DECENTRALISATION AND REGIONAL DISPARITIES IN THE CONTEXT OF THE NEW COHESION POLICY

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The objectives of the research paper are in agreement with current strategic priorities – national and community ones. Also, the topics represent the core elements of national and regional debates regarding to importance of decentralization and to the role of regionalization in the current conditions under the incidence of the cohesion policy and globalization. The article intends to analyses synthetically the following aspects: a. the short review of the main models of regional decentralisation within the European Union; b. the main characteristics of the Europe 2020 Strategy; c. the analysis of economic and social disparities at regional level in Romania by making use of the method of the Gini Struck concentration coefficients.

Keywords: regionalisation, decentralization, Europe 2020, regional disparities

JEL Classification: R11, R12, F02

¹ This paper is part of the research work “Regional Development and Territorial Planning in the Context of the New Cohesion Policy (2014-2020)” developed within the NIER Priority Programme “Regional Development”. The study is realised by a team of researchers of the Institute of National Economy, coordinated by Ph.D. Daniela Antonescu.
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1. Introduction

The current context of the cohesion policy and of regional development determines a series of debates intended to bring to the fore in discussion the most important aspects facing the Member-States of the European Union: regionalisation, decentralisation, allocation of funds per new objectives of community development etc.

Within the European Union, there is an important trend of power transfer from the central level to the regional one, as the reformulation of measures and actions of regional policy and adapted to local needs. This trend is supported financially both inside the member-states (national and regional local resources), and also by the community funds with the purpose of reaching a reasonable level of economic and social convergence.

From the viewpoint of the regionalisation process, decentralisation is found under the current form of existing development and countries regions (administrative-territorial entities).

The region regarded as a homogenous territory represents an administrative structure which covers a geographic area with cultural, historical, language, economic and social traditions, and a core element of regional policy. Among the regions are social, economic, infrastructure, and natural potential differences which cause some discrepancies in the development level and need special measures for their diminution. The economic and social aspects transposed in regional policy objectives can be more or less successful depending on the decentralisation degree of competences (institutional, legislative, etc.) at spatial level.

The current paper is focused on both the way in which the idea of regionalisation is perceived in the current context of the Europe 2020 Strategy, and the analysis of regional disparities in Romania.

2. Methodological Aspects

In the paper two categories of approaches are presented:

- The first, theoretic-methodological one attempting to cover the main regionalisation models, concepts and forms of decentralisation in European Union, without ignoring the fact that they represent a political will, a sustainable process that has been recognized, transformed and adjusted to the conditions of certain time periods;
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- The second, the practical (applied) one focused on the level and evolution of economic and social disparities at regional level in Romania.

For a better substantiation of the research a mixed methodology was used, both quantitative and qualitative, of processing and interpreting the data and information.

The regional analyses are based on spatial statistic indicators grouped by main domains so as to be able to cover a wider range of economic and social activities: demography (total population – urban and rural); labour force (employees); economic potential; research-higher education; urban infrastructure, regional GDP per inhabitant.

The analysis of regional disparities is based on Gini/Struck coefficients method (frequently used in spatial planning.

The obtained results of research will contribute to:

- a better understanding of way in which decentralisation and regionalization are involved in convergence/divergence process;

- providing of a global image as regards the existence and evolution of regional disparities after Romania’s EU integration.

3. Theoretical and conceptual approaches

Recently, national patterns of economic-social development has been characterised by an intense process of powers’ transfer from the central government towards the local communities (top-down), in parallel with increasing the role and importance of the regional level.

This process was accompanied by so-called regionalism (bottom up/top down power transfer and regional autonomy) which expresses the need of the communities to be involved and assume some responsibilities in the management of their own issues. The emergence of a regional level with increased decision making represents the reaction against a continuing trend of centralisation of some states and nations.

Regionalisation represents an administrative reorganisation form initiated by the central government (the regions receive more competences). This formula is known as decentralisation, allowing local communities to manage their own resources.

Between regionalism and regionalisation there is a clear cut distinction triggered by the way in which decision is taken at regional level: while regionalisation
pursues the balanced development of the entire national territory by diminishing economic imbalances; regionalism presupposes the possibility of decisions making at the region’s level regarding regional interests and ascertaining the identity (culture, traditions).

By reducing control held by the central government, a form of regional governance and an increase of self-control on behalf of the local communities are obtained. The regional governance manages local resources, being focused on solving economic issues at local level and on the efficient use of own and attracted resources with the purpose of increasing the attractiveness of the area and sustainable development. By good governance several categories of gaps (economic, social, infrastructure etc.), could be diminished. Still, this governance cannot take place without a real decentralisation, that is meaning an effective transfer of power, resources or autonomy from the central level to the inferior governance.

The transfer of authority and responsibilities at the inferior level of governance determine the increase of efficiency by creating larger opportunities or by a better and rapid solving administrative issue with the purpose of satisfying regional/local interests for efficient use of financial resources in accordance with ex-ante priorities setting and needs.

At global level, the forms of decentralisation are the following:

- **Political decentralisation** presupposing political functions transfer from the responsibility of the central governments to the local entities;
- **Fiscal decentralisation** implying the transfer of fiscal policy elements (expenditures and incomes) from the central governments to the non-central ones;
- **Administrative decentralisation** presupposing the redistribution of authority, responsibilities and financial resources from the central government to the subordinated entities or sub-levels of the government, semi-autonomous public authorities or regional authorities. Which has the following three forms:

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1 Gorun Adrian quotes from “Statement on Regionalism in Europe of the Assembly of the Regions”, in the paper “Regional Politics, Decentralisation and Subsidiarity”, 2009.
a) *de-concentration* as the most diluted form of this decentralisation which presupposes the transfer of tasks to sub-national entities but does not refer to decision making;

b) *delegation* as a wider form in comparison with the de-concentration which presupposes the transfer of the decision-making authority from the national to the sub-national level;

c) *devolution* which takes place under the circumstances of the authority transfer to an autonomous entity that can decide independently or assumes the transfer of authority, financing and management to semi-autonomous entities of the regional government the members of which are elected by the citizens of the region.

The strongest form of decision transfer is represented by *federation* which implies a high level of autonomy in parallel with a close relationship between the central and the regional/local administration.

In context of globalization, regionalisation was regarded in a first stage as an opposed phenomenon in its manifestation. Recently, between globalisation and regionalisation occurs a certain interaction, both being a reaction of the changes shown at the level of the world economy, and both leading to the economic elimination of borders restrictions and the opening of markets, etc.

Regionalisation and regionalism are considered as answers of the society to the entire globalisation process. Further, regionalism gains new dimensions becoming multi-dimensional and more complex; new forms of regional cooperation emerge differently from the traditional ones – *the new regionalism*. A new form of regionalism emerged at the beginning of the eighties, based on the relationship between globalisation and regionalisation and displayed in a variety of regionalisation processes and trends. This new dimension undergoes permanent change, the trends being based on multidimensionality and the regional cooperation mechanisms.

### 4. Main Decentralisation Forms and Models within the European Union

Within the European Union regional development takes several forms determined by the political and administrative realities existing at a given moment this being considered as a decentralisation activity by which the regional power supplements and supports the state authority in a harmonious manner. Regional decentralisation
is related both to existing regions, to the administrative-territorial entities, and to the newly formed regions.

European Union Member-States have institutionalised the instruments of regional policy with the purpose of economic-social development and of diminishing territorial imbalances (supporting certain fields of activity, sustaining the areas in difficulty, diminishing existing gaps, etc.). It was found that by decentralisation a more efficient administration can be obtained for the resources at regional level, due to the fact that the involved institutions have better knowledge of the needs and interests within the regions.

At the European Union level the important trend of transferring power from the central to the regional level is more marked, the policies being reformulated and adjusted to the local needs. Rendered concrete in various projects of regional impact, the financial support is generated both from within the Member-States and by structural funds with the purpose of achieving economic and social convergence.

Regional decentralisation from the perspective of the regionalisation process is found again in the current form of existing regions (administrative-territorial entities) or of newly created regions. Thus, the emergence of regions represents a form of territorial organisation by decentralisation (transfer of some prerogatives of the state) in favour of the regions which receive a certain degree of administrative autonomy.

Within the European states, the emergence of regions was in accordance of certain political and administrative realities, the differences between them being given by the number of competences granted to the regional authorities, by the involved institutions, by the decentralisation degree. Hence, the following forms of regional decentralisation were identified (Annex 1).

Depending on the decentralisation degree, the following models of regions can be identified within the EU Member-States:

Model 1 - regions that have the capacity to promulgate primary legislation within the limits of their competences, these being guaranteed by the Constitutions or a federal agreement;

Model 2 – regions which have the power to promulgate primary legislation, but they are not guaranteed by Constitution or a federal agreement;

Model 3 - regions that have the power to promulgate laws in accordance with the framework established by the national legislation, guaranteed by Constitution;
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Model 4 - regions that have the power to adopt laws and/or other regional legislative documents in accordance with the framework established by the national legislation the existence of which is not guaranteed by the Constitution;

Model 5 - regions with decision power (without legislative power) the councils of which are elected directly by the population;

Model 6 - regions with decisional power (without legislative power) where the councils are established by the local authorities.

By analysing the presented decentralisation models we found that the difference between them is determined by the power of the central government (extended or more limited), the competences granted to the regions having direct impact on the way in which the regional policy is elaborated and implemented and on its objectives (infrastructure development, supporting the business environment, environmental protection, research, education, tourism development, etc.).

European Union decentralisation degree differs from one Member-State to another and sometimes even within the same state.

In the attempt to standardise the diversity of these forms of decentralisation of the state power and to ensure cohesion between Member States at the level of the European Union a territorial statistical system (Nomenclature of Territorial Units for Statistics – NUTS) was created. This system involves a common framework for collecting statistical data at regional level. Each Member State is divided into regions of NUTS 1 level, and thereafter each is sub-divided into regions of level 2 which is turned into level 3 regions.

The territorial statistical division goes into further detail reaching the lowest spatial level (Local Administrative Units 1 and 2).

The determination of the allocation criteria of Structural and Cohesion Funds is based on the statistical indicators computed at the NUTS 2 level, this being the regional level of the highest importance for the cohesion policy and regional development within the European Union.

5. The Role of Regional Policy within the Europe 2020 Strategy

The global crisis has generated economic difficulties and put pressure on the social cohesion Among the priority measures established by the European Commission with the purpose of diminishing the negative impact of the crisis we
find those trying to overcome the crisis and to provide for the opportunity of reaching the objectives established by the Strategy Europe 2020.

The measures taken so far by the governments of the Member States to end the crisis, were both fiscal and monetary policies, and aid to the financial or economic sectors, temporary support for economic recovery and of reinstating financial stability.

5.1. Priorities and Objectives of the Europe 2020 Strategy

The Europe 2020 Strategy for smart, sustainable and inclusive growth, adopted by the European Council expresses the assembly image of the market social economy for all Member States by taking into account their needs, and the national specific features for promoting growth. The major purpose of the Strategy is to reach a high level of employment and productivity.

The three priorities of the Strategy 2020 which interact, aim at:

• **Smart growth and an economy based on knowledge and innovation**
  by improving the education systems, increasing performance in research, promoting innovation, transposing innovative ideas into new products and services that generate growth and jobs, the elements of which must be correlated with the users’ needs and market opportunities.

• **Sustainable growth – promoting a more efficient economy from the viewpoint of using greener and more competitive resources**
  Sustainable development implies the development of new processes and technologies, including green technologies, intensifying the development of smart networks that make use of ITC by which to strengthen the competitive advantage of the business environment. The actions aim, also, to prevent environmental degradation, the loss in biodiversity and the inefficient use of resources.

• **Inclusive growth – an economy with a high rate of labour force employment, ensuring economic, social and territorial cohesion**
  The pursued aim is to ensure opportunities for all citizens promoting policies of a high rate of employment, by investing in developing competences, training systems, of social protection and the ones for poverty alleviation, ensuring the access to the advantages of economic growth for all regions of Europe, including the peripheral ones which might contribute to strengthening territorial cohesion.
5.2. Financial instruments

The achievement of the Europe 2020 Strategy objectives is based on mobilizing and strengthening the policies and instruments, i.e. *internal market, financial instruments and external economic agenda* the measures proposed being an integral part of the strategy.

**Re-launching the internal market** is a key to ensuring growth, and creating jobs, which implies political decision to take measures capable of doing away with market gaps that, were increased by the crisis.

**Mobilising financial resources** for investment projects needs finding the methods of combining public and private finance, and by identifying new instruments of financing by means of partnerships, which the European Investment Bank, of the European Investment Fund as well.

**External policy instruments** the use of which can stimulate growth in Europe is based on the participation in the open markets of the world, in particular through trade and by coordinating the international macroeconomic policy.

**Financial Allocations by ERDF, ESF, Cohesion Fund**

The financial support granted by means of the funds allocated from the EU budget is a basic instrument for implementing the regional policy.

The financing of European regions, in the period 2014-2020 by ERDF and ESF, depend on the development degree of the regions by taking into account the level of GDP/inhabitant: *less developed regions; transition regions; more developed regions*.

The financial framework for the period 2014-2020 provides for a budget corresponding to the Structural and Cohesion Funds of 376 billion Euros (from which 40 billion are dedicated to the “Connecting Europe” facility) which means about 37% from the European Union budget (1025 bill. Euros)\(^1\). The amount allotted to regional and social development by ERDF and ESF of 267.3 bill. Euros will be distributed to regions taking into account their development level: less developed regions (162.6 bill. Euro), more developed regions (53.1 bill. Euro), transition regions (39.0 bill. Euro), territorial cooperation (11.7 bill. Euro), and for ultra-peripheral and northern regions (0.9 bill. Euro). The distribution of

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\(^1\)Multiannual Budget of the EU for the period 2014-2020, Regional Centre North-Transylvania, http://europedirect.nord-vest.ro/detaliu;
the amounts from the budget allocated to the cohesion policy is presented in Figure 1.

Figure 5: Budget allocated to the cohesion policy post-2013 (in 2011 prices)

The new recommendations have the purpose of supporting implementation of Europe 2020 Strategy under conditions of increased efficiency and efficacy. To the Member-States of the EU recommendations are addressed in the context of supervising each country under the form of advice and which make reference to aspects with implications at macroeconomic level and of the public finances. The Country Specific Recommendations (EC) have as basis the existing economic situation of each analysed country and establish measures to be adopted for a wide range of fields: public finances, reform of the pension systems, creating jobs, combating unemployment, issues of education and innovation. The progresses recorded in the implementation reforms are considered but also the fields where imbalances are maintained, as well as the challenges that the respective countries must meet.


With the purpose of achieving the aimed objectives, the regional policy must consider the following aspects:

**Strengthening thematic concentration** – for ensuring the concentration of investments on priorities minimum allocations shall be established for a number of priority areas. In more developed areas, and in transition ones a higher share of the ERDF resources at national level must be allocated for energy efficiency and renewable energy sources, innovation, SME support, while in case of less developed regions the investment priorities must be distributed on a wider range, corresponding to their greater development needs, including energy efficiency and renewable energy, innovation and SME support (at least 50% from the ERDF resources).

**Strengthening territorial cohesion** – by the regional policies will emphasizing sustainable urban development for which a percentage of minimum 5% from the ERDF resources shall be allocated, aiming at urban development platform for strengthening the capacities and experience exchanges, as well as the list of cities that shall apply integrated actions for sustainable urban development.

The areas with specific natural or demographic characteristics shall benefit of special attention, just as the ultra-periphery and poorly populated regions for which is provided for an additional allocation from which 50% is dedicated to the actions contributing to diversifying and modernising the economies of these areas.

### 6. Regional Development in Romania

Regional development, by its main feature – sustainability – must take into account all natural, geographic, and economic factors that may contribute to obtaining a certain development level and to increasing general welfare. It is obvious that not all regions dispose of such conditions that promote long-term development an inventory thereof being of particular usefulness when the evaluation of the economic and social situation is intended for the regional level.

In the following we present the general aspects of the natural and economic potential of the development regions from Romania (planning, statistical regions NUTS 2).

#### 6.1. Main Aspects of the National Specifics

From a brief analysis of the most important characteristics of the national geographic area result a series of relevant aspects determined by the form,
continental position, distribution of the various land forms, population and nature of human dwellings, the presence of traditional links between different areas and regions, etc.

One of the main national characteristics is the diversity of natural framework, concentrically distributed, the proportionality of land forms, the important resources of the land and subsoil, the opening to the Black Sea, etc. The balanced distribution of natural-geographic potential on the entire territory should have a direct, significant and favorable impact on the national economy, but also on each of regions, as they complete one another. The major land forms have determined spatial and sectoral organisation of the country playing an essential role in formation and development of human dwellings.

Another characteristic is the one determined by the demographic dimension of the country which represents an important element in direct link to the level of human pressure on certain areas a fact that led to a specific approach correlated with distribution of natural resources and economic activities. The most recent demographic trends in Romania show a drastic decrease of population between the two censuses (20.1 million inhabitants in 2011, as compared with 21.6 million inhabitants at the census from 2002). This situation has direct impact on the calculation manner of some national and regional indicators (GDP/per capita, specific indicators of the labour force market, new school enrolment rates, specific indicators of the quality of life – population incomes and expenditures, indicators of the poverty risk). The age groups structure shows aging trend accompanied by marked migration phenomena (in particular migration of well-trained labour force).

The administrative-territorial organisation of Romania formed from villages, cities and counties has put its fingerprint on the national specifics. In these administrative-territorial units an important role is played by the local autonomy with help of local public administration authorities. Thus, the basic administrative-territorial unit is represented by the county. The 42 counties\(^1\) of the country – Bucharest municipality being a separate administrative area – are grouped in

\(^1\) *The most populated counties (stable population) are: Bucharest (1,883 million inhabitants), Iași (772,300 inhabitants), Prahova (762,900 inhabitants), Cluj (691,100 inhabitants), Constanta (684,100 inhabitants), Timis (683,500 inhabitants) and Dolj (660,500 inhabitants). At the opposite pole, the counties with the lowest stable population are: Covasna (210,200 inhabitants), Tulcea (213,100 inhabitants), Salaj (224,400 inhabitants), Mehedinți (265,400 inhabitants), Ialomita (274,100 inhabitants) and Giurgiu (281,400 inhabitants).*
eight development regions, in accordance with the modern European principles of territorial administration. The urbanisation degree of the country presents a low trend of increase (54.9% in 2011 as compared with 54.3% on July 1st 1990 – an increase of only 0.3% in 20 years).

The size and nature of discrepancies between various areas represents a general feature of a country. There are demographic disparities between areas from the north-eastern part of country (with high birth-rates) and the southern and south-western ones (with low rates) but also important migratory phenomena present in areas with a low development level. After Romania’s EU accession more marked development differences between our country and the other Member-States in respect to the economic performances’ level. The differences existing before the accession became more marked in the post-accession period, in particular at intra-regional level.

6.2. Relevant aspects of the regional specifics

In Romania, the regionalisation process started together with the European Union accession, as the regions were not created as outcome of a process with historical origins (as the case of some EU Member-States). The main criterion at the basis of emergence of these regions was the functional-economic one, as they are called statistical, programming, planning and implementation regions for regional development and cohesion policy1.

From the regional analysis of main economic and social aspects the following considerations can be detached that might be considered:

- Demographic aspects

At national level, total population registered an emphasized decrease in the last years, with a growth rate of -0.2% (in the period 2005-2011). Most of the regions registered decreases in population except the Bucharest-Ilfov region (an increase of 2.5%) (Annex 2).

Urban population at national level represents 55% from total population with a very low increasing trend (0.3%). The urbanizations degree differs significantly when the region Bucharest-Ilfov is taken into account which registers a level of 92% (year 2011), and against the South region with a percentage of 42%.

By analyzing the age groups at regional level: the majority of regions show an aging trend, close to the one recorded at national level, save for the regions

1 In Romania, there are eight NUTS 2 regions, and 42 NUTS 3 regions.
North-East and Bucharest-Ilfov. In the North-East region there is a difference against the national trend recorded for the age groups 0-24 years of age (32% against 29% at national level) and 25-69 years of age (57% against 60%). At the same time, the region Bucharest-Ilfov presents a smaller share of the age groups 0-24 years of age (25% against 29%), compensated by a higher share of the age groups 25-29 years of age (65% against 60%).

The birth-rate recorded a decreasing trend at national level of 9.9 live-births per 1000 inhabitants. The regions with higher values of the birth rate are North-East, North-West and Bucharest-Ilfov. The mortality rate, had an average national of 12.1 deceased to1000 inhabitants, the regions with above average values being South, South-West and West. The demographic natural increase given by the difference between the two rates is negative -2.2 to1000 inhabitants, which means a decrease of the population at national level, with a more marked diminishment of the population in the regions South-West, and South, but also in North-West, Centre, North-East, and West (moderate decrease). The only region with a population increase due to the natural increase is the region Bucharest-Ilfov (0.1 to 1000 inhabitants).

Another important demographic phenomenon is the migratory movement of population by changing the residence. This indicator recorded a relative stabilisation for the last years with a slight increasing trend from (1.3% to 2.1%). Most changes of residence (with leaving the region) took place in the regions North-East and South, while a high number of entries were reported in the regions Bucharest-Ilfov and South-West.

- **Labour force**

  In the period 1990-2010, the active population at national level registered a constant decreasing trend from 87% in the year 1990 to about 50.6% in the year 2011. At regional level we found:
  - the group of regions with a moderate decrease of activity rate: regions from West and Centre;
  - the group of regions with a marked decrease of activity rate: regions from East and South.

  Bucharest-Ilfov region is a particular case, as the activity rate reached 86.85% (in 2011).

  With respect to the employment rate, it reaches about 40.6% (at national level) the situation at regional level being comparable with the one of the activity rate
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(region from West and Centre are above the national average, while the rest are under this average).

The dynamics of employed population by sectors of activity show a decrease of employed population in industry and agriculture in parallel with increase of employed population in services.

The more marked decrease of industry’s weight in regions Bucharest-Ilfov, Centre and North-East, of agriculture and extractive industry in West and North-West regions, in parallel with increase in weight of services in West and Centre regions.

In the year 2011 there is a comparable structure of employed population in South-East, South, North-East and South-West regions, and another comparable one in the other development regions. The South and North-East regions due to the important agricultural profile hold a superior weight of employed population against the national average. The Bucharest-Ilfov region has a very high weight of employed population in services.

In 2011 the unemployment rate was about 7.9%, with differences from one region to the other. The more developed regions from the economic viewpoint (Bucharest-Ilfov, West and North-West had a lower unemployment as compared with the national average), while the rest of the regions were above the average. During the crisis the most affected regions by unemployment were the less developed ones, respectively North-East, South, and South-Vest.

In 2011, the total number of employees at national level was of 4349 thousand persons on decrease against the previous year (-0.6%). At regional level is noticed a decrease in the number of employees for all regions, except the region Bucharest-Ilfov where a constant increase can be found for the last period.

- Economy

By analysing the Gross Domestic Product per inhabitant for the period 2007-2010 it results that the most developed region is Bucharest-Ilfov with a GDP/per capita of 27.100 Euro/inhabitant (PPS) followed at great distance by West region with a GDP/per capita of 12.900 Euro/inhabitant (PPS. The last place is held by the region North-East with a GDP per capita of only 7.000 Euro/inhabitant (PPS).

The indicator development shows a decreasing trend for the year 2009 and thereafter a slight turnaround can be noted but without reaching the value from before the crisis’ outbreak. The only region which maintained its values is South-Muntenia (Table 1).
Table 1: Gross domestic product per capita (PPS) in Romania, at regional level (NUTS 2) (Euro per capita)

<table>
<thead>
<tr>
<th>Region</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>North-West</td>
<td>10,000</td>
<td>10,500</td>
<td>10,700</td>
<td>10,200</td>
<td>10,500</td>
</tr>
<tr>
<td>Centre</td>
<td>10,500</td>
<td>11,100</td>
<td>10,700</td>
<td>10,900</td>
<td>11,400</td>
</tr>
<tr>
<td>North-East</td>
<td>6,600</td>
<td>7,200</td>
<td>6,900</td>
<td>7,000</td>
<td>7,200</td>
</tr>
<tr>
<td>South-East</td>
<td>8,400</td>
<td>9,400</td>
<td>8,900</td>
<td>9,400</td>
<td>9,900</td>
</tr>
<tr>
<td>South Muntenia</td>
<td>8,500</td>
<td>9,700</td>
<td>9,500</td>
<td>9,500</td>
<td>10,000</td>
</tr>
<tr>
<td>Bucharest-Ilfov</td>
<td>23,000</td>
<td>29,200</td>
<td>26,200</td>
<td>27,100</td>
<td>30,700</td>
</tr>
<tr>
<td>South-West Oltenia</td>
<td>8,100</td>
<td>8,700</td>
<td>8,400</td>
<td>8,800</td>
<td>9,300</td>
</tr>
<tr>
<td>West</td>
<td>12,000</td>
<td>12,800</td>
<td>12,200</td>
<td>12,900</td>
<td>13,500</td>
</tr>
</tbody>
</table>

Source: Eurostat

- **Foreign investments**

At the end of 2012, the volume of foreign direct investments in Romania reached 59.12 billion euros, up with 7.2% from the 2011. The FDI distribution by the eight development regions offers information about the high disparities for the regional development, but from a profitability point of view, there is a process of „congregation“, because the foreign investors prefer an already developed location.

At regional level about 61.7% from total investments are reported for Bucharest-Ilfov region followed at a great distance by South (7.36%), Centre (7.64%), and West regions (7.23%). From the data presented by the National Bank, six from the eight regions recorded increases, while South-East and South-West regions decreases took place for the volume of foreign investments (Figure 2).

*Figure 6: Evolution of foreign investments at regional level in the period 2003-2012 (Mil. Euro)*

[Graph showing the evolution of FDI at regional level in Romania from 2003 to 2012]

*Source: Data processing from the Reports of the National Bank, 2004-2012*
The main attractive fields for the foreign investors were: manufacturing industry (28.6%), trade (19.6%) and constructions – real estate transactions (14.7%).

The existing obstacles, at regional level, are referring to: basic infrastructure, a less friendly political and administrative environment, and poor quality of the business environment. But, in the sometime, in Romania there are a lot of advantages for the foreign investors, we can mention: the economic and political environment stability, big market, qualified and relative cheap labor force, natural resources, bilateral agreements with other states concerning the mutual promotion and the protection of the investments.

- **Regional clusters**

An important objective of the regional policy is represented by supporting concentration of companies between which are established various collaboration relationships. Known also under the denomination of clusters or competitiveness poles, these concentrations bring along value added and attractiveness to the area in which they are placed.

The models of clusters existing at community level are determined by the way in which these are promoted by local or central public authorities. Also, these companies enjoy high support from the European Union by Structural Funds dedicated to cohesion and regional development.

Romania took over the French cluster model, even the one from Italy or Austria was regarded as more suitable (Annex 3).

Most clusters are locate in the Centre region (11), followed by the Bucharest-Ilfov region (5). In the North-East, North-West, West, South-East and South-West regions there are four clusters in each, and in the region South there are only three. From among the 11 clusters from the Centre region, six are localised in Sfantu Gheorghe (Covasna).

The main fields covered by the Romanian clusters are: renewable energy (seven clusters), tourism (five), automobiles, wood industry, ITC, agricultural and foods (three), aviation, electric + electronics, creative industries.

Most clusters are found in the field of renewable energy (three in North-West, two in Centre, one in West and one in South-East).

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1 Three successful systems can be regarded as reference: the French (centralized) model, the German (complex, combining flexible support schemes at central and regional level) model, and the Swedish one (represents the successful use of the theoretic model “triple-helix”: industry-research-authorities”).
Due to the regional policy and allocated Community funds, during the last years, in Romania concentrations and networks of companies began to be shaped out at regional level, which establish various collaboration relationships between them and which can contribute to local development. As can be noticed, these clusters are based more on the existence of some important local resources (primary processing) and less on putting to good use the regional innovative potential.

6.3. Analysis of Development Disparities at Regional Level

The analysis of regional disparities in Romania was realised with the help of the Gini concentration coefficients, by presenting the main recorded trends in the general level of regional development on fields of activity (demography, labour force, infrastructure, etc.). The formula of the Gini coefficient is the classic one (root from the sum of squares of territorial units’ weights). The maximum level of the coefficient is 1. In the Gini-Struck variant, the concentration coefficient is positioned between 0 and 1 and thus, it results. Each of the coefficients mentioned indicates an increasing concentration as they approach as the superior limit level, which is 1.

The values of coefficients are presented for the regional level, by comparison between the years 2008 and 2011. The interpretation of the results is given by the following limits: a value of the Gini coefficient less than 0.3 presupposes the existence of a low regional concentration; values between 0.3-0.5 imply an average concentration and over 0.5 increased concentration.

Concentration of the Gross Domestic Product per capita

Up to 2000, the concentration of economic performances at regional level (GDP/per capita) was a modest one (0.1). In reported period, we found an increase of the concentration of regional performances in the year 2008, when the value of the Gini coefficient reaches 0.22.

After 2009, the regional GDP/per capita had a relative slight decrease this trend until 2011, when it started to growth up. The reasons for decrease in regional concentration of economic performances are directly linked to the crisis outbreak, but can also be related on the lack in accessing funds intended for economic and social cohesion and granted to Romania by the European Union (Figure 3).

---

1 In France, regional policy supports the improvement of the innovative potential of the country by concentrating all public efforts for the excellence centres in order to create welfare and new jobs. In Germany, the main objectives of these German competence networks are the following: networking of research and industry, innovation and technological transfer (also inter-thematic), training and professional skills, quality and benchmarking (comparative analysis). In Sweden, the regions develop their own cluster strategy and the corresponding measures, an approach that could be described as “bottom-up”. The Swedish example showcases a combination between the two models.
In 2011, there was a slight increase in the concentration of regional GDP because the Bucharest-Illfov knows an important detachment from other regions, especially in terms of foreign direct investment.

Figure 7: GDP per capita – evolution of Gini/Struck coefficients la regional level, in period 2002-2011

Source: Own processing based on data from the Statistical Yearbook of Romania 2008-2012, Annex 4

Demographic concentration

There is no significant regional demographic concentration, the values of the Gini coefficient for the two analysed years being of 0.11. Yet, a certain decreasing trend can be debated regarding the concentration in rural areas corresponding to development regions, in parallel with an increase of concentration in urban areas (Annex 5).

Labour force concentration

A regional concentration trend cannot be seen regarding the total employed population, the value of the coefficient being of about 0.11 during the analysed period. Close values are recorded for the indicator employed population in industry and constructions. Regarding the population employed in agriculture, the values of the coefficient present an important concentration, with an increasing trend. The low values, but still on increase, present also the concentration of employed population in the services’ sector (Annex 5).

Companies’ concentration

The Gini coefficients’ value for the total number of active companies shows that, in 2011, there were an average concentration at county level (0.370) and a low concentration at regional level (0.198). There is an average concentration at regional level, but on decrease of the SMEs with a number of 10 to 49 employees (0.391) and with 50 to 249 employees (0.201). It’s found an increase of economic performances concentration for active companies (turnover), the highest concentrations being registered in the commercial services sector (0.452) (Annex 5).
Concentration of local budgets and of regional infrastructure

The size of the local budget is of particular importance in the process of accessing structural funds intended for regional development. An increase is found in the concentration of local incomes and expenditures in the year 2011 as compared with the year 2008, the values of the coefficients being close to the threshold of the average level (Annex 5).

Concentration of regional infrastructure

For most of the analysed indicators of regional infrastructure it was found a trend of concentration decrease. The single regional aspect with a higher and increasing concentration is represented by the distributed drinkable water volume (0.469) (Annex 5).

As result of the performed analyses no large disparities were identified between the regions, the majority of the values reached by the Gini coefficient being within the limit of 0.3 in the last two years taken into account there can’t be considered an actual impact of the funds intended for economic and social cohesion (especially structural funds). In the year 2008 European funds were not at all accessed by ROP, and in the year 2011 the absorption rate was around the value of 9%, still the obtained effects are still expected.

6.4. Analysis at sub-regional level

At sub-regional level (county) the concentration coefficients were computed for two situations: with and without Bucharest municipality. As a general trend it can be noticed an increasing trend of concentration at sub-regional level, the disparities between regions being relatively high when in the analysis is included the Bucharest municipality (Figure 4, Figure 5).

Figure 8: Evolution of the Gini coefficient at sub-regional level in the period 2000-2012 (with Bucharest municipality)

Source: Own processing based on data from the Statistical Yearbook of Romania, 2000-2012
7. Conclusions

At European Union level a dynamic transfer process can be found for some components of the central power to regional/local level, in parallel with the reformulation of territorial policies and their direction towards satisfying local needs. This process takes place, especially, in countries that had in the past a high centralization degree for decisions and actions at central level.

Regarded as instruments of efficient allocation rendering and spending of resources, regionalisation and, implicitly, decentralisation can lead to the emergence of some advantages for the regions and, also, to eliminating some existing discrepancies, ensuring a sustainable process of economic and social cohesion.

The EU regionalisation takes various forms depending on the political and administrative realities, being the outcome of a decentralisation process where the particularities of the way in which power is distributed is combined with elements of the state’s territory, with the tradition and its historical evolution, thus meeting the EU requirements about the existence of an administrative level immediately inferior to the national one, but above the local one. Regional decentralisation, effect of the regionalisation process is related to the existing regions, administrative-territorial units, or to the newly constituted regions.

After the EU enlargement, with the purpose of standardising regionalisation process is order to reach the strategic community objectives – social cohesion and economic convergence – a regionalisation model is proposed based on the
number of inhabitants criterion, and this facts leads to appearance of NUTS-type regions (Nomenclature of Territorial Units for Statistics) within the Member-States (old and new). Territorial statistics related to this system presents progress made by regions and Member-States in respect to diminishing economic and social discrepancies between them.

In Romania, as well, after European Union accession were established eight statistical NUTS 2 regions, formed by association of several counties with the purpose of implementing regional and cohesion policy.

Romania’s regional policy has established as main objective the diminishment of disparities between the eight regions, but also between them and those of the European Union.

The analyses on the evolution of regional disparities in Romania have shown an increasing trend, in particular for economic fields, triggered on one hand by the low impact of accessed funds from the European Union and, on the other hand, by a series of external or internal factors (the financial crisis, elements of domestic politics, etc.). Seven of the eight development regions of Romania are still placed on the last positions with respect to the value of GDP/per capita, the only region considered as developed being Bucharest-Ilfov.

The new architecture of the EU regional policy gives priority to the poor regions, the support being differentiated depending on the development degree (GDP/per capita). Thus, a larger part of the Community’s budget resources will be invested in the less developed countries (GDP/per capita under 75% from the EU average). In parallel, an investments sustained support shall be ensured also for the developed regions of the European Union.

By effective and efficient support the cohesion and regional development policy can bring important contributions to reaching the Community’s strategic objectives established by the Europe 2020 Strategy.
## Annex 1: The main forms of regional decentralisation in European Union

<table>
<thead>
<tr>
<th>Form of Decentralisation</th>
<th>Features</th>
</tr>
</thead>
</table>
| Decentralization by deconcentration (administrative regionalization) | • a mild form of decentralization by deconcentration, shown in the unitary states;  
• the authorities within territory manage certain tasks submitted by the central Government (deconcentrated) to stimulate local communities aimed at economic development. |
| Medium administrative decentralization (delegation, regionalization based on cooperation among local collectivities) | • a limited form of regionalisation, referring to resources, competences, institutions; a form of cooperation among the territorial collectivities;  
• involves the effective transfer of powers from central Government to regions;  
• the institutions established on the basis of cooperation of local communities seek to protect the rights and autonomy of collectivities. |
| Regional decentralization                                   | • an advanced form of administrative decentralization, with medium economic and fiscal decentralization, involving the transformation of administrative organization of the territory by formation of new administrative-territorial categories, superior to the existing ones (the region being part of the constitutional order of the unitary State), with regional development competences;  
• the region has an institutional specific, as confirmed by the Constitution; does not have legislative autonomy, but does have fiscal autonomy, differing from one case to another;  
• there is a Council that administers the region, which is elected by universal suffrage;  
• the regions do not have legislative power, but they have administrative powers, focused on regional development and in areas of economic and social life. |
| Political regionalization or regional autonomy (institutional regionalism) | • it assumes the political decentralization;  
• regional powers are guaranteed by the Constitution of the unitary State;  
• there is an executive, similar to a regional government and a legislative – Regional Council;  
• affects the structure of the State, changing the Constitution. |
Federalism or high decentralization

Features:
- it works on the principle of guaranteeing the autonomy of the component structures;
- it adopts the primary legislation guaranteed by the Constitution or by a federal agreement;
- it meets the best as functionality and stability for the complexity of European governance;
- the establishment of the federal State shall be made by the union of state-political entities (regions, in this case, are states) which have regional and ethnic peculiarities.


<table>
<thead>
<tr>
<th>Region</th>
<th>Total population</th>
<th>Urban</th>
<th>Rural</th>
<th>Total employees</th>
<th>Agriculture &amp; Silviculture</th>
<th>Services</th>
<th>Industry &amp; Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>North-East</td>
<td>3695631</td>
<td>1587203</td>
<td>2109628</td>
<td>1731</td>
<td>846</td>
<td>569</td>
<td>316</td>
</tr>
<tr>
<td>South-East</td>
<td>2794337</td>
<td>1356957</td>
<td>1258280</td>
<td>1106</td>
<td>531</td>
<td>497</td>
<td>396</td>
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<tr>
<td>South-West</td>
<td>3243268</td>
<td>1342035</td>
<td>1901233</td>
<td>1306</td>
<td>390</td>
<td>524</td>
<td>392</td>
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<tr>
<td>Transylvania</td>
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<td>1086281</td>
<td>1168627</td>
<td>1024</td>
<td>488</td>
<td>353</td>
<td>183</td>
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<tr>
<td>Vest</td>
<td>1910469</td>
<td>1910469</td>
<td>811</td>
<td>141</td>
<td>670</td>
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<td>North-West</td>
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<td>1270839</td>
<td>1164</td>
<td>297</td>
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<tr>
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<td>1491569</td>
<td>1028971</td>
<td>938</td>
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<td>477</td>
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<tr>
<td>Bucharest</td>
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<td>189592</td>
<td>1058</td>
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<td>627</td>
<td>220</td>
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<tr>
<td>Romania</td>
<td>21.354.396,0</td>
<td>10529557</td>
<td>10824639</td>
<td>9138</td>
<td>2612</td>
<td>4429</td>
<td>2097</td>
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</tbody>
</table>

Source: Romanian Statistical Yearbook, 2012, NIS, Bucharest

Annex 3: Clusters at regional level

<table>
<thead>
<tr>
<th>Nr. crt.</th>
<th>Name of cluster</th>
<th>Field of activity</th>
<th>Town</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AUTOMOTIVE/VEST Regional Cluster</td>
<td>Automobiles</td>
<td>Timișoara</td>
<td>West</td>
</tr>
<tr>
<td>2</td>
<td>ICT Regional Cluster</td>
<td>TIC</td>
<td>Timișoara</td>
<td>West</td>
</tr>
<tr>
<td>3</td>
<td>Dacia Renault Competitiveness Pole</td>
<td>Automobiles</td>
<td>Pitești</td>
<td>South</td>
</tr>
<tr>
<td>4</td>
<td>PRO-WOOD industry Competitiveness Pole</td>
<td>Wood industry</td>
<td>Sfântu Gheorghe</td>
<td>Centre</td>
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<tr>
<td>5</td>
<td>Green energy biomass cluster</td>
<td>Renewable energy</td>
<td>Sfântu Gheorghe</td>
<td>Centre</td>
</tr>
<tr>
<td>6</td>
<td>Transilvania Furniture Cluster</td>
<td>Wood industry</td>
<td>Târgu Mureș</td>
<td>Centre</td>
</tr>
<tr>
<td>7</td>
<td>Transilvania Aerospace Cluster</td>
<td>Aero-spatial</td>
<td>Brașov</td>
<td>Centre</td>
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<tr>
<td>8</td>
<td>Electroprecizia</td>
<td>Mechatronics</td>
<td>Săcele Brașov</td>
<td>Centre</td>
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</tbody>
</table>
Decentralisation and regional disparities in the context of the New Cohesion Policy

<table>
<thead>
<tr>
<th>Nr.crt.</th>
<th>Name of cluster</th>
<th>Field of activity</th>
<th>Town</th>
<th>Region</th>
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</thead>
<tbody>
<tr>
<td>9</td>
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<td>Alba Iulia</td>
<td>Center</td>
</tr>
<tr>
<td>10</td>
<td>REGIOFA Cluster</td>
<td>Wood processing</td>
<td>Odorheiul Secuiesc</td>
<td>Center</td>
</tr>
<tr>
<td>11</td>
<td>Transylvania Textile &amp; Fashion Cluster</td>
<td>Textiles</td>
<td>Sfântu Gheorghe</td>
<td>Center</td>
</tr>
<tr>
<td>12</td>
<td>Innovative Regional Cluster Packaging-Printing-Design</td>
<td>Office consumables</td>
<td>Sfântu Gheorghe</td>
<td>Center</td>
</tr>
<tr>
<td>13</td>
<td>TURINN Cluster</td>
<td>Sustainable and innovative tourism</td>
<td>Drobeta Turnu Severin</td>
<td>South-West</td>
</tr>
<tr>
<td>14</td>
<td>Agro-Food regional Cluster</td>
<td>Agro-Food</td>
<td>Drobeta Turnu Severin</td>
<td>South</td>
</tr>
<tr>
<td>15</td>
<td>ICT–Regional Competitiveness Pole</td>
<td>ITC</td>
<td>Craiova</td>
<td>South</td>
</tr>
<tr>
<td>16</td>
<td>Turism Oltenia Center</td>
<td>Tourism</td>
<td>Craiova</td>
<td>South</td>
</tr>
<tr>
<td>17</td>
<td>Automotive Sud Vest Oltenia Pole</td>
<td>Automobile</td>
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<td>South</td>
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<td>18</td>
<td>ASTRICO Textiles Cluster</td>
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<td>Săvineşti</td>
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<tr>
<td>19</td>
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<td>Suceava</td>
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<td>Creative Industries Pole</td>
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<td>Iaşi</td>
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<td>21</td>
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<td>IT Media</td>
<td>Iaşi</td>
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<td>22</td>
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<td>ELINCLUS Innovative Cluster</td>
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<td>Bucharest-Ilfiov</td>
</tr>
<tr>
<td>24</td>
<td>Romanian Textile Concept Cluster</td>
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<td>Bucureşti</td>
<td>Bucharest-Ilfiov</td>
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<td>Bucureşti</td>
<td>Bucharest-Ilfiov</td>
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<td>26</td>
<td>Romanian Aerospace Cluster</td>
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<td>Bucureşti</td>
<td>Bucharest-Ilfiov</td>
</tr>
<tr>
<td>27</td>
<td>Romanian Water Cluster</td>
<td>Hydropower</td>
<td>Cluj Napoca</td>
<td>North-West</td>
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<tr>
<td>28</td>
<td>TREC Transnational Renewable Energies Cluster</td>
<td>Renewable energy</td>
<td>Cluj</td>
<td>North-West</td>
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<td>Cluster Traditions Manufacture Future</td>
<td>Textiles</td>
<td>Focşani</td>
<td>South-East</td>
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<td>30</td>
<td>Geothermal Cluster Renewable energies</td>
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<td>Oradea</td>
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<td>MARITIME CLUSTER</td>
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<td>Constanţa</td>
<td>South-East</td>
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<td>ROSENC CLUSTER</td>
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<td>Timişoara</td>
<td>East</td>
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<td>33</td>
<td>Electrical Engineering Pole</td>
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<td>Bucureşti</td>
<td>Bucharest-Ilfiov</td>
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<td>34</td>
<td>AGRO FOOD Regional</td>
<td>Agro-food</td>
<td>Sfântu Gheorghe</td>
<td>Center</td>
</tr>
<tr>
<td>Nr. crt.</td>
<td>Name of cluster</td>
<td>Field of activity</td>
<td>Town</td>
<td>Region</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------------</td>
<td>------------------------------------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td>35</td>
<td>Clusterul Ecoturistic</td>
<td>Eco-tourism</td>
<td>Sfântu Gheorghe</td>
<td>Center</td>
</tr>
<tr>
<td>36</td>
<td>CLUSTER MOBILIER TRANSILVAN</td>
<td>Furnitures</td>
<td>Cluj-Napoca</td>
<td>North-West</td>
</tr>
<tr>
<td>37</td>
<td>MedGreen Pole</td>
<td>Electricity from renewable resources</td>
<td>Constanța</td>
<td>South-East</td>
</tr>
</tbody>
</table>


### Annex 4: Evolution of Total Regional Gross Domestic Product, in period 1995-2010 (thous. Lei, current prices)

<table>
<thead>
<tr>
<th>Year</th>
<th>North-East</th>
<th>South-East</th>
<th>South-West</th>
<th>West</th>
<th>North-West</th>
<th>Center</th>
<th>București</th>
<th>Romania</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>961,48</td>
<td>629,25</td>
<td>74,999</td>
<td>273,97</td>
<td>189,99</td>
<td>197,54</td>
<td>187,617</td>
<td>853,155</td>
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<tr>
<td>2004</td>
<td>984,91</td>
<td>659,73</td>
<td>78,567</td>
<td>286,17</td>
<td>195,98</td>
<td>203,54</td>
<td>200,731</td>
<td>912,208</td>
</tr>
<tr>
<td>2006</td>
<td>981,35</td>
<td>669,31</td>
<td>79,362</td>
<td>298,26</td>
<td>201,49</td>
<td>209,10</td>
<td>215,071</td>
<td>1,000,36</td>
</tr>
<tr>
<td>2007</td>
<td>982,01</td>
<td>679,70</td>
<td>80,156</td>
<td>308,30</td>
<td>207,02</td>
<td>214,99</td>
<td>229,967</td>
<td>1,260,73</td>
</tr>
<tr>
<td>2009</td>
<td>983,20</td>
<td>690,63</td>
<td>80,952</td>
<td>318,34</td>
<td>212,59</td>
<td>220,92</td>
<td>245,963</td>
<td>1,502,10</td>
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<tr>
<td>2010</td>
<td>984,40</td>
<td>701,67</td>
<td>81,749</td>
<td>328,35</td>
<td>218,14</td>
<td>227,35</td>
<td>262,669</td>
<td>1,734,19</td>
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<tr>
<td>2011</td>
<td>985,60</td>
<td>712,72</td>
<td>82,546</td>
<td>338,37</td>
<td>223,67</td>
<td>233,86</td>
<td>279,977</td>
<td>1,966,19</td>
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</tbody>
</table>

**Source:** Own processing based on data from the Statistical Yearbook of Romania, 2000-2013

### Annex 5: Evolution of Gini coefficients at regional level, in period 2008-2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Total population</th>
<th>Urban</th>
<th>Rural</th>
<th>Total employed population</th>
<th>Employed population in agriculture</th>
<th>Employed population in industry and construction</th>
<th>Employed population in services</th>
<th>Total employees</th>
<th>Total number of active companies in industry, construction, trade and other services</th>
<th>Dependent on the number of employees, SME with 0-9 employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>0,106</td>
<td>0,098</td>
<td>0,244</td>
<td>0,114</td>
<td>0,342</td>
<td>0,104</td>
<td>0,139</td>
<td>0,134</td>
<td>0,190</td>
<td>0,192</td>
</tr>
<tr>
<td>2011</td>
<td>0,106</td>
<td>0,099</td>
<td>0,220</td>
<td>0,119</td>
<td>0,368</td>
<td>0,124</td>
<td>0,230</td>
<td>0,143</td>
<td>0,198</td>
<td>0,201</td>
</tr>
</tbody>
</table>

**The trend recorded:**
- Low concentration, constant evolution
- Low concentration, growth trend
- Low concentration, reduction trend
- Low concentration, relative growth trend
- Medium concentration, slow growth trend
- Low concentration, relative growth trend
- Low concentration, growth trend and accentuated
- Low concentration, growth trend
- Low concentration, slow growth trend
### Decentralisation and regional disparities in the context of the New Cohesion Policy

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2011</th>
<th>The trend recorded</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-49 employees</td>
<td>0.490</td>
<td>0.176</td>
<td>High concentration in accentuated decrease</td>
</tr>
<tr>
<td>50 - 249 employees</td>
<td>0.346</td>
<td>0.201</td>
<td>High concentration in accentuated decrease</td>
</tr>
<tr>
<td>Over 250</td>
<td>0.189</td>
<td>0.217</td>
<td>Low concentration, but in slow growth</td>
</tr>
<tr>
<td>Local active companies employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in industry, construction, trade</td>
<td>0.175</td>
<td>0.195</td>
<td>Low concentration, growth trend</td>
</tr>
<tr>
<td>and other services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turnover of active companies</td>
<td>0.361</td>
<td>0.358</td>
<td>Medium concentration, in reduction</td>
</tr>
<tr>
<td>in industry, construction, trade</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and other services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turnover in manufacturing</td>
<td>0.193</td>
<td>0.202</td>
<td>Low concentration, in slow growth</td>
</tr>
<tr>
<td>Turnover in trade services</td>
<td>0.428</td>
<td>0.452</td>
<td>Medium to high concentration in growth</td>
</tr>
<tr>
<td>Simple length of distribution</td>
<td>0.228</td>
<td>0.288</td>
<td>Relative medium concentration, in growth</td>
</tr>
<tr>
<td>pipes of natural gas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Localities provided with thermal</td>
<td>0.223</td>
<td>0.214</td>
<td>Low concentration, reduction trend</td>
</tr>
<tr>
<td>energy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Railways</td>
<td>0.187</td>
<td>0.255</td>
<td>Low concentration, growth trend</td>
</tr>
<tr>
<td>Public roads length (Km)</td>
<td>0.185</td>
<td>0.225</td>
<td>Low concentration, growth trend</td>
</tr>
<tr>
<td>Local budgets income</td>
<td>0.116</td>
<td>0.117</td>
<td>Low concentration, constant evolution</td>
</tr>
<tr>
<td>Local budgets expenditures</td>
<td>0.117</td>
<td>0.177</td>
<td>Low concentration, slow growth trend</td>
</tr>
</tbody>
</table>

**Source:** Own processing based on data from the Statistical Yearbook of Romania 2008-2012

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