

## CURRENT ISSUES CONCERNING REGIONAL POLICY AND SMEs IN ROMANIA

CONSTANTIN MITRUT, DANIELA-LUMINITA CONSTANTIN

Academy of Economic Studies of Bucharest

### **Abstract**

This paper investigates the main features and the significance of the SME sector development for approaching the regional question in Romania, with a particular emphasis on the quantitative, qualitative and sectoral aspects of the territorial distribution of SMEs and their role in territorial development and competition. The main conclusion is that the Romanian SME sector can represent an important source of local and regional dynamism and, thus, a source for economic and social cohesion. Even though the big firms remain a key factor of restructuring the productive system, from regional viewpoint the SME activity appears as a strategic one for each region's economic reconstruction, provided SMEs be included in a well-structured environment, in a coherent territorial network, involving links, relations, exchanges between them and other economic agents in the region. The policy measures meant to improve the frame conditions for SMEs and overall regional development should constitute a coherent 'package' including economic, legal, infrastructure, cultural and socio-political elements. The aim of the package must be the definition of a 'regional profile', stressing and taking advantage of specific feature of each local area.

**JEL Classification:** O18, R38, R58

**Keywords:** Romanian SME sector, territorial distribution, sectoral structure, regional policy, regional profile

*Corresponding Address:* Academia de Studii Economice, Piata Romana 6, sector 1,  
RO-010374 Bucuresti, Romania. e-mails: cmitrut@ase.ro, danielconstantin@ase.ro

An early version of this paper was presented at the 3rd International Conference of ASECU, organized by the D.A. Tsenov Academy of Economics, May 11-14 2006, Bankya, Bulgaria

## 1. Introduction

Applying regional policy in a decentralised context – as a major current option at international level - focuses on regional (local) efforts to foster socio-economic development, in other words on endogenous development or development ‘from within’.

The main idea in this view is that regional development is, above all, a local matter. “The success of a region will in the end depend upon its autonomous capacity to take matters in hand, to organise various actors around common goals, to adapt and to successfully adjust to outside pressures. Ultimately, the sources of development lie in the region itself, in its people, its institutions, its sense of community, and, perhaps, most important of all, in the spirit of innovation and entrepreneurship of its population” (Polèse, 1998, p.13-14).

Directly related to this approach, the question of small and medium enterprises (SMEs) is a basic one. As demonstrated by the experience of Western countries, for more than twenty years *SMEs have represented an important source of local and regional dynamism*. Economic decline and the accompanying changes in production organisation revealed the vulnerability and deficiencies of large companies, proving that they are no longer the only engine of development (Maillat, 1990, Steiner, 2002).

The economic reform that has occurred in Central and East European countries has also emphasized the role of SMEs, this sector being considered to have a *key role* in restructuring the old centralised economies and maintaining economic dynamism.

SMEs are able to create a significant number of new jobs, to improve industrial relations and to provide a superior working environment for employees, to create a diversified and flexible industrial base by creating a pool of entrepreneurs willing and able to take risks, to stimulate competition for small and large firms alike, leading to an energetic enterprise culture, to stimulate innovation (Armstrong and Taylor, 2000). In a broader view, SME activity can be considered as a lever linking employment policy and regional policy.

Starting from these overall considerations, this paper aims to explore the main features and the significance of SME sector development for addressing the regional question in Romania in the context created by the European integration processes, highlighting various complementary solutions for regional policy in order to turn to good account the endogenous potential at local level via SME activity.

## 2. The evolution of the SME sector in Romania since 1990

The role and results of SME sector development since 1990 should be evaluated and understood in the *general context* of the Romanian transition, with its specific features. The political turmoil in the first ten years after December 1989 made a real advance in reform very difficult, Romania being severely criticised by the EU

and international financial institutions for the delays 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 for economic growth, unemployment and inflation; 1997-1999, when the economic decline represented the first result of the massive restructuring and privatization process (too long delayed in Romania) undertaken in this period. Starting in 2000 a recovery process has followed, reflected by a significant economic growth rate (around 5% annual average) and a decreasing inflation rate (9.3% in 2004, the first year with a one-digit inflation rate).

Within this general context the evolution of the Romanian SME sector expresses a *variety of conditions and causes*, the following being the most relevant: the absence of such a sector before 1990; the legal framework for setting up this kind of enterprise; the incentives provided at the beginning of the process; the speed of restructuring and privatisation of state firms.

Thus, unlike other former socialist countries where some private activities could develop within the centralised economy, the private initiative development in Romania started in fact in March 1990, when the first act in this direction was issued.

In general terms the support offered to SMEs up to now has focused on several directions such as: encouragement to set up new firms; the development of the existing ones; providing consultancy services, etc., all these directions involving both financial and non-financial assistance. Without being exhaustive, making mention of some *supportive measures* since 1990 can be relevant for the scope of these efforts:

- provision of loans with subsidised interests (from the unemployment fund) to SMEs hiring unemployed workers;
- a programme of subsidized credits carried out through the former Romanian Agency for Development;
- guarantees for private entrepreneurs;
- projects financed by the Romanian Fund for Social Development;
- investment grants offered by Phare via the Economic and Social Cohesion component;
- subsidies provided by the EU within the RICOP programme for industrial restructuring and professional reconversion and grants via FIDEL programme (Local Initiatives for Economic Development Fund);
- loans on a commercial basis initiated by international financial institutions (World Bank for exports and investments in food industry, ERDB also for exports);
- the Romanian-American Fund for supporting private initiative, with capital investments as the main destination;
- business incubators;

- facilitation of access to the transportation and communication networks, to the provision of energy, water, natural gas and other public utilities;
- consulting centres which have been created using both internal and foreign funds and assistance (From EU- Phare, UNDP, USAID, Know-How Fund of the British government, German, French, Dutch governments, etc.);
- encouraging the cross-national links between SMEs, universities, research institutes, with the support of the Framework Programme Five and Six of the EU, etc.

The importance of this sector for revitalizing the Romanian economy is also highlighted by the setting up, at the end of the year 2000, of the Ministry for SMEs, subsequently transformed into the National Agency for SMEs and Co-operation (ANI-MMC) in June 2003. The SME Act (No. 346/2004) has been adopted as well, providing for stimulation of SME creation and development (provisions related to priority access to hiring, license or leasing of the available assets of the state-owned firms, priority to public acquisitions of goods and services, access to assistance, information, consulting, innovation and technological development services for finance and banking, management and marketing, etc.). With the exigencies of the European integration in mind, the Government of Romania launched in August 2004 the Governmental Strategy for Supporting the SME Sector in 2004 – 2008, focusing on five main priorities, namely:

- creation of a business environment favourable to SME start-up and development;
- the SME competitive capacity development;
- improvement of access of SMEs to financing sources;
- improvement of access of SMEs to external markets.

Each of these priorities is accompanied by corresponding action plans and measures.

For example, the Action Plan for Increasing SME Competitiveness has analysed this objective in connection with the capacity to develop new products and innovative services, the quality of the products, access to new markets and the capacity to generate new jobs, and established the main following measures:

- support for innovation and improving the access of SMEs to new technologies;
- support for implementing quality standards and quality management systems;
- e-business promotion;
- facilitating access to the available assets of the state firms and public acquisitions;
- improving access to information services;
- support to business incubators for productive activities and high value added services;
- support for industrial and technological parks;
- reducing the economic disparities at regional level by concentrating on SMEs in the selected support areas.

As a result of all concrete measures and actions the SME sector has recorded significant growth. In the year 2004 the total number of active SMEs (fewer than 250 employees in Romania) was 343,000, representing 99.4% of total active enterprises and accounting for approx. 54% of total employment in industry and services<sup>1</sup> and 56.9% of turnover (ANIMMC, 2004). In respect of capital ownership type, 99.3% of total SMEs are private, so that less than 1% are state-owned and mixed firms. In general terms, the private sector contributes 66.8% to GDP, 67% to exports and 70.5% to imports. For each export unit the SMEs import 0.96 units, compared to 1.26 for the whole economy. As regards SME distribution by size, 89% are micro-firms (up to 9 employees), 9 % are small (10-49 employees) and 2% are medium firms (50-249 employees). Small and medium firms hold approx. 62% of total SME turnover.

The structure of private sector by activity also reveals some interesting aspects:

- 1.5 of ten firms mainly perform an industrial activity;
- every five service firms correspond to one in industry and every 13 to one in construction sector; however, the share of service firms decreased from 81.2% in 1999 to 75.6% in 2003, whereas the share of manufacturing firms increased from 13% in 1999 to 15.3% in 2003 (then dropped to 14.4% in 2004);
- almost 80% of micro-firms belong to the service sector, whereas 50.8% of medium firms perform industrial activities;
- small and medium firms together have a share of 32% in industry, 26% in constructions, 20% in agriculture and only 9% in the service sector. Commerce and services in general are dominated by micro-firms;
- within industrial SMEs those belonging to the food, light and timber industries are the majority (more than 55% of total industrial SME number); however, the chemicals and machine-building sectors have recorded significant growth in recent years.

In relation to these facts, it is useful to explore the opinion of SMEs with regard to the *obstacles* they have had to face in their development. These mainly involve (Nicolescu *et al.*, 2003):

- the uncertainty of the political framework;
- the incomplete, immature and continuously changing legal and institutional framework;
- the adverse macroeconomic framework: high rate of inflation, price instability, low level of demand;
- financial aspects: high tax level, difficulties with access to financial sources (high interest rates on bank credits);

---

1. Though, this situation is less encouraging compared to the new EU member states and EU-19 (EU-15 plus Poland, Hungary, Czech Republic and Slovakia) where SMEs provide 66.9% of jobs, respectively 70.4%.

- infrastructure aspects (including lack of premises), relationships with governmental organizations and access to new technologies;
- human capital quality-related problems;
- insufficiency of agreements with foreign entrepreneurs and business firms, etc.

The international experience shows that, in order to improve the existing situation, governments establish objectives and plans applicable to the *whole* business sector, regardless of the size of firm. Sometimes policies and programmes specific to SMEs can be added to these general measures. The overall objectives take priority, have a common content in the majority of cases and are essential to SME development as well. They focus on:

- ensuring a stable fiscal and monetary framework, including reasonable levels of interest, with inflation under control;
- the development of a financial market system able to stimulate the saving process and to offer mechanisms for transforming savings into investment;
- applying adequate policies for competition protection;
- human capital development;
- ensuring a favorable climate for new firm formation and the development of existing firms;
- encouraging co-operation and partnership between firms;
- applying clear rules with regard to ownership and contract discipline.

As mentioned before, in addition to the overall economic policy, the Romanian Government has adopted a series of special measures in order to stimulate the SME sector. However, doubts have been formulated with regard to the proper implementation of these measures. In conclusion, the most important action for supporting the SME sector consists in encouraging business environment and overall economic development, accompanied, when necessary, by measures able to respond to objective requirements specific to SMEs.

### **3. Territorial distribution of SMEs**

To understand the facts revealed by this distribution it is first necessary to mention that Romania's administrative-territorial structure comprises one regional level – the counties, named “judete”, corresponding to the NUTS3 level of the EUROSAT (there are 41 counties plus the 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” (Legea 151, 1998 and Legea 315/2004). Each region comprises between 4 and 7 counties (excepting the Bucharest-Ilfov region). The eight regions “are not administrative-territorial units and do

not have a judicial personality” (Legea 151, 1998 and Legea 315/2004).

The territorial distribution of SMEs generally reflects the discrepancies in terms of region size and economic development level but also reveals facts describing the specific conditions of SME sector development (ANIMMC, 2004)<sup>2</sup>.

A representative picture is offered by the number of SMEs per 1000 inhabitants (Table 1).

**Table 1.** The number of SMEs per 1000 inhabitants by region in 2003

<b>Region</b>	<b>Number of SMEs per 1000 inhabitants</b>
North-East	11
South-East	16
South	12
South-West	12
West	16
North-West	17
Centre	17
Bucharest-Ilfov	31

*Source:* ANIMMC, 2004

It will be noticed that the most developed region, Bucharest-Ilfov, had 31 SMEs per 1000 inhabitants in 2003 whereas the least developed one, the North-East region, had only 11 SMEs per 1000 inhabitants in the same year, pointing out an important disequilibrium in this respect. Moreover, the Romanian national average, of 17 SMEs per 1000 inhabitants is far below the EU-15 average (52) in 2003 (National Development Plan, 2004-2006).

A significant detail that can be correlated with the previous indicator is the population density by region: following Bucharest-Ilfov, with 1214 inhabitants per sq. km, the highest density is recorded by the North-East region (102 inhabitants per sq. km) - where the natural increase is the highest every year, whereas the West region, characterized by an important demographic decline, has only 61 inhabitants per sq. km.

---

2. Here it should be mentioned that the eight regions are more homogenous in terms of main economic and social indicators than the 41 counties, so that the discrepancies between counties are higher than discrepancies between regions (Constantin, 2002).

As regards the regional specialization by economic sector, Table 2 shows that the most intense specialization is recorded in agriculture, with quotients of 1.64 - South region, 1.4 - West region, 1.25 - South-West, 1.13 - Centre and 1.09 - North-East. It is followed by industry with quotients of 1.3 - Centre, 1.25 - North-West, 1.2 - West, 1.14 - North-East. The regions specialized in constructions are Bucharest-Ilfov (1.24), West (1.19), Centre (1.09), North-West (1.06). In the service sector the specialization is less important, only three regions recording quotients slightly above 1: Bucharest-Ilfov (1.07), South-West (1.05) and South-East (1.03).

**Table 2.** The specialization quotients by economic sector and by region in 2003

Region	Agriculture	Constructions	Industry	Services
North-East	<b>1.09</b>	0.81	<b>1.14</b>	0.98
South-East	<b>1.25</b>	0.82	0.83	<b>1.03</b>
South	<b>1.64</b>	0.90	0.99	0.98
South-West	0.98	0.74	0.81	<b>1.05</b>
West	<b>1.40</b>	<b>1.19</b>	<b>1.20</b>	0.94
North-West	0.99	<b>1.06</b>	<b>1.25</b>	0.95
Centre	<b>1.13</b>	<b>1.09</b>	<b>1.30</b>	0.93
Bucharest-Ilfov	0.24	<b>1.24</b>	0.72	<b>1.07</b>

*Source:* calculated using ANIMMC (2004) data

For industry, the structure by sub-sector indicates an important share for the clothing and textile sectors in North-East (20% of total manufacturing firms), North-West (18.7), Bucharest-Ilfov (17.8%), West (16.1%). Machinery is strongly represented in Bucharest-Ilfov (21.2%), South-East (15.5%), South-West (13.9%). The timber industry is well represented in Centre (22.7%), North-East (22%), North-West (18.6). The food industry has an important share in South-West (23.1%), South-East (22%), South (20%). The chemical industry is strong in Bucharest-Ilfov (25.4%).

If these figures are compared to the national average the conclusion is that Bucharest-Ilfov specializes in the chemical, machinery, textile and clothing industries, the Centre region in timber, North-East in textile and timber industries, South-West and South in the food industry, South-East in food and machinery, North-East in the textile, clothing and timber industries.



The structures presented above confirm a clear orientation towards those industries able to turn to good account the natural advantages of each region as well as strengths in terms of human capital and infrastructure.

These structures can undergo significant changes only in so far as the private SME sector is consolidated within a sustained restructuring process.

Various research studies undertaken in Romania (e.g. Manea, 1999 Pislaru and Aristide, 2004) have also revealed the emergence of *industrial clusters* mainly in software (Bucharest, Timisoara, Cluj), ship building (Constanta, Galati, Mangalia), timber processing (Covasna, Harghita, Mures, Suceava), car components (Arges), textile industry (Bacau, Vaslui, Galati, Timis), sporting goods (Timis), porcelain (Alba).

Another interesting phenomenon is the increased activity in some regions of Romania of many small entrepreneurs originating from the same foreign country (and region). A relevant example is the activity of the Italian Veneto region's entrepreneurs who are mostly interested in South-West and Western regions of Romania due to the advantages in terms of infrastructure (especially transportation infrastructure: airports with direct flights to/from Italy, good rail and road networks) and traditional relationships in some industries (textile, leather, wood, furniture).

There are also numerous projects of SME development included in the trans-border co-operation programmes of the European Union (e.g. those financed by Phare). Various examples of micro-integration can be found not only in traditional industries like leather, clothing, metalworking, furniture, chemicals, car industry, electric appliances but also in advanced ones such as computer peripherals, software, electronic goods. The better the economic situation in a country, the more numerous the firms of the latter category (Török, 2001).

In general terms the measures aimed at encouraging a healthy business environment and overall economic development can contribute to supporting the expansion of the SME sector, with all the ensuing advantages for local and regional dynamism. Of course, specific measures are also required and should be integrated in active regional policies promoting SME development within the endogenous development model. These policies will be stimulated by the next programming exercise of the European Union, which concentrates on convergence-competitiveness-cooperation, paying special attention to the SME sector development.

#### **4. SMEs and regional policy**

In general terms the importance of SMEs to regional policy derives from their ability to innovate, their contribution to the performance of less developed regions and their role in the revitalization of certain industrial regions. In the case of former communist countries this sector has a specific relevance and a series of particular advantages such as (Dragusin, 1998):

- as a source of intensifying competitiveness, SMEs act as an engine of structural

- changes and economic revitalization, following decentralization;
- SMEs can absorb a part of the unemployment resulting from a radical restructuring of industrial giants;
  - the SME sector can facilitate the transfer of economic resources from declining sectors to more prosperous ones;
  - SME development can substantially contribute to increasing the number of entrepreneurs and, thus, to creating a new social category, very important to establishing the social basis for transition;
  - SMEs diminish the regional consequences of privatization and/or restructuring for regional development;
  - SME activity can contribute to reestablishing the macroeconomic equilibrium and moving towards a relative stability state, with a certain price of transition.

These potential advantages have determined a special concern with SME development in Romania's National Development Plan and corresponding sectorally and regionally oriented programmes. The SME sector has been particularly targeted by those programmes aiming at reconstructing the regional economies in accordance with the specific problems of various areas (e.g. disadvantaged areas, growth potential areas, border areas, etc.).

For 2007-2013 both the Regional Operational Programme and the Sectoral Operational Programme on Economic Competitiveness will include special priorities and measures regarding SME sector development as well as general measures focusing on the improvement of the business environment. Much care is being taken at present to ensure good correlation between these measures on the one hand and to avoid overlapping or neglecting some aspects by both programmes on the other hand.

Within this context our paper proposes some considerations for Romanian regional policy in the forthcoming years in relation to SME sector development.

First, *the institutional and legal framework* should have in view the replacement of the so-called 'prescriptive approach', based on dirigisme or top-down planning and characteristic to the centrally-planned economy, by a '*transactional approach*' where both national and local government define general norms ('rules of the game') and "aims to remove the obstacles to a greater and more flexible integration among various economic actors through the provision of 'public goods', such as information, infrastructure, services, and strategic initiatives based on public-private cooperation" (Cappellin, 1998). Within this framework the policies of territorial organisation can be combined with the traditional instruments of local development policies, such as financial incentives and provision of specialised producer services. Such a framework can contribute to a gradual transition from the traditional model of industrialization, supporting production systems based on economies of scale, to the *networking model*, based on *partnership*, locally bounded *spill-overs*, *flexibility* and *knowledge*, and able to create and nurture the so-called "*sense of belonging*" (Cappellin and Steiner, 2002).

Taking into account the situation existent before 1990, special emphasis should be laid on enhancing the idea of *entrepreneurship*, SMEs being able to bring about an important contribution. It is often stated that a region can regain its dynamism if it regains its entrepreneurs (Coffey and Polèse, 1985). Of course, in the case of Romania the problem is not to regain, but to create a generation of true entrepreneurs, characterised by qualities of responsibility, spontaneity, imagination, capacity to predict and to adapt to change by detecting new opportunities, development strategies, identifying new resources, and relational know-how with people and the environment.

In order to stimulate the spirit of enterprise regional policies have to consider the particularities of each region from the structural (nature of industries, size of firms), socio-cultural (occupational profile of the local population), economic (local availability of factors of production, such as premises or capital, and demand for new firm product from particular geographical markets) viewpoints (Maillat, 1990).

Another aspect that has not been paid the attention deserved is strengthening SME *research and innovation*. It has been argued (Funck and Kowalski, 1997) that even with limited financial resources – a very serious constraint for the former communist countries – the formulation and implementation of this policy is possible and necessary. The elements of such policies should encompass: promotion of development of small technology-oriented companies; assistance in the restructuring of applied research institutes; promotion of interaction between SMEs and technology organisations; provision of training in activities related to the innovation process; creation of national and regional transfer channels and policy, able to support the networks based on co-operation and learning as infrastructure for innovation (Cappellin and Steiner, 2002).

The integration of SME activity in a complex networking – at regional, inter-regional, international level – requires intense efforts for implementing large-scale *infrastructure* projects. So far infrastructure is in the worst situation in Romania and this is considered a serious impediment to economic development<sup>3</sup>.

Without being exhaustive, our account of some priorities of regional/local policies centred on SME sector development stresses an important idea: the local dynamism does not result from the action of separate firms but from their *overall* behaviour. This phenomenon is illustrated by the notion of *milieu* or local environment-based approach that is concerned with understanding the firm in its local and regional context. As described by Aydalot and Keeble (1988, quoted by Maillat, 1990, p.345), “the firm, and the innovating firm, are not viewed as pre-existing in or separate from the local environment, but as being a product of it. Local milieus are regarded as the nurseries, the incubators of innovation and innovative firms... The historical evolution

---

3. A KPMG survey reveals that the main barriers perceived by foreign investors in Romania are stifling bureaucracy (71%), poor infrastructure (60%) and corruption (55%).

and characteristics of particular areas, their economic and social organization, their collective behaviour, the degree of consensus or conflict which characterizes local society and economy, these are major components of innovative behaviour... This approach implies that innovative behaviour is as much dependent on variables defined at the local and regional level as on national scale influences. Access to technological know-how, the availability of local industrial linkages and inputs, the impact of close market proximity, the existence of a pool of qualified labour – these are the innovation factors which will determine areas of greater or lesser innovative activity within the national space”.

The milieu is composed of material and non-material elements, connected with hard/soft location factors acting within a given territory (Kowalski and Rottengather, 1998). The material elements are organised around the territorial production system, the local labour market and the territorial scientific system, closely interrelated. The non-material elements refer especially to the technical culture, but other aspects like the creative climate, the identification of local citizens with their location – city or region – based on historical and cultural motivation and future aspirations should also be considered.

In conclusion, the policy measures meant to improve the framework of conditions for SMEs and overall regional development should constitute a *coherent ‘package’* including economic, legal, infrastructure, cultural and socio-political elements. “The aim of the package must be the definition of a *‘regional profile’*, stressing and taking advantage of specific feature of each local area” (Funck and Kowalski, 1997).

## 5. Conclusions

SME sector represent an important source of local and regional dynamism. Even though the big firms remain a key factor in restructuring the productive system, from a regional viewpoint SME activity is of strategic importance in each region’s economic reconstruction, provided SMEs are included in a well-structured environment, in a coherent territorial network, involving links, relations, exchanges between them and other economic agents (like banks, higher education institutes, training centers, consulting firms, chambers of commerce, local public administration).

In order to turn to good account the development potential of the Romanian SMEs and use the opportunities offered by European funds in this direction, stronger support should be offered to this sector within the overall economic policy, concentrating on three aggregate objectives: the removal of any administrative, financial, legal, etc. barriers that still hinder SME start-up and development; the provision of assistance and information to SMEs; encouraging cooperation and partnership between firms.

## References

- ANIMMC (National Agency for SMEs and Co-operation) (2004), *Annual Report on SME Sector in Romania- 2003*, Bucharest
- Armstrong, H. and Taylor, J. (2000), *Regional Economics and Policy*, third edition, Blackwell
- Aydalot, P. and Keeble, D. (1988), *High Technology Industry and Innovative Environments*, Routledge, New York, London
- Cappellin, R. (1998), "The Transformation of Local Production Systems: International Networking and Territorial Competitiveness", in *European Research in Regional Science* 8/1998
- Cappellin, R. and Steiner, M. (2002), "Enlarging the scale of knowledge in innovation networks: theoretical perspectives and policy issues", *42<sup>nd</sup> Congress of the European Regional Science Association (ERSA)*, Dortmund, Germany, August 2002
- Coffey, W. and Polèse, M. (1985), "Local Development, Conceptual Bases and Policy Implications", in *Regional Studies* 2/1985
- Constantin, D.L. (2002), "Small and medium enterprises, regional development and networking: the emerging framework in Romania", in *Romanian Journal of European Affairs*, vol. 2, no.4
- Dragusin, M. (1998), "Contributions to the development of the commercial SME management" (in Romanian), PhD thesis, Academy of Economic Studies of Bucharest
- Funck, R.H. and Kowalski, J.S. (1997), "Innovative Behaviour, R&D Development Activities and Technology Policies in Countries in Transition: The Case of Central Europe", in Bertuglia, C.S., Lombardo, S., Nijkamp, P. (eds), *Innovative Behaviour in Space and Time*, Springer-Verlag
- Innovation and Technology Transfer* (2002), 5, "Netwinning combination", 27-28
- Kowalski, J. and Rothengatter, W. (1998), "Introduction to Soft Factors in Spatial Dynamics", *Scientific Seminar in Honour of Rolf Funck*, University of Karlsruhe, Germany, February 1998
- Maillat, D. (1990), "SMEs, innovation and territorial development", in Cappellin, R., Nijkamp, P. (eds), *The Spatial Context of Technological Development*, Avebury
- Manea, Gh. (1999), "Cluster-type development strategies" (in Romanian) in *Tribuna Economica* 15/1999
- Nicolescu et al. (2003), *White Paper of SMEs in Romania* (in Romanian), Arvin Press, Bucharest
- Pislaru, D., Aristide, O. (2004), "Identifying emerging clusters in Romania" (in Romanian), www.gea.org.ro
- Polèse, M. (1998), "From Regional Development to Local Development: On the Life, Death and Rebirth of Regional Science as a Policy Relevant Science", *Address to the 5<sup>th</sup> Annual Meeting of the Associacao Portuguesa para o Desenvolvimento Regional (APDR)*, Coimbra, June 1998
- Regional Development Act 151/1998 and 315/2004 (in Romanian)
- Steiner, M. (2002), "Clusters and networks: institutional settings and strategic perspectives", in McCann (ed.), *Industrial Location Economics*, Edward Elgar
- Török, A (2001), "Industry and regional networks", contribution to the European Policy Dialogue, *Annual Meeting of the Austrian Economic Association* (NoeG2001), Graz, May 2001

