Studia Universitatis Economics Series
"Vasile Goldiş" Western University of Arad
2021 - 31(4) DOI: 10.2478/sues-2021-0019

TERRITORIAL COHESION AND THE PANDEMIC IN ROMANIA

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(Received: May 2021; Accepted: July 2021; Published: October 2021)

Abstract: Convergence and economic and social cohesion remain priorities for the EU, beyond failures to achieve the objectives of the 'Europe 2020' strategy. Convergence and territorial cohesion, as a prerequisite for sustainable and durable development, have been the fundamental objectives that generated and developed the strategic planning in the EU, including through the two global strategies, 'Lisbon' and 'Europe 2020'. The sustainability of these processes, even in periods of high economic growth, is questionable since real national convergence is based in many countries, including Romania, on large and widening divergences between regions and counties. In recent years, Romania has seen one of the most enhanced improvements in convergence compared to the EU average, from 60% in 2016 to 69% of the European average in 2019 respectively. During the same period, disparities between regions and counties have deepened. More than 10 years after EU accession and participation in the Community cohesion policy, there is still a third of the counties with less than 70% of the national average of gross domestic product per capita. The health crisis has deeply affected economic activity, but in a differentiated way, depending on the specific territorial economic structures. As a result, the objective of improved and sustainable real convergence, by bringing regions and counties closer together in terms of their level of development, is receding. The economic situation in the counties in 2020 indirectly provides support for assessing the impact of the pandemic on the territorial cohesion process. The implicit conclusion revealed by the latest statistical data is that the level of development has been the support for better resilience to the health crisis. Although the restrictions on international movement and the closure of tourist and

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industrial capacities have had general validity, the counties with a higher degree of disparity have been more affected.

Keywords: real convergence; territorial cohesion; regional and county disparities; gross domestic product per capita; industrial production; foreign trade.

JEL Codes: E01; F15; I15; R11.

1. Introduction

Assessing the impact of the pandemic on real national and territorial convergence [1] requires an overview of the European framework against which the evolution of disparities is assessed [2].

With the Single European Act of 1986, economic and social cohesion has become an area of EU competence. In 2008, the Treaty of Lisbon introduced a third dimension of cohesion in the EU, i.e. territorial cohesion [3]. The European Union devotes a significant proportion of its activities and budget to reducing social and economic disparities, paying particular attention to rural areas, areas affected by industrial transitions (especially under the new energy strategies).

The key challenge is to ensure balanced territorial development, which can be achieved by supporting disadvantaged areas and the European rural area. From this point of view, the 2008 Green Paper on Territorial Cohesion [4] has been the pillar of territorial cohesion in the EU for the last 10 years.

The importance attached at European level to cohesion policy is transposed into the Structural and Cohesion Funds managed by the European Commission, which use the largest share of Community budgets. Cohesion policy allocations amounted to around EUR 350 billion in the 2007-2013 budget cycle and over EUR 450 billion in the 2014 to 2020 period.

For these reasons, it seems appropriate to summarise the cohesion objectives and how they are financed for the 2014-2020 period compared to the previous budget priorities.

In the 2014-2020 programming period, the European Union aimed to encourage recovery from the economic crisis by generating jobs but also tackling challenges related to environmental protection, closing persistent educational gaps and fighting poverty and social exclusion.

To this end, a strong strategic approach has been chosen through Partnership Agreements between the EU and each Member State as well as through national sectoral programmes and strategies to ensure the efficient use of Community funds and to deliver concrete results.

In order to achieve better results in the implementation of cohesion policies, it was decided to coordinate and combine the support allocated through the different structural and investment funds and to simplify the implementation mechanisms [5].

As far as cohesion policy is concerned, the three fundamental objectives of Community support in the 2007-2013 budget cycle have been reduced to two objectives in the 2014-2020 period:

a) Objectives of the 2007-2013 period:

▪ Convergence;

▪ Regional competitiveness and employment;

▪ European territorial cooperation;

b) Objectives of the 2014-2020 period:

▪ Investment for economic growth and job creation;

▪ European territorial cooperation.

A key change also concerns strategic planning itself. The Partnership Agreement [6] has been introduced to act as an overarching strategic document outlining how each Member State will use the ISF funds. All elements of the Partnership Agreement must be translated into specific programmes (sectoral strategies), which has also happened in Romania.

In this context, it should be pointed out that Romania received EUR 54.5 billion from the European Union after accession and until 2019. Considering that during that period Romania's contribution to the EU budget was about EUR 19 billion, this results in net inflows of EUR 35.5 billion.

By the time funds from the 2007-2013 EU budget cycle are accessed, a further EUR 2.75 billion has been attracted from pre-accession funds. Nearly EUR 34 billion has been received from the EU from the 2007-2013 programming period.

From the current multiannual financial cycle the funds attracted amounted to EUR 17.75 billion.

In terms of convergence and cohesion policy, it should be noted that Romania has attracted about EUR 11 billion and 36% of the allocated funds, respectively. If pre-financing is subtracted, it results that the reimbursements of expenditure incurred on eligible projects in the 2014-2020 programming period amount to EUR 9 billion.

The 2014-2020 programming period introduced a new legislative framework for the 5 EU Structural and Investment Funds (ESIF) falling within the scope of the Cohesion Policy and the Common Agricultural Policy.

The three cohesion policy funds are the ERDF, the ESF and the Cohesion Fund, but the Rural Development Fund also has an important impact on the achievement of the convergence and cohesion objectives and in reducing territorial gaps.

The phase of foreshadowing the architecture of cohesion policy, including territorial cohesion, after 2020 started in 2018 and continued after the start of the pandemic, which provided a good opportunity to adapt it to the new situation created by the health crisis and the pandemic-induced economic crisis. In May 2018, the European Commission came up with a series of proposals of regulations on EU cohesion policy beyond 2020.

The COVID-19 epidemic, accompanied by harsh isolation and prevention measures, has profoundly altered the social and economic outlook in Europe and the world. Under these circumstances, investment becomes essential for renewal and recovery, but the known ways - internal saving and the Community's multi-annual budget - are no longer sufficient.

In this context, the European Union has devised a new mechanism to support domestic investment, namely the Recovery and Resilience Mechanism (RRM), which is applicable much faster and easier than accessing European funds [7] in the 2021-2027 programming period.

Following the agreement of the European Parliament of 16 December 2020, the Council of the EU adopted 17 December 2020 the regulation on the new Multinational Financial Framework (MFF) 2021-2027 and the economic recovery package 'Next generation EU (NGEU)'. The regulation provides for a long-term budget of EUR, 074.3 billion (including the European Development Fund) for the MFF, plus EUR 750 billion set aside for NGEU [8].

The aim of NGEU and MRR is to mitigate the economic and social impact of the pandemic and to make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities offered by the transition to a green economy and the digital transition. The mechanism, therefore, aims at both stimulating the national investment process after the health crisis and modernizing and transforming society through the green economy and digitalization [9].

The synergy of the two major European programmes of Community support for the development, cohesion and convergence of the economies of the Member States has been achieved both through complementary priority funding streams and through access procedures that are as uniform as possible (e.g. for all cohesion projects and funds, regardless of the source) and much simpler.

The scope of the mechanism covers policy areas of European importance, structured around six pillars [10]:

▪ Green transition;
▪ Digital transformation;
▪ Smart, sustainable and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and an international market with strong SMEs;
▪ Social and territorial cohesion;
▪ Health and economic, social and institutional resilience, aiming, inter alia, at increasing crisis preparedness and response capacity;

▪ Policies for the next generation, children and youth, such as education and skills.

Under Regulation (EU) 2021/241, each Member State is required to draw up a recovery and resilience plan to support the attraction and distribution of the funds [11] allocated through this mechanism and to submit it to the European Commission by 30 April 2021.

It is suggestive that the development period and the submission deadline overlap with the European Semester, which means that the reforms proposed by the national plan will have to be reflected in the stability and convergence programmes. The draft National Recovery and Resilience Plan was submitted to the Government on March 19, 2021 (first reading), and after approval, it will be submitted to the European Commission.

2. Interregional Macroeconomic Gaps in Romania

Although Romania has seen one of the most marked improvements in economic convergence compared to the EU average in recent years, territorial cohesion has evolved unsatisfactorily. In fact, economic development has been localized in two regions, Bucharest-Ilfov and West, which shape the positioning of our country against the EU average in terms of gross domestic product per capita at the standard purchasing power. In 2019, the Bucharest-Ilfov region was at 160% compared to the EU average according to this indicator, and the West region at 71%, while in 2019 Romania reached 70% of the EU average according to GDP/capita at SPP.

In the same year, three regions, i.e. South-East (55%), South-Muntenia (51%) and South-West Oltenia (50%), were at about half of the EU average. The only region with a GDP/capita at SPP at less than half of the EU average is the North-East region, as in 2016 [12].

In 2019, four of the 8 development regions, respectively North-East (44%), South-Muntenia, South-West Oltenia (each at 54% of the EU average) and South-East (58%) are below the 60% threshold of the EU average.

The concentration of economic activity and the widening of international and regional gaps have numerous disadvantages, reported in all EU countries with problems in ensuring territorial convergence. Economic activity is more concentrated across the EU than population'. Disadvantages resulting from congestion: less developed areas, unemployment and social exclusion affect the overall development of European economies.

In 2019, GDP/capita at SPP in the European Union regions varied between 32% of the EU average in the N-V region of Bulgaria and 260% in the Luxembourg regions.

The disparity indices [13] compared to the national average show that in the medium term (after the financial crisis) there has nevertheless been a moderate reduction in
economic gaps between regions. The gap in gross domestic product per capita between the North-East region, the region in the last place, and the West region, the first region (excluding Bucharest-Ilfov region from the analysis) remained practically the same, i.e. 39.5 percentage points in 2018 compared to 2012. The evolution of regional cohesion remains unsatisfactory because there are regions such as South-East and South-Muntenia where the gross domestic product per capita is far from the national average.
Regional disparities in Romania are among the highest in the EU. Economic gaps illustrated by disparity indices are reflected in significant disparities in productivity, competitiveness, employment and social cohesion [14].
The North-West region has been the region with the fastest improving gap to the national average in recent years, from 86.7% in 2013 to 91.8% in 2018. In contrast, the disparity has widened by almost 7 percentage points in the South-East region, from 89.9% in 2013 to 83.0% in 2018. In the case of the South-Muntenia region, the reduction of the disparity index was almost one percentage point, from 78.8% in 2013 to 77.0 in 2018.

Table 1 Evolution of disparity indices

Regions	2013	2015	2018	Evolution in percentage points 2018/2013
North-West	86.7	87.9	91.8	+5.1
Centre	93.8	93.3	96.5	+2.7
North-East	62.6	61.0	63.0	+0.4
South-East	89.9	85.5	83.0	-6.9
South Muntenia	78.8	79.2	77.9	-0.9
South-West Oltenia	73.7	72.5	77.4	+3.7
West	104.2	103.9	102.6	-1.6
Bucharest-Ilfov	234.7	239.9	227.5	-7.2

Source: NSI-Regional National Accounts, Bucharest, 2021, p. 36.

The North-East region, with a gross domestic product per capita at 63% of the national average, not only has not reduced its gap from the national average but there have been periods when it has not taken advantage of the opportunities offered by national economic growth, worsening its position relative to the national average.
In this case, recovery from the global financial crisis has taken much longer than in other regions. Between 2012 and 2014, the disparity index decreased from 62.9% in 2012 to 61.2% in 2014.

Although the contribution of regions to the national gross domestic product depends on their size and economic structure, it can be estimated that most regions have a similar contribution. Thus, five regions have a share in the national GDP between 10 and 12%. In contrast, the Bucharest-Ilfov region has a share of 27% and the South-West Oltenia regions and the West region have shares of less than 10%, respectively 7.7% and 9.4% in 2018.

Table 2 Contribution of regions to gross domestic product

-% of total GDP -

Regions	2010	2013	2015	2018
North-West	11.5	11.2	11.4	12.1
Centre	11.2	11.1	11.1	11.4
North-East	10.5	10.3	10.1	10.4
South-East	10.3	11.3	10.7	10.3
South Muntenia	12.5	12.2	12.1	11.8
South-West Oltenia	7.9	7.6	7.3	7.7
West	10.1	9.5	9.5	9.4
Bucharest-Ilfov	25.7	26.8	27.8	27.0

Source: NIS, Regional National Accounts 2010-2018.

However, the North-West, Centre and South Muntenia regions are the only regions, apart from the Bucharest-Ilfov region, which obtained in 2018 a value of the gross domestic product of over RON 100 billion. Together with the Bucharest-Ilfov region, they accounted for 62% of the gross domestic product in the economy.

A second finding is that *of the relative constancy of the contribution of regions to the gross domestic product in Romania.* Thus, in the period 2010-2017, the Centre, North-East and South-East regions practically did not change their share of GDP, which confirms once again the difficulty of reducing territorial economic gaps.

It is also worth pointing out that the South-West Oltenia regions and the West region, regions with the smallest contributions to Romania's GDP, are further reducing their contribution.

3. Economic and Social Disparities between Counties

In contrast to the gaps between regions, those between counties are more pronounced.

If in the case of the regions, the gap between the extreme regions (without Bucharest-Ilfov region) was in 2018, almost 40 percentage points, in the case of the counties this gap is more than double (excluding Bucharest). In 2018, Cluj County was 36.5% above the national average and Vaslui County 47.6% below the national average.

The evolution of disparity indices by counties shows a certain correlation with national economic cycles. Thus, during the recovery period of the decline in the years of the international financial crisis, the specific territorial factors caused the recovery in some counties to take longer than in the economy as a whole. As a result, the gap in gross domestic product per capita between the first and the last county increased from 83.2% percentage points in 2012 to 89.3 percentage points in 2015 (Bucharest was excluded from the analysis). Since 2016, the process of moderate reducing the development gaps between the counties has resumed.

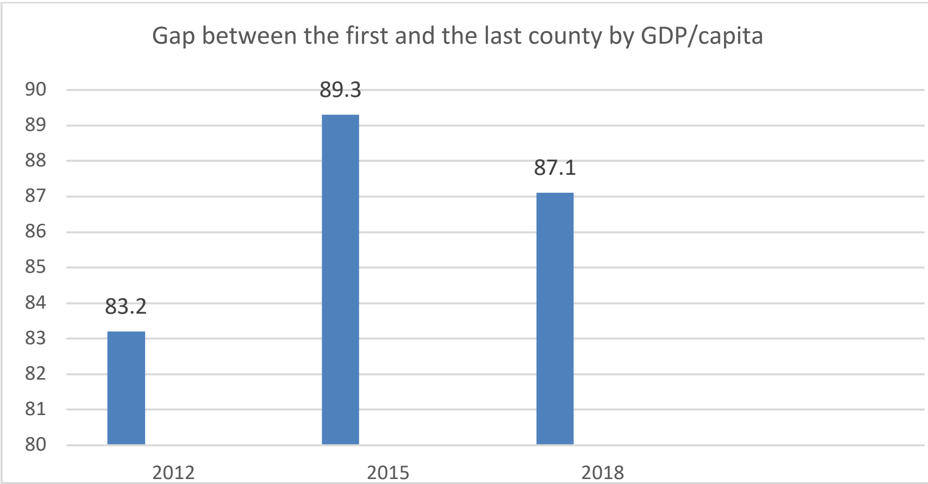

Figure 1 Gap between first and the last county by GDP/capita

Source: Authors' calculations based on NSI data from national regional accounts.

The typology of more pronounced gaps between counties than between regions is a long-term feature, difficult to fade away. Regional economic theories and statistical data show that the magnitude of the gaps increases when analyzing lower territorial levels [15]. The analysis of the gross domestic product per capita in the counties against the national average, which represents the disparity index, reveals the following general characteristics:

(i) In each region there are marked gaps between the constituent counties, greater than for the regions;

(ii) There are over ten counties where during the period of robust economic growth, i.e. 2015-2018, disparities have widened; there is also a similar number of counties that have a gross domestic product per capita above the national average.

(iii) Some convergence has been achieved by bringing highly developed counties closer to the national average;

(iv) More developed regions have better proportionality and cohesion between counties; regions with large gaps to the national average have more pronounced contrasts between counties;
(v) The potential of counties with a gross domestic product per capita above the national average (with very few exceptions) is not yet fully harnessed since these counties continue to have the greatest progress and to significantly deviate from the national average.
In 2018 in the North-West region the disparity gap between Cluj County, with a gross domestic product per capita almost 37% above the national average
and Maramureş County, 30% below the national average, was 36 percentage points. In the Center region, the disparity gap is approaching 49 percentage points.

Table 3 Disparities between the first and the last county in the developing regions in 2018

-% -

Regions	Highest disparity index	Lowest disparity index	The difference in percentage points
North-West	136.5 (Cluj)	70.3 (Maramureş)	66.2
Centre	119.7 (Braşov)	71.1 (Harghita)	48.6
North-East	80.8 (Iaşi)	47.4 (Vaslui)	33.4
South-East	119.6 (Constanţa)	61.2 (Vrancea)	58.4
South Muntenia	103.7 (Prahova)	53.8 (Teleorman)	49.9
South-West Oltenia	99.9 (Gorj)	63.8 (Olt)	36.1
West	127.8 (Timiş)	74.0 (Caraş-Severin)	53.8

Source: NIS, Regional National Accounts 2010-2018.

The disadvantaged regions, namely North-East and South-West Oltenia, do not have any county above the national average, but have the lowest disparities between the component counties.

Table 4 Evolution of disparity indices in developed counties during 2015-2018

- percentage points -

Counties	Change in 2018 compared to 2015	Disparity index in 2018
North-West Region	+3.9	91.8
Cluj County	+12.9	136.5
Centre Region	+2.2	95.5
Alba County	+4.0	101.3
Braşov County	+1.3	119.7
Sibiu County	+0.7	108.6
South-East Region	-2.5	83.0
Constanţa County	-14.5	119.6
South-Muntenia Region	-1.3	77.9
Prahova County	-10.3	103.7??

West Region	-1.3	102.6
Arad County	+0.9	101.4
Timiş County	-6.7	127.8
Centre Region	+3.9	91.8

Source: NIS - Regional National Accounts, Bucharest, 2021.

The concentration of development and social cohesion in the economic cycle after the international financial crisis is also illustrated by the fact that the top counties in each region have an evolution of disparity indices above the regional average.
As can be seen, three developed counties were very affected during the period under analysis. Prahova County has experienced a sharp and sudden negative evolution, which means that there were economic sectors in crisis although the overall background was conducive to an improvement in social cohesion. In 2014, the disparity index was 138.5% compared to the national average, and 103.7% in 2018. Timiş and Constanţa Counties also recorded a significant reduction in disparity indices.

4. Impact of COVID-19 Pandemic on Convergence and Territorial Cohesion

The main cure-all against the pandemic was social and economic isolation. Throughout 2020, the global economy and, in particular, the European single market has had varying degrees of closure and fracturing. The free movement of goods and labor was halted. At the same time, in many countries and, implicitly, in Romania, many capacities and economic sectors were closed, with a direct impact on economic growth. The impact was different from a territorial standpoint.
The specific conditions in each county (demographic, economic and health) made the current health crisis and the economic crisis caused by the restrictive health measures taken during 2020 manifest differently in territorial aspects, disadvantaging the social cohesion process. Although in terms of the spread of COVID-19 and the degree of incidence the more developed municipalities, cities and counties have been more affected, in economic terms the negative impact was more pronounced in the less developed counties as well as in the counties with a higher tourist profile.
Among the factors that differentially affected the counties' economy during the pandemic is their economic openness, namely *the importance of foreign trade in industrial activity. Restricting external movement, particularly in the European single market, under the conditions of limited competitiveness, has affected production capacities in export-dependent counties.* For example, in Argeş County, industrial production fell in 2020 by 22.9% compared to only 10.2% in the economy as a whole. Basically, Argeş County was the most affected county in the country in economic terms, due to the drastic reduction of external demand for cars. Argeş County's exports fell by about 25% and EUR 1.5 billion, respectively.

In terms of value, the export reduction in Argeş County meant a loss of EUR 1.5 billion [16].
This has significantly impacted the results at a national level because Argeş County is the third county by the level of export of goods (EUR 4.7 billion), after Bucharest (EUR 10.8 billion) and Timiş (EUR 6.8 billion).
The influence of health restrictions on Romanian exports saw its peak especially during the state of emergency. Although the second wave of the pandemic occurred in Q4 2020, the better resilience of the industry translated into a higher export of goods than in Q4 2019, i.e. by 1.2%.

Figure 2 Quarterly evolution of exports of goods in 2020 (EUR million)
Source: Monthly statistical bulletins of the counties no. 2/2020 and no. 2/2021.

While in the first quarter of 2020 the value decrease was 2.8%, in the second quarter the decrease was 34%. Moreover, in April the decrease was 47%.

Table 5 Industrial activity in 2020 in counties with low real convergence

\- % -

County	Disparity index (2018)	Index of industrial production	Turnover from industry
Vaslui	47.4	83.5	86.0
Suceava	57.6	92.7	95.0
Vrancea	61.2	87.6	93.9
Teleorman	57.7	60.0	83.0
Giurgiu	58.5	88.4	93.7
Călărași	53.8	98.1	98.8
Botoșani	51.8	72.9	83.3

Source: Processing based on NSI data from the monthly statistical bulletins of the counties no. 2/2021.

Generally speaking, it can be assessed that *the counties with average economic convergence, i.e. with a disparity index between 65%-75%, were less affected by the pandemic.* Counties with low convergence (disparity index below 60%) were more affected, which means that the social and economic gaps widened during the pandemic.

At the same time, it should be noted that there were *counties where industrial production or turnover in the industry increased compared to the same period in 2019*, thus widening the economic gaps. Between Ialomița County with a dynamic of industrial production in 2020 of 116.9% and Teleorman County with a dynamic of only 60.0% the gap is almost double.

Table 6 Evolution of industrial production and turnover from industry in some counties in 2020

- % -

County	Disparity index (2018)	Index of industrial production
Buzău	107.1	97.1
Galați	84.5	102.6
Ialomița	116.9	103.5
Mureș	103.7	106.6
Alba	95.7	100.3
Cluj	103.6	101.7

Source: NSI - Monthly statistical bulletin of the counties no. 2/2021.

With few exceptions, the gains in industrial production or turnover were mainly due to the good evolution of the export of goods from those counties, due to a structure of supply and destinations less affected by the pandemic. From this point of view, it is worth noting that in the export of goods from 9 counties (Alba, Bihor, Cluj, Dâmbovița, Galați, Hunedoara, Mehedinți, Prahova, Tulcea) the decreases were less than 5%, while on the overall economy the decline in export was 10.1% in 2020. Ilfov, Mureș and Dolj Counties recorded higher exports than in 2019.

The situation in the 6 counties that provide half of the Romanian export of goods argues the unsatisfactory resilience in the case of the developed counties.

Table 7 Evolution of the Romanian export of goods in some counties

	Export value (EUR billion)	2020/2019 (%)
Bucharest	10.8	89.4
Timiș	6.8	93.0
Argeș	4.7	75.7
Brașov	3.2	90.6
Dolj	2.9	115.0
Sibiu	2.7	88.8
National level	62.2	89.9

Source: NSI.

The export concentration does not overlap with the concentration of industrial activity, which means that there are also developed counties that rely more on domestic demand, which has not been greatly affected by health restrictions. Five counties account for over 40% of the gross domestic product and, implicitly, of the turnover in the economy: Bucharest, Timiş, Constanța, Cluj and Prahova (in 2018 the shares were 42% and 45% respectively). These counties generally had moderate decreases in 2020, i.e. lower than in the case of less developed counties, which means a widening of discrepancies between counties.

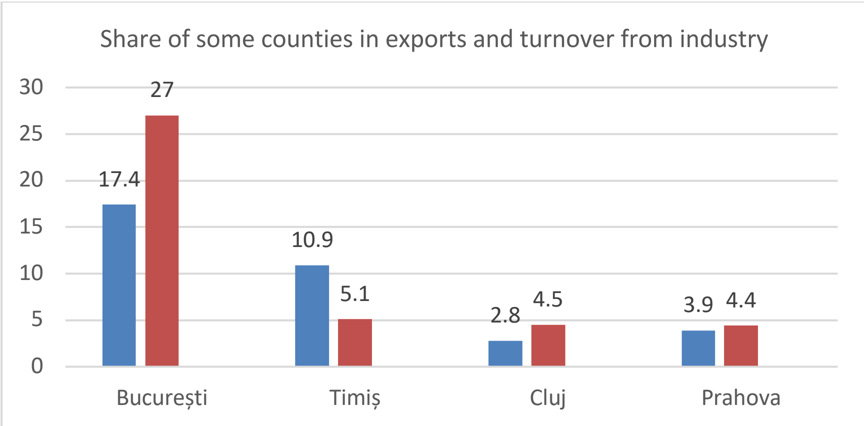

Figure 3 Share of some counties in exports and turnover from industry
Source: NSI.

A second sector with differentiated territorial developments strongly affected by the pandemic is *tourism*. If we look at the counties with a share in the gross domestic product, in 2020, they were less affected than the counties without tourism potential. However, the impact on regional and county disparities is minor if one takes into account that the activity of 'hotels and restaurants' has a share in the gross domestic product of around 3% and that tourism is highly seasonal. The periods of state of emergency, as well as that of the second wave (the second quarter and partly the fourth quarter), are periods with less tourism. As a result, we deem that the main impact of the pandemic on territorial cohesion has spread through the diverse reduction in industrial production.

5. Conclusion and final discussions

The worsening of territorial cohesion during the pandemic, on the background of restrictive sanitary measures, *was mainly characterized by the deeper decline in the* *economic activity in the less developed counties*. Against expectations, the counties with industrial profiles and a higher degree of foreign openness of local economies experienced a higher resilience to the health crisis.

Pandemic has deeply impacted the internal, but mostly the external movement of persons and goods. International trade has significantly diminished. During the first half of 2020, the Single European Market has practically ceased to exist.

The countries most affected by the pandemic were those that are also the main trade partners of Romania. Although the negative impact was generalized at the territorial level, the developed counties, with diversified industrial structures, could mitigate the shock of the temporary closure of the European Single Market. We may conclude that pandemic was a moment of truth for the resilience of the counties' economies and for their competitiveness.

The counties with average convergence, namely with a GDP per capita at 65-75% of the national average, were less affected by the pandemic. The size of the negative impact of the international sanitary restrictions was also moderate in the case of the counties with a disparity index above the national average.

The worst affected counties were those with a GDP per capita below 66% of the national average. Another important conclusion, including for writing public policies and for directing the help provided to cover the losses due to sanitary restrictions, was the one according to which *the territorial gaps increased because the counties with a lower real convergence have economies mainly based on the activity of small and medium-sized companies*. They have lower competitiveness and a lower resilience as well.

Where the activity of SMEs is accompanied by an agricultural profile, the activity or person movement restricting measures, the negative impact was higher.

Acknowledgments

The authors thank the anonymous reviewers and editor for their valuable contribution.

Funding

This research received no specific grant from any funding agency in the public, commercial, or not–for–profit sectors.

Author Contributions

The authors contributed equally to this work.

Disclosure Statement

The authors do not have any competing financial, professional, or personal interests from other parties.

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Notes

[1] Real territorial convergence representing economic and social cohesion between regions and counties is the foundation for accelerating real national convergence. That is why the paradigm of European strategies and policies is territorial cohesion illustrated by cohesion policy, financially supported by cohesion funds.

[2] Bringing the level of economic, social, monetary, financial and performance indicators of the countries/regions closer together, ensuring the reduction of gaps in the level of development, ensuring monetary and financial stability in all countries, as well as the compatibility of the institutional and administrative structures and mechanisms of the different countries/regions, are objectives of convergence and cohesion.

[3] Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community, signed in Lisbon on 13 December 2007, Official Journal of the Commission No 306 of 17 December 2007.

[4] Green Paper on Territorial Cohesion. Turning territorial diversity into strength, Communication from the Commission to the Council, the European Parliament, the Committee of the Regions and the European Economic and Social Committee, Brussels, 6 October 2008, COM (2008) 616 final.

[5] See also European Commission Guide 'European Structural and Investment Funds 2014-2020', Brussels, November 2015.

[6] In the case of Romania, the Partnership Agreement was adopted by the European Commission on 6 August 2014, thus agreeing on the strategy for optimal use in our country of the European Structural and Investment Funds (EFSI)

[7] Regulation (EU) 2021/241 of the European Parliament and Council of 12 February 2021 establishing the Recovery and Resilience Mechanism, published in the Official Journal of the European Union, 18 February 2021.

[8] The Recovery and Resilience Mechanism is the core element of the NGEU, with loans and grants amounting to EUR 672.5 billion (90% of the total budget), available to support reforms and investments undertaken by EU countries; the budget of this mechanism consists of EUR 312.5 billion allocated in the form of grants and EUR 360 billion loans taken by each Member State and the facility by the European Commission.

[9] Regulation (EU) 2021/241 states 'Past experiences have shown that investments are often drastically reduced during crises. However, it is essential to support investment in this situation in order to accelerate recovery and strengthen long-term growth potential'.

[10] The six pillars are expressly specified in Regulation (EU) 2021/241 of the European Parliament and Council of 12 February 2021 establishing the Recovery and Resilience Mechanism and are therefore binding for the national recovery and resilience plans of all Member States (see Article 3 of the Regulation).

[11] From the point of view of the distribution of the budget allocated to Romania (about EUR 30 billion), it should be noted that there are two ceilings set by Regulation (EU) 2021/241, namely: measures and investments contributing to the green transition must represent at least 37% of the total allocation and digital expenditure should represent at least 20% of the allocation.

[12] European Commission - Communication from the Commission to the Council, the European Parliament, the Committee of the Regions and the European Economic and Social Committee 'Green Paper on territorial cohesion. Turning territorial diversity into strength', SEC (2008)2550, COM (2008) 616 final, Brussels, 6 October 2008, point 2.1, p.6.

[13] The disparity indices are calculated as a ratio between the gross domestic product per capita at regional and county level and the gross domestic product per capita at a national level and are published by the NIS in the regional national accounts with a 2-year lag after the end of the reference period.

[14] European Commission - Country Report 2020 on Romania, Brussels, 26 February 2020, COM (2020) 150 final, SWD (2020)522 final.

[15] Gh. Zaman, Z. Goschin-O tipologie a creșterii economice regionale în România, București, Revista Română de Economie, Volume 21/2005.

[16] For comparison, in 25 counties the export value of goods does not exceed 1 billion EUR; of these 15 counties had, in 2020, and export of less than 500 thousand EUR. At the minimum extreme were Giurgiu County (EUR 63.5 million), Cluj County (EUR 52.4 million).