

Annex 10 e to SeGI Scientific Report

Case Study Report | Romania (North-East Region)

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1. Introduction

1.1. Romania – general description

1.1.1. Overall economic situation

With a surface of 238,391 sq km and a population of 21.5 million people in 2010 Romania represents the second largest country among the new EU members, after Poland.

Though, in economic and social terms it ranks much lower so far, as a result of the stressful, often painful transition to the market economy, followed soon by the global financial and economic crisis. Thus, the political turmoil in the first ten years after December 1989 made a real advance of reform very difficult, Romania being severely criticized by the EU and international financial institutions for the drawbacks in restructuring and privatization, the incapacity to eliminate losses within the economy, the lack of real changes in public administration. Three sub-periods can be identified within this decade, namely: 1990-1992 (the beginning of transition), when the GDP recorded a serious drop; 1993-1996, when a macro-stabilisation Programme was applied, with positive consequences upon economic growth, unemployment and inflation rate; 1997-2000, when the economic decline (until 1999) represented the first result of the massive restructuring and privatization process (too much delayed in Romania) undertaken in this period, being followed by a slow but progressive recovery starting with 2000. Then, the constant, up-growing trend continued till the last quarter of 2008, when the crisis turmoil seriously hit the whole economy, the deep internal vulnerabilities amplifying the impact of the international shocks. A slight recovery has started only in the first quarter of 2011, when the GDP increased by 1.7% compared to the last quarter of 2010.

As a result of these evolutions, according to Eurostat the total GDP reached EUR 121,941 euros in 2010, while GDP per capita at PPP was EUR 11,860, that is 45% of the EU average. The annual inflation rate was 6.1% in 2010 (the highest in the whole EU), while the unemployment rate was as low as 7.4% in the last quarter of 2010 (below the EU average).

The medium gross wage is still pretty low, around EUR 432 in 2010 whereas 25% of population lives under the poverty line. Labour force (of approx. 9.2 million persons) displays a structure by sector very much below the requirements of a modern economy, with 29.5% of total number working in agriculture and only 39% in services.

In 2010 the net FDI inflows amounted to EUR 2,696 million while the FDI stock at end – 2010 was EUR 2.6 billion. It fell 25.6% from EUR 3.5 billion in 2009. FDI covered half of Romania's current account deficit in 2010, which widened 5% on the year to EUR 5.16 billion.

1.1.2. Regional structures

Romania's administrative-territorial structure comprises one regional level – the counties, named “judete”, corresponding to NUTS3 level of the EUROSTAT (there are 41 counties plus Bucharest municipality) and one local level (cities, towns, communes). Also, according to the Regional Development Act 151/1998 (updated as Regional Development Act 315/2004) eight development regions have been created and intended to serve as “the framework for conceiving, implementing and evaluating regional development policy as well as for collecting the statistical data corresponding to the NUTS 2 level of the EUROSTAT” (Law

151/1998 and Law 315/2004). Each region comprises between 4 and 7 counties (excepting Bucharest-Ilfov region). The eight regions “are not administrative-territorial units and do not have judicial personality” (Law 151/ 1998 and Law 315/2004). More recently, for statistical analysis purposes Romania is also present in EUROSTAT territorial scheme with four macro-regions corresponding to the NUTS 1 level (each of them comprises two development regions).

Hence, the counties (NUTS 3) are the only administrative units at regional level. At local level there are 320 urban centres (of which 103 municipalities) and 2854 communes. They are also administrative units. From the LAU perspective, the LAU 1 level in Romania is the same as NUTS 3, that is counties while the LAU 2 level is represented by the 3174 localities (municipalities (big cities), towns and communes).

In the described construction, only the counties and the localities have local administration competencies, whereas the development regions cannot be used as structures capable to implement the government’s decisions in their territories. The current Programmement period has revealed a series of cases when the development regions were not able to promote larger scale, inter-county projects because they do not have judicial power, while the counties do have and, at the same time, counties may have divergent political interests. Therefore, at present there are serious political debates with regard to re-organising and transforming the development regions into administrative units, determined by the need to make them more powerful in relation to the counties.

In economic terms, according to Eurostat, in 2008 the GDP per capita (PPP) in Bucharest-Ilfov was 28,300 Euros (113% of the EU average), whereas it reached only 7,200 Euros in North-East (29% of the EU average), indicating a relative distance of 3.93:1 between the most and the least developed Romanian regions (Table 1). This gap was accompanied by a much higher one in terms of the FDI regional distribution: in the same year Bucharest-Ilfov attracted 30,594 million Euros, (62.7% of total FDI in Romania), while in North-East the level was only 1136 million Euros, (2.3%), which indicates a relative distance of 26.9:1. The other six regions have shares between 8.5% (Centre) and 2.5% (South-West), which indicate the clear divide between the capital region and the rest of the country. The recent estimates of the National Forecasting Commission do not envisage significant changes in regional disparities.

Table 1. GDP per capita at PPP in the Romanian NUTS 2 regions compared to the EU-27 average in 2008

Region	GDP per capita PPP Euros	As % of EU-27 average
Bucharest-Ilfov	28,300	113%
West	12,700	51%
Centre	11,200	45%
North-West	10,400	41%
South-Muntenia	9,800	39%
South-East	9,700	39%
South-West	9,100	36%
North-East	7,200	29%
Romania	10,700	47%

Source: Eurostat

The regional disparities, usually measured at the NUTS 2 level, are more important when measured at the NUTS 3 (county) level, the differences between counties within the same region being bigger than those between regions¹. These disparities are reflected by differences in the urbanization degree, activity rate, employment distribution by activity sector, out-migration rate, the endowment and quality of social public infrastructure, accessibility to national transportation network, the quality of business environment, etc.

1.1.3. Territorial distribution of competences for services of general interest

Before the 1990, the services of general interest (SGI) in Romania were entirely provided by the public authorities. Afterwards, the market was gradually liberalized and the services of general interest captured the attention of private operators. Nowadays, the business sector is involved next to the public authorities in offering services of general interest of high quality in order to obtain citizens satisfaction. In Romania, the cooperation between the public authorities and the business sector is more developed in the area of services of general interest that prove to be profitable, such as waste service and public transport, rather than services that need high investments in infrastructure, such as electricity, gas and water supply service. One convenient way for providing services of general interest refers to a combination between the public authorities and private sector resources, by creating companies with mixed capital. The contractual form available in Romania for these new formed companies, with public – private capital, is the Public- Private Partnership, stipulated by Law 178/2010 of Public – Private Partnership.

As regards the territorial distribution of competences for the services of general interest, they are divided between counties - LAU 1 (the same as NUTS 3) and localities (municipalities, towns and communes) – LAU 2. As previously mentioned, the development regions are not administrative units and, consequently, do not have competences in the administration of the services of general interest.

The Law no. 195/22 May 2006 of decentralization provides a clear classification of the competences attributed to the local authorities at locality – LAU 2 and county – LAU 1 level. The competences are divided into the following categories: exclusive competence, shared competence and delegated authority, as shown in Table 2.

Table 2. SGI competence type by LAU level

Type of competences	County (LAU 1)	Municipalities, towns and communes (LAU 2)
Exclusive	<ul style="list-style-type: none"> - Administration of local airports - Administration of the county public and private domain - Administration of the cultural institutions of county interest - Administration of the public health units of county interest - Primary and specialized social 	<ul style="list-style-type: none"> - Administration of the public and private domain of the commune, town or city - Administration of the road infrastructure of local interest - Administration of cultural institutions of local interest - Administration of public health units

¹ For example, in South-Muntenia region there are well developed counties such as Prahova, Arges, Dambovită but also much less developed ones such as Calarasi, Giurgiu, Teleorman.

	services for victims of domestic violence - Specialized social services for the elderly - Other competences established by law	of local interest - Planning and urbanism - Water supply - Sewage and wastewater treatment - Public lighting - Waste - Social services of primary character for child protection and the elderly - Social services of primary and specialized character for victims of domestic violence - Local public passenger transport - Other competences established by law
Shared with central authorities	- Administration of the road infrastructure of county interest - Special education - Medical and social care services dedicated to persons with social problems - Primary and specialized social services for child protection - Specialized social services for people with disabilities - Community public services for inhabitants' account - Other competences established by law	- Thermal power supply produced in a centralized system - Social and youth housing - Pre-university education, excepting the special education - Public order and safety - Social aid for people in need - Prevention and management of the emergency situations at local level - Medical-social services for persons with social problems - Social services of primary character for disabled people - Community public services for inhabitants' account - Administration of road transport infrastructure of local interest at commune level - Other competences established by law
Shared with county authorities	N/A	- Provision of services of public utilities through regional operators
Delegated by state	N/A	- Payment of allowances and benefits for disabled adults and children

Source: authors' processing based on Law no. 195/22 May 2006 of decentralization

1.2. North-East Region – general description

The North-East region has the biggest surface – 36,850 sq km (that is 15.46% of Romania's surface) and the biggest population after Bucharest-Ilfov – 3.7 million people (17.25% of Romania's population). Its relief forms are harmoniously distributed: mountains – 30%, Sub-Carpathians – 30% and plains – 40%. The North-East region counts 17 municipalities, 29

towns and 506 communes, included in its six counties (Botosani, Suceava, Iasi, Neamt, Vaslui and Bacau). 56.6% of total population lives in rural areas.

The employment rate is 33.8%, close to the national average, with 42.7% employment in agriculture and only 19.4% in services. The unemployment rate is 8.2%, above the national average. The whole region is confronted with a large work migration phenomenon, the labour outflows being mainly directed to Bucharest, Western part of Romania, Western Europe and Israel.

The share of FDI in North-East region is as low as 1.3% of total Romania, as a result of a very poor attractiveness index (based on business environment and living standard indicators).

The public utility networks (water, sewage, natural gas) are underdeveloped. For example, the share of localities with potable water networks is only 54.8% - some counties in this region being even far below this share (13.3% in Iasi county and 12.8% in Vaslui county) – and only 13.8% of total number of localities are connected to the gas distribution network.

Despite the existence of many European corridors crossing the region, the density of modernized roads is very low and there are a lot of accessibility problems.

As regards the consumption-based services, all of them are in a very poor state. Even if the region's share of population and share of pupils and students in total Romania is 17.2% and 17.7% respectively, the number of education units counts for only 10.2% and the medical units for 12.1%, with depreciated technical endowments.

Raising the quality of the services of general interest could substantially contribute to increasing the standard of living and to turning to good account the region's development potential, based on natural and labour resources, tourist attractions and cross-border cooperation opportunities.

2. National analysis of services

2.1. Description of the welfare regime of the country and its particular effects on various services

Although, legally, there is no definition in the European Union that is universally accepted on the constitutive elements of general interest services (SGI) and general economic interest services (SGEI), at the beginning of January 2004² the European Parliament adopted a resolution intended to clarify their content. At the very beginning of this resolution, it is specified that the state has a major part in producing and providing SGI.

„Public undertakings, public services and services of general interest are structures on which the public authority has a dominant power.”³

The same document provides definitions for internal SGI and SGEI concepts. A primary concept refers to *public services* for utilities like gas, water, electricity, transportation, post and telecommunication. These services are provided by state controlled companies or companies that are entirely owned by state (mail, electricity production and gas production)

² * * * Public Undertakings And Services Of General Interest, PE resolution, 14.01.2004 http://www.europarl.europa.eu/parliament/expert/displayFtu.do?language=en&id=73&ftuId=FTU_3.3.4.html

³ Ibidem

or by private entities that have state concession (water providers, electricity distribution, etc.) or operating licenses (telecommunication and transportation).

Secondary concept of SGEI refers to public interest services that include services provided by public authorities (or entities delegated by these) under certain conditions. These conditions refer to elements like: i) universal access (for all population, without considering profitability – e.g. post services); ii) reasonable prices (e.g. energy field); iii) same quality for all providers (e.g. telecommunication field). All these considered, three categories of services can be distinguished, namely:

- a) services that are not provided by market rules: compulsory education, emergency medical services, social protection;
- b) state obligations: justice and public security;
- c) general economic interest services (SGEI): electricity, telecommunication, post, water and sewerage, waste, etc.

There are authors (Scot, 2000⁴; Ross, 2000⁵) who studied general interest services field and came up with new elements for approaching legislative connections.

A different manner in classifying SGI, which represents a starting point for the current study, takes under consideration their fundamentals: social (consumption-based) SGI and economic (investment-based) SGI.

Social SGI refer to education, health, child care, social care, social housing and labour market services.

Economic SGI include public transportation, postal services, telecommunication, ICT, electricity, gas and water.

Compared to the EU approach, the Romanian legislation does not define the terms of ‘public interest’ or ‘general interest’. There is just a definition of ‘legitimate public interest’ which can be found in the Law of administrative litigation No. 554/2004 and stipulates that the legitimate public interest is “*the interest which envisages the power of law and constitutional democracy, the guarantee of the rights, liberties and fundamental duties of citizens, satisfying the community needs, the implementation of the public authorities’ competences*” (Article 2, Para 1, r).

There is not a uniform definition of the public service concept either. The national legislation utilizes both a functional and an organic approach of this concept and many times the term of ‘public interest service’ is employed without making clear its content.

The term of ‘public service’ is defined by the Article 2, Para 1, k of the Law of administrative litigation No. 554/2004 as “*the activity organized/authorized by a public authority in order to satisfy a legitimate public interest*”. Further on, Article 4, c of the Law of Public-Private Partnership No. 178/2010 defines the ‘public service’ as “*the totality of actions and activities which ensure the satisfying of the utility needs and the general/local public interest needs of various collectivities*”.

In this respect it is necessary that the proposed definition ensure a correct understanding of the concept, in accordance with the European level tendencies. A basic option at the EU level

⁴ Scott, C., Services of General Interest in EC Law: Matching Values to Regulatory Technique in the Public and Privatized Sectors, *European Law Journal*, Vol. 6, No. 4, 2000, pp. 310-325

⁵ Ross, M., Article 16 E.C. and services of General Interest: From Derogation to Obligation?, *European Law Review*, 25, 2000, pp. 22-38

is that of the functional defining of the general interest services, comprising market and non-market services, which are classified by the public authorities as being of general interest and subject to obligations specific to public services.

2.2. Overview of the SGI in Romania

2.2.1. Traditional infrastructure services (gas, water, waste and sewage, electricity, transport – including public transport and postal services)

- **Gas**

In the context of the radical reforms that have characterized the structural and institutional Romanian economy after 1989 with the aim of decentralizing the services to increase their quality and efficiency, the energy market in Romania has gradually opened to competition as part of the concept of national economic liberalization and free movement of goods and services.⁶

Although Romania is the largest gas producer in Central and Eastern Europe, it continues to be a net gas importer. For the last 16 years, internal gas production has a share between 61,7% in 2006 and 81,5% in 1999⁷. In the middle of the 80's, Romanian gas production⁸ has reached 30 billions m³, but – because of the resource depletion – it decreased continuously to 11 billions m³ in 2009. Romanian gas resources are estimated⁹ around 141 billions m³.

The legal frame is build on primary legislation (Gas Law 351/2004, modified by Law 288/2005), European legislation (Directive 2009/73/CE) and secondary legislation (technical regulations, methodologies, licenses, standards). The policy in the natural gas domain is elaborated and monitored by the Ministry of Economy, Commerce and Business. Romanian regulatory entity is named Romanian Energy Regulatory Authority (Autoritatea Nationala de Reglementare in Energie - ANRE). According to its own statement¹⁰, its attributions are:

„Romanian Energy Regulatory Authority - ANRE - is a public independent body of national interest whose mission is to create and implement the appropriate regulatory system to ensure the proper functioning of the electricity, heat and gas markets, in terms of efficiency, competition, transparency and consumer protection.

In discharging its competencies and tasks, ANRE works together with other central or local public administration bodies, electricity, heat and gas undertakings, with international organisations in the field, so that interests of all sector players may be harmonized and transparency of the regulatory process assured.”

Starting with 2000, due to Directive 1996/92/EC enforcement, the activity of the most important company in Romanian gas market – Romgaz - was divided as following:

- Production (Romgaz company)

⁶ <http://www.anre.ro/informatii.php?id=474>

⁷ Source: * * * **ASR – serii de timp 2010**, Institutul National de Statistica, Bucharest, 2011, Table 16.5.

⁸ According to ANRE quoted in: * * * Prospect in vederea adimterii la tranzactionare pe piata reglementata la vedere administrata de Bursa de Valori Bucuresti, RC&I, ING, BRD, Bucharest, December 2010, pp. 201-202

⁹ Ibidem.

¹⁰ <http://www.anre.ro/index.php>

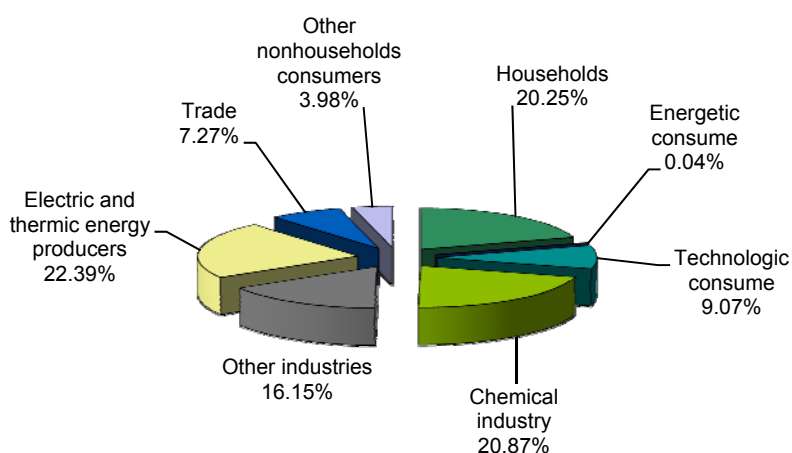
- Transportation (Transgaz¹¹ company)
- Distribution (Distrigaz Sud¹² and Distrigaz Nord¹³ companies).

Gas market is entirely open (at least in theory) starting July 2007. This means that any consumer has the right to choose his gas provider as he pleases. In reality, only 56,5%¹⁴ of the market is actually free (they have changed their gas provider or renegotiated contractual terms). This market share has renegotiated prices according to new contract terms. The rest of 43,5% is formed by so called 'captive consumers'. This market share is called 'regulated market' and benefits of regulated prices established through frameworks contract by ANRE.

On this context, in Romania, at the moment, the gas market players comprise:

- Production: 8 producers (mainly Romgaz with 51,3% market share and OMV - 45,9%)
- Transport (Transgaz monopoly)
- Storage: 3 companies (Romgaz, Amgaz and Depomures) together holding storage facilities for approximate 3,2 billion m³
- Distributors and suppliers for regulatory market: 39 companies (dominated by GdF Suez – 48,7% and EON 42,4%)
- Distributors and suppliers for free market: 90 companies (most important: Petrom Gas¹⁵ - 23,4%, Romgaz – 22,7%, Interagro – 20,6% and GdF Suez – 11,9%)
- Consumers (consume structure is available in Figure 1, mentioning that household consumers are 20%).

Figure 1. Structure of gas consume in Romania 2010



Data source: * * * Raport anual de monitorizare pentru piata interna de gaze naturale – 2010, ANRE, Bucharest, 2011

¹¹ State controlled company, but registered on Bucharest Stock Exchange starting with January 2008.

¹² Privatized in 2005 by GdF Suez.

¹³ Privatized in 2005 by E.ON.

¹⁴ Related to volumes, not consumers number.

¹⁵ Controlled by OMV.

Regarding pricing policy and regulatory prices establishment, ANRE operates and publically informs for each supplier, price lists for households and non-household consumers based on effective quantity consumed¹⁶. Prices differs (cheaper) for end consumers that are directly connected to the transport network compared to those connected to distribution network. This is explain by ANRE pricing policy that takes under consideration:

- The acquisition price of domestic gas (traditionally set by ANRE at c.50% below the imported gas price) and the acquisition price of imported gas - both carrying the weighs assigned by ANRE (gas basket);
- Underground storage tariff;
- Transport tariff;
- Distribution tariff.

At the moment, Romanian consumers have the lowest prices for gas in EU. Prices for regulatory consumers that are connected to distribution system are set between 215€ and 230€¹⁷ / 1000 m³.

Statistic data regarding household consumer connection to the gas distribution network works on two levels. Firstly, it has to be mentioned, that at 2002 RPL¹⁸, over 3,28 millions household (40,5%) were connected to the gas distribution network. In addition, 2,57 millions households (31,6%) used liquefied petroleum gas as cooking fuel. Updated statistics on number of households connected are not available. It is accessible the information regarding the number of localities that are connected on gas network which increased by 37% (from 609 to 835) in 2009¹⁹ compared to 2002. Similar increase has also been recorded concerning total length of gas distribution network (from little over 24 thousands km in 2002, to over 33,3 thousands km in 2009)

Although, the least developed region of the country, from the gas distribution network conection point of view, North-East Region is not the last. Thus, in 2002, close to 32% of 1,3 million households of this region were connected to gas network. South-East Region and South West Region recorded 6pp²⁰ less, while South Region was also less by 2pp. The explanation is simple and it is based on the fact that Romanian gas resources are situated in Transylvania's center and in Moldova's area. North-East Region is also clearly less developed just by looking at the number of households that use liquefied petroleum as cooking fuel. Thus, in South-West region, this share is almost 49%, in South-East is 50,6%, while South has over 56%. Unlike these, North – East recorded less then 18% households that use liquefied petroleum and over 48% households that use solid fuel.

¹⁶ Yearly limits (measured in MWh) used in consumers separation in classes are: A. For end consumer that are connected to the transport network: 1.162,78; 11.627,78; 116.277,79 and 1.162.777,87; B. For end consumers connected to the distribution network: 23,25; 116,28; 1.162,78; 11.627,78 and 116.277,79.

¹⁷ These values were based on approved prices for GdF Suez, updated by ANRE on September 22, 2011 at the exchange rate of 4,3 lei/ €.

¹⁸ * * * Recensământul populației și locuințelor 2002. Volumul 3 – cladiri, locuințe, gospodării, Institutul National de Statistica, Bucharest, 2004, tabel 7

¹⁹ Source: * * * **ASR – serii de timp 2010**, Institutul National de Statistica, Bucharest, 2011, Table 5.10.

²⁰ Percentage points

Existing studies

- Voicu, B. and Voicu, M. **Accesul la utilitatile publice, in Romania**, Revista Calitatea Vietii, Vol. 14, Nr. 1-2, 2005, pp. 21-49
- * * **Politica energetica a Romaniei in perioada 2006 - 2009**, Ministerul Economiei si Comertului, Bucharest, 2006
- * * **Prospect in vederea admiterii la tranzactionare pe piata reglementata la vedere administrata de Bursa de Valori Bucuresti**, RC&I, ING, BRD, Bucharest, Decembrie 2010, pp. 200-216
- * * **Raport anual de monitorizare pentru piata interna de gaze naturale – 2010**, ANRE, Bucharest, 2011
- * * **Raport monitorizare piata interna de gaze naturale - iunie 2011**, ANRE, Bucharest, August 2011
- *** **Recensamantul populatiei si locuintelor 2002. Volumul 3 – cladiri, locuinte, gospodarii**, Institutul National de Statistica, Bucharest, 2004

Current legislation

- EU

- *** 2009/73/CE Directive of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC

- National

- *** Law no. 351 of July 14, 2004 - Gas Law (Lege nr. 351 din 14 iulie 2004 – Legea gazelor)
- *** Order 86/2009 - Regulation on the activity of informing consumers of electricity and natural gas (Ordin 86 / 2009 - Regulamentul privind activitatea de informare a consumatorilor de energie electrica si gaze naturale)
- *** Order 47/2007- Methodology of switching the operator by residential gas consumers (Ordin 47 /2007-Metodologie privind schimbarea furnizorului de catre consumatorii casnici de gaze naturale)
- *** Order 77/2009 on the approval of framework contracts of providing regulated natural gas (Ordin 77/2009 privind aprobarea contractelor-cadru de furnizare reglementata a gazelor naturale)
- *** Order 62/2008, regarding the approval of measuring the quantities of natural gas traded in Romania (Ordin 62 /2008 -privind aprobarea Regulamentului de masurare a cantitatilor de gaze naturale tranzactionate in Romania)
- *** Order no. 115 of 29 July 2008 amending the Regulation of measuring the quantities of natural gas traded in Romania (Ordin nr. 115 din 29 iulie 2008 pentru modificarea Regulamentului de masurare a cantitatilor de gaze naturale tranzactionate in Romania)
- Emergency Ordinance no. 5 of 20 February 2003 on offering the aid for heating and other facilities to population for the payment of heating (Ordonanta de Urgenta nr. 5

din 20 februarie 2003 privind acordarea de ajutoare pentru incalzirea locuintei, precum si a unor facilitati populatiei pentru plata energiei termice)

- *** Government Decision 1043/2004 -Regulation on access to natural gas distribution systems (H.G. 1043/2004 -Regulamentul privind accesul la sistemele de distributie a gazelor naturale)
- *** Order 37/2007 on the approval of the Performance Standard for the activity of natural gas supply (Ordin 37/2007 privind aprobarea Standardului de performanta pt activitatea de furnizare a gazelor naturale)
- *** Decision 1361 / 2006 approving the Performance standard for natural gas transport service and gas distribution service (Decizie 1361 /2006 privind aprobarea Standardului de performanta pentru serviciul de transport al gazelor naturale si a Standardului de performanta pentru serviciul de distributie a gazelor naturale)

- **Water and sewage**

Water resources and population access to water are nonetheless some of the most important elements to solid development. An excellent definition of water is given to us in the first article of Water Law 107/1996²¹:

„Water is natural, regenerative, vulnerable and limited resource that is indispensable for life and society, raw material for productive activities, energy source and way of transportation, essential factor in maintaining ecological equilibrium.”

It is obvious that water related services have to be seen from two points of view: i) Water supplying and ii) used water recovery and treatment. The Romanian authority in monitoring and managing Directive 2000/60/EC²² is “Romanian Waters” National Administration (Administratia Nationala „Apele Romane” - ANAR). ANAR is not only responsible for managing water as mentioned, it is also the institution involved in supervising the national network of hydrological and hydro geological and quality measurements for water sources that belong to public domain.

The legal framework of water supply and sewage in Romania is assured by the Law 241/2006. The leadership, coordination and responsibility of water service and sewage are actions associated with the local public administration (Law 241/2006, article 2 (1)). Water service includes "all public activities of general economic and social interest" in order to capture, treat, transport, store and distribute drinking or industrial water to the users of a certain locality (article 3 (a) (b)). Instead, public water supply system includes building and land, technological installations, equipment as support for achieving public water service. The article 7 (1) specifies the principles associated with water and sewage services, such as profitability, quality, efficiency, transparency and public accountability. Licensing suppliers and price policy is regulated, under Law 241/2006 by the National Authority for Regulating Community Services on Public Utilities (ANRSC).

The service provided by water supply systems and sewage, at the users' level, is associated with performance indicators, which are based on a profesional study carried out by local public authorities (article 8, Law 241/2006) Subsequently, the service performance indicators

²¹ * * * Legea apelor - modificata si completata prin OUG nr.3/ 5 februarie 2010, Bucharest, 196/ 25 Septembrie 1996

²² * * * Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for the Community action in the field of water policy, 23rd October 2000

are approved by the City Council, County Council, the General Council of Bucharest or community development associations, depending on each case (article 10, paragraph (1)). *One of the strategic objectives of the central government authorities is to attract private investment and thereby stimulate sustainable development of local communities* (article 9 paragraph (2b)). Local authorities have the responsibility to adopt decisions on forming cross- regional association, implementing service management or delegation of water management service, creating mixed companies through equity participation or godos with the purpose of carrying out water supply systems, approving prices, tariffs and special fees for water service, etc. (article 12).

Article 18 specifies the potential ways of managing the water supply services that can be found under two forms: direct and delegated management. On one hand, the first case implies that the local government is assuming, through its structures, all the duties and responsibilities for the water supply service (article 19, paragraph (1) - (2)). On the other hand, the contract of management delegation of water supply service involves the transfer of local government tasks to one or more operators (article 20, paragraph (1)). In addition, the two contractual forms of the management delegation, supported by article 20 paragraph (4), are represented by the concession agreement or public - private partnership. When awarding contracts by delegation of service management, the focus is places on getting the best value for money and obtain satisfaction of local communities in the best conditions of general public interest (article 22, paragraph (4)).

Setting, adjusting and changing prices and tariffs for water supply service, in the case of management delegation contract, is based on ANRSC rules, on which both local authorities and operator agreed (Article 35, Para 2). The tariff at the operator Proposal, According to the ANRSC methodology, composed of a fixed CAN BE part, Necessary Conditions for Maintaining the operating of water supply service, and the variable part of Consumption Associated with the water (Article 35, Para 3).

Prices differ from one region to another, based on network design, water source, losses, network length and age, etc. For example, in Bucharest Municipality in 2011, water and sewage price per cube meter (before VAT) was 2,81 lei (2,30 lei water and 0,51 lei sewage). In Euros (4,3lei = 1euro), this means that one cube meter of water costs 0,66€ (0,54€ water and 0,12€ sewage). Previous mentioned prices are before VAT (24%). Otherwise, population water consume has constantly decreased (as a more rational usage and stop losses), starting with billing per cube meter. In 1998, it was delivered to population an amount of 1300 millions m³ of water, while in 2009 – even though distribution network expanded (as length) with 65% - the amount of water delivered to population reduced to 680 millions m³ of water (47,5% reduction). It is worth mentioned that approximate 2/3 of produced water is supplied to population, the balance is going to institutional consumption.

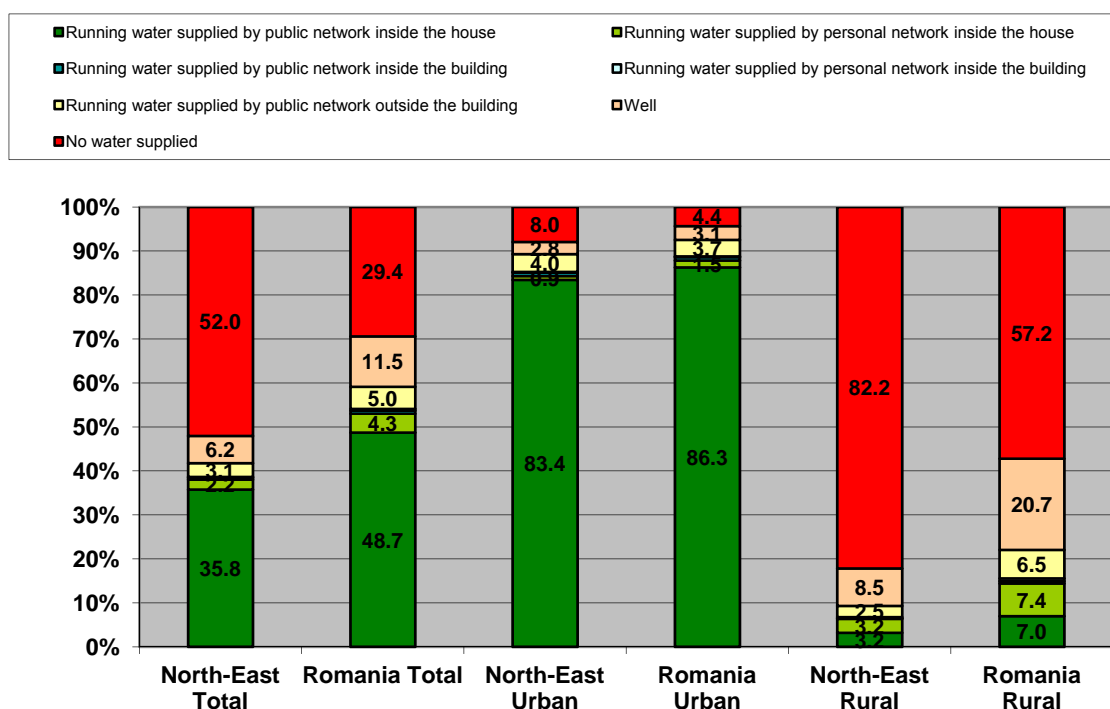
Population access to water, as well as recovery and treatment for used water is possible only through a close cooperation between local authorities and effective entities. Unfortunately, from this point of view, Romanian reality is rather complicated. 2002 RPL results showed water access for Romanian and North-East region household as presented in Figure 2.

Regarding water providing, 2002 RPL²³ shows that 53% Romanian households have running water inside the house (mostly from public network). More than one out of ten households (11,5%) have water from wells on their own proprieties, while over 29% did not own any water source. North – East Region have a worse situation compared to the national

²³ The most recent census of Romania.

average.²⁴ Thus, only 38% of the households from this region have running water inside the house, while 6,2% own a well on their propriety, but majority (52%) din not have access to water on their premises. A good predictor for water supplying way is rezidence area. Statistical data for urban shows that 88% out of national households have running water inside the house, over 3% were. A good predictor for water supplying way is residence area. Statistical data for urban shows that 88% out of national households have running water inside the house, over 3% were water supplied by owned wells (2,8% in North-East Region), and 4,4% households have no water supplying (8% located in North-East Region). Disparities between national and north-east regional urban are not very high. Rural area at national level presents a less favorable situation with more then 57% households with no access to water, 21% households having wells and little over 14% in-house running water (from which half connected on public network and the other half on personal systems). Rural area in North – East Region is catastrophically: more then 82% households have no access to water²⁵, 8,5% owned wells, while only 6,4% hare in-house running water (half on public network, half on personal system).

Figure 2. Households water access in Romania and North – East Region, on residential areas, in 2002



Data Source: * * * Recensamantul populatiei si locuintelor 2002. Volumul 3 – cladiri, locuinte, gospodarii, National Institute of Statistics, Bucharest, 2004

²⁴ Even though other region (South or South-East) were even worse then North-East.

²⁵ These households have to access water from neighbors wells or public wells.

Existing studies

- Boscornea, C., Rusu, C., Stoica, R. and Albu, M. **Asigurarea accesului populatiei la infrastructura de apa in conformitate cu cerintele uniunii europene**, Administratia Nationala „Apele Romane”, Bucharest, 2010
- Boscornea C. and Milcomete V., **Stadiul realizarii lucrarilor pentru epurarea apelor uzate urbane si a capacitatilor in executie si puse in functiune-aglomerari umane cu peste 2000 locuitori echivalenti**, Administratia Nationala „Apele Romane”, Bucharest, 2008
- Voicu, B. and Voicu, M. **Accesul la utilitatile publice, in Romania**, Revista Calitatea Vietii, Vol. 14, Nr. 1-2, 2005, pp. 21-49
- * * * **Sinteza calitatii apelor din Romania in anul 2010 (extras)**, Administratia Nationala „Apele Romane”, Bucharest, 2011
- * * * **Recensamantul populatiei si locuintelor 2002. Volumul 3 – cladiri, locuinte, gospodarii**, Institutul National de Statistica, Bucharest, 2004

Current legislation

- EU

- * * * Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for the Community action in the field of water policy, 23rd October 2000

- National

- * * * Law 241/2006 of water supply service and sewage (Legea serviciului de alimentare cu apa si canalizare)
- * * * Law 196/ 25 of water- amended and supplemented by emergency Government Ordinance no. 3/5 February 2010 (Legea apelor - modificata si completata prin OUG nr.3/ 5 februarie 2010)

• **Waste**

In Romania, there is currently a ministry dedicated to this area, called „The Ministry of the Environment and Forests”. According to the national legislation²⁶ in force, The National Authority for the settlement of Community Services for Public Utilities (ANRSC) is responsible for licensing companies which activate in the field of sanitation services while contracting and financing (for public services) are the responsibility of local authorities.

Article 3 of Law 101/2006 mentions the activities included in the waste service, such as pre-collection, collection and transport of municipal waste, maintenance of public roads and activities related to waste storage. Unlike the applicable European legislation (The Directive 2008/98/EC²⁷) the national legislation for sanitation, also contains the following additional

²⁶ * * * Legea serviciului de salubritate a localitatilor, 101 din 25 Aprilie 2006 (cu actualizarile si completarile ulterioare), Monitorul Oficial, Nr. 393, Bucharest, 8 Mai 2006

²⁷ * * * Directive 2008/98/EC of the European Parliament and of the Council on waste and repealing certain Directives, 19 November 2008

elements: i) cleaning and transporting the snow on public roads; ii) removing the animal cadavers off public areas; iii) cleaning animal waste coming from the population households. In fact, the content of the Law 101/2006 also anticipates the creation of a National Programme for Managing Waste. The first phase is considered the National Strategy and A National Waste Management Programme²⁸. This plan has been followed by several other subsequent plans realized by the Regional Agencies for the Environment. Establishment, organization, management and coordination of waste service of localities represent responsibilities of the deliberative authorities of the administrative - territorial units (article 6, Law 101/2006).

For implementing the Directive 2008/89/EC, a new law, 132/2010²⁹ was put in force regarding the selective collecting of waste by public institutions. Thus, each public institution is obliged to organize separate collecting according to the following three categories: i) paper and cardboards (in blue recipients); ii) metal and plastic (in yellow recipients); iii) glass (in white or green recipients). The national legislation mentioned above is not applied to special waste (biologically risky, chemically risky – including nuclear, etc) which is settled by special laws.

According to the data provided by Eurostat³⁰, in Romania 713 kg of waster per capita³¹ were produced by the municipalities. The average value for the North-East region was slightly higher (728 kg per capita). As for the waste management at a national level, 75.86% was deposited underground, or in special cesspools, while 0.89% was recycled. In the North East region, 66.62% of the municipal waste was deposited underground or in cesspools while 1.36% was recycled. The last value places the North East Region on the second place of the eight regions of the country, by level of development, according to the recycled waste weight, after the Western region which recycled 1.56% of the waste.

Existing studies

- Ruoff, C., Hermens, P., van Bergeijk, A., Kleinjans, E. and Chiriac, S. **Prevenirea producerii deseurilor de ambalaje**, AMECO Netherlands and Ministerul Economiei si Comertului, Bucharest, 2006
- * * * **Strategia si Planul National de Gestionare a Deseurilor**, Ministerul Mediului, Bucharest, 2004
- * * * **Planurile Regionale de Gestionare a Deseurilor**, Agentiile Regionale ale Mediului
- * * * **Planurile Judetene de Gestionare a Deseurilor**, Agentiile Judetene ale Mediului

Current legislation

- EU

- * * * Directive 2008/98/EC of the European Parliament and of the Council on waste and repealing certain Directives, 19 November 2008

²⁸ * * * Strategia si Planul National de Gestionare a Deseurilor, Ministerul Mediului, Bucharest, 2004

²⁹ * * * Legea 132/2010 privind colectarea selectiva a deseurilor in institutiile publice, Monitorul Oficial, Nr. 461, Bucharest, 6 Iulie 2010

³⁰ * * * <http://epp.eurostat.ec.europa.eu>

³¹ The reference was the urban population.

- National

- * * * Law 101/ 2006 of sanitation service of localities - amended and supplemented (Legea serviciului de salubritate a localitatilor – modificata si completata)
- *** Law 224/2008 approving Government Emergency Ordinance no. 92/2007 for amending and supplementing Law of sanitation service no. 101/2006 (Legea 224/2008 privind aprobarea Ordonantei de Urgenta a guvernului nr. 92/2007 pentru modificarea si completarea Legii serviciului de salubritate a localitatilor nr. 101/2006)
- * * * Law 132/2010 regarding the waste selective collection in public institutions (Legea 132/2010 privind colectarea selectiva a deseurilor in institutiile publice)

- **Electricity**

The legal frame for the electric energy market is composed of the following elements: i) primary national level (Law 13/2007³²) and secondary (methodologies, technical norms, reference standards, licenses, etc.) and ii) European level (Directive 2009/72/CE³³).

The electricity market consists of the regulated market and the competitive market and the energy trading takes the form of wholesale or retail (Article 26, Law 13/2007). The electric energy refers to the following subsequent aspects: production, reserve management, interconnecting, transportation, distribution, import and export. The administrative entity which ensures the electric power management is the same as the one for natural gas: Romanian Energy Regulatory Authority (Autoritatea Nationala de Reglementare in Energie - ANRE).

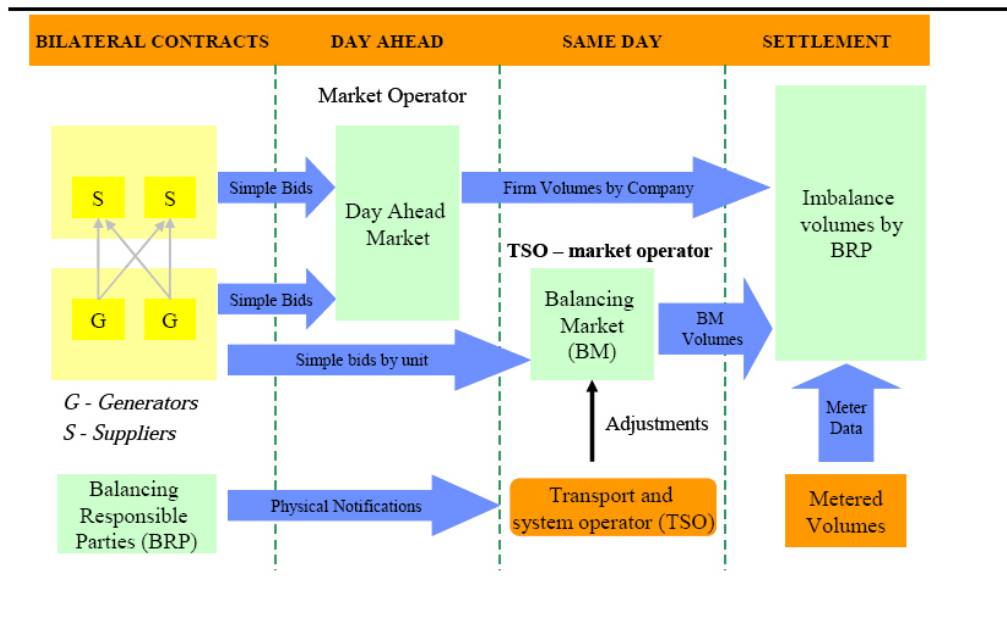
As well as the natural gas market, in Romania starting with 2007, the electricity market is completely liberalized. The real degree of liberalization of the electricity market (taking into account the volume of acquisitions of the users who changed suppliers or renegotiated contracts) was 58% in June 2011. Unlike other markets, the electricity market is a special one, considering the fact that electric power cannot be accumulated. In these conditions, equilibrium is accomplished from several sources which can rapidly be set in motion (e.g. hydro) and not from high inertia sources (e.g. thermo or nuclear). Consequently, we distinguish two market categories: a wholesale market and a retail market.

According to ANRE, the wholesale electricity market is the following, as in Figure 3.

³² * * * Legea energiei electrice 13/ 2007, Monitorul Oficial, Nr. 51, Bucuresti, 23 Ianuarie 2007

³³ * * * Directiva 2009/72/CE a Parlamentului European si a Consiliului privind normele comune pentru piata interna a energiei electrice si de abrogare a Directivei 2003/54/CE, 13 July 2009

Figure 3. Structure of the wholesale electricity market



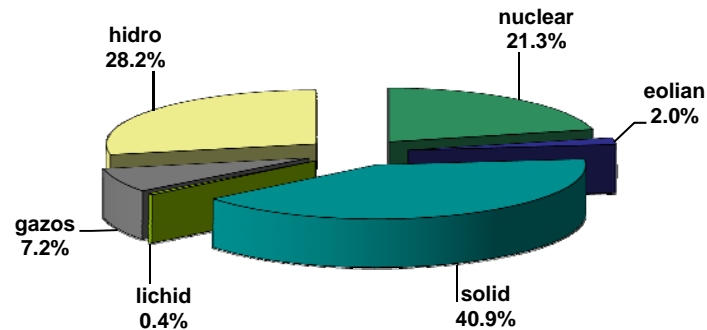
Source: * * * Raport privind rezultatele monitorizarii pietei de energie electrica in luna iunie 2011, ANRE, Bucharest, August 2011, p.3.

The production capacity for electric power installed Romania is presently approximately 20.5 GW. Of this installed power, approximately 35.8% is in coal based stations, 25.8% in hydrocarbon based stations, 30.8% in hydroelectric stations, 6.9% in nuclear stations and 0.7% in Aeolian stations. Romania has been manifesting in the last few years (especially after setting in function the nuclear reactors of the Atom-electrical Station in Cernavoda) as a net exporter of electric power. The subtle rebound of the 2010 industrial production has also been reflected in the production and consumption of electric power. Thus, in 2010, the internal consumption of electric power increased to 4.23% as compared to 2009 thus reaching a level of 52.03 TWh. A little over 21.6% of this consumption represents the household consumption of the population. On the market of licensed suppliers of electric power are listed 125 economic entities. The market administration and transportation is accomplished by the Transelectrica³⁴ Company.

The distribution is ensured by 8 regional companies, three of which are fully owned by the state. The most recent data provided by the ANRE (June 2011) indicate the fact that the structure of the electric power production is the one presented by Figure 4.

³⁴ A company controlled by the state and listed at the Bucharest Stock Exchange Market at the end of august 2006.

Figure 4. The structure of electric energy production in Romania in June 2011



Source: * * * Raport privind rezultatele monitorizarii pietei de energie electrica in luna iunie 2011, ANRE, Bucharest, August 2011, p. 5.

Setting the prices on the liberalized market is according to the law of demand and supply. Depending on the different segments of the wholesale electric power market, the last values available relative to the prices in practice are presented in the Table below.

Table 3. The prices in practice on the electric power wholesale market in June 2011 – without taxes

Market Type	Lei/ MWh	€ ³⁵ / MWh
The market of bilateral contracts	165,68	39,51
Export	209,11	49,87
Contracts centralized markets	174,10	41,52
Following day market	206,13	49,16
Equilibrium market (deficit)*	288,10	68,71
Equilibrium market (surplus)**	64,36	15,35

Source: * * * Raport privind rezultatele monitorizarii pietei de energie electrica in luna iunie 2011, ANRE, Bucharest, August 2011

Note: * For the situation in which a consumer consumed more than stipulated in the contract

** For the situation in which a consumer consumed less than stipulated in the contract

According to the information provided by Eurostat, Romania has the lowest level on taxes for electric power, lower values being registered only in Bulgaria and Estonia. The Romanian government has started some measures of reorganization through the merger of certain actors on the electric energy market. These measures have faced a quite powerful opposition

³⁵ Computed after the medium exchange rate for June 2011: 1 € = 4,1929 lei

(lawsuits) from economic entities (e.g. Fondul Proprietatea³⁶). Following these events, the reorganization procedures desired in the government have been stopped.

Relative to the household access to electric energy, the last available data are from the 2002 Census of the population and households. At the national level, 97% of the households had electric power installations, with important differences by residence environment (99.2% in urban households and 94.7% in rural households). The work hypothesis for this analysis was that the distribution of the electric power network is even across the country and that only some isolated villages in the mountains (the Center region, in the Apuseni Mountains) would have some limited access to electric power. The statistical data available show that the North East region is in fact the least electrically connected area. Thus, 95.1% of the household had electric power installations. The value of the urban areas in the North east region was closer to the national average (99.2%) while the rural areas in the same region registered the national minimum of 92.3%.

Existing studies

- Sandulescu, A. **Piata de energie electrica din Romania**, ANRE, Bucharest, 2005
- * * **Raport de monitorizare a sistemului de promovare a E-SRE in anul 2010**, ANRE, Bucharest, 2011
- * * **Raport privind rezultatele monitorizarii pietei de energie electrica in luna iunie 2011**, ANRE, Bucharest, August 2011
- * * **Prospect in vederea admiterii la tranzactionare pe piata reglementata la vedere administrata de Bursa de Valori Bucuresti**, RC&I, ING, BRD, Bucharest, Decembrie 2010, pp. 201-202

Current legislation

- EU

- * * * Directive 2009/72/EC of the European Parliament and the Council on common rules for the internal market of electricity and repealing the Directive 2003/54/EC (Directiva 2009/72/CE a Parlamentului European si a Consiliului privind normele comune pentru piata interna a energiei electrice si de abrogare a Directivei 2003/54/CE)

- National

- * * * Law 13/ 2007 of Electricity (Legea Energiei electrice)
- * * * Law 13/ 2007 of Electricity (Legea Energiei electrice)
- * * * Emergency Ordinance no. 172 of 19.11.2008 for amending and supplementing Law of electricity no. 13/2007 (Ordonanta de urgenta nr. 172 din 19.11.2008 pentru modificarea si completarea Legii energiei electrice nr. 13/2007)

³⁶ A company listed at Bucharest stock exchange that has in its portfolio especially stocks in state owned power companies (including electricity)

- * * * The order no. 920/ 2009 of ANRE President on approving the electricity tariffs for households (Ordinul nr. 920/ 2009 al presedintelui ANRE privind aprobarea tarifelor la energia electrica pentru consumatorii casnici)
- * * * ANRE Order no. 88/2009 - Approval of the Procedure for switching the supplier of electricity (Ordinul ANRE nr. 88/2009 - aprobarea Procedurii privind schimbarea furnizorului de energie electrica)
- * * * Emergency Government Ordinance 69/2011 for amending the Governmental Ordinance 36/2006 on the establishment of local reference price for the heat supplied to the population through centralized systems. (OUG 69/2011 pentru modificarea OG 36/2006 privind instituirea preturilor locale de referinta pentru energia termica furnizata populatiei prin sisteme centralizate.)
- * * * Emergency Government Ordinance 86/2010 amending and supplementing Emergency Government Ordinance No. 5 / 2003 on aid for home heating and other facilities for supporting the payment of heat. (OUG 86/2010 pentru modificarea si completarea OUG nr. 5/2003 privind acordarea de ajutoare pentru incalzirea locuintei, precum si a unor facilitati populatiei pentru plata energiei termice. Ordonanta de urgenta nr. 86/2010)
- * * * Law 220/2008 for establishing the system for promoting the production of energy from renewable energy sources, republished in 2010 under the Law 139/2010 (Legea 220/2008 pentru stabilirea sistemului de promovare a producerii energiei din surse regenerabile de energie, republicata in 2010 prin Legea 139/2010)
- * * * Government Decision 1428/2009 regarding the organization and functioning of the Romanian Energy Regulatory Authority (HG 1428/2009 privind organizarea si functionarea Autoritatii Nationale de Reglementare in Domeniul Energiei).

- **Public transport and infrastructures**

The public transport represents a vital component in providing services for passengers and/or goods transportation from a location to another location. The importance of public transport is closely related to the monopoly positions which most times, the public transport operators do possess, regarding the access to the specific infrastructure. This is, most times, the situation of enter city transport systems or railway companies.

The transport infrastructure represents another important landmark whose development is absolutely necessary for the improvement of other adjacent economic sectors/branches (e. g. industry³⁷, commerce, tourism).

In terms of administrative organization, the institution acting at central level is the Ministry of Transports and Infrastructure (MTI). Besides it has in it's name the word "transports", excepting the administration of Bucharest Underground Services, MTI, does not administrate other local public transport companies. The national companies which operate and administrate the Romanian railways (Romanian Railways for Passengers, Romanian Railways for Goods, Romanian Railways Infrastructure) are subordinated to MTI. The local

³⁷ There are well known the situations in which some of Romanian (un)investment decisions were based as well on the development stage of the transport infrastructure. We have in mind, firstly, the investment that has eventually been made by Mercedes Company, in 2008, near Győr, Hungary, detrimental to the region of Timișoara. Secondly we have in mind the investment to be done by Ford in Craiova conditioned by the construction of an express road/motorway between Craiova and Pitești.

public transport of the Romanian municipalities is, generally, under the control of public local administration.

Romania has an important geo-strategically position because of it's geographical position, being situated at the intersection of routes that links West Europe and Black Sea or Middle Orient. Other important transport axis which are crossing Romania are the ones that are linking Baltic Sea of Balkan Peninsula and Mediterranean basin. So, on its territory Romania has portions from three of the ten Pan-European transport corridors. The corridors are: The fourth corridor Dresden/Nurnberg-Vienna-Budapest-Bucharest-Constanta-Sofia-Istanbul; the ninth corridor Helsinki-Kiev-Bucharest-Alexandroupolis and the seventh corridor which links Black Sea through the navigable Danube (or through Danube-Black Sea Channel) through Main-Rhine channel with Northern Sea.

○ Road transport and infrastructure

The Romanian road transport network as the latest statistics from Romanian National Statistics Institute are showing, consisted in 2009 in a total of 81,7 thousand kilometers of public roads.

A first category – the most important public roads³⁸ – are the government property and they are in the administration of Romanian National Company of Motorways and National Roads (Compania Nationala de Autostrazi si Drumuri Nationale din Romania - CNADNR). This is the administration of national roads and motorways. These are the roads which correspond to the principal European Corridors which are crossing Romania and the roads which are linking the county capitals, the national strategic interest objectives, the capital city and the neighboring countries. On these roads runs 70% of the Romanian traffic. The total length of the Romanian national roads exceeds 15,9 thousands kilometers and about 263 kilometers of motorway.

A second category of public roads is the county roads. These are in the ownership and management of County Councils and ensure the liaison between the county capital, airports, ports, local interest objectives, spas, municipalities and towns, commune capitals within the counties.

A third category of public roads is the roads of local interest that are owned and administered by the Local Councils. These roads are linking two communes or two villages belonging to a commune.

County and municipal roads in Romania represent over 65,200 km out of which only a small part (8700 km.) are upgraded.

Road infrastructure network is uniformly distributed on the Romanian territory, without major differences of access and quality between regions.

○ Urban Transport

The public transport of towns and municipalities in Romania represent an important component of the system that ensures the transport needs of the population. In Romania, except the underground network operated by MTI (as it is mentioned above), the public urban transport is placed in the administration of local authorities (Article 4, Law 92/2007). The

³⁸ The following classification is done according: * * * Ordonanta nr.43 din 28 August 1997 privind regimul juridic al drumurilor - republicata, Monitorul Oficial, Nr. 237, Bucuresti, 29 June 1998

authorities could provide this service through their own companies or could offer a license (according to the law in force) to private companies in order to operate the local public transport routes (in whole or in part).

Only the local authorities in the domain of local public transport services are able to assign this service to road transport operators and authorized carriers (Article 1, Para 6, h). Overall, the public transport in major cities is provided by companies that are set up and controlled by local authorities, because of the subsidy applied to the final price paid by the passengers. The urban transport includes all the means of transport listed below.

- Bus

Due to the fact that apart from the road infrastructure, organizing bus routes require relatively small investments, in all cities in Romania there are routes for buses. Depending on the local and existing demand, the buses have smaller or higher individual capacity. Prices are most of the time subsidized toward the real costs, a reduction (or even free) being applied for certain categories of people (students, retired persons, revolutionaries, blood donors, etc.).

- Underground

In Romania there is only one subway and it is located in the capital. The first metro route was put into service in late 1979. Currently, the route length is 69.25 km of double track running. The route length is under expansion and in various stages of execution / design of additional tracks (including toward airports). A relatively small number of stations provide additional facilities for the access of people with disabilities. Pricing and discounts policy presented in the section of buses is also applicable here.

- Tram

The tram requires smaller initial investment compared with the subway and higher than for bus or trolley lines. Many of the important cities in Romania have tram and the largest tram networks could be found in Bucharest, Iasi, Cluj, Timisoara, Arad, Ploiesti, Sibiu, Galati, Braila, Craiova, Oradea, Botosani, Resita.

- Trolley lines

An unpolluted alternative to buses that requires lower initial investment compared with the tram lines is the trolleybus. Municipal public transport networks composed of trolley lines are found in big cities, such as Bucharest, Iasi, Cluj-Napoca, Baia Mare, Timisoara, Brasov and was abolished in cities, such as Constanta and Sibiu.

- Taxi (including aero)

Taxi companies must be licensed and meet specific conditions (eg. A certain colour of cars, a specific level of taxation, etc.) in order to obtain access and operate in municipalities. Licensing is carried out by local authorities and in order to access certain objectives (eg. Airports) some special auctions are hold.

- Air transport and infrastructure

Romanian civil airspace is managed by MTI through an entity entitled Romanian Civil Aeronautical Authority (Autoritatea Aeronautica Civila Romana – AACR). The aero routes depending on the traffic flows are defined by the European authority called EUROCONTROL.

In Romania, there are 17 civil airports³⁹, 16 of them being open to international traffic.

- Railway transport and infrastructure

Ministry of Transport and Infrastructure monitors and coordinates the railways activity in Romania. Public body, under the MTI, designated to be in charge with the railway is called Romanian Railway Authority (Autoritatea Feroviara Romana – AFER) that received in 1998⁴⁰ the right to undertake the following activities:

„[...] to ensure, mainly the state inspection and the safety control of the railway and subway transport, the railway register specific activity, the licensing of railway undertakings, the authorization and the technical survey of domestic suppliers of products and services in the railway field, the examination and certificates granting, in case, for the staff working in the field of the traffic survey, the investigation of the railway events and accidents.”⁴¹

The railway infrastructure is positioned under the administration of the state company entitled Romanian Railways (Caile Ferate Romane- CFR) Infrastructura. In 2009, Romanian railways were over 10,8 thousands km⁴². Over 37% are electrified. In Romania, most of the railways are normal gauge lines⁴³ (98,7%). Only 27% are two-tracks, while majority is one-track. For the last years, CFR Infrastructura Company produces losses. Recent statistic information shows that for the first trimester of 2011, recorded losses were about 121.8 millions lei (28,8 mil €⁴⁴).

At the end of 2009, Romanian means of rail included 1808 locomotives (38,1% electrics) having a total engines power of 6444 thou HP (of which 4594 thou HP –71,3% were electrics). The rest of the locomotives were Diesel, 98,3% having engines over 350 HP. Carriages were 5137 having a transport capacity for 344 thousands persons, while wagons counted 45,5 thousands having a total transport capacity of 2,1 millions tonnes.

Although there are private operators, the vast majority of passenger transport is carried out by CFR state company. In principle, any licensed operator has the right to bid for operating some routes. Unfortunately, the available statistics do not indicate the structure of the rail transport, being provided only total values.

The number of registered cars has increased from 1990 1,29 millions cars to 4,24 millions in 2009, which had an major impact in a dramatically decreasing of railway passengers from

³⁹ In reality, according to administrative reorganization, the two civil airports from Bucharest: Otopeni and Baneasa have merged by absorption. However, the two locations are better known as separate entities (even in airport codes).

⁴⁰ * * * Hotararea Guvernului 626/ 1998 privind organizarea si functionarea Autoritatii Feroviare Romane – AFER, Monitorul Oficial, Nr. 373, Bucharest, 1 Octombrie 1998

⁴¹ * * * <http://www.afer.ro/eng/index.html>

⁴² Primary source of data: * * * **ASR – serii de timp 2010**, Institutul National de Statistica, Bucharest, 2011, Table 17.2. and 17.3.

⁴³ Lines where distance between rails is of 1435 mm.

⁴⁴ In the first trimester of 2011, average euro exchange rate was 1 € = 4,2247 lei.

almost 408 million passengers in 1990 to little over 70 millions passengers in 2009.⁴⁵ . In the first semester of 2011, CFR Calatori company losses counted 125,4 millions lei (30,0 mil. €⁴⁶).

From the goods railway transportation point of view, in 2009, it was transported 50,6 millions tonnes, from which over 72% were: coal and lignite; crude petroleum and natural gas; coke and refined petroleum products. In 2010, CFR Marfa company losses were 354,2 millions lei (84,1 millions €⁴⁷).

- Maritime and fluvial transport and infrastructure (ports)

Transportation route form Suez Channel through Black Sea, Danube – Black Sea Channel – Navigable Danube – Main –Rhine – North Sea Channel is shorter with 300 km than other routes. Fluvial and maritime transport network is located in south and south-east. There is a total of 1779 km of inland fluvial routes. From which, 1075km on international navigable Danube, 524 km on navigable Danube branches, 64 km on Danube – Black Sea Channel, 28 km Poarta Alba-Midia-Navodari Channel, 88 km on other navigable routes. From Danube's entering point at Bazias, up to Braila, it can be sailed by 2m draught ships, whereas maritime Danube is navigable for up to 7m draught ships. Romania has 26 fluvial ports, 6 fluvial and maritime ports and 3 maritime ports.

Starting with 2009 economic crisis, water transported goods in Romania have decreased with almost 25% compared to 2008; from 80,8 millions tonnes (50,5 millions tonnes maritime and 30,3 millions tonnes fluvial) in 2008 to only 60,8 millions tonnes in 2009 (36,1 millions tonnes maritime and 24,7 millions tonnes fluvial).

Passengers water transport is also in decline (25%) in 2009 compared to 2008; from 232 thou persons (194 thou fluvial and 38 thou maritime) in 2008, to only 174 thou persons in 2009 (161 thou fluvial and 13 thou maritime).

Due to its settlement, North –East Region has no direct access to river or maritime transport.

Existing studies

- Ionescu, R. **The Development and the Modernisation of the Transport Infrastructure in Romania According to the E.U.'s Directives**, Analele Universitatii "Dunarea de Jos", Galati - Fascicula XXII, Drept si Administratie Publica Anul II, Nr. 1, 2009, pp 30-40
- Iordache, C. **The Evolution of the Urban Public Transport during the 1950-2006 period in Romania**, Forumul Geografic, 2009
- * * * **Politica in domeniul transporturilor**, Institutul European, Bucuresti, 2005
- * * * **Prospect in vederea admiterii la tranzactionare pe piata reglementata la vedere administrata de Bursa de Valori Bucuresti**, RC&I, ING, BRD, Bucharest, Decembrie 2010, pp. 226-238

⁴⁵ A severe drop was recorded also in road intercity transportation from 780,7 millions passengers in 1990 to 262,3 millions passengers in 2009. The only public intercity transportation that recorded growth is air transportation from 1,9 millions passengers in 1997 (the oldest data available) to 9 millions passengers in 2009.

⁴⁶ In the first semester of 2011, average euro exchange rate was 1 € = 4,1789 lei.

⁴⁷ For 2010, average euro exchange rate was 1 € = 4,2099 lei.

- * * * **Strategia pentru transport durabil pe perioada 2007-2013 si 2020, 2030,** Ministerul Transporturilor, Bucuresti, 2008

Current legislation

- EU

- *** Regulation (CEE) no. 3922/91 of the Council from December 16th, 1991 on the harmonization of technical requirements and administrative procedures in civil aviation, as amended (Regulamentul (CEE) nr. 3922/91 al Consiliului din 16 decembrie 1991 privind armonizarea cerintelor tehnice si a procedurilor administrative in domeniul aviatiei civile, cu amendamentele ulterioare)
- *** Regulation (CEE) no. 3922/91 of the Council from December 16th, 1991 on the harmonization of technical requirements and administrative procedures in civil aviation, as amended (Regulamentul (CEE) nr. 3922/91 al Consiliului din 16 decembrie 1991 privind armonizarea cerintelor tehnice si a procedurilor administrative in domeniul aviatiei civile, cu amendamentele ulterioare)
- *** Regulation (CE) no. 549/2004 of the European Parliament and Council from March 10th, 2004 on establishing the framework for the creation of the Single European Sky (Regulamentul (CE) nr. 549/2004 al Parlamentului European si al Consiliului din 10 martie 2004 de stabilire a cadrului pentru crearea Cerului Unic European)

- National

- * * * Ordinance 19/1997 on transports- updated in 2002 (Ordonanta 19/ 1997 privind transporturile – actualizata in 2002)
- *** Law 92/2007 regarding the Law of local public transport (Legea 92/2007 denumita Legea serviciilor de transport public local)
- * * * The aerian code- Law 399/2005 (Codul aerian – Legea 399/ 2005)
- * * * Ordinance no. 43/ 1997 on the judicial regime of the roads- republished (Ordonanta nr.43/ 1997 privind regimul juridic al drumurilor – republicata)
- * * * Government Decision 626/1998 on the organization and functioning of the Romanian Railway Authority (Hotararea Guvernului 626/ 1998 privind organizarea si functionarea Autoritatii Feroviare Romane – AFER)

• Postal Services

Postal services are universal services in the sense that any person is entitled to access sending or receiving packages in equal conditions regarding the price and quality. The national legislation frame which operates in this area is given by the Law 642/2002 with the subsequent modifications and updates relative to postal services. An entity affiliated to the Ministry of Communications and the Technology of Information (MCTI) has settlement rights in the field of postal services. This entity is called National Authority for Management and Regulation in Communications (Autoritatea Nationala pentru Administrare si Reglementare in Comunicatii - ANCOM). The state company with main purpose in supplying postal services is the Romanian National Post Company (Compania Nationala

Posta Romana – CNPR). Presently, the Romanian legislation liberalized the market of postal services by allowing the license of other commercial entities for certain services without the universality character, CNPR remaining the main supplier.

Thus, in 2009⁴⁸ compared to the year 2000, there was registered an increase of the “mail and printed matters”, of 2.72 times from 177 mil. units in 2000, to 482 mil units in 2009. The number of “parcels” increased in the same period with 34,8%, from 2.04 mil. units in 2000 to 2.75 mil. units in 2009. The number of “registered mail” increased by 1.91 times, from 23 mil. units 2000 to 44 mil. units in 2009.

Current legislation

- EU

- * * * Directive 2008/6/EC of the European Parliament and of the Council of 20 February 2008 amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services

- National

- *** Law no. 83/1996 on postal services (Lege nr. 83/ 1996 a serviciilor postale)
- *** Decision of ANRCTI no. 3442/2007 on the conditions and procedure for designating the providers of universal service in the field of postal services (Decizie ANRCTI nr. 3442/2007 privind conditiile si procedura de desemnare a furnizorilor de serviciu universal in domeniul serviciilor postale)
- *** Government Ordinance no. 31/2002 on postal services, approved, with changes and additions, by the Law no. 642/2002, with changes and additions, ANRCTI, Bucharest, 2007 (Ordonanta Guvernului nr.31/2002 privind serviciile postale, aprobata, cu modificari si completari, prin Legea nr.642/2002, cu modificarile si completarile ulterioare, ANRCTI, Bucuresti, 2007)

2.2.2. New infrastructure services (electronic communications and ICT)

Information and communication technology (ICT) covers all technical means used to handle information and aid communication, and is concerned with the storage, retrieval, manipulation, transmission or receipt of digital data⁴⁹.

In Romania, the national public administration active in the area of new infrastructure services is represented by the Ministry of Communications and Information Society (Ministerul Comunicatiilor si Societatii Informationale). Its mission is to create sustainable premises for transition to the Information Society in Romania. In this respect, it envisages a unified vision to develop a coherent and integrated national system for online public services dedicated to citizens and businesses. A series of institutions coordinated by the Ministry of Communications and Information Society are the National Management Center for

⁴⁸ The statistic information in this section is based on the primary data available: * * * ASR – serii de timp 2010, Institutul National de Statistica, Bucharest, 2011, Table 17.12., 17.23. and 2.34.

⁴⁹ CROS, **Annex 4 - Megatrends in ICT**, 200-, <http://www.cros-portal.eu/page/annex-4-megatrends-ict>

Information Society – Bucharest (Centrul National de Management pentru Societatea Informationala - Bucuresti), the National Center “Digital Romania” – Bucharest (Centrul National “Romania Digitala” Bucuresti), the National Institute for Research and Development in Informatics – Bucharest (Institutul National de Cercetare-Dezvoltare in Informatica), the National Institute of Communications Studies and Research – Bucharest (Institutul National de Studii si Cercetari pentru Comunicatii - Bucuresti), the Romanian Post (Posta Romana), and RADIOCOM. The first two were established under Decision 1439/2009, taking over the duties of the Agency for Information Society Services (Agentia pentru Serviciile Societatii Informationale) in the field of information system operation of central public administration; they have as main task the implementation and operation at national level of the information systems that provide services for electronic governance. The National Institute for Research and Development in Informatics – Bucharest is the main research institute - development of Romania in information and communication technologies. The National Institute of Communications Studies and Research – Bucharest is engaged in fundamental research and applied research, is involved in technological development projects, technical and economic studies and it also carries out measurements and testing, conformity assessment and certification of communications equipment. RADIOCOM, a trademark of the National Radio Communications Company SA, is a leading provider of electronic communications networks and services in Romania and at the same time, leader on the broadcasting market. Also, in Romania, in charge with protecting the interests of Romania's communications users by promoting competition in the communication market, by managing the scarce resources, and by encouraging efficient investment in infrastructure and innovation, the National Administration and Regulatory Authority for Communications (Autoritatea Nationala pentru Administrare si Reglementare in Comunicatii - ANCOM) is active.

Further on, a series of aspects related to the main types of services from the category of new infrastructure services are presented.

The company which 20 years ago was the only operator in the communications market in Romania is Romtelecom. In 1997, the company was bought by the Greek OTE company, which acquired 35% of the shares and took over management control by using another pack of 16% of the shares. Till 2003, Romtelecom had monopoly in providing fixed line phone services. Also in 2003, the Romanian government basically sold 19% of the shares to OTE which now holds 54% of the shares. Starting with 1998⁵⁰ in Romania, private suppliers of mobile phone services also appeared. Presently, the telecommunication market has become quite integrated, in the sense that almost all players offer simultaneously services of fixed and mobile lines and internet. Moreover, the main players in the market are: Orange, Vodafone, Romtelecom, RDS&RCS, UPC and Cosmote⁵¹. According to the information provided by the Family budget Investigation performed by the NIS (National Institute of Statistics), the weight of expenses related to communications in the total household expenses was around 5%⁵².

In 2009, relative to the propensity of using post services, we notice that the North East region is placed under the national average at all types of services. Thus, in the case of “mail and printed matters” the North East region registers a level of 7.26 units per capita while the national average is 22.44 units per capita. As for the “parcels” in the North East region we

⁵⁰ In fact, mobile phone services existed prior to 1998. The technology was different, and the devices were very large. Thus, we consider that the appearance of mobile phone service providers with GSM technology really represents the starting point of mobile phone services in Romania.

⁵¹ Romtelecom also holds a package of 30% of the Cosmote shares.

⁵² Ghilencea, L. **Societatea Informationala**, Institutul National de Statistica, Bucharest, 2010

registered a level of 51.96 units per 1000 inhabitants, much lower than the mid national average of 128.32 units per 1000 inhabitants. The “registered mail” are kept at an inferior level relative to the national average (1.52 units per capita in the North East region compared to the 2.04 units per capita in average at national level), however presents the most reduced disparity. A possible explanation of this closer level might be given by the fact that letters to the State (e.g. fiscal declarations) are sent through this type of post service.

○ Telephone Landline

In 1998, when the mobile telephony appeared in Romania, the market of fixed telephony was not mature. There was a single operator that had the monopoly on the market (Romtelecom). Nowadays, the fixed telephony is more likely to be offered as an integrated service, being associated with mobile telephony, internet and television.

In 2009, 5.29 million of access lines existed in Romania, their number increasing by 2.3% in comparison with 2008⁵³. In what concerns the main providers of landline telephone services in Romania, in 2010, the market was shared between 3 private enterprises, respectively Romtelecom (66%), RCS&RDS (33%), and UPC Romania (4%); until 2003, Romtelecom benefitted from a monopoly position on the market⁵⁴.

The weight of households which owned landlines in 2009⁵⁵ was 65.2%, while the number of landlines per 1000 inhabitants was around 246.6. As for the use of landlines, in 2009 at the national level, each person spoke in average, 50 minutes in long distance calls, 159 minutes in local calls, 14 minutes in international calls, and 50 minutes in calls to mobile lines.

○ Telephone Mobile Line

According to a series of studies carried out between October 2006-January 2007 and March-April 2010 by Gallup Romania for the National Administration and Regulatory Authority for Communications⁵⁶ in 2010, the services of mobile telephone were utilized by 82% of the households in Romania, through subscriptions or prepaid cards, Orange being the main supplier, with a 50% market share. The next places are occupied by Vodafone - 35%, Cosmote - 25%, RDS & RCS - 9% and Telemobil - 1%, all of the providers being private companies.

The number of mobile lines in Romania in 2010 (24.6 mil lines) slightly decreased (3.1%) as compared to the previous year, 2009. In 2010, there was a number of 1146 mobile lines per 1000 inhabitants. Unfortunately, we don't have statistic information for regional levels and the number of subscribers.

○ Internet

⁵³ Business Cover, **Piata autohtona de comunicatii evolueaza contradictoriu**, 2010, <http://www.businesscover.ro/28-05-2010-piata-autohtona-de-comunicatii-evolueaza-contradictoriu/>

⁵⁴ Wall-Street, **Studii: Cum au evoluat preturile la telefonie fixa si mobila intre 2006-2010**, 2011, <http://www.wall-street.ro/articol/IT-C-Tehnologie/100670/Studii-Cum-au-evoluat-preturile-la-telefonie-fixa-si-mobila-intre-2006-2010.html>

⁵⁵ The statistics in this section are based on the primary data source: * * * **ASR – serii de timp 2010**, Institutul National de Statistica, Bucharest, 2011, Table 17.19., 17.24. and 2.34.

⁵⁶ Wall-Street, **Studii: Cum au evoluat preturile la telefonie fixa si mobila intre 2006-2010**, 2011, <http://www.wall-street.ro/articol/IT-C-Tehnologie/100670/Studii-Cum-au-evoluat-preturile-la-telefonie-fixa-si-mobila-intre-2006-2010.html>

According to a study carried out by the American company Akamai Technologies in 209 countries and regions around the world, Romania has no rival in Europe in what concerns the speed of connection to internet, being surpassed at global level only by 3 Asian countries, respectively South Korea, Hong-Kong and Japan. But, even if the speed of connection to the internet is very high, according to a study of the European Commission conducted in 2010, the penetration rate of the wired internet in Romania was only of 13.7%, placing it on the last place in the European Union (ITC media, 2011).

In 2010, the number of households connected to the Internet increase with 4% compared to 2009, thus reaching a level of 42%⁵⁷, out of which 47% were benefiting from wideband connection. The statistical information available allowed us to highlight some differences at the region levels from this perspective.

- Television

In Romania, both analogical TV and Digital Terrestrial Television work.

Existing studies

- Ghilencea, L. **Societatea Informationala**, Institutul National de Statistica, Bucuresti, 2010
- * * * **Strategia din 7 octombrie 2009 privind tranzitia de la televiziunea analogica terestra la cea digitala terestra si implementarea serviciilor multimedia digitale la nivel national, aprobata prin Hotararea Guvernului nr. 1213/2009, cu modificarile ulterioare**, Monitorul Oficial, Nr. 721, Bucuresti, 26 Octombrie 2009
- Business Cover, **Piata autohtona de comunicatii evolueaza contradictoriu**, 2010, <http://www.businesscover.ro/28-05-2010-piata-autohtona-de-comunicatii-evolueaza-contradictoriu/>
- CROS, **Annex 4 - Megatrends in ICT**, 200-, <http://www.cros-portal.eu/page/annex-4-megatrends-ict>
- ITC media, **Internetul in Romania: primul loc la viteza si ultimul loc la acces in Europa**, 2011, <http://www.itcmedia.info/comunicatii/internetul-in-romania-primul-loc-la-viteza-si-ultimul-loc-la-acces-in-europa/>
- The Ministry of Communications and Information Society (Ministerul Comunicatiilor si Societatii Informationale), <http://www.mcsi.ro/>
- Wall-Street, **Studii: Cum au evoluat preturile la telefonie fixa si mobila intre 2006-2010**, 2011, <http://www.wall-street.ro/articol/IT-C-Tehnologie/100670/Studii-Cum-au-evoluat-preturile-la-telefonie-fixa-si-mobila-intre-2006-2010.html>

Current legislation

- EU

- * * * Directive 91/287/EEC of 1991 on the designation of frequency bands for the introduction of coordinates in the DECT system (Digital European Cordless Telecommunications) in the European Community (Directiva 91/287/EEC din 3 iunie

⁵⁷ Source: * * * <http://epp.eurostat.ec.europa.eu>

1991 privind desemnarea benzilor de frecvențe cu scopul introducerii coordonate a sistemului DECT (Digital European Cordless Telecommunications) în Comunitatea Europeană)

- * * * Directive 2002/22/EC of 2002 on universal service and users' rights related to networks and services of electronic communications (Directiva 2002/22/EC din 2002 privind serviciul universal și drepturile utilizatorilor cu privire la rețelele și serviciile de comunicații electronice)
- * * * Directive 2009/140/EC of the European Parliament and Council for amending the Directives 2002/21/EC on a common regulatory framework for networks and services of electronic communications, 2002/19/EC on access to electronic communications networks and to the associated infrastructure and their interconnection, and 2002/20/EC on the authorization of networks and services of electronic communications (Directiva 2009/140/CE a Parlamentului European și a Consiliului de modificare a Directivelor 2002/21/CE privind un cadru de reglementare comun pentru rețelele și serviciile de comunicații electronice, 2002/19/CE privind accesul la rețelele de comunicații electronice și la infrastructura asociată, precum și interconectarea acestora și 2002/20/CE privind autorizarea rețelelor și serviciilor de comunicații electronice)
- * * * Directive 2009/136/EC of the European Parliament and of the Council amending the Directive 2002/22/EC on the universal service and users' rights related to the networks and services of electronic communications, Directive 2002/58/EC concerning the processing of personal data and protection of consumer's confidentiality in the electronic communications sector and Regulation (EC) no. 2006/2004 on the cooperation between national authorities responsible to ensure the legislation enforcement on consumer protection (Directiva 2009/136/CE a Parlamentului European și a Consiliului de modificare a Directivei 2002/22/CE privind serviciul universal și drepturile utilizatorilor cu privire la rețelele și serviciile de comunicații electronice, a Directivei 2002/58/CE privind prelucrarea datelor personale și protejarea confidențialității în sectorul comunicațiilor publice și a Regulamentului (CE) nr. 2006/2004 privind cooperarea dintre autoritățile naționale în sarcină să asigure aplicarea legislației în materie de protecție a consumatorului)

- National

- * * * Law, no. 74/1996 on telecommunications (Legea nr. 74/1996 telecomunicațiilor), as amended and supplemented
- * * * Government Emergency Ordinance No. 79/2002 on the general regulatory framework for communications (O.U.G. nr. 79/2002 privind cadrul general de reglementare a comunicațiilor) approved with amendments by Law no. 591/2002, as amended and supplemented
- * * * Law no. 504/2002 regarding the broadcasting (Legea nr. 504/2002 a audiovizualului), as amended and supplemented
- *** Law no. 304/2003 on universal service and users' rights related to the networks and services of electronic communications, republished (Legea nr. 304/2003 pentru serviciul universal și drepturile utilizatorilor cu privire la rețelele și serviciile de comunicații electronice, republicată)

- *** Decision no. 541/2009 on the conditions for the systems of conditional access to digital broadcasting services for radio and television Programmes (Hotărâre nr. 541/2009 privind condițiile referitoare la sistemele de acces condiționat la serviciile de difuzare în format digital a Programmeelor de radio și televiziune)

2.2.3. Education (differentiating levels of education), labour market services, public administration and defence, cultural and recreational services

- Education

In Romania, according to the Constitution (art. 32) the “right to education is provided through general compulsory education, upper secondary and vocational schools, higher education, as well as other forms of instruction and training”. Also, according to the same article of the Constitution, “education shall be free by law. The State shall grant social scholarships to children and young people from disadvantaged families and those institutionalized, obeying the law. Education at all levels shall take place in state, private and religious institutions, under the law and university autonomy is guaranteed”.

The national public administration active in the area of education is represented by the Ministry of Education, Research, Youth, and Sports (Ministerul Educatiei, Cercetarii, Tineretului si Sportului).

The structure of the educational system in Romania is as follows:

Lower education level

- Early education / pre-school (0-6 years), composed by ante-pre-school level (0-3 years) and kindergarten (3-6 years), consisting of small group, medium group, and large group, preparatory for school;
- Primary educational level (I-IV grades);
- Secondary educational level, consisting of:
 - Secondary inferior educational level, or gymnasium (V-IX grades);
 - Secondary superior educational level, or high school (X-XII/XIII grades), with the following successions: theoretical, vocational and technological;
- Professional education, lasting between 6 months and 2 years;
- Tertiary non-university educational level, which comprises the post-high school education.

Higher education level (superior)

- university studies (3-4 years);
- master studies (1-2 years);
- doctoral studies (3 years).

Post-university education

- postdoctoral Programmemes
- post-university Programmemes

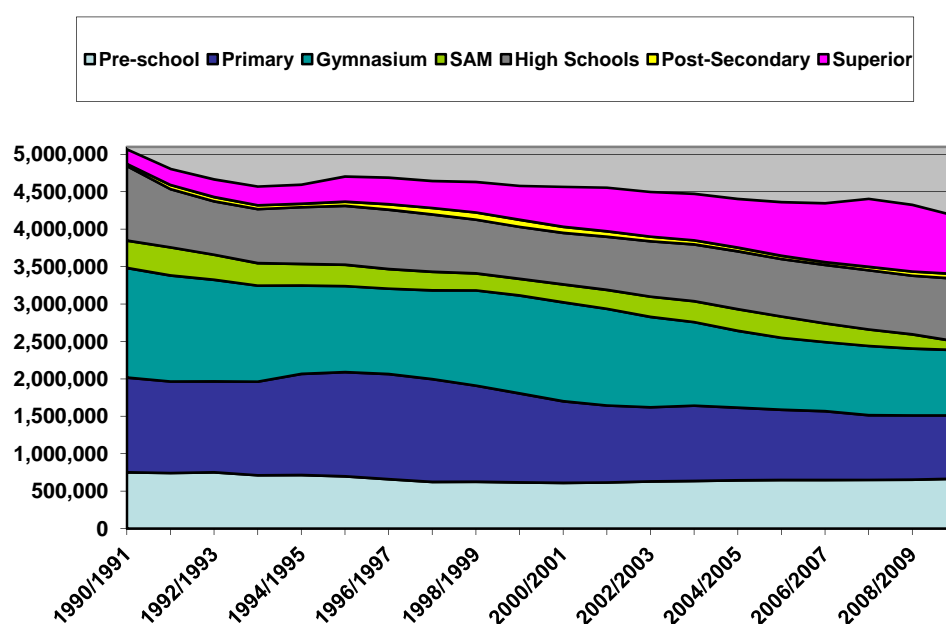
According to the Law no. 1/2011 of national education (Legea nr. 1/2011 Educatiei Nationale), “the general compulsory education is of 10 grades and comprises the primary educational level and the secondary educational level”. In the national educational system, the public educational institutions have legal personality if they are organised and act in

accordance to the mentioned law. Public local administration authorities ensure - obeying the law - the proper development of the pre-university education in the localities in which they exercise their authority. According to the Law no. 195/2006 regarding the decentralization (Legea 195/2006 cadru a Descentralizarii), the “local public administration authorities in communes and towns exercise shared competences with the central public administration authorities regarding the pre-university education, except special education. Public administration authorities in the counties exercise shared competences with the authorities at the central public administration level regarding the special education”.

In what concerns the higher education, according to the Law no. 1/2011 of national education, higher education in Romania is organised in “universities, academies of studies, institutes, schools of superior studies, and others named higher education institutions or universities, these institutions being either public, private, or confessional. These institutions have legal personality, non-profit character, and are of public interest and apolitical”.

The demographic decline in the last 20 years has also led to a decrease of the school population⁵⁸ from 5.07 mil. persons in the university/school year 1990/1991 to 4.17 mil. Persons in the university/school year 2009/2010 (Figure 5).

Figure 5. The school enrolled population in Romania in the period 1990-2010^{59,60,61}



Source: * * * ASR – serii de timp 2010, National Institute of statistics, Bucharest, 2011, Table 8.1.

The noticeable general downward trend is not specific to each educational level. This is also a consequence of the fact that the effect of births decrease after 1990 was also visible at the

⁵⁸ We must make a distinction between the school enrolled population (pupils/students registered in the educational system) and the population of school age (persons aging between 3 and 24).

⁵⁹ Since 1994, there are also included the values corresponding to the private superior education system.

⁶⁰ SAM includes the pupils in the cycle “School of arts and vocations”. Before taking over this title, the pupils were part of the professional and apprentice system.

⁶¹ Post high school system also includes the classes for foremen.

level of primary education 5-6 years later while certain organizational features⁶² even led to temporary increases of the number of children registered in the primary classes. The demographic decrease was more visible in the secondary cycle where from 1.46 mil. children registered in the year 1990/1991 the level decreased to almost 874 thousand children in 2009/2010. The high school education system partially compensated the decrease induced by the unfavorable demographic flows through a higher rate of involvement of the age appropriate children. Thus from a level of 996 thousand pupils registered in the high school system in 1990/1991 in 2009/2010 the level reached 838 thousand pupils. This superior rate occurred – especially in the last few years⁶³ – against registrations in schools of arts and vocations. The educational level⁶⁴ that met the most spectacular development was the tertiary system. From 192 thousand students registered in superior education in the university year 1990/1991 the level reached 907 thousand students in 2007/2008 and faced a decrease in the last couple of years down to 775 thousand students. The explanation of this exponential increase comes from the fact that: i) there is a phenomenon of integration of the superior education system especially through the Bologna system; ii) the appearance of the private superior education system – most of the times, of extremely low quality and with fewer admission conditions; iii) the extremely large restriction of the number of spots in the last years of the 80s. The later aspect had two consequences: the first was constituted in the base effect (the increase seems much more spectacular because the starting point was a very low one) and the second, was manifested through the registration of a wide population category, between the ages of 30 and 40 – the one that missed the access in the system after graduating from high school – in long distance classes, at the same time remaining active in the work field.

From the perspective of the scholar network, we notice two major events. First of all, we have what appears to be a decrease of the number of educational units of pre-university level (ISCED 0-4). In the first decade after 1990, the number of schools varied in the frame 27-29 thousands (from a level of 28.3 thousand in 1990/1991 to 27.5 thousand in 1999/2000). Later, there was a significant decrease (with 2-3 thousand units in some years) until it reached certain equilibrium at a higher level of 8 thousand units. It was an apparent evolution because the units that disappeared were not closed, and the statistics only show independent schools⁶⁵. The decreases mentioned by the statistics followed the phenomena of administrative reorganization (distributing certain schools to other close schools with the purpose of a better resource use). The second phenomenon we referred to above is related to the explosion of the number of universities, through the appearance of private universities and the creation of state universities in certain urban centers. The superior educational system still faces major changes as a consequence of the decision of the Ministry of Education, Research, Youth and sports (MECTS) of proceeding to the classification of the universities for a better organization of the tertiary system.

From the viewpoint of the regional distribution, the network and the education system is relatively well distributed in the territory. There are however differences regarding a more

⁶² Postponing the registration in the first grade from the classical age of six from before 1990 to the age of seven. In 2005, there was a comeback to the compulsory registration at the age of 6, while afterwards there was a slowdown again.

⁶³ As a consequence of the changes made in the post-secondary cycles which meant that the former vocational and apprentice schools were transformed into schools of arts and vocations which made the link – with an additional year – towards the high school cycle.

⁶⁴ As a consequence of the fact that public services – according to some reasons – refer to education only in a compulsory level, we shall limit our comments specific to the higher education system.

⁶⁵ The ones with judicial capacity, principal and perhaps board of administration.

significant development of the offer and quality of the education service in the traditional university centers (Bucharest, Iasi, Cluj-Napoca and Timisoara). In fact, a recent classification of the Romanian universities made by the MECTS placed 12 institutions in the first league. 25% of them (University Alexandru Ioan Cuza in Iasi, Technical University Gh. Asachi in Iasi and the University of Medicine and Pharmacy Gr. T. Popa in Iasi) are placed in the North East region.

Existing studies

- Barzea, C. (coord.) **Invatarea permanenta - prioritate a politicilor educationale din Romania**. Bucharest, I.S.E, 2001
- Birzea, C. (coord.) **Sistemul National de Indicatori pentru Educatie – Manual de utilizare**, MEdC, UMPIR – elaborat in cadrul Componentei 3 din Proiectul pentru Invatamantul Rural, Bucharest, 2005
- Jigau, M. (coord.) **Invatamantul rural din Romania. Conditii, probleme si strategii de dezvoltare**. Ed. a II-a. MECT, ISE, Ed. Marlink, Bucharest, 2002
- Jigau, M. **Abandonul scolar**, I.S.E., Bucharest, 2003
- Neacsu, I. (coord.). **Scoala romaneasca in pragul mileniului III**, Ed. Paiada, Bucharest
- * * * **Education for All: Is the World on Track?** Paris, UNESCO, 2002
- * * * **Analiza politicilor nationale in domeniul educatiei: Romania**, MEN, OECE, 2000
- * * * **Caiete statistice de inceput de an scolar – Invatamantul liceal**, INS, Bucharest, 1995-2011
- * * * **Caiete statistice de inceput de an scolar – Invatamantul prescolar**, INS, Bucharest, 1995-2011
- * * * **Caiete statistice de inceput de an scolar – Invatamantul primar si gimnazial**, INS, Bucharest, 1995-2011
- * * * **Caiete statistice de inceput de an scolar – Invatamantul profesional si de ucenici**, INS, Bucharest, 1995-2011
- * * * **Caiete statistice de inceput de an scolar – Invatamantul special primar si gimnazial**, INS, Bucharest, 1995-2011
- * * * **Caiete statistice de sfarsit de an scolar – Invatamantul liceal**, INS, Bucharest, 1995-2011
- * * * **Caiete statistice de sfarsit de an scolar – Invatamantul primar si gimnazial**, INS, Bucharest, 1995-2011
- * * * **Caiete statistice de sfarsit de an scolar – Invatamantul profesional si de ucenici**, INS, Bucharest, 1995-2011
- * * * **Caiete statistice de sfarsit de an scolar – Invatamantul special primar si gimnazial**, INS, Bucharest, 1995-2011
- * * * **European Report on Quality of School Education. Sixteen Quality Indicators**. European Commission, UE, 2000

- * * * **Examen thématique des politiques nationales d'éducation. Pacte de stabilité pour l'Europe du Sud-Est. Table 1: Group de Travail sur l'éducation. Tour d'horizon regional**, OECE, 2002
- * * * **Invatarea pe tot parcursul vietii: contributiile sistemelor educationale in statele membre ale Uniunii Europene. Rezultatele anchetei Eurydice** - (traducere). Bruxelles, 2000
- * * * **Modernizarea sistemului de educatie si formare profesionala in Romania**. I.S.E. Observatorul National Roman, Bucharest, 2002
- * * * **Planificarea prospectiva in educatie in statele membre ale Uniunii Europene. Ancheta Eurydice**. (traducere) Eurydice Romania, Bucharest, 1999
- * * * **ROMANIA Education Policy Note (Raport Romania 24353 - Ro) - Nota asupra politicii educationale. Sectorul de dezvoltare umana. Regiunea Europa si Asia Centrala**. World Bank, Bucharest, 2002
- * * * **Starea Invatamantului in anii scolari 2000-2009**. Documente oficiale. Bucharest, 2000-2010
- * * * **Tendinte sociale. Cap. Educatie**, INS, Bucharest, 2000-2010
- * * * The Ministry of Education, Research, Youth, and Sports (Ministerul Educatiei, Cercetarii, Tineretului si Sportului), <http://www.edu.ro/index.php/base/frontpage>

Current legislation

- National

- * * * Law no. 1/2011 of national education (Legea nr. 1/2011 Educatiei Nationale)

• **Labour market services**

Key condition of any activity, the labour factor, as a production factor is ensured through the labour market. The labour market represents the economic area in which the free confrontation between labour demand and labour supply takes place. Labour demand represents the need for employees and workers manifested by the employers, while labour supply represents the availability of suitable human resources. Different from other markets in Romania, the labour market is characterised by the freedom of work, guaranteed by the Constitution. According to the Labour Code (Codul Muncii) - the main regulatory documents in the labour market - the right to work cannot be restricted, any person being free to choose his/her job.

Considering the main issues concerning the Romanian labour market, one of them is represented by the very high level of mobility of Romanian workers. Emigration represents for Romania a very important socio-economic phenomenon; the economic, social and political environments in Romania determined and still determine more and more persons to migrate in search for economic and social opportunities outside the national borders. In recent years, Spain and Italy represent the most important receiving countries of temporary emigration from Romania^{66,67,68,69}. The highly pronounced emigration character of the

⁶⁶ OECD, **International Migration Outlook 2006**. OECD, Paris, 2006. http://www.istat.it/istat/eventi/2006/ocse/ocse_migration_report_2006.pdf

international migration phenomenon in Romania lead and leads to huge imbalances on the labour market. For example, in 2006, a series of branches (such as clothing or constructions) were confronted with labour lack and in order to fill this gap, entrepreneurs in these areas hired immigrant workers - especially from Turkey and China⁷⁰. For a proper manifestation of emigration and immigration of labour force from and in Romania, the Office for Labour Force Migration (Oficiul pentru Migratia Fortei de Munca) is active. Also, with some competences in this area and more in others such as professional training for unemployed persons, mediation between unemployed persons and employers in order to balance the supply and demand on the internal labour market, etc., the National Agency for Labour Force Employment (Agentia Nationala pentru Ocuparea Fortei de Munca) is active. The National Agency for Labour Force Employment rapidly evolved from an institution in charge with paying unemployment benefits, to a services provider for persons in search for jobs, nowadays offering a vast series of services specific to labour market – such as the ones previously mentioned. Subordinated to the National Agency for Labour Force Employment, at county level are the County Agencies for Labour Force Employment (Agentia Judeteana pentru Ocuparea Fortei de Munca). Also, along with the 41 County Agencies for Labour Force Employment, the Agency for Labour Force Employment in Bucharest, the 88 local agencies and the 156 working points are active. But, in what concerns the national public administration in the labour market services area, it is represented by the Ministry of Labour, Family and Social Protection (Ministerul Muncii, Familiei si Protectiei Sociale). The regional labour agencies offer assistance for the job seekers (and not only for them) by organizing job fairs/meetings for each county, generally or structured by type of disadvantaged categories of persons (Roma people, job seekers with provenance from rural area, etc.) Behind of these, the agencies offer also requalification courses in all domains according with the labour market requirements. A part of these are free pay tax courses (financed by Social Insurance Budget, World Bank and European Social Fund), other courses are- following the participants degree of interest- offered by fee. In 2009 the National Agency for Labour Force Employment had a goal to organize 2215 courses. Of this number, 412 (18,6%) were organized in the North East region (in condition which the unemployed persons from this region represent 18,6 % from total unemployed persons at national level). It can be assessed an increase of these types of actions in the more vulnerable areas. In 2009 around 44350 persons (from which 93% were unemployed persons) were attending the organized courses.

The most popular public service offered for adjacent elements of the labour market is the unemployment Programme service. In Romania the number of unemployed persons is still low⁷¹ compared to other countries from EU. The most recent data⁷² regarding the unemployment rate (available at regional labour market agencies) in Romania reveals a value of 4.8% for July 2011 (4.5% female unemployment rate and 5.0% male unemployment rate).

⁶⁷ OECD, **International Migration Outlook 2008. Country notes – Romania**. OECD, Paris, 2008a. <http://www.oecd.org/dataoecd/57/39/41256175.pdf>

⁶⁸ OECD, **International Migration Outlook 2008. Country notes – Spain**. OECD, Paris, 2008b. <http://www.oecd.org/dataoecd/57/29/41256399.pdf>

⁶⁹ Constantin, D.L., Nicolescu, L. and Goschin, Z., **Perspective europene de abordare a azilului si migratiei**. Institutul European din Romania, Bucuresti, 2008. http://www.ier.ro/documente/spos2008_ro/Studiul_4_-_Migratie_RO.pdf

⁷⁰ Horváth, I., **Focus Migration. Country Profile: Romania**. Hamburg Institute of International Economics (HWWI), Hamburg, 2007. http://focus-migration.hwwi.de/typo3_upload/groups/3/focus_Migration_Publikationen/Laenderprofile/CP_09_Romania.pdf

⁷¹ Maybe this thing is an effect of migration (number of Romanians from the EU is according statistics over 2 million), this migration flow representing social valve

⁷² The statistical information related to offered services in relation with labour market has the primary source of data: * * * TEMPO Online, INS, <https://statistici.insse.ro/shop/>

In the North-East region the values are above the national average (total unemployment 5.6%, female-5% and male-6.1%).

As, the unemployment is strong influenced by seasonality, having lower values in the summer months, determined by the intensification of the agriculture activities, a great interest should have the annual average data.

In 2010 the level of unemployment was 6.9% (6.2% for females and 7.5 for males). For the North East region the year values are also above the national average (7.7 overall, 8.9% male unemployment and 6.5 female unemployment) like in July.

The unemployment allowance in 2010 was of 470 lei (111,64€⁷³) for the person with experience in work and of 268 lei (63,66€) for the unemployed persons without experience (education level graduate). Compared with the minimum income these allowances represent 78,3% and 44,7%.

The annual expenditures to unemployed social protection raised in 2010 compared to 2009 with 40% (nominal terms) from 2,72 billion lei in 2009 (642,4 mil. €) to 3,72 billion lei in 2010 (907,9 mil. €).

The financial effort represented in 2009 0.55 % from GDP and it increased by 0.74% from GDP in 2010. A share of 14.85% in 2009 and 14.0% in 2010 from this value was allocated to North East region.

Existing studies

- Ministerul muncii, familiei si egalitatii de sanse, **Observatorul national al ocuparii si formarii profesionale a fortei de munca. Flexisecuritatea** 2007a
<http://www.mmuncii.ro/pub/imagemanager/images/file/Rapoarte-Studii/261007rapsept.pdf>
- Ministerul muncii, familiei si egalitatii de sanse, **Observatorul national al ocuparii si formarii profesionale a fortei de munca. “Evolutia politicii europene in domeniul ocuparii fortei de munca”.** 2007b
<http://www.mmuncii.ro/pub/imagemanager/images/file/Rapoarte-Studii/290807raport.pdf>
- Ministerul muncii, familiei si egalitatii de sanse, **Observatorul national al ocuparii si formarii profesionale a fortei de munca. “Reglementari europene in domeniul ocuparii fortei de munca si formarii profesionale”.** 2007c
<http://www.mmuncii.ro/pub/imagemanager/images/file/Rapoarte-Studii/100807raport.pdf>
- Ministerul muncii, familiei si egalitatii de sanse, **Observatorul national al ocuparii si formarii profesionale a fortei de munca. “Tineretul in Europa”.** 2007d
<http://www.mmuncii.ro/pub/imagemanager/images/file/Rapoarte-Studii/100707raport.pdf>
- Ministerul muncii, familiei si egalitatii de sanse, **Observatorul national al ocuparii si formarii profesionale a fortei de munca. “Probleme actuale ale populatiei tinere din Romania”.** 2007e
<http://www.mmuncii.ro/pub/imagemanager/images/file/Rapoarte-Studii/310507tineret.pdf>

⁷³ The value is calculated of an average exchange rate in 2010 at 1€=4,2099 lei.

Current legislation

- National

- * * * Law no. 53/2003 – Labour Code (Legea nr 53/2003 Republicata (Codul Muncii)) as amended and supplemented
- * * * Law no. 62/2011 regarding social dialog (Legea nr. 62/2011 dialogului social)
- * * * Government Decision no. 1352/2010 regarding the approval of the structure of Occupations Classification in Romania (HG nr.1352/2010 privind aprobarea structurii Clasificarii Ocupatiilor din Romania)
- * * * Law no. 76/2002 regarding the insurance system for unemployment and stimulating employment (Legea nr. 76/2002 privind sistemul asigurarilor pentru somaj si stimularea ocuparii fortei de munca)
- * * * Law no. 248/20 July 2005 regarding the free mobility regime of Romanian citizens abroad (Lege nr. 248/20 iulie 2005 privind regimul liberei circulatii a cetatenilor romani in strainatate)
- * * * Law no. 156/26 July 2000 regarding the protection of Romanian citizens that work abroad (Lege nr.156/26 iulie 2000 privind protectia cetatenilor romani care lucreaza in strainatate) as amended and supplemented
- * * * Government Emergency Ordinance no. 56/20 June 2007 regarding the employment and detachment of foreigners in Romania (O.U.G. nr. 56/20 iunie 2007 privind incadrarea in munca si detasarea strainilor pe teritoriul Romaniei)

• Public administration and defence

As mentioned in chapter 1 of this study, Romania has two levels of sub-national government (county and local authorities) which, in principle, have no hierarchical link between them. Overall, the county authorities could be placed between the national authorities and local authorities. Each of the 42 counties of Romania is represented by an authority and each of the 3173 localities is coordinated by a local authority.

In 1998, by the Law 151/1998 on regional development, were created 8 regions, which led to the setting up of a third regional division in the administrative organization of Romania. These development regions are not territorial-administrative units, nor judicial persons, but voluntary associations of counties formed with the purpose of planning and implementing the regional development. In turn, the region has a council called the Regional Development Council (RDC), composed of representatives of local and county authorities, and specialized personnel, joint within the Regional Development Agencies (RDAs).

The regions were originally designed for receiving European pre-accession funds and structural funds and now they are separated according to the principles of administrative regions. As long as regional authorities are not selected by direct elections and the regions of development do not have judicial status, being only voluntary associations of counties, they have no political power to attract funds from local and county authorities and even implement, in this respect, a stable and sustainable mechanism to effectively coordinate the divergent interests of the counties.

Presently, between local and central authorities have appeared significant differences in terms of the adopted position on the status of developing regions because:

- on one hand, the current status of regions allows counties and the chairmen of the County Council to use the Regional Development Agencies to attract funds from the European Union and government and take decisions that do not enter into conflict with their interests;
- on the other hand, the dissatisfaction of the Government derives from the fact that the current regions of development fail to achieve the coordination of regional development in counties, so that mostly of the tasks enter under the coordination of the Government. Also, yet, the regions cannot be used as tools for implementing the government decisions.

Existing studies

- Bondar F., **Politici publice si administratie publica**, editura Polirom, Iasi, 2007
- Profiroiu A., **Bazele administratiei publice**, Editura Economica, Bucuresti, 2010

Current legislation

- National

- *** Law 286/2006 that modifies the Law 215/2001 of the local public administration in Romania (Legea 286/2006 ce modifica Legea nr. 215/2001 a administratiei publice locale din Romania)

• Cultural and recreational services

In Romania, the national public administration active in the area of cultural and recreational services is represented by the Ministry of Culture and National Heritage (Ministerul Culturii si Patrimoniului National). According to the Law no. 195/2006 regarding the decentralization (Legea 195/2006 cadru a Descentralizarii), the “*authorities of local public administration active at city and commune levels exercise exclusive jurisdiction regarding the management of local cultural institutions*” (Article 21). Also, the “*authorities of local public administration active at county level exercise exclusive jurisdiction regarding the management of cultural institutions of county interest*” (Article 22). Local departments (county level) for culture and national heritage, including the one in Bucharest represent specialized institutions of central government and public institutions entirely financed from the state, subordinated to the Ministry of Culture and National Heritage, or coordinated by the minister of culture and national heritage.

Current legislation

- National

- * * * Law no. 422 / 2001 on the protection of historical monuments (Legea nr. 422/2001 privind protejarea monumentelor istorice) as amended and supplemented.
- * * * Law 454 / 2006 approving Government Ordinance no. 21/2006 on the concession regime of historical monuments (Legea 454 / 2006 pentru aprobarea Ordonantei Guvernului nr. 21 / 2006, privind regimul concesiunii monumentelor istorice) as amended and supplemented.

- * * * Law no. 182 / 2000 on the protection of national cultural mobile heritage (Legea nr. 182 / 2000 privind protejarea patrimoniului cultural national mobil) as amended and supplemented.
- * * * Law no. 26 / 29.02.2008 on the protection of intangible cultural heritage (Legea nr. 26 / 29.02.2008 privind protejarea patrimoniului cultural imaterial)

2.2.4. Care services (healthcare, child care, social care), social housing and compulsory social security

- **Healthcare**

Public healthcare is coordinated by the Ministry of Health (Ministerul Sanatatii) and conducted by all state and private health units, constituted and organized under the law. The responsibility for the insurance of public health rests with the Ministry of Health, local public health authorities and public health authorities in the ministries and institutions with their own health network. Public health assistance is guaranteed by the state and financed from the state budget, local budgets, the budget of the Exclusive National Fund of Social Health Insurance, or from other sources -as appropriate- under the law. Public health assistance care envisages both healthcare and pharmaceutical assistance. Public health protection is an obligation of central and local public administration authorities, and of all individuals and businesses.

In what concerns the organization and functioning of the national health system, it can be assessed that the public health authorities are represented by the Ministry of Health, and by other institutions engaged in public health at national, regional, county or local level. The Ministry of Health is a specialized body of the central public administration, with legal personality, subordinated to the Romanian Government and it represents the central authority in the field of public health care. In accordance with the government Programme, the Ministry of Health develops policies, strategies and action Programmes in health, coordinates and supervises their implementation at national, regional and local level and it is responsible for the healthcare reform process. Also, the Ministry of Health organizes, coordinates, and directs the activities to ensure public health and it acts to prevent and combat the practices harmful to health. The Ministry of Health, through its own structure and through county public health authorities and Bucharest public health authority and of the ministries and institutions with their own health network, verify the compliance with public health regulations, and in case of irregularities or non-compliance, enforce measures according to the law. County public health departments and the public health department in Bucharest are decentralized public services of the Ministry of Health, with legal authority, representing the local public health authority. The public health institutes or centers are regional or national public institution with legal personality, subordinated to the Ministry of Health, which coordinates technically and methodologically the specific activity in the field of substantiation, development, and implementation of the strategies related to disease prevention, the control of contagious and non-contagious diseases and of the public health policies in specific areas, at national and/or regional level. Subordinated to public health authorities, public health units in the belonged territorial jurisdiction are operating, except public health units of national interest or those belonging to the ministries or institutions with their own health networks. County public health authorities and the public health authority in

Bucharest, coordinate the county ambulance services and the Bucharest ambulance services, organize and coordinate the medical assistance, in case of disaster and special situations.

The public health departments sign contracts with the local public administration authorities to ensure the staff expenses for doctors, dentists, nurses and the expenditures for the standard endowment with drugs and medical supplies from the general medical and dental offices in schools. The amounts needed for the development of contracts are ensured by funds from the state budget, through the Ministry of Health budget. Public hospitals in the network of local public administration authorities sign contracts with public health departments.

In 2010 occurred the transfer process operationalization of the Ministry of Health attributions and competences to local public authorities, simultaneous with the insurance of human, material and financial resources needed for their performance. Also, the attributions of local public authorities in terms of decentralized competences were defined.

Further on, a series of quantitative aspects related to the health system in Romania are presented. Regarding the healthcare infrastructure⁷⁴ in Romania in 2010 were 503⁷⁵ hospitals, 311 clinics, 12,034 dental offices, 6,682 pharmacies, 11,170 family medicine clinics, and 8,870 specialized medical offices. The medical-sanitary units system also includes other categories of units, such as ambulatory, sanatoriums, medical centers, transfusion centers, etc. The healthcare system has its units geographically distributed in a manner not necessarily uniform but somewhat on an arborescent structure (in the meaning of the existence of extremely well-equipped medical units with both professional staff and medical equipment especially in university centers with tradition in medical higher education: Bucharest, Iasi, Cluj-Napoca, Timisoara, Targu Mures, Craiova) to ensure quick and easy access of patients to health care resources⁷⁶. However although the population in the North East region is 17.3% of the total population in terms of infrastructure in each category stated above, the specific weight of this region is less than the reference population.

The healthcare professionals at national level, in 2010 was of 522,000 doctors, 130,000 dentists, 136,000 pharmacists, and more than 1,2 mil. persons with medium qualification in healthcare.

Existing studies

- Ministerul Sanatatii, **Raportul de activitate al ministerului sanatatii pe anul 2010**, 2010 <http://www.ms.ro/?pag=206>
- Preda, M. (coord.), **Raportul Riscuri si inechitati sociale in Romania, al Comisiei prezidentiale pentru analiza riscurilor sociale si demografice**. Polirom, Bucuresti, 2009.

⁷⁴ Statistical information related to health services have as primary source of data: * * * TEMPO Online, INS, <https://statistici.insse.ro/shop/>

⁷⁵ Obviously we are aware of the extremely high heterogeneity of hospitals and - consequently – of a slight inaccuracy of aggregation of the number.

⁷⁶ Depending on the severity of cases and the specialization of hospitals it is obvious that specialized help is often required including the transfer of patients with rapid means of transportation (plane, helicopter). For example, this is the case of the premature newborn babies. The premature newborn babies (5-6 months) are transferred from all over the country in two hospitals in Bucharest: Giulesti and Polizu, where the most modern equipment for neonatology is.

Current legislation

- National

- * * * Order no. 265/408 of 1 April 2010 for approving the methodological norms of application of the framework-agreement on the conditions of providing medical assistance in the social health insurance system for 2010 (Ordin nr. 265/408 din 1 aprilie 2010 pentru aprobarea Normelor metodologice de aplicare a Contractului-cadru privind conditiile acordarii asistentei medicale in cadrul sistemului de asigurari sociale de sanatate pentru anul 2010)
- * * * Order no. 962/2009 for approving the norms regarding the establishment, organisation and operation of pharmacies and drugstores (Ordin nr. 962/2009 pentru aprobarea Normelor privind infiintarea, organizarea si functionarea farmaciilor si drogheriilor)

• Child care

Romanian child care has a multiple way perspective: starting with allowance granted mainly to mothers who choose to stay home with babies up to 1 or 2 years old, it continues with children state allowance (granted up to 18 years of age) or referring to temporarily care for children in nursery (during parents' work hours) etc.

In Romania, child allowances represent a benefit granted to children under 18 regardless of parental income, and to young people aged over 18 years until the graduation from high school or professional schools.

The National Authority for Child Rights and Family Protection (Autoritatea Nationala pentru Protectia Familiei si a Drepturilor Copilului), now named Child Protection Directorate General (Directia Generala Protectia Copilului) represents the specialized body of central public administration. It is in charge with promoting and respecting the civil rights of children; accountability of families and local communities for child growth, care and education; methodological guidance in its competence area of the activities of the directorates general of social assistance and child protection subordinated to county councils, and respectively, to the local councils of Bucharest sectors, as well as the activity of social assistance public services; the development and implementation of family protection and children's rights policies.

Existing studies

- Directia Generala Protectia Copilului, **Raportul anual de activitate al fostei Autoritati Nationale de Protectie a Drepturilor Copilului**, 2008.
<http://www.copii.ro/rapoarte.html>

Current legislation

- National

- * * * Decision no. 1385/2009 on the establishment, organization and functioning of the National Authority for Child Rights and Family Protection (Hotarare nr. 1385/2009 privind infiintarea, organizarea si functionarea Autoritatii Nationale pentru Protectia Familiei si a Drepturilor Copilului)

- **Social care**

Component of the social protection national system, the social assistance includes social services and the social benefits provided in order to develop the individual or collective capacities to ensure social needs, increase in quality of life and the promotion of cohesion and social inclusion principles.

The right to social assistance is guaranteed under the law for all Romanian citizens who have residence in Romania, without any discrimination.

The social services supply is organized in a decentralized system, at the local communities level in order to meet - in the most appropriate way - the identified social needs, the types of potential beneficiaries and their specific conditions.

Social services providers can organize and supply social services, with or without accommodation, as follows: in the community, at the residence of the beneficiary, in public or private day centers and residential centers.

Social services are organized in a flexible, multidisciplinary and coordinated system and they can be provided in an integrated system with health services, education, housing services, labor employment and others, depending on the complexity of the situation.

Social benefits represent financial transfers and include the family allowance, social support, allowances and facilities. The social benefits are given by the state through central or local public administration authorities, in accordance with the applicable law.

In terms of organization and functioning of national social assistance system, the Ministry of Labor, Family and Social Protection (Ministerul Muncii, Familiei si Protectiei Sociale) is the central public authority that develops the social assistance policy and promotes the rights of the family, children, elderly, disabled and any other persons in need.

The unitary application at the local level, of the legislation and national strategies regarding social assistance is ensured by the Ministry of Labor, Family and Social Protection, through its decentralized structures.

In the national social assistance system, the National Agency for Social Services (Agentia Nationala pentru Prestatii Sociale) is active. The National Agency for Social Services aims to create a unified system for managing the process of granting social benefits and it operates through organized structures in each municipality, county capital, and Bucharest. Local public administration authorities establish and organize public social assistance services to ensure the implementation of social policies on child protection, family, elderly, disabled and other individuals, groups or communities in social need. County councils establish and organize - under their subordination - the public social assistance service, at directorate general level.

Social assistance is financed mainly by funds from the state budget or local budgets.

Central or local public administration authorities can contract social services in accordance with the law.

From the available statistics, the following social care categories were identified: disability care, adults care, tickets for balneary treatment for retired persons and social canteens activity.

In 2010, there were 191,000 disabled persons that were cared inside special centres provided by the national authority. The total amount granted for rights and care for non-institutionalized persons with disabilities was of 3,55 billion lei (844,25 mil. €) – 0.69% of

the GDP. In 2009, in adults care centres (assistance, integration through occupational therapy, recovery and rehabilitation, elderly persons care), it was provided assistance for 242,000 persons. State gives financial support by subsidies for tickets for balneary treatment for retired persons (mostly, off season) in spa resorts. Thus, in 2009, more than 1.6 tickets were provided for which the state spent 239,88 mil. lei (56,71 mil. €) – 0.05% of the GDP.

Existing studies

- Agentia Nationala pentru Prestatii Sociale, **Noua structura de plata a prestatilor sociale**, 2008. http://www.prestatiisociale.ro/files/ANPS_Brosura_prezentare.pdf

Current legislation

- National

- * * * Law no. 47/2006 on the national social assistance system (Legea nr. 47/2006 privind sistemul national de asistenta sociala)
- * * * Ordinance no. 86/2004 amending and completing Government Ordinance no. 68/2003 on social services, approved with amendments by Law nr.515/2003 (Ordonanta nr. 86/2004 pentru modificarea si completarea Ordonantei Guvernului nr. 68/2003 privind serviciile sociale aprobata cu modificari si completari prin Legea nr.515/2003)

• Social housing

In 1998, in Romania, the National Agency for Housing (Agentia Nationala pentru Locuinte) was established under the Ministry of Public Works and Territorial Planning (Ministerul Lucrarilor Publice si Amenajarii Teritoriului) and, currently it operates under the authority of the Ministry of Regional Development and Tourism (Ministerul Dezvoltarii Regionale si Turismului). The National Agency for Housing develops three main Programmes, respectively housing construction with mortgage, housing construction for young people for renting, and house construction for young professionals who work in rural areas.

Social housing is not present in the statistics provided by the National Institute of Statistics. Some data is available on the web site⁷⁷ of the Ministry of Development, Construction and Housing, currently named the Ministry of Regional Development and Tourism.

According to its statistics, there are three categories of social housing that are under construction and to be delivered to social cases: i) evicted persons (from houses that were returned to their original owners, after being confiscated/nationalized by the communist regime); ii) persons who needed temporary social houses or necessity houses (while their houses with seismic risks are being reinforced or rebuild after natural disasters) and iii) young eligible persons.

⁷⁷ * * * <http://www.mdrl.ro/index.php?p=1033>

Existing studies

- Nicolae, D.A., **Politici de locuire: Romania incontro? O analiza comparativa a Romaniei in contextual ECE si UE**, Editura Universitatii Bucuresti, Bucuresti, 2006.

Current legislation

- National

- * * * Law no. 114/1996 on Housing (Legea locuintei nr. 114/1996)
- * * * Law no. 152/1998 on the establishment of the National Agency for Housing (Legea 152/1998 privind infiintarea Agentiei Nationale pentru Locuinte)

• **Compulsory social security**

The budget of the state social insurances includes the revenues and the expenditures of the public pension system. Regarding the revenues of the budget of the state social insurances, they come from:

- social security contributions, interest and delay penalties, and from other income, according to the law;

- amounts allocated from the state budget to balance the budget of the state social insurances, approved by annual budget laws.

The expenditures of the budget of the state social insurances cover the value of social insurance benefits from the public pension system, the cost of organization and functioning of the public pension system, the financing of their own investments, and other expenses, according to the law.

A form of compulsory social security in Romania is represented by the medical social security which represents the main financing system of health care that provides access to a basic services package for the insurants.

The national authority in the health area is represented by the Ministry of Health (Ministerul Sanatatii) which controls the social health insurance system, in terms of implementation of health policies approved by the Romanian Government. Under the coordination of the Ministry of Health, the National Health Insurance House (Casa Nationala de Asigurari de Sanatate) is active. It is a public and autonomous institution, of national interest, with judicial personality, whose main activity is to ensure consistent and coordinated functioning of the social health insurance system in Romania.

There are various statistics regarding the pension system, focused on the number of retired persons segmented by category (state social pension, former worker in agriculture pension, orphan or widow pension, etc.) as well as the amount of the pension.

In 2010, the total number of pensioners in Romania⁷⁸ was of 5,68 mil. persons, of which 4.93 mil. pensioners with contribution stage, the rest being farmers⁷⁹ (737,000 persons), widows and orphans (10,000 persons).

⁷⁸ Source data: * * * TEMPO Online, INS, <https://statistici.INSSE.ro/shop/>

⁷⁹ Former workers in collective farms specific to the communist period – Agricultural Cooperatives of Production (Cooperativele Agricole de Productie (CAP)) - which did not pay any social contribution at that time, but now, they receive a minimal state budget pension, as a compensatory and reparatory procedure.

In the first trimester of 2011, the national average monthly amount of pension was of 763 lei (180,61 €), while in the North-East region it was of 708 lei (167,59€). By comparison, in the fourth trimester of 2010, the national average was of 743 lei (173,26€), and in the North-East region it was of 688 lei (160,43€). Farmers pensions remain unchanged at 310 lei (73,38€) without any regional disparities.

Due to the increase of the number of pensioners⁸⁰ up to a number higher than the one of employed persons, it is estimated that the deficit associated to the budget for social securities, will be of almost 4 billion € in 2011.

Existing studies

- Casa Nationala de Asigurari de Sanatate, **Raport de activitate pe anul 2010**, 2010.
<http://www.cnas.ro/informatii-publice/rapoarte-de-activitate>

Current legislation

- National

- * * Law no. 95/2006 on health care reform as amended and supplemented (Legea Nr. 95/2006 privind reforma in domeniul sanatatii cu modificarile si completarile ulterioare)

2.3. Analysis of the national context

In 2006 the Law of communitarian services of public utilities No. 51/2006 was issued in order to ensure the basis of the regulatory framework for the services of general interest in Romania⁸¹. This law specifies the authorities that impose the regulation of services of public utilities and their working principles. The National Authority for Regulating Community Services on Public Utilities (Autoritatea Nationala de Reglementare pentru Serviciile Comunitare de Utilitati Publice - ANRSC) is the regulatory authority for the following services of general interest: water supply, waste and sewerage, heat generation, transmission, distribution and supply in a centralized system, apart from heat energy produced in cogeneration, waste, sanitation of localities, public lighting, public and private management of administrative-territorial units and local public transport, under powers conferred by special law. This public institution of national interest has judicial personality and is subordinated to the Ministry of Administration and Interior of Romania. In the particular case of North-East Region, the regional unit is placed in Botosani. For the natural gas and electricity services there is a similar regulatory body, called the National Agency for Energy Regulation (Agentia Nationala de Reglementare in domeniul Energiei - ANRE). The activities of regulating and monitoring the services of transport are done by the Romanian Road Authority (Autoritatea Rutiera Romana - ARR), a public institution that is subordinated to the Ministry of Transports and Infrastructure (Ministerul Transporturilor si Infrastructurii). In the area of electronic communications, information and communication technology and postal services activates the Society National Authority for Management and Regulation in Communications (Autoritatea Națională pentru Administrare și Reglementare în Comunicații - ANCOM), under the subordination of the Ministry of Communications and Information.

⁸⁰ The employee-pensioner ratio is less than 1 for more than ten years.

⁸¹ Found in the Romanian legislation as services of public utilities.

Ministry of Education, Research, Youth, and Sports (Ministerul Educatiei, Cercetarii, Tineretului si Sportului) is the main institution in charge with the regulation of the education. The services that are regulated by the Ministry of Labour, Family and Social Protection (Ministerul Muncii, Familiei si Protectiei Sociale) refer to labour market services, child care and social care services. Cultural and recreational services are under the coordination of Ministry of Culture and National Heritage (Ministerul Culturii si Patrimoniului National). The Ministry of Health (Ministerul Sanatatii) is responsible for the health care and compulsory social security. The Ministry of Regional Development and Tourism (Ministerul Dezvoltarii Regionale si Turismului) manages social housing.⁸²

The Law of communitarian services of public utilities No. 51/2006 is the main pillar of the policy framework for the public services in Romania. The same law constitutes the fundament for the regional analysis of SGI⁸³. The term of "*services of general interest*" refers to services subject to specific obligations on a *public interest criterion*. The concept of services of general interest covers services provided by the network industries (water distribution, electricity, heat and natural gas, sewage and waste water treatment, transport and communications, postal services etc.) and other economic activities under public service obligations (managing and maintaining housing and public sector, social housing, public lighting, urban real estate cadastre, etc). Services of public utilities are part of the services of general interest category and are defined according to the Law 51/2006 of Community Service of Public Utilities, as amended and supplemented. So these services contains all the regulated actions and activities through which the utility needs and the local public interest of the local communities are satisfied; regarding: a) water supply; b) sewerage and wastewater treatment, c) collection, sewage and water discharge d) production, transmission, distribution and supply of heat in a centralized system; e) sanitation of the localities; f) public lighting; g) public and private administration of administrative units and others; h) local public transport .

Services of public utilities are subject to legal framework of services of general interest, being applicable the public service obligations defined according to the following requirements / basic requirements, namely: a) universality; b) continuity from qualitative and quantitative perspective, in contractual conditions; c) adaptability to user requirements and long term management, d) equal and non-discriminatory accessibility to public service, under contractual conditions, e) transparency of decisions and users protection.

Services of public utilities have the following features: a) socio-economic character; b) meet the requirements and needs of interest and public utility; c) technical and urban character; d) have a permanent and continuous operating system; e) the regime of functioning may have monopoly characteristics, f) require the existence of adequate technical infrastructure services; g) local coverage: village, town, city or county; h) are created, organized and coordinated by local public administration authorities; i) are organized on economic and efficiency principals; j) can be supplied / provided by operators who are organized and function under the regulations of public right, either under the rules of private right, k) are supplied / provided under the "beneficiary pays" l) recovery of operating or investment costs is made through the regulated prices and tariffs.

⁸² The institutions mentioned in this section and corresponding to each of the services presented at the 2.2 point of the present study refer to the national level, with competences and influence on the services of general interest provided at the two sub-national levels in Romania (county and local level).

⁸³ Based on the interview applied to Cador Anca.

Services of public utilities are under the responsibility of local public administration authorities and are set up, organized and managed according to the decisions of the deliberative authorities of territorial- administrative units, depending on the degree of urbanization, economic and social importance of the localities, the size and their degree of development and in relation to the existent technical infrastructure.

The management of services of public utilities represents the way of organization, operation and administration of services of public utilities for providing them under the conditions set by their local public administration authorities. The management of the services of public utilities is organized and carried out in the following ways:

- Direct management;
- Delegated management.

Direct management is achieved through its own structures of local authorities such as:

- specialty compartments;
- public services or special directions without judicial personality, organized within the City Council's own device;
- public services or special directions with judicial personality, organized under the Local Council, with its own heritage, etc. (Article 29(2), Law 51/2006).

Section 3 of this law refers to the delegated management which means *"the way in which local authorities [...] transfer to one or more operators all duties and responsibilities on the supply / provision of public utilities, and also the management and exploitation of related systems of public utilities, under a contract called contract of management delegation"* (Article 30 (1)), Law 51/2006)

In the case of delegated management of public utility services, the operators can take the following form:

- commercial companies as suppliers of services, set up by local authorities with the capital owned by the administrative - territorial units;
- commercial companies as suppliers of public utility services resulted from the administrative reorganization of the autonomous of local or county interest or of the public services subordinated to the local authorities, whose capital is owned in whole or in part, as owner / co-owner, by the administrative - territorial units;
- commercial companies as suppliers of public utility services with private or mixed capital (Law 51/2006, Article 3 paragraph (3)).

According to Article 30 (5) (Law 51/2006), the management delegation agreement may take the form of concession contract or public - private partnership contract.

According to Article 23 Para (2) and (3) (Law 51/2006), the public utility services are managed directly or by delegation. A certain method is selected by the decision of local councils, county councils, the General Council of Bucharest Municipality or Community Development Association based on some particular criteria, such as the nature and condition of service, present interest, etc. Legal relations between local authorities and operators of public utilities are regulated under article 24 paragraph (1) as follows: direct management by the decision of contracting out and delegated management by decisions and contracts (including concession) by which the service management is delegated.

Services of public utilities are supplied / provided by operators or regional operators. Operators may have the following status:

- a) functional compartments organized in a specialized unit lead by the mayor or the county councils, where appropriate;
- b) public services of local or county interest, without legal personality, established and organized by decisions of the deliberative authorities of administrative-territorial units;
- c) public services of local or county interest, with legal personality, established and organized by decisions of the deliberative authorities of administrative-territorial units;
- d) companies with social capital entirely coming from administrative-territorial units;
- e) companies with private social capital;
- f) companies with mixed social capital.

The structure of the operators of the services of public utilities, their evolution from the integration of Romania into the European Union and the main considerations for each service of public utilities are found in the Report of the National Regulatory Authority for Communitarian Services of Public Utilities - ANRSC for the year 2011, which can be found on the institution website - www.anrsc.ro.

3. Regional analysis of SGI

Data Source and Methodology

Public services of general interest are analysed by means of methodological instruments pertaining to descriptive statistics as well as specific instruments for the current project research, namely questionnaires and interviews.

The statistical data are provided by National Institute of Statistics (NIS) through its publications (ASR - Romanian Statistical Yearbook) or by online database TEMPO. The most recent available information (year 2009 or 2010) has been used. In some cases (e.g. houses connected on gas distribution network) information was available only from the 2002 Population and House Census (RPL).

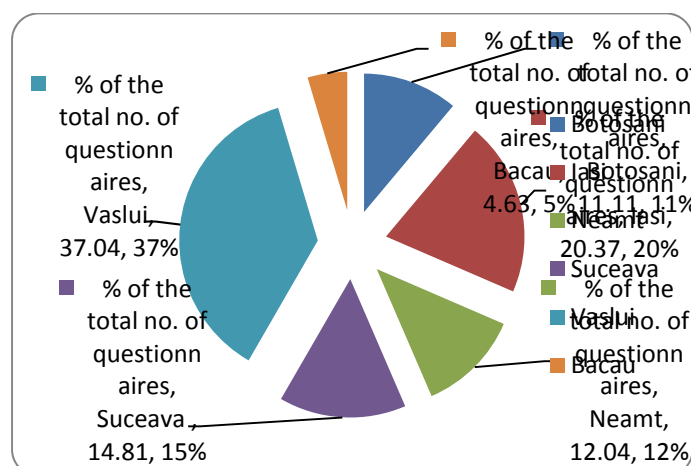
Within the North-East region the statistical analysis has been performed mainly at county level, based on the available statistical data. Only in a few cases (sewage network, drinking water supply, enrolment in primary and secondary education) statistical data were available at locality level, an Annex being attached for these results.

Data about the respondents to the questionnaires and interviews

The questionnaire proposed by the coordinator of the project case studies was distributed to localities of all six counties belonging to the North - East region. The localities were chosen using a series of selection criteria able to offer a comprehensive view on the main characteristics relevant for the presence/absence, density and quality of SGI in various areas of this region. These criteria refer to: the inclusion of the locality within urban/ rural environment, the area of the locality compared to the locality average in the county, the density of population within the locality compared to the locality average in the county, the rate of population aging within locality, and the locality landform.

A total of 108 questionnaires were collected from all counties of the North- East Region of Romania. Their distribution by county is represented in Figure 6.

Figure 6. Percentage of the total no. of questionnaires applied in North-East Region



Source: own representation, based on the research results

The maximum percentage of respondents was registered in Vaslui county (37.04%), and at the opposite side Bacau county is encountered (4.63%)

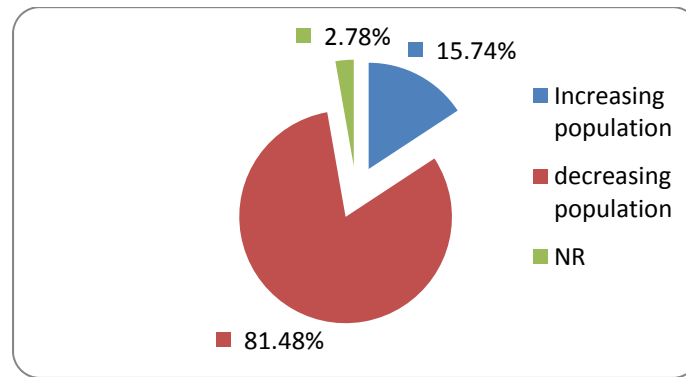
The identification details regarding the questionnaire respondents in relation to selection criteria are presented in the following section. Thus, a series of criteria were established in order to have a wide range of respondents with different characteristics.

First, in order to reflect the urban/rural ratio in the North-East region, 91 out of 108 respondents represent rural areas in this region.

The area of the locality compared to the average per county and the density of population compared to the average per county are two issues that registered very close results. The variant indicating ‘a big area and high density of population of the locality’ accumulated approximately 45% of the total answers, the difference being associated to a small area and density of population within the locality whose respondents answered the questionnaire.

Another feature refers to the decreasing or increasing population in the municipality/ city/ town or commune that the respondent is representing. The majority of respondents marked ‘decreasing population’ as a dominant feature within the locality that they represent (Figure 7).

Figure 7. Percentage of increasing or decreasing population in the localities corresponding to North-East Region



Source: own representation, based on the research results

The aging of population within locality is another characteristic that was taken into consideration when filling in the questionnaires. The number of answers for localities with non-aging population was similar to the number registered for the localities with aging population. The latter category has accumulated 58% of the total number of responses.

Regarding the locality landscape, the vast majority of respondents (85%) marked the 'hill-plain layout' answer, as it is the predominate landform of the North- East Region. Only 0.08 % of the respondents marked 'mountain layout' answer; SGIs having a low accessibility potential within the mountain landscape.

Additionally, 12% out of the percentage of 85 (13 respondents) have also checked the 'locality is placed next to the national border' option. Other 7 answers were individually registered as the locality being next to the national border.

Besides the questionnaire, *a series of interviews were conducted*. Two categories of interviewees were involved in the research process: on one hand, public administrators, policy makers and academia representatives and, on the other hand, public- administrators involved in delivering SGI.

Radu Ioan is an important academia representative as his main research expertise is focused on Services of General Interest. He is the former president of the National Regulatory Authority for Communitarian Services of Public Utilities in Romania, the current president of the National Association of Technicians, Experts and Researchers for Public Services of General Interest and councillor in the domain of public services, economics and management within the Municipality of Bucharest.

Anca Cador is the manager of the Direction of market monitoring and field consultancy within The National Authority for Regulating Community Services on Public Utilities in Romania. Moreover, she expressed her opinion from the position of policy maker.

Additionally, 8 interviews were carried out in Suceava county and 10 interviews in Vaslui county, from both towns and communes.

Finally, a wide mix of features was covered when the questionnaires were applied to the respondents within North-East region.

Apart from the methodological issues used as support for the analysis, some key aspects regarding the accessibility to SGI in the North- East region are pointed out in the following section.

General perspective on the accessibility to SGI in the North- East region

The legislation elaborated by the National Authority for Regulating Community Services on Public Utilities includes the framework regulations for each service of public utilities situated in its regulatory coverage (besides the public and private management of the territorial-administrative units another exception is represented by the local public transport service where tertiary legislation was developed by other authorities, under the competences granted by special law). The regulations for each service should be elaborated and approved by the local public administration authority based on the framework regulations elaborated by the National Authority for Regulating Community Services on Public Utilities. These regulations contain provisions on the management and the manner of solving complaints in the field of services of public utilities, and minimum indicators to be monitored and checked by the local public administration authorities. The citizens have at their disposal the possibility to submit the complaints about the service provision directly at the institution headquarter by registrature, online, fax as correspondence or to have direct discussions within audiences. The indicators established in the regulations framework are focused on the quality of provided service, on the quantity, on the way of solving their quests from users and on statistics.

Most interviewees gave positive answers when asked about legally defined criteria for quality, accessibility, affordability of SGI. Additionally, in an very large proportion, the interviewees agreed with the fact that the category of users that have difficulties in accessing the SGI is constituted of families with a low-income level or unemployed. The main two barriers that were specified by the interviewees as hindering access to services are of economic and social nature. Particularly, the interviewees specified as barriers the lack of infrastructure, the limited material resources and the lack of financial resources of the citizens.

The evaluation of the quality and the provision of SGI could be conducted by using the annual assessment reports and the laws in force. The interviewees pointed out that the national legislation specifies for each type of service the necessary procedures and the way of solving the users' complaints. The interviewees outlined that several indicators of quality have been developed for SGIs, being encountered in the methodology of the national plan. The evaluation of the quality of services provided by the local public sector is in most of the cases conducted internally, based on operating regulations of the services. Annually, the evaluation of the SGIs is made of local administration within the meetings of the Local Council. Additionally, an external evaluation of SGIs is made by the citizens that benefit of them; the Court of Auditors, the National Authority for Regulating Community Services on Public Utilities, the central and local public administration are among the controlling bodies of the accessibility and affordability of SGIs, enumerated by the interviewees.

In the particular case of the North-East Region, the connection between operators and SGI appears as follows:

- Local public authorities are responsible of local public administration, water supply service, sewage, sanitation, local road infrastructure, social assistance, library, cultural centres, education- only the infrastructure.
- State is responsible of education- educational area, organization and personal assurance, health and railway transport.
- Private societies are operating in health, local road transport, postal services, electric energy, and telecommunications.

In order to support the previous statement, further on evidence from Vaslui county is provided:

- The water supply service is ensured by the local public administration authorities and is provided in three out of six villages of the commune. There is only an operator in the area. This service is provided with governmental support; and in the local strategy is specified to be extended also in the other villages that do not benefit of this service.
- The electricity distribution is ensured by E-On Moldova, private society that holds the monopoly in the domain.
- The education at the local level contains preschool, primary education, gymnasium and high school coordinated at the county level by the Education Inspectorate.
- Telecommunications are provided by all the main private companies in Romania.
- The road transport is provided by private societies as for railway transport the support comes from the Romanian national company of railways.
- The health services consist of 4 medical cabinets and the nearest hospital is at 60 km distance from the commune.

The main suppliers of services of public utilities and their form heavily depend on the type of provided service, and the territorial and administrative characteristics of the locality in which the service is provided.

Among presented cases there are situations of natural monopoly. As specified in Law 51/2006, it is defined in the domain of services of public utilities as the market situation particular to some services of public utilities that, on a bounded area, can be supplied / provided only by a single operator. At the same time, any agreements or association agreements or any concerted practices between operators are forbidden, regardless the manner of organization, ownership or method of management, which lead to the growth of the monopoly of services of public utilities, to the restriction, prevention or distortion of competition on the market of services of public utilities.

The government ensures the accomplishment of the state general policy in the domain of services of public utilities, according to the Programme of governance and to the objectives of the National Plan of economic- social development of the country, by implementing a series of actions focused on supporting the local public administration authorities to develop the infrastructure of the services and to improve the provision of the services of general interest. Strengthening this statement, the vast majority of interviewees pointed out that there are strategy plans or Programme that are regulating SGI. Some of the interviewees specified that these kind of plans or Programme could be encountered both at local and national level.

3.1 Economic SGIs (max. 8-10 pages)

The provider of a certain service has to take into consideration, as one interviewee stated, the type of provided service, and the territorial and administrative characteristics of the locality in which the service is provided. Based on this, some particular cases are exposed:

- The provision of the water alimentation and sewerage service is done mostly by companies with public capital of the territorial administrative units; another particularity of this service is the establishment and development of regional operators. Regional operator is a company with the entire social capital from the administrative-territorial units that are members of an intercommunity development association with object of public utility, established under the decisions of their deliberative authorities; the regional operator ensures the proper management of the service / public utilities activity within the competence area of the associated territorial administrative units, including administration, operation and exploitation of

their related public utilities systems, and the implementation of the public investment Programmes of zonal and regional interest jointly accomplished within the association, for the establishment, modernization and / or, where appropriate, development of technical infrastructure for these services / activities. At the end of 2011, there were a total of 42 regional operators that provide water to 88, 9% of the total population connected to water supply system, according to data compiled by the National Institute of Statistics.

- The providers of the waste management services within localities are mostly private or mixed companies. The future concerns are focused on the development of centers for generating urban energy.
- In rural areas the services of public utilities are mainly provided under direct management, as in urban areas, the delegated management is mainly encountered.

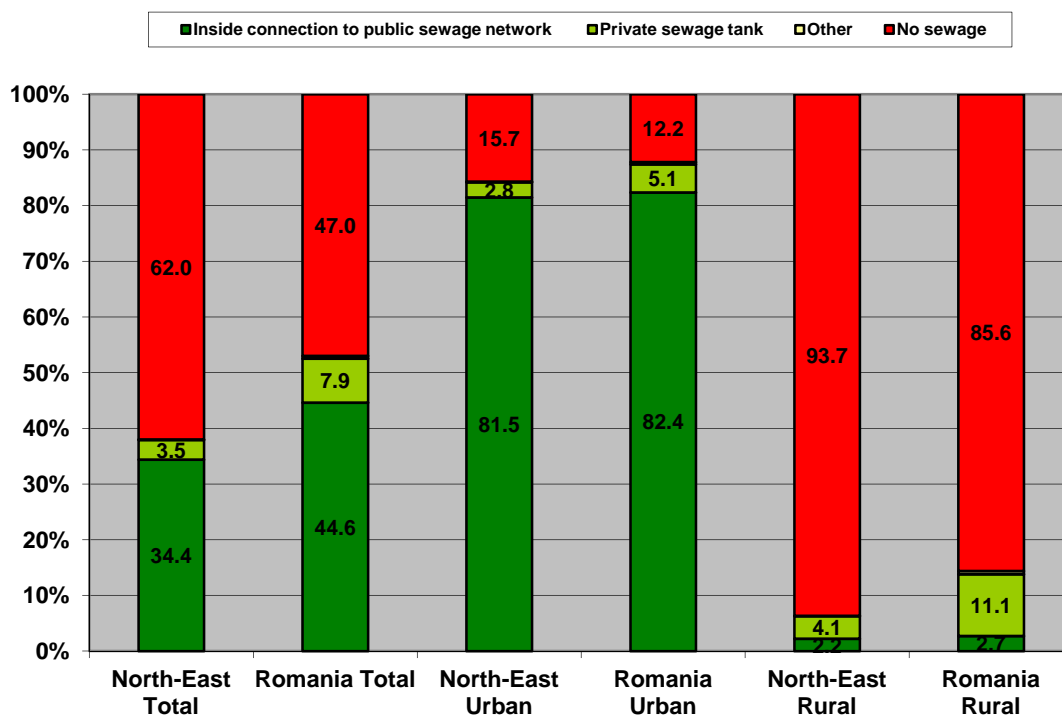
Water supply service and sewage have been passed through a regionalizing process in order to have an operator per each county- called Intercomunitarian Development Association. This process implied reorganization in the management structure in the autonomous water. The interviewee mentioned that 35% of the Romanian towns do not have sewage systems, and 25% do not have water supply services.

3.1.1 Detailed Analysis of selected economic SGIs in the region

3.1.1.1 Sewage systems & sewage treatment facilities

Regarding households connected to sewage network, in 2002, in Romania and North-East, reality is shown in Figure 8.

Figure 8. Households connected to sewage network in Romania and North – East Region, on residential areas, in 2002



Data Source: * * * Recensământul populației și locuințelor 2002. Volumul 3 – clădiri, locuințe, gospodării, National Institute of Statistics, Bucharest, 2004

There is a natural connection between households connected to sewage network and households supplied with water from public water network. Statistic data validates this connection. Thus almost half (47%) of Romanian households were not connected to any sewage system. This share is even higher in North – East Region: 62%. Disparities urban – rural are very high, and almost reversed. In urban areas, less than 12% (almost 16% in North-East Region) households were not connected to sewage network⁸⁴. In rural areas, one household out of 7 was connected to sewage network, (one out of 16 household from North East Region). It is no doubt, that this very unpleasant reality can be improved by accessing European Union funds for rural development.

Recent statistic data⁸⁵ shows that the number of localities having public sewage network has raised in 2009 compared to 2002, with near 21% (from 644 to 777), while the length of sewage pipes increased even higher (25%), from little over 16.800 km in 2002 to close to 21.000 km in 2009.

The distribution of localities connected to sewage installations within each county of the North-East Region is included in Table 4 and territorially represented in Map 1.

Table 4. Localities with public sewage installations in the North-East Region of Romania, at NUTS 3 level, 2010

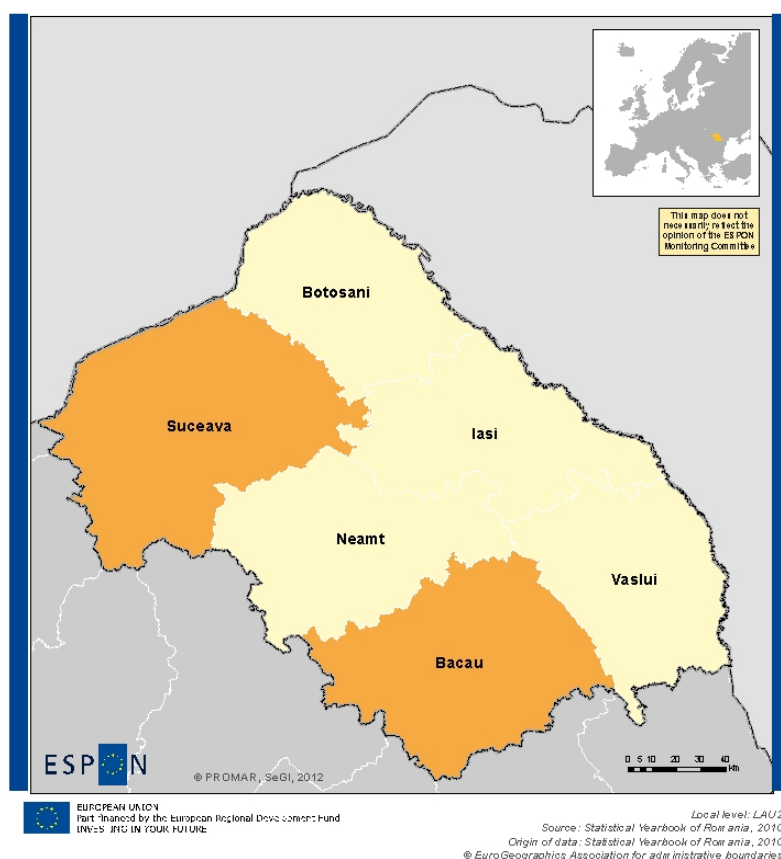
<i>North - East</i>	<i>Localities with public sewerage installations (number)</i>	<i>Localities with public sewerage installations (percentage)</i>
Bacău	46	33.58
Botoșani	15	10.95
Iași	15	10.95
Neamț	16	11.68
Suceava	35	25.55
Vaslui	10	7.30
Total	137	100

Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

⁸⁴ As a tangent comment, it should be mentioned that even in Bucharest Municipality, 4,3% households are not connected to sewage network.

⁸⁵ Source: * * * ASR – serii de timp 2010, National Institute of Statistics, Bucharest, 2011, Table 5.9.

Map 1. Localities with public sewage installations in the North-East Region of Romania, at NUTS 3 level, 2010



Romania Case Study
The number of localities

	10 - 16
	17 - 46

Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

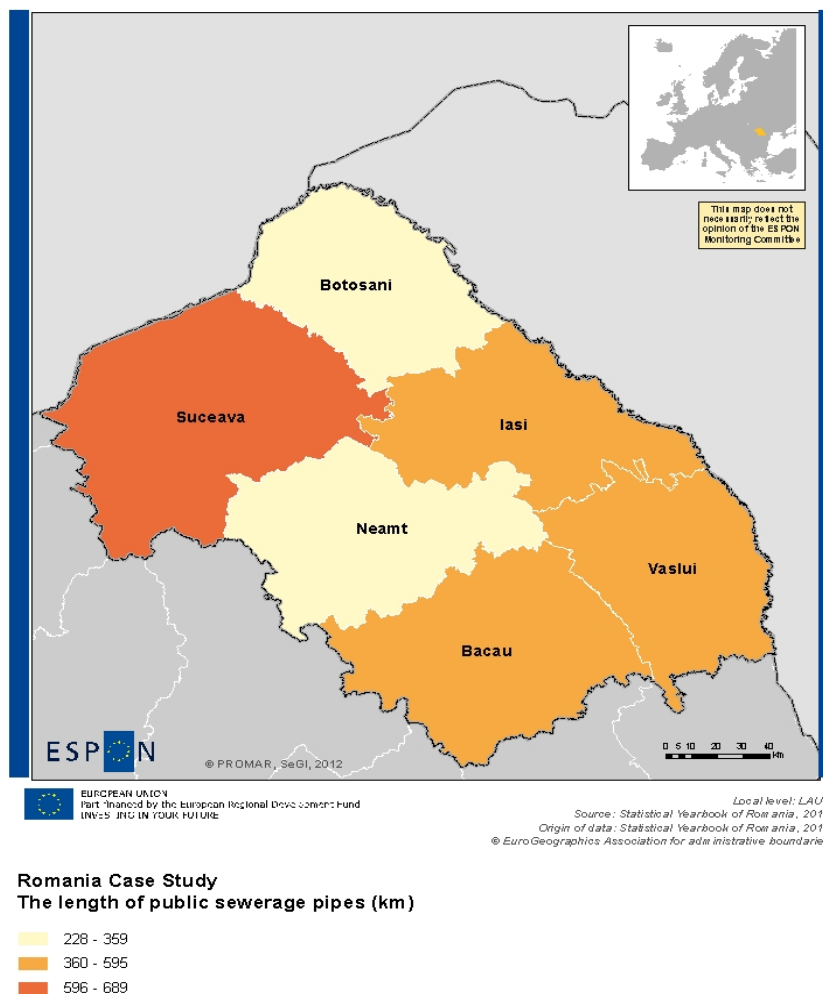
Another indicator regarding the sewage service in the North- East Region is represented by the length of public sewage pipes (Table 5; Map 2).

Table 5. Total simple length of public sewage pipes in the North-East Region of Romania, at NUTS 3 level, 2010

<i>North - East</i>	<i>Total simple length of public sewerage pipes (km)</i>	<i>Total simple length of public sewerage pipes (percentage)</i>
Bacău	583	19.80
Botoșani	228	7.74
Iași	595	20.21
Neamț	359	12.19
Suceava	689	23.40
Vaslui	490	16.64
Total	2944	100

Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

Map 2. Total simple length of public sewage pipes in the North-East Region of Romania, at NUTS 3 level, 2010



Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

The interviewees representing the North-East Region stated that the sewage services are mainly provided by the local public administration. For example, an interviewee from Suceava county stated that the water supply service and sewage are provided by autonomous. Even though they are holding the monopoly in the area, the Local Council is approving the prices. In the same county, the sanitation services, electricity, gas, telephony, transport of persons are provided by private companies, under a monopolistic system.

In what concerns the accessibility to the sewage systems & sewage treatment facilities, in general, at regional level (North-East Region), the majority of respondents (34%) considered that it is not relevant for households and individuals. However, an important share of respondents (21.4%) considered the accessibility to the sewage systems & sewage treatment facilities within their locality for households and individuals as being very bad. At North-East Region counties level, if in Iasi, Neamt, and Suceava counties the share of respondents considering the accessibility to the sewage systems & sewage treatment facilities within their locality for households and individuals as very bad is quite equilibrated (9.1%, 7.7%, respectively 6.3%), in Botosani and Vaslui counties their share is much higher (41.7%, respectively 32.5%). Thus, it can be noticed a discrepancy between counties in the North-East Region, in terms of the accessibility to the sewage systems & sewage treatment facilities for households and individuals (Table 6).

Table 6. Accessibility to the sewage systems and sewage treatment facilities for households and individuals

			COUNTIES IN THE NORTH-EAST REGION			
			Frequency	Percent	Valid Percent	Cumulative Percent
Bacau	Valid	3.00	2	40.0	40.0	40.0
		4.00	2	40.0	40.0	80.0
		Very good	1	20.0	20.0	100.0
		Total	5	100.0	100.0	
Botosani	Valid	Very bad	5	41.7	41.7	41.7
		2.00	1	8.3	8.3	50.0
		3.00	2	16.7	16.7	66.7
		Very good	2	16.7	16.7	83.3
		Not relevant	1	8.3	8.3	91.7
		NA	1	8.3	8.3	100.0
		Total	12	100.0	100.0	
Iasi	Valid	Very bad	2	9.1	9.1	9.1
		2.00	6	27.3	27.3	36.4
		3.00	1	4.5	4.5	40.9
		Very good	3	13.6	13.6	54.5
		Not relevant	4	18.2	18.2	72.7
		NA	6	27.3	27.3	100.0
		Total	22	100.0	100.0	
Neamt	Valid	Very bad	1	7.7	7.7	7.7
		4.00	4	30.8	30.8	38.5
		Not relevant	7	53.8	53.8	92.3
		NA	1	7.7	7.7	100.0
		Total	13	100.0	100.0	
Suceava	Valid	Very bad	1	6.3	6.3	6.3

		2.00	3	18.8	18.8	25.0
		3.00	5	31.3	31.3	56.3
		4.00	1	6.3	6.3	62.5
		Very good	2	12.5	12.5	75.0
		Not relevant	4	25.0	25.0	100.0
		Total	16	100.0	100.0	
Vaslui	Valid	Very bad	13	32.5	32.5	32.5
		2.00	1	2.5	2.5	35.0
		3.00	3	7.5	7.5	42.5
		4.00	1	2.5	2.5	45.0
		Very good	1	2.5	2.5	47.5
		Not relevant	19	47.5	47.5	95.0
		NA	2	5.0	5.0	100.0
		Total	40	100.0	100.0	

Source: own computing based on data obtained from the questionnaires

The same situation is encountered also in case of respondents' perception regarding the accessibility to the sewage systems and sewage treatment facilities for business. Thus, at North-East Region level, the majority of respondents considered that it is not relevant (31.1%) or very bad (22.3%). At North-East Region counties level, the situation is different from the case of the accessibility to the sewage systems and sewage treatment facilities for households and individuals, although the discrepancy between the counties in the North-East Region persists. For example, in Iasi and Suceava counties, the accessibility to the sewage systems and sewage treatment facilities for businesses is perceived as being very bad only by a small share of the respondents (13.6% and 6.3%), while in case of Botosani and Vaslui counties the share of respondents who perceive it very bad is much higher (42.7% and 35%) (Table 7).

Table 7. Accessibility to the sewage systems and sewage treatment facilities for businesses

		COUNTIES IN THE NORTH-EAST REGION				
			Frequency	Percent	Valid Percent	Cumulative Percent
Bacau	Valid	3.00	1	20.0	20.0	20.0
		4.00	3	60.0	60.0	80.0
		Very good	1	20.0	20.0	100.0
		Total	5	100.0	100.0	
Botosani	Valid	Very bad	5	41.7	41.7	41.7
		3.00	2	16.7	16.7	58.3
		Very good	2	16.7	16.7	75.0
		Not relevant	2	16.7	16.7	91.7
		NA	1	8.3	8.3	100.0
		Total	12	100.0	100.0	
Iasi	Valid	Very bad	3	13.6	13.6	13.6
		2.00	3	13.6	13.6	27.3
		3.00	2	9.1	9.1	36.4
		Very good	2	9.1	9.1	45.5

		Not relevant	4	18.2	18.2	63.6
		NA	8	36.4	36.4	100.0
		Total	22	100.0	100.0	
Neamt	Valid	4.00	4	30.8	30.8	30.8
		Not relevant	6	46.2	46.2	76.9
		NA	3	23.1	23.1	100.0
		Total	13	100.0	100.0	
Suceava	Valid	Very bad	1	6.3	6.3	6.3
		2.00	3	18.8	18.8	25.0
		3.00	3	18.8	18.8	43.8
		4.00	3	18.8	18.8	62.5
		Very good	1	6.3	6.3	68.8
		Not relevant	4	25.0	25.0	93.8
		NA	1	6.3	6.3	100.0
		Total	16	100.0	100.0	
Vaslui	Valid	Very bad	14	35.0	35.0	35.0
		2.00	1	2.5	2.5	37.5
		3.00	2	5.0	5.0	42.5
		4.00	2	5.0	5.0	47.5
		Very good	1	2.5	2.5	50.0
		Not relevant	16	40.0	40.0	90.0
		NA	4	10.0	10.0	100.0
		Total	40	100.0	100.0	

Source: own computing based on data obtained from the questionnaires

Analysing the accessibility to the sewage systems and sewage treatment facilities in the North-East Region, by different social groups, the majority of respondents (30.3%) considered that households with low income encounter a series of difficulties in accessing these services. Opposite to this situation, immigrants are perceived to have a difficult access to these services only by a small share of the respondents, respectively 8.2% (Table 8).

Table 8. Accessibility to the sewage systems and sewage treatment facilities in the North-east Region, by social groups

		Responses		Percent of Cases
		N	Percent	
Valid	young	19	9.7%	29.7%
	elderly	25	12.8%	39.1%
	female	20	10.3%	31.3%
	people with disabilities	19	9.7%	29.7%
	unemployed	19	9.7%	29.7%
	immigrants	16	8.2%	25.0%
	household without car	18	9.2%	28.1%
	household with low income	59	30.3%	92.2%
Total		195	100.0%	304.7%

Source: own computing based on data obtained from the questionnaires

Note: Dichotomy group tabulated at value 1

In the same frame, almost half of the respondents (45.6%) considered that an important share (50-100%) of the households and individuals in the North-East Region do not have access to the sewage system. This situation is generally encountered also at counties level in the North-East Region, the only exception being Bacau county, where respondents assessed more that a share between 10 and 50% of the households and individuals in the North-East Region do not have access to the sewage system (Table 9).

Table 9. Inaccessibility to the sewage systems and sewage treatment facilities – households and individuals

COUNTIES IN THE NORTH-EAST REGION						
			Frequency	Percent	Valid Percent	Cumulative Percent
Bacau	Valid	10-30%	2	40.0	40.0	40.0
		30-50%	2	40.0	40.0	80.0
		50-100%	1	20.0	20.0	100.0
		Total	5	100.0	100.0	
Botosani	Valid	All have access	2	16.7	16.7	16.7
		0-10%	3	25.0	25.0	41.7
		30-50%	1	8.3	8.3	50.0
		50-100%	5	41.7	41.7	91.7
		NA	1	8.3	8.3	100.0
		Total	12	100.0	100.0	
Iasi	Valid	All have access	2	9.1	9.1	9.1
		0-10%	2	9.1	9.1	18.2
		10-30%	2	9.1	9.1	27.3
		30-50%	2	9.1	9.1	36.4
		50-100%	8	36.4	36.4	72.7
		NA	6	27.3	27.3	100.0
		Total	22	100.0	100.0	
Neamt	Valid	All have access	1	7.7	8.3	8.3
		0-10%	1	7.7	8.3	16.7
		10-30%	1	7.7	8.3	25.0
		50-100%	8	61.5	66.7	91.7
		NA	1	7.7	8.3	100.0
		Total	12	92.3	100.0	
	Missing	System	1	7.7		
	Total		13	100.0		
Suceava	Valid	0-10%	5	31.3	31.3	31.3
		10-30%	2	12.5	12.5	43.8
		30-50%	4	25.0	25.0	68.8
		50-100%	5	31.3	31.3	100.0
		Total	16	100.0	100.0	

Vaslui	Valid	All have access	2	5.0	5.0	5.0
		0-10%	6	15.0	15.0	20.0
		30-50%	2	5.0	5.0	25.0
		50-100%	21	52.5	52.5	77.5
		NA	9	22.5	22.5	100.0
		Total	40	100.0	100.0	

Source: own computing based on data obtained from the questionnaires

In case of businesses, it is important to outline the important share of respondents (31.1%) that did not express their opinion regarding the inaccessibility of business to sewage systems in the North-East Region. On the other hand, 35.9% of the respondents consider that an important share (50-100%) of the businesses in the North-East Region do not have access to the sewage systems. Analysing the counties in the North-East Region, this situation is also encountered in Iasi, Neamt, and Vaslui. Different from them, in Bacau county most of the respondents consider that only a share between 10 and 30% of the businesses do not have access to the sewage systems. In Botosani county, there is an equality between the share of respondents assessing all the businesses as having access to sewage systems and the share of respondents assessing that 50-100% of the businesses do not have access to this service. In Suceava county, most respondents (31.3%) consider that a share of 0-10% of the businesses do not have access to the sewage systems. Thus, a disparity between counties in terms of inaccessibility of businesses to sewage systems can be outlined (Table 10).

Table 10. Inaccessibility to the sewage systems and sewage treatment facilities – businesses

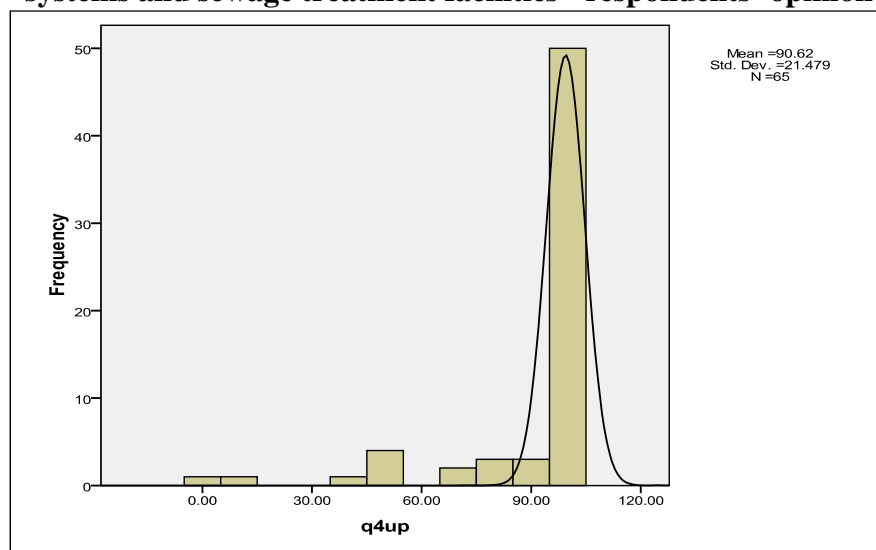
COUNTIES IN THE NORTH-EAST REGION						
q11i			Frequency	Percent	Valid Percent	Cumulative Percent
Bacau	Valid	10-30%	4	80.0	80.0	80.0
		50-100%	1	20.0	20.0	100.0
		Total	5	100.0	100.0	
Botosani	Valid	All have access	3	25.0	25.0	25.0
		0-10%	1	8.3	8.3	33.3
		30-50%	1	8.3	8.3	41.7
		50-100%	3	25.0	25.0	66.7
		NA	4	33.3	33.3	100.0
		Total	12	100.0	100.0	
Iasi	Valid	All have access	3	13.6	13.6	13.6
		0-10%	1	4.5	4.5	18.2
		30-50%	1	4.5	4.5	22.7
		50-100%	5	22.7	22.7	45.5
		NA	12	54.5	54.5	100.0
		Total	22	100.0	100.0	
Neamt	Valid	All have access	4	30.8	33.3	33.3
		50-100%	7	53.8	58.3	91.7
		NA	1	7.7	8.3	100.0

		Total	12	92.3	100.0	
	Missing	System	1	7.7		
	Total		13	100.0		
Suceava	Valid	All have access	3	18.8	18.8	18.8
		0-10%	5	31.3	31.3	50.0
		10-30%	1	6.3	6.3	56.3
		30-50%	1	6.3	6.3	62.5
		50-100%	4	25.0	25.0	87.5
		NA	2	12.5	12.5	100.0
		Total	16	100.0	100.0	
Vaslui	Valid	All have access	3	7.5	7.5	7.5
		0-10%	3	7.5	7.5	15.0
		10-30%	2	5.0	5.0	20.0
		30-50%	1	2.5	2.5	22.5
		50-100%	18	45.0	45.0	67.5
		NA	13	32.5	32.5	100.0
		Total	40	100.0	100.0	

Source: own computing based on data obtained from the questionnaires

Taking into consideration the above mentioned aspects related to inaccessibility of households, individuals, and businesses to sewage services, this paragraph outlines the desirable share of population and businesses that should have access to these services. Thus, the majority of respondents estimated that all the individuals and businesses in the North-East Region should have access to sewage services, as illustrated in Figures 9 and 10.

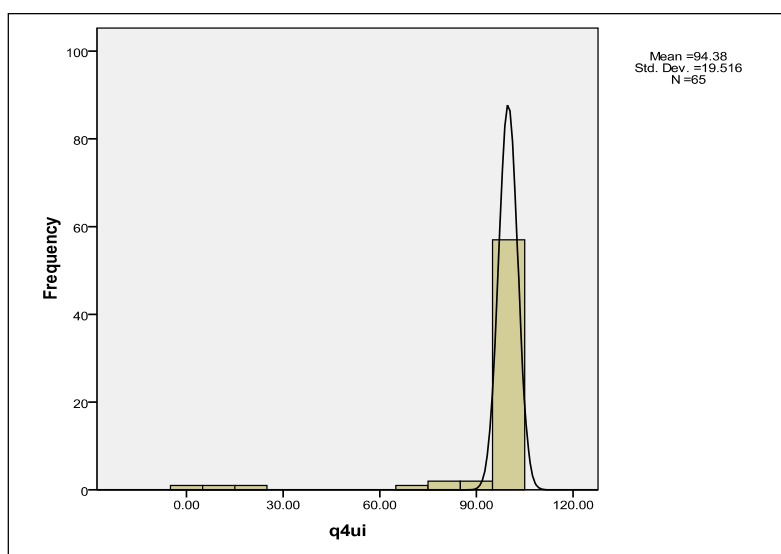
Figure 9. Target share of population (individuals) that should have access to the sewage systems and sewage treatment facilities - respondents' opinion



Source: own design based on data obtained from the questionnaires

Note: q4up - desirable share of population (individuals) that should have access to the sewage systems and sewage treatment facilities

Figure 10. Target share of businesses that should have access to the sewage systems and sewage treatment facilities - respondents' opinion

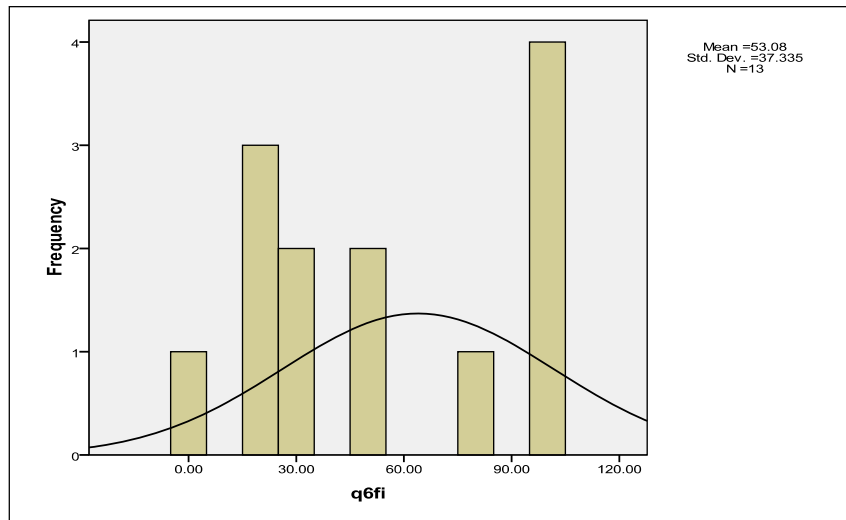


Source: own design based on data obtained from the questionnaires

Note: q4ui - target share of businesses that should have access to the sewage systems and sewage treatment facilities

Considering the state of development of the sewage systems in the North-East Region, in general, the majority of respondents (59.2%) assessed that it should be build 'from scratch'. Also, an important share of the respondents (27.2%) considered that it should be expanded. Only a very small share of the respondents (1.9%) appreciated that there is no need for new investment in the sewage systems in the North-East Region. Further on, an interviewee from Suceava pointed out that in rural area SGI are insufficiently developed and are even missing- as it is the case of water supply service, sewage and gas supply. The infrastructure of these services requires a high level of investment that is hardly supported by the local public administration funds, generating a limited access of the citizens to these services. Taking into account that in general respondents consider that the sewage systems should be build 'from scratch' in the North-East Region, most of them expressed that these services should be refurbished/renovated or expanded completely (Figures 11 and 12).

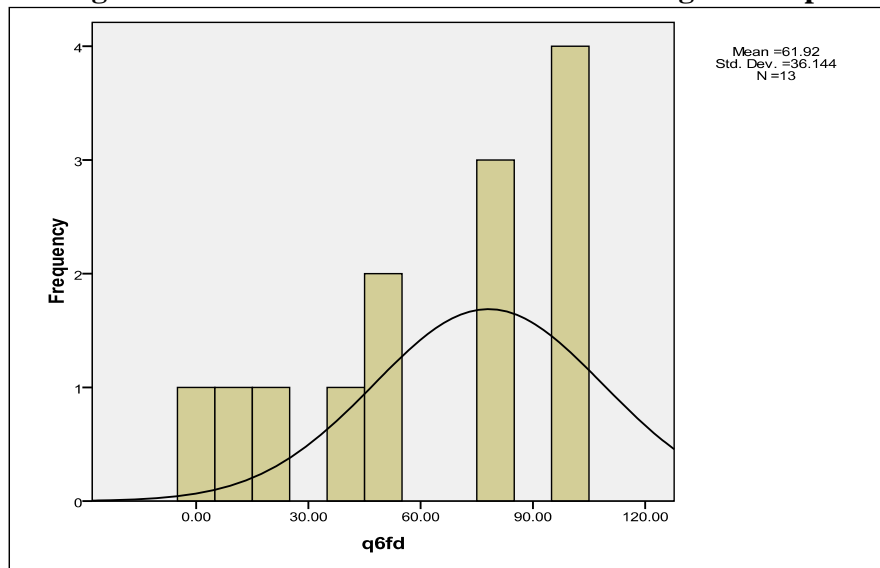
Figure 11. Approximate percentage that needs to be refurbished/renovated considering the sewage systems and sewage treatment facilities in the North-East Region - respondents' opinion



Source: own design based on data obtained from the questionnaires

Note: q6fi - approximate percentage that needs to be refurbished/renovated considering the sewage systems and sewage treatment facilities

Figure 12. Approximate percentage that needs to be expanded considering the sewage systems and sewage treatment facilities in the North-East Region - respondents' opinion



Source: own design based on data obtained from the questionnaires

Note: q6fd - approximate percentage that needs to be expanded considering the sewage systems and sewage treatment facilities

Considering the quality (like durability, reliability, functionality) of the sewage systems in the North-East Region, the majority of respondents (49.5%) considered that this is not applicable. On the other hand, 12.6% of the respondents considered it very close to very good; respectively on a 5 level Likert scale (from 1-very bad to 5-very good), it was assessed with 4.

3.1.1.2 Transport (including urban and suburban)

The transport service is ensured by an operator, which is selected by auction, with coverage at the county level. Other services, such as public lightening, maintenance of public domain, social insurance, sanitation, water supply and sewage are provided by the local public administration.

Electric energy, telecommunications, transport are among the services provided by private societies and tend to have a monopolistic character. In the cases mentioned before, adding health and education, the citizens do not have the possibility to choose the provider.

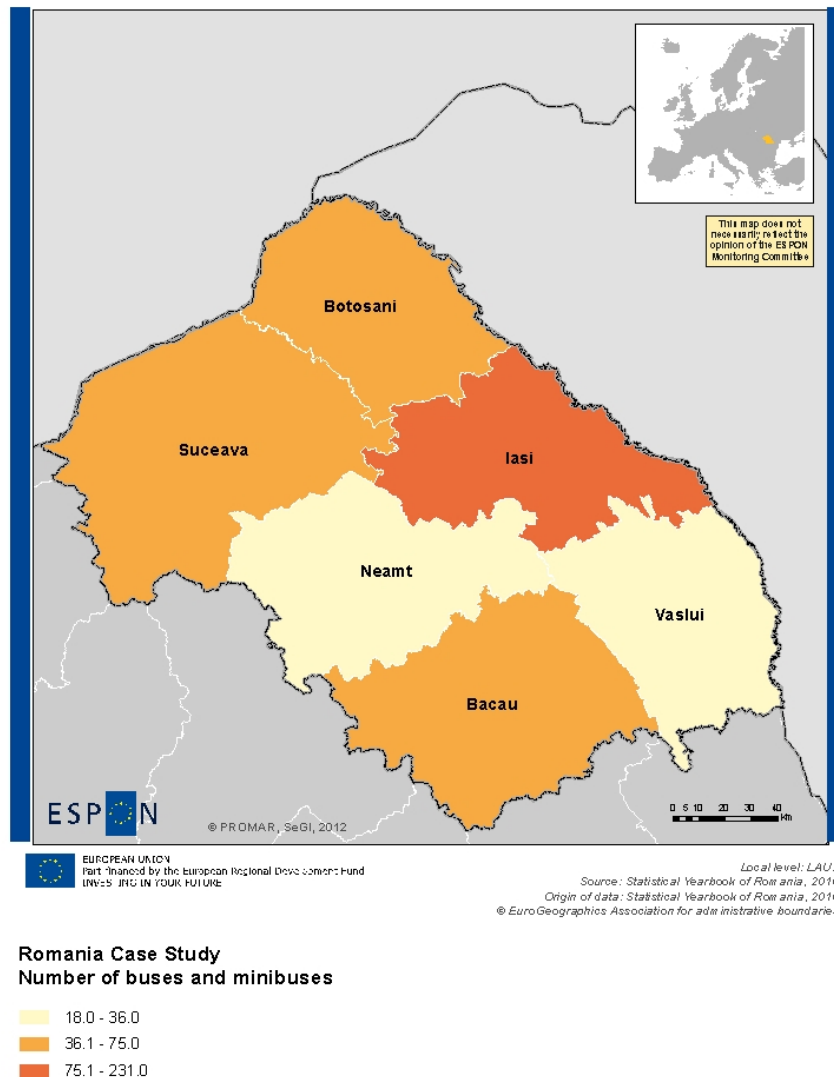
An indicator that is used when assessing the local public transport is the number of buses and minibuses encountered in each county of the North-East Region (Table 11; Map 3).

Table 11. Local public passengers transport (buses and minibuses) in the North-East Region of Romania, at NUTS 3 level, 2010

North – East	Buses and minibuses (number)	Buses and minibuses (percentage)
Bacău	72	15
Botoşani	52	11
Iaşi	231	48
Neamţ	18	4
Suceava	75	15
Vaslui	36	7
Total	484	100%

Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

Map 3. Local public passengers transport (buses and minibuses) in the North-East Region of Romania, at NUTS 3 level, 2010



Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

In the North-East Region, 3 *airports* operate (Iasi, Bacau and Suceava). According to the most recent statistic information, the number of passengers in Romanian airports has reached 9 millions persons. Bucharest airports dominate passenger traffic with close to 80% passengers. The North – East airports have recorded in 2010: Bacau 240 thousands passengers (2,7%), Iasi – 164 thousands passengers (1,8%) and Suceava – 32 thousands (0,4%). Although Bacau is a smaller city than Iasi, Bacau airport has generated a higher traffic, as a result of the fact that a low cost Romanian company operates on this airport, having flight to European destinations like Italy, England, Spain, Ireland, Cyprus, France or Belgium.

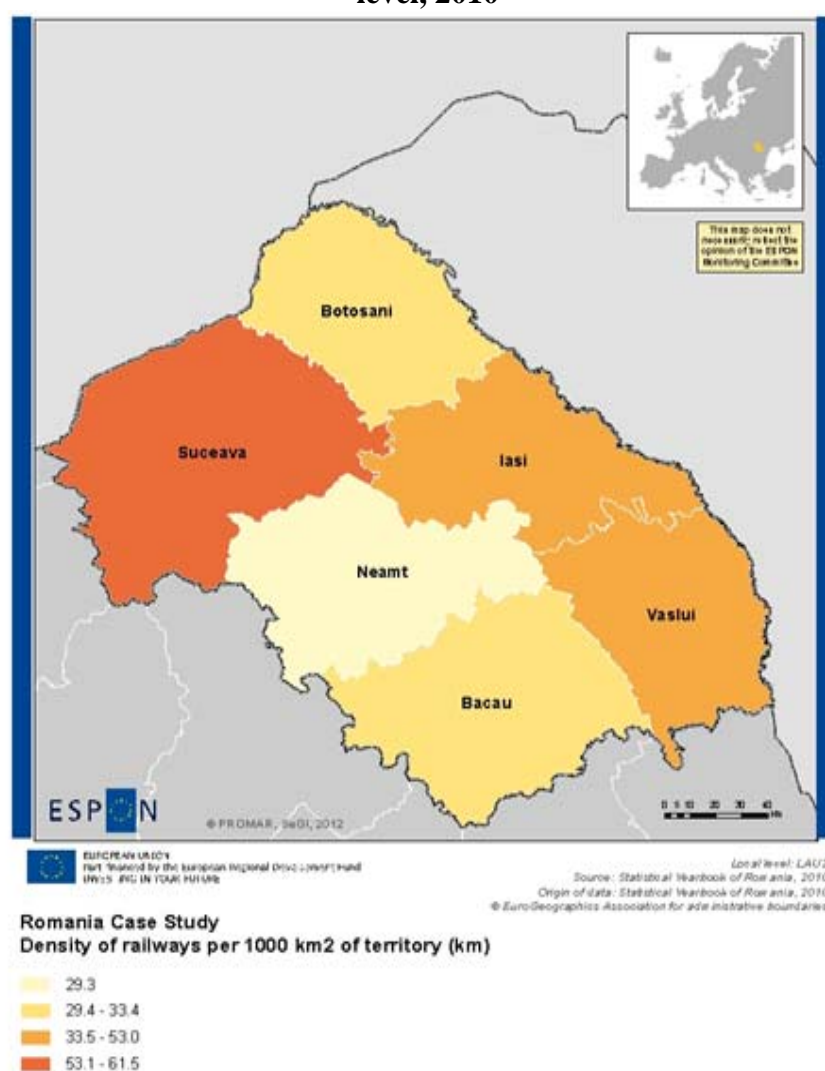
The road transport is provided by private societies as for *railway transport* the support comes from the Romanian national company of railways.

Railway infrastructure is uniformly distributed over the country regions. In North – East Region we have 15% of total railway network (1616km). Electrified lines percentage is above national average: 41%. Also the share of two-tracks is over national average - 33,4%.

In the North – East Region transport is not very well represented, especially in the rural area. For example, an interviewee from a commune of Vaslui specified that the transport service is very poorly represented.

Using the latest data from the Statistical Yearbook (2011) the density of railways per 1000km² of territory in the North – East Region per county is suggestively represented in Map 4.

Map 4. Railways under operation in the North-East Region of Romania, at NUTS 3 level, 2010



Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

3.1.1.3 Broad-band/Internet

Statistical sources⁸⁶ have showed that the active enterprises with more than 10 employees and a company web-site had in 2008 a weight of 27.9% of the total North-East Region, thus

⁸⁶ Ghilencea, L. **Societatea Informatională**, Institutul National de Statistica, Bucharest, 2010

placing the region on the third place after Bucharest-Ilfov (with 43.3%) and the Center region (with 30.8%). The North East Region is also better placed than other two regions (South-West and South-East) relative to the weight of company personnel using the PC in their professional tasks (17.7%) or the Internet connected PC (14.2%).

In what concerns the accessibility to broad-band/Internet in the North-East Region, in general, the majority of respondents (32%) considered that it is at the average (neither bad nor good) for households and individuals. However, the general opinion goes more towards a positive one: respectively, the shares of respondents that assessed the accessibility to broad-band/Internet for households and individuals with 4 and 5 on a 5 level Likert scale (from 1-very bad to 5-very good) are high. The same situation is also encountered at North-East Region's county level, except Bacau county where all the respondents consider the accessibility to broad-band/Internet for households and individuals very good (Table 12).

Table 12. Accessibility to broad-band/Internet for households and individuals

		COUNTIES IN THE NORTH-EAST REGION				
			Frequency	Percent	Valid Percent	Cumulative Percent
Bacau	Valid	Very good	5	100.0	100.0	100.0
Botosani	Valid	2.00	2	16.7	16.7	16.7
		3.00	3	25.0	25.0	41.7
		4.00	3	25.0	25.0	66.7
		Very good	3	25.0	25.0	91.7
		NA	1	8.3	8.3	100.0
		Total	12	100.0	100.0	
Iasi	Valid	3.00	9	40.9	40.9	40.9
		4.00	4	18.2	18.2	59.1
		Very good	7	31.8	31.8	90.9
		NA	2	9.1	9.1	100.0
		Total	22	100.0	100.0	
Neamt	Valid	2.00	1	7.7	7.7	7.7
		3.00	5	38.5	38.5	46.2
		4.00	5	38.5	38.5	84.6
		Very good	1	7.7	7.7	92.3
		NA	1	7.7	7.7	100.0
		Total	13	100.0	100.0	
Suceava	Valid	2.00	1	6.3	6.3	6.3
		3.00	5	31.3	31.3	37.5
		4.00	7	43.8	43.8	81.3
		Very good	3	18.8	18.8	100.0
		Total	16	100.0	100.0	
Vaslui	Valid	Very bad	2	5.0	5.0	5.0
		2.00	8	20.0	20.0	25.0
		3.00	11	27.5	27.5	52.5
		4.00	10	25.0	25.0	77.5
		Very good	7	17.5	17.5	95.0

		Not relevant	2	5.0	5.0	100.0
		Total	40	100.0	100.0	

Source: own computing based on data obtained from the questionnaires

A more favourable situation is encountered in case of respondents' perception regarding the accessibility to broad-band/Internet for business. Thus, at the North-East Region level, the majority of respondents assessed it with 4 (25.2%) and 5 (24.3%) on a 5 level Likert scale (from 1-very bad to 5-very good). The same also applies in case of the counties in the North-East Region (Table 13).

Table 13. Accessibility to broad-band/Internet for businesses

		COUNTIES IN THE NORTH-EAST REGION				
			Frequency	Percent	Valid Percent	Cumulative Percent
Bacau	Valid	Very good	5	100.0	100.0	100.0
Botosani	Valid	2.00	1	8.3	8.3	8.3
		3.00	2	16.7	16.7	25.0
		4.00	4	33.3	33.3	58.3
		Very good	3	25.0	25.0	83.3
		Not relevant	1	8.3	8.3	91.7
		NA	1	8.3	8.3	100.0
		Total	12	100.0	100.0	
Iasi	Valid	3.00	4	18.2	18.2	18.2
		4.00	4	18.2	18.2	36.4
		Very good	7	31.8	31.8	68.2
		Not relevant	2	9.1	9.1	77.3
		NA	5	22.7	22.7	100.0
		Total	22	100.0	100.0	
Neamt	Valid	3.00	4	30.8	30.8	30.8
		4.00	5	38.5	38.5	69.2
		Very good	1	7.7	7.7	76.9
		NA	3	23.1	23.1	100.0
		Total	13	100.0	100.0	
Suceava	Valid	2.00	1	6.3	6.3	6.3
		3.00	3	18.8	18.8	25.0
		4.00	5	31.3	31.3	56.3
		Very good	5	31.3	31.3	87.5
		Not relevant	1	6.3	6.3	93.8
		NA	1	6.3	6.3	100.0
		Total	16	100.0	100.0	
Vaslui	Valid	Very bad	4	10.0	10.0	10.0
		2.00	5	12.5	12.5	22.5
		3.00	6	15.0	15.0	37.5
		4.00	8	20.0	20.0	57.5
		Very good	9	22.5	22.5	80.0
		Not relevant	5	12.5	12.5	92.5
		NA	3	7.5	7.5	100.0

		Total	40	100.0	100.0	
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Source: own computing based on data obtained from the questionnaires

Analysing the accessibility to broad-band/Internet in the North-East Region, by different social groups, the majority of respondents considered that households with low income (48.6%) and elderly (22.5%) encounter a series of difficulties in accessing this service (Table 14).

Table 14. Accessibility to broad-band/Internet in the North-East Region, by social groups

		Responses		Percent of Cases
		N	Percent	
Valid	young	7	5.1%	8.9%
	elderly	31	22.5%	39.2%
	female	5	3.6%	6.3%
	people with disabilities	11	8.0%	13.9%
	unemployed	11	8.0%	13.9%
	immigrants	3	2.2%	3.8%
	household without car	3	2.2%	3.8%
	household with low income	67	48.6%	84.8%
	Total	138	100.0%	174.7%

Source: own computing based on data obtained from the questionnaires

Note: Dichotomy group tabulated at value 1

Most respondents (22.3%) considered that only 10-30% of the households and individuals in the North-East Region do not have access to broad-band/Internet. This situation is also encountered in Suceava and Vaslui counties. Even though there are cases where internet access is very difficult; for example, in the county of Vaslui, there are communes that hardly benefit from basic SGI; the gas service is even lacking. Additionally, there are rare the cases of villages where citizens have fix telephony and further on, internet access. In Bacau and Botosani counties the majority of respondents consider that a share between 50 and 100% of the households and individuals do not have access to broad-band/Internet, while in Neamt county the share is between 0-10% or between 30-50%. Thus, a strong disparity between counties in the North-East Region is highlighted (Table 15).

Table 15. Inaccessibility to broad-band/Internet – households and individuals

COUNTIES IN THE NORTH-EAST REGION						
			Frequency	Percent	Valid Percent	Cumulative Percent
BC	Valid	30-50%	1	20.0	20.0	20.0
		50-100%	4	80.0	80.0	100.0
		Total	5	100.0	100.0	
BT	Valid	All have access	3	25.0	25.0	25.0
		0-10%	3	25.0	25.0	50.0
		30-50%	2	16.7	16.7	66.7
		50-100%	4	33.3	33.3	100.0

		Total	12	100.0	100.0	
IS	Valid	All have access	5	22.7	23.8	23.8
		0-10%	2	9.1	9.5	33.3
		10-30%	5	22.7	23.8	57.1
		30-50%	5	22.7	23.8	81.0
		50-100%	3	13.6	14.3	95.2
		NA	1	4.5	4.8	100.0
		Total	21	95.5	100.0	
	Missing	System	1	4.5		
	Total		22	100.0		
NT	Valid	All have access	2	15.4	16.7	16.7
		0-10%	3	23.1	25.0	41.7
		30-50%	3	23.1	25.0	66.7
		50-100%	2	15.4	16.7	83.3
		NA	2	15.4	16.7	100.0
		Total	12	92.3	100.0	
	Missing	System	1	7.7		
	Total		13	100.0		
SV	Valid	All have access	1	6.3	6.3	6.3
		0-10%	2	12.5	12.5	18.8
		10-30%	7	43.8	43.8	62.5
		30-50%	5	31.3	31.3	93.8
		50-100%	1	6.3	6.3	100.0
		Total	16	100.0	100.0	
VS	Valid	All have access	6	15.0	15.0	15.0
		0-10%	6	15.0	15.0	30.0
		10-30%	11	27.5	27.5	57.5
		30-50%	6	15.0	15.0	72.5
		50-100%	9	22.5	22.5	95.0
		NA	2	5.0	5.0	100.0
	Total		40	100.0	100.0	

Source: own computing based on data obtained from the questionnaires

In case of businesses, the vast majority of the respondents (38.8%) consider that all the businesses in the North-East Region have access to broad-band/Internet, while another important share of respondents (23.3%) did not express their opinion regarding this subject. Considering the counties in the North-East Region, the majority of respondents consider that all the businesses, or almost all the businesses have access to broad-band/Internet in Bacau, Botosani, Neamt, Suceava, and Vaslui counties, while in Iasi the vast majority of the respondents did not express their opinion (Table 16).

Table 16. Inaccessibility to broad-band/Internet – businesses

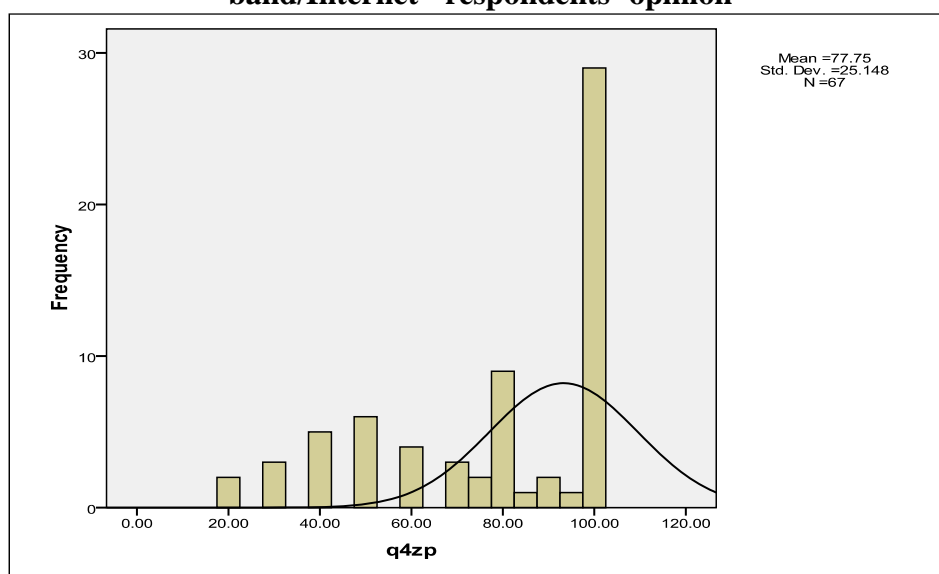
COUNTIES IN THE NORTH-EAST REGION						
			Frequency	Percent	Valid Percent	Cumulative Percent
Bacau	Valid	30-50%	2	40.0	40.0	40.0
		50-100%	3	60.0	60.0	100.0

		Total	5	100.0	100.0	
Botosani	Valid	All have access	5	41.7	41.7	41.7
		30-50%	3	25.0	25.0	66.7
		50-100%	2	16.7	16.7	83.3
		NA	2	16.7	16.7	100.0
		Total	12	100.0	100.0	
Iasi	Valid	All have access	4	18.2	18.2	18.2
		10-30%	1	4.5	4.5	22.7
		30-50%	2	9.1	9.1	31.8
		50-100%	5	22.7	22.7	54.5
		NA	10	45.5	45.5	100.0
		Total	22	100.0	100.0	
Neamt	Valid	All have access	11	84.6	91.7	91.7
		NA	1	7.7	8.3	100.0
		Total	12	92.3	100.0	
	Missing	System	1	7.7		
	Total		13	100.0		
Suceava	Valid	All have access	7	43.8	43.8	43.8
		0-10%	3	18.8	18.8	62.5
		10-30%	2	12.5	12.5	75.0
		50-100%	1	6.3	6.3	81.3
		NA	3	18.8	18.8	100.0
		Total	16	100.0	100.0	
Vaslui	Valid	All have access	13	32.5	32.5	32.5
		0-10%	7	17.5	17.5	50.0
		10-30%	4	10.0	10.0	60.0
		30-50%	3	7.5	7.5	67.5
		50-100%	5	12.5	12.5	80.0
		NA	8	20.0	20.0	100.0
		Total	40	100.0	100.0	

Source: own computing based on data obtained from the questionnaires

Taking into consideration the slight inaccessibility to broad-band/Internet, the majority of respondents consider that all the individuals and businesses in the North-East Region should have access to this service (Figures 13 and 14).

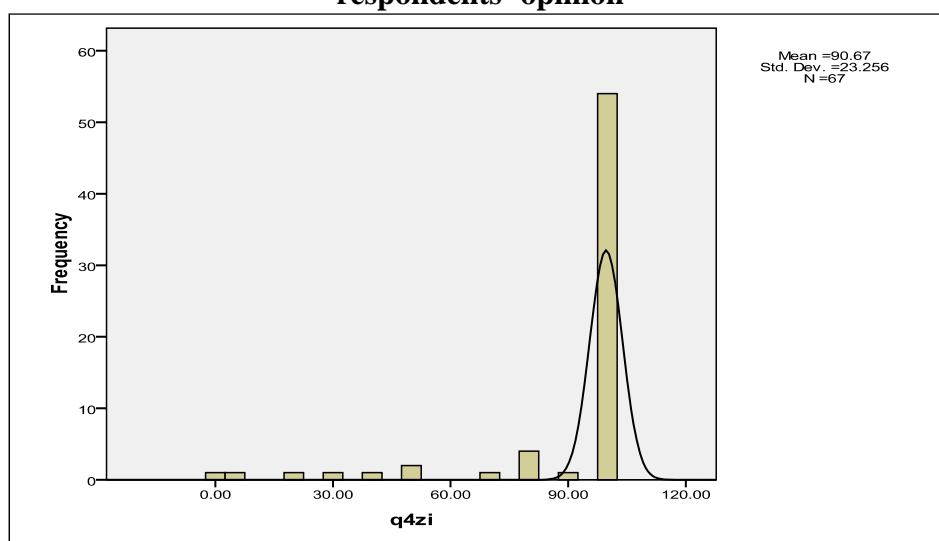
Figure13. Target share of population (individuals) that should have access tobroad-band/Internet - respondents' opinion



Source: own design based on data obtained from the questionnaires

Note: q4zp - target share of population (individuals) that should have access tobroad-band/Internet

Figure 14. Target share of businesses that should have access tobroad-band/Internet - respondents' opinion

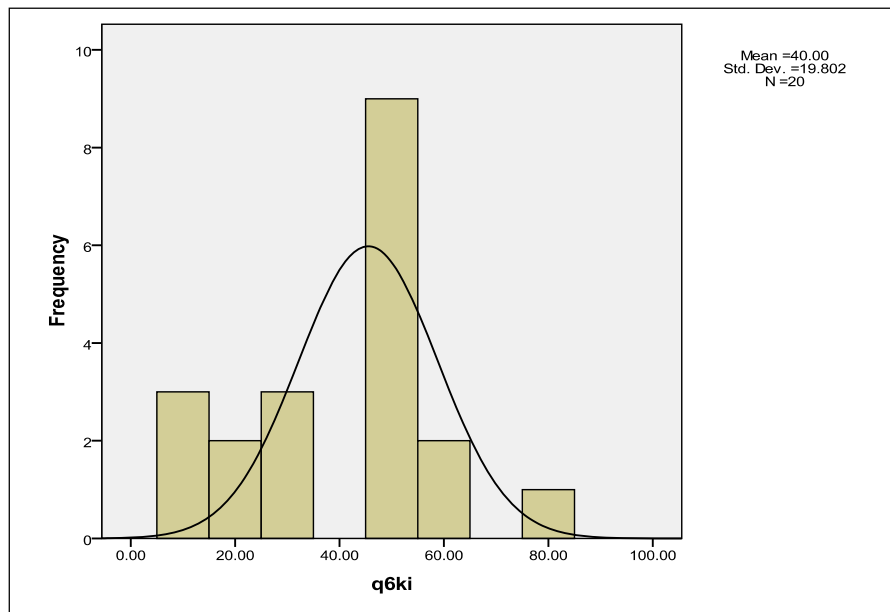


Source: own design based on data obtained from the questionnaires

Note: q4zi - Target share of businesses that should have access tobroad-band/Internet

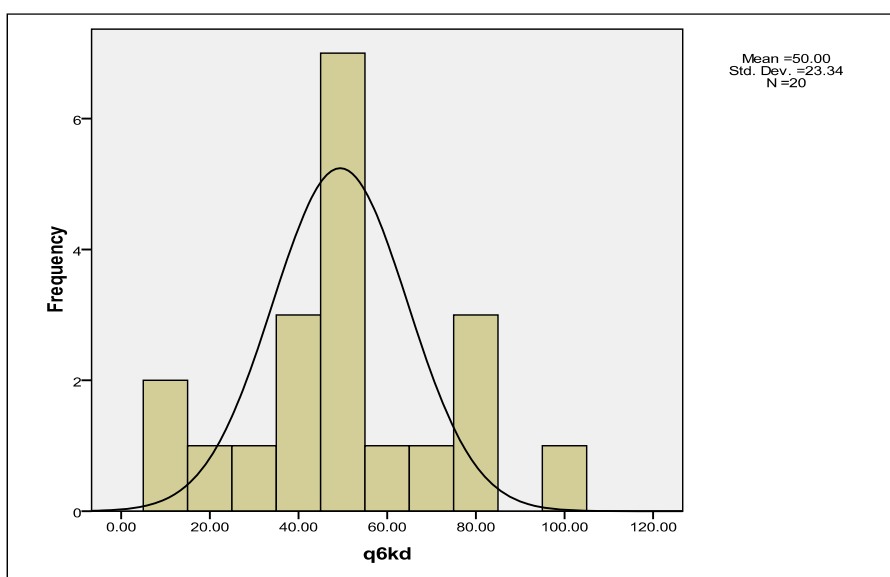
Considering the state of development of broad-band/Internet in the North-East Region, in general, the majority of respondents (42.7%) assessed that it should be expanded. Also, an important share of the respondents (41.7%) considered that it should be renovated / refurbished. As regards the percentages that need to be renovated / refurbished or expanded considering the broad-band/Internet in the North-East Region, in general, the majority of respondents assessed them with 50% (Figures 15 and 16).

Figure 15. Approximate percentage that needs to be refurbished/ renovated considering broad-band/Internet in the North-East Region - respondents' opinion



Source: own design based on data obtained from the questionnaires
 Note: q6ki - approximate percentage that needs to be refurbished/renovated considering broad-band/Internet

Figure 16. Approximate percentage that needs to be expanded considering broad-band/Internet in the North-East Region - respondents' opinion



Source: own design based on data obtained from the questionnaires
 Note: q6kd - approximate percentage that needs to be expanded considering broad-band/Internet

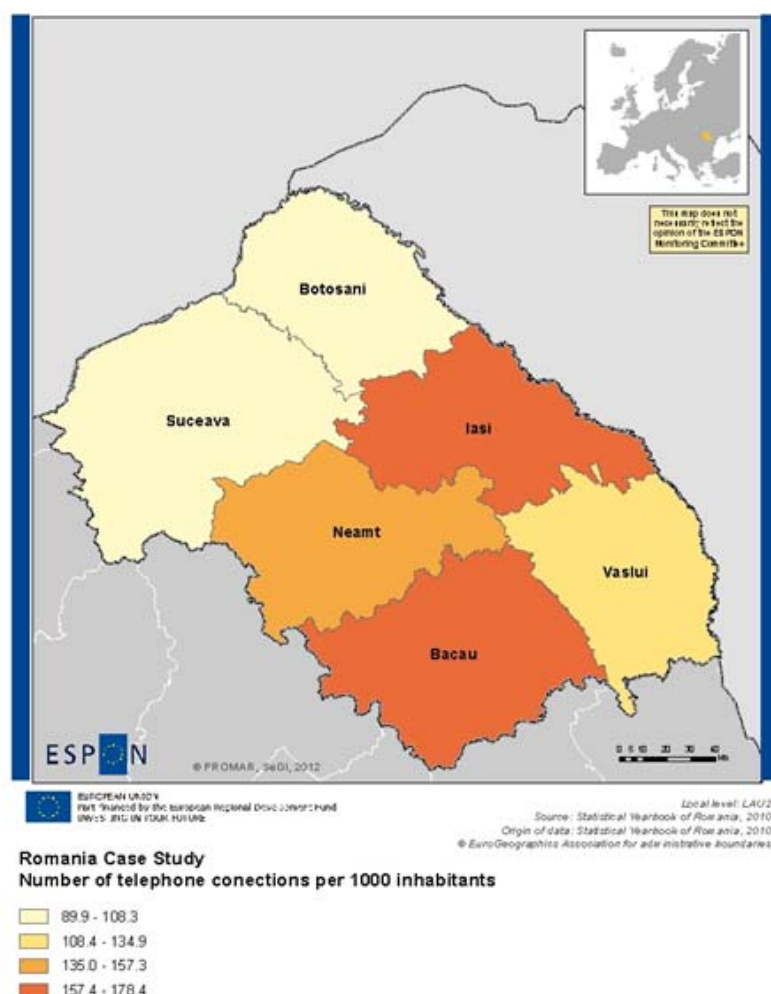
Regarding the quality (in terms of durability, reliability, functionality) of broad-band/Internet in the North-East region, the majority of respondents (30.1%) perceived it very close to very good: respectively, on a 5 level Likert scale (from 1-very bad to 5-very good), it was assessed with 4.

In relation to the landlines in the North-East Region low levels for all specific indexes were registered. Thus, the rate of penetration among households was 48.1% and the number of

lines per 1000 inhabitants was at a level of 168.6. As for the use of landlines, each person spoke in average, 40 minutes in long distance calls, 98 minutes in local calls, 6 minutes in international calls and 22 minutes in calls to mobile lines.

A representative indicator for telephony activities is represented by the number of telephone connections per 1000 inhabitants. In the counties within North-East Region the situation is exposed in Map 5.

Map 5. Telephony activities in the North-East Region of Romania, at NUTS 3 level, 2010



Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

3.2 Social services (max. 8-10 pages)

As we have stated from the beginning of this section, SGI could be directly provided by local and central authorities or could be delegated to public or private operators. The SGI that are directly provided by local and central authorities are of strategic interest. For example, education is both under local authority and central authority represented by the Ministry of

Education, Research, Youth and Sport. Another example is the represented by the health services that are under local administration, but there are also few hospitals that are directly subordinated to the Ministry of Health.

In case of social assistance in Romania there is a trend in passing a part of these services under the administration of NGOs. The social services are financially supported by the budget of County Council, holding around 50% of the budget.

3.2.1 Detailed analysis of selected social SGIs in the region (try to keep it 3-4 pages per service)

3.2.1.1 Secondary education

The education services in Romania are mainly provided by the state. At local level they include preschool, primary education, gymnasium and high school education coordinated at the county level by the Education Inspectorate.

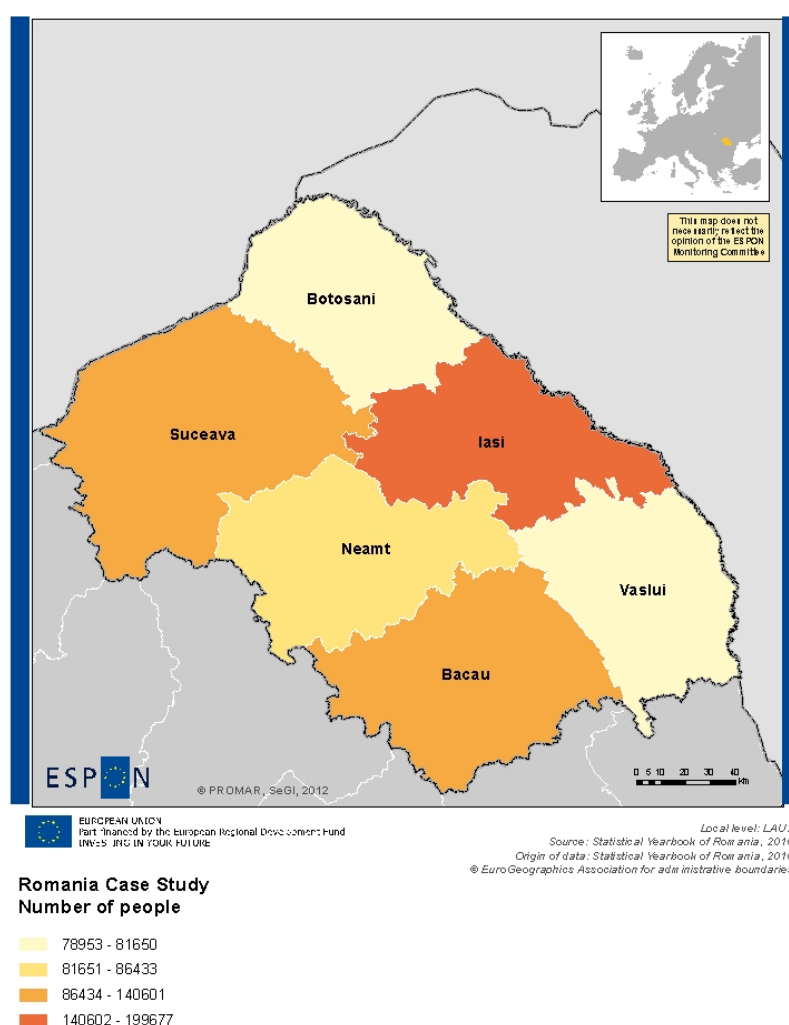
The distribution of the school aged population in North-East Region of Romania per each county is presented in Table 17 and marked in Map 6.

Table 17. School aged population in North-East Region of Romania, at NUTS 3 level, 2010

<i>North-East</i>	<i>School aged population (number)</i>	<i>School aged population (percentage)</i>
Bacău	120063	17
Botoşani	78953	11
Iaşi	199677	28
Neamţ	86433	12
Suceava	140601	20
Vaslui	81650	12
Total	707377	100

Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

Map 6. School aged population in North-East Region of Romania, at NUTS 3 level, 2010



Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

In what concerns the accessibility to secondary education, in general, the majority of respondents considered it not relevant (38.8%) or average (neither bad, nor good) (18.4%) for households and individuals. The same situation is also encountered at counties in North-East Region level, except Bacau where the majority of respondents (40%) assessed the accessibility to secondary education for households and individuals on a 5 level Likert scale with 2 or 4 (Table 18).

Table 18. Accessibility to secondary education for households and individuals

COUNTIES IN THE NORTH-EAST REGION						
			Frequency	Percent	Valid Percent	Cumulative Percent
Bacau	Valid	2.00	2	40.0	40.0	40.0
		4.00	2	40.0	40.0	80.0
		Very good	1	20.0	20.0	100.0
		Total	5	100.0	100.0	
Botosani	Valid	2.00	2	16.7	16.7	16.7
		3.00	4	33.3	33.3	50.0

		4.00	1	8.3	8.3	58.3
		Very good	3	25.0	25.0	83.3
		Not relevant	1	8.3	8.3	91.7
		NA	1	8.3	8.3	100.0
		Total	12	100.0	100.0	
Iasi	Valid	Very bad	1	4.5	4.5	4.5
		2.00	2	9.1	9.1	13.6
		3.00	5	22.7	22.7	36.4
		4.00	2	9.1	9.1	45.5
		Very good	2	9.1	9.1	54.5
		Not relevant	7	31.8	31.8	86.4
		NA	3	13.6	13.6	100.0
		Total	22	100.0	100.0	
Neamt	Valid	2.00	1	7.7	7.7	7.7
		3.00	1	7.7	7.7	15.4
		4.00	4	30.8	30.8	46.2
		Not relevant	7	53.8	53.8	100.0
		Total	13	100.0	100.0	
Suceava	Valid	3.00	2	12.5	12.5	12.5
		4.00	6	37.5	37.5	50.0
		Very good	1	6.3	6.3	56.3
		Not relevant	7	43.8	43.8	100.0
		Total	16	100.0	100.0	
Vaslui	Valid	Very bad	2	5.0	5.0	5.0
		2.00	2	5.0	5.0	10.0
		3.00	7	17.5	17.5	27.5
		4.00	4	10.0	10.0	37.5
		Very good	4	10.0	10.0	47.5
		Not relevant	18	45.0	45.0	92.5
		NA	3	7.5	7.5	100.0
		Total	40	100.0	100.0	

Source: own computing based on data obtained from the questionnaires

The same situation is also encountered in relation to respondents' perception regarding the accessibility to secondary education for businesses; at North-East Region level, the majority of respondents (59.2%) consider it not relevant. The same also applies in case of the counties in the North-East Region (Table 19).

Table 19. Accessibility to secondary education for businesses

		COUNTIES IN THE NORTH-EAST REGION				
			Frequency	Percent	Valid Percent	Cumulative Percent
Bacau	Valid	2.00	2	40.0	40.0	40.0
		3.00	1	20.0	20.0	60.0
		4.00	1	20.0	20.0	80.0
		Very good	1	20.0	20.0	100.0
		Total	5	100.0	100.0	

Botosani	Valid	Very bad	1	8.3	8.3	8.3
		2.00	1	8.3	8.3	16.7
		3.00	2	16.7	16.7	33.3
		4.00	1	8.3	8.3	41.7
		Not relevant	6	50.0	50.0	91.7
		NA	1	8.3	8.3	100.0
		Total	12	100.0	100.0	
Iasi	Valid	3.00	1	4.5	4.5	4.5
		4.00	1	4.5	4.5	9.1
		Very good	1	4.5	4.5	13.6
		Not relevant	10	45.5	45.5	59.1
		NA	9	40.9	40.9	100.0
		Total	22	100.0	100.0	
Neamt	Valid	4.00	1	7.7	7.7	7.7
		Not relevant	12	92.3	92.3	100.0
		Total	13	100.0	100.0	
Suceava	Valid	4.00	4	25.0	25.0	25.0
		Very good	1	6.3	6.3	31.3
		Not relevant	10	62.5	62.5	93.8
		NA	1	6.3	6.3	100.0
		Total	16	100.0	100.0	
Vaslui	Valid	Very bad	1	2.5	2.5	2.5
		2.00	2	5.0	5.0	7.5
		3.00	2	5.0	5.0	12.5
		4.00	1	2.5	2.5	15.0
		Very good	3	7.5	7.5	22.5
		Not relevant	23	57.5	57.5	80.0
		NA	8	20.0	20.0	100.0
		Total	40	100.0	100.0	

Source: own computing based on data obtained from the questionnaires

Analysing the accessibility to secondary education in the North-East Region, by different social groups, the majority of respondents (50.9%) considered that households with low income encounter a series of difficulties in accessing this service (Table 20).

Table 20. Accessibility to secondary education in the North-East Region, by social groups

		Responses		Percent of Cases
		N	Percent	
Valid	young	13	11.6%	16.9%
	elderly	8	7.1%	10.4%
	female	4	3.6%	5.2%
	people with disabilities	17	15.2%	22.1%
	unemployed	4	3.6%	5.2%
	immigrants	4	3.6%	5.2%
	household without car	5	4.5%	6.5%

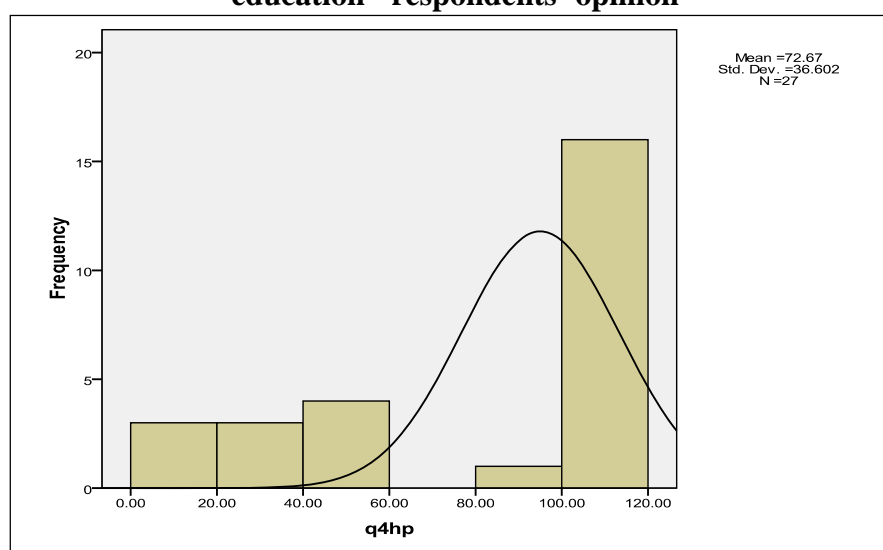
household with low income	57	50.9%	74.0%
Total	112	100.0%	145.5%

Source: own computing based on data obtained from the questionnaires

Note: Dichotomy group tabulated at value 1

Taking into consideration the inaccessibility to secondary education, the majority of respondents consider that all the individuals and businesses in the North-East Region should have access to this service (Figures 17 and 18).

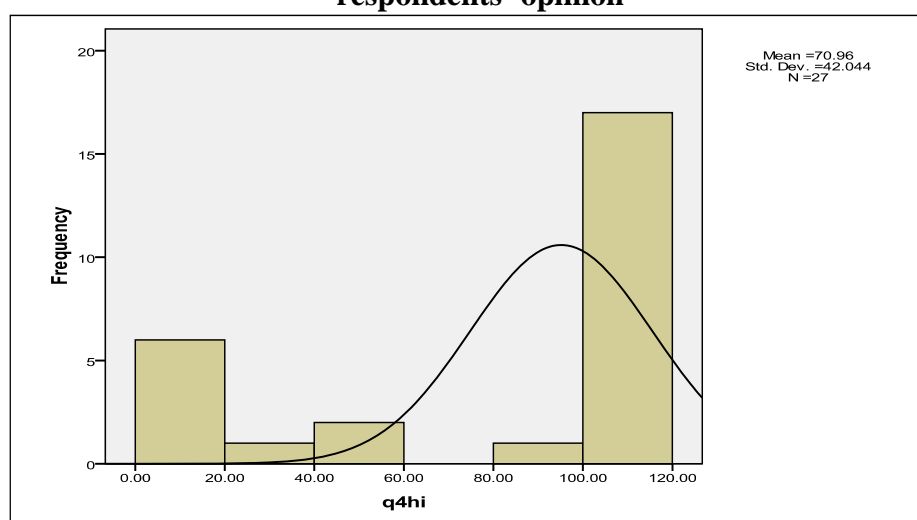
Figure 17. Target share of population (individuals) that should have access to secondary education - respondents' opinion



Source: own design based on data obtained from the questionnaires

Note: q4hp - target share of population (individuals) that should have access to secondary education

Figure 18. Desirable share of businesses that should have access to secondary education - respondents' opinion



Source: own design based on data obtained from the questionnaires

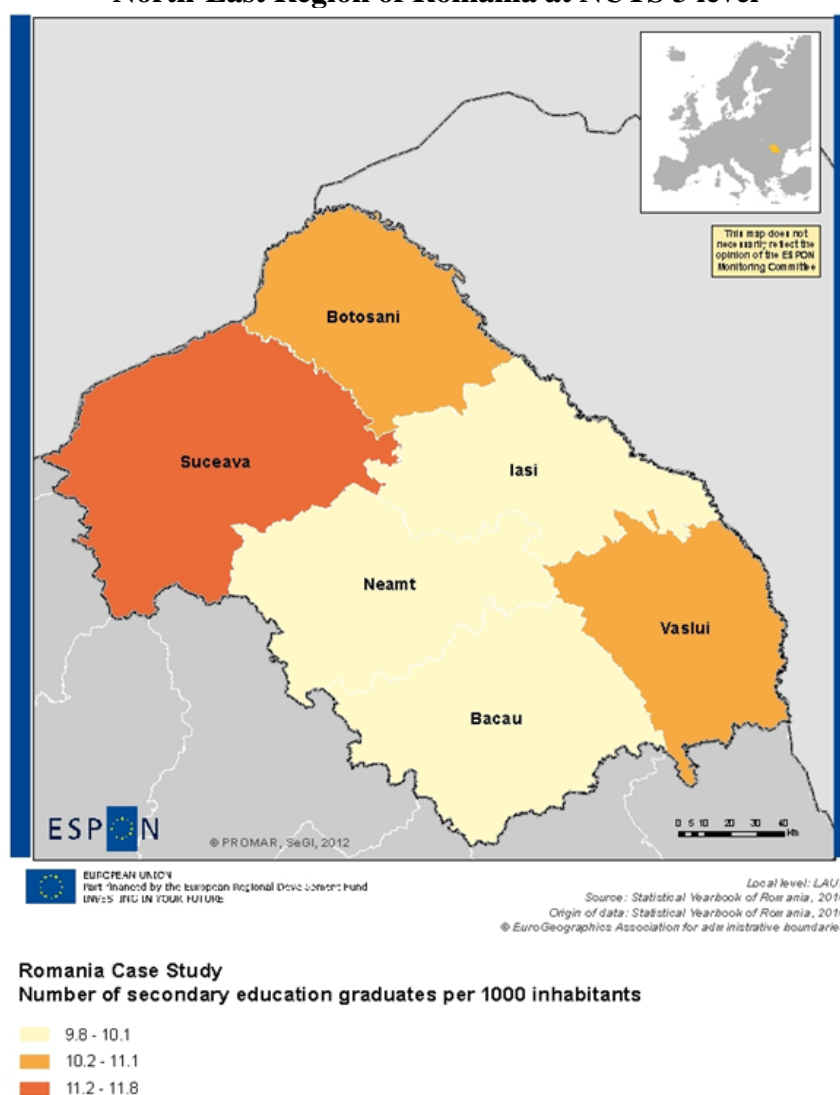
Note: q4hi - target share of businesses that should have access to secondary education

In the same frame, if the accessibility to secondary education should increase for households, individuals, and businesses, the number of institutions of secondary education in the North-East Region is perceived by the majority of respondents (66%) as inexistent, or the question is not applicable.

In addition, when asked to evaluate the general quality of the services provided by secondary education in the North-East Region, the majority of respondents (67%) considered that it is not applicable.

A relevant indicator that is usually used when evaluating the secondary education is represented by the number of secondary education graduates per 1000 inhabitants (Map 7).

Map 7. Graduates at secondary education level, in 2009/2010 academic year in the North-East Region of Romania at NUTS 3 level



Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

3.2.1.2 Tertiary education

With regards to the accessibility to tertiary education, in general, the majority of respondents considered it not relevant (38.8%) or average (neither bad, nor good) (19.4%) for households and individuals. The same situation is also encountered in all counties in North-East Region,

except Bacau where the majority of respondents (40%) assessed the accessibility to tertiary education for households and individuals on a 5 level Likert scale with 2 or 4 (Table 21).

Table 21. Accessibility to tertiary education for households and individuals

		COUNTIES IN THE NORTH-EAST REGION				
			Frequency	Percent	Valid Percent	Cumulative Percent
Bacau	Valid	2.00	2	40.0	40.0	40.0
		4.00	2	40.0	40.0	80.0
		Very good	1	20.0	20.0	100.0
		Total	5	100.0	100.0	
Botosani	Valid	Very bad	2	16.7	16.7	16.7
		2.00	2	16.7	16.7	33.3
		3.00	4	33.3	33.3	66.7
		4.00	1	8.3	8.3	75.0
		Not relevant	3	25.0	25.0	100.0
		Total	12	100.0	100.0	
Iasi	Valid	Very bad	1	4.5	4.5	4.5
		2.00	4	18.2	18.2	22.7
		3.00	4	18.2	18.2	40.9
		4.00	1	4.5	4.5	45.5
		Very good	1	4.5	4.5	50.0
		Not relevant	8	36.4	36.4	86.4
		NA	3	13.6	13.6	100.0
		Total	22	100.0	100.0	
Neamt	Valid	Very bad	1	7.7	7.7	7.7
		2.00	2	15.4	15.4	23.1
		3.00	2	15.4	15.4	38.5
		4.00	1	7.7	7.7	46.2
		Not relevant	7	53.8	53.8	100.0
		Total	13	100.0	100.0	
Suceava	Valid	3.00	4	25.0	25.0	25.0
		4.00	2	12.5	12.5	37.5
		Not relevant	10	62.5	62.5	100.0
		Total	16	100.0	100.0	
Vaslui	Valid	Very bad	5	12.5	12.5	12.5
		2.00	4	10.0	10.0	22.5
		3.00	6	15.0	15.0	37.5
		4.00	1	2.5	2.5	40.0
		Very good	1	2.5	2.5	42.5
		Not relevant	19	47.5	47.5	90.0
		NA	4	10.0	10.0	100.0
		Total	40	100.0	100.0	

Source: own computing based on data obtained from the questionnaires

The same situation is also encountered in relation to respondents' perception regarding the accessibility to tertiary education for businesses; in North-East Region the majority of

respondents (63.1%) consider it not relevant. The same also applies in case of the counties in the North-East Region (Table 22).

Table 22. Accessibility to tertiary education for businesses

COUNTIES IN THE NORTH-EAST REGION						
			Frequency	Percent	Valid Percent	Cumulative Percent
Bacau	Valid	2.00	2	40.0	40.0	40.0
		4.00	2	40.0	40.0	80.0
		Very good	1	20.0	20.0	100.0
		Total	5	100.0	100.0	
Botosani	Valid	Very bad	2	16.7	16.7	16.7
		3.00	1	8.3	8.3	25.0
		Not relevant	7	58.3	58.3	83.3
		NA	2	16.7	16.7	100.0
		Total	12	100.0	100.0	
Iasi	Valid	2.00	1	4.5	4.5	4.5
		4.00	1	4.5	4.5	9.1
		Very good	1	4.5	4.5	13.6
		Not relevant	10	45.5	45.5	59.1
		NA	9	40.9	40.9	100.0
		Total	22	100.0	100.0	
Neamt	Valid	3.00	1	7.7	7.7	7.7
		4.00	1	7.7	7.7	15.4
		Not relevant	11	84.6	84.6	100.0
		Total	13	100.0	100.0	
Suceava	Valid	3.00	1	6.3	6.3	6.3
		4.00	2	12.5	12.5	18.8
		Not relevant	12	75.0	75.0	93.8
		NR	1	6.3	6.3	100.0
		Total	16	100.0	100.0	
Vaslui	Valid	Very bad	1	2.5	2.5	2.5
		2.00	1	2.5	2.5	5.0
		3.00	4	10.0	10.0	15.0
		Very good	1	2.5	2.5	17.5
		Not relevant	25	62.5	62.5	80.0
		NA	8	20.0	20.0	100.0
		Total	40	100.0	100.0	

Source: own computing based on data obtained from the questionnaires

Analysing the accessibility to tertiary education in the North-East Region, by different social groups, the majority of respondents (53%) considered that households with low income encounter a series of difficulties in accessing this service (Table 23).

Table 23. Accessibility to tertiary education in the North-East Region, by social groups

	Responses		Percent of Cases
	N	Percent	

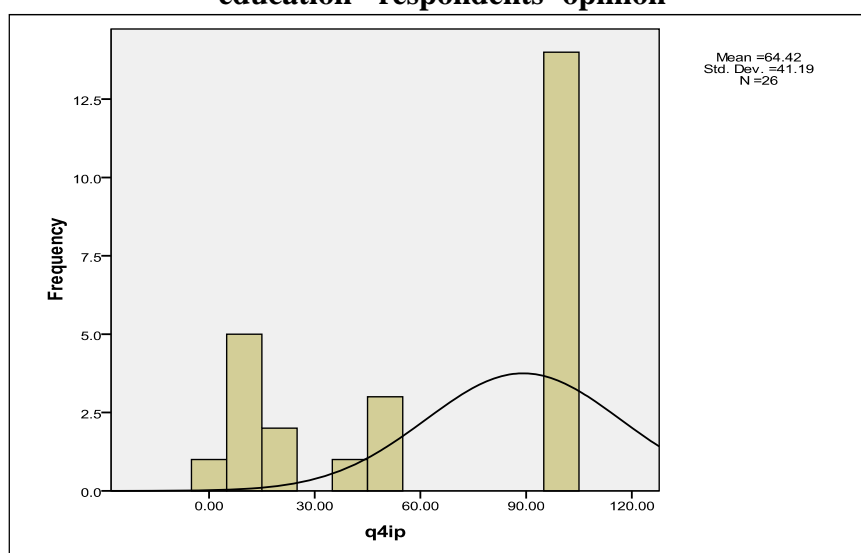
Valid	young	11	9.6%	14.3%
	elderly	9	7.8%	11.7%
	female	3	2.6%	3.9%
	people with disabilities	15	13.0%	19.5%
	unemployed	8	7.0%	10.4%
	immigrants	4	3.5%	5.2%
	household without car	4	3.5%	5.2%
	household with low income	61	53.0%	79.2%
	Total	115	100.0%	149.4%

Source: own computing based on data obtained from the questionnaires

Note: Dichotomy group tabulated at value 1

The majority of respondents consider that all the individuals and businesses in the North-East Region should have access to tertiary education (Figures 19 and 20).

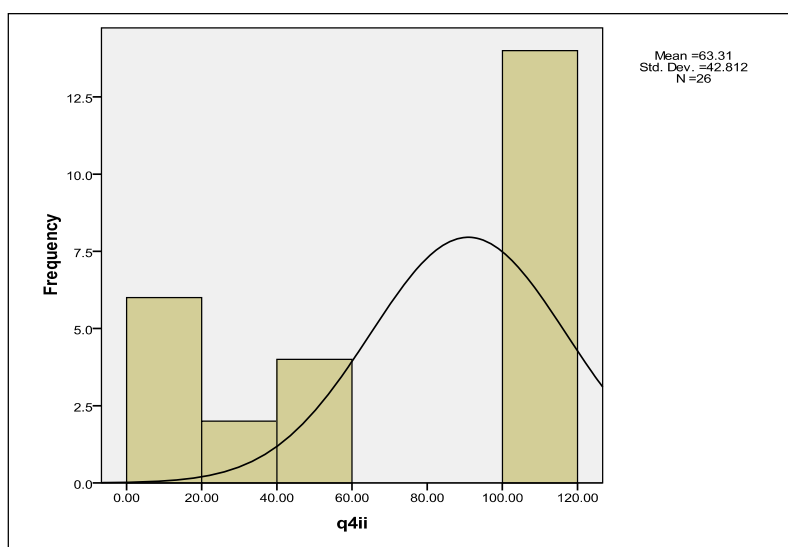
Figure19. Target share of population (individuals) that should have access to tertiary education - respondents' opinion



Source: own design based on data obtained from the questionnaires

Note: q4ip - target share of population (individuals) that should have access to tertiary education

Figure 20. Target share of businesses that should have access to tertiary education - respondents' opinion



Source: own design based on data obtained from the questionnaires

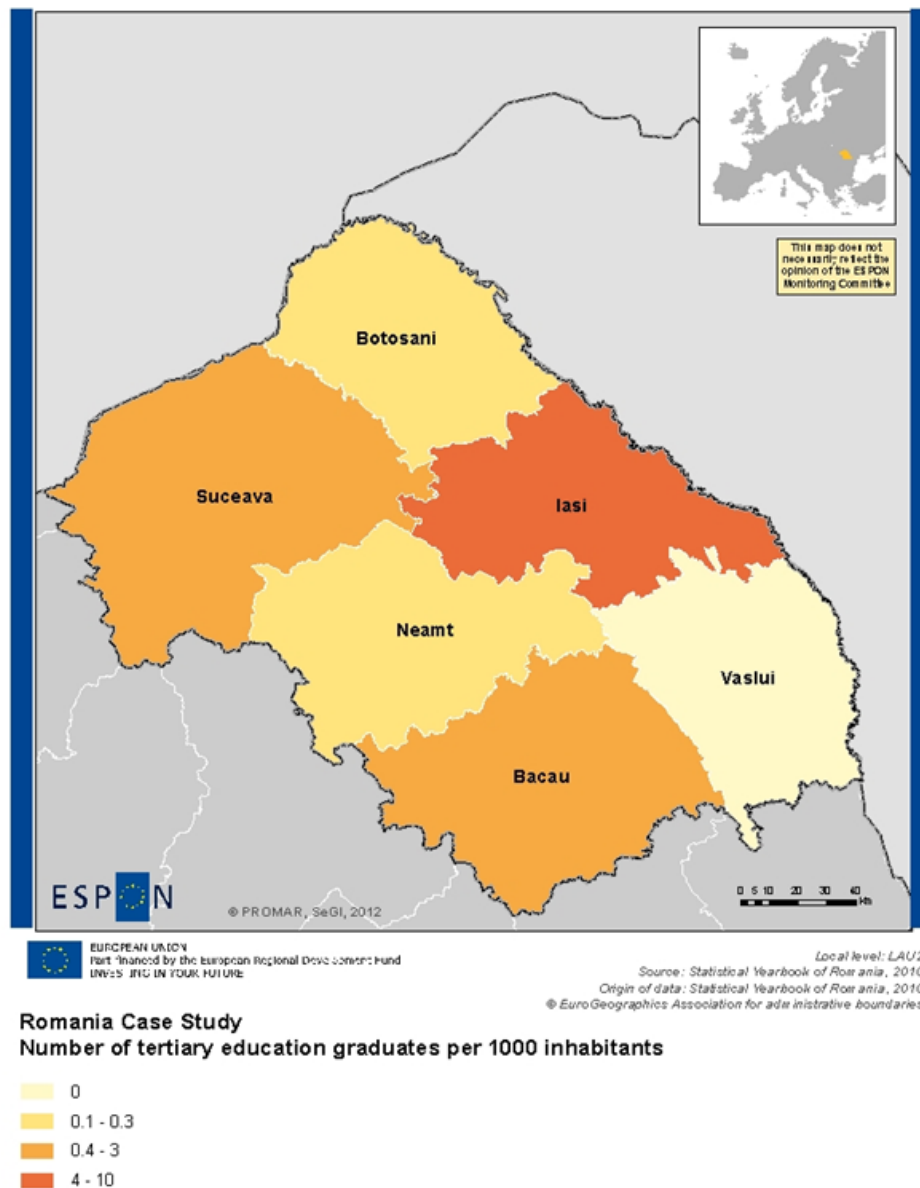
Note: q4ii - target share of businesses that should have access to tertiary education

In the same frame, if the accessibility to tertiary education should increase for households, individuals, and businesses, the number of institutions of tertiary education in the North-East Region is a question perceived by the majority of respondents (80.6%) as inexistent, or the question is not applicable.

In addition, when asked to evaluate the general quality of the services provided by tertiary education in the North-East Region, the majority of respondents (82.5%) considered that it is not applicable.

Map 8 representing the number of tertiary education graduates per 1000 inhabitants is suggestively presented in the following section.

Map 8. Graduates at tertiary education level, in 2009/2010 academic year in the North-East region of Romania, at NUTS 3 level



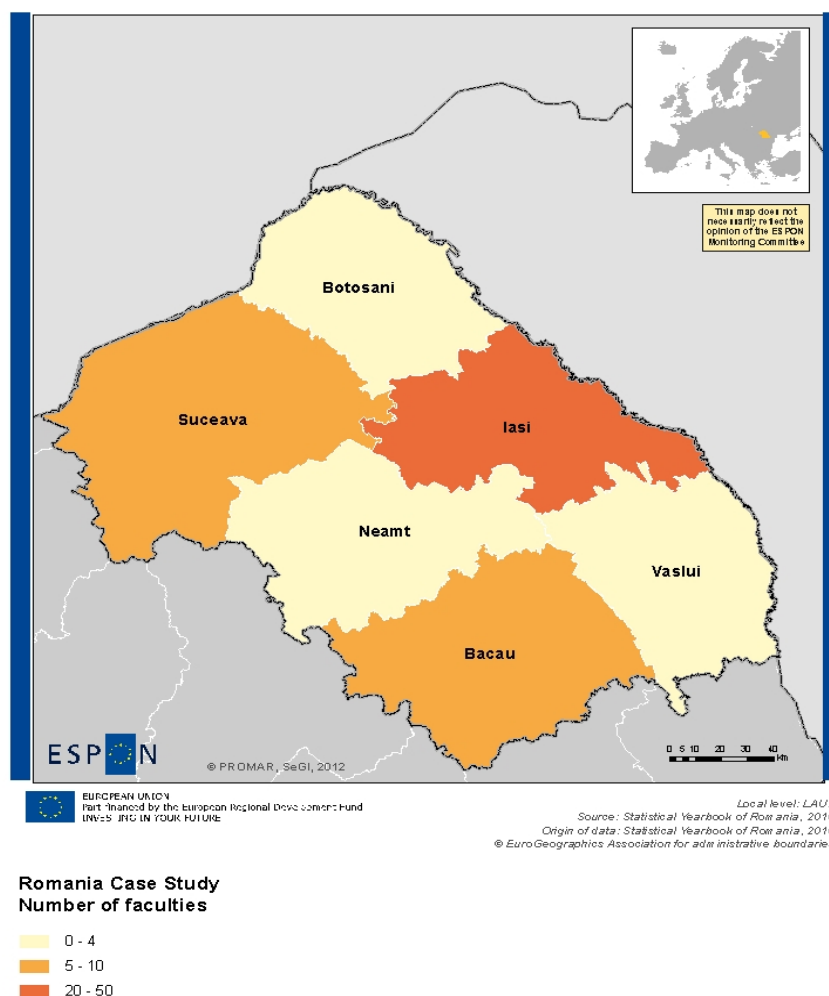
Faculties, students enrolled and teaching staff are the main indicators when evaluating the situation within the tertiary education. The representation of these indicators within the counties of North-East Region is exposed in Table 24 and represented in Map 9, 10 and 11.

Table 24. Tertiary education, at the North-East Region level, in 2010/2011 academic year

<i>North-East</i>	<i>Faculties</i>	<i>Students enrolled</i>	<i>Teaching staff</i>
Bacău	9	6792	287
Botoșani	1	298	NA
Iași	50	55557	3203
Neamț	4	859	19
Suceava	10	9350	342
Vaslui	NA	NA	NA

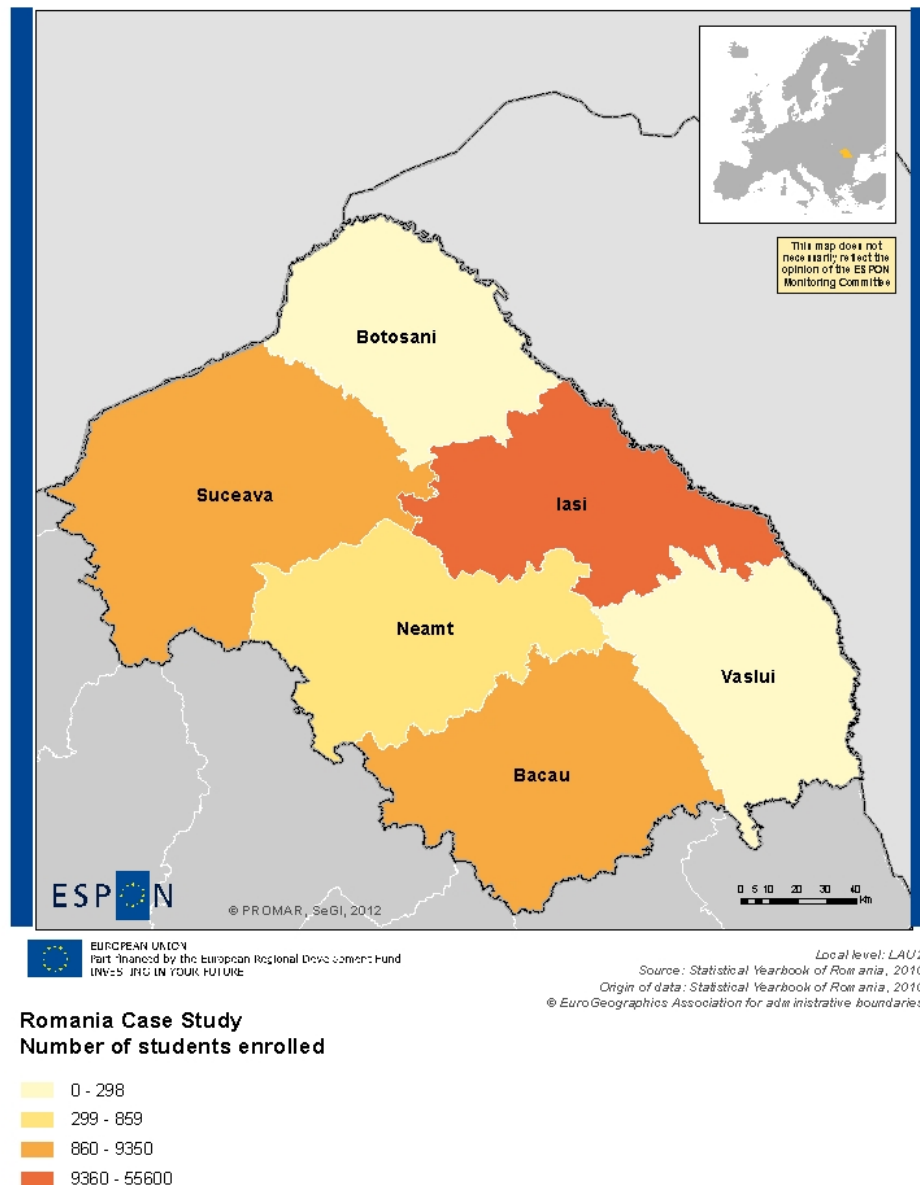
Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

Map 9. Faculties in 2010-2011 academic year in the North-East Region of Romania, at NUTS 3 level



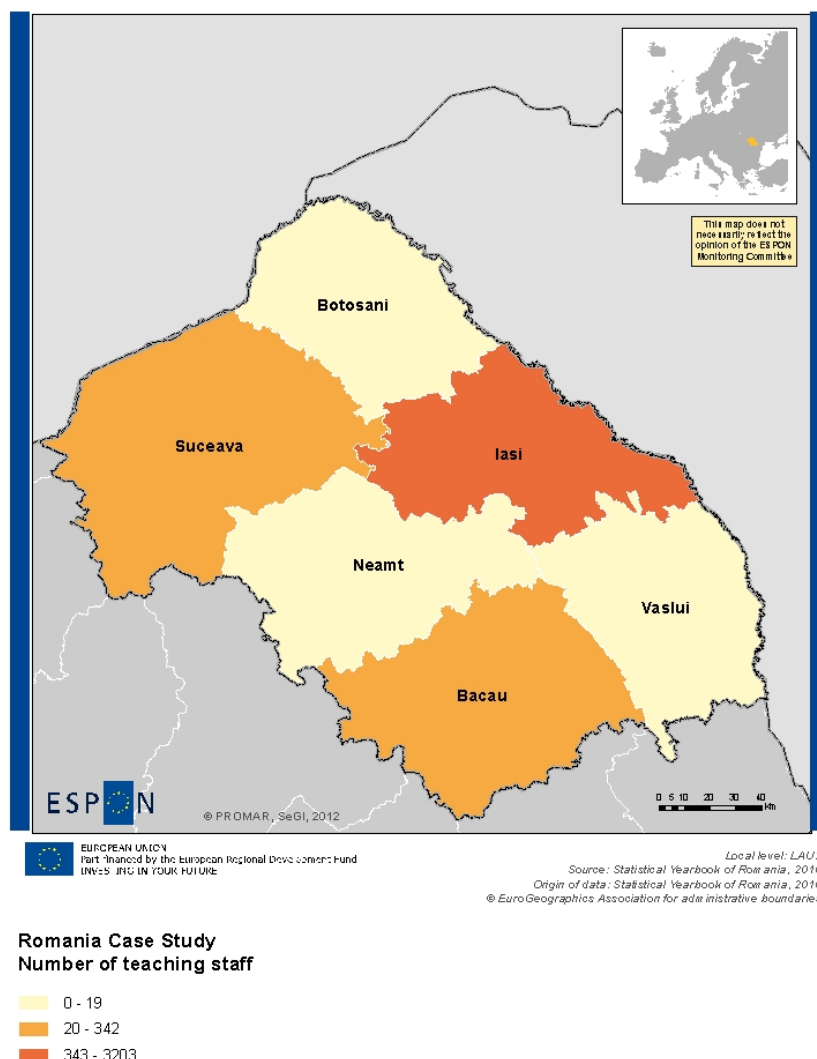
Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

Map 10. Students enrolled in 2010-2011 academic year in the North-East Region of Romania, at NUTS 3 level



Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

Map 11. Teaching staff in 2010-2011 academic year in the North-East Region of Romania, at NUTS 3 level



Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

3.2.1.3 Healthcare - Hospitals

In 2010, the North-East Region registered out of the total number at national level corresponding to each category, the following percentages: 14.3% of the hospitals, 3,5%⁸⁷ of the clinics, 14.1% of dental clinics, 15.4% of pharmacies, 15.9% of family medicine clinics, and 14.3% of specialized medical offices. The number of hospital beds in Romania was of more than 1,3 mil. (202,000 of them representing 14.5% of the total were located in North-East). Thus, on average, per 1000 inhabitants in Romania were 6.1 beds while in the North-East Region a value slightly lower than 5.45 beds was registered.

⁸⁷ The big difference between this value and the reference population (17.3%) can be explained by the fact that an important share of clinics in Romania are private, and, since the financial resources of the population in the North East region are lower, their ability to represent the clientele for clinics is lower. Consequently, following the market principles in the North East region are fewer clinics.

Out of the total number encountered at the national level per each category, in the North-East Region there were registered: 12.7% of doctors, 12.3% of dentists, 13.4% of pharmacists and 15.8% of the persons with medium qualification in healthcare. In these conditions, it is observed that the access to the healthcare professionals, of the people in the North-East Region is hampered by its relative scarcity. Thus, in the North-East, on average, one doctor was responsible for 561 patients (compared to 411 nationally), a dentist was responsible for 2,325 patients (compared to 1,650 nationally), a pharmacist was responsible for 2,033 people (compared to 1,573 nationally) and a persons with medium qualification in healthcare was responsible for 186 people (compared to 169 nationally).

Statistics show that in 2010, 2.6% (174,000 children) of children aged under 3 were temporarily cared in nurseries. With the same share as at national level (2.6%), in the North-East region, 18.7% of total children were in nurseries. In 2009, children with special educational needs were 263,000 (8.2% in preschool level, 62% in primary schools and gymnasiums, 21.3% in apprentice education, 7.8% in high schools and 0.7% in postsecondary level). In 2010, child care system has conducted prevention activities for 493,000 children at risk. In the same year, 424,000 children were temporary cared by family, while 231,000 were registered in placement centres. The state monthly allowance for children aged under 2 is of 200 lei (46.50€⁸⁸), while for those between 2 and 18 years, it is of 42 lei (9.77€). In 2010, the total amount needed for these allowances was of 2.92 billion lei (692,88 mil. €), about 0.57% out of the GDP.

Health services are mainly provided by the state. In what concerns the accessibility to hospitals, in general, the majority of respondents considered it not relevant (34%) or average (neither bad, nor good) (18.4%) for households and individuals. The same situation is also encountered at counties in the North-East Region, except Bacau and Neamt counties. In Bacau county, the majority of respondents (40%) assessed the accessibility to hospitals for households and individuals on a 5 level Likert scale with 2 or 5, while in Neamt county the respondents assed it as not relevant, or with 4 (Table 25). Considering rural and urban areas, in general, in the first case accessibility to health care services (hospitals) is very difficult compared to the second case. For example, in one commune from Vaslui county, the health services consist of 4 medical cabinets and the nearest hospital is at 60 km distance from the commune.

Table 25. Accessibility to hospitals for households and individuals

COUNTIES IN THE NORTH-EAST REGION						
			Frequency	Percent	Valid Percent	Cumulative Percent
Bacau	Valid	2.00	2	40.0	40.0	40.0
		3.00	1	20.0	20.0	60.0
		Very good	2	40.0	40.0	100.0
		Total	5	100.0	100.0	
Botosani	Valid	Very bad	2	16.7	16.7	16.7
		3.00	5	41.7	41.7	58.3
		4.00	2	16.7	16.7	75.0
		Very good	2	16.7	16.7	91.7
		Not relevant	1	8.3	8.3	100.0
		Total	12	100.0	100.0	

⁸⁸ Exchange rate: 1 €= 4,3lei.

Iasi	Valid	Very bad	2	9.1	9.1	9.1
		2.00	2	9.1	9.1	18.2
		3.00	4	18.2	18.2	36.4
		4.00	1	4.5	4.5	40.9
		Not relevant	8	36.4	36.4	77.3
		NA	5	22.7	22.7	100.0
		Total	22	100.0	100.0	
Neamt	Valid	Very bad	1	7.7	7.7	7.7
		4.00	5	38.5	38.5	46.2
		Not relevant	7	53.8	53.8	100.0
		Total	13	100.0	100.0	
Suceava	Valid	2.00	2	12.5	12.5	12.5
		3.00	4	25.0	25.0	37.5
		4.00	3	18.8	18.8	56.3
		Very good	1	6.3	6.3	62.5
		Not relevant	6	37.5	37.5	100.0
		Total	16	100.0	100.0	
Vaslui	Valid	Very bad	3	7.5	7.7	7.7
		2.00	6	15.0	15.4	23.1
		3.00	6	15.0	15.4	38.5
		4.00	5	12.5	12.8	51.3
		Very good	1	2.5	2.6	53.8
		Not relevant	13	32.5	33.3	87.2
		NA	5	12.5	12.8	100.0
		Total	39	97.5	100.0	
	Missing	System	1	2.5		
	Total		40	100.0		

Source: own computing based on data obtained from the questionnaires

The same situation is also encountered in relation to respondents' perception regarding the accessibility to hospitals for businesses; at North-East Region level, the majority of respondents (44.7%) consider it not relevant. The same also applies in case of the counties in the North-East Region, except Bacau and Botosani. In Bacau county, the majority of respondents assessed the accessibility to hospital for businesses with 2 on a 5 level Likert scale (from 1-very bad to 5-very good), while in Botosani county it was assessed with 3 (Table 26).

Table 26. Accessibility to hospitals for businesses

COUNTIES IN THE NORTH-EAST REGION						
			Frequency	Percent	Valid Percent	Cumulative Percent
Bacau	Valid	2.00	2	40.0	40.0	40.0
		3.00	1	20.0	20.0	60.0
		4.00	1	20.0	20.0	80.0
		Very good	1	20.0	20.0	100.0
		Total	5	100.0	100.0	
Botosani	Valid	Very bad	1	8.3	8.3	8.3

		2.00	1	8.3	8.3	16.7
		3.00	4	33.3	33.3	50.0
		4.00	1	8.3	8.3	58.3
		Very good	1	8.3	8.3	66.7
		Not relevant	2	16.7	16.7	83.3
		NA	2	16.7	16.7	100.0
		Total	12	100.0	100.0	
Iasi	Valid	Very bad	1	4.5	4.5	4.5
		2.00	1	4.5	4.5	9.1
		3.00	3	13.6	13.6	22.7
		4.00	2	9.1	9.1	31.8
		Not relevant	8	36.4	36.4	68.2
		NA	7	31.8	31.8	100.0
		Total	22	100.0	100.0	
Neamt	Valid	4.00	1	7.7	7.7	7.7
		Not relevant	12	92.3	92.3	100.0
		Total	13	100.0	100.0	
Suceava	Valid	2.00	2	12.5	12.5	12.5
		3.00	4	25.0	25.0	37.5
		4.00	3	18.8	18.8	56.3
		Not relevant	6	37.5	37.5	93.8
		NA	1	6.3	6.3	100.0
		Total	16	100.0	100.0	
Vaslui	Valid	Very bad	3	7.5	7.5	7.5
		2.00	4	10.0	10.0	17.5
		3.00	3	7.5	7.5	25.0
		4.00	2	5.0	5.0	30.0
		Very good	3	7.5	7.5	37.5
		Not relevant	18	45.0	45.0	82.5
		NA	7	17.5	17.5	100.0
		Total	40	100.0	100.0	

Source: own computing based on data obtained from the questionnaires

Analysing the accessibility to hospitals in the North-East Region, by different social groups, the majority of respondents considered that households with low income (28.7%) and elderly (22.7%) encounter a series of difficulties in accessing this service (Table 27).

Table 27. Accessibility to hospitals in the North-East Region, by social groups

		Responses		Percent of Cases
		N	Percent	
Valid	young	6	3.3%	7.5%
	elderly	41	22.7%	51.3%
	female	7	3.9%	8.8%
	people with disabilities	29	16.0%	36.3%
	unemployed	16	8.8%	20.0%
	immigrants	10	5.5%	12.5%

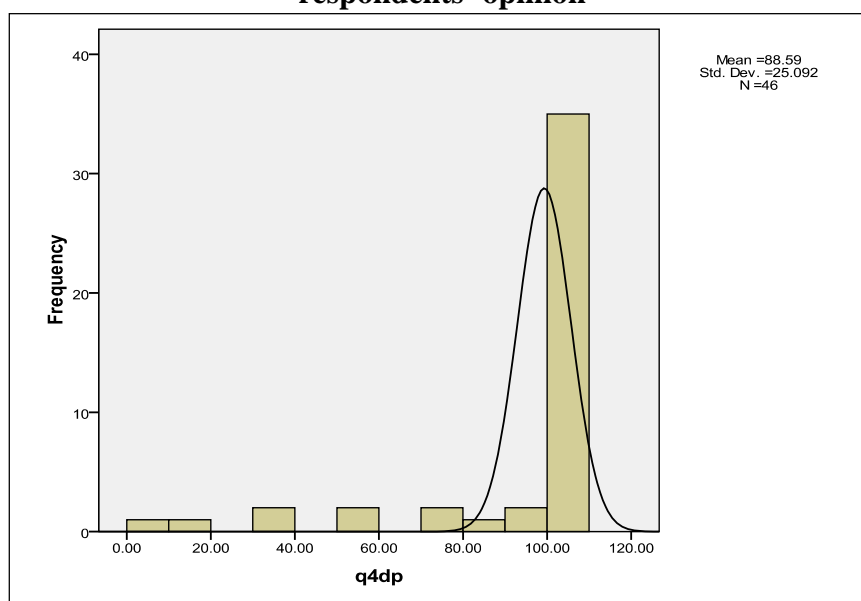
household without car	20	11.0%	25.0%
household with low income	52	28.7%	65.0%
Total	181	100.0%	226.3%

Source: own computing based on data obtained from the questionnaires

Note: Dichotomy group tabulated at value 1

The majority of respondents consider that all the individuals and businesses in the North-East Region should have access to hospitals (Figures 21 and 22).

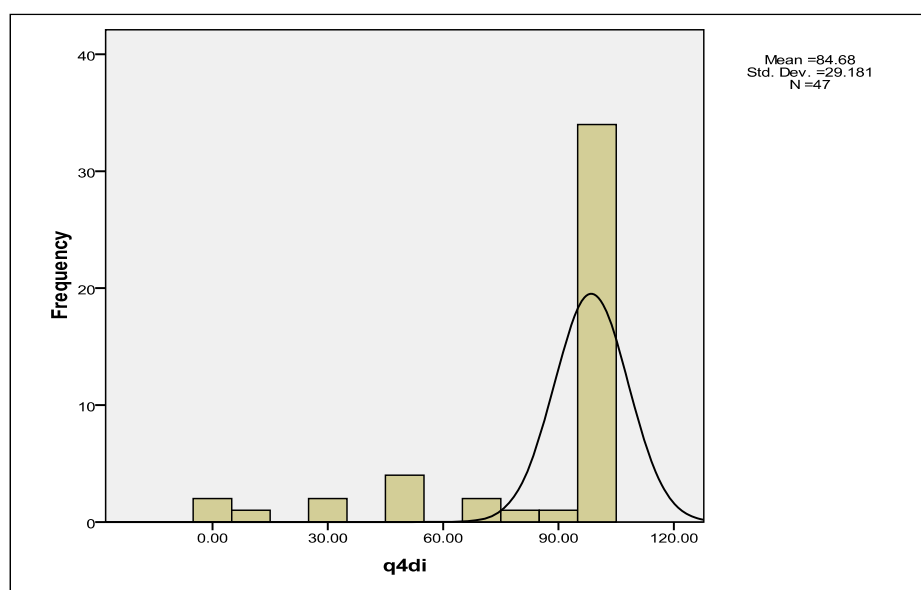
Figure 21. Target share of population (individuals) that should have access to hospitals - respondents' opinion



Source: own design based on data obtained from the questionnaires

Note: q4dp - target share of population (individuals) that should have access to hospitals

Figure 22. Target share of businesses that should have access to tertiary education - respondents' opinion



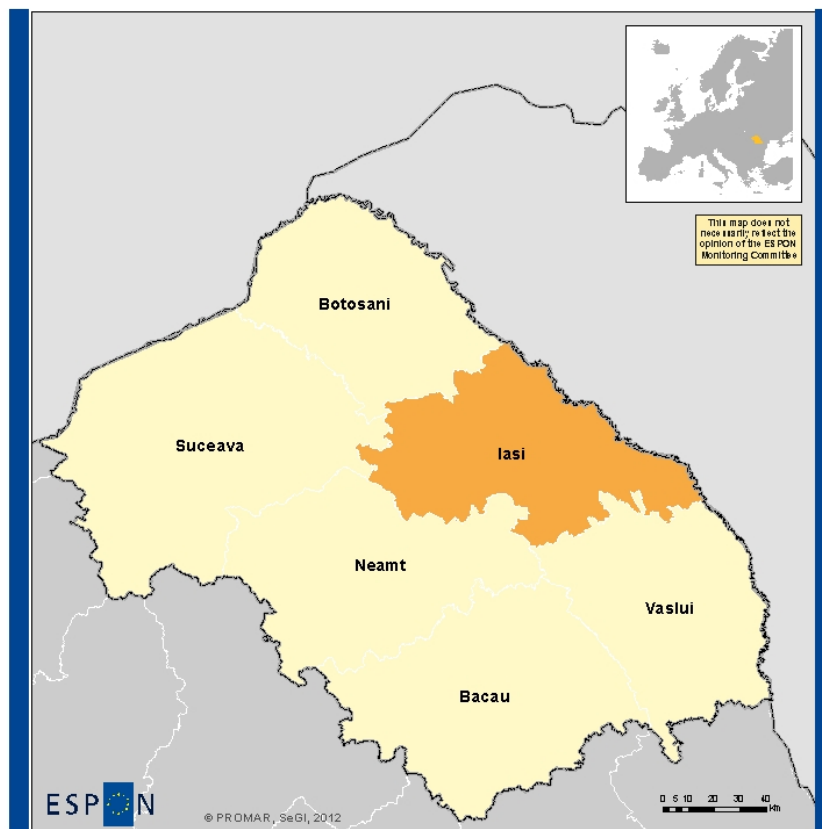
Source: own design based on data obtained from the questionnaires

Note: q4di - desirable share of businesses that should have access to hospitals

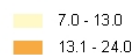
In what concerns the sufficiency of the number of hospitals to sustain the needs of inhabitants in the North-East Region, the vast majority of the respondents (67.1%) expressed the fact that it is not applicable or it does not exist.

When asked to evaluate the general quality of the services provided by hospitals in the North-East Region, the majority of respondents (69.9%) considered that it is not applicable. A statistical indicator usually used as a primary issue when assessing the health system is represented by the number of hospitals, as shown in Map 12 per each county of North-East Region.

Map 12. Hospitals in the North-East Region, at NUTS level, 2010



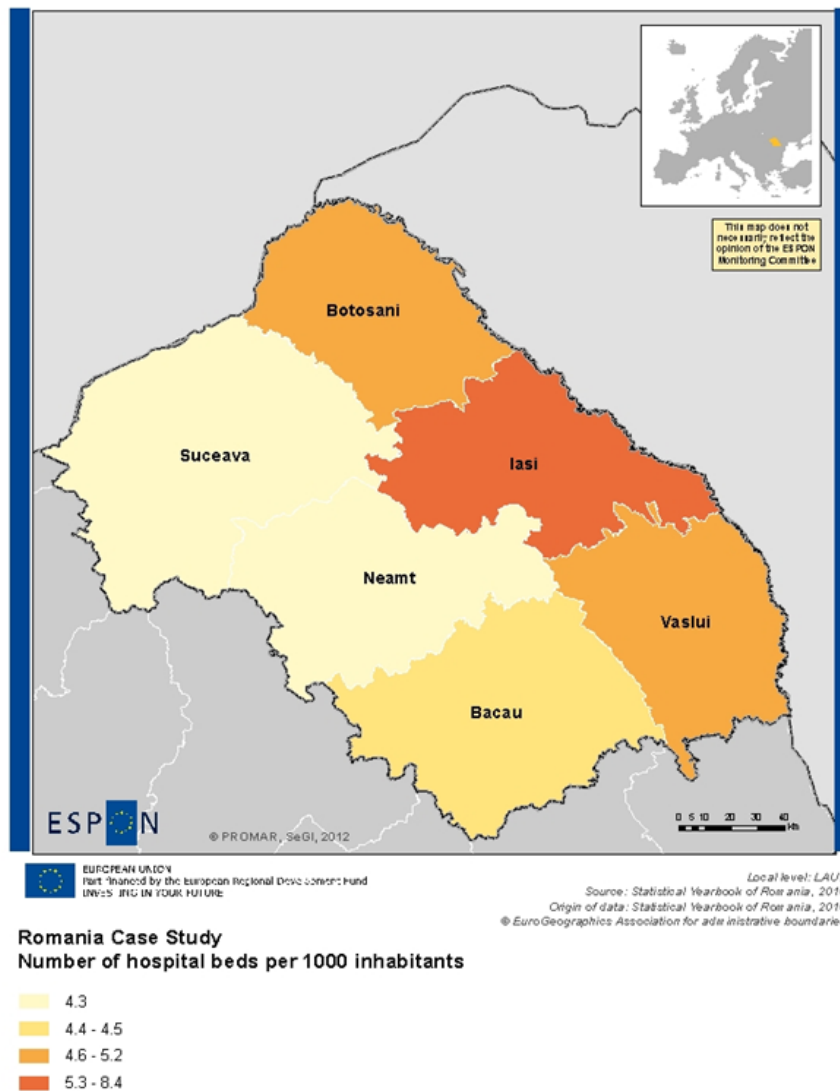
**Romania Case Study
Number of hospitals**



Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

Related to the number of hospitals, the number of beds within the hospitals is another indicator that is used for the evaluation of the healthcare system in Romania, the precisely case of North-East Region per counties is represented in Map 13.

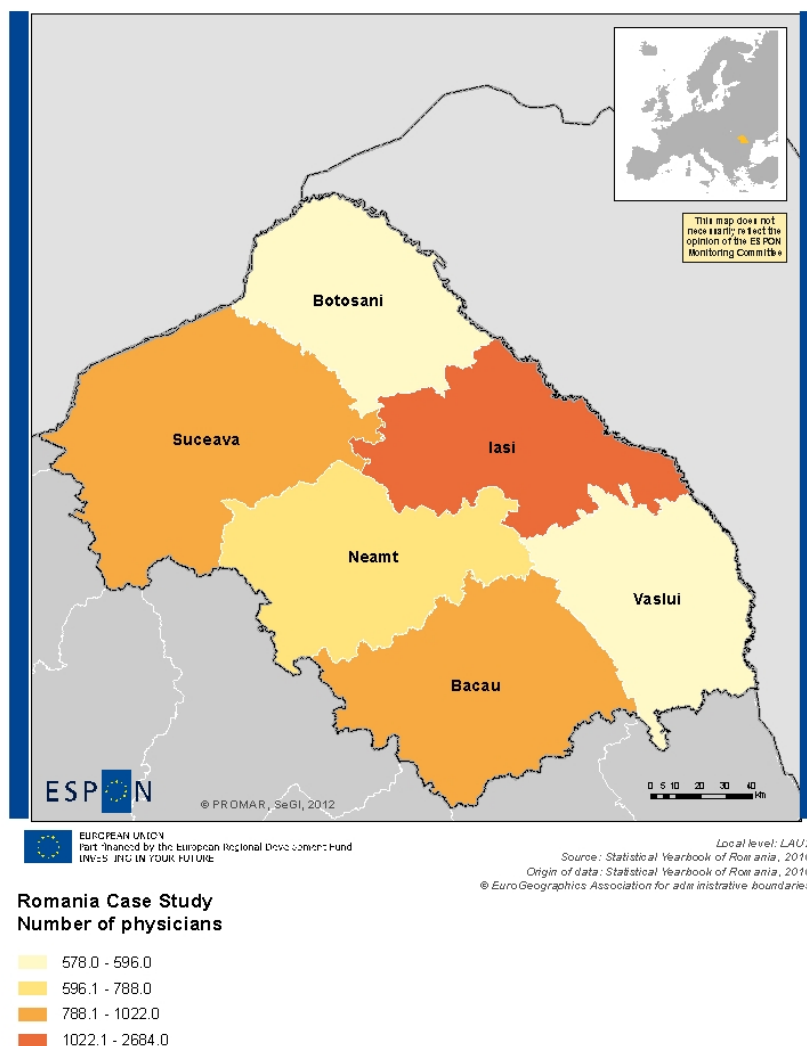
Map 13. Hospital beds in the North-East Region of Romania at NUTS 3 level



Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

The medical-sanitary staff is another component of impact for the healthcare system; Map 14 representing the number of physicians per each county of the North-East Region.

Map 14. Medical-sanitary staff in the North-East Region, at NUTS 3 level, 2010



Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

3.2.1.4 Housing

Under construction houses that had to be delivered in 2009 for the evicted persons were 1,259 houses out of which 136 (10.8%) were located in the North-East region. In 2010, 874 houses had to be delivered out of which 75 (9.1%) located in the North-East region. In 2009, for the second category (social houses and necessity houses) 1,225 houses had to be delivered out of which 256 (20.9%) located in the North-East region. The following year, 578 houses had to be delivered out of which 240 (41.5%) located in the North-East region. The third category, houses for young people in the National Agency for Housing Programme, had under construction for delivering in 2009 3,222 houses of which 710 (22%) in the North-East region, and in 2010 7,500 houses of which 1,020 (13.6%) in the North-East region.

In 2010, state social canteens gave one meal each day for an average of 186,000 persons. Of the canteens, 11.3% were located in the North-East Region, this Figure being lower than 17.3% representing the North-East region share in total population. This can represent that either canteen's activity is underdeveloped in this region, or people's shame is higher in this region and they hardly accept serving a meal in this premises.

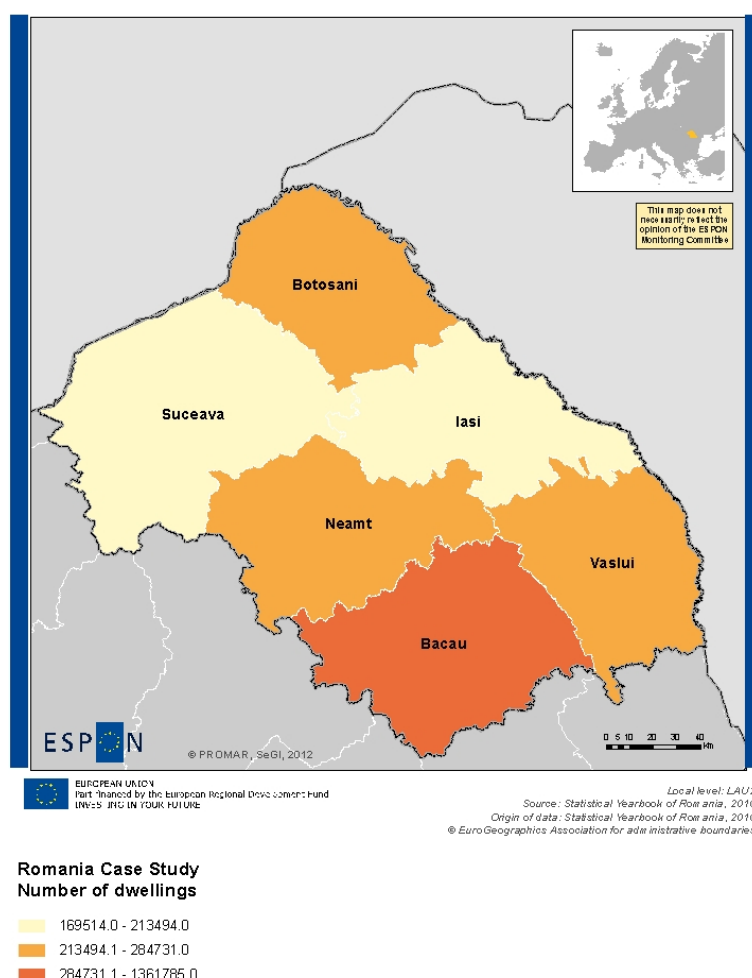
The dwellings stock and the distribution by dwellings with state or private ownership are the main indicators encountered within the Statistical Yearbook of Romania. The situation within the North-East Region in 2010 is presented in Table 28 and represented in Map 15,16,17.

Table 28. Dwellings stock in North-East Region, at NUTS 3 level, 2010

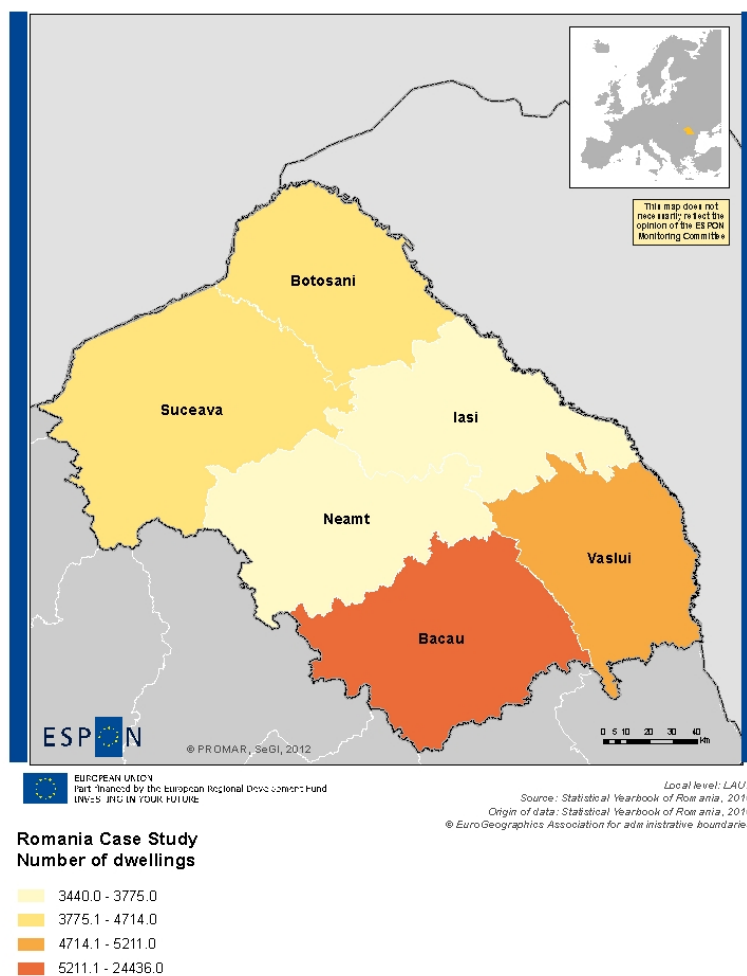
Development region and counties	Dwellings with state majority ownership (number)	Dwellings with state majority ownership (percentage)	Dwellings with private majority ownership (number)	Dwellings with private majority ownership (percentage)	Total
<i>North - East</i>	24436	1.79	1337349	98.21	1361785
Bacău	4714	1.77	261503	98.23	266217
Botoșani	3440	2.03	166074	97.97	169514
Iași	3775	1.33	280956	98.67	284731
Neamț	4469	2.09	209025	97.91	213494
Suceava	5211	2.02	252881	97.98	258092
Vaslui	2827	1.67	166910	98.33	169737

Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

Map 15. Dwellings stock in North-East Region, at NUTS 3 level, 2010

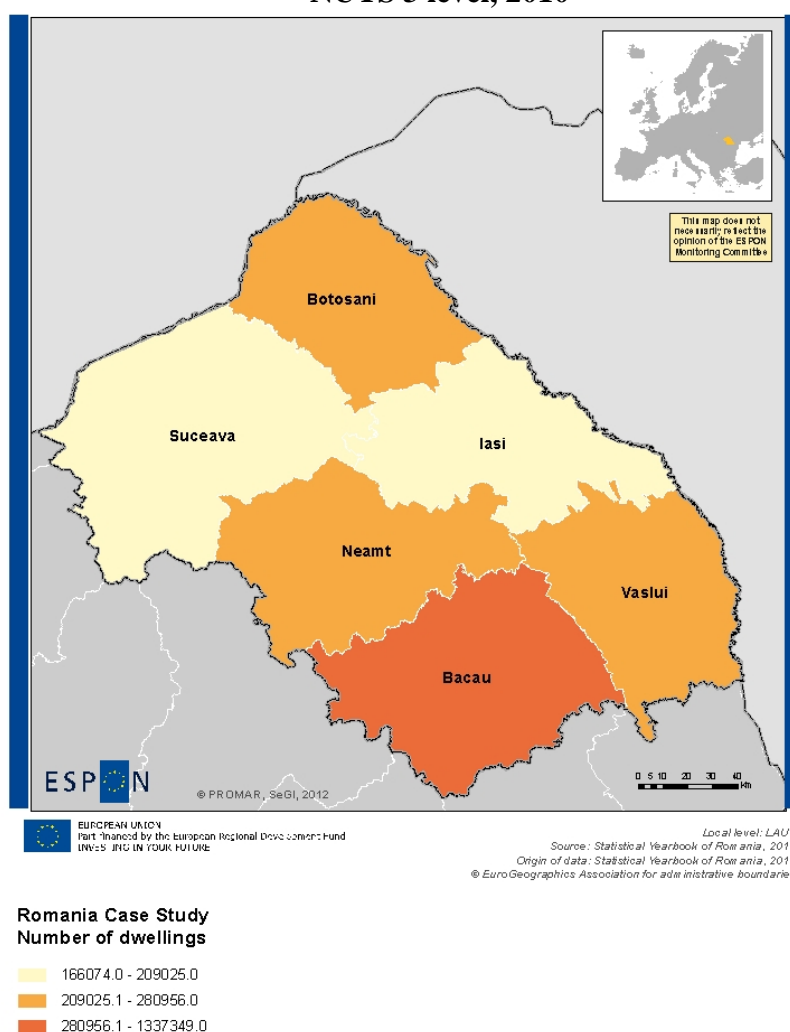


Map 16. Dwellings with state majority ownership in the North-East Region, at NUTS 3 level, 2010



Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

Map 17. Dwellings with private majority ownership in the North-East Region, at NUTS 3 level, 2010



Source: *** Statistical Yearbook, National Institute of Statistics, Bucharest, 2011

3.3. Summary of the general results of questionnaire survey – general conclusions from the survey

Accessibility and presence of SGI in the North-East region

In relation to the accessibility of households and individuals to SGI in the North-East region, a positive perception of the respondents is outlined. For example, the accessibility of households and individuals to local public administration, to pharmacies, to social care services, to kindergarten/pre-school, to primary school, to post services, and to electricity network is mainly assessed as very good. In the same positive frame, the accessibility of households and individuals to health centres, to libraries, to main roads (regional, state), to waste disposal services, to telephone network (fixed line), and to mobile phone (network coverage) is generally assessed as good. On the other hand, the accessibility of households and individuals to hospitals, to secondary and tertiary school, to basic financial services, to culture centres, to railways, to sewage system, and to gas supply is generally considered to be not relevant. There are also situations where, in general, the accessibility to different types of services is perceived in a neutral manner – neither bad, nor good; some examples of such

services refer to personal and household services, to large shops, to local roads (communal), to water supply network, or to Internet (broadband).

In case of businesses, the irrelevance of the accessibility to the questioned services is highlighted. In this respect, the accessibility of businesses to health centres, to pharmacies, to hospitals, to social care services, to kindergarten/pre-school, to primary, secondary, and tertiary school, to basic financial services, to personal and household services, to culture centres, to libraries, to large shops, to railways, to water supply network, to sewage system, and to gas supply is generally considered to be not relevant. On the other hand, the accessibility of businesses to local public administration, to post services, to libraries, to electricity network, and to mobile phone (network coverage) is generally assessed as very good. In the same positive frame, the accessibility of businesses to local roads (communal), to main roads (regional, state), to waste disposal services, to telephone network (fixed line), and to Internet (broadband) is generally assessed as good.

In general, it was assessed that all households and individuals have access to the electricity network, while in case of businesses, it was assessed that in general, they all have access to the electricity network, to the water supply network, to the waste disposal, to the telephone network (fixed line), to the mobile phone (network coverage), and to Internet (broadband). However there are also situations in which different shares of households, individuals, and businesses do not have access to SGI. For example, 50 - 100% of the households and individuals do not have access to the water supply network, to the sewage system, to the waste disposal, and to the gas supply, 30 - 50% of the households and individuals do not have access to the telephone network (fixed line) and to the mobile phone (network coverage), and 10 - 30% of the households and individuals do not have access to Internet (broadband). In case of business, 50 - 100% of them do not have access to the sewage system and to the gas supply.

Also, there are some groups of persons that have more difficulties in accessing the investigated SGI; among them, the group with the most difficult access is represented by households with low income. Different from other investigated groups, they have more difficulties in accessing health services (such as health centres, pharmacies, hospitals, social care services), educational service (such as kindergarten/pre-school services, primary, secondary, and tertiary school), bank/basic financial services, personal and household services, large shops (shopping centres, shopping malls), the electricity network, the water supply network, the sewage system, the waste disposal services, the gas supply service, the telephone network (fixed line), mobile phone, and Internet. Other groups that have a difficult access to the investigated SGI are represented by elderly people (over 65) and by people with disabilities. For example, elderly people encounter more difficulties in accessing local public administration service and social care services, while people with disabilities have more difficulties in accessing post services, culture centres, libraries, local and main roads, and railways.

Furthermore, considering the inaccessibility to SGI of different households, individuals and businesses, respondents, in general, considered that all individuals, households, and businesses should have access to different SGI, such as local public administration, health centres, pharmacies, hospitals, social care, kindergarten/pre-school, primary, secondary, and tertiary school, basic financial services, post services, personal and household services, culture services, libraries, large shops, local and main roads, railways, electricity network,

water supply network, sewage system, waste disposal, gas supply, telephone (fixed line), mobile phone (network coverage), and Internet.

The state of development of SGI in the North-East region

The development of SGI in the North-East region, in general, has not reached a very high level. For example, railways, the sewage system, and the gas supply should be built ‘from scratch’. The main roads, the electricity network, the telephone (fixed line), and the mobile phone (network coverage) should be renovated/refurbished, while the local roads, the water supply network, the waste disposal, and Internet (broadband) should be expanded. In general, respondents consider that local roads should be expanded in proportion of 20%, the water supply network in proportion of 50%, the waste disposal in proportion of 10, 20 or even 50%, and Internet (broadband) in proportion of 50%. Main roads are considered to require refurbishment/renovation in proportion of 60 or 80%, while the electricity network in proportion of 40%, the telephone (fixed line) in proportion of 30 or 50%, and mobile phone (network coverage) in proportion of 60%.

The quality of SGI in the North-East region

As regards the quality of SGI in the North-East region, in general respondents’ perception is a positive one. For example, in general, the quality of the electricity network, of the water supply network, of the mobile phone (network coverage), of Internet (broadband), of the services provided by the local public administration, by pharmacies, by social care, by kindergarten/pre-school, by primary school, by posts, by libraries is considered to be good. However, there are also SGI considered neither good nor bad, in relation to their quality; it is, in general, the case of the local and main roads, of the waste disposal, and of the telephone network (fixed line). Furthermore, in case of railways, of the sewage system, of the gas supply, of the personal and household services, of the services provided by the health centres, by hospitals, by secondary and tertiary schools, by banks, by culture centres, and by large shops the quality assessment process is considered to be not applicable.

3.4. Political contextualization of services of general interest in the region

One of the interviewees (Anca Cador) specified that at the present most regulations for SGI have been developed and approved in order to harmonize Romanian legislation with the acquis requirements. In this sense, competences for all the parts involved in the implementation, monitoring and control of the legislation compliance were established. So, in the future, based on the support of the central and local public administration authorities the quality of the services of general interest will increase and implicitly the citizens’ quality of life, by the elimination of social exclusion and isolation. This could lead to the provision of services of general interest in a performing and non-discriminatory manner.

Law no. 51/2006 of communitary services of public utilities, with further improvements and additions, establishes uniform legal and institutional framework, objectives, competences, functions and tools required for the creation, organization, management, financing, operation, monitoring and control of regulated supply/provision of services of public utilities and also it entrusts responsibilities and competences to ANRSC as regulator, monitoring and controlling authority in this domain. Starting from this law that represents the legal framework of the services of general interest in Romania, for each public service there have been developed and adopted specific laws, except the law of public and private administration of the territorial administrative units whose project was rejected. Also, there was developed and approved by Government Decision no. 246/2006 the “National strategy for accelerating the

development of communitarian services of public utilities” that substantiates and implements the multi-annual plan for the development of these services.

Financing the capital expenditures for achieving the public investment objectives of the territorial- administrative units, related to the public utilities systems, is ensured from the following sources: a) own funds of the operators and / or local budget funds, b) bank loans, which can be guaranteed by administrative-territorial units, the Romanian state or other entities specializing in the provision of bank guarantees; c) grants obtained through bilateral arrangements or multilateral d) special funds set up under the special taxes, established at the level of local public administration authorities, e) funds transferred from the state budget, as participation in co-financing investment Programmes accomplished with external financing; f) participation of private capital within public-private partnership contracts such as "build-operate-transfer" and its variations, according to the law; g) funds provided by users.

When talking about the operators' revenues, both users own financial resources and local budget funds could be implied. So, the operators' revenues are constituted by collecting from the users, under the form of prices or rates, the amounts representing the value of the supplied / provided services and, where appropriate, from the local budget allocations, by obeying the following principles: a) ensuring the financial autonomy of the operator; b) ensuring the economic profitability and efficiency; c) ensuring an equal treatment of the services of public utilities in relation to other services of general interest, d) full recovery of the costs related to the provided services by the operators.

When asked about the financing forms of SGI, most interviewees mentioned that almost all of them are encountered in the North-East Region of Romania, namely funds from contributors, governmental funding, local governmental funds, payment of user and various combinations. On a hierarchical order based on the interviewee answers, the payment of users would occupy the first position.

In all the regions of Romania the practice of establishing the prices of SGIs is the same. The prices are established in accordance to the necessary expenses for the functioning of SGI, adding a minimum share of development. The price recommendations are sent to the National Regulatory Authority for Communitarian Services of Public Utilities for approval. After receiving the approval, the Local Council, as deliberative authority of the local public administration, approves the tariffs by decisions.

Prices and tariffs for services of public utilities are based, obeying the calculation methodology established by the competent regulatory authorities, on the production and operating costs, on the maintenance and repairs costs, on the payment related to immobilized capital in tangible and intangible assets, on the environmental costs, on the financial costs associated with loans, on the costs arising from the contract of delegation, and also include a quota for creating sources of development and modernization of the systems of public utility, and finally a profit share is added. A general recommendation would be for local public administration authorities to focus more on the development and modernization issues when establishing the prices and tariffs. By covering, in most of the times, only the costs implied by SGI, the risk would be the lack of funds for further development of SGI.

3.4. Conclusions of the regional case and elements of prognosis

This section contains a summary of the interviewees' opinions on the driving forces that influence SGIs in the NE region/ country and the future concerns on SGI.

When asked about future concerns of the services of general interest, Professor Ioan Radu mentioned about two different directions: on one hand the privatization of the service and, on the other hand, the privatization of the management of the service. The latter direction means to delegate through a Public - Private Partnership the management of a certain service with certain obligations for the concessionaire regarding the capacity of holding up the necessary investments in time and assuring the quality by accomplishing the indicators stipulated into contract. Within the contract that is signed between the local administration and the operator it is stipulated the name of the authority that is in charge with the contract monitoring. An example that was given by the interviewee was the investment programme of Apa Nova, called Bucur. This Programme is specified in the additional contract no. 6 at the Concession contract between the local authorities of Bucharest and Apa Nova. As the mayor stated on his BlogSpot, this Programme started in 2011 and implies an investment of 60 million dollars from Apa Nova to the city of Bucharest during the following years. By this programme, there are in progress of execution 53 streets, summing up 20,000 km public network of water supply and 14,600 public network of sewage. The newest technical asset would be the construction of 2 interception channels that would diminish the risk of flows in the city centre of Bucharest in case of extreme weather phenomena. The intention of the authorities would be to maintain the tariffs as they are, but is very possible that the return on investment to be made from the tariffs applied to the citizens. As regards the authority that has the obligation to monitor the quality of the water supply according to some performance indicators⁸⁹ in Bucharest, its name is the Municipal Authority of Regulation in Public Services. Moreover, other examples may be identified in energy, health, social assistance as private houses for the old persons.

Additionally, other action that is still a challenge for Romania regards the unique counter⁹⁰ that deals with the customers complains regarding the service. As the National Authority of Consumers Protection stipulated, these complaints have to be solved by each local public administration authority through the unique counter.

Further on, a similar topic was discussed, namely the future directions of the services of general interest in Romania. In this sense, the interviewee highlighted specific issues, as follows:

- The acceleration of the decentralization policy, so that the services to be under the administration of the local public administration.
- Involving the non - governmental organizations in providing services of general interest, mainly for those services that have a social character.
- Obeying the principles of sustainable development regarding energy, sanitation, environment and others⁹¹.
- Political will for the modernization of services of general interest and for the promotion of the Public – Private Partnership.
- A coherent management⁹² that should be adopted by the local public administration.

⁸⁹A certain concentration of sand into the water; a treatment plant in Bucharest at Glina.

⁹⁰Ghiseul unic.

⁹¹One example regards producing approximately 30% of energy by alternative sources - an European target that had to be accomplish by Romania until the beginning of 2011.

- Selecting the most competent employees and developing managerial competences⁹³.
- The involvement of the civil society in providing services of general interest of quality, through the interaction between central administration – local administration and civil society.

A final issue that has been discussed with Professor Radu regards the challenges that services of general interest have to face. The following challenges were specified by the interviewee:

- Identification of new sources of energy.
- The obligation of Romania to move towards an efficient waste management.
- The obligation of taking into account the role of the civil society in assuring the provision of services of general interest, mainly social services.
- As Romania has to implement the standards imposed by of the European Union regarding services of general interest, the attraction of foreign investments is the main solution in this case.
- Promoting professional competence by developing an educational system that encourages specialization in a certain service of general interest (assistants, nurses others).
- A higher interest for collecting financial resources from external sources, also from different Programmes that are developed by a certain European country and having as beneficiary Romania.

Another principal interviewee, Anca Cador mentioned that SGI are in the middle of the debates and are representing the main problem of the role assumed by the public authorities in a market economy, namely, on one hand, they have to monitor the proper functioning of the market, and on the other hand, to guarantee the general interest by satisfying the primary necessities of the citizens and preservation of the public goods when the market fails to do so. How public authorities fulfill their obligations to citizens is a constantly evolution by adapting to economic, technological and social approaches.

In the particular case of Romania, certain SGI are still provided by public authorities. Lately, they entrust more frequently the provision of these services of general interest to public and private enterprises or to partnerships between the public and private sectors (PPP). Further on, the public administration is more focused on defining public objectives and monitoring, assuring the regulation framework and - where appropriate, funding those services. This evolution does not determine public authorities to give up to their responsibility to guarantee the accomplishment of the objectives of general interest. Through relevant regulations, public authorities must be able to determine national and local policies on services of general interest and to monitor their implementation.

Finally, Anca Cador stated that the SGI have an extraordinary impact on the environment. On one hand, services of general interest represent a major pollutant, and on the other hand, substantially participate to the limitation of the pollution grade (waste water treatment, collection and waste disposal). Obeying the environmental requirements throughout the entire life cycle of the infrastructure of the services of general interest (build-operation-maintenance-demolition) becomes extremely important in the framework of sustainable development concept, as in the context of universality principle corresponding to services of general interest.

⁹²By applying the HG 109/2011 regarding the obligation for public enterprises to implement the principles of corporate governance.

⁹³The constraint that appears in the case of Romania and makes this issues very difficult to implement is that the salaries are very low and very skilled persons are not attracted to enter in public administration.

Summing up, *the interviewees from the public administration* mentioned several driving forces that influence SGIs in the North-East Region, as follows:

- good management;
- accessing European funds;
- economics, politics and legislature;
- local public administration;
- government and public authorities;
- political system and politicians.

The main challenges that SGIs have to face in the future pointed out by the interviewees are the followings:

- liberalization, quality, cost/efficiency;
- the increase demand for services;
- financing and the limitation of funds for the development of SGIs;
- attracting European funds through different projects;
- developing systems of renewable energy;
- competition;
- bureaucracy;
- decentralization;
- equitable relationship between providers and users;
- observing European legislation.

The main driving forces influencing SGIs in the North-East Region that were enumerated by the *public- administrators* involved in providing SGIs are the followings:

- local and governmental policies;
- normative acts- legislation;
- economical and political forces;
- prices for energy and fuel.

The interviewees specified among the main challenges that SGIs will face in the future the followings:

- bureaucracy and the legislative fluctuation;
- competition, quality and cost/ efficiency proportion;
- observing European norms;
- developing systems of renewable energy;
- technology development;
- regionalization;
- economic crisis and financial instability;
- an even higher lack of financial resources;
- political influence and corruption;
- decentralization of SGIs;
- competition, quality of services and better prices.
-

When asked about the future of SGI in the region/ country most of interviewees tried to give optimistic answers and hopes in good evolutions. The future optimistic directions refer to the development of SGI in accordance to the European policies in order to consolidate the economic and social cohesion. The pessimistic answers are mostly related to the uncertainty on the market and the financial constraints.

4. Conclusions

Before 1990 the services of general interest in Romania were entirely provided by the public authorities. Afterwards, the market was gradually liberalized and the SGI captured the attention of private operators. Nowadays, the business sector is involved next to the public authorities in offering services of general interest so as to respond citizens' expectations. The cooperation between the public authorities and the business sector is more developed in the area of SGI that prove to be profitable, such as waste service and public transport, rather than services that need high investments in infrastructure, such as electricity, gas and water supply service.

The analysis of the organising and the provision of SGI has pointed out the relevant legal and institutional issues generated by the organising and the provision of SGI. One of the most important refers to the territorial distribution of competences and the derived responsibilities. It emphasizes the classification of competences associated to local authorities as a result of the decentralisation process, which are divided into exclusive, shared and delegated ones. Two territorial levels are considered, namely the counties - LAU1 (the same as NUTS3) and the localities (municipalities, towns and communes) – LAU 2. The development regions (NUTS2) are not considered as they are not administrative units and, consequently, do not have competences in the administration of the services of general interest.

The previous sections have underlined a series of drawbacks, inconsistencies, driving forces and resulting challenges, followed by reflections on the solutions adopted by the authorities in favour of economic liberalisation and sustainable development of the local communities. They derive from the Law of communitarian services of public utilities no. 51/2006, which is the main pillar of the policy framework for the public services in Romania. Thus, similar to other European countries, the public services in Romania can be provided by direct and indirect (delegated) management. The direct management is related to the internal compartments of the local public administration, public services or special directions whereas the delegated management envisages commercial companies with public, private or mixed ownership. The latter may represent the solution that would directly support the cooperation between the local public administration authorities and the business sector and would indirectly generate the liberalization of services of general interest.

Apart from the general issues regarding the administrative-territorial structure of Romania and general aspects corresponding to SGI in Romania, this report has provided a quantitative and qualitative analysis of the SGI in Romania and particularities of SGI in North-East Region, in accordance with the territorial distribution of competences and the derived responsibilities. Within the North-East region the statistical analysis has been performed mainly at county level, based on the available statistical data. Only in a few cases (sewage network, drinking water supply, enrolment in primary and secondary education) statistical data were available at locality level, a special annex being attached for these results. The questionnaires have been applied at locality level and centralised for each of the six counties of the region. The main features of the investigated SGI are summarised below, based on the statistical data, the results of the 108 questionnaires applied in the North-East Region and the opinions resulted from 8 interviews conducted with professionals in SGI topic.

- **Gas**

To date, the gas market players in Romania comprise:

- Production: 8 producers (mainly Romgaz with 51,3% market share and OMV - 45,9%)
- Transport (Transgaz monopoly)
- Storage: 3 companies (Romgaz, Amgaz and Depomures) together holding storage facilities for approximate 3,2 billion m³
- Distributors and suppliers for regulatory market: 39 companies (dominated by GdF Suez – 48,7% and EON 42,4%)
- Distributors and suppliers for free market: 90 companies (most important: Petrom Gas - 23,4%, Romgaz – 22,7%, Interagro – 20,6% and GdF Suez – 11,9%)

Regarding the gas consume structure in 2010, the main share is allocated to chemical industry (20.87%), followed by electric and thermic energy producers and then, by households.

• **Water and sewage**

The statistical data show that the number of localities having public sewage network at the national level has raised in 2009 compared to 2002 by nearly 21% (from 644 to 777), while the length of sewage pipes increased even more (25%), from little over 16.800 km in 2002 up to approximately 21.000 km in 2009. Based on two main indicators, namely the number of localities with public sewage installations and the total simple length of public sewage pipes, the most developed county in the North-East Region is Suceava, while Bacau follows it on the second place. In what concerns the accessibility to the sewage systems and sewage treatment facilities, in general, the majority of respondents (34%) considered that it is not relevant for households and individuals. Additionally, an important share of respondents (21.4%) considered it as being very bad. A similar situation is also encountered in the case of business.

• **Waste**

In the urban area of Romania 713 kg of waste per capita were produced, the North-East region registering a higher average value of 728 kg per capita. As for the waste management at national level, 75.86% was deposited underground, or in special cesspools, while 0.89% was recycled. In the North East region, 66.62% of the municipal waste was deposited underground or in cesspools while 1.36% was recycled.

• **Electricity**

Like in the natural gas market case, the electricity market has been completely liberalized since 2007. The real degree of liberalization of the electricity market (taking into account the volume of acquisitions of the users who changed suppliers or renegotiated contracts) was 58% in June 2011. The distribution is ensured by 8 regional companies, three of which are fully owned by the state. According to a report elaborated by the National Agency for Energy Regulation in June 2011, the structure of the electric power production is as follows: solid (40.9%), hidro (28.2%), nuclear (21.3%), gas (7.2%), wind power (2%) and liquid (0.4%).

• **Public transport and infrastructures**

Romania has an important geo-strategical position, being situated at the intersection of routes that links West Europe and the Black Sea or Middle East. Means of transport in Romania are very diverse: road transport, urban transport, bus, underground, tram, trolley, taxi, air transport, railway transport and maritime transport. Due to its geographical position, the North –East Region has direct access to all the means of transport, less the maritime transport.

As regards the local public passengers transport by buses and minibuses in the North-East Region of Romania, the most developed county in 2010 was Iasi, on the opposite side being Neamt and Vaslui.

Another indicator used in the case of transport services is the density of railways per 1000 km² of territory (km): it registered the highest value in 2010 in Suceava, followed by Iasi and Vaslui.

- **Postal services**

The state company with main purpose in supplying postal services is the Romanian National Post Company (Compania Nationala Posta Romana – CNPR). Presently, the Romanian legislation liberalized the market of postal services by allowing the license of other commercial entities for certain services without the universality character, CNPR remaining the main supplier.

- **Electronic communications and ICT (including internet)**

In Romania, the national public administration active in the area of new infrastructure services is represented by the Ministry of Communications and Information Society (Ministerul Comunicatiilor si Societatii Informationale).

The company which was the only operator in the communications market in Romania 20 years ago is Romtelecom. In 1997, the company was bought by the Greek OTE company, which acquired 35% of the shares and took over management control by using another pack of 16% of the shares. Till 2003, Romtelecom had monopoly in providing fixed line phone services. Also in 2003, the Romanian government basically sold 19% of the shares to OTE which now holds 54% of the shares. Starting with 1998 in Romania, private suppliers of mobile phone services with GSM technology also appeared. At present, the telecommunication market has become quite integrated, in the sense that almost all players offer simultaneously services of fixed and mobile lines and internet. Moreover, the main players in the market are: Orange, Vodafone, Romtelecom, RDSandRCS, UPC and Cosmote. In 2010, at the national level the number of households connected to the Internet increase with 4% compared to 2009, thus reaching a level of 42%, out of which 47% were benefiting from wideband connection.

As regards the accessibility to broad-band/Internet in the North-East Region, in general, the majority of respondents of the questionnaires (32%) considered that it is average (neither bad nor good) for households and individuals, a better situation being encountered in the case of businesses.

- **Education**

The structure of the educational system in Romania has three main directions, namely the lower education level, including early education, primary education, secondary education, professional education and tertiary non-university education, the higher education level, referring to university, master and doctoral studies, and the post-university education, containing postdoctoral and post-university Programme.

The demographic decline in the last 20 years has led to a decrease in the school population at the national level from 5.07 million persons in the university/school year 1990/1991 to 4.17 million persons in the university/school year 2009/2010. In what concerns the accessibility to secondary education, in general, the majority of respondents to the questionnaires considered it not relevant (38.8%) or average (neither bad, nor good) (18.4%) for households and individuals. A similar situation is also met in the case of tertiary education.

In 2010, the school aged population in the North-East Region of Romania registered its maximum in Iasi and its minimum in Botosani and Vaslui.

In 2009/2010 academic year in the North-East Region of Romania, the number of tertiary education graduates per 1000 inhabitants had its highest value in Iasi and its lowest value in Vaslui.

In 2010/2011 academic year in the North-East Region of Romania, Iasi registered the highest number of faculties, number of students enrolled and the number of teaching staff; all these three indicators being in interdependency. The counties that occupy the last positions are the same as in the case of school aged population, namely Botosani and Vaslui.

- **Labour market services**

The Romanian labour market is characterized by a very high level of mobility of workers. Emigration represents for Romania a very important socio-economic phenomenon; the economic, social and political environments in Romania determined and still determine more and more persons to migrate in search for economic and social opportunities outside the national borders.

In 2010 the national level of unemployment was 6.9% (6.2% for females and 7.5 for males). For the North East region the year values are also above the national average (7.7 overall, 8.9% male unemployment and 6.5% female unemployment).

- **Healthcare**

Public healthcare is coordinated by the Ministry of Health (Ministerul Sanatatii) and conducted by all state and private health units, constituted and organized under the law. Public health assistance is guaranteed by the state and financed from the state budget, local budgets, the budget of the Exclusive National Fund of Social Health Insurance, or from other sources -as appropriate- under the law. In 2010 occurred the transfer process operationalization of the Ministry of Health attributions and competences to local public authorities, simultaneous with the provision of human, material and financial resources needed for their performance. Also, the attributions of local public authorities in terms of decentralized competences were defined.

In 2010 the Romanian healthcare infrastructure included 503 hospitals, 311 clinics, 12,034 dental offices, 6,682 pharmacies, 11,170 family medicine clinics, and 8,870 specialized medical offices. The medico-sanitary units system also includes other categories of units, such as ambulatory, sanatoriums, medical centers, transfusion centers, etc.

The healthcare professionals at national level, in 2010 was of 522,000 doctors, 130,000 dentists, 136,000 pharmacists, and more than 1,2 million persons with medium qualification in healthcare.

In what concerns the accessibility to hospitals, in general, the majority of respondents considered it not relevant (34%) or average (neither bad, nor good) (18.4%) for households and individuals. The same situation is also encountered at counties in North-East region level, except Bacau and Neamt counties, which registered better results.

Hospitals, hospital beds and medical-sanitary staff are the main issues that are taken into account when evaluating the healthcare system in Romania, correlated to the statistical data from the National Institute of Statistics. According to 2010 statistical data, the most developed county in the North-East Region related to all these three indicators is Iasi.

- **Social housing**

In Romania the National Agency for Housing develops three main programmes, respectively housing construction with mortgage, housing construction for young people for renting, and house construction for young professionals who work in rural areas.

The dwellings stock and the distribution by dwellings with state or private ownership are the main indicators encountered within the Statistical Yearbook of Romania. The statistics show that in 2010, Bacau was the most developed county as the number of dwellings stock, both as public and private ownership. A particular case is that of the Neamt county that recorded the

highest percentage of 2.02% for the dwellings with private majority ownership out of the 6 counties of North-East Region.

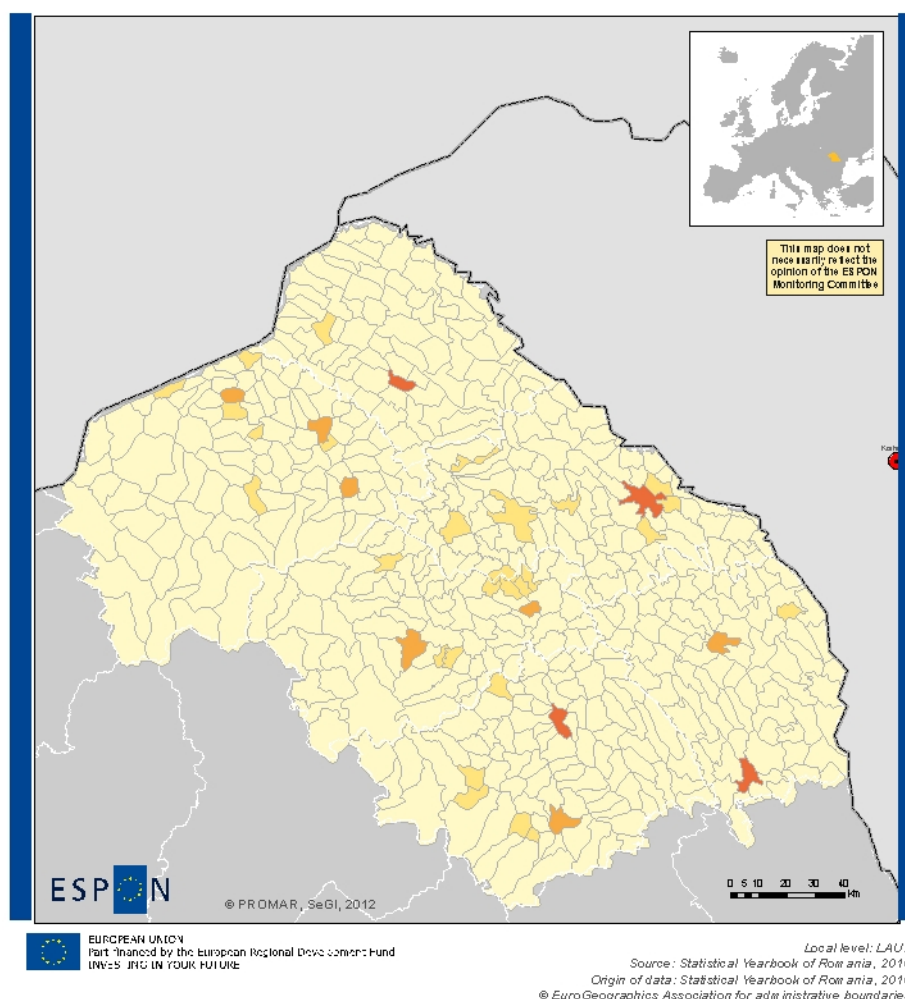
Summing up, in the particular case of the North-East Region, the SGI are distributed by operators as follows:

- Local public authorities are responsible of local public administration, water supply service, sewage, sanitation, local road infrastructure, social assistance, library, cultural centres, education- only the infrastructure.
- State is responsible of education- educational area, organization and personal assurance, health and railway transport.
- Private societies are operating in health, local road transport, postal services, electric energy, and telecommunications.

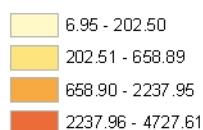
Finally, based on respondents opinions for North-East region the local roads should be expanded in proportion of 20%, the water supply network in proportion of 50%, the waste disposal in proportion of 10, 20 or even 50%, and Internet (broadband) in proportion of 50%. Main roads are considered to require refurbishment/renovation in proportion of 60 or 80%, while the electricity network in proportion of 40%, the telephone (fixed line) in proportion of 30 or 50%, and mobile phone (network coverage) in proportion of 60%.

Appendix

Map A1. Population density in the North-East Region of Romania, at NUTS 3 level, 2010



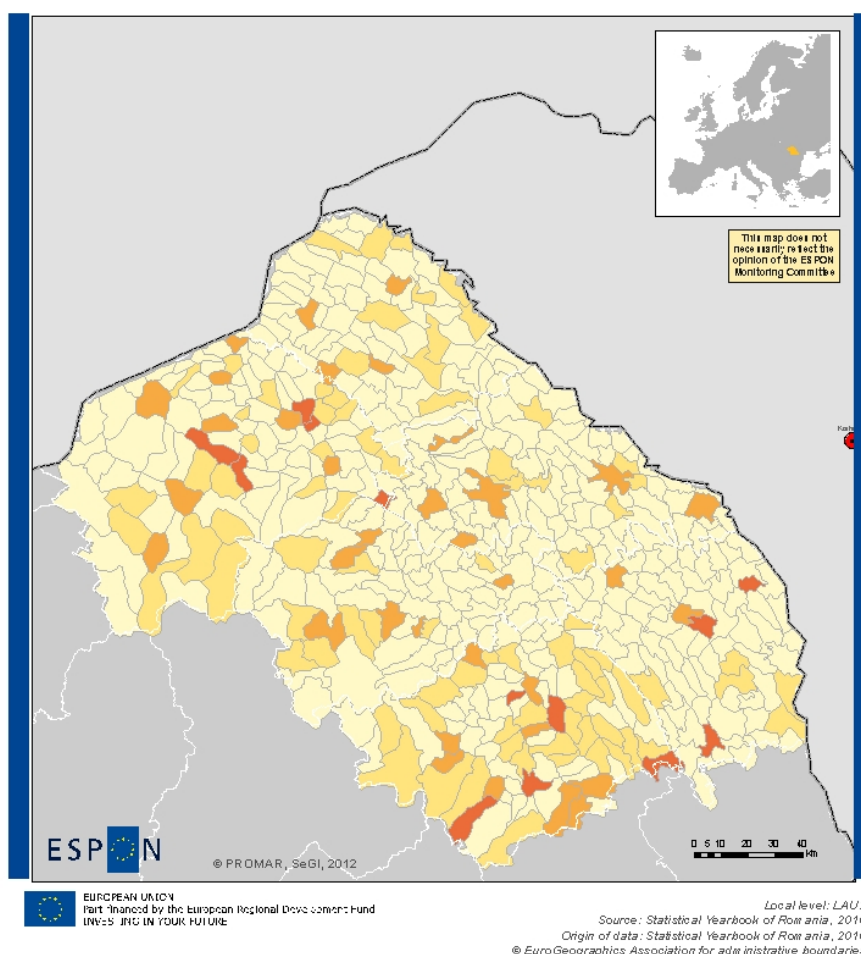
Romania Case Study **The density of population (inhabitants per km²)**



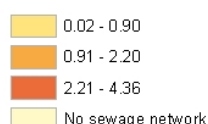
Source: own elaboration, based on Statistical Yearbook data, National Institute of Statistics, Bucharest, 2011

In 2010 a low number of localities recorded a high level of density of population in North-East region. These are represented mainly by the municipalities of the counties (eg Iasi, Bacau, Neamt, Botosani, Vaslui, Suceava, Barlad) and some towns that are situated in the proximity of the main cities of the region. As shown on the map, the lowest density of population is recorded in the South-Eastern and North-Eastern part of the region.

Map A2. Network of sewage in the North-East Region of Romania, at NUTS 3 level, 2010



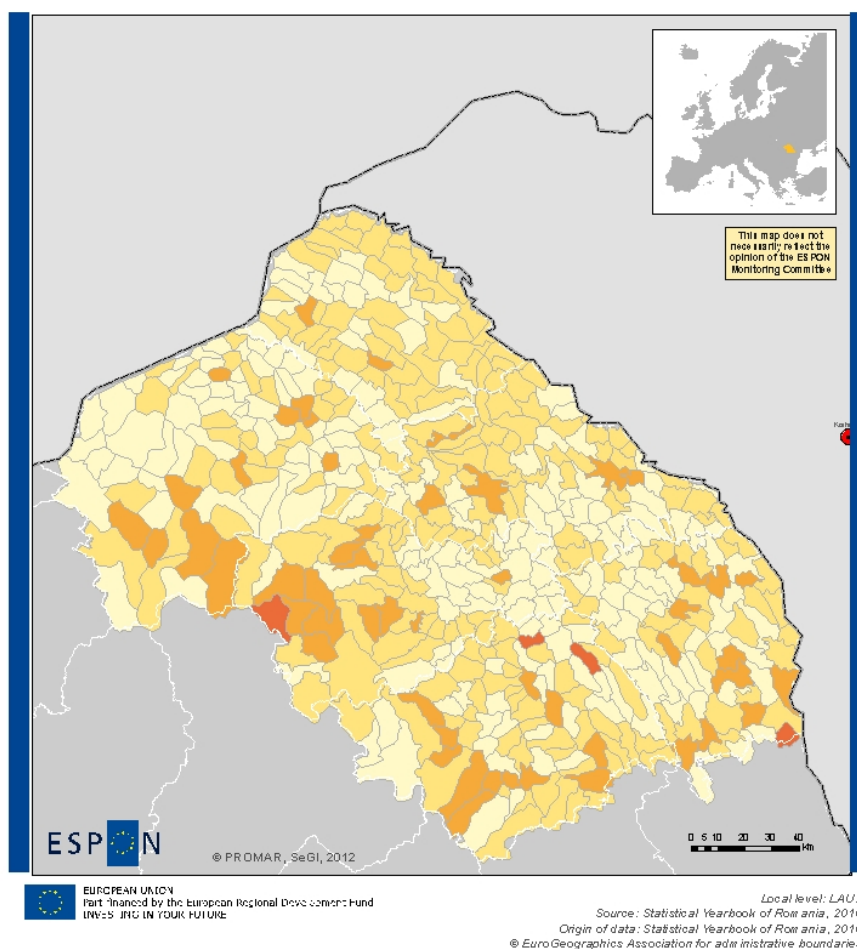
Romania Case Study
Length of the network of sewage per 1000 inhabitants (km)



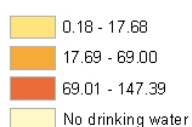
Source: own elaboration, based on Statistical Yearbook data, National Institute of Statistics, Bucharest, 2011

Taking into account that the rural area has a higher percentage than the urban area within the North-East region, the sewage network is lacking in most of the communes. There are some situations where water / sewage networks are encountered in communes (eg. Raducaneni in Iasi county) were created and / or extended with ISPA / SAPARD funds. Based on the map representation, the western part of the North-East region of Romania registered in 2010 a more wide spread network of sewage compared to the Eastern part. For example, in the Eastern part of the region is situated the county of Vaslui that apart from the urban areas (Vaslui, Barlad, Husi, Murgeni and Negresti) registered only five communes with sewerage network; two of them (Muntanii de Jos and Falciu) are situated in the proximity of urban centres (Vaslui, respectively Murgeni).

Map A3. Drinking water in the North-East Region of Romania, at NUTS 3 level, 2010



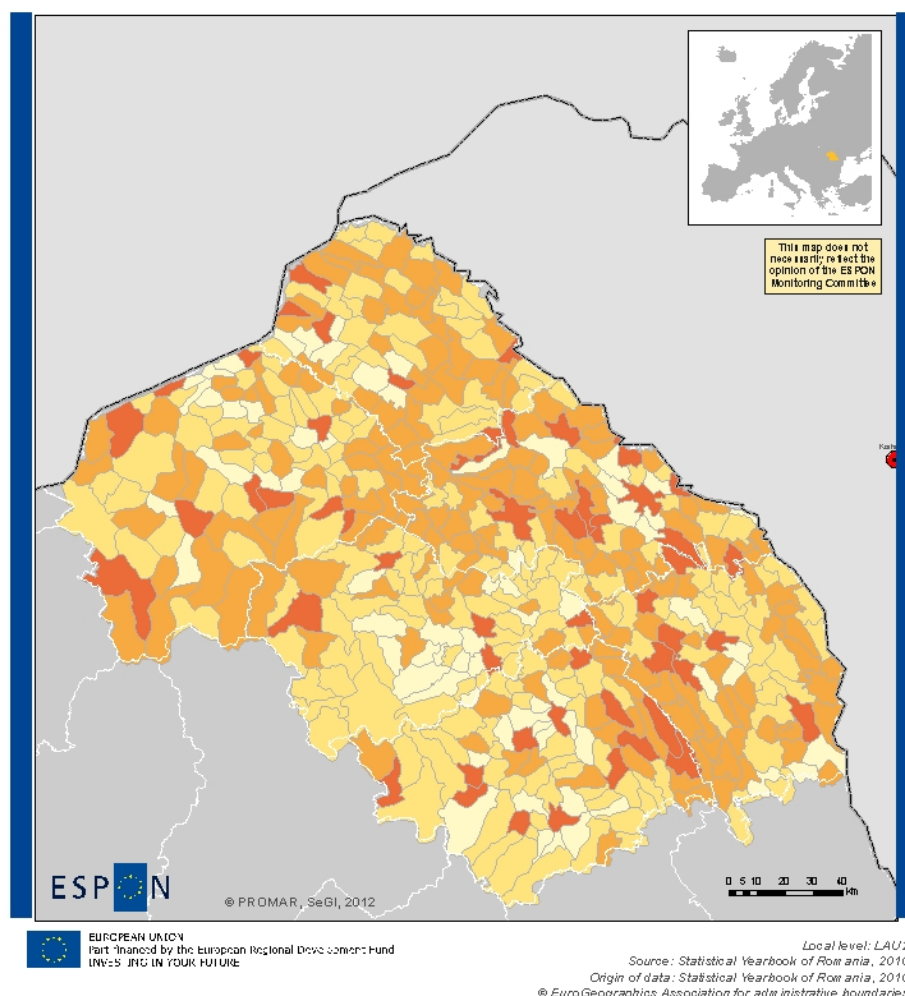
Romania Case Study
Drinking water supplied to population, per capita (cubic meters)



Source: own elaboration, based on Statistical Yearbook data, National Institute of Statistics, Bucharest, 2011

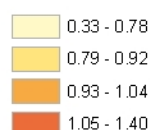
In 2010, within the North-East region of Romania there could be noticed that the number of localities without drinking water supply is similar to the number of localities that are placed on the first category with 0.18-17.68 m³ per capita. Although it is widely recognized that Vaslui is the most underdeveloped county of Romania, in terms of drinking water network the situation is better than in Iasi; Vaslui registering annually approximately 30% of the communes with more than 5 m³ of drinking water per person.

Map A4. Enrolment in primary and secondary education in the North-East Region of Romania, at NUTS 3 level, 2010



Romania Case Study

Gross enrolment in primary and secondary education (%)



Source: own elaboration, based on Statistical Yearbook data, National Institute of Statistics, Bucharest, 2011

Naturally, the lowest levels of the indicator (marked with the lightest colour on the map) are mostly registered for the communes situated in the proximity of urban agglomerations. It is known that a significant proportion of school-aged population from the communes located close to urban areas attend the courses to schools from the urban environment. Moreover, if in the respective urban agglomeration a university with tradition (such as Iasi) is placed, then the temporary migration for access to quality higher education tends to increase.