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Regional Disparities and Economic Growth in Romania. Characteristics and Trends

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**Abstract**

Regional disparities in Romania remain a central issue for the economy and public policy. The interest in this phenomenon is justified by its impact on social cohesion, balanced development, and economic convergence at the European level. Reducing territorial gaps is an essential condition for social stability, competitiveness, and the effectiveness of public policies.

Romania has recorded sustained economic growth during the period 2000–2023, but the benefits have not been distributed evenly. Bucharest-Ilfov has reached a GDP per capita level of over 140% of the EU average, while the North-East region stands at less than half of that, reflecting profound economic divides between growth poles and lagging areas. These differences are driven by factors such as education and human capital, infrastructure, investment levels, entrepreneurial initiative, as well as varying capacities to adapt to crises such as the 2008 recession or the COVID-19 pandemic.

For a more comprehensive analysis, the study proposes a composite index of social inequalities, built on seven essential dimensions (income, education, health, culture, tourism and sport, justice, and utilities). This index serves as a central tool in econometric investigations. It is approached both as a determinant of long-term sustainable economic growth, through the application of dynamic spatial models, and as a potential catalyst for county-level economic convergence processes. Through this approach, the research highlights how the social dimensions of development influence territorial economic performance and contribute to reducing regional disparities.

The study also includes a section dedicated to the impact of Romania’s EU accession and the COVID-19 pandemic, two critical moments that reshaped the structure and dynamics of disparities. The analysis captures how European integration and exogenous shocks influenced territorial cohesion and the development trajectories of counties.

The research results have direct implications for public policy: the mere allocation of funds is not sufficient without favorable local conditions and efficient administration. Differentiated policies are needed, with a focus on investment in education, infrastructure, and innovation, as well as strengthening administrative capacity at the local level. The originality of the study lies in the development and application of a composite index of social inequalities and its integration into analyses based on dynamic spatial econometrics. Thus, it provides an integrated perspective on regional disparities and formulates solutions for sustainable economic development and stronger territorial cohesion.

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