

Romania on the threshold of EU accession, from the perspective of a decade of Europeanism

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Abstract. *With Romania's accession to the great family of European countries and the European Union, its Europeanization has become a reality. It can be said that, in 2017, Romania, in terms of institutional, administrative, and legislative terms, has almost aligned with the European countries. Regarding the Romanian economy as a whole, it should be mentioned that the European Union has put its mark on it, an aspect which is highlighted in the present paper by carrying out an analysis of the Romanian economy in the last decade, starting with 2006.*

Key words: europeanization, economy, Romania, EU, funds.

JEL Classification: F15, F36, G00, G10, G20, G21, H00.

1. Introduction

Before tackling this issue, we have to answer the questions that pragmatic individuals, anchored in the present and looking only to the future, might ask: What is the use of such a glance into the past, at what Romania was like on January 1st, 2007? Isn't such a topic obsolete? Isn't it a waste of time to analyze the past, if we cannot change it, and its effects on the present and the future? With all due respect for pragmatism, the present cannot be analyzed fairly and objectively without a reference point which, in our case, is precisely the "zero point" of Romanian society (i.e. the economic and social situation at the time of joining the European Union). In turn, the future, in order to be previsioned as realistically as possible, needs not one "support point" - the present, but two, the second one being precisely the past according to which the present is evaluated and appreciated.

2. The Romanian Economy in 2006

Once we have established the necessity of such an analysis, we can address the subject with peace of mind, knowing that it does not upset anyone, but also with the emotions of succeeding or not to prove the usefulness of this approach. The analysis is based on the statistical data provided by the National Institute of Statistics for 2006.

The most relevant indicator for the results obtained in 2006, was, as for any other country, the gross domestic product (GDP), which was ROL 342,418 billion, expressed in the current prices of 2006. Gross domestic product per capita registered an increase of 14.8%, compared to 2005, significant for Romania. By comparing Romania's GDP growth rate with some EU countries, we will see that without exception it was the highest growth rate in this group of countries (within the EU-25 it was 2.9%). Thus, the Netherlands recorded an increase of 2.9%, Belgium 3.1%, Germany 2.7%, Italy 1.9%, Finland 4.4%, United Kingdom of Great Britain and Northern Ireland 2.7%, Denmark 3.2%. Seen in this series of data, we see that Romania ranks first, but let us not forget that in absolute numbers Romania's GDP was much lower than the above-mentioned states. The paradox proposed by Grigore Moisil comes to mind, according to which a bald man, with only two strands of hair, who grows another hair, and so has a 50% increase, is difficult to compare to a man with 100,000 hairs who grows another

1000, an increase of just 1%. In 2006, the GDP was driven by activity in the main branches of the national economy. Contribution was different from the point of view of gross value added at the level of each branch. Net product taxes contributed 0.9% to growth, service activity contributed by 3.6%, construction by 1.2% and industry by 1.7%. Agriculture, forestry and fish farming had a lower contribution of only 0.3%. The Gross Domestic Product was made by categories of resources through the evolution of the following branches: agriculture registered an increase of 3.3%; industry grew by 6.9%; construction 19.4%; services, 7.3%, gross added value in total, increased by 7.7% and net taxes on product increased by 7.9%. Service, industry and construction activities together contributed 80.5% to GDP formation, which is a positive fact for Romania's economy that was profoundly restructured negatively as it "gave up" several branches of its industry and some of its largest industrial production units, true industrial „giants". These were „given up" in extremely diverse ways, due to equally diverse interests revolving around this issue, both inside the country and, above all, from the outside. The analysis of GDP by ownership shows that in 2006 the private sector contribution was 69.8%. The reduction in the share of the private sector as compared to the previous year and especially in 2004 was mainly determined by the gross added value of agriculture (completely privatized), whereas in 2006 agriculture suffered from negative natural conditions and, as a result, had far worse results. In 2006, however, there was an increase in the share of the public sector in the gross added value of construction, as a result of the reconstruction of the infrastructure and houses destroyed by the floods, financed by the state budget. Against this background, the private sector, being less present in this area, had a lesser influence on GDP formation. Importantly, the trend of increasing the share of the private sector in achieving gross value added by branches of the national economy and, finally, in the formation of GDP, has been maintained and accentuated.

The year 2006 was one in which a number of activity sectors continued to be privatized, the already privatized ones continued to increase their wealth by attracting new domestic and foreign investments, a matter worth considering in terms of effects on the structure of the national economy. Foreign direct investment grew considerably in 2006, due to the establishment of new trading companies with foreign participation, the increase of social capital in existing companies or the privatization of some important sectors of activity with foreign participation. This was normal, as EU accession had become a certainty, and multinationals had been preparing to capture the segments of the Romanian economy that were of interest to them. Against this background, in 2006, the total foreign direct investment in Romania reached 30.8911 billion euro. This represented an increase of over 9 billion euro compared to the previous year, which is a significant share. Of this amount, 3.75 billion Euros came from the privatization process of the Romanian Commercial Bank. Foreign direct investment in Romania thus increased by 41.2% in 2006 compared to 2005. In 2006, 76.2% of foreign direct investment was located in the equity sector and only 23.8% in the "other capital" sector. Also, at the end of 2006, the direct investments of Romanian residents abroad amounted to 210.9 million euro.

An important element in assessing a country's economic performance over a period of time is how consumer prices (inflation evolution) have evolved in total, as well as by categories of goods and services, but also by dual comparison with the planned target, the forecast and the results of the previous year. A series of relevant events occurred in 2006, in the context of the preoccupation to adjust the income collection system, based on the unique tax rate, as well as to bring the Tax Code into terms correlated with the concrete situation in the country. Firstly, the lengthy and somewhat aimless talks between the Romanian Government and the IMF have been blocked

because of the different level of understanding of the conception and functionality of the state budget and, more broadly, of the consolidated budget. There were some elements that the IMF, intransigent and willing to see a market economy in action, did not agree to. For example, there have been many concerns to get the IMF to accept a deficit of up to 3% of GDP, or to still accept the situation to impose some subsidies in the national economy. On the other hand, with the idea of meeting its electoral promise, the ruling coalition did not accept the IMF's suggestion to support additional revenue collection by imposing increased taxes. It was intended either to increase the VAT rate (if not to all products and services, at least to some of them), or to increase the single tax rate by a few percent or, as a last resort, to introduce new taxes or duties. The ruling coalition had decided to follow the plan it proposed in its electoral campaign, even though there were parties inside it, such as the conservative party (the "immoral solution") who requested reducing the VAT rate for some consumer products, in total disagreement with IMF requirements but with a pronounced populist character. The second main phenomenon of 2006 was the divergent evolution between the total and structure of the consumer price index, as compared to the evolution and appreciation of the national currency, the "new leu" (1 new leu = 10 000 lei old), compared to the two currencies that make up the currency basket, the euro and the US dollar. Several years prior, following the policy of the National Bank of Romania, which assumed the responsibility to target and fix inflation at certain rates, the evolution of the national currency exchange rate followed a positive economic and financial path, but with a disastrous effect on Romanian exports, for those who work abroad and send money in the country, somewhat inconsistent with the economic situation. Against this background, there was been a significant appreciation of the national currency, in contrast to the increase in the inflation rate, overall and in the structure of products and services. Finally, another crucial element in 2006 was the completion of the implementation of the denomination of the leu. After the National Bank of Romania came with banknotes that were difficult to counterfeit, made of plastic (in 2000, being the first national bank to adopt this material after the Australian bank that had this initiative), a new leu event occurred in 2005 - the denomination was changed by cutting four zeros from the leu. The National Bank of Romania made this move to ease transactions, which already contained a lot of zeros gathered in the 1990s, marked by a galloping inflation. Banking in Romania no longer supported the over-devalued leu. The three-figure inflation up to 1998, followed by the two-digit figure, which declined only in 2005, imposed this decision, parallel to stopping inflation. Because the NBR chose not to change the colors and illustrations of the new banknotes, there was no confusion as to their value. And that is why there was no inflationary effect on denomination. The social price paid was very low, that is, a certain lack of communication, which is normal. Even today, some people still use "millions" instead of "hundreds" in expression, but this does not create significant miscommunication. As shown above, along with denomination, another element specific to 2006 was the permanent concern of the executive, and especially of the National Bank, to observe the stated targets on inflation targeting. On a few occasions, control over this target was lost, but eventually it aligned with forecasts, standing at 4.9% in 2006 compared to 2005.

The industrial production indicators in 2006 reflect an increase of 7.1% compared to 2005, influenced by the restructuring of the mining sector, as well as by the decrease in lohn production, which led to a slower pace in the light manufacturing industry. Industrial growth rates were different, with increases in categories such as the durable consumer goods industry, with a growth rate of 23.5%, capital goods industry 10.6%, manufacturing 7, 8%, consumer goods industry 8.1%, electrical and thermal energy 4.4% and other activities and branches. Decreases were recorded in a number of branches such as textiles, clothing, leather and footwear, rubber and plastics, construction materials and other non-metallic mineral products and machinery and equipment. The industry as a whole remained in a positive position in that it contributed

1.7 percent to GDP. As a conclusion, the gross series of indices, as they are presented in NIS statistics, in 2006, compared to 2005, indicates that industrial production up by 7.1%, sustained by all three sectors: manufacturing (+7.8%), electricity and heat, gas and water (+4.4%) and mining and quarrying (+ 2.4%). The largest increases were registered in the branches that significantly impact the manufacturing industry: furniture and other non-classified industrial activities (+21.2%), means of road transportation (+21.2%), other means of transportation (+16.3%), food and beverages (+15.9%), metal and metal products (+15.8%), chemicals and chemicals (+14.0% construction and other non-metallic mineral products (+11.8%), electrical machinery and apparatus (+ 11.6%).

The year 2006 meant, in agriculture, a year in which the crop production registered low rates for most crops, the main and determining cause being unfavorable weather conditions. Agricultural production later returned to normality, even marking spectacular growth. Of course, in the analysis of agricultural production we take into account that 2004 was the year with the highest production in the last 15 years, so it was difficult to maintain such a level, considering the alternation of good years with fewer favorable years. In addition, 2006 was also characterized by floods, which have compromised many agricultural crops. Generally, in the field of agriculture, comparisons are relevant only if they refer to areas that are not influenced by the weather, so we do not insist on this subject.

Analyzing the results obtained in the field of construction, according to NIS statistics, in 2006, investments registered a growth rate of 16.1% compared to the previous year, of which the investments for machinery and means of transport increased by 11.2%, while new construction works increased by 18.0%. As for the construction works, in 2006 they increased by 19.3% compared to the previous year. This is a rhythm that had also been recorded in previous years. In 2006, the construction of 38,148 new dwellings was completed, out of which 1,898 were for the flood victims; 88% of them, i.e. 33,409, were made from fully private funds. In terms of structure of construction, it was found that the engineering construction registered a growth rate of 21.8%, while residential buildings increased by only 16.2%. A significant increase was registered in construction permits obtained - a significant indicator for this area, which reflected the trend in the immediate future - reaching 51,059, which is an increase of over 17% compared to 2005.

In the services sector, in 2006, compared to the previous year, there was an increase of 13.6% for the market services rendered to the population and 24.0% in the index of retail trade. This growth is driven by domestic demand (GDP use), which was 2.8%, i.e. more than 1.5 times higher than the real GDP growth. Services also reached a share of over 50% in GDP, of which only retail increased by 21.5%. The contribution of services to GDP by the gross added value achieved in this sector of activity is a positive thing, which for Romania, at that stage of integration into the European Union, meant a great deal. In the analysis of the structure of service activities, we note that the retail activity registered very high growth rates. Thus, trade in food, beverages and tobacco increased by 27.7% and the trade in non-food products, an increase of 21.1%. Mail sales and virtual stores have grown and become permanent, an area where the year 2006 is 56.8% higher than in the previous period. The dynamics of services to the population was mainly supported by hotel and restaurant activity, which recorded a 12.0% increase. Another aspect related to the analysis of the activity in the field of service production was represented by the volume of turnover for the wholesale and retail trade of motor vehicles, the retail of fuels, etc. In 2006 compared to 2005, there was an increase of 18% in this field of activity. In 2006, 322,263 new and second-hand cars were registered, and the turnover of SMEs accounted for 79.3% of total wholesale (a decrease compared to 82.4% in 2005). This is another element that shows a positive

evolution of activity in the field of service production at that time. Turnover in general has increased in all sectors.

Foreign trade evolved in 2006 somewhat contradictory. On the one hand, both the volume of exports and the volume of imports increased steadily, which can be appreciated as positive. The contradiction is that imports have exceeded the growth rate of exports, causing an impressive balance of trade deficit. The trade deficit in 2006 accounted for 15.3% of the GDP or, in other words, 15.3% of the GDP achieved through Romania's effort had to be paid for additional imports, which led to an increase in external debt or, in other words, of domestic debt, depends on the point of view on this issue. Romania's exports in 2006 accounted for 67.8% of exports to EU countries (25 countries), an increase of 16.3% compared to 2005. In turn, imports from the European Union countries accounted for 62, 6%, an increase of 25.9% over the previous period. Overall, foreign trade activity can be said to have developed positively, from the point of view of the total volume, but negatively from the point of view of the ratio between import and export. The reduction of exports and the exaggerated increase of imports were also stimulated by the appreciation of the national currency in 2006. In December 2006, one euro was equivalent to 3.37 lei compared to 3.67 lei in January. Many exporters have either moderated their activities, or recorded, if not losses, at most modest gains. Another factor that has led to a slower evolution of exports compared to imports is that the privatization and restructuring process has led to the closure of some companies; in some cases, the quality of the products produced has not been able to meet the demands of the external markets.

In terms of population and workforce, on July 1, 2006, Romania's total population was 21,584,000, out of which 10,521,000 were men and 11,063,000 were women. The active population registered 10,027 million people in 2006, of which 5,505 million men and 4,522 million women. Of this population, the employed population represents 9,309 million people, including 5,066 million men and 4,243 million women. In 2006, the number of registered unemployed was 460,495 persons, down from the previous years. Of these, 191,449 people were women. The unemployment rate was below 7.9%, less than nine European Union countries (Poland - 19%, Slovakia - 13.3%, Bulgaria - 8.9%, France 9% , Belgium - 8.3%, Germany-8.4%, Spain - 8.6%, Hungary - 7.5%, Finland - 7.7%).

Regarding the income level, in 2006 the average gross salary increased by 18.9%, while the average net salary increased by 16.8%, as compared to the previous year. From the point of view of the net average earning in the economy, the number of employees in the field of financial intermediation activities, with net average salary of 2,306 lei, followed by those in the public administration field, with the net salary of 1,450 lei, extractive industry, with net salary of 1,449 lei, postal service and telecommunication, with net salary of 1,358 lei, electricity, thermal, gas and water 1,281 lei, education 978 lei, transport and warehousing with a salary of 952. Categories that continued to have low income were fishermen and fish farmers (498 lei), hotels and restaurants (544 lei), agriculture, hunting, and forestry (630 lei).

This analysis, which in some cases is only a presentation of the statistical situations that characterize - economically and socially - Romania of 2006, allows us to permanently, by comparison, evaluate the consequences, from this (economic and social) perspective, of the adhesion to the European Union. It can provide a basis for a comparative analysis and to make predictions for the future, thus using statistical arguments to counter the predominantly emotional evaluations and the different political positions that express party interests or the interests of power groups that are not always related to national interest.

3. The Evolution of the Romanian Economy between 2007-2017

Without going into the extremely complex problem of Romania's situation 10 years after accession, which is not the objective of this article, it being solely the basis for a comparative study of Romania 2007/Romania 2017, we must briefly mention the deepest mutations produced in these 10 years of "Europeanism".

In 2007, popular support for EU membership was very high, because the population perceived integration into the Western European bloc as repairing a great historical injustice for the Romanians (for a while the interest of the European and the United States stopped at the eastern borders of the "Visegrad Group"), meant to solve both security and prosperity issues. The objective of accession has gathered and aligned the nation's resources and catalyzed reforms in the economy and society. At the same time, some political and economic analysts saw the accession as a deal through which Romania became a market for foreign products, a provider of natural resources and of labor force, in exchange for access to European funds that would, in particular, favor local elites and less the population.

The enthusiasm for joining has been relatively slowed down by the effects of the global financial crisis that have been felt since 2009. It took five years to return to the GDP of 2008 (\$142 billion), after it decreased to 120 billion euros in 2009. However, if we were to refer to GDP, it was worth 160 billion EUR in 2015, compared to 98 billion in 2006 (the highest growth rate in the EU - 63%, after Bulgaria - 67%). In absolute terms, we are only 6 billion away from the Czech GDP, which in 2005 surpassed us by 25 billion and exceeded Hungary's by 51 billion, compared to a mere 7 billion in 2005. But we also have a difference of 269 billion euros compared to the GDP of Poland, which in 2005 was only 176 billion euros.

At the same time, we also witnessed the deterioration of some indicators. Thus, the share of public debt in GDP has tripled (from 12% in 2006 to 39% in 2016), and the total debt volume increased strongly from 41 billion euros in 2006 to 92 billion euros in 2016 (after reaching 99 billion euro in 2012). Also, over the last two decades, the active population has fallen by over 7%. More than 3 million Romanians left the country and chose to integrate elsewhere in Europe, most of them being active and contributing to the social security system.

In the field of trade relations, the EU is the country's main foreign trade partner (70% of the total), given the persistence of a high trade deficit (3.3% of GDP in 2014, falling to 3.9% in the previous year). Between 2006 and 2015, Romanian good exports rose from 26 to 54.5 billion euros, a plus of 110%, significantly above GDP growth (+63%). As a percentage of GDP (41%), Romanian exports remain the smallest in the region, this indicator being 49.2% for Poland, 66.5% for Bulgaria, and 83.8% for the Czech Republic and Hungary, which indicates a weaker participation of the Romanian economy in international trade and a lower degree of integration in the European market. Important markets for Romanian exports in 2015 are Germany (10.8 billion euros, with a deficit of 1.7 billion euros), Italy (6.8 billion euros), France (3.5 billion euros, with a surplus of 400 million euro in 2015), Hungary (2.9 billion euro). Exports have high values to countries that have significant investments in the Romanian industry (Germany, France) and are mainly represented by sub-assemblies produced locally. After accession, electrical machinery and equipment contributed most to the growth of exports. Over the same period, imports increased from 38 billion euros to nearly 63 billion euros in 2015.

Growth in exports was driven by both price competitiveness (especially in the first years after accession) and improvements in labor productivity (from 2012 onwards). High-tech products continued to be dominant in Romanian exports in 2014 (41.5%), with

a positive contribution to the trade balance of 1 billion euros in 2014 (0.7% of GDP). Within this category, a significant contribution was made by the automotive sector, which recorded a trade surplus of 1.9 billion euros (1.3% of GDP) in 2014. In contrast, the share of high technology products, 6% in total exports, remains low and contributes 2.4% of GDP to the trade balance deficit.

In terms of small and medium-sized enterprises, the number of active companies increased from around 300,000 at the end of 1994 to 550,000 in 2006 and 600,000 in December 2014, with small variations over the last decade. With 22 companies with 1,000 inhabitants, Romania has the lowest value in the EU (the average of 43), indicating an entrepreneurial spirit that is still undeveloped. Despite the significant increase in the number of companies, the degree of concentration in some economic sectors remained important.

During this period, SMEs (companies with a turnover of less than 50 million and less than 250 employees) have come to play a major role in the economy, compared with corporations, with 58% of assets and 65% of employees and 53% of Gross Value Added (VAB), which remained constant over the last 10 years since EU accession.

Development based on innovation and knowledge (the production of high-tech goods and services with a high level of knowledge) is still modest in Romania, which continues to be at the bottom of the European rankings.

The structure of the Romanian economy has fundamentally changed compared to the period before the 1989, when industry contributed 46% to the GDP and agriculture 14%. Currently, it has fallen to 23% for industry and 4.5% for agriculture. Instead, services contribute 54% of GDP in 2015.

The economy is dominated by service companies in the categories that require less knowledge (trade, transport, logistics) and which account for 56% of the GDP in 2014, a percentage that remained steady over the last decade. The number of service providers with a high level of knowledge (telecommunications, engineering, architecture) remained somewhat constant at 20% between 2006 and 2017, and the share generated by these companies in total VAB oscillated between 18 and 20% in the last 10 years. As for the share of this sector in GDP, it was 2.7% in 2012, which places Romania at the bottom of the EU ranking.

In terms of companies that produce goods, those producing medium-high-tech goods (automobiles, machinery, equipment, including electrical equipment) and high technology goods (computers, electronics and optical products, pharmaceuticals) remained relatively constant at 1% over the past decade, while their contribution to gross added value is around 8%. In the case of firms that produce lower-value-added goods which require less knowledge (metal, metal, rubber, plastics, metallurgy, food, clothing, beverages), though they were historically drivers for development before 2006, their role decreased as a share in the gross added value to about 16% in 2014.

Domestic private equity firms, although accounting for over 90% of the total with a 45% share of VAB in 2014, are mainly present in sectors that do not have a high added value capability (agriculture and construction). On the other hand, foreign-owned companies (about 50,000 entities, 8% of the total) hold 40% of assets, 43% of turnover and gross added value, and employ 26% of total non-financial corporations. They have the dominant role in manufacturing and mining, utilities and real estate industries. In manufacturing, 65% of gross added value is generated by foreign firms, and, in the extractive sector, the percentage reaches 90%.

Foreign companies contribute considerably to the good results of Romanian exports. They represented 70% of total exports and 65% of imports of goods in 2014 and about 50% of exports and imports of services. The productivity of work is clearly superior in foreign firms, the gross added value per employee is about three times higher than in domestic companies. Domestic firms' productivity has improved, but the gap has widened between the least productive and the very productive.

The 2015 ranking of the top 20 companies in the Romanian economy is dominated by foreign companies in the auto, energy and retail sector. Foreign investors either took over state-owned companies through the privatization process (Automobile Dacia, OMV, Rompetrol Rafinare, E.ON-Europe, Engie, Lukoil, Petrotel, etc.), or started greenfield business (Kaufland, Metro, etc.). Dedeman, the DIY retailer, is the only Romanian private equity company that managed to enter this top in 2015 on the 17th position. The companies with majority state capital, Electrica Furnizare and SNGN Romgaz are only on the 19th and 20th place.

The volume of foreign investment was 34.5 billion euros in 2006. It was favorably influenced by the restructuring measures in the pre-accession period and almost doubled to 64.5 billion euros in 2015. The annual foreign investments ranging from 7 to 9 billion euros between 2006 and 2008, collapsed to 2-3 billion euros in the crisis years, a level at which it remained even after the economy grew again. About a third of foreign investment went to the manufacturing industry. The financial and insurance intermediation sectors were ranked at 13%, followed by trade, at 12%.

Romania does not yet fully exploit the opportunities that would result from the increase in foreign direct investment. In 2014, among countries with similar characteristics, Romania recorded the lowest level of foreign direct investment as a percentage of GDP, both in terms of flows and stocks. The average foreign direct investment stock in countries with similar characteristics (Czech Republic, Hungary, Poland and Bulgaria) is around 100% of GDP, while in Romania this is below 40%. The annual flow of foreign direct investment recorded by similar countries was on average 4% of GDP, compared to 2% in Romania. Infrastructure, bureaucracy, and the availability of skilled labor are the main causes that hold this back.

Many issues were also raised by the ratio between Romania's contributions to the EU budget and the funds it received, including voices that maintained Romania had given more than it had taken. But reality is different. Since signing the accession agreements in 2007 and by the end of September 2016, Romania received EUR 39.8 billion from the EU (in the form of structural funds for rural development and direct payments in agriculture). After accession, our country has paid to the EU 13.7 billion euros, representing the mandatory contribution of 1% of GDP. This results in a positive balance of more than 26 billion euros.

At the same time, a recent analysis by the National Prognosis Commission presents (by running two scenarios, with and without funds) the impact of European funds on Romania. Among the benefits quantified by this analysis: a 10.6% higher GDP, a 19% higher private consumption, a three-point unemployment rate, an average payback of 25.4%, a cumulative increase in exports services), three percentage points higher than in the absence of funds.

As far as investments are concerned, they have not yet fully recovered from the crisis. The private sector continues to be the main driving force, while public investment still faces considerable challenges. The main areas for investment are construction, machinery and transport equipment, while investment in technology and innovation remains limited. Public investment (20% of total investment or 4% of GDP) is restricted by management deficiencies, the degree of priority given to instability and difficulties in absorbing EU funds. In Romania, only 70% of the total available funds was absorbed in 2007 - 2013.

Relying on European funds, the Romanian governments have shown less interest in investment, which has led to their collapse under unsatisfactory fund absorption. At the same time, during the accession period, over 52 billion euros went to Romania from the approximately three million Romanians who went to work abroad.

4. Conclusions

The 10 years since joining the EU have led to a significant change in the structure of the labor force, reflecting the changes in the economy. The number of employees in the economy was about 4.6 million at the date of accession. After rising to about 4.8 million in September 2008, it fell as a result of the crisis to a low of 4.1 million in January 2011. It then slowly grew to 4.75 million in September 2016, a figure close to that of June 1, 2007.

The number of employees fell dramatically in the industry by around 450,000. The number of employees in the trade rose by 225,000, reaching 750,000, hotels/restaurants and construction (an increase of 110,000 each), infrastructure and communications (80,000), automotive industry (80,000 employees). Also, a significant increase in staff was recorded in the administration (200,000 employees).

One of the great beneficiaries of EU membership was the state, which has doubled spending over the past 10 years, from 112 to 244 billion lei. Over the same period, budget revenues increased from 106 to 233 billion lei. Expenditure on personnel grew by 150% (from 21 to 52 billion), being 2.5 times higher than 2006, while the investments were, as we have seen above, neglected, reaching only 18 billion lei in 2015, from 12 billion in 2006. If in 2006 investments accounted for 10.7% of budget spending, in 2015, they fall to 7.3%.

What are the odds that we can get closer to the EU average level of growth? Romania would need to increase, on average, by 5% per year, over the next 20 years to reach a GDP/capita level of 75% of the EU average in the year 2025 and 100% in 2035. For this, however, populist measures are not indicated and, unfortunately, the current government is emphasizing precisely such measures. But, as was the case with other European countries, Greece being just the worst example, with populist measures, a country can win certain battles, but it will surely lose the war of economic growth and, ultimately, of the standard of living. There is time for our governors to understand this true "axiom" of responsible and effective governance.

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