

THE ADVANTAGES OF REGIONALIZATION BY TRANSFORMING THE CURRENT TERRITORIAL ECONOMIC AND STATISTICAL STRUCTURES INTO ADMINISTRATIVE STRUCTURES¹

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Abstract

According to the EU standards on statistics and administrative units, it is recommended that the Member States should develop relatively homogeneous territorial structures in terms of their size or the number of inhabitants, and "increasing", from small-sized regional structures to structures with a few million people.

Considering the above-mentioned, the paper presents a brief description of the evolution of territorial-administrative organization of Romania, with the emphasis on the current existing regional structures. An extensive presentation of the pro and cons of transforming the current development regions from relatively limited instruments of implementing the regional policy, lacking legal status and effective levers, into real, de jure administrative units, adequately empowered to implement effectively the cohesion policy and make proper use of the European, national and local funding (public and private) is also done.

Finally, a possible re-aggregation of the counties that have common characteristics and potential for functional integration as administrative regions - adapted to the current realities on the ground and based on comprehensive criteria – is presented.

Keywords: regional development, territorial-administrative structures, development regions, cohesion policy, new regionalization of Romania

1. Introduction

According to the EU standards on statistics and administrative units, it is recommended that the Member States should develop relatively homogeneous territorial structures in terms of their size or the number of inhabitants, and "increasing", from small-sized regional structures to structures with a few million people.

The aim of homogenizing the European territorial structures was that of combining the effective decentralization with the requirement to achieve the overall objectives of development.

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Consequently, the priority of European recommendations was the organization of regions with a population between 800,000 and 3 million inhabitants (NUTS 2) and of macro-regions, with a population at least double than that of the region. There is also a recommendation that regions become the main administrative structures geared towards the development programs.

In Romania, the regional development policy began to take shape with the operation of the PHARE program in 1996. Two years later, in 1998, the legal framework for its development was established, by Law 151/1998 [1], which set the national policy objectives, the institutions involved, the competences and tools to promote regional development policy.

In Romania, through the Law 151/1998 it was opted for a partial solution, namely the exclusively economic and statistical formation of regional structures, by bringing together the existing counties into 8 regions.

2. Romania's Administrative Structure Historical Evolution in Brief

Concerns for joint local development efforts and harmonization of regional economic interests existed throughout the administrative history of Romania.

The first attempt to create a framework for regional development dates back to 1872, when the law that establish the *counties* allowed inter-county cooperation in matters of mutual, but temporary interest, as it was the case of joint development projects. Since 1925, the counties could permanently assign a board to perform common tasks. The board's role was taken over by the General Association of Counties constituted at the administrative regions, with legal personality and financial resources in an attempt to improve the mechanisms for policy implementation at the local level, through devolution and decentralization. This change was not without consequences. To offset the increased devolution of power at the local level, it was necessary to create decentralized structures of ministries at regional level. However, the unclear division of responsibilities between the two levels of government has led to inefficiencies and duplication of duties.

To solve this situation, a constitutional reform was performed in 1938, through which 10 provinces were created, consisting of elected local bodies and representatives appointed by the Government, under the direction of persons appointed by the Government; all adjustments of the institutional system aimed at promoting an integrated approach to regional development. However, the World War II had virtually stopped the implementation of this reform.

On September 8, 1950, under Law no. 52 [2] the first postwar administrative reorganization of Romania happened, according to the Soviet model, by transforming the 58 counties into 28 regions and 177 districts. Two years later, after amending the law [3], the first reorganization of the system occurred, after which, by merging ten districts of the former Mures and Stalin regions, the Hungarian Autonomous Region was established.

A new reorganization occurred in 1960 [4], when the new name of *Mures - Hungarian Autonomous Region* was adopted. Two districts, which until 1952 belonged to Mures Region, inhabited mostly by Romanian population (Ludus and Tarnaveni), were moved from the Cluj Region to the Mures - Hungarian Autonomous Region, and two districts with a majority Hungarian population, Targu Secuiesc and Sfântu Gheorghe, with 85.3% and 90.2%, respectively, Hungarian population as according to the Census of 1956 [5], which between 1950 and 1952 belonged to the Stalin Region, went to the Brasov Region (successor to the Stalin Region). With these changes, the proportion of the Hungarian population decreased from 77.3% to 62.2%.

Creating the regions was accompanied by the creation of administrative *districts*, according to the Soviet tradition, to provide public services at local level. During this period, the number of districts varied between 120 and 180, which is more than double of the prewar counties.

The Mures - Hungarian Autonomous Region was abolished by the new territorial organization adopted on February 16, 1968. Thus, the Soviet type of administrative organization was given up, and the county as administrative unit was restored, a system that is used until today. For this reason, the Mures - Hungarian Autonomous Region was reorganized into counties, delimited not on the basis of ethnicity. About two new counties were formed in the former territory of the Mures - Hungarian Autonomous Region: Mures and Harghita, while Covasna County was formed, for the most part, from the former Brasov Region.

Since then, the local institutional framework has not changed significantly, and the number of counties increased slightly from 39 to 41, plus the Bucharest Municipality.

Until 1989, Romania based its economic development on industrialization and agricultural co-operatives; after 1989, with the **transition from socialism to capitalism**, Romania's regional economy has evolved from a highly centralized system, with the domination of state power, to an economy based on private property. Thus, the need to promote a regional development policy in line with restructuring and privatization appeared, and the existence of deprived areas, with serious economic and social problems, manifested by declining revenues and increasing, accelerated unemployment, was revealed.

The administrative-territorial reorganization should not be seen as an end in itself, as an isolated action, but as a part of a major effort to reform the state. A functional regional structure must be established, capable of meeting the requirements of the current context, dominated by the membership of the European Union. The administrative-territorial reform should answer this double purpose: on the one hand, the current context of Romania as EU member state and, secondly, the internal necessity of building a well-sized and powerful state able to provide quality services to its citizens.

3. The Transition from Development Regions to Administrative Regions: Advantages

Currently, the **development region** in Romania is not an administrative - territorial unit de jure and has not the status of legal person [6].

Between 1990 and 1996 there were no concerns about the development of a regional development strategy in Romania, due to the distant prospect of joining the European Union, and also because of the political regime: at that time, the nationalist parties had a say on governing, being even associated to government, and such parties opposed to any discussion about territorial planning by other principles. Concerns in this regard began to appear only after 1996, as embodied in Law 151/1998. It envisaged the creation of development regions that were not defined as administrative units and had no legal personality. The 8 regions were created by associating neighboring counties - "voluntarily" under the law, in reality only by law. This attempt at regionalization had not a positive economic impact, since the counties still had a rather competitive stance, making the partnerships between counties - although able to bring significant economic benefits - extremely rare. During the negotiations for accession to the European Union, a new regulatory framework for regional development was enforced, namely Law 315/2004, according to which the regional development policy principles - subsidiarity, decentralization and partnership - were stated.

Whichever version it works (French, Italian or Spanish), regionalization brings two cardinal principles one step further [7]:

- The principle of political decentralization, namely the establishment of bodies accountable to the community;
- The principle of subsidiarity, namely lowering decision to the level closest to the local community.

From this perspective, the operation of development regions for more than a decade proves for the usefulness of territorial concentration and against the shortcomings created by the lack of administrative skills.

The development regions, through their economic bodies and, particularly, the Regional Development Agencies and Regional Councils, have provided grounds for a comprehensive development vision beyond the purely local interest, and also for the shaping of inter-institutional and inter-county partnership behavior, of collaboration in achieving common goals of economic growth and welfare.

Lack of administrative levers made the new principles and behaviors unable to find the desired concreteness into effective regional development.

In Romania, the regional issues remained largely unsolved, and they look as follows [8]:

- increasing disparities between the Bucharest - Ilfov region and other regions;
- unbalanced East - West development;
- significant intraregional disparities;
- massive decline of small and medium towns;
- reduced attractiveness of most regions;
- socio-economic decline of many urban centers;
- diminished role of large urban centers in the development of adjacent areas.

The genuine target of regionalization is not merely economic. It aims to stimulate polycentrism to remove, permanently, the bound of centralization associated with local government in Romania. The regions are exactly the spaces in which this principle of polycentrism is required to be applied, by intelligently organizing the balance between the different areas incorporated herein (the seat of the institutions, resource allocation, etc.).

Why is it necessary to decentralize?

- To improve the quality of services provided to citizens and increase resource efficiency;
- To allow a better control of citizens over the activity of authorities and facilitate their participation in decision-making;
- To improve the lives of citizens.

Provision of public services is possible only when there are adequate resources, not only material. In an ideal world, the government could transfer sufficient resources to each local authority to provide all kinds of public services. In fact, no country succeeds in allocating sufficient material resources for all services.

In addition to financial resources, there are other factors that influence the decision to deregulate some expertise: quality of human resources, infrastructure condition, etc. They are not evenly distributed, and the government must intervene to reduce differences between communities. Experience from other countries has shown that these approaches of central authorities produce often modest results and the disparities between communities or regions remain significant. The consequence is the incapacity to assume, by all categories of local authority, the responsibilities for the provision of all public services to citizens.

The transfer of responsibilities to a lower administrative level should be done selectively, according to the administrative capacity of local authorities. This approach is controversial, because, apparently, it creates different categories between local authorities and discrimination among citizens.

One of the most important principles that must be provided in regional development is the **principle of responsibility**: the public authority - for decentralization, the local government - is responsible for ensuring public service and quality, regardless the solution chosen to provide it.

The unequal distribution of powers between different levels of government is one of the most important reasons that require clarity and precision in their allocation. The three actors, namely citizens, local and regional authorities and the government, must have a clear picture about the distribution of responsibilities between the levels of government. Citizens need to know who is responsible for providing various services, of which, according to legal

regulations, they must benefit. Local authorities need to know their responsibilities in relation to citizens, and the allocation of resources to achieve them. Also, effective management of resources by the government to ensure appropriate and equitable delivery of public services to all citizens is impossible in the absence of a clear division of powers.

So far, the Romanian legislation lacked a **clear structuring of competencies** of the villages and towns, on the one hand, and of counties, on the another hand.

The problem of efficient implementation of development projects and use of European funds is not new. The requirement of concentration of the approach addressing these processes existed since the first European pre-accession funds; the solution adopted being that of development regions. Moreover, the European economic and social cohesion policy addresses the EU regions, entities that generally correspond to the NUTS-2 level of territorial organization.

This is the current level of development regions. Unfortunately, the current development regions were unable to provide the territorial concentration benefits in the development process, because they did not have the administrative, legal and institutional leverages provided by the territorial-administrative status.

Of the eight economic regions of Romania, six are in the top 20 of the poorest regions in the EU. The less developed regions of Romania have the largest allocations of European funds (16.3 % in the Nord-Est region, 14.2 % in the Sud Muntenia region), but the county fragmentation of projects makes the impact on reducing disparities lower than envisaged.

Among the advantages of transforming the current development regions - which are economic and statistical regions - into territorial-administrative regions, we may mention:

- providing operational support to the existing regional bodies, such as RDAs and regional structures of public institutions (statistical, environmental, of economic forecasting, etc.);
- prioritizing and concentrating public investment on projects with major impact on the economy that can truly become real and effective;
- reduction of public spending on functioning of county bodies and effective (maybe restructuring) private sector activity, both by reducing costs to obtain permits, with reports (for companies involved in various counties) and domestic spending (by a possible restructuring of subsidiaries);
- regionalization is an excellent measure to meet the commitment of Romania (in line with the European Union) to reduce administrative burdens ("better regulation ") of the private sector in the medium term.

Such administrative-territorial structure will reshape the economic and social behavior from a narrow territorial vision to a global vision, which will facilitate regional cohesion.

Regionalization itself as a theoretical concept can produce positive changes at the level of citizens' access to services and at sustainable economic development level.

4. Some General Considerations on the Administrative-Territorial Organization of Romania in the 2014-2020 Programming Period

In the current context of public debate on regional decentralization, involving the academia requires to consider the studies conducted on the issue by experts in the field. Proposals related to the administrative-territorial units profile will build further on the needs arising from practice over the last 15 years. This is because the administrative-territorial reform began during the country's pre-accession to the EU, upon the European Commission's initiative. The above-mentioned reform was the result of a study carried out within a project funded through EU pre-accession funds, completed in 1997, entitled "**Green Paper: Regional Development Policy in Romania**".

The region, as an administrative unit, is regarded in Europe as the most appropriate form of territorial socio-economic development in general, and also for the implementation of

development projects with European funding. It should be noted that at that time it was no political agreement for the creation of administrative regions.

The Law 1/1998 has institutionalized eight regions - as statistical development units, creating the appropriate institutional framework for the development and implementation of the national strategy of regional development and of the regional development strategies, which include local development. These regions are very important, as part of the national reports submitted to Eurostat. From 1998 until now, several attempts to transform these regions into administrative units were made, but as it was no political consensus, this did not happen.

The Green Paper on Regional Development and Law 151/1998 (revised by Law 315/2004) has designed a form of territorial organization in our country, based on national expertise, also observing the requirements of the European Commission. The Green Paper is a study with a prospective view. This document has involved not only a scientific background, but also an extensive public consultation process. The logic at the basis of this document was, therefore, to create territorial entities as statistical regions, used for both the development and implementation of regional development strategies, as well as for reports submitted to the European Commission and other international institutions, following that these entities subsequently be institutionalized as administrative units.

The **criteria** that underlined the creation of the current **development regions** were:

- Size of population (according to the methodology of the European Commission, Directive 1059 of 2003, which provides the upper limit of 3 million inhabitants in the NUTS-2 regions);
- Size and structure of the active population/employment;
- Domestic/foreign migration;
- Balanced ethnic composition;
- Cultural diversity;
- The labor market;
- Unemployment rate;
- The level of economic development (GDP/capita);
- Trade relations.

Parallel to creating the development regions, the Regional Development Agencies (RDAs) and the National Agency for Regional Development (which has undergone several changes to the current structure of the Ministry of Regional Development) were established, stipulated by Law 1/1998. These institutional and leadership structures, national and regional, have been consistently funded not only by the county councils in whose territory they were located, but also from European funds - so that through national, county and European funding. These structures have benefited from European advice in their work, for example through twinning projects for training the staff of agencies. Simultaneously, the regional statistics was financially supported. In conclusion, many funds and specialized expertise (EU) were invested to make these structures regionally functional.

We believe that, at this point, the problem that arises is not to redraw the regions, they existing in territorial and functional terms for 15 years, but to take the political decision to transfer the administrative functions to the existing regions, in the sense of transforming them into Administrative Development Regions. In this case, the RDAs will gain another state, that of state agencies.

Keeping the current regions as **Administrative Regions** would also ensure continuity of economic and administrative activities (statistical evidence and comparability of data) at macro- and mezzo-economic levels.

This new status of administrative region would require the transfer of administrative functions from the national to the regional level, in line with the subsidiarity principle.

Also, this transformation will require amendment of the Romanian Constitution, in the sense of expressly stipulating the regions as part of the administrative-territorial structure, along with counties, cities and villages.

The change in the status of region, as administrative unit of our country, will entail a change in the relations between Romania and the European Commission. The relationship between the regions and the European Commission will be straightforward; in this context, the regions acquiring more power of decision.

The role and functions of the Regional Development Agencies (RDAs), becoming legal persons [9] with increased responsibilities, will be changed significantly. In the current political and economic context, it is appropriate that RDAs refer within their goals to regional competitiveness. We mention only a few instruments to stimulate it: providing technical assistance and advice, creating the necessary infrastructure to provide facilities for economic activities in modern forms of organization - such as clusters, local networks - monitoring and evaluation of implemented projects.

Transforming the regions into administrative regions require a preparatory process and assignation of the administrative functions that will be transferred.

5. Conclusions

The **principles** underlying the **regional decentralization** are, mainly, the following:

- Subsidiarity - exercise of governing by local government authorities, located at the administrative level closest to the citizen and which posses the administrative capability,
- Stipulation in the Constitution of the eight development regions, defining their legal status for better management of European funds; setting up of local county offices,
- Maintain the existing counties,
- Organizations of communes in a form allowing their integration into metropolitan areas.

In the case a political decision would be enforced, or based on developed studies and on the negotiations with the European Commission, a new administrative-territorial division would result, and we may witness a lengthy process of about 4-5 years, which would mean that the new territorial organization would become operational by the end of next programming period, 2014-2020.

In these circumstances, to carry to the end the projects developed and implemented with the current programming period (2007-2013) funds require the preservation of the current institutional structure, namely the national management authorities and the RDAs.

Therefore, in case of changes in the current development regions for the 2014-2020 funding period, it would be necessary to maintain the existing structures along with the new structures, given that current funds will be implemented by 2015 (two more years after the end of the programming period).

We believe that a change in the existing regions could be applied only for a new financial programming period and not for the one expected to begin in 2014.

In the view of such an approach, that of the current administrative-territorial changes, we propose the formation of an interdisciplinary team that includes specialists from NIER and colleagues from the Institute of Geography of the Romanian Academy. Their work could be included in the Priority Research Plan of the Romanian Academy.

A more complete view on the territorial-administrative evolution can thus be adapted to the Romanian realities in terms of natural and socio-economic resources, in line with development framework of the EU.

Finally, we present a possible re-aggregation of the counties that have common characteristics and potential for functional integration, as Administrative Regions - adapted to the current realities on the ground. They would better meet, in our opinion, the regional needs

and the methodology of the European Commission on population ceilings covered by the NUTS-2 regions. We mention that the proposal could be implemented in the financial programming period that will start after 2020. It would be unrealistic to change the existing administrative units in order to access the European funds; while an infrastructure already known in Europe works (European Commission, Eurostat, and so on).

The **criteria** underlying our proposals for creating the **administrative regions** were: (i) balanced demographics, (ii) minimum discrepancies between regions, (iii) compliance with statistics, (iv) potential for economic development (see Appendices I and II), (v) surface, (vi) grouping around development poles .

Version 1



Moldova Nord	Moldova Sud	București-Ilfov	Banat
Suceava	Bacău	București	Arad
Botoșani	Vaslui	Ilfov	Timiș
Iași	Vrancea		Caras-Severin
Neamț	Galați		Hunedoara
Dunărea de Jos	Muntenia	Oltenia	Crișana-Maramureș
Constanta	Buzău	Mehedinți	Bistrița - Năsăud
Tulcea	Prahova	Gorj	Sălaj
Brăila	Dâmbovița	Vâlcea	Bihor
Călărași	Argeș	Olt	Satu-Mare
Ialomița	Teleorman	Dolj	Maramureș
	Giurgiu		Cluj
Transilvania-Centru			
Mureș			
Harghita			
Covasna			
Brașov			
Sibiu			

Alba

Version 2



Moldova Nord	Moldova Sud	București-Ilfov	Banat
Suceava	Bacău	București	Arad
Botoșani	Vaslui	Ilfov	Timiș
Iași	Vrancea	Giurgiu	Caras-Severin
Neamț	Galați		Hunedoara
Dunărea de Jos	Muntenia	Oltenia	Crișana-Maramureș
Constanța	Buzău	Mehedinți	Bistrița - Năsăud
Tulcea	Prahova	Gorj	Sălaj
Brăila	Dâmbovița	Vâlcea	Bihor
Călărași	Argeș	Olt	Satu-Mare
Ialomița	Teleorman	Dolj	Maramureș
			Cluj
Transilvania-Centru			
Mureș			
Harghita			
Covasna			
Brașov			
Sibiu			
Alba			

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- [9] Currently, the RDAs are NGOs of public interest.

APPENDIX I – Development Potential in the Regions of Romania

Table 1-Gross Domestic Product per Capita - Euro

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
European Union-27	17800	19100	19800	20500	20700	21700	22500	23700	25000	25000	23500
<u>Romania</u>	<u>1500</u>	<u>1800</u>	<u>2000</u>	<u>2200</u>	<u>2400</u>	<u>2800</u>	<u>3700</u>	<u>4500</u>	<u>5800</u>	<u>6500</u>	<u>5500</u>
<i>Macroregion one</i>	<i>1500</i>	<i>1800</i>	<i>2000</i>	<i>2200</i>	<i>2400</i>	<i>2800</i>	<i>3500</i>	<i>4400</i>	<i>5700</i>	<i>6000</i>	<i>5200</i>
Nord-Vest	1400	1700	1900	2100	2300	2700	3500	4200	5600	5800	5000
Centru	1500	1900	2100	2300	2500	2800	3600	4500	5900	6200	5300
<i>Macroregion two</i>	<i>1200</i>	<i>1400</i>	<i>1600</i>	<i>1800</i>	<i>1900</i>	<i>2200</i>	<i>2800</i>	<i>3300</i>	<i>4100</i>	<i>4500</i>	<i>3900</i>
Nord-Est	1100	1300	1500	1600	1700	1900	2500	2900	3700	4000	3400
Sud-Est	1400	1600	1800	2000	2100	2600	3200	3800	4700	5200	4400
<i>Macroregion three</i>	<i>1800</i>	<i>2400</i>	<i>2600</i>	<i>2900</i>	<i>3100</i>	<i>3600</i>	<i>5100</i>	<i>6200</i>	<i>8000</i>	<i>9800</i>	<i>8100</i>
Sud-Muntenia	1200	1500	1600	1800	1900	2300	3100	3800	4700	5400	4700
Bucuresti-Ilfov	2800	3900	4100	4500	4800	5600	8100	9900	12900	16200	13000
<i>Macroregion four</i>	<i>1500</i>	<i>1700</i>	<i>1900</i>	<i>2100</i>	<i>2300</i>	<i>2700</i>	<i>3500</i>	<i>4400</i>	<i>5500</i>	<i>5900</i>	<i>5000</i>
Sud-Vest Oltenia	1300	1500	1700	1700	2000	2300	2900	3600	4500	4800	4200
Vest	1700	1900	2200	2400	2700	3200	4200	5300	6700	7100	6000

Source: National Institute of Statistics, 2011.

**Table 2- Gross Domestic Product per Capita
- % Relative to the EU Average**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Romania	8.4	9.4	10.1	10.7	11.6	12.9	16.4	19.0	23.2	26.0	23.4
Macroregion one	8.4	9.4	10.1	10.7	11.6	12.9	15.6	18.6	22.8	24.0	22.1
Nord-Vest	7.9	8.9	9.6	10.2	11.1	12.4	15.6	17.7	22.4	23.2	21.3
Centru	8.4	9.9	10.6	11.2	12.1	12.9	16.0	19.0	23.6	24.8	22.6
Macroregion two	6.7	7.3	8.1	8.8	9.2	10.1	12.4	13.9	16.4	18.0	16.6
Nord-Est	6.2	6.8	7.6	7.8	8.2	8.8	11.1	12.2	14.8	16.0	14.5
Sud-Est	7.9	8.4	9.1	9.8	10.1	12.0	14.2	16.0	18.8	20.8	18.7
Macroregion three	10.1	12.6	13.1	14.1	15.0	16.6	22.7	26.2	32.0	39.2	34.5
Sud-Muntenia	6.7	7.9	8.1	8.8	9.2	10.6	13.8	16.0	18.8	21.6	20.0
Bucuresti-Ilfov	15.7	20.4	20.7	22.0	23.2	25.8	36.0	41.8	51.6	64.8	55.3
Macroregion four	8.4	8.9	9.6	10.2	11.1	12.4	15.6	18.6	22.0	23.6	21.3
Sud-Vest Oltenia	7.3	7.9	8.6	8.3	9.7	10.6	12.9	15.2	18.0	19.2	17.9
Vest	9.6	9.9	11.1	11.7	13.0	14.7	18.7	22.4	26.8	28.4	25.5
Overall development gap	2.55	3.00	2.73	2.81	2.82	2.95	3.24	3.41	3.49	4.05	3.82
<u>Development gap without Bucuresti-Ilfov</u>											
<u>Region</u>	1.55	1.46	1.47	1.50	1.59	1.68	1.68	1.83	1.81	1.78	1.76

Source: Authors' computations, statistical data, National Institute of Statistics, 2011.

Table 3 – Gross Domestic Product per Capita, by Type of Regions - % Relative to the EU Average

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Romania – predominantly urban regions	15.6	20.5	20.8	21.9	23.4	25.9	36.1	41.8	51.5	64.7	55.3
Romania – intermediate regions	8.3	9.1	9.9	10.9	11.6	12.9	16.2	18.9	22.8	24.8	22.8
Romania – predominantly rural regions	7.0	7.4	8.1	8.4	9.2	10.2	12.2	14.2	17.1	18.2	16.6
Development gap urban regions-rural regions	2.23	2.79	2.56	2.61	2.54	2.53	2.97	2.95	3.02	3.56	3.33
Development gap urban regions – intermediate regions	1.88	2.25	2.10	2.00	2.02	2.02	2.22	2.21	2.25	2.60	2.42
Romania – metropolitan regions											
Bucureşti	15.6	20.5	20.8	21.9	23.4	25.9	36.1	41.8	51.5	64.7	55.3
Cluj-Napoca	10.5	11.7	12.4	13.3	14.3	15.9	20.3	23.5	31.2	32.0	29.5
Timișoara	10.8	11.3	12.9	14.4	16.3	18.2	23.3	29.0	33.8	37.8	33.6
Craiova	7.2	7.3	7.9	7.6	9.0	10.3	12.4	14.7	18.0	20.5	19.0
Constanța	10.5	11.6	12.3	14.4	14.8	16.7	21.5	24.4	27.3	29.2	27.4
Iași	7.1	7.6	8.6	9.0	9.7	10.1	13.0	14.5	17.5	19.8	17.9
Galați	7.4	8.3	9.0	8.9	9.2	11.1	12.7	13.8	16.7	18.6	15.9
Brașov	10.7	11.9	12.6	14.2	14.6	15.2	19.3	22.6	28.6	29.1	27.6
Overall development gap	2.20	2.82	2.65	2.89	2.59	2.52	2.92	3.02	3.07	3.48	3.47
Development gap without București	1.52	1.63	1.64	1.90	1.80	1.80	1.88	2.10	2.02	2.03	2.11

Source: Authors' computations, statistical data, National Institute of Statistics, 2011.

Table 4- Regional Competitiveness Index, 2010

Regions	Overall Competitiveness Index	of which :		
		Basic Skills Pillar	Efficiency Pillar	Innovation Pillar
Nord - Vest	0.201	0.020	0.511	0.107
Centru	0.152	<u>0.003</u>	0.447	0.118
Nord - Est	0.163	0.010	0.469	0.055
Sud - Est	<u>0.122</u>	0.025	0.398	0.044
Bucureşti - Ilfov	0.470	0.163	0.734	0.384
Sud - Muntenia	0.184	0.096	0.438	0.087
Sud - Vest Oltenia	0.127	<u>0.000</u>	0.422	0.047
Vest	0.186	0.041	0.466	0.162

Source: Authors' computations on the basis of statistical data, National Institute of Statistics.

APPENDIX II – Development Gaps

Table 1. Shares of Regions and Counties in the Overall Exports of Romania - %

	2005	2006	2007	2008	2009	2010
Romania	100.00	100.00	100.00	100.00	100.00	100.00
BC	3.18	2.08	1.57	1.01	0.87	0.80
BT	0.79	0.77	0.73	0.61	0.67	0.62
IS	1.31	1.11	1.13	1.00	0.79	1.04
NT	1.54	1.56	1.31	1.13	1.00	0.94
SV	0.76	0.61	0.62	0.40	0.59	0.61
VS	0.70	0.52	0.54	0.49	0.40	0.42
Nord-Est	8.28	6.64	5.89	4.63	4.31	4.44
Intraregional gap	4.54	3.97	2.92	2.52	2.51	2.49
BR	0.97	0.86	1.00	0.91	0.87	0.78
BZ	0.87	0.94	0.87	0.86	1.33	1.58
CT	4.30	5.09	4.96	6.25	5.44	4.83
GL	5.98	4.86	5.27	4.17	2.57	2.49
TL	1.25	1.25	0.84	0.85	1.13	0.89
VN	0.86	0.59	0.53	0.44	0.38	0.37
Sud-Est	14.23	13.59	13.46	13.47	11.72	10.94
Intraregional gap	6.92	8.58	9.36	14.31	14.46	13.05
AG	4.71	6.09	7.91	7.46	9.83	9.84
CL	0.67	0.71	0.88	0.82	0.99	0.90
DB	1.31	1.57	1.28	1.11	0.95	1.27
GR	0.07	0.09	0.15	0.27	0.36	0.26
IL	0.77	0.53	0.33	0.35	0.35	0.36
PH	4.31	4.69	3.83	4.11	3.88	3.58
TR	0.40	0.40	0.44	0.41	0.32	0.39
Sud Muntenia	12.24	14.08	14.83	14.53	16.67	16.60
Intraregional gap	68.57	67.31	53.43	28.05	31.06	37.83
DJ	1.31	1.40	1.41	1.26	0.94	0.87
GJ	0.13	0.12	0.13	0.11	0.14	0.12
MH	0.49	0.44	0.73	0.53	0.39	0.30
OT	2.64	3.24	4.09	3.87	3.12	2.77
VL	1.60	1.69	1.82	1.80	1.10	1.08
Sud-Vest Oltenia	6.17	6.89	8.18	7.57	5.69	5.13
Intraregional gap	20.82	26.94	30.89	35.27	22.70	23.57
AR	5.07	5.09	5.01	4.34	4.28	4.51
CS	0.41	0.38	0.38	0.36	0.36	0.38
HD	2.28	2.05	1.77	1.51	1.30	1.23
TM	7.92	7.84	8.61	8.53	8.35	8.25
Vest	15.68	15.36	15.78	14.74	14.29	14.37
Intraregional gap	19.35	20.86	22.61	23.42	23.02	21.74
BH	3.66	3.69	2.99	2.79	3.03	3.79

BN	1.05	1.18	1.33	1.20	1.32	1.30
CJ	2.24	2.20	1.93	2.92	5.08	6.50
MM	1.67	1.78	1.75	1.78	1.74	1.82
SM	1.86	1.96	1.97	1.88	1.72	1.86
SJ	0.76	0.89	0.83	0.85	0.66	0.81
Nord-Vest	11.24	11.70	10.80	11.42	13.55	16.08
Intraregional gap	4.78	4.17	3.61	3.43	7.63	8.00
AB	1.76	1.83	1.74	1.50	1.68	1.89
BV	2.90	3.89	3.98	3.66	4.04	4.54
CV	0.77	0.67	0.69	0.70	0.71	0.64
HR	0.84	0.77	0.71	0.72	0.71	0.69
MS	2.13	1.94	2.07	2.11	1.68	1.66
SB	2.49	2.86	3.91	3.91	3.69	3.95
Centru	10.88	11.96	13.10	12.60	12.51	13.36
Intraregional gap	3.76	5.81	5.80	5.60	5.69	7.11
IF	0.93	1.15	1.50	1.96	2.80	2.96
BUC	20.35	18.62	16.46	19.08	18.45	16.11
Bucuresti-Ilfov	21.27	19.76	17.96	21.04	21.25	19.08
Intraregional gap	21.98	16.20	10.95	9.75	6.59	5.44

Source: Authors' computations based on statistical data, National Institute of Statistics, 2006-2011.

Table 2. Regional Gross Domestic Product (PIBR) - Total, Million Lei, Current Prices

	2008	2009	2010
Total	514700	501139.4	523693.3
Nord-Vest	58638.8	57900.2	59292.5
Centru	57303	57100.9	59120.1
Nord-Est	55021.9	54408.4	55669
Sud-Est	53851.1	52706	56339.5
Sud-Muntenia	64535.4	65141.8	66114.8
București-Ilfov	134162.6	124288.8	131579.2
Sud-Vest Oltenia	40340.2	39953.8	41941.2
Vest	50393.4	49200.2	52983.3
Overall development gap	3.33	3.11	3.14
Development gap without Bucuresti-Ilfov	1.60	1.63	1.58

Source: Authors' computations based on statistical data, National Institute of Statistics, 2006-2011.

Table 3. Regional Gross Domestic Product per Capita - lei

	2008	2009	2010
Total	23934.6	23341.4	24435.9
Nord-Vest	21542.1	21297.4	21827.2
Centru	22707.7	22618.8	23428.3
Nord-Est	14794.54	14649.3	15014.8
Sud-Est	19098.9	18738.2	20076.8
Sud-Muntenia	19648.08	19913.7	20288.2
Bucureşti-Ilfov	59680.2	55079.3	58137
Sud-Vest Oltenia	17831.8	17752.8	18735.1
Vest	26173.2	25602.4	27640
Overall development gap	4.03	3.76	3.87
Development gap without Bucureşti-Ilfov	1.77	1.75	1.84

Source: Authors' computations based on statistical data, National Institute of Statistics, 2006-2011.