economic and social activities, like in communist times, although its implementation back then had been totally different. We may say that the attitude of the European Commission was quite shallow. The fact that Romania had a considerable tradition of economic centralism and totalitarianism was ignored.

Romania has great trouble absorbing the pre-accession funds, and acknowledging this would have jeopardized EU accession. Nonetheless, in 2007 Romania became a contributor to the EU budget, rather than its beneficiary.

The regional development policy should be a natural continuation of the economic growth/development policy. But the implementation did not lead to the expected results. The mono-industrial areas suffered greatly, amid the development of urban centres which brought economic benefits, but also more social discomfort. Basically, transmitting the beneficial effects from the growth poles (primary and/or secondary) to the periphery (rural area found at a greater distance from these centres) failed. One can also draw this from the economic situation of the population. From its income, the population at the beginning of the analysis period often failed to cover its consumption, and later the amounts saved were still quite small. Amid all this, a massive exodus of the population to Western countries is natural.

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