

**The Analysis of Pre and Post-Adhesion European
Financial Assistance in Romania
By Gabriela Marchis**

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The **economic downturn** revealed the negative consequences of low absorption of communitarian financial assistance.

The lack of interest shown by the Romanian policy-makers in attracting structural funds both in the pre-adhesion and post-adhesion periods is reflected by the poor quality of infrastructure, poor quality of goods but also in the reduced production capacity and reduced access at professional training.

The book emphasizes the huge potential for reshaping Romanian economy by the absorption of Structural and Cohesion Funds and reveals the importance of this financial and technical assistance in achieving **real and nominal convergence** with the communitarian average.

Hereby, this book is constructed upon three investigation directions.

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First of all, it explains the **mechanisms of establishing and implementing Structural and Cohesion Funds**, then examines the complexity of the methodological framework regarding the assessment of the EU financial assistance impact on economic and social development both at regional and national level and, the last but not the least, it presents an analytical study on the real and specific situation of Romania's progress in absorption of EU funds.

First chapter is allotted to a descriptive analysis of the mechanisms on which Structural and Cohesion Funds are based on and also of other financial instruments that are complementary to structural instruments and are available in Romania through EU cohesion policy, during 2007-2013 programme period.

The author emphasizes the significance and the huge opportunity for development rising from the **communitarian financial and technical assistance** offered to Romania, in parallel with the importance of spending efficiently this money on development projects, designed in close respect with the national specificities.

The second chapter analysis differences and **disparities** between the Romanian regions and also provides a hierarchy of these regions, through appropriate statistical methods, economic and mathematical models in accordance with the development necessities. The scientific value of this book results from the analytic and pragmatic approach and the logical interpretation of the European financial assistance mechanisms by its author. By using **Cluster analysis**, the author offers a **diagnosis of Romanian interregional and intraregional disparities**, highlighting the supremacy of intraregional over the **interregional disparities**. Also, the author makes a comparative analysis of the main models used at international level regarding the assessment of structural assistance impact on economic development. Hereby this chapter contains a large description of different models agreed by the European Commission (**Herom, Ecomod, Quest**) highlighting the advantages and disadvantages of each model and rallying to the views expressed in the specialised literature which leads to the conclusion that these models are evaluating the potential impact instead of the real impact of cohesion policy. Also in this part of the book the **Hermin** model (a Romanian version of Herom) is presented and its estimation on macroeconomic impact, on short and long run, of EU financial assistance through cohesion policy during 2007 – 2020 period in full absorption conditions. This chapter ends with a **benchmark analysis** in spending communitarian assistance, among Spain, Portugal, Ireland and Greece.

In fourth chapter the author uses a **multiple linear regression model** in order to test the relation between GDP evolution at county level and the number of projects implemented, the volume of investments, the employment, the rate of PHARE' absorption, etcetera. Therefore this chapter highlights the main challenges that Romania needs to face during 2007 – 2013 programme period in order to increase its **macroeconomic, financial and administrative capacity of absorption** and also the author suggests solutions and rational action directions.

Being a complex study of European financial assistance, this book gives an excellent example of how to proceed in order to get the maximum benefits from the Community assistance.

The book is an exquisite scientific result of the research project “*Studies on the SMEs Sector's Competitiveness with the Aim of Increasing the Regional and Local Durable Growth through Economic and Financial Policies*” (STUD_COMP_IMM).