

**BABEȘ-BOLYAI UNIVERSITY, FACULTY OF EUROPEAN STUDIES**

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International Relations and European Studies

## **Summary of the thesis**



**ROMANIA'S ROAD TOWARDS AN EFFECTIVE ABSORPTION OF EUROPEAN FUNDS.  
ABOUT THE TRANSFORMATION OF THE POLISH MIRACLE  
INTO THE ROMANIAN MIRACLE.  
COMPARATIVE ANALYSIS.**

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**Keywords:** European funds, the Polish system of absorption, the Romanian system of absorption, the multi-annual financial programming period 2007-2013 (2017), absorption degree, efficiency and effectiveness in the Romanian absorption process, the Gordian nodes, The National Development Strategy Of Poland 2007-2015, The National Development Plan of Romania 2007-2013, example of good practices, reconsideration of the Romanian absorption system, regionalization, living standard (GDP), life level (HDI), pro-active society, Poland, Romania, the European Union.

## Summary

The year 2017 is *sine quo dubium*, one of the reference years in Romania's recent history. Romania celebrates with enthusiasm ten years of membership to the European Union (EU). These ten years, with successes and failures, achievements and difficult lessons learned fully or partially, with exploited opportunities, or on the contrary, missed, have certainly left their mark on the country's sustainable development and standards of living of the Romanian society of today.

Becoming a Member State of the EU with full rights and obligations on January 1st, 2007, an important advantage of Romania's accession to the EU was by far the accessing of European funds. In the context in which, at a decade of this unique historical event, the Romanian press (the main public opinion maker), abounds in articles that report, on the one hand, the presidential initiatives to implement a post-accession country project for "Romania of the future in the EU", which to establish "Romania's place, Romania's role and the level of ambition of Romania in the EU " and, on the other hand, articles with titles such as: "After ten years of the EU, Romania is plunging into poverty", an analysis of Romania's situation from the perspective of the use of EU financial instruments during the period 2007-2017 2007-2017, in order to reduce the lag of development compared to the other Member States, is a good and necessary initiative.

Beyond the populist and slightly tendentious approaches in the Romanian media in regard to the outcome of the absorption of European funds in Romania, is no longer a secret that this was one below the level of expectations, both for Romania and for the EU, our country being for a long time below the European absorption average of 76%.

This paper aims to investigate the absorption of European funds in Romania during the period 2007-2017 and to identify pragmatic ways to improve it, useful for the financial year 2014-2020.

The purpose of the study undertaken is to find ways of improving the degree and the quality of the absorption of European funds in Romania, by: identifying the main ellipses of the Romanian absorption system, formulating viable explanations regarding the existence of these ellipses, proposing some introjective solutions for improving the efficiency of the Romanian absorption model (based on the analysis of the Polish model), applying, at experimental level, of some of

the solutions discovered, with the active support and involvement of the Romanian civil society in this process.

The research design of the study is based on a symbiosis between all three types of research consecrated, including both the description as well as the explanation and exploration of the subject addressed. The study consists of a theoretical part and a practical one, realized through both the longitudinal research technique (the situation of absorption in Romania during the period 2007-2017), as well as through the transversal research technique (absorption in 2017 and trends thereof).

The particular importance of the issues addressed results from the degree of notoriety that it currently enjoys in Romania in all environments: academic, political, business, non-governmental, journalistic and social (these categories representing also the target audience of this study). The year 2017 therefore represents for Romania, both a unique historical moment and a moment of evaluation, balance, rigid and serious calculations, of explanations, of solutions, of modernization and of self-overcoming. The study aims to analyze the process of European funds absorption in Romania, in the first place, in order to supplement and complete the already existing information, in an attempt to create an overview of the "hottest" and most discussed topic in Romania and to contribute to theorizing it, and secondly, with the purpose of finding answers to the following key questions: "Which is the exact rate of absorption in Romania? How is this compared to the European average? But compared the average of the post-communist member states? What are the causes which explain the absorption level registered? To what good practices models we can relate? What solutions can we identify and apply in order to smooth Romania's path to an efficient absorption? Is the Romanian society the main beneficiary of the European funds, on the long term? It is the Romanian society a proactive society ? What role can the Romanian civil society play in the improvement of the absorption process?"

The practical significance of the study is represented by the applicability of the research results within the Romanian absorption system, applicability as a result of which should be obtained, in theory, an increase in the absorption rate in the medium and long term, similar to that of Poland. In order to be implemented and to demonstrate their effectiveness, as it results from the study, the identified solutions should be taken up, idealistically speaking, by the Ministry of Regional Development, Public Administration and European Funds (MDRAPFE) in order to be introduced in the most important official framework document, namely, the National

Development Strategy of Romania, which, as stipulated in the legislative procedure, can be and even needs to be improved on a regular basis.

In the case of the present work, the reference bibliography is made up of the following: official documents of the EU and of the two states concerned, performance reports on absorption in Poland and Romania, books that address all or part of the theme of European funds absorption in the states referred to, magazines and scientific articles, experimental studies, national and international conferences, financial and political newspapers, various online publications.

The present study is based on the assumption that: "Identifying the strengths of the Polish absorption model and their implementation within the Romanian absorption system with the help of the pro-active Romanian civil society (the main beneficiaries), will have as effect, on medium and long term, the improvement of the European funds absorption in Romania. The independent variable of the study is represented by the Romanian system of absorption of European funds. *In extenso*, the components of the Romanian absorption system also fall into this category (the administrative reforms, human capital, administrative capacity, governance, political situation, management system, entrepreneurial culture, bureaucracy, the degree of pro-activity, the level of corruption, etc.). The attributes of this variable are: efficient (functional) system and inefficient (non-functional, readjustable) system. The dependent variable of the study is represented by the level of absorption of European funds in Romania. The attributes of this variable are: high or low level of absorption, i.e. below the European average and above the European average (<>, 76%). The dependent variable is directly affected by the independent variable. Thus, the premise from where measuring of the subject begins, is that the absorption level and the correct use of European funds in Romania depended directly on the quality and efficiency of the absorption system implemented during the period 2007-2013.

The research methodology used in this paper covers both qualitative and quantitative tools. Among these, it is worth mentioning: the content analysis (the processing of existing research data), application of the paradigm of structural functionalism (Theory of social systems), the comparative analysis, the nomothetic explanation, the deductive reasoning, the public opinion survey, the structured interview, the idiosyncratic experiment (involvement of the civil society in the drafting and signing of a petition to restart the regionalization process in Romania).

In this study, we have been looking at the results of good practice example in the field of European funds absorption provided by Poland during the period 2007-2013, as well as at the whole evolution explaining the process of European funds absorption in Romania and its



results, while analyzing the national economic context and the Romanian institutional system in which the absorption took place between January 2007 and March 2017 and we carried out a comparative analysis between the two models studied in order to extract from the Polish model the basic elements that ensured Poland's success in the efficient use of European money and for identifying the Gordian Knots of the Romanian absorption system. Further on, were drafted the steps to be taken by Romania in order to achieve results similar to those of Poland or better to say of the path that Romania should follow without any deviations in order to achieve better results both quantitatively and qualitatively over the current programming period compared to the previous period. For the involvement of the civil society in drawing up the strategy to improve the absorption in Romania we resorted to the use of consecrated research methods mentioned above such as the questionnaire, the interview and the petition as well as practical research methods. The results of the research will be shown in chapters, as follows:

In Chapter 1 - *Polish absorption model* - we briefly outlined the Polish absorption model implemented during the period 2007-2013. The first step in this process was represented by a general characterization of Poland from a historical, social and economic point of view, followed by the characterization of the Polish specificity, the presentation of its strengths and weaknesses, of the opportunities and threats prevailing in this country, as well as of the position which the Polish Republic occupies in the EU and in the world. The second step was directed toward the analysis of the Polish absorption model from the perspective of the data and figures that have turned Poland into the spearhead of Central and Eastern Europe in the field of absorption of European funds.

The Republic of Poland, the largest Central European state, became an EU Member State with full rights and obligations on May 1st, 2004. Within the EU 25, Poland was ranked, at the time of accession, on the penultimate position in the ranking of the developed EU Member States with a GDP per capita of EUR 11.678 at an European average of EUR 25.400, the last place being occupied by Latvia, with a GDP per capita of EUR 11.100. Poland had an Euro-positive attitude towards the EU project, considering the integration in this structure a real chance for the occurrence of a sustainable development in an efficient and reduced time, as a result of the unique opportunity to use the Community budget support funds to finance the expenditure with development.

Poland has prepared thoroughly for the accession to the EU long before that this to take place. After the fall of the communist regime, Poland has carried out a policy of returning to Western Europe, of which it was isolated. Starting with the 1990s, a series of reforms have guided

Poland's transition from the stigma of communism to democracy, to a functioning market economy, to political stability, and ultimately to meeting the integration criteria. Among these reforms we mention the decentralization reform (1989-1990), the administrative division reform and the regionalization reform (1993). Thus, in the first funding period 2004-2006, Poland has registered an absorption of 68 % of the total amount of 12.8 billion allocated to Poland, transposed in over 75 000 projects.

The 2007-2013 programming period was the period in which Poland excelled in the absorption of European funds, the country managing to contract the entire amount allocated from the Community budget amounting to EUR 67,3 billion (representing the structural and the cohesion funds) to which has been added also the financing for agriculture and fisheries and a supplement of 10 % allocated by the European Commission as an award for the result registered by Poland. Such a bonus was also granted to Italy, but compared to Poland, Italy is one of the founding states of the EU, having access to European funds as soon as they were created. Under these circumstances, it is not surprising that in the 2007-2013 programming period all eyes were set on Poland. In the Member States with emerging economies such as that of Poland as well as those in the 2004 and 2007 accession waves, the echo of the polish success in absorbing European funds was even more resounding. Thus, at the end of the 2007-2013 European exercise, the Romanian press abounded in articles showing Poland as an example of good practice for Romania in the field of European funds absorption. Even more, Romanian experts in European affairs and regional development, such as Gratian Mihailescu and not only, have promoted the example of Poland as a model, since 2011, when the Polish system has registered the first remarkable results.

Following the research carried out, based on the study of publications in the field (books, scientific articles and in particular the National Development Strategy of Poland 2007-2015) resulted that the Polish success in the absorption of European funds was due to a number of measures which the Polish state has taken in the past two decades which may be classified in measures taken before the accession to the EU and measures taken after accession to the EU. Escaping from the ballast of the communist regime and building a new institutional system on democratic and European principles, reforming the 49 counties in 16 voivodeships with their own parliament and government that governs itself based on the principle of multi-level governance and the decentralization of the administrative apparatus are part of the first category, while government financial support for the projects contracted and elaboration of

special programs for underdeveloped regions such as the Operational Programme - Development of Eastern Poland, are part of the second category.

By applying the Theory of Structural Functionalism on the Polish absorption system we identify the fact that the outputs of the previously enumerated measures are an integral part of the system and that they have contributed to the Polish success alongside the other discovered components such as: the human capital specializing in fund management; common will; the six specific development priorities; consulting the examples of good practice from other countries; political stability and efficient governance of the Ministry of Regional Development; measures to combat corruption and misappropriation of funds; measures to simplify the hiperbureaucracy of funds; the entrepreneurial culture; involvement and consultation of civil society in areas related to the priorities for the use of European funds and the financing by choice of innovative, efficient and effective projects, capable of producing and supporting a sustainable development of Poland. Also, according to the theory, the success of the Polish absorption model is due precisely to this cumulation of beneficial components and to the optimal interaction between them. Last but not least, it is necessary to specify the fact that, in addition to the European funds absorbed by Poland in the period 2004-2006, 2007-2013 respectively and which have represented, evidamente, a national priority, the position occupied by Poland within both the EU and the world is due also to strategy of Poland concerning the development and use of its endogenous potential as a factor of economic growth, as well as to the policy of attracting direct foreign investments, which Poland attaches particular importance to the present.

The second chapter - *The Romanian absorption model: model or experiment?* - is dedicated especially to the Romanian institutional system of European funds absorption implemented during the period 2007-2013 (2015). The first step in this initiative was represented by the general characterisation of Romania from a historical, social and economical point of view, followed by the characterisation of the Romanian particularities, highlighting the strengths and weaknesses of the Romanian state, the opportunities and threats, as well as the position which Romania occupies in the EU and in the world. The second step was directed toward the analysis of the Romanian absorption "model" in terms of the data and the figures registered by Romania in this area during the 2007-2013 and 2013-2015 programming period and within the official extension of the European financial year, whose effect was extended until March 2017. Beyond the financial indicator *per se*, in an attempt to identify the causes of the poor absorption registered by Romania in its first multi-annual programming period from the position of a Member State, were analyzed the concrete steps made by Romania regarding the preparation

of the favourable framework for absorption, the emphasis falling on the measures taken before and post-accession , as well as on the framework document of the National Development Plan of Romania 2007-2013 and of the National Development Plan Strategy 2007-2013, an integrated part of the development plan.

Romania, the second largest Central European country after Poland, became a member of the EU with full rights and obligations on January 1st, 2007, ranked on the last place in the ranking of the developed EU member states, having a Position equal to that of Bulgaria. Romania had a Euro-positive attitude toward the European project, integration representing the natural direction to be followed for the post-communist Romanian state, who could offer it a real chance of development and of recovery of the economic gaps in relation to the powerful states of the EU through the unique opportunity of using the European funds for the financing of 43 % of the total expenditure provided for by Romania in its strategic documents concerning the sustainable development of the country.

Unlike Poland, Romania did not prepare itself as thoroughly for the actual accessing of the European funds, the management of funds being characterized more by the practice of learning on the fly the rules of the games, a certain reticence to the changes imposed by the new challenge of European funds, an institutional system insufficiently adapted to the rigorous requirements imposed by the adequate management of these financial instruments, plus an external factor extremely disturbing for many states, namely the 2007-2008 Financial Crisis. This is one of the reasons for which in the first two years of the 2007-2013 programming period in Romania, the absorption of European funds has been 0.00 % (2007-2008). With great efforts and with a large display of forces, Romania has concluded the initial programming period (2013), with a degree of absorption of 34,47 %, which is constantly below the average European absorption level. During the n + 2 extension period of the 2007-2013 financial year, Romania has reduced from this gap and managed so to register an absorption of 74,30 % at the end of 2015 and of 80,16 % at the end of 2016, rate which has exceeded for the first time the average European absorption level (76%), but the rate of actual reimbursement of the amounts contracted from the Structural and Cohesion Funds was below the contracted level, at a value of 77.54% out of 80.16% ( March 17, 2017).

In order for Romania's path to an efficient absorption to be successful, the managing authorities responsible for approving projects funded by the Community budget funds must pay particular attention to the projects submitted and to select among them, as a priority, the innovative

projects, that solve the endemic problems of Romania's development in the areas stipulated in the National Development Plan Strategy 2007-2013, including projects to support the junction to the water supply and sewage system of rural areas, the improvement of road transport infrastructure, of the sanitary and educational infrastructure in rural and urban areas, of the projects that create sustainable jobs and of the projects aimed at developing modern technologies (high-tech, competitive on the European and international market). Therefore, a desideratum would be that successful projects such as the development projects implemented in Ciugud Commune, Turda Salt Mine tourist project and the educational and professional projects implemented within the Babeş-Bolyai University in Cluj-Napoca should prevail in Romania to the detriment of the projects without added value shown in this chapter.

Based on the data collected, and by comparison with the Polish absorption system, we could say that the Romanian absorption system was not a model of absorption but was rather an experiment and a period of accommodation for Romania with the challenge that these funds have launched at national level. However, and despite the suspicions that during the last years Bucharest has adopted the "absorption policy at any cost", the absorption of funds was not a total failure for Romania but rather a partial success, which could be improved by the experience gained, by solving the problems identified and also by following the example of good practices of Poland. If we were to transpose the Romanian system of access and absorption in the coordinates of the Theory of Structural Functionalism and to make a parallel with the structure of the Polish absorption system, we could draw a first conclusion on the two systems, namely that exactly those components that ensured the success of the Polish system were the deficient or absent ones within the essential components of the Romanian system. So, the success of the Polish absorption model was based on the existence of a number of favorable factors such as: an effective regionalization reform, a highly qualified human capital, a common determination of self-overcoming found at all levels, the compliance *ad literam* with the development priorities stipulated in the The National Development Strategy of Poland 2007-2015 and the use of funds primarily in this direction, following the examples of best practices in the absorption area of Western European member states, achieving political stability that enabled the conduct of an effective governance of the Polish state from all points of view, the pursuit of an uninterrupted fight against corruption and misappropriation of funds, the simplification of access to funds, the promotion of entrepreneurial culture, the consultation of civil society on development priorities with the help of Community financial support, the government support of the projects contracted in critical situations (such as the 2007-2008

Financial Crisis), the development of specific programs for underdeveloped regions, the financing only of European projects that produce added value in the Polish economy in the long term. On the opposite side, the failure of the Romanian absorption system consisted in the failure of the regionalization reform in 2013, in a poor human capital and inappropriately remunerated, in the absence of a common will to change and to self-overcome its own historical condition inherited from the communist period, in a partial implementation of the sustainable development priorities set by the Romanian Government itself in the National Development Plan 2007-2013, in an insufficient exploration of the example of good practices represented by Poland and other Central and Eastern European states, in a political instability and an inconsistent and fragile governance, in a simplification of the hiperbureaucracy of European funds made half-heartedly, in a poorly developed entrepreneurial culture, in the absence of society consultation on essential aspects of European funds legislation, in the absence of government support for the projects contracted during challenging economic times, in the absence of special programs for underdeveloped regions and the financing of ineffective and inefficient projects that have not returned added value to the Romanian economy.

In the third chapter - *The Polish model versus the Romanian model* - the attention was focused on making a comparative analysis of the two absorption systems studied, the Polish and Romanian, in terms of achieving, or not, the performance indicators established in the national development strategies of the two states, (more specifically, the indicators of achieving the six priorities assumed by the Polish and the Romanian state), indicators sustained mostly by the European funds distributed to each member state from the Community budget of the EU on the 2007-2013 programming period and during the extension period. The analysis highlighted the differences between the two states on addressing non-reimbursable funding, allowing the extraction of some relevant explanations for the success of Poland in the field of European funds absorption. The second part of the chapter was dedicated to the presentation of some of the most important factors which have hindered the process of European funds absorption in Romania, generically called "the Gordian Knots of the Romanian absorption system". The last part of the chapter was dedicated to identifying the Romanian society's perception of the absorption rate registered by Romania, to the efficiency of using the contracted funds, the main problems of the Romanian absorption system, the civil society's view on regionalization (a controversial topic in Romania), the level of pro-activity and civic attitude in matters concerning the accessing of European funds, using the public opinion survey and the structured interview as research instruments in this matter. Thus, the conclusions of this chapter emphasize

the fact that Poland and Romania, two of the largest states of Central and Eastern Europe, although have shared a similar history, had different paths concerning the economic development in the last decade. In comparison with Romania, Poland has created in time a conducive framework that allowed later the development of an efficient absorption system of European funds received from the EU.

The fact that the Polish system is an example in the absorption of European funds is no longer a secret for anybody, but what is noteworthy for this system is precisely the fact that Poland has not only fully accessed the funds received under the Cohesion Policy but also that they were used with the utmost responsibility by the beneficiaries so that the Polish state managed to fully achieve the development indicators stipulated in the National Development Strategy 2007-2015 (and some were even exceeded), registering notable performances in the field supporting the development of rural areas by improving the living conditions of rural residents, in the area of reducing inter-regional and intra-regional disparities by supporting the development of the poor regions from Eastern Poland, in the infrastructure sector (especially transport, by building thousands of miles of motorways), in the field of renewable energy and high-tech technology, by financially supporting innovative European projects. At the opposite pole, we could say however that Romania has not registered such a low absorption rate. At the expense of the fact that it is the last one in the ranking on absorption, the absorption rate of 77.54% in the field of structural and cohesion funds and of 90.44% of the total European funds, consisting of the Structural Funds and the funds of direct investments of the EU is not a negligible one. However, Romania has also failed to meet the performance indicators of the efficient use of funds, being really deficient in this respect. As proof in this respect is the fact that Romania has not managed to achieve the indicators stipulated within the six major development priorities of Romania under the NDP 2007-2013, the best known example in this respect is the indicator relating to the transport infrastructure, under which Romania has set as target at the beginning of the 2007-2013 multi-annual programming period, to increase the number of kilometres of motorways from 211 to 1263, objective that has not yet been achieved. Therefore, what Poland had and Romania lacked and which was the secret of Poland's success was the key question of this chapter. In the previous chapters we have discovered that an absorption system operates in the same way as any other mechanism composed of several parts and that its success depends on the proper functioning of all components, regardless if some may be considered more important than the others. At the time that some of the components are no longer functioning properly or on the contrary, are missing, the effectiveness of the mechanism decreases. This analogy fits

like a glove to an absorption system which is indeed one extremely complex, of spider web type (networked) that interacts not only with its endogenous components, its smooth functioning being dictated by the correlation between the system and the exogen factors of the system, for example, the political environment and the economic environment in which it operates. Therefore, the secret of the Polish absorption model success is due in the first place to the exogen factors of the system: the common will of change of society and of the political class transformed into political stability and efficient governance and by leading representatives of the Polish politics that have occupied key positions at both Warsaw and Brussels, as the Romanian analyst Gratian Mihailescu observed also during the conduct of his research in Poland. And we already know the other endogenous components of the system: regionalization, well-trained human capital, simplification of excessive bureaucracy, selection with priority of innovative projects, special programs for underdeveloped regions, advance payment of returns for companies and institutions from country's budget, spending 35% of the funds received on large infrastructure projects, taking additional measures against corruption, promoting entrepreneurial culture and of Polish specificity. In the case of Romania, it can be observed that what has propelled Poland on the scale of development, are exactly the Gordian Knots that have hindered Romania's path toward development, knots that Poland has removed with mastery since the 1990s. Among these, the most representative 13 Gordian Knots of Romania, which the country has to untie in order to obtain better results during the current financing period, are in hierarchical order, as they have emerged from the opinion survey conducted in this research : High level of corruption, nepotism and misappropriation of funds; Institutional instability. Frequent changes of the people from their jobs. Financing of inefficient projects; The reform of effective regionalization: failed; High level of hyperbureacracy; Political stability and weak governance; Low represented multi-level governance; Poorly trained human capital ; Poorly trained but costly private consulting companies; Special programs for underdeveloped regions: absent; Low level of entrepreneurial culture and limited access to credits; Inefficient governance of funds by assigning their administration to several ministries; Government support during the 2007-2008 Financial Crisis: absent and Insufficiently explored examples of good practice (Poland). Also, the survey conducted shows that 47% of respondents consider unsatisfactory the result obtained by Romania on the recently completed programming period, in comparison with only 13 % which consider this result as being very good. And as regards the quality of the projects financed, 65% of them have declared that they know about ineffective or poor quality financed projects during the boom period of the absorption of European funds in Romania (2014-2016), compared to 15% of respondents who consider that probably were



also financed projects that have not reached their purpose, but they are few and unrepresentative in the overall absorption economy. As regards regionalization as a possible solution for the efficiency of absorption, 69% of the respondents consider that the success of the Polish model is largely due to the regionalization reform established in Poland at the end of 1999 and 82% would be willing to sign a petition to ask for the restart of negotiations on the implementation of a regionalization reform in Romania, based on the Polish model, which will take place most probably in 2027, this being the answer of 45% of respondents, 15% betting on 2020, 18% considering that the regionalization process will take place in Romania after 2027 and 22% of the respondents believe that Romania will not be able to implement a regionalization at European standards (based on decentralization, multi-level governance and transparency) in this century or perhaps never (although most of them would sustain such an initiative and would sign such a civic petition). From the interviews obtained from the political class and of the business environment can also be deduced a dissatisfaction expressed of these representatives concerning the outcome of Romania in the field of European funds absorption. Among the problems mentioned by them are hyperbureaucracy, changing the rules of the game during the game and the lack of cash-flow, the settlement of these problems in streamlining the absorption process being considered vital. As regards regionalization, the representatives of the political class have expressed a certain reluctance, not to the concept itself and its usefulness but to the fact that the implementation of regionalization at this time would be inappropriate due to the unfavorable political climate of Romania. Therefore, under this chapter it was concluded that the Romanian institutional system and that of European funds absorption are not performing and that in order to obtain satisfactory results in the field of absorption in the future it is necessary to make some essential changes within the Romanian absorption system. Romania's path toward a higher absorption and the ways of transforming the Polish miracle into the Romanian miracle was the research subject for the fourth chapter of the present paper.

The fourth chapter - *Reconsidering the Romanian absorption model: will, reform and again ... reform* - and at the same time, the final chapter of the research undertaken was dedicated entirely to the discovering of concrete and pertinent solutions for reconsidering the Romanian absorption model, so that this to become truly efficient and effective. Based on the data collected were issued verifiable assumptions which to allow replication of the success of the Polish absorption model in Romania. It has thus been acted on the Gordian knots apparently insuperable of the Romanian system which have affected, in an effect of *spill-over* the current multi-annual financial programming period also. Under this chapter it was acted on adjusting

the Romanian absorption system based on the Polish model and we attempted also to apply one of the solutions identified, that of regionalization, through the experimental technique.

In this section the attention has been directed toward identifying the conditions necessary and sufficient to be met by the Romanian state in order to create the optimum premises that would allow the implementation of the Polish absorption model in Romania, on the one hand, and adjustment of the measures undertaken by Poland to the socio-economic, institutional and political realities existing *de facto* in our country, on the other hand, in such a way as to be able to conclude on the viability of the proposed reforms in this section aimed at eradicating the financing of "façade" projects during the 2014-2020 programming period.

The solutions proposed in this chapter were based on Poland's example of good practices and on Romania's experience in the preceding programming period, being taken into account the results obtained from the opinion survey and interviews conducted, taking also into account the other studies carried out in the field, the research of Romanian and the Polish experts, the official studies and the recommendations of European institutions, in particular of the European Commission, of the European officials and the author's own experience in this field. We concluded thus that the Romanian absorption system must be reformed and that in this respect the Polish absorption system could represent a viable model to be followed by Romania. With small steps, we got in the end in the core of the problem for which this research was undertaken *ab initio* and the questions for which answers were looked for in this section were: "Is the Polish model likely to be applied in today's Romania, as the country is?", "Are necessary adjustments for that the Polish model to be successfully implemented?", "It is possible that the implementation of the Polish reforms in Romania to generate the same results as in the case of Poland?". Taking into account the research assumptions, we have reached to the conclusion that the answers to these questions are in the affirmative by excellence. The transfer of know-how and of the results relating to the Polish system into the Romanian one would be possible if in Romania would be developed a new strategy of absorption of European funds which necessitates to apply the following reforms aimed at revitalizing both the Romanian institutional system and the absorption of European funds. The proposed measures for this purpose are the following: (1) ensuring political stability and effective governance, (2) initiating the administrative division process (after the Polish model), (3) initiating the decentralization process (after the Polish model), (4) initiating the regionalization reform (after the Polish model) (5) simplifying the hyperbureaucracy of the European funds system, (6) correct remuneration of the staff involved in the system, (7) launching specific programs for

underdeveloped regions, (8) facilitating the crediting of beneficiaries of European funds, (9) financial government support for delayed refunds (10) fighting against corruption at all levels, (11) promoting the entrepreneurial culture, (12) consulting the civil society, (13) involving the civil society and supporting citizens' initiatives in order to make the Romanian absorption system more efficient.

The above are a part of the solutions which, at least in theory might improve the absorption of European funds in Romania. Most of these innovative measures have been applied in the past two decades by Poland, where they worked with success. The progress made by Poland in the area of economic development and of accessing European funds means perhaps the most important guarantor of the fact that the replication of this model in Romania may bring similar results to those registered in the Polish space, because of the similarities already famous between the two states, in the case in which the implementation thereof would be taken into account by the Romanian authorities. With regard to the effectiveness of the proposed measures, this could be evaluated only in the context of their real implementation in the Romanian institutional system, for which this research militates also, this being the only opportunity to demonstrate the truth of those presented. Until then we are content with the fact that the proposed reforms have been tested in advance by the Polish state which made of them an example of good practices for the states who wish to test and to adopt them in their turn.

Given that on behalf of the Romanian state has not been noticed any thorough desire to grant more importance to the opportunity which the application of the Polish model could provide to Romania and taking into account the fact that while trying to take over the Polish regionalization model this procedure resulted in a resounding failure, the only remaining leverage available in the attempt of implementing this initiative was, of course, the involvement of civil society by creating a Petition for Regionalization. The Petition for Regionalization has represented a public step to collect signatures requesting the reopening of negotiations with regard to regionalization in Romania, having as example of good practice the Polish regionalization model based on the creation of self-governed autonomous regions having jurisprudence on the use of European funds intended for regional development without direct intervention of Warsaw. Launched on April 9, 2017, the petition managed to collect a number of 103 signatures, the experiment being continued until obtaining its signing by 5 % of the population with the right to vote of Romania.

Taking into account the current reality presented by the European Commission, which indicates an actual absorption of 0,5 % and an contracted absorption of 11,4 % on the current financing

period amounting to a total of EUR 36 447 518 905 billion, Romania spending from the European money until June 16, 2017 the amount of EUR 166 643 371 and contracting in total the amount of EUR 4 154 125 475, as compared to Poland who has managed to spend until the date mentioned above 4,1 % of the funds and contract a percentage of 22 % of the total amount of EUR 104 899 024 556, which shows that Poland has already spent EUR 4 314 359 724 and has contracted over 23 billion euros, the expectations of this paper are directed towards the desire to study further the paradigm of the absorption of the European funds existing in the literature and to contribute through concrete solutions to improving the degree of absorption in Romania during these last 3 years of the period 2014-2020 multi-annual financial programming.

Implementing the proposed reforms may represent a real chance for a durable development of Romania and to avoid repeating the errors made during the previous programming period. Also, 2017 is a crucial year for Romania in the field of European funds absorption, because if Romania fails to recover the gaps, the amounts allocated to Romania in the period 2020-2027 are likely to be significantly diminished as a result of Romania's inability to absorb them.

Although Romania is far from the Polish miracle, a last expectation of the paper is to inoculate in the collective mentality the importance that European funds have for Romania's development, as well as the importance that each of us has in drawing up Romania's path to an efficient absorption of European funds.

The paper "Romania's Road towards an Efficient Absorption of European Funds. About the Transformation of the Polish Miracle into the Romanian Miracle. Comparative Analysis" is the intellectual property of the "Babeş-Bolyai" University, Cluj-Napoca, with all rights that derogate from this Statute and addresses to students, future students and graduates of the Faculty of European Studies and to all interested in the dynamics and tendencies of European funds absorption in Romania. It is addressed also, to the same extent, to the academic, political, non-governmental, journalistic, business environment and, last but not least, to the entire Romanian society.