

**PUBLIC ADMINISTRATION & REGIONAL STUDIES**  
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## **PUBLIC ADMINISTRATION & REGIONAL STUDIES**

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## CONTENTS

THE METHODOLOGICAL APPROACH OF REGIONAL COSTS-BENEFITS BALANCE FOR ROMANIA AFTER ITS ADHERING TO THE EUROPEAN UNION.....	5
<b>Ionescu Victor Romeo</b>	
BOOK REVIEW.....	25
<b>Carmen-Beatrice Păuna</b>	
FORECASTS ON THE EVOLUTIONS OF THE MAIN AGGREGATES OF THE PUBLIC PENSION SYSTEM GIVEN THE PASSING OF THE ROMANIAN ECONOMY FROM THE STATUTE OF “TRANSITION ECONOMY” TO THAT OF MARKET ECONOMY – NECESSITY, CARRYING OUT AND IMMEDIATE EFFECTS.....	30
<b>Georgeta Modiga</b>	
THE INTRASTATE STATISTICAL DECLARATION – A WAY OF GETTING TO KNOW THE ECONOMIC PROCESSES AND OF PREDICTING THE COMMERCIAL FLOW AT THE LEVEL OF THE REGIONS OF DEVELOPMENT.....	43
<b>Florin Tudor</b>	
THE TYPOLOGY OF PERIOD OF TRANSITION AND ITS SPECIFICITY REFLECTION IN CONSTITUTIONAL FIELD (A COMPARATIVE APPROACH).....	53
<b>Marwan Hayel Abdulmoula Assad</b>	
THE ACTUAL IMPLICATIONS OF EUROPEAN UNION MEMBER STATE QUALITY.....	61
<b>Mihaela-Adina Apostolache</b>	
CHANGES IN THE STRUCTURE OF SMALL AGE AND SEX GROUPS OF THE FULL-AGED POPULATION IN GALATI DURING THE CONTEMPORARY PERIOD.....	70
<b>Iulian Adrian Șorcaru</b>	

**THE METHODOLOGICAL APPROACH OF REGIONAL  
COSTS-BENEFITS BALANCE FOR ROMANIA AFTER ITS  
ADHERING TO THE EUROPEAN UNION**

1. Requests from the European Union
2. Analysis of the financial fluxes
3. The perspective of Romanian economy during 2007-2013

**Ph.D. Professor Romeo Ionescu  
Dunarea de Jos University, Romania<sup>1</sup>**

**Abstract**

*The necessity of integration implies important efforts for the newest Member States. Our whole analysis is focused on the idea of Europeanization and its political, economic, juridical and administrative criteria.*

*In order to point out the costs and benefits of Romania's integration, we used a quantitative calculation.*

*Other part of this paper uses the evolution of macroeconomic indicators in Romania in order to estimate some specific tendencies.*

*On the other hand, the economic development in Romania will accelerate in order to achieve 6% in 2013.*

1. Participation to an integrationist organisation implies more and greater transformations for all Member States. The dimension of these transformations depends on the level of integration achieved by the regional group and it expresses institutional redefinitions and policy making.

The transformations connected with economic policies' implementation in Member States are evident as a result of a greater

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economic and monetary integration. These transformations are the result of the transfer of decisional competences in sector policies from each Member State to supranational organisms. As a result, the European factor becomes an important component of policy making for Member States.

On the other hand, the European factor implies some restrictions in definition and implementation of economic policies in each Member State. So, these Member States have to accept external conditionality in building their economic policies.

The actual approach is to define and to identify the implications of the transfer of competences in economic policy under the Europeanization concept (Borzelt T, 1999).

Europeanization is a building process of formal and informal dissemination and institutionalization, of establishing rules, procedures, economic paradigms, know-how, common ideas and values in order to consolidate E.U.'s logical decisional process and to support institutional and political structures and national economic policies in the Member States (Rafaelli E., 2001).

At the beginning, the analysis of Europeanization was focused only on the Member States. Nowadays, the analysis was extended to candidate countries too. The basic idea is that Europeanization implies applying of European economic governance model to candidate countries. It affects the actual Member States and candidate countries too by using specific models, regulations and common policies which imply substantial redefinitions for national policies and for the institutional framework of every country (Hughes J., Sasse G., Gordon C., 2002).

The main instrument of Europeanization for the candidate countries is connected with the European conditionality especially about adhering criteria: political, economic, juridical and administrative.

Moreover, Europeanization represents an institutional arrangement, a regulation, a comport standard which allows a connection between advantages of adhering to the E.U. and duties as a Member State.

As a result, European conditionality asks for institutional transformations about economic policies of the Member States where there are differences between European and national frameworks. These adjustments imply costs for candidate countries. On the other hand, the benefits from adhering to the E.U. can be maximized only if there is a high compatibility between national policies and institutional framework and European institutional model of adopting these policies.

## PUBLIC ADMINISTRATION & REGIONAL STUDIES

1<sup>st</sup> Year, No. 2 - 2008

Galati University Press, ISSN 2065 -1759

The European conditionality is stipulated into Copenhagen adhering criteria and they represent an important vector for convergence ensuring. These conditions have to be evaluated before and after the adhering process.

For Romania, the same conditions have influenced the rhythm and direction of the political and economic transformations, decreased the decisional freedom degree and generated a relative decisional dependence degree (path dependence) of the Romanian authorities to European authorities (Lataianu G., 2003).

The juridical criteria represent one of the most important formal elements of the European conditionality which influent the efficiency of the Romanian enterprises.

Romania prepared its adhering to the E.U. in order to implement European standards. This process continues with new political and economic post-adhering transformations.

The impact of the adhering process is presented at economic and political levels as direct and indirect actions in table number 1 (Preston C., 1997).

The main costs for Romania connected with its adhering and post-adhering evolutions are presented in figure number 1.

The implementation of the *acquis* generates costs connected with: change of institutional framework, costs with specific human resources and costs of economic policy. Romania passed on these costs before its adhering to the E.U.

Other costs are those connected with the standards implementation as they are defined by European regulations and policies. These costs are covered at institutional level (public administration) and microeconomic level too. They include: modernization of transport infrastructure, labour and social standards, consumers' protection, quality and environment standards. The same costs are those connected with free movement of goods, services, persons and capital.

All these costs are effective at microeconomic level and are able to affect the efficiency of Romanian enterprises. It's very difficult to divide these costs into ante and post-adhering costs because the implementation of a European standard in Romania can need longer transition period (more than 10 years for environment standards implementation, for example).

There are costs connected with the statute of member of the E.U. too and they include contributions to common budget and participation

to European institutions. Some of these costs were supported before adhering as co-financing costs to European Funds (PHARE, SAPARD, ISPA).

Finally, we can talk about the costs of Romanian economy's modernization in order to face the competition of European enterprises. Most of these costs result from the disparities between Romanian and European economic, politic and social standards.

The estimation of the costs of Romania's adhering to the E.U. is very difficult as a result of a high dynamic of economic, political and social transformations within the E.U.

On the other hand, there are positive effects of the European conditionality too. One of them is the financial and technical assistance received by Romania from the E.U. in order to create legal and institutional framework necessary for a good function of the economy. Other benefits are acceleration of economic reforms, economic growth and greater efficiency for Romanian enterprises.

The main benefits of Romania's adhering to the E.U. are the following:

- supplementation and diversification of financial resources: Romania has access to Structural and Cohesion Funds. The benefits of this access can be calculated at the end of the actual financial period 2007-2008;
- benefits from the statute of Member State: participation to single market, to European Monetary Union, a better support for national interests in European institutes;
- reform acceleration and definition of national economic policies under E.U.'s assistance.

The costs and benefits of adhering to the E.U. can be estimated using budget implications too. We think about some specific chapters such as: contributions to European budget, CAP and structural funds for regional policy.

From a methodological point of view, it's difficult to make the distinction between integration effects and those of the transition process. On the other hand, the dichotomy winner/loser is relative. A specific sector can be winner or loser during the integration process, but it isn't the same situation with all enterprises or individuals from that sector.

Moreover, sector analysis isn't correspondent to positive/negative influences on society evolution. A loser sector can liberate resources for

## PUBLIC ADMINISTRATION & REGIONAL STUDIES

1<sup>st</sup> Year, No. 2 - 2008

Galati University Press, ISSN 2065 -1759

other sectors and can improve the allocation efficiency of the economic resources (Daianu D., 2001).

Integration represents achievement of socio-economic objectives which are defined and periodically actualized according to the needs of a given historical moment.

Using economic models, convergence is defined as a set of specific indicators which are selected according to more than convergence needs. The correct definition of these criteria differs from a moment to moment and from case to case.

For the beginning, Romania had to achieve Copenhagen criteria about a functional market economy which is able to face the competitive pressure of the European enterprises.

On the other hand, the costs and benefits of European integration can be analysed in different manners.

As bilateral financial fluxes between E.U. and Romania, we must analyse the sums financed by the E.U. and Romania's contribution to different European programs.

Furthermore it may be better to include the whole budgetary effort, including the effects of the decreases custom taxes.

Another important element is the great impact on macro economy, including changes in labour efficiency and employment rate.

The reported costs and benefits can vary between these approaches. As bilateral financial fluxes, integration becomes favourable for every country.

Using the whole budgetary effort and the impact on macro economy, integration becomes less favourable because expenditures aren't associated with investments as a result of the fact that their future effects are not evaluated.

A relatively correct and maximum possible evaluation of the results is possible only using the impact on macro economy, which is the main economic element. This is the only level of analysis in which we can establish the inter-conditionality between macroeconomic indicators such as global efficiency, employment rate and inflation.

Using macroeconomic level for costs-benefits report analysis, we can determine the direct effects of the integration process.

The costs of integration are connected with: participation to European programs, obligatory investments and losses produced by partners or possible penalties.

The benefits of European integration are the following: greater monetary fluxes, facile access to programs, trade and labour movement,

direct results from acquis' implementation and the growth of efficiency (see figure no.1).

2. The direct financial implications represent a part of the costs and benefits of European integration which can be estimated using a quantitative calculation.

As a result, we can analyse the probable effects of the European financial package for Romania and Bulgaria during 2007-2009. This package is a component of the financial perspective 2007-2013.

The term of financial package means all direct financial and budgetary implications of the adhering negotiations about Agriculture (Chapter no. 7), Regional policy and structural instruments coordination (Chapter no. 21) and Financial and budgetary framework (Chapter no. 29).

The European financing was divided into chapters and years, using the procedures applied to the other 10 Member States which adhered in 2004. As a result, the E.U. financial assistance for Romania and Bulgaria is about 11.3 billion Euros during 2007-2009 (Commission of European Communities, 2004).

Agriculture will receive 4037 million Euros which will be divided into: market measures (732 million Euros), direct payments (881 million Euros) and rural development policy (2424 million Euros).

The European Structural and Cohesion Funds for Romania and Bulgaria cover 5973 million Euros.

Internal policies cover 1304 million Euros. This sum isn't divided between Romania and Bulgaria.

The same situation is about administrative expenditures of 346 million Euros.

The budgetary effort for Romania is calculated according to a percentage of 1.14% from its forecast budget during 2007-2009. As a result, Romania has to pay 7.4 billion Euros during 2007-2009

The engagement for financial package for Romania covers 11287 million Euros from E.U. and an internal contribution of 7411 million Euros (see figure no.3).

The effective payments from the European budget to the Romanian budget will be smaller for procedural causes. An accepted project can be financed from engaged sums during a single year. But these payments will be made sequentially during the effective period of project implementation.

As a result, the payments depend on effective absorption capacity which is determined by the presentation of eligible measures,



institutional functionality, management and financial control procedures in order to ensure funds and co-financing ensurence.

Using Copenhagen methodology, the estimated financing program for Romania will be about 8893 million Euros. This sum includes financial package and the pre-adhering sums which were engaged before.

Romania's budgetary effort related to the payments is about 5663 million Euros (see figure no.4).

The net balance of financial transfers between Romania and E.U. is calculated as the difference between payments proposed by the E.U. in financial package and Romania's contribution to the European budget. The final net balance has an exceeding of 6346 million Euros (see figure no. 5).

The macroeconomic impact of this financial package can't be reduced only to the absolute value of the sums received by Romania. The programs and structural actions can generate and support a sustainable economic growth at least in agriculture, infrastructure, environment, human resources and social cohesion growing as a result of rural and regional equilibrated development.

3. Using the evolution of macroeconomic indicators, the analysis for Romania estimates some specific tendencies.

The future integration of Romania into E.U. will support the opportunities for a sustainable economic growth. Even under present international financial crisis conditions, Romania can achieve a positive rate of economic growth.

International Monetary Fund (IMF) published its annual report at the beginning of 2007. This organisation concluded that Romania had the highest GDP grow rate from E.U.<sup>27</sup> during 2000-2006 (130%).

In 2006, Romania GDP was about 97.1 billion Euros. The preliminary dimension for 2007 is about 115 billion Euros too (see figure no.6).

The European money determined an annual economic growth of about 2%. During 2007-2013, the value of the European Structural Funds for Romania will be about 24.1 billion Euros (without Agricultural funds). 15.5. billion Euros will be senting for infrastructure, 4.2 billion Euros for productive sector and 4.4 billion Euros for human resources.

The inflation rate was 6.5% in 2006. In May 2007, the European Commission considered that the inflation rate in Romania will be about

## PUBLIC ADMINISTRATION & REGIONAL STUDIES

1<sup>st</sup> Year, No. 2 - 2008

Galati University Press, ISSN 2065 -1759

4.5% in 2008. The inflation rate will come down at 2.5% till 2012-2013, but Romania will not be able to adhere to euro zone (figure no. 7).

On the other hand, average productivity in Romania is 8.7 times less than average E.U.-25 productivity (20100 Euros in Romania and 174000 Euros in E.U.25). As a result, the average level of the wage in Romania was about 280 Euros in February 2007. The greatest wages are in finance, banking sector, administration and services.

In 2007, Foreign Direct Investments were about 7 billion Euros. The main economic sectors which benefited from these FDI are car building, electronic components, building, IT, pharmaceuticals and bio-diesel. At the end of 2006, Romania introduced the unique tax revenues of 16% and a lot of facilities for FDI greater than one million Euros. FDI in Romania were about 9 billion Euros in 2006, greater with 74.2% than in 2005 (figure no.8)..

Romania's exports were about 25.8 billion Euros in 2006. 18.3 billion Euros represented export in E.U. countries. In 2007, Romanian exports were about 30.2 billion Euros.

Romania's imports were 40.7 billion Euros in 2006 and 44.4 billion Euros in 2007.

As a final conclusion, we have to understand that Romania has a lot of things to do in order to achieve E.U. average economic development.

The chances for the Romanian economy as new member of the E.U. are the following:

- macro economy: for the next 5-7 years, it is expected an economic growth greater than in E.U.15. Services and public healthcare will be improved. For the beginning, the most developed sectors in the next year will be: leasing, SMEs, telephony, internet, hardware and software industries. The forecasts for 2010 show us a great development of financial market, banking, tourism and human resources. On the other hand, such industries like: textile industry, wood industry and furniture industry have to be restructured. But the most developed industries will be tourism and transport;

- prices: the development of the supermarkets will determine a new structure of the Romanian internal trade and a diminution of most of the prices. The new modern internal trade will be 50% from the market in 2010. Nowadays, this trade is about 29%. In order to obtain a greater market, the supermarkets will reduce their prices with 10-15%. The absence of the taxes will determine the movement of the prices from producers to retailers;

- free labour movement: the Romanian labour may obtain retired payees in the Member States where they work. Nowadays, there are 2 million Romanian people which work in other Member States. On the other

## PUBLIC ADMINISTRATION & REGIONAL STUDIES

1<sup>st</sup> Year, No. 2 - 2008

Galati University Press, ISSN 2065 -1759

hand, 11 Member States liberalized Romanian labour access on their labour markets (Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Poland, Slovenia, Slovakia, Finland, Sweden and Bulgaria) and 5 introduced a partial liberalization of the Romanian labour access on their markets (France, Italy, Hungary, Belgium and Luxembourg);

- Common Market: the public aids are replaced with European Funds. On the other hand, Romanian firms may sell their output in the same conditions with other European firms on a bigger market;

- European Funds: during 2007-2013, Romania will benefit of 28 billion Euros from Structural Funds. 11 billion Euros will be for agriculture and rural development. As a result, we must spend 8.5 million Euros every day, including Saturday and Sunday;

- environment: Romania will receive 29.3 billion Euros for its environment policy. Romania is the only Member State which has 5 bioregions (from the total 11 bioregions from the E.U.);

- fuels: The cote of the ecological diesel oil will be 5.17% in 2010. Romania has the greatest surfaces with rape, soy and sunflower;

- trade marks and brands: in 2007, 700000 European registered marks are recognized in Romania. Romanian marks have to be registered on the Common Market. That implies a tax of at least 1200 Euros;

- real estate market: price of the building will decline with 10%, except for Bucharest;

- banking: development of this sector as a result of a great European capital input on the market. The most important banks in Romania are with German, French, Austrian and Greek capital. As a result, it is expected a decline of the interest rate.

On the other hand, the threats for the Romanian economy as a new member of the E.U. are the following:

- massive bankruptcy: the Romanian forecasts tell us about 60% of SMEs as a result of a low competitiveness (19 times smaller than average E.U.);

- higher labour costs and employment migration: the main destinations for Romanian labour are Spain, Italy and Greece;

- a new structure of internal trade: the little shops will lose 15% of the internal market in 2007;

- a low capacity to use European Funds: Romania needs 10000 specialists in European Funds but it has only 1000. The specific training market was about 9 million Euros in 2007 and the cost of training/capita is 160-700 Euros. Nowadays only 25% of Romanian firms are able to apply in

## PUBLIC ADMINISTRATION & REGIONAL STUDIES

1<sup>st</sup> Year, No. 2 – 2008

Galati University Press, ISSN 2065 -1759

order to obtain European Funds. For example, Romania spent only 20% from ISPA Fund for environment and transport;

- food industry: has the lowest competitiveness. In milk industry, for example, the productivity is 15 times lower than E.U.25 average productivity. There are only two multinational firms in this sector: Danone and Friesland Foods;

- low productivity: in more industries, Romanian productivity is 13 time less than E.U.-25 average level. This situation will continue for at least 5 years. Most of Romanian firms are unable to think global and act local. The Romanian economy is more exposed than the economies of the Member States which adhered in 2004 because it has more inhabitants and a greater market. On the other hand, the entrance of the European firms on Romanian market will determine low costs. The Romanian firms will be unable to operate with such little costs;

- low GDP per capita: Romanian GDP per capita was 35% for E.U.-25 average level in 2005 and it will grow to 37% in 2007.

International Monetary Fund estimates that the rate of GDP growth in Romania will be about 5.5% in 2008. The same institute forecass a rate of growth of about 4.7% in 2009. It will be a result of a little growth of internal demand and of the advance of the exports connected with a lower demand of the Western Europe.

Moreover, the decrease of economic growth is connected with the decrease of capital fluxes from foreign banks. The foreign capital fluxes can be interrupted by financial turbulences from mature markets, especially by loses suffered by the banks in Western Europe.

An inverse capital fluxes can produce a breakout of credit market and a deflation of actives' prices. The most probable effect will be an unwished and sudden stagnation of internal absorption capacity combined with a painful decrease of financing sources for enterprises and population. On the other hand, the economic development in Romania will accelerate in order to achieve 6% in 2013.

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**PUBLIC ADMINISTRATION & REGIONAL STUDIES**

1<sup>st</sup> Year, No. 2 – 2008

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**Table no.1. The effects of adhering to the E.U.**

Domain	Direct impact	Indirect impact
Economy	<ul style="list-style-type: none"> <li>- elimination of trade barriers;</li> <li>- applying of the European competition policy;</li> <li>- implementation of CAP;</li> <li>- access to the European Structural Instruments.</li> </ul>	<ul style="list-style-type: none"> <li>- trade fluxes reorientation;</li> <li>- industrial and agricultural restructuration;</li> <li>- regional implications;</li> <li>- adhering to Maastricht criteria for convergence to the E.M.U.;</li> </ul>
Policy	<ul style="list-style-type: none"> <li>- the prevalence of European law to the national law;</li> <li>- direct implementation of European legislation;</li> <li>- changes of the Constitution and constitutional statute of national parliament;</li> <li>- representation and participation to European decisional process</li> </ul>	<ul style="list-style-type: none"> <li>- reorientation of the foreign policy, including trade diplomacy;</li> <li>- a new manner of government policies implementation;</li> <li>- new models of representation for society interests</li> </ul>

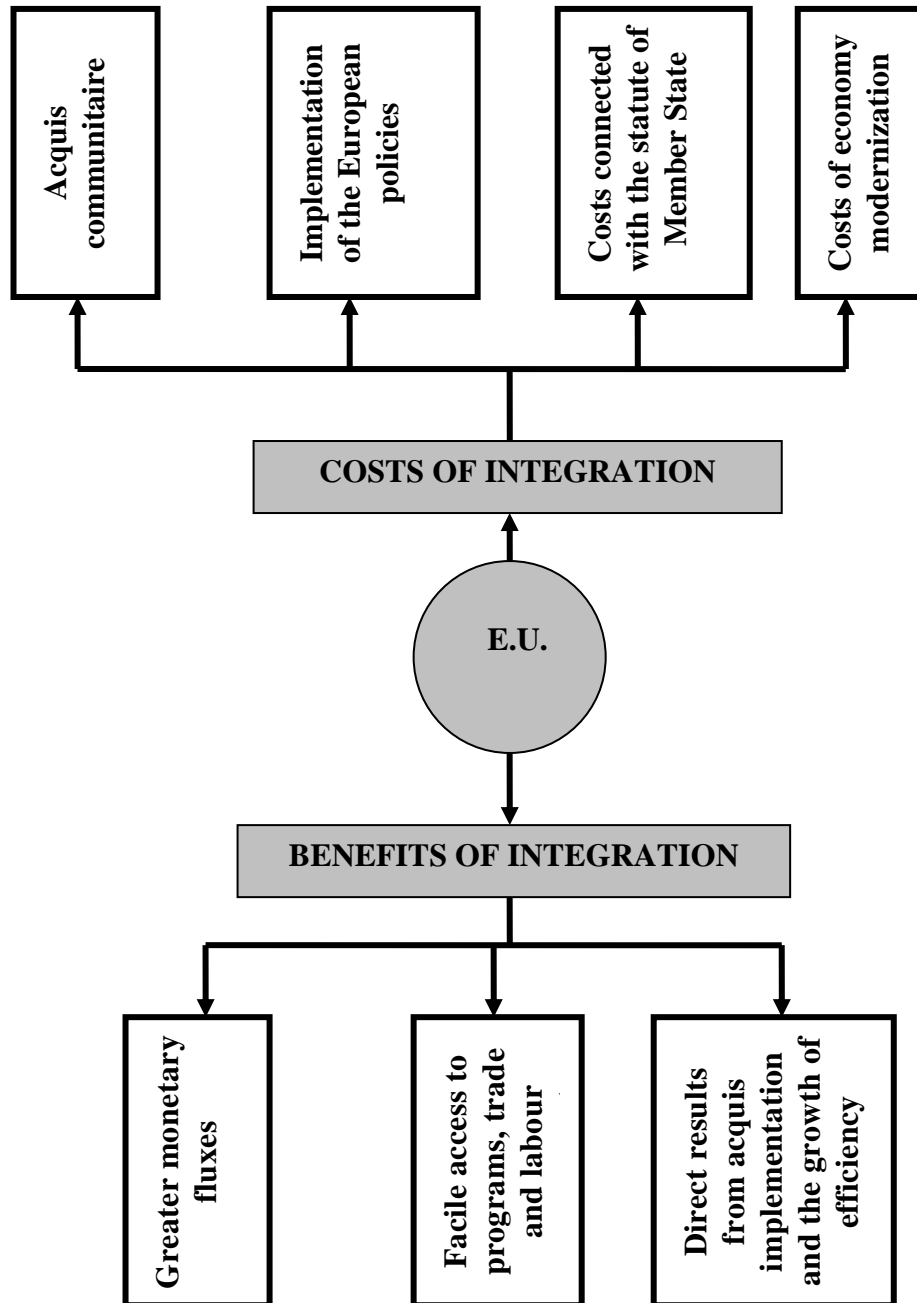


Figure no.1. Costs and benefits of European integration

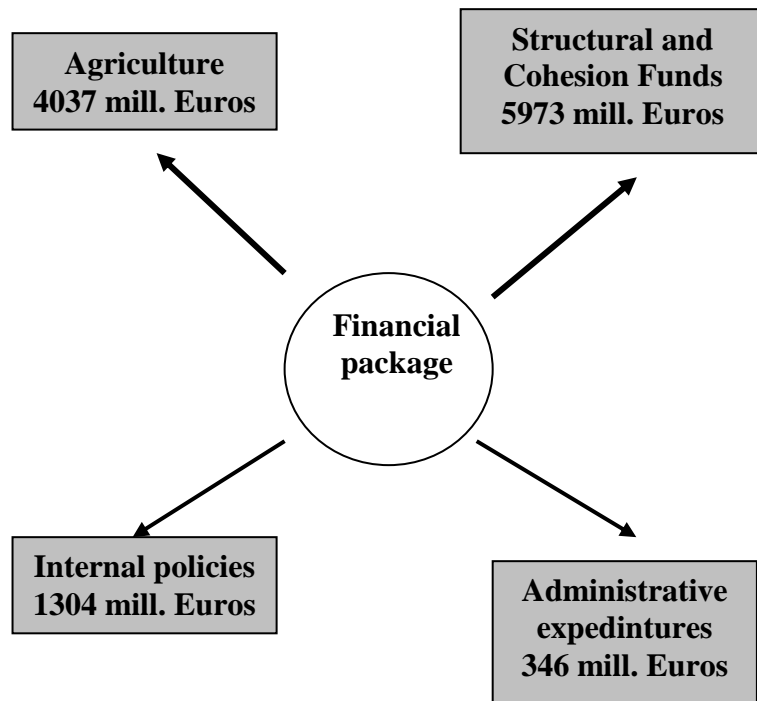


Figure no.2. Financial package for Romania and Bulgaria during 2007-2009

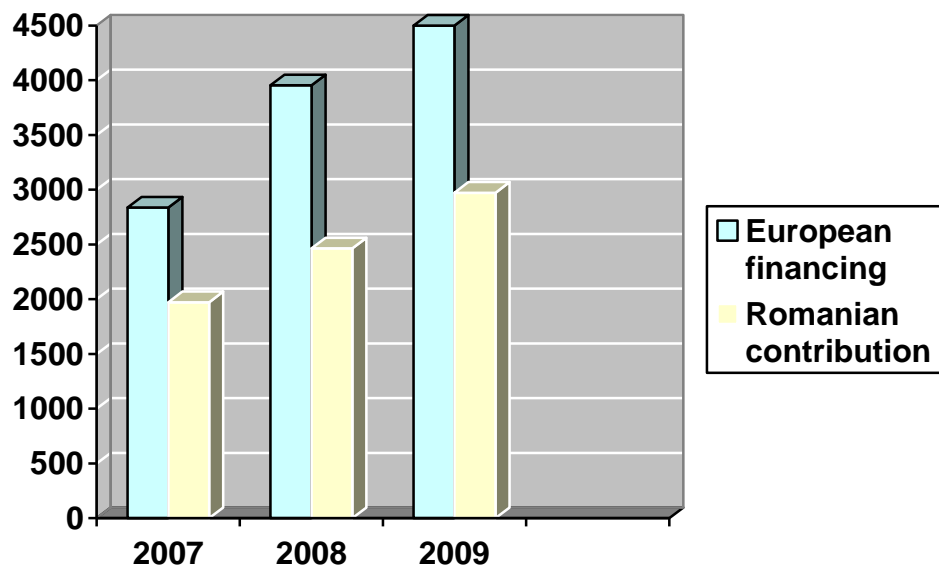


Figure no.3. Engagement for Romanian financial package during 2007-2009 (mill. Euros)



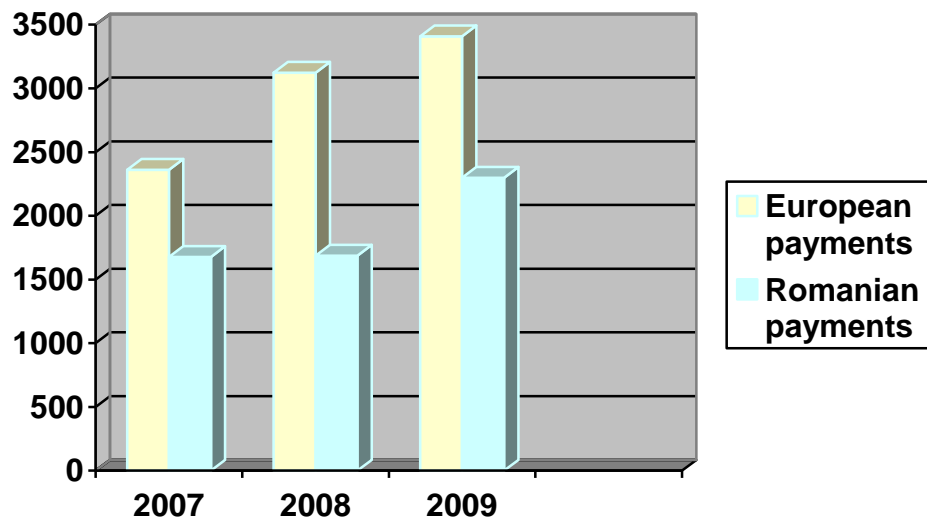


Figure no.4. Payments for Romanian financial package during 2007-2009 (mill. Euros)

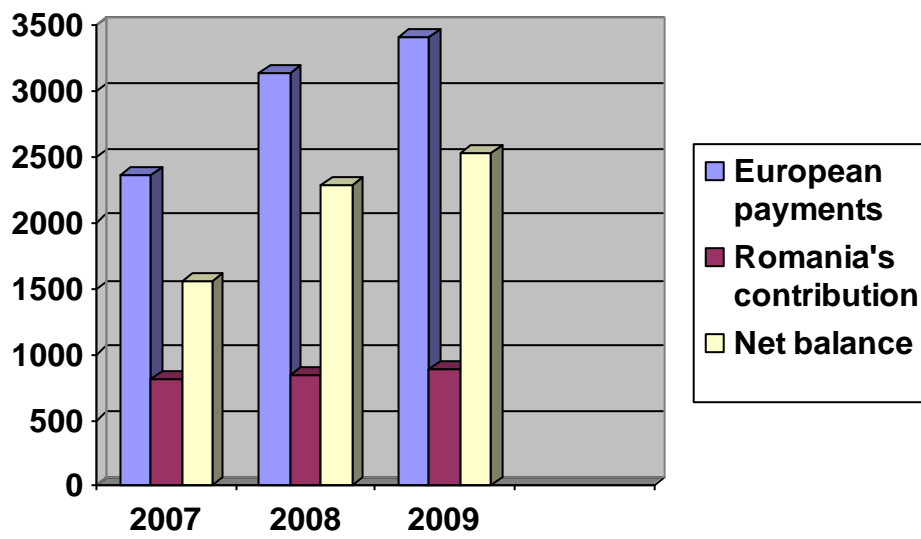


Figure no.5. Net balance for Romanian financial package during  
2007-2009  
(mill. Euros)

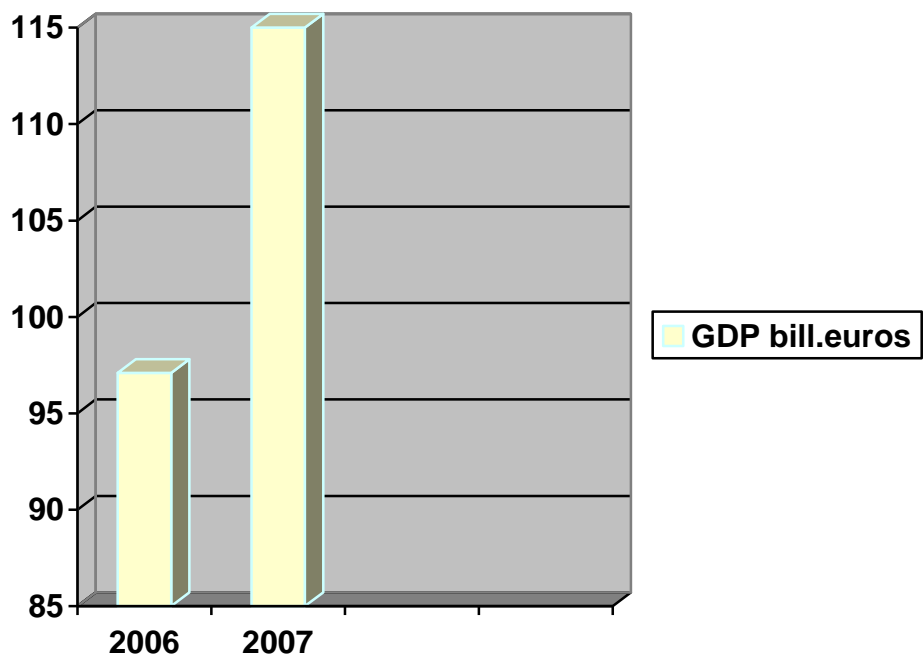


Figure no. 6. GDP in Romania

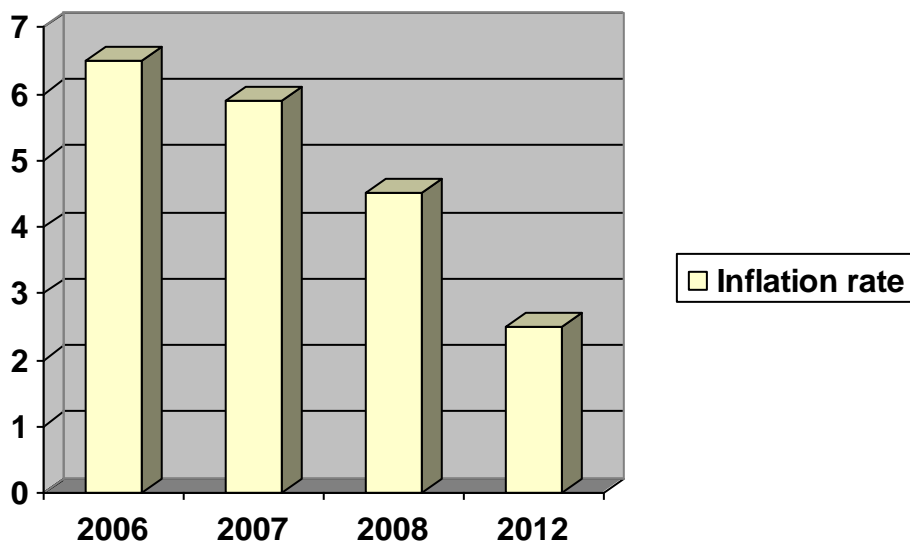


Figure no.7. Inflation rate in Romania (%)

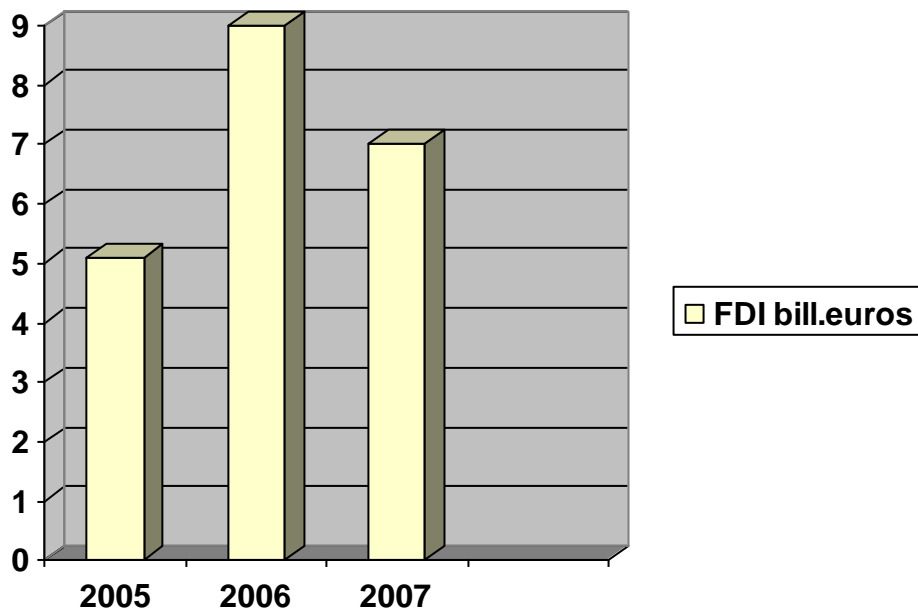


Figure no. 8. FDI in Romania



Figure no. 9. Romania's foreign trade

**BOOK REVIEW**

**Mari Vaattovaara, Matti Kortteinen, “Beyond polarisation versus professionalisation? A case study on the development of the Helsinki region”, *Urban Studies*, 2007**

**Carmen-Beatrice Păuna  
Institute for Economic Forecasting, Bucharest**

The decision to make a review of this paper follows both the prestige enjoyed by its authors and the particular interest shown by specialists in the economic and social performances achieved in Helsinki, “a pocket-size metropolis” (as the area is called in this very paper).

Mari Vaattovaara and Matti Kortteinen belong to the generation of Finnish researchers with a modern vision and approach on urbanism – which also includes aspects of urban geography and sociology but also trends of the economic development in urban areas.

Mari Vaattovaara delivered her doctoral thesis in urban geography at Oulu University in 1999, and is currently professor of Urban Geography at the Helsinki University. Following her prodigious activity in research in the field she has been selected as expert and co-ordinator of numerous research projects both at a national and European level. Her rich experience as professor and in the field of research has been rounded off by that of author of numerous specialised books, studies and articles published by famous international publishing houses.

Matti Kortteinen is one of the Finnish avant-garde specialists in the field of urban studies and in his numerous papers that he published he showed his interest particularly in “pre-urban” spaces, social delimitation, regional and social segregation in metropolitan areas. Matti Kortteinen delivered his doctoral thesis at the Helsinki University and has been active for a long time in the academic field as well as a researcher in research departments of the Helsinki University and the Academy of Finland. Currently, Matti Kortteinen is professor of urban sociology at the Helsinki University and associate professor in the field of social research at the Lapland University (since 2004) and also associate professor (since 1996) at that will be part of the Public Health Institute as of 2009). In his capacity as

associate researcher at STAKES he has taken part in numerous European projects of reference in the field of urban studies.

As is known, Finland is traditionally assimilated to a strong pillar of the “so-called Nordic welfare regime”. International comparisons indicate that this country has a relatively low poverty rate and one of the most equitable distribution systems of revenues in the Western world. These national characteristics related to the urban and housing policies have been completed “by a long tradition of social mixing” existing in the Helsinki district which placed Helsinki, in a classification of European metropolitan towns, on the first place in point of social and spatial balance<sup>2</sup>.

Another reasons why the authors selected the Helsinki district for their analysis is that in the past decade it has become one of the top European centres in the field of “information and communication technologies”, thanks in particular to the Nokia company, “the world market leader in mobile communication”.

Last but not least, the authors explain their choice of Helsinki district as subject of their study by the fact that in spite of the period of recession undergone by the Finnish early in the 90-ties, (in a much stronger way as compared to other European states, according to some authors) a balance was maintained between „the Nordic welfare state” and a strong „informational development”<sup>3</sup>. As a conclusion, the authors signal out that the Helsinki district could be accepted as a laboratory of experiments in which to watch the evolution of urban differences (from the social and economic points of view) in parallel with the strong manifestation of globalisation and the development of the IT sector – and in line with the intention of maintaining the „local policies of social mixing”.

The paper “Beyond polarisation versus professionalisation? A case study on the development of the Helsinki region” is a reflection of the logical and chronological scientific approach. After the authors present their arguments for choosing this particular topic, they present the historical evolution of the urban aspects in the Helsinki district. After the separation from Sweden, during Napoleon’s war, the centre of Helsinki – situated in the peninsula – developed an imperial style. The urban development of the town built on the typical outlook of the bourgeoisie, according to which the

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<sup>2</sup> In 1999

<sup>3</sup> In my opinion, as author of this review, a point of interest for future research could also be the end of the current crisis that started in the second half of the year 2008 in Europe, as well, in order to check whether the “Nordic welfare state” is still solid.



centre was destined to the well off while the periphery (in this case stripes of land sometimes separated by water from the peninsula) was mainly inhabited by workers and the poor population. After the Civil war of 1918, more exactly, starting with the 20-ties, politicians granted special attention to the social integration of the less well off categories of the population. Gradually, another idea developed namely to integrate the houses of the poorer (in general, individual houses) with the others, the remaining differences being only of an architectural nature. The next stage, around the years '44 was to integrate the houses that were private property with the dwellings that were meant for renting in the same area; there was however a difference in this type of estates and this difference was also in point of architecture. A new stage followed as of 1974 namely that of integration of the new types of dwellings (block of flats) among the existing ones without any architectural difference being made in this case. The studies carried out in the '80 (and also mentioned by Mari Vaattovaara and Matti Kortteinen) underline the fact that the social-economic divide inside the town thus gradually diminished. In other words, the authors point to the fact that –also based on wide scope own analyses according to numerous criteria – in a period of increasing social inequities in the urban areas, the region of Helsinki witnessed a spatial balance from the social and economic point of view (the record period of balance being so far the beginning of the '90). In their own analyses, the authors draw attention to a criterion used for the identification of the structure of housing in the urban areas, namely: the level of education of the people. This criterion has also been used in the development of the „social mixing” policy which in some periods of time yielded results in the region of Helsinki. As time passed, in spite of the efforts of the authorities for the homogenisation of the population reality indicated that as one advanced further to the West of the town – where the Technical University of Helsinki is located (the top university in Finland) – there was a growth in the number of inhabitants with a high level of education (academic and post-academic studies). This trend is also seen in Espoo, a suburb in the West of the town of Helsinki. The urban differences (analysed in depth by the authors in relation to other criteria as well) went deeper in the '90. This degradation of the spatial balance from the socio-economic standpoint in the region of Helsinki underwent the following stages, according to the authors:

- the beginning of the '90, with early symptoms;
- the new economic growth, following the development of the telecommunications and business service sectors. In addition, the Western part of the area around Ruoholahti, with the new headquarters of the Nokia

Company, is attracting more educated inhabitants. The clusters of companies in this area contributed to the widening of the differences in income and unemployment as compared to other parts of the area, for instance, the Eastern part;

- cultural differences and the emergence of migration – in the second half of the '90 ;

- the emergence of some “isles” (small areas) of poverty – particularly in the Eastern part of the region of the size of a block of flats, a house or even a wing of a block of flats.

In conclusion, the authors make an analytical distinction at the end of their in-depth analysis between the various spaces in the Helsinki district<sup>4</sup>, namely:

- new areas – areas of the elite, inhabited by people with a high level of education, with modern industrial activities going on and with a low level of unemployment (especially in the Western part)

- „grey zones”, with less educated people belonging particularly to the working class where less modern industrial activities are going on;

- „black holes” of urban development, areas particularly inhabited by people who do not work and where these forms of poverty are predominant; worth mentioning however is that these areas of poverty are smaller in size (as mentioned above, for instance, of the size of a block or even a wing of a block) following the very application of the „social mixing policies”.

In this context, at the end, the authors explain the very title „polarisation versus professionalisation” which they also presented in the introduction, setting out from the works of Sassen and Hammett, respectively. The idea coming out of this last classification of the areas in the Helsinki district (that is, the town of Helsinki including its suburbs) is the need to clarify some concepts used by specialists in their papers, that is, „polarisation”. Since specialists like Hammett, Sassen or Burgers (whose contributions are analysed by Mari Vaattovaara and Matti Kortteinen in the introduction to their paper) used this concept in analysing the „urban social and spatial structures “ of the „global cities”, Mari Vaattovaara and Matti Kortteinen believe that the theoretical ambiguities related to “polarisation” should be eliminated from the discussion as long as this concept refers to the bi-modal tendency of development, that is, „bimodal income or social structure”. When referring concretely to the Helsinki district, Mari

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<sup>4</sup> at the time when the study was carried out, that is, 2003

Vaattovaara and Matti Kortteinen believe that „polarisation” is not the most adequate concept to be used in their analysis. Thus, the analysis of the new urban differences in the Helsinki region pointed to the way in which the development of the ITC can become a challenge for the very equality characteristic of the „Nordic welfare regime”. The identified bi-modal urban differentiation is not interpreted by Mari Vaattovaara and Matti Kortteinen as a sign of „polarisation” but rather as a new phase in the economic development and more exactly in the evolution of the labour force structure. The authors pinpoint to the following: „there is an over-supply of less-skilled labour force and, at the same time, an over demand for highly skilled IT -work”. At the same time, we also witness a modification in the demand of labour force in favour of those with high-level work abilities. According to the demographic studies people that do not work and who live on the social benefits are older than „the working population on an average”, nearing rapidly the pension age. Under these circumstances, the labour force is expected to change in favour of those that are highly skilled, therefore, towards „professionalisation”, as suggested by Hamett, as well. In conclusion, Mari Vaattovaara and Matti Kortteinen believe that the Helsinki district goes through a bi-modal change both in the spatial structure and the social structure of the town but, by and large, there is a „unimodal” tendency of development in which the „welfare state” and the town are trying to meet the requirements of the market. Mari Vaattovaara and Matti Kortteinen conclude their paper by expressing concern however for „the Finnish model of information society”.

The paper “Beyond polarisation versus professionalisation? A case study on the development of the Helsinki region” enjoyed a wide appreciation among specialists contributing to the attempts of local authorities but also of the political decision-makers of maintaining the status gained at a European and international level of “the Finnish pocket-size metropolis”.

At the end of this review I would like to mention that I am glad I have had the opportunity of knowing personally one of the authors Matti Kortteinen, on the occasion of a visit to Helsinki University.

I thank both authors for giving me the opportunity to present their paper in “Public Administration and Regional Studies” and I wish them good luck in their pedagogical and research activity.

**FORECASTS ON THE EVOLUTIONS OF THE MAIN  
AGGREGATES OF THE PUBLIC PENSION SYSTEM GIVEN THE  
PASSING OF THE ROMANIAN ECONOMY FROM THE  
STATUTE OF “TRANSITION ECONOMY” TO THAT OF  
MARKET ECONOMY – NECESSITY, CARRYING OUT AND  
IMMEDIATE EFFECTS**

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**Abstract**

*During the last decade of the 20<sup>th</sup> century, modelling the macro-economic evolutions and implicitly modelling the evolutions in the social insurance systems, including especially the pension systems, gained a very strong “anchor”, which allowed and allows at present the realization of multiple evolution scenarios, with a pretty big probability of achievement. This anchor, or better said this anchor-variable is the “inflation rate”, usually calculated as the consumption price index, respectively as its percentage variation from one period of time to another.*

*The last decades of the 20<sup>th</sup> century and the first five years of the 21<sup>st</sup> century were characterised by an extremely accelerated rhythm of innovation, as well as by an acceleration and a multiplication of capital flows, which practically led to the phenomenon known as “economy globalisation” or simply as “globalisation”, as it extended outside the economical sphere towards all the spheres and sectors of the social life.*

*This process has been accelerated by the “transition from plan to market” of the economies from Central and Eastern Europe, as a consequence of the fall of the totalitarian communist system, which dominated this part of Europe for half a century, and of the end of the era known as “the Cold War”. The economic globalisation movement, together with the transition from plan to markets as well as with China’s entering the international economic circuits, increased enormously the investment possibilities and thus the possibilities of placing the capital accumulated in the western countries during the autarchy period which characterised the Cold War era.*

**1. The theoretical-methodological basis of the model of macro-economic forecast, of labour market and population – MITGEM**

During the last decade of the 20<sup>th</sup> century, modelling the macro-economic evolutions and implicitly modelling the evolutions in the social insurance systems, including especially the pension systems, gained a very

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strong “anchor”, which allowed and allows at present the realization of multiple evolution scenarios, with a pretty big probability of achievement. This anchor, or better said this anchor-variable is the “inflation rate”, usually calculated as the consumption price index, respectively as its percentage variation from one period of time to another.

This anchoring in a key macro-economic variable is nothing but the expression of the substantiation of the macro-economic models and of those aiming towards modelling the evolution of the variables connected to the social insurance systems, on what we could call “a function of predictability”. The price, given its quality of “fundamental economic information” or information about attributes as it is named in the theory specific to the information economy, plays a fundamental role as market signal, guiding the demand and the offer flows. From this point of view, the prices stability, or better said the prices evolution stability or predictability, the non-accelerated character of their evolution, expressed through the non-accelerated character of the inflation rate, generally give a predictability character to the economic evolutions, thus encouraging the movement of the capital flows, the medium and long term investments and especially the innovation, as progress engine. Or, the last decades of the 20<sup>th</sup> century and the first five years of the 21<sup>st</sup> century were characterised by an extremely accelerated rhythm of innovation, as well as by an acceleration and a multiplication of capital flows, which practically led to the phenomenon known as “economy globalisation” or simply as “globalisation”, as it extended outside the economical sphere towards all the spheres and sectors of the social life.

This process has been accelerated by the “transition from plan to market” of the economies from Central and Eastern Europe, as a consequence of the fall of the totalitarian communist system, which dominated this part of Europe for half a century and of the end of the era known as “the Cold War”. The economic globalisation movement, together with the transition from plan to markets as well as with China’s entering the international economic circuits, increased enormously the investment possibilities and thus the possibilities of placing the capital accumulated in the western countries during the autarchy period which characterised the Cold War era. The western capital placement in countries with an abundant production factor supply and the labour (work force) created the premises of an unprecedented growth of the goods and services offer, in conditions of high productivity, granted by the modern technologies, but also at very low prices, given the low costs of using the labour factor in countries where the offer for this production factor is, as we said, extremely abundant (both

China and the countries in Central and Eastern Europe as well as countries from the former Soviet Union), which resulted in very low wages compared to those in the western countries. This growth of the output volume, given the conditions where the global demand rose, should lead to a general price growth, and thus to a rise of the inflation rate level, under “classic” conditions, as well as under conditions of relative “autarchy”. But if this very big demand, in continuous expansion of goods and services more and more varied, is fueled by an ultra-abundant offer, due to the technologies allowing the mass production of a very large number of goods and services, at lower and lower prices, given on the one hand the fierce competition between the producers situated now in a market with global opening, and on the other hand the possibilities of producing these goods and services in economies where labour factor costs represent only a fraction of the work force costs in the western countries, all this makes prices of the main goods and services categories practically register a decreasing dynamics. The produce that was considered a few years ago as the attribute of the elite became a consumption good accesible to practically a huge mass of consumers. Because of this fact, not even the price rise of basic raw materials (oil, natural gas, and iron ore) in the last years could stop the global economic growth or lead to an “overheating” of the main world economies, or in other words, lead to a growth of the inflation pressures, on the contrary, certain economies even confrunted the “deflation” phenomenon.

The solidity of the inflationary anchor was also consolidated by the fact that the Central Banks gained, starting with the 1980s, independence from the Governments of the respective countries, which allowed them to pursue their own policies, through specific instruments, respectively through controlling the circulating monetary mass, as well as through controlling the reference interest rates. This led to the creation of a general perception of predictability of the global business and economic environment.

All these reasons linked to the macro-economic evolutions at global level justify the use of the inflation rate as anchor variable of the macro-economic modelling processes.

At the same time, the economic predictability, from the price variation point of view, justifies the use of the inflation rate as anchor variable also in the modelling of the processes and evolutions in the sphere of the social insurance system and especially in the sphere of the pension systems, no matter their philosophy. This is because the predictability gives the companies, the housekeepings, the Governments and the Pension Funds the possibility to plan both the economising processes and especially the

long term investment processes. The price variation predictability as determinant for the economic predictability, offers the possibility of diversifying the pension insurance, from the PAYG-type classic system to the systems based on individual economising or accumulation. This happens because both the contributions and the benefits can be better predicted on long term, general intervals. Both the beneficiaries and the collective placement organisms (the pension funds) can project their financial assets portfolios as to maximise the benefits and to minimise the risks on much longer time intervals. At the same time, the globalisation gives the collective placement organisms the possibility to compensate their risk "exposure" (leverage) through a "hedging" as broad as possible and even to obtain supplementary profits from trading the "leverage" and the "hedging" portfolios as independent assets. This abundance of options regarding the possibilities of capital placement, and especially the existence of an abundance of insurance and "risk placement" options contributes to the draw of new capitals in the market circuit, and thus to the increase of the abundance of the capital production factor offer, another element contributing itself to the global maintenance of a non-inflationist climate, which constitutes an important premise for diversifying placements in order to obtain in the end pension insurances.

At the same time though, the abundance of the capital factor also leads to a significant decrease of the earnings obtained through capital placements. So, it is necessary to have a portfolio management as active as possible, and especially, on short term, a leverage as broad as possible, covered by a hedging as diverse as possible and with market depth (hedging to hedging practically) in order to ensure truly positive benefits from capital placement. This mechanism works also with the pension funds, which slowly have to diversify their portfolios as much as possible and to practice aggressive "leverage", even a risky one, in order to be able to offer their clients, at the maturity of their placements, the pension insurances indeed able to ensure them an old age free of poverty.

All this means that practically, the price stability creates both risks and opportunities. If stability gives the possibility to make long term investment and economising decisions, it also means abundance of capitals and placement possibilities, the competition between different actors on the capital markets and the reduction of earnings from capital placements. In other words, the pension funds and the individuals, the housekeepings and the companies will have to enlarge their market exposure degree, by diversifying their placements, at the same time with the sophistication of the hedging or the risk insurance modalities that come with the enlargement,

the expansion of the leverage. Practically, the price stability makes the pensions that can be obtained through a single long term capital placement (respectively through the participation to the public pension system or to a single private pension system) lose touch with the wage income, or in other words, reduce continuously the replacement rate calculated according to the wage income, respectively to the medium wage, as happens with the conventional reporting. This happens because the wages grow not only by taking into account the general price rise (the inflation rate) but also according to a fraction of the productivity growth which inherently must reflect also on the labour factor; while pensions usually have almost no connection to the productivity growth, being practically correlated with the inflation rate, thus with the price and the tariff rise. Since the latter has smaller and smaller variations (the effect of predicatbility in the conditions of a globalised economy), pensions grow from one period to another in smaller and smaller proportions, which makes them lose touch with the wage earnings and not be able to ensure the individual, after retiring from activity, an income and implicitly a standard of living comparable to the one before retiring. The connection between the inflation rate evolution and the pension indexation mechanism, or the rise of their real and nominal value so that it can ensure the pensioner a decent living, leads to, in conditions of low inflation, the absolute necessity to diversify the placements in order to obtain pension insurances, or in other words to obtain pensions, in order to keep thus the connection between the wage earning and implicitly the standard of living before retiring and the standard of living after retiring, thus preventing the individuals and the housekeepings from becoming poor after retiring from the active living no matter how late it might take place, mainly because of the increase of the pensioning age as a consequence of the demographic pressure (the aging of the population as a consequence of the rise of the life expectancy at birth and also of the rise in the weight of the persons of age in the total population, enhanced by the natality decrease).

On the other hand, given the capital factor abundency, the benefits that different placements can produce become smaller and smaller. To maximise them, it is necessary to create scale economies and purpose economies, as far as the investment and the economising processes are concerned. So there appears the necessity for each individual and each housekeeping to diversify his own leverage, in the conditions of an adequate hedging of course, in order to be able to thus ensure the continuity of his living standard after retiring. In other words, in conditions of price stability – reduced inflation – enhanced by the abundance of capitals and



placement possibilities, so in the conditions of lower and lower interest rates, another effect of a non-inflationist economic climate, of some reduced unitary earnings from capital placements, the key to maintain some consistent replacement rates able to maintain the living standard of individuals and housekeepings after retiring, at comparable levels to those before retiring, is both the diversifying (the “*purpose*” increase) of the capital placements, and especially the growth of the capital placements volume (the “*scale*” increase). This only points out the necessity for individuals to economise more and to invest as much as possible from this economising into assets which can be converted into pensions at the anticipated moment of retiring from activity. Hence the necessity of the alternative pension systems, including those of occupational, sectorial, or branch type or those according to the anglo-saxon model, the enterprise/company/corporation type.

Starting from these reasons, it is obvious, we believe, that the whole modelling exercise we propose and which will have as purpose to explain the necessity of the occupational pension funds and in general of the pension systems alternative to the PAYG in Romania, uses as an exogen, explanatory variable the *inflation rate*, as it is expressed, even in an imperfect manner, by the annual percentage variations (current december to last december) of the consumption prices index (IPC/CPI%).

## *2. The impact of the integration in the European Union on the evolutions of the macro-economic variables with influence on the pension funds profitableness*

The main macro-economic variables influencing the evolution of the occupational pension funds profitableness, must be forecast in their short term evolution, respectively for the next ten years, and must be designed on long term, respectively until 2030-2040, so that we can include the population evolution and the macro-economic evolutions that influence the profitableness of the pension funds placements, placements which usually have a long maturing term (if the occupational pension funds were created for example this year, the first payments wouldn't take place sooner than 15 years from now, in other words, the investments made by these funds must have in view mainly a long term profitableness and speculative earnings as in the case of the ordinary investment funds.

In consequence, we will proceed in this subchapter to the forecast of 16 macro-economic variables whose later evolutions will influence the evolutions of the occupational pension funds profitableness as well as the

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population evolutions and, from this point of view, of the basis of insured persons.

The variables whose evolution will be forecast and analysed in correlation with the evolution implications on the occupational pension funds profitableness cover the following problematical areas:

- the general economic development and the development of the commercial exchanges;
- the labour market evolutions (wages, occupancy, unemployment);
- the evolutions in the living standards (poverty, income inequality, RIP/inhabitant)

In consequence, the list of variables included in the forecast exercise is the following:

- the nominal RIP in billion USD;
- the RIP annual percentage variation (RIP%), also known as economic growth;
- the annual percentage variation of the consumption prices index (the inflation rate-CPI%);
- the liberalization index (LibIdx) until reaching the cumulative value of 10;
- the Stability index (StbIdx);
- the wages share in the total of the available income (%);
- the work productivity expressed as RIP/occupied person;
- the occupied population (occupancy), expressed in millions of occupied persons;
- the unemployment rate (BIM);
- the raw medium wage in USD;
- the medium pension in USD;
- the share of the occupied population in agriculture (the agricultural occupancy) in the totality of the occupied population (%);
- the openness to trade (OT, calculated as the percentage ratio between the sum of exports and imports in mld USD and the nominal RIP expressed also in billion USD);
- the poverty rate, calculated, as share of the whole country's population, of the people under the 50% threshold of the medium income;
- the income inequality (the Gini Index).

As an anchor explanatory variable for the forecast until 2014 as well as for the ulterior projections until 2029, we took the inflation rate or the annual percentage variation of the consumption prices index. Its values were established in a normative manner, taking into account the

parameter's importance, which had been justified in the previous chapter. So the forecasts made us take into account this explanatory variable started from the objective of a annual medium inflation rate that had to be around 2,7-2,9% for the year 2013-14, a year considered by us as the most probable and feasible for Romania's entering the Euro zone and its implicit adhesion to the Stability Pact rules, assuming of course they remain the same, at least in general terms, until the respective time. Then, until 2029, a year when the first business cycle manifests itself, the inflation rate has been kept as anchor variable, taking into account the fact that the stability in prices is a demand of the Stability Pact on the one hand, and on the other hand taking into account the fact that a market economy in the incipient stage (an emergent market) as Romania will be considered until that time, including from the point of view of the capital flows and markets, maintaining the price stability as a guarantee of the evolutions predictability in the business environment and especially as a precondition of a continuous and accelerated economic growth, will be essential for drawing and stimulating investors, both the direct ones and the portfolios ones. After this date, the anchor explanatory variable changes, the role of the inflation rate being taken over by the economic growth, which is used in this capacity for the projections until the year 2040.

We must also mention that the evolutions of the inflation rate in its capacity of anchor variable for the forecast until 2014 are taken into consideration only after reaching the critical transition mass, so starting with 1999, considering that between 1997-1998 the "critical mass" was reached and overcome, on the liberalisation index scale (moreover the series for this variable stop in 2004, when value 10 is reached – "the end of the transition"). In this approach we start from the considerations made in the previous chapter, according to which the evolutions before reaching the critical mass, specific almost exclusively to the transition from plan to market, are practically impossible to repeat and in consequence can't be taken into consideration for a forecast and especially for the anchor explanatory variable (it is hard to believe the inflation rate will reach again values of 155%). The evolutions of the inflation rate, in its capacity of anchor explanatory variable, manage to forecast pretty accurately the evolutions of all the macro variables enumerated in the list in this paragraph, thus actually underlining the importance of the stability in prices, as a guarantee of the economic and implicitly the social progress, in the conditions in which, of course, these prices are established through competition mechanisms and in which they are strengthened through a monetary prudence of the Central Bank. The only two variables whose evolutions

can be forecast based on another explanatory variable, which has actually been achieved, are the occupancy and the unemployment rate, which are sensitive to the economic growth variations and less sensitive to the inflation rate variations. Yet, taking into account that the economic growth itself depends on the inflation rate, it is obvious that the latter keeps its role as anchor variable also for the two essential labour market variables. Moreover, taking into account the rigidity of these two latter variables, their predictable evolutions for the year 2014 are, as it was expected, unspectacular.

Next, we will present the evolutions forecast for each variable in part, for the year 2014 and projections until 2040 for a part of them, respectively for:

- the annual RIP percentage variation;
- the inflation rate;
- the wages share in the totality of the housekeepings' available income;
- the openness to trade;
- the RIP/inhabitant to PPC in USD.

Romania's nominal RIP will see a relatively marking growth in the next period, as a consequence of both its integration in the economic space of the European Union, which will offer the Romanian economy a broader and more free commodity market, and because of the rise in the stability and predictability degree of the economic environment, manifested first through the rise in the prices stability. So we can forecast that from a current RIP value expressed in 56 billion US dollars at the end of 2007, so in other words at the end of the year Romania becomes an effective member of the European Union, it will represent the equivalent of 85 billion US dollars. Starting from this value and taking into consideration a continuous economic growth trend, similar to the one registered by a part of the 10 states which entered the Union on May 1<sup>st</sup> 2004, but which had annual medium values a little higher, considering the massive productivity reserves Romania has by releasing work force from agriculture, and if the prices stability is maintained (it is anyway a precondition for the integration in the Euro Zone), we can appreciate that Romanian economy's dimension expressed by this indicator will reach in 2014 approximately 130 billion US dollars.

Reaching a value higher than 120 billion US dollars that year or even earlier is absolutely necessary, in order to avoid the effective "isolation" of Romania's economy in the European economy and to thus become a "really attractive" market both for direct investments and for portfolio investments.

*The inflation rate*, anchor variable of this development period, must have over the next period of time continuously smaller values, so that from a forecast rate of approximately 9% for the end of 2004, of approximately 7% for the end of 2005, at the end of 2007 it should be of approximately 4%. Next, reducing the inflation rate will have to be done in small steps, so that on the one hand it should reach an annual medium rate situated between 2 and 3, which will allow Romania's integration in the Euro zone towards the years 2013-2014 with its corollary, with respect to the Stability Pact rules, while maintaining high economic growth rhythms to allow the catching up of the accumulated advances because of the "stop and go" - type transition.

So the inflation rate will have to descend one percentage point in approximately 5 years, respectively starting with 2008 until 2012, when the value of 3% must be reached so that the broad money supply is sufficient to maintain an economic growth rhythm of around 8-9% each year. In other words, maintaining the decreasing trend of the inflation rate so that the price stability and the predictability of the national economic evolutions are strengthened, as a precondition for the development of the domestic investment/economising tendency and the draw of exterior investments, the broad money supply will have to be maintained at a level sufficient enough to allow the accelerated economic development. In other words, a "certain warmth in the economy's canals" must be kept which will have to be gradually reduced so that the economic growth isn't affected. In this context both the reference interest rate and the prudential regulations concerning the credits will play an extremely important role in maintaining the slightly decreasing trend of the inflation rate after 2007-2008, at the same time with maintaining a broad money supply at a sufficient level to sustain an economic growth, whose average value will have to be 4-5 percentage points higher than the medium value of the 2000-2004 period. This conditioning is imposed first by the economy's structure, where there will continue to prevail branches with low and medium added value, that don't achieve a sufficiently high productivity, so that they can give up the inflationist expectancy, respectively the constant growth expectancy, even if gradual and predictable, of the prices on the market, as a stimulant of the production development. In other words, there will have to be maintained a certain inflationist pressure in the economy, so that the branches ensuring the economic growth engine aren't discouraged and in order to maintain the economic growth rhythm. A classical type economy as Romania's reacts well at such stimuli, a too sudden reduction of the inflation rate, respectively from 4% to 2%, could have the effect of strangling the broad money supply and, in consequence, of strangling the economic growth, just

restarted, or of continuing it at a rhythm where it wouldn't be possible for the Romanian economy to reach a dimension allowing it to get out of the "European secondary economy" status and thus attract investments. Moreover, a too sudden reduction of the inflationist pressure, respectively the much too rapid reach of the 2% threshold, without a transition period of a few years, although it would allow it to enter the Euro zone a little faster, would involve a reduction of the economic growth rhythm, on the background of entering the national currency and of adopting too fast the European currency, if the economic structure as a whole weren't very much different from the one existing today. In the labour market plan, it would give way to an effective occupancy standstill and to an unemployment rise especially, as a consequence of a too accelerated release of work force from agriculture.

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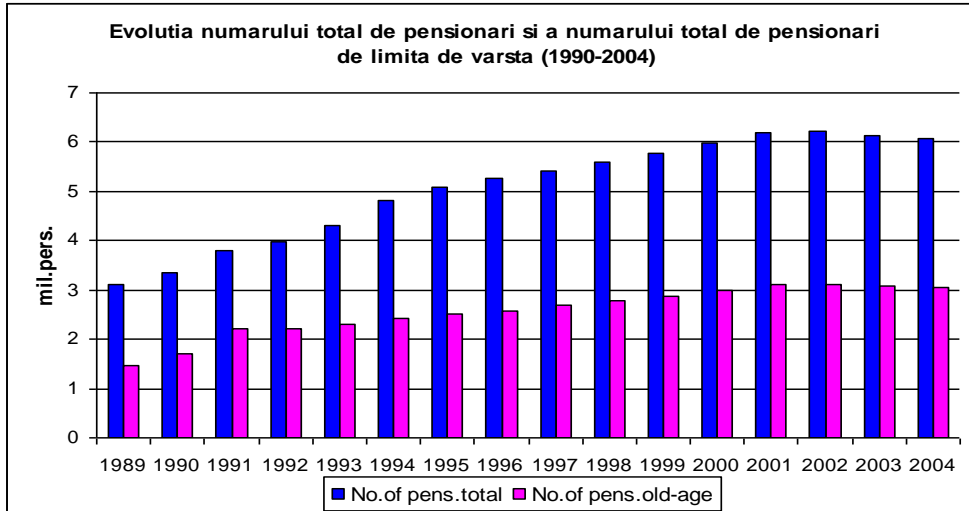
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*Fig. 2*

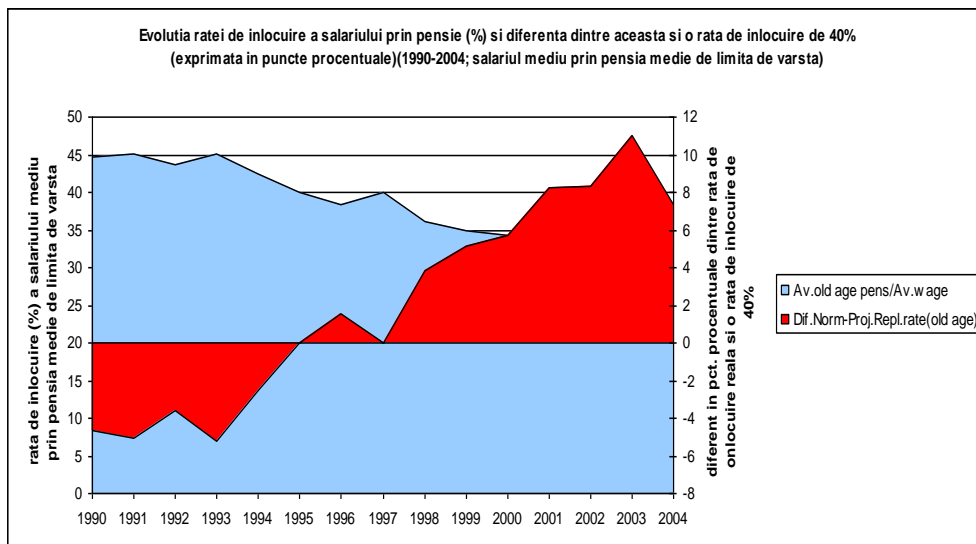
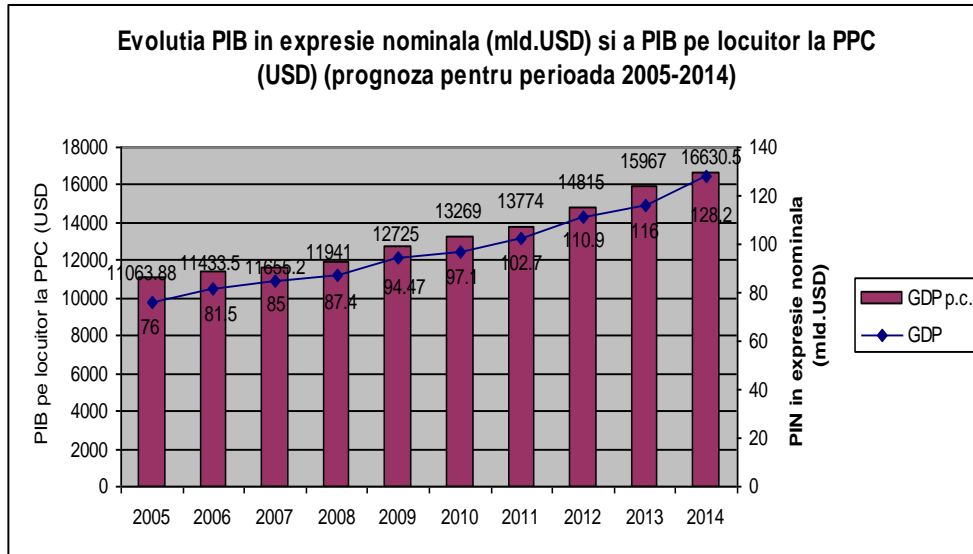


Fig. 3





**THE INTRASTATE STATISTICAL DECLARATION – A WAY OF  
GETTING TO KNOW THE ECONOMIC PROCESSES AND OF  
PREDICTING THE COMMERCIAL FLOW AT THE LEVEL OF  
THE REGIONS OF DEVELOPMENT**

1. Introduction
2. The Intrastate Declaration
3. Exchanges of goods that are excluded from the Intrastate system
4. The link with the fiscal system. General aspects
5. The link between the Intrastate and the VAT
6. Confidentiality
7. Conclusions

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**Abstract**

*Starting with Romania's accession to the European Union, the intrastate system functions in Romania as well. The monthly intrastate declarations replace the custom declarations and are much easier to make.*

*The information provided by the international commercial statistics represents an important activity of the national economy with a determinative influence on the development, the growth and the modernization of the production and services as well as the economic efficiency and the income growth in general.*

*The Intrastate declaration doesn't have to represent solely statistical data flow for the decision making bodies at the central levels that have the role of working with the data; the statistics centers together with the expertise departments within the institutions and their regional partners that are responsible for the economical development have to use this data in order to simplify the decision making process, but this doesn't mean overlapping with the decision making level.*

*From this point of view, the responsibility for the accuracy of information from the intrastate declaration is highly important. Through this approach, we set as target- which is by no means an exhaustive one, to offer complete information on the Intrastate statistics, details on who declares Intrastate data, when the data is due for transmission and last but not least, what should be declared.*

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## 1. Introduction

The Intrastate is the system of collecting data on the commerce of goods between the EU member states, the service providing commerce being not included in this system.

The INTRASTAT declaration follows the physical movement of goods and not the financial flow or that of the invoices, as it is the case with the procedure for the VAT deductions and the VIES recapitulative declaration.

In Romania, Intrastate is administrated by the National Institute of Statistics (NIS), in collaboration with the Public Ministry of Finance (PMF).

In case a country becomes a member of the European Union and a part of the Single Market, the customs control of the goods moving from this country to the other member states vanishes, and the traders are not compelled to fill in the customs declaration for these goods.

The Intrastate statistical system was developed in order to replace this source of data, and to directly collect data from the economical operators from the EU countries that trade goods with other EU member states. This statistical system has been operational since January 1<sup>st</sup> 1993 in the EU, and has as background a series of rules that are applied in all EU member states. Presently, the Regulation of the Council no. 638/2004 regarding the statistics of commerce between the EU member states and the Regulation of the Board no. 1982/2004 of the implementation of the Regulation of the Council no. 638/2004 are applied.

Starting with 2007, a series of Romanian economical operators that trade goods with EU member states elaborate a monthly Intrastate declaration. Not all firms have this obligation: in order to simplify the system and for the accuracy of the data some statistical thresholds are being used. There are two categories of operators: economical operators that have surpassed the value threshold established for the current year will send the Intrastate declaration for all the months of the year; the economical operators that surpass the value threshold in the current year will send the Intrastate declaration starting with the month in which the value threshold was surpassed.

## 2. The Intrastate Declaration

There are three conditions to fulfill in order for an economic operator to become a provider of statistical data (PSD):

## PUBLIC ADMINISTRATION & REGIONAL STUDIES

1<sup>st</sup> Year, No. 2 – 2008

Galati University Press, ISSN 2065 -1759

- To be registered as VAT payer
- To make inter-community commercial operations with goods
- The value of the commercialized goods per year, separated in the introduction flow and the dispatch, surpasses the Intrastate statistical threshold

Consequently, an economical operator whose inter-community introductions<sup>7</sup> of goods are equal or surpass 300.000 lei is bound to declare for the "introduction" flow; an economical operator that has intra-community dispatch of goods equal to or surpassing 900.000 lei is bound to declare for the "dispatch" flow. Consequently, an economical operator may be bound to declare data for the intrastate system for both flows, for one of the flows or for none of these commercial flows, depending on the value level of their intra-community exchanges.

The company/firm is completely responsible for the accuracy of data in the intrastate declaration. The declaration may be transmitted at one's own charge (by a company/firm employee) or through an agent (third party declarant - TPD). A TPD may transmit data for more firms. There are three types of intrastate statistical declarations:

- New declarations - declarations that are transmitted for the first time for a month of reference and a certain flow transmission;
- Revised declarations - declarations in which the data provider wants to modify/ correct/ delete/add certain pieces of information (these are not necessarily the latest declarations and older declarations may also be revised);
- Void declarations - for PSD that have no transactions in the month of reference (these are mandatory in order to avoid penalties).

In order to elaborate intra-community commerce statistics sources of both statistical and administrative (fiscal, customs, journals of different ministries/ authorities etc.) data will be used.

The most important sources of data will be represented by:

- The INTRASTAT statistical declarations, collected and worked by NIS

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<sup>7</sup> As general information, the goods that arrive in a EU member state from another EU member state are called, from a statistical point of view- „intra-community introductions“, while the goods that leave an EU member state are called „ intra-community dispatch“. The intra-community introductions and dispatches, together with the imports and the exports from and to non-member states of the EU establish the international commerce volume of an EU member state.

## PUBLIC ADMINISTRATION & REGIONAL STUDIES

1<sup>st</sup> Year, No. 2 – 2008

Galati University Press, ISSN 2065 -1759

The VAT deductions and the recapitulative declarations (VIES) are collected and worked by the Ministry of the Public Finances. In this context, it's important to emphasize two aspects:

- the data in the VAT deductions and the VIES recapitulative declarations, which are put at one's disposal by the fiscal authority, are used only in statistical purposes, without being disseminated at the level of an economical operator;
- the correlation of the data from the VAT deductions, the VIES declarations and the INTRASTAT ones is possible only on the basis of some common identification data (the most important being the fiscal code/ the single code registration); for this reason, any change of address, name, organizational structure or fiscal registration must be identically betaken both in the fiscal documents and the INTRASTAT declaration.

The customs declarations of export and import for the monitoring and inclusion in the intra-community statistics of certain movements of goods that are subject to operations that take place under the custom check including after the accession to the EU (goods that are being processed in the customs) as well as certain goods that arrive or are dispatched in certain territories that belong to EU member states but not to the customs territory of the EU (e.g. Isle Reunion, Martinique etc). These movements of goods will be excluded from the EXTRASTAT statistics and will be included in the INTRASTAT statistics.

The INTRASTAT statistical declarations for the introductions and the dispatch of goods contain the following transactions:

- Commercial transactions of goods that change their owner and are intended for final consumption, intermediate consumption or for investment or resale;
- Movements of goods from one member state to the other without ownership transfer;
- Returned goods;
- Movement of goods for and after processing activities (on a contract basis).

The transactions that have to be reported will be determined on the basis of the current regulations in the European Union in the field of the intra-community commerce of goods.

The INTRASTAT statistical declaration will be transmitted to NIS in electronic format only and will contain data regarding:

## PUBLIC ADMINISTRATION & REGIONAL STUDIES

1<sup>st</sup> Year, No. 2 – 2008

Galati University Press, ISSN 2065 -1759

- Identification data for the firm that does intra-community commerce operations of goods or, if applicable, for the third declarant of the commercial flow (introduction, dispatch);
- The reference period (the month of the year);
- The partner member state, depending on the commercial flow;
- The code for the goods (an 8 figure code according to the Combined Nomenclature, which is at the foundations of the import customs rate);
- The code for the nature of the transaction;
- The means of transportation;
- Dispatch conditions, according to INCOTERMS;
- The quantity in kg as well as in an additional measurement unit;
- The invoiced value in lei;
- The statistical value in lei.

The INTRASTAT statistical declaration will be transmitted to NIS in electronic format, either in the online or the offline mode. The online transmission will be done through web forms, through the Internet directly from the following site: [www.intrastat.ro](http://www.intrastat.ro), while the offline application will mean making the declaration with the help of a previously installed software on the computer of the firm that makes the declaration, which generates the file with INTRASTAT data, while the transmission of this file to the NIS will be done via e-mail or by loading the content to the Intrastate application on-line.

### **3. Exchanges of goods that are excluded from the Intrastate system**

Movements of goods excluded from the Intrastate system:

- Services
- Goods that are in transit

The goods that are in transit between the EU member states are goods that are being sent from one state to the other, which, on their way to the destination state, go through Romania or make stops due to reasons that are solely related to the transportation of the goods. The repackaging and/or the storage of the goods are not considered as being stops due to reasons that are related to the transportation of the goods.

- Temporary movements

These include the temporary movements of goods, for a period of less than two years, provided that these are not subject to further alterations and that they are not declared with tax purposes in the VAT declaration. Under this heading the followings may be included: goods meant to be displayed in trade shows and exhibitions, construction tools, means of transport, etc.

## PUBLIC ADMINISTRATION & REGIONAL STUDIES

1<sup>st</sup> Year, No. 2 – 2008

Galati University Press, ISSN 2065 -1759

- Goods dispatched as commercial samples, advertising materials and items, etc., having the 'Free' label.
- The exchange of goods with those parts of the EU member states that are not subject to the Intrastate statistical system.
- Goods dispatched towards territorial enclaves or that come from these. Generally speaking, the economical territory of a country includes any enclave of its territory (Embassies, foreign military camps and other establishments) physically placed between the geographical borders of another country, and at the same time excluding the enclaves of other countries placed between its own geographical borders. Consequently, the movement of goods from an EU member state and its enclaves placed in other EU member states is considered as internal flow and must be excluded from the intra-community of that particular member state. Such flows are also excluded from the good commerce statistics of the host country (the country that contains the enclaves of other countries within its geographical borders). The subsequent transfers of goods from the enclaves to the EU host member state must be registered at the time of the transfer as introductions for the host country and as dispatches for the country which owns these enclaves.
- The triangular commerce, in the case that the goods do not enter on the national territory of Romania from other member states of the EU or are not dispatched from Romania towards another EU member state (Romania being the intermediary part).
- The term of triangular commerce is used in the following situation: *figure1*. Source: The Handbook for the Intrastate Statistical Data Providers, the National Institute of Statistics, Bucharest, 2008, p.24.

There are three economical operators A, B and C having headquarters in different EU member states. The economical operator A sells goods towards the economical operator B, which, in its turn, sells these to the economical operator C. The goods are dispatched directly from A to C.

For the Intrastate statistics, the economical operators A and C must declare the movement of goods in the member state they belong to. For B, this operation doesn't have to be declared in the intrastate system, because there is no movement of goods on its country's territory.

In case that during a reference period there are intra-community exchanges of goods in a certain flow, that fall under the same code of 8 figures from the Combined Nomenclature, with the same partner country, there is the same type of transaction, the same terms of dispatch are applied

and they are transported in the same means of transportation; these may be cumulated and declared in a single line on the declaration.

#### **4. The link with the fiscal system. General aspects**

The VAT deduction contains very important data for the intrastate system.

First of all, the data of the economical operators that are bound to supply statistical data are checked on the basis of the intra-community value of commerce declared in the VAT deductions and in the trimestrial recapitulative declarations (VIES) that are made at the Ministry of Economy and Finance (MEF).

The public institutions that acquire goods from other EU member states, goods having the value higher than the statistical threshold per year, are also bound to make the intrastate declaration to the NIS.

It's worth mentioning that the information flow between the MEF and the NIS goes one way only; NIS gets the data from the MEF, but the statistical data of the economical operators is not transmitted to the MEF under no circumstances.

As already described above, the Intrastate statistical system is based mostly on the VAT data. The economical operators must understand though that this link between the intrastate system and VAT does not mean that the intrastate data and the VAT data must be identical.

The methodology applied to the two types of declarations (Intrastate and VAT) are different, so that the data declared in the two systems are not always identical. Consequently, due to these differences in methodology, it is not correct to approach these data as being identical.

When we refer to the Intrastate – VAT comparison, we have in mind only those pieces of information from the VAT declaration that refer to the intra-community commerce of goods, following that only these will be compared to the data in the Intrastate declaration. This aspect is based on the presupposition that the legislation in Romania is applied both in the member state that dispatches the goods and the member state that receives the goods. In a randomly given example - in which different member states are involved - any member state may substitute Romania.

Different VAT rules apply to the different types of sales.

## 5. The link between the Intrastate and the VAT

The Intrastate system is in close link to the VAT system. This link is based on the fact that the VAT data are used in the intrastate system with the following purposes:

- The identification of the economical operators that are responsible for the transmission of the Intrastate declarations (called providers of statistical data);
- The verification of the completeness of the provided data in the Intrastate declaration;
- The establishment of the annual statistical thresholds for the intrastate statistical system. MEF provides the necessary data to NIS to monitor the intra-community commerce operators and to check the collected statistical data.

The economical operators that are bound to transmit the intrastate declaration are identified based on the declared values in the VAT deductions for the intra-community exchanges of goods. An economical operator that is registered as VAT payer and does not transmit an intrastate declaration will be verified in this aspect. Consequently, by using the VAT data, the NIS may identify the economical operators with activity in intra-community commerce of goods, the volume of this type of commerce and whether the economical operators that have to transmit the Intrastate declaration have fulfilled their obligation to report or not.

In addition, the reported data by these economical operators in the intrastate declaration are compared to the data in the VAT deductions. According to the nature of the transactions made, the data in the Intrastate declaration may differ from the data in the VAT deductions. For example, the services are not included in the Intrastate, but the economical operators have to declare these for the VAT.

## 6. Confidentiality

The data that is transmitted for the intrastate system are subject to the confidentiality rules and are used only for statistical purposes.

In the case of the intrastate system, the passive confidentiality applies, respectively the rules of confidentiality are applied for the statistical data only if the economical operator requests the confidentiality for its own data, and this request is strongly reasoned.

According to the EU regulations, the EU member states are recommended to apply the principle of “passive confidentiality” for the



data regarding the exterior commerce, which means that the NIS will take all the measures needed to keep data confidential only on the economical operators' request, operators that consider their own interests (economical, commercial or of other nature) may be affected by the dissemination of data at the 8 figure level according to the NIS Combined Nomenclature.

The data may be held confidential for all types of flow, including imports, exports, introductions or dispatches; the confidentiality may be applied both on the declared value and on the quantity of goods, for all the partner countries or for a certain partner country of the requesting economical operator.

The request for confidentiality must be addressed in writing to the NIS. The request transmitted by the economical operator for the confidentiality of statistical data of exterior commerce, must necessarily contain the reason for the request, the span of time for which the request for confidentiality is made, the goods and/or the partner country as well as the flow for which the confidentiality is being requested.

## **7. Conclusions**

The Intrastate statistical declaration is mandatory for the exchange of goods between Romania and the other member states of the European Union, according to the current national and European legislation.

The Council of ministers of EU has declared that the information regarding the commerce of goods between the member states is important to evaluate the development of the Single Market. This has to be based on detailed information on the commerce in order to be able to emphasize the commerce of goods within the European Community and its member states from the different sectors of the industry.

The volume of the goods that are dispatched/introduced towards/ from other countries is a useful indicator to evaluate and predict the development of the infrastructure for transportation and other economic fields which contribute to the accomplishment of the international commerce of goods.

In 2005 the European Union has simplified the intrastate legislation, following the difficulties that were experienced by the member states while operating with this system, especially by the smaller economical agents.

The statistical data providers for Intrastate may also be the beneficiaries of information, which they could use to monitor the market share in terms of volume, value and price of the products and they might also examine new markets and expansion opportunities.

## PUBLIC ADMINISTRATION & REGIONAL STUDIES

1<sup>st</sup> Year, No. 2 – 2008

Galati University Press, ISSN 2065 -1759

Intrastate is connected to the VAT system and the VIES data base (the European VAT information exchange system) so that the completeness and the quality of the information may be verified.

For the private economical operators, the sale of a certain product in the EU may represent a field of interest to plan the investment strategies, the development strategies, etc.

Due to the intrastate system, that allows the administration of certain statistical information in every detail from a great number of firms, the European Single Market's evolution may be monitored permanently, together with the national accounts and the payment balance, on a national scale. Also, the intrastate data is used to define the measures that refer to the commercial politics, the rules for competitors, the management and the coordination of the agriculture and the fishing, the regional development.

At a regional scale, the public institutions, the professional associations, the commercial companies and the researchers need the information from Intrastate in order to conduct the market survey, such as, for example, the research of the global market for certain goods and their prices as well as to obtain data on the competitors on the foreign markets or on the foreign competitors in the internal market.

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**THE TYPOLOGY OF PERIOD OF TRANSITION AND ITS  
SPECIFICITY REFLECTION IN CONSTITUTIONAL FIELD  
(A COMPARATIVE APPROACH)**

1. General view
2. Understanding the period of transition
3. Specificity of the period of transition in the ex-Soviet states
4. Establishing the new constitutional system basis

**Marwan Hayel Abdulmoula ASSAD<sup>8</sup>**

**Abstract**

*It is observed the process of legitimation of the period of transaction and new constitutional social order, formation and functioning of new state institutions - President as chief of state, democratic Parliament and executive power (Government) in the context of division of powers.*

*A comparative analysis is done regarding the functioning of the state device at the transition staged in different countries and is drawn the conclusion to the effect that at the transition stage is necessary to make use of other state experience, undergone this way; at the same time the experience may be changed taking into account the local conditions, historical traditions, level of readiness of society to change.*

**1. General view**

The last decade of the XX<sup>th</sup> century can be characterized by the appearance of some essential changes within the development of the universal history. As a result of the collapse at the end of the 80's of the "real socialism", at the beginning of the 90's, in the countries of the Central and Eastern Europe, as well as in the newly independent states, appeared on the ruins of the former Soviet Union, it started a process of radical changes of the state's organization and social order, of the political and economical system, of the internal and external politics, process which substantially influenced the political situation, both on the European continent as well as all over the world.

Within this context, a global importance is achieved by the issue of the prospect of the international society's development. This process bares a particular scientific interest, given the fact that, itself as well as its first

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results can be analyzed in a certain period of time, so as the tendencies of the development of the states to a new stage should be established and to ascertain in which extent they managed to pass from totalitarianism towards a new, democratic society.

Besides that, twenty-seven states which headed towards the path of reformation only in a few years, proved a diversity of ways in choosing the forms and institutional patterns, obtaining the first “successes” in reforming, which creates ideal conditions for the examination and the verification of the alternative hypothesis, submitted within the formation of the rational theories (Stolpa C., *Metoder vid prezidentoal. En utvardering*, 1997).

## 2. *Understanding the period of transition*

The historical moment that the twenty-seven states went through, is usually called the period of the post-socialist development or the transition period. Within the western doctrine, it was even constituted a direction of scientific research called “*transitology*” and the researchers “*specialistes du poste*”- specialists in the field of “*post-communism*”, who previously were preoccupied with “*sovietology*” (Maravell J. M., *The transition to democracy in Spain*, 1992).

These notions indicate, on one hand, the departure point, highlighting that situation which remained in the past or which the society tends to abandon. On the other hand, they settle the still unstable character of the social relations, the bivalence of the social processes within the transition period, fact which raises a scientific interest and requires a special investigation.

Certainly, many points of view have been expressed regarding the notion of the transition period. Thus, some authors defined it as “*being a special phase in the development of the society, accompanied by the enlightenment of a new system of economical and political relations, in the same time upon the society a certain category of factors making pressure -social premises “inherited” from the previous political system*” (Maravell J. M., *The transition to democracy in Spain*, 1992).

Getting out of the common typology, the states have been grouped according to the criterion of the purposes and tasks of the society’s contents within a certain stage and according to the specific issues of some states.

From this point of view, three groups of states can be studied, which either have overcome, or are still in the transition period. Comparatively, the passage from totalitarianism to a democratic state is analyzed in Germany, Spain, Portugal, the passage from a “*real socialism*” in the Czech Republic, Slovakia, Hungary, Poland, Bulgaria and Romania; the passage

under the influence of the centrifugal forces of the Soviet Union former republics towards sovereignty and democratic independence.

What is common to all the above mentioned states is the fact that, previous to the transition period, the transformation or the abolition of the totalitarian political system had preceded.

The specificity of the transition period in Germany, Spain, Portugal was different, compared to other European states, where the passage from totalitarianism or from the authoritative state, generally, boiled down to the transformation of the political system within the frame of the democratic processes and practically didn't alter substantially the economical system, although this field also underwent major changes.

Worth noticing is the fact that, actually, all the parties and political movements (but for the extremist ones) strengthened their forces, having as a common purpose the building of a genuine democratic society.

The struggle of the political parties deployed within some democratic rules, becoming most of them, "*defenders of the development of the democratic society and not fighters for democracy*" (Pridman D., *Party government in the new Iberian democracies*, 1994).

The democratic traditions well kept within the social conscience played also an essential role, not taking into account the more or less prolonged period of the existence of the totalitarian regime.

Neither the level of the political culture, which settled down throughout the decades, the open character of the society, nor the common tendencies towards Europe's democratization. Can be ignored all this could not but to be reflected on the relatively short duration of the transition period in these states.

The transition period in some of the Eastern Europe's states, except the fact that it hasn't finished yet, also, is characterized by some specific features. First of all, the change of the economic and politic systems, didn't take place evolutionally, but revolutionarily.

It is worth mentioning the fact that, a specific thing for all these states is the tendency of rejection of the former system, rendered unbearable, which considered the property as being one of the states. In fact, even from the first steps of the changes made during the transition period, the totalitarian political regime of a certain party collapsed.

The effects of the reorganization of the political power in the states of the Central and Eastern Europe allow us to notice the fact that, the peoples kept their fidelity towards the hierarchy of the values inherited from the democratic past, previous to the setting up of the communism, values specific to the European civilization.

### **3. Specificity of the period of transition in the ex-Soviet states**

The transition process in the former socialist states developed in a different intensity degree, as compared to the politic situation, the position of the politic forces in the state structures and the drawn up economic programs.

But, not taking into account these aspects, characteristic for the politic system of some of the states of the east-European region is the search and the establishment of a consensus between the main politic forces in the view of aiming at the common target - the successful outrunning of the difficulties of the transition period and the constitution of a civilized democratic society.

By analyzing the transition period in the newly emerged sovereign states in the ex-Soviet space, we can mention some common features of this one with the pattern of the transformations in the post-socialist-countries. However, this process was substantially influenced by inner factors, offering a character specific to the transition period in this space.

A distinctive feature of the transition period in the states from the ex-Soviet Union is made up by the weak influence of the constitutionalism ideas, the liberalism towards democracy, ideas which form the essence of the state politics in the constitutional accidental systems.

The main issue lies in the fact that, the patterns of the less far-off past inevitably influence the present.

The legacy left by the Soviet period proved to be far worse than most of the people could imagine, and this legacy is reflected more in the people's minds than in the economic structure.

During the transition period, in the states enlisted above, period which exceeds ten years, the political reforms usually limit themselves to the issue of the elections based on the principle of the political pluralism. These transformations were usually made by well-settled political forces, by forces in the actions of which predominated and continues to predominate the general interests of the society and not the individual or group interests.

The reorganization of the economic system in the post-Soviet space has also some specificity. The politic requests determined in the reorganization of the economy consisted of the clear formulation of the direction in the economical politics of this period, which must be accepted and widely sustained by the population.

As concerning the discussed matters, we can conclude that, in the states emerged on the territory of the former Soviet Union the prospect of the ending of the transition period is not so clear. It is to be observed in

these states, a tear between the social-economic development and the politic institutionalization of the changes which occur as well as a lack of the political stability, which doesn't allow us to discuss the passing to the next phase of the transformations - "*the major consolidated democracy.*" (Pridman D., *Party government in the new Iberian democracies*, 1994).

#### **4. Establishing the new constitutional system basis**

The process of institutionalization of the political power during the transition period is closely linked to the process of official recognition, according to which the power acquires recognition, fact which renders authority and support in the society. The higher the level of the official recognition of the state's politics, the greater the possibility of the leadership in society is.

By official recognition, we understand the fastening of the juridical frame of the characteristic processes of a certain period of the development of the society, by adopting the political juridical documents, which put the political power in the constitutional juridical frame, assuring the official recognition of the new constitutional regime.

During the transition period, the official recognition has a great stabilizing importance, because it devotes the general principles of the action of the state power mechanism, it settles a precise system of moral and juridical orientations, the priority of the general-human values and the respect of the generally recognized norms of the international law.

Some authors analyzed the term "*official recognition*" also as the possibility of a certain political group to win the people's recognition, to be empowered to exert the legal power in such a way as to respect the constitutional and fundamental values of the society (Lazici M., *Drustveni raspad ili preobraj*, 1994).

A special attention is required by the analyzing of the process of adopting the first normative acts, the fundamental laws, which place in a juridical body the changes which occurred during the transition period.

Some specific features are also characteristic to the process of establishing a new constitutional regime in the states we are discussing about. Out of the world-wide constitutional practice, in the preparation of the texts of the new Constitution, in the states of the post-Soviet space, the presidential regime has priority in its American and French interpretation, according to which the state chiefs acquired some wider prerogatives (in fact the unlimited right to dissolve the Parliament, the possibility to rule by decrees, the impeachment procedure practically impossible and others).

In states such as the Czech Republic, Slovakia, Hungary, Bulgaria and the Baltic States, the pattern of presidential authority was chosen within

the parliamentary republic. Poland and Romania accepted the pattern of the semi-presidential republic with the leading role of the Parliament.

In the states of the post-Soviet space, a particular form of the presidential authority was set up, which is characterized by the following features:

- the manifestation of the tendency towards a “*democratic leadership*”, with clearly pronounced elements of authoritative policy;
- this authority can have a complex character;
- the concentration in his hands of the referee function regarding other branches of the political power;
- the benefiting of control attributions.

The tendency towards a “*democratic leadership*” is manifested by the fact that, the presidents, in most of the post-socialist-states, came to rule expressing and promoting democratic ideas (Brazauskas in Lithuania, B. Eltin in Russia, M. Snegur in the Republic of Moldavia a.s.o.). These presidents destroyed the totalitarianism and many of them, still sticking on the president position, carry on the fight against its remnants.

The presidential authority in that shape in which it is set up in some post-communist states bares a complex character, as it contains certain elements of the competence of some other organs of the political power. This is to be observed not only by analyzing the texts of the Constitutions, but also by examining the functioning *de facto* of the ultimate organs of the power.

As a premise for the creation of situations like these, it was of great help the Constitutions prepared and adopted in the favor of certain personalities, such as: The Constitution of the Russian Federation in 1993, The Constitution of Belarus in 1996, The Constitution of Uzbekistan in 1991, The Constitution of Turkmenistan in 1992.

As an essential feature of the presidential authorities in the new post-socialist states, we highlight its tendency to impose itself to other powers, concentrating the functions of the referee in the relations between them. Thus, the Constitution of Armenia lays down in its contents that: “*The president of the Republic of Armenia assures the observance of the Constitution, the good functioning of the legislative, executive and judicial powers*” (art. 49). The president of the Republic of Kazakstan “*assures the harmonious functioning of all the branches of the state’s power and the responsibility of the state organs in front of the people*” (art.40).

The constitutional regulations shown as an example, confess us the fact that, in some states there are clearly enough established functions of referee of the presidents concerning other bodies of the power and the



necessity of the use by the presidents of the procedures of conciliation in the purpose of coordination the functioning of the state's structures.

The role and importance of the president in the system of the bodies of the state's political power, in a great extent depend on the sphere of attributions settled in Constitutions. The analysis of the president's constitutional prerogatives allows us to conclude that they generally suit the already known patterns –parliamentary, presidential or mixed republics.

As compared to those mentioned above, some authors estimated that there is a fourth power in the system of the state's powers separation, and namely, the presidential power.

But the most important fact for the states in the transition period is the setting up of a stable constitutional structure.

This issue is widely looked upon and examined by the field specialists.

Thus, the competence of the Parliament in the states which went through or which are still going through the transition period, generally speaking matches the generally- recognized classification-attributions in the domain of the state's building, in the social-economic sphere, in the field of international relations, state's defense and security.

Some constitutions grant the state chief with the right of establishing the priority of examining the law projects, forcing the Parliament to examine them on the deadline established by the president, the way it happens in Belarus, Kazakstan and Georgia.

A particular importance for the study of the constitutional frame of the states which went through the transition period consists in the organization, functioning and competence of the Government, as well as the institution of its political responsibility.

As a matter of fact, in all the states that went through or which are still on the road of the transition period, the constitutional regime of the Government is set by Constitutions or organic laws.

The place of the Government in the structure of the power bodies is established by rapport to its relations with the president, the Parliament, the central bodies specialized in the public administration. The way of setting up the Government in the states which went through the transition period differ from country to country, however, obligatory, it takes place with the taking part of the president and of the Parliament.

The Governments of the states to which we refer to, are ruled in their activity by the principle of the separation of powers, the principle of the legality and of the professionalism. Within the limits of its competence, the Government sets up the execution of the laws, carries out the coordination

and the systematic control on the activity of the hierarchically inferior public administration bodies.

### Conclusions

The passage from a totalitarian regime to democracy bares a particular interest, as it is in itself a complex process, in which the transformation of the entire society takes place, fact which creates the premises of formation of a new constitutional regime, which is based on a whole new principle and values. The transition period needs official recognition, the substantiation through laws of the supposed modifications, the recognition of the necessary changes by the society, taking into consideration in the same time, the position of the society and the awareness of the latter for the transformations necessity.

As compared to other states with democratic traditions and the principles of the state's well grounded

Laws, in the states which went through the transition period, the emphases is placed on the delimitation of the competence between the President and other bodies of the power, on the fixing of the place and role of the President in the system of public authorities.

The development of the democracy and transformation of the society in a great extent depends on the constitutional practice and the application of the constitutional norms.

By analyzing the constitutional systems which are formed in the post-socialist states we can conclude that, the outrunning of the transition period, in a great extent, depends on the influence of the past and on the degree of development of the civil society.

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THE ACTUAL IMPLICATIONS OF EUROPEAN UNION  
MEMBER STATE QUALITY

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**Abstract**

*Romania, by adhering to the European Union, became part of the most achieving system of political and economical organization known in history.*

*It can be appreciated the fact that the national parliament has a multiple role in what regards the harmonization of the national legislation with the communitarian acquis, in the process of adhering to the EU, but also in the effective integration of the state in communitarian structures, implicitly in the transposing and applying the communitarian legislation in internal law.*

**Keywords:** *adherence, integration, ratification, member state, communitarian acquis*

Defined at Bucharest but also at Brussels as an “event with political, economical and social high significance”, the adhering, which represented an important step to integration in the EU, involved measures, including of juridical nature, that Romania adopted so that “the strategic objective of integration be reached”. The adherence, but also the integration are complex processes during which natural interests of nations were defined and the reports of those interests are connected with those of the EU, at present and in perspective. (Mazilu, 2007)

The far reaching reform stated through the entering in vigor on the 1<sup>st</sup> of January 2009 of the Lisbon Reform Treaty “will have a direct effect over the development of Romanian constitutional law, assuring a balance between putting to good use the interest and traditions and the prominence of great communitarian values, based on the respect for freedom of the individual and solving, through common effort, the continent great economical problems”. (Calinoiu, 2004)

The pro-European option of Romania is fully based from a political, economical and strategic point of view. Romania belongs to the European family and has adhered to the set of values that define this civilization.

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Romania's integration in the EU is mutually favorable for Romania and for the European policy construction.

By adhering to the European Union, Romania became "part of the most achieved system of political and economical organization known in history". (Jinga, 2005)

In a European Union with 27 members, Romania is the 7<sup>th</sup> country as size and population. After the debates for the reform treaty, Romania will benefit from 14 votes in the Council of Ministries, as part of the intense negotiations that took place regarding the repartition of votes in this council, because, during the repartition, an important part was the population number.

A careful analysis of the mode in which the votes of the Council of Ministries were assigned, would prove that besides the primary role that should come to population number, it has been kept in mind, a special impact having the quality of negotiators to better protect their interests, as the case of Polish negotiators. This is the proof that to a country with a population under half than Romania's population has received 12 votes in the council, while our country got 2 extra votes, meaning 14. (Mazilu, 2007)

The analysis of Romania's place in an extended EU must be based firstly on the evolution of potential elements that give force and realism to any governmental option or strategy of development. (Epure, 2002)

The process of "becoming constitutional" at the European level has involved the approach of issues of principle in a new spirit. It is about, on the first hand, to accept a new way of exerting in common law some prerogatives of state sovereignty. (Duculescu, 2005)

On the second hand, there must be kept in mind the rethinking of some traditional prerogatives of the main state mechanisms, because, inevitably, accepting the priority of communitarian law, an especially in applying directly communitarian documents, operates certain diminutions in the Parliament's competence, considered for a very long time as an unique mechanism of law making.

On the third hand, accepting the communitarian *acquis* does not just impose the assimilation of a code of rules that were elaborated at the level of the European institutions, but also a new perspective regarding exerting citizens rights, with the European citizenship, with the imperative standards that are today accepted and recognized at the European level.

"Romania's entry in the EU, on the 1<sup>st</sup> of January 2007, forced the Romanian authorities to learn the states concepts and categories inside the Union, thus the decision that they adopt to be according to the rules existing at the Union's level". (Mazilu, 2007)

## PUBLIC ADMINISTRATION & REGIONAL STUDIES

1<sup>st</sup> Year, No. 2 – 2008

Galati University Press, ISSN 2065 -1759

It can be imposed the problem of degree of convergence of the communitarian acquis with the other European juridical norms (treaties, agreements, conventions), having in mind that the most important norms have been ratified by Romania and are part of internal law. In the more dynamic and under juridical evolution areas, adopting a normative document after the model of the one in the EU, represents not only a step forward in the process of harmonization with communitarian law, but also an alignment to the stipulations in the Council of Europe, that finally, determine the modernization of the hole system of law.

From a juridical point of view, Romania's role "as member state of the EU in the frame of external and common security policies and cooperation in the domains of justice and internal affairs is different from it's communitarian role", difference that is explained through the objectives of those policies, but also through the institutional options that the objectives inspired. (Munteanu, 1999)

Romania's interests must be permanently harmonized with those of Europe being in a continuous movement, institutionally, but also politically and socially speaking. Thus, the role of Romania must not be quantified only in the number of votes that can be used in the process of decision making, but also in the contribution and dynamic flow that Romania is capable of offering to European construction.

The state dimension of the communitarian system justifies the determining of the role of member states and explains the turning to the principle of institutional autonomy that characterizes the ways of national intervention, principle whose limits are taken from the communitarian exigencies.

The general dispositions regarding the role of member states must be obviously completed with different other dispositions that come from the documents adopted by communitarian dispositions, that fix in their task different obligations for national public authorities. Also, the European Court of Justice has defined constantly the role of member states, and it's jurisprudence regarding article 5 of the CE treaty (in the new numbering, the article is 10) distinguishes this tendency. The Court has given article 5 a larger importance, considering that this constitutes the base of what was called, communitarian loyalty or communitarian cooperation, but the application of this text has some limits.

Regarding the content, it remained unmodified by the Amsterdam treaty, the European Court of Justice has distinguished, in paragraph 1, especially positive obligations in the tasks of member states, obligations that enlighten the original impact of this disposition, as the communitarian

jurisprudence was interpreted, while the consequences resulting from paragraph 2, according to the court correspond in a great measure to the principle of communitarian law primacy over national law.

The loyal cooperation between the European institutions and Romania forces our country to respect the specific and general obligations of informing that are stated, and that are of nature to allow the European Commission to fulfill its task, meaning to oversee the applying of the treaty and the dispositions taken by institutions in its base.

The national legislation that will be elaborated must keep in mind the stipulations of the Lisbon Treaty in its integrality. "The principle of supremacy of the communitarian law over internal law will apply also in Romania. Romania's Constitution allows, in an integral way, the supremacy of the communitarian law over Romanian national law." (Convention, 2002)

The doctrine of direct effect of the communitarian law was developed on the occasion of interpreting the stipulations of the treaty. These criteria will be used in the derived communitarian law.

For Romania and the Romanian system of law, the effects that the different reports between the two normative layers have because of integration are very complex. First of all, it must be observed the adding of internal juridical springs, also traditional, of European sources of law. The consequence was redefining the national juridical space in the sense of its enlargement and the entering of Romanian legal norms in juridical reports of posteriority and anteriority with already adopted communitarian laws and with those that have not been yet. In solving these reports, the principle of direct applying and that of primacy of the communitarian law have a greater importance.

Second of all, as a result of giving up a part of national sovereignty through the integrating in the EU, the Romanian law is transformed from a closed normative system and generally impermeable to external influences, into a open one which apply superior legal dispositions, emitted by Brussels. It becomes, also, a complex system of law that had many transformations because of internal adopting of the principles and norms of communitarian law. Even though some of these principles are common to Romanian law, others inspired by the German or Anglo-Saxon law constitute an absolute novelty for Romanian practitioners' of law. A proper example is the fact that the European Court of Justice's jurisprudence has become an internal spring of law, a totally unusual aspect for a law constituted according to the French principle of a law as a spring of law.

It might be said that, through the act of integrating Romania in the European communitarian structures, the jurisdictional system has lost, once

again, a significant part of self-thinking, being forced to use, in even more domains, the juridical authority of the European Court of Justice. (Miulescu, 2000)

These major changes, mostly due to the first hand effects of the integrations in the EU, so in a new political-juridical space, had a powerful impact over the state and internal structure of Romanian law in its whole. On the background of diminishing Romanian state autarky, the internal juridical system has a process of opening and continuous structural adaptation to the principles and norms that act at the level of the European Union.

### **Romania's position on the role of national parliaments in the EU**

It can be appreciated the fact that the national parliament has a multiple role regarding the harmonization of the national legislation with the communitarian *acquis*, in the process of adhering to the EU, but also in the effective integration of the state in communitarian structures, implicitly in the transposing and applying the communitarian legislation in internal law.

Regarding the role of national parliaments, since 2001, Romania has considered that in the spirit of opening to the European citizens, it should created a "Committee of national Parliaments", after the model of the Economical and Social Committee of regions. Defining the role of this new mechanism must start from the proposed model for the future Union, existing two alternatives: a minimal one, in the sense that it will be constituted a new committee in the same position was the two existing ones and that would have a consultative role on the problems that regard the intergovernmental cooperation; a maximal alternative, in the sense that this new structure will receive important competences by taking over legislative functions of the council, in co-decision with the European parliament. (Nastase, 2001)

Delimiting the competences between the EU and member states reflects the principle of subsidiarity, whose comprehensive consequences are clearly pointed out.

Romania supports the cooperation in an inter-governmental plan and identifies some common project and policies that would facilitate the development of a more visible role of the EU on an international level. At the same time, Romania has pronounced in favor of transforming the EU in an actor in which national identity is preserved, national interest are

## PUBLIC ADMINISTRATION & REGIONAL STUDIES

1<sup>st</sup> Year, No. 2 – 2008

Galati University Press, ISSN 2065 -1759

harmonized with the Union, and trans-national solidarity, cultural and religious tolerance are respected, having as a result the creation of an European society.

Romania's representatives participate in the COSAC reunions, expressing Romanian points of view on the integration process and developing common bilateral agreements with the representatives of Commission for European Affairs from the parliaments of other states. The Romanian Parliament is thus involved in forming Romania's position regarding the strategical directions of action of the EU, that are adopted in the European Council, also in forming Romania's position regarding the main European themes or policies. There is also a "parliamentary reserve": the government's negotiator in the EU council is forced to ask for the postponing of the negotiation until receiving the opinion of the Romanian Parliament.

All the projects of European documents are processed, indifferently of the number of those that will be selected for effective analysis. The Commission for European affairs, as a permanent common commission of the Deputy Chamber and Senate of Romania, has competences regarding the transposing of European legislation, but acts only at the request of one of the chambers.

The Romanian system for parliamentary monitoring of European affairs is still in development. The Commission for European Affairs of the Romanian Parliament is empowered, after examination, to express the point of view of the Romanian Parliament regarding European affairs and to grant negotiations mandate to the government for projects of European documents in the procedure of decision of the EU Council.

Since the convention for the future of Europe, in the plenary session from 6-7 of June 2002, the Romanian participants have revealed the relationship that exists between democratic legitimacy of EU actions and associated national parliaments to its activity.

The necessity of deepening the control of national parliaments regarding the positions of the governments of member states in the Council was underlined, as well as the necessity of consolidating the institutional frame of cooperation between the national parliaments, and between them and with the European Parliament.

Two interventions of Romanian parliamentary people regard especially the problems of COSAC. Puiu Hasotti estimated that: "The COSAC experience should be extended to other committees tasked with sector polices for creating in the end European network of such committees. Meanwhile, a more efficient COSAC needs a tighter relation between the



## PUBLIC ADMINISTRATION & REGIONAL STUDIES

1<sup>st</sup> Year, No. 2 – 2008

Galati University Press, ISSN 2065 -1759

European Parliament and national Parliaments.” Senator Liviu Maior, referring to COSAC, has pronounced in favor of “a reevaluation of it’s functions, also for it’s reform”. (Convention, 2002)

The Romanian member of the Parliament has also participated to a work group in the European convention regarding “the role of national parliaments in the actual architecture of the Union”.

In the frame of this group it has been revealed the request for consolidating the communication flux with all communitarian institutions, especially those between euro-parliamentary and national parliamentary people, also using COSAC as a consultative mechanism at a sector level.

It can be estimated that in the frame of national debates, the idea of the relation between the Romanian Parliament and the communitarian institutions was widely examined. The discussions started especially from fundamental problems – prerogatives, competence delimitation, and informational flux – to applicative problems regarding the ways and forms in which the national control is exerted. (Duculescu, 2004) There has been unanimity regarding the further using of COSAC and perfecting its mechanism of functioning, but also regarding other form of organizing the inter-parliamentary reports and intensifying links between national parliaments and European Parliament.

The existence of a second chamber in the European Parliament, composed form representatives of national parliaments, would lead to the rising the visibility of national parliaments in the process of European integration and to strengthening the democratic legitimacy of the EU. This idea has few supporters “preferring to put an accent on raising the role of the conference of national parliaments as a more supple form, more facile and more direct link between the elaboration of new parliamentary structures at the European level”. (Duculescu, 2004)

Regarding the direct link between the national parliaments and the European Parliament, senator Liviu Maior has considered that “the conference of presidents of national parliaments” would be the best and the most coherent inter-parliamentary cooperation formula “; this would be “the most adequate forum for raising the problem of an agreement of inter-parliamentary cooperation”. (Convention, 2002). Moreover, Romanian deputy Puiu Hassoti has pronounced against those proposals that regarded the forming of a new chamber at the level of the European Parliament; he considered that this proposition “would lead inevitably to the further complication of an institutional frame already complex”. Furthermore, “raising the European Parliament to the condition of a full equality with the council, co-legislator is a better idea in order to satisfy the legitimacy, but

also the efficiency; this would lead to a classic legislative bi-chamber, in which the European citizens would be represented in the parliament, and member states in the council. Thus, a chamber having members of national parliaments would actually mean, a third chamber with an evident loss of efficiency." (Convention, 2002)

It has been revealed the fact that an adequate solution could be "to establish some ad-hoc parliamentary conventions, with European parliamentary members, but also national parliament members, with different specific tasks, such as the revisal of constitutional arrangements of the EU or the decision regarding the direct financing of the Union".

In the discussions there has been evoked the idea of granting right of appeal to national parliaments to the European Court of Justice, on problems regarding subsidiarity. It has been underlined that choosing the implication model of national parliaments must have in mind the necessity of simplifying the decisional process and of associating national parliaments to the decisional process of the Union under consultative form.

Regarding the activity of the Romanian Parliament in the period that passed from the constitutional reform, it must be mentioned that, in this period, the parliament has been very active, decreasing visibly the number of emergency ordinances of the Government. The high number of normative documents that need adopting in the present need a considerable effort from the parliament members, but also the experts, of specialists called to ensure the accuracy and efficiency of normative documents.

"The communitarian order will have to ensure a larger role of national parliaments, the coming together of communitarian general interest with those of the member states, the elimination of non-functionalities that might appear between the communitarian interests and the diverse national interests." (Duculescu, 2004)

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**CHANGES IN THE STRUCTURE OF SMALL AGE AND SEX  
GROUPS OF THE FULL-AGED POPULATION IN GALATI  
DURING THE CONTEMPORARY PERIOD**

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**Abstract**

*The full-aged population is the most important age group within a human collectivity. Its weight is directly proportional to the work resources of a country, region, county, city, and village; to the population's capacity of reproduction if referring to the feminine fertile age population, as to the level of productivity.*

*The major political and economical changes that affected our country in the 1990, generated important mutations on the population's demography, with direct effects on the full-aged population, whose increase, generated by the drastic reduction of birth rate and implicitly of young population, determines an accelerate ageing of population.*

**I. THE FULL-AGED POPULATION-THEORETICAL ASPECTS**

Within human collectivities, delimited on time and space, we can distinguish certain sub-collectivities in terms of certain characteristics of grouping: **demographical, socio-economical, cultural, regional**, etc. Thus, in terms of sex, we notice two subpopulations, the male and the feminine one; in terms of social environment, there are: the rural population and the urban one; concerning the civil status, there are: the unmarried, married, divorced and widow populations; referring to the big age groups, we can distinguish the **young population (0-14 years old)** from the **full-aged one (15-59)**, respectively the **old one (60-∞ years old)**.

The structure on age group is one of the most important demographical parameters of a population. **The weight of the working population (15-59)** depends on the proportion between the age groups and this weight determines the work resources of a country, of a region, county, city, village, etc.

The structure on age groups influences directly the capacity of reproduction of a certain population, especially, through the weight of the feminine population from 15 to 49 years old, which determines the birth rate

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and indirectly, the natural balance. The information about the age groups structure is indispensable to any economical planning of the territory, and in terms of this aspect, certain social endowments or the production of any goods and services specific to certain ages are necessary. (Muntele, 2006).

The data on the age groups structure is indispensable for the evaluation of the social endowments (educational institutions, medical, entertaining, etc), but especially for the types of the demographical politics that are adopted by the Government, starting with the effectives of the population, more precisely, the variables of the structure of the population at a certain moment.

## II. THE ANALYSIS OF THE FULL-AGED POPULATION IN GALATI DISTRICT

### II.1. THE NUMERICAL EVOLUTION AT THE MAIN CENSUS

As we showed in the previous chapter, *the full-aged population* represents the population between 15-59 years old, being influenced by the dynamics of the other two age groups: *the young population (0-14 years old)* and *the old one (60 and over)*.

The analysis of the full-aged population in our county, Galati, at the census in 1966, 1977, 1992, 2002, 2007, proves a continuous increase from 285577 people in 1966, to 408169 in 2002 and in 2007, the number of persons rises to 409775.

The most spectacular increase of the population is registered in the period 1966-1977, when the population rises from 285577 to 345649 persons.

Still, from the analysis of the data, we can notice that from 1992 to the present, the full-aged population has not increased as much as in the former period, a phenomenon reflected by the values of the annual average development profit (S15-59) which continuously descend. The estimation of the specific demographical indicators – *the specific weight of the full-aged population*<sup>11</sup> (*g*<sub>15-59</sub>), respectively *the annual average development profit*<sup>12</sup> of the *full-aged population (S15-59)* denotes this ascending evolution of the full-aged population. Thus, *g*<sub>15-59</sub> shows an increase from 60% in 1966, to 65% in 2002, respectively 66.6% in 2007, and S<sub>15-59</sub> reveals that the full-aged population scored the most spectacular increase, to 5461 persons, between 1966-1977, so that in the next period the number reduces to approximately 321 persons between 2002-2007.

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<sup>11</sup>  $g_x = P_x / P_{0\infty} \times 100$  ( $P_x$  - population of  $x$  years old;  $P_{0\infty}$  - total population)

<sup>12</sup>  $S = (P_1 - P_0) / (n - 1)$  ( $P_1$  - the effective of population at the moment of analysis;  $P_0$  - the effectives of population at the moment of reference;  $n - 1$  - the number of years which separates the two moments)

## II.2. THE FULL-AGED POPULATION CLASSIFICATION ON SMALL AGE AND SEX GROUPS

The values of *the specific weight of small age groups* within the full-aged population reveal, *at the level of the full-aged young people* (g15-19, g20-24, g25-29 years old), a diminution with 3.5%, 5.5%, respectively 1% during the period 1966-2007; and in the same time, the superior age groups (g50-54; g55-59) increase with 3%, respectively 6%. This evolution determines an “ageing of the full-aged population”, respectively an increase of the middle age.

In terms of *sexes*, according to the industrial specific feature of our county, all the censuses show that males dominate. Still, the *specific weight* of both sexes reveals that, though it is dominant, the male full-aged population has decreased from 51.5% in 1966, to 50.6% in 2007, while the feminine full-aged population has been increasing from 48.5% in 1966 to 49.4% in 2007.

## III. CAUSES AND EFFECTS OF THE FULL-AGED POPULATION VARIATIONS IN GALATI DISTRICT

The structure of the full-aged population is influenced firstly by the components of *the natural movements (birth rate, death rate, natural balance)* as well as by the *population's instability – migratory balance, demographical politics* adopted by the Government.

On their turn, these are influenced by a series of natural and anthropic factors, applicable to our county.

Thus, one of the most important anthropic factors which influences the general birth rate level, respectively that of the death rate and particularly that of infantile death rate, was the continuous *increase of the material and cultural standard of living* supported by a demographical politics for *the medical services' improvement*, through the assignment of some financial funds and the maintaining of some qualified medical attendants. (Brezeanu, 1980)

During the 1966-1990s, even if the birth rate continuously decreases, it registers high values, which determine an afflux of young population, respectively young full-aged. The highest value, 21‰, is registered in 1978.

After the 1990, a background of the *decrease of standard of living in the county*, due to the economical changes, the birth rate reduces a lot, reaching 9.5% in 2007. This birth rate's decrease determines an implicit increase of the full-aged population being 15-19, 20-24, 25-29 years old.

*The general and infantile death rate*, complementary to the birth rate, also contributed to the fluctuation registered by the full-aged population at the main census. Thus, the general death rate recorded values under 10‰ until 1994, and 10.4‰ in the present-day, and the infantile death rate decreased from approximately 55‰ in 1966 to 15.4‰ in 2007.

These values were reflected, as we have shown, at the level of the full-aged population of the district, population which increased with approximately 7% during 1966-2007, and this increase continuously “provides” the superior age groups and respectively the old population.

The values of the *natural balance*, directly influenced by the general birth rate and death rate argue that the increase of the full-aged population and it records values over 10‰ at the census from 1966 and 1977, and at last census, it hardly touched 2.7‰, being transformed into a natural deficit, respectively -1.6‰ in 2002 and -0.9‰ in 2007.

As far as *population's instability*, respectively the *migratory balance*, is concerned, before 1990, they generated a continuous afflux of the full-aged population towards the district and the town, due to the *construction of the steel works* in 1965.

The need for manpower in steel works generated important migrations of those able to work towards the district and the town, the number of immigrants being over 2000 persons before 1977.

The economical changes after 1990 in the country, also affected our district, when the steel works became private, because many people were released temporarily from duty, so the *rate of unemployment* became one of the biggest in the country. Thus, *the decrease of standard of living* determined a continuous increase of the number of emigrants able to work, especially the men, our district still confronting a migratory deficit.

*The effects of the full-aged population's increase*, influenced by all factors already mentioned, have direct implications on the next age group, respectively on the old population.

The increase of the full-aged population determines *the rise of the specific weight of old people* and our district, as our country, being an ageing district from the demographical point of view.

The economical implications particularly come from the big number of the pensioners which can modify negatively the *dependence index* but also from the increase of the middle age active population, with major effects on *labour productivity* or on *wage expenses* ( the most experienced and length of service attendants are usually better payed).

*The social implications* come from the combination with the feminization and pauperization processes to which could be added the *increase of the medical service budget*.

*The psycho-social implications* rather represent a risk, difficult to measure, visible especially in “*the ageing of mentalities*”.

#### IV. TENDANCES OF FULL-AGED POPULATION’S EVOLUTION IN GALATI DISTRICT

As a result of the maintaining of demographical trends appeared after 1990 ( the decrease of the population’s birth rate, the big number of national and international migrations generated by some unfavourable economical evolution, the world-wide economical crisis), according to INS, the population might decrease with approximately 4.1% between 2007-2013 in Galati. INS also shows that in 2013 the full-aged population and the old one will register an increase of approximately 5%, increase determined by the decrease of the young population with approximately 10%.

In these circumstances we will see how long the ascendant trend of the full-aged population and of the old one will last, how much the population’s middle age and especially full-aged one will increase, how much the masculine specific weight will decrease in the context of the world-wide economical crisis and of higher number of emigrations of manpower and particularly how efficient the politics adopted by the Government after 1990 will be.

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Fig.1. The Evolution of Full-Aged Population in Galati District Between 1966-2007  
 (source: DJS Galați)

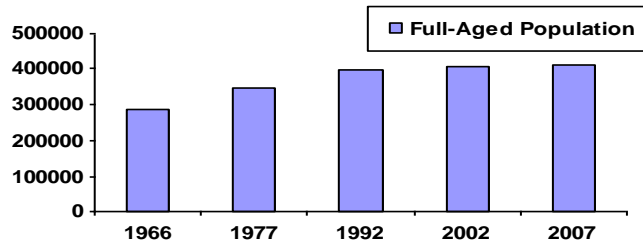


Fig.2. The Evolution of the Specific Weight of Full-Aged Population in Galati District Between 1966-2007  
 (source: DJS Galați)

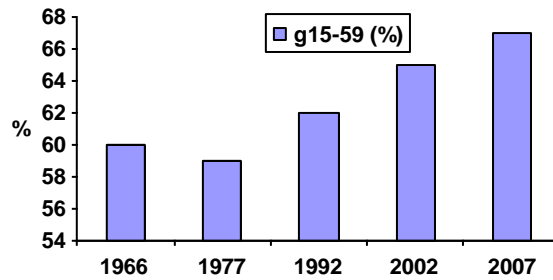


Fig.3. The Evolution of Annual Average Development Profit of the Full-Aged Population in Galati District Between 1966-2007  
 (source: DJS Galați)

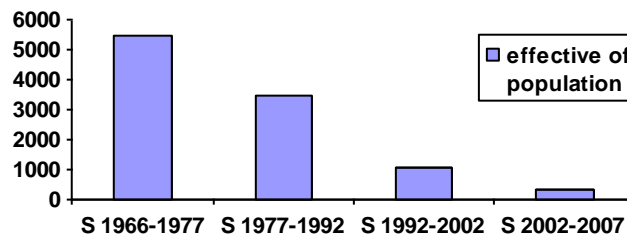


Fig.4. The Evolution of the Specific Weight of Small Age Groups Within the Full-Aged Population in Galati District Between 1966-2007  
(source: DJS Galați)

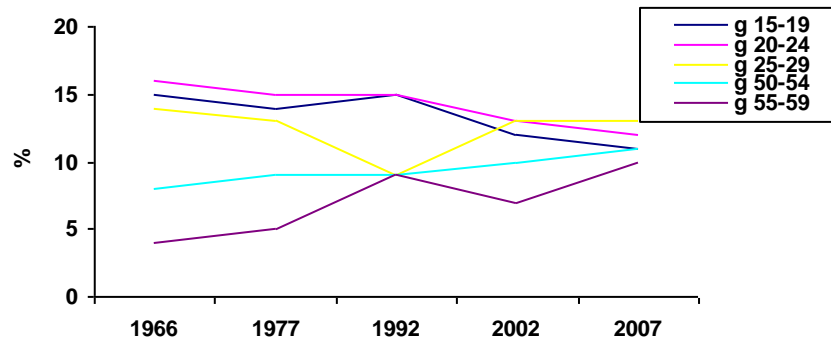


Fig.5. The Birth's Rate Evolution in Galati District Between 1966-2007  
(source: DJS Galati)

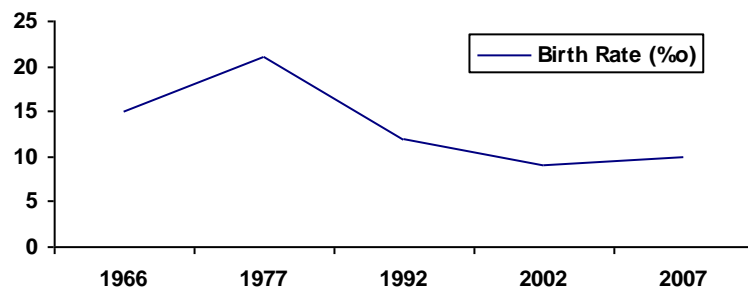


Fig.6. The Evolution of the General and Infantile Death Rates in Galati District Between 1966-2007  
(source: DJS Galati)

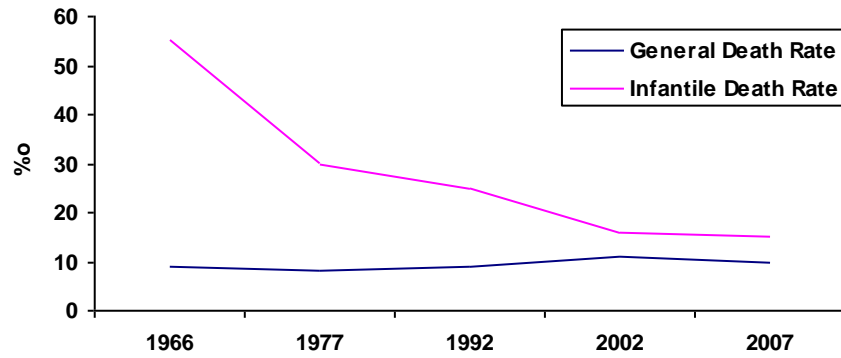


Fig.7. The Evolution of the Natural Balance in Galati District Between 1966-2007  
(source: DJS Galați)

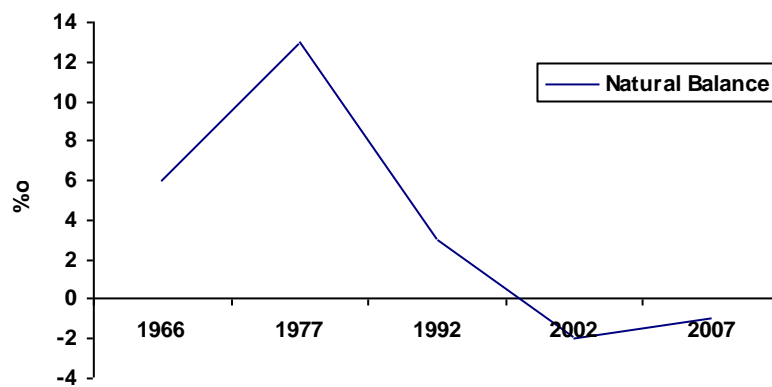


Fig.8. The Evolution of the Migratory Balance in Galati District Between 1966-2007  
(source: DJS Galati)

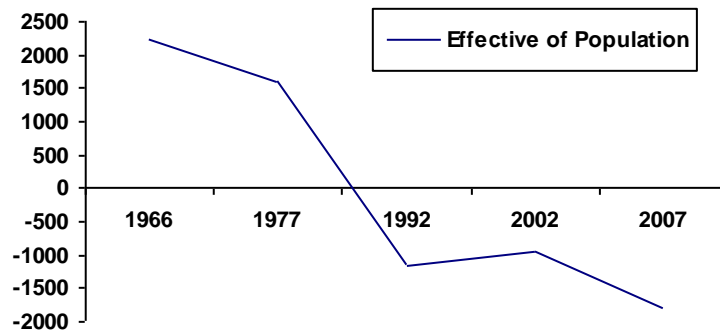
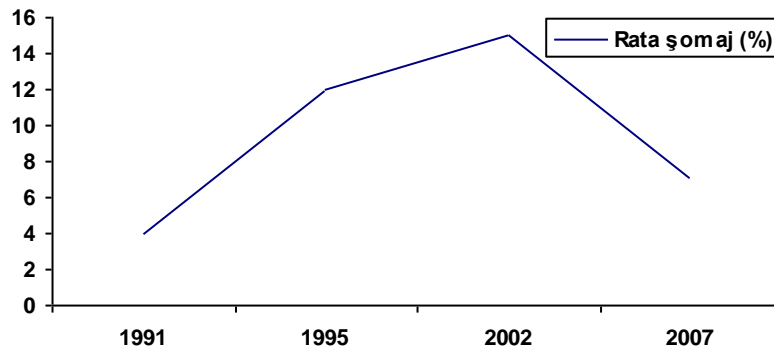
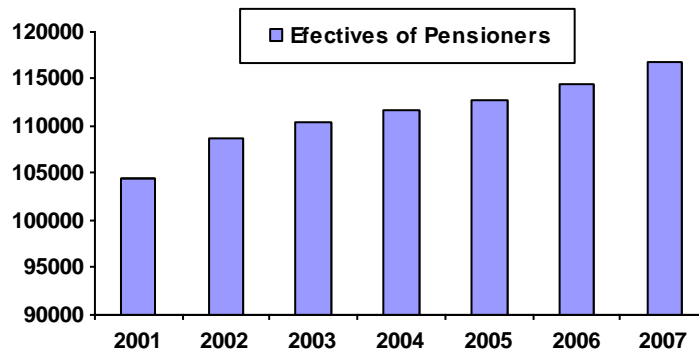


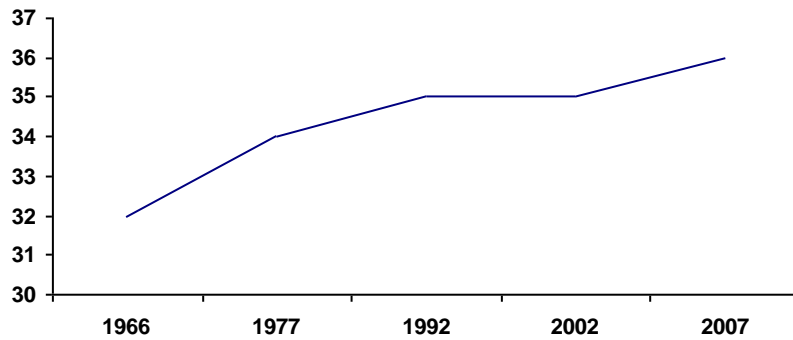
Fig. 9. The Evolution of the Unemployment Rate in Galați District between 1991-2007  
(source: DJS Galati)



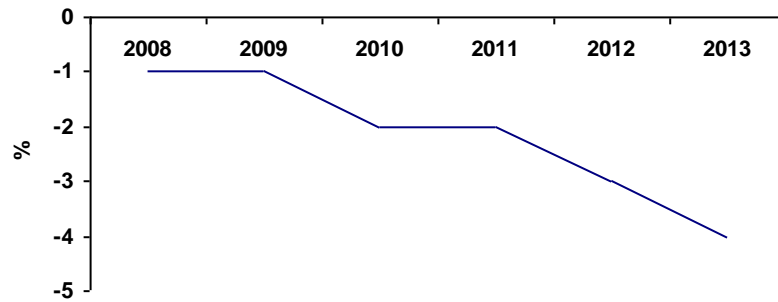
**Fig.10.The Effectives of the Pensioners in Galati District Between 2001-2007**  
(source: DJS Galati)



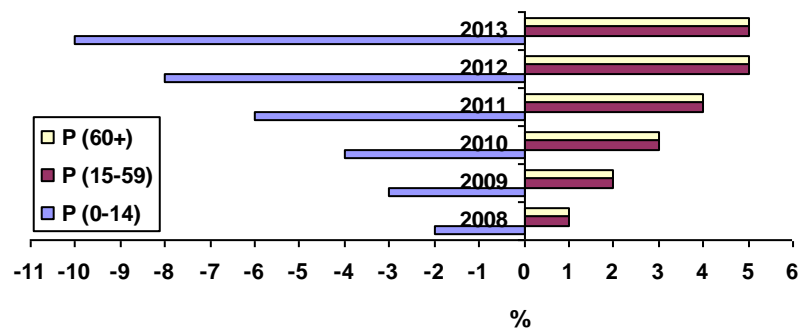
**Fig.11.The Evolution of the Middle Age within Full-Aged Population in Galati District between 1966-2007**  
(source: DJS Galati)



**Fig.12.The Prognosis of the Evolution of Population in Galati District between 2007-2013 ( source: INS)**



**Fig.13.The Prognosis of the Big Age Groups Evolution of Population in Galati District between 2007-2013 (source:INS)**



**Table 1. The Evolution of Feminine and Masculine Specific Weights within Full-Aged Population in Galati District between 1966-2007 (source: DJS Galați)**

GALATI DISTRICT		
CENSUS/YEAR	$g_m$ 15-59 (%)	$g_f$ 15-59 (%)
1966	51,5	48,5
1977	51,2	48,8
1992	51,1	48,9
2002	50,7	49,3
2007	50,6	49,4

**PUBLIC ADMINISTRATION & REGIONAL STUDIES**

1<sup>st</sup> Year, No. 2 – 2008

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<b>GALATI DISTRICT</b>				
<b>CENSUS/YEAR</b>	<b>YOUNG POPULATION (0-14 ani) %</b>	<b>FULL-AGED POPULATION (15-59 ani) %</b>	<b>OLD POPULATION (+60 ani) %</b>	<b>AGE DEPENDENCE RATIO (RDV)</b>
1966	29,5	60	10,5	0,66
1977	28,7	59,4	11,8	0,68
1992	24	62	14	0,61
2002	18,1	65	16,9	0,53
2007	15,6	67	17,4	0,49

**Table 2. RDV and Big Ages Specific Weights Evolution in Galati District between 1966-2007 (source: DJS Galati)**

**Table 3. RDE and Active/Inactive Specific Weights Evolution in Galati District between 1966-2007 (source: DJS Galati)**

<b>GALATI DISTRICT</b>			
<b>CENSUS/YEAR</b>	<b>ACTIVE POPULATION (%)</b>	<b>INACTIVE POPULATION (%)</b>	<b>ECONOMIC DEPENDENCE RATIO (RDE)</b>
1966	38,9	61,1	1,54
1977	47,1	52,9	1,12
1992	34,5	65,5	1,89
2002	44,6	55,4	1,33
2007	35,4	64,6	1,82