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## CONSIDERATIONS REGARDING INCREASING THE COMPETITIVENESS OF THE ADMINISTRATIVE-TERRITORIAL UNITS OF TIMIȘ COUNTY

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**Abstract:** Local administrations have a key function in sustainable national development. Evaluating the competitiveness of these entities becomes a priority in the conditions of the current dynamics. This article addresses the legislative and economic arguments regarding the necessity and impact of the implementation of an administrative-territorial reform of the existing communes at the level of Timiș County, based on the demographic, social and economic changes produced in 2022, aiming at the growth competitiveness, efficiency, and effectiveness of the management of administrative-territorial structures (ATS). In this paper, four global indicators were developed with the aim of providing perspectives on the targeted level of analysis. The results show that 11 of the communes present an inadequate degree of competitiveness, two of them require immediate abolition being located on a low competitiveness stage, while 9 low competitiveness stages, being able to be integrated into a process of low competitiveness. Two communes presented high competitiveness (compared to the communes analyzed), the same number being registered in the case of those with high intermediate competitiveness primitive.

**Key words:** administrative-territorial unit, local budget, administrative-territorial reorganization, demography, merger.

### 1. INTRODUCTION

The last major administrative-territorial reform at the level of Romania was confirmed by law no. 2 of February 16, 1968, the authorities of those times aimed at returning to the traditional organization of Romania's territory into counties, cities and communes, as well as abandoning the Soviet-inspired organizational model by regions and districts. Because of this law, the westernmost and most extensive of Romania was also founded - Timiș, successor of the interwar Timiș-Torontal county and later of the Banat/Timisoara region. The current context surprises Timiș County, having in its composition 99 administrative-territorial units, as follows: 2 municipalities (Timișoara - the county seat and Lugoj), 8 cities and 89 communes as seen in Figure 1.

As referenced in [1], Law 84/2004 delineates the most recent administrative-territorial restructuring in Romania, culminating in the

formation of fresh communes. Within Timiș County, this reform manifested in the creation of a dozen new municipalities following the realignment of various localities. These municipalities include Birda, Checea, Dudeștii Noi, Fibiș, Ghilad, Gottlob, Ieccea Mare, Parța, Pădureni, Saravale, Șandra, and Tomnatic. Such restructuring initiatives, as mandated by the law, underscore the ongoing evolution and adaptation of administrative frameworks to meet contemporary societal and governance needs, particularly in the context of regional development and governance optimization.

The problem of increasing the competitiveness of the Administrative-Territorial Units (ATU) of Timiș County is brought to the fore by factors such as: alignment with prevailing legislative provisions governing the establishment, abolition, or assignment of locality status; efficiency and effectiveness of administration; size and administrative complexity; demographic or social changes.

In the pursuit of enhancing the effective management of public funds, this paper endeavors to undertake an analysis of the prevailing situation within the framework of the Romanian legislative context. The objective is to formulate a strategy encompassing the consolidation of communes or the reassessment of criteria for conferring city/municipality status. This strategy seeks to align with various factors, including profitability, compliance with demographic criteria, and the operational expenses of administrative units.

## 2. THE LEGAL FRAMEWORK

According to [2] the Law 351/2001 provides as a necessary condition for the establishment of a commune the existence of the minimum population of 1500 inhabitants. According to the 2022 Population Census, Timisoara is a first-class locality, the stable population figure must have a value from about 50,000 to about 200,000 inhabitants [3], in the present case, the population being 250,849 inhabitants in the year 2022 [4]. The second municipality of Timiș County is classified as a second-class locality, the demographic criteria requiring the existence of a population usually between 25,000 and around 70,000 inhabitants [3]. At the level of the reference year, Lugoj has a population of 35,450 inhabitants.

In the case of the 89 existing communes in Timiș County, the problem no longer arises from the perspective of losing rank and relegation to a lower category, but of merging with another locality to obtain an administrative-territorial unit of rank IV that corresponds demographically to the legislative requirements. Following the 2022 census, 37% of the rolling localities of Timiș County registered an increase in population, most of them being part of the metropolitan area of Timisoara.

Moreover, in these localities the most important increases in the population were recorded, compared to the previous census. It should be noted that most of the previously mentioned rural localities meet the demographic criteria to receive the status of locality - rank III, registering a population greater than 5 of the 8 current cities.

Table 1

ATU that do not meet the demographic threshold.

| ATU         | Population 2022 | Population 2011 | Variation |
|-------------|-----------------|-----------------|-----------|
| Balint      | 1489            | 1596            | -107      |
| Bara        | 299             | 388             | -89       |
| Beba Veche  | 1328            | 1539            | -211      |
| Bogda       | 448             | 460             | -12       |
| Brestovăț   | 675             | 674             | +1        |
| Criciova    | 1493            | 1587            | -94       |
| Curtea      | 1228            | 1193            | +35       |
| Ghizela     | 1113            | 1155            | -42       |
| Giera       | 1131            | 1239            | -108      |
| Livezile    | 1374            | 1566            | -192      |
| Nițchidorf  | 1483            | 1523            | -40       |
| Ohaba Lungă | 904             | 1084            | -180      |
| Pietroasa   | 1012            | 1120            | -108      |
| Secas       | 320             | 299             | +21       |
| Vălcani     | 1225            | 1350            | -389      |

On the other hand, 56 communes of Timiș county suffered depopulation, compared to 2011, many of them no longer meeting the minimum threshold of 1500 inhabitants, thus, in these cases, it is necessary to merge them with neighboring localities.

The need to abolish/combine these communes is unitary, but different degrees of approach can be considered depending on the number of inhabitants, as it is shown in Table 1.

- Accelerated (red) – for communes with a population of less than 1000 inhabitants;
- Medium (yellow) – for communes with a few inhabitants between 1001-1300;
- Slow (green) – for communes with over 1301 inhabitants, under the law.

## 3. ECONOMIC PROFITABILITY OF ADMINISTRATIVE-TERRITORIAL UNITS

The work of Moroi [5] defines budget surplus as the main form of net income, it is the monetary expression of a part of the value newly created by work, deposited in the sphere of activity. The presence of profit proves that the entity fully covers its expenses from its own income and obtains a surplus of value in monetary terms. To determine the profitability of the administrative-territorial unit, the following algebraic expression will be used

regarding the data of the budget year of the reference year (2022):

$$\text{Exercise Outcome} = \text{Total Revenues} - \text{Total Expenses}. \quad (1)$$

If the result of the exercise is positive, the ATU registers a budget surplus (profit), reflecting a good management of its resources. A negative result reflects a budget deficit (loss), which would express a questionable management of the ATU resources.

In [6] it is presented the net profit rate as a financial measure of profitability known as the net profit margin. This metric illuminates the profitability of an economic entity's total operations, expressed as a percentage [6]. Higher percentages reflect greater stability within the economic entity and signify a favorable financial position in terms of profitability (EOR).

$$EOR = \frac{\text{Net Budget Surplus}}{\text{Total Income}} * 100 [\%]. \quad (2)$$

As elements of interest, in the first stage, the previously presented indicators were determined for the municipalities and cities of Timiș County, as well as for the communes that do not meet the demographic criterion of the population. All the calculations in this paper specific to the field of public finances were performed based on the financial year of the territorial administrative units provided by the Ministry of Development, Public Works and Administration for the year 2022 [7].

Both municipalities of Timiș county register a profit following the financial year 2022, Timișoara having a profit rate of 2.35%, and Lugoj 1.49%.

In the case of the 8 existing cities within the county component, the situation exhibits a balanced variability. Notably, half of these cities report a profit, while the remaining half report a loss. The cities of Sânnicolau Mare (17.38%), Buziaș (14.89%), and Gătaia (12.01%) record the most favorable profit rates. Conversely, negative values were observed in Ciacova (-25.98%), Recaș (-1.57%), and Deta (-1.55%). Additionally, values near zero, which could be

deemed acceptable, were noted in Făget (0.01%) and Jimbolia (-0.08%).

Out of the 89 municipalities of Timiș County, 47 registered a loss after the 2022 budget year, the highest values being visible in the case of the localities of Sânmihaiul Român (-42.28%), Peciu Nou (-20.51%) and Pădureni (-20.42%). 42 of them registered a profit, the most visible results having the communes of Giarmata (26.12%), Ohaba Lungă (22.42%) and Bogda (16.86%). In the case of the municipality of Nițchidorf, a profit rate of 0% was recorded, a fact due to the perfect equality between income and expenses.

In Table 2, the result of the budget exercise and the profit rate for the year 2022 of the communes that do not meet the legislative provisions regarding the minimum number of inhabitants of rank IV localities were determined. Thus, it can be stated that there is a balance regarding their number, of the 15 municipalities in the previously mentioned situation, 7 recorded a budget surplus in 2022 (Bara, Beba Veche, Bogda, Curtea, Giera, Livezile and Ohaba Lungă), having a higher level of income compared to that of expenses and showing self-financing capacity, one reached the point of balance, the amount of expenses being equal to the amount of income (Nițchidorf), and the rest recorded a deficit budget, the level of expenses exceeding that of income (Balinț, Brestovăț, Criciova, Ghizela, Pietroasa, Secaș, Vălceni).

The major problem is exercised in the case of localities that have registered a loss, this can be determined by a series of factors, the low level of local administration revenues generated by demographic characteristics (small, aging population, which does not carry out taxed economic activities), high expenses for public services, faulty management of the local budget, etc. The consequences of these actions fall directly on the citizens of the municipalities in question through the lens of the difficulties encountered in the adequate provision of public services, due to the need to reduce expenses within the budget adjustment measures.

Table 2

**The financial situation of ATU does not meet the demographic threshold.**

| ATU         | Profit/loss<br>2022 [lei] | Profit rate<br>2022 [%] |
|-------------|---------------------------|-------------------------|
| Balinț      | -449,450                  | -11.47%                 |
| Bara        | 329,848                   | 10.73%                  |
| Beba Veche  | 64,107                    | 0.01%                   |
| Bogda       | 505,254                   | 16.86%                  |
| Brestovăț   | -521,919                  | -16.18%                 |
| Criciova    | -766,135                  | -15.54%                 |
| Curtea      | 119,246                   | 0.02%                   |
| Ghizela     | -447,715                  | -8.59%                  |
| Giera       | 127,706                   | 2.47%                   |
| Livezile    | 558,584                   | 0.06%                   |
| Nițchidorf  | 0                         | 0%                      |
| Ohaba Lungă | 1,008,080                 | 22.42%                  |
| Pietroasa   | -381,678                  | -6.35%                  |
| Secaș       | -394,178                  | -13.89%                 |
| Vâlcani     | -359,943                  | -7.48%                  |

From a fiscal point of view, the loss recorded by these communes translates into various recovery measures that may result in a decrease in the quality of life of the inhabitants. A series of mechanisms aimed at the economic recovery of localities in the previously presented situation are allocation of additional financial resources by the government from the state budget; reduction or flexibility of mandatory expenses imposed by the government on municipalities; reconsidering the amount of local taxes and duties or introducing additional sources of income.

#### 4. ELEMENTS OF DIAGNOSTIC ANALYSIS OF THE LAST BUDGET EXERCISE

According to [8] the Law 273/2006 defines the local budget as the document by which the revenues and expenses of the administrative-territorial units are foreseen and approved every year. Within it, the total revenues of the territorial administrative unit are made up of own revenues to which are added various categories of broken-down amounts and subsidies.

The financial diagnosis establishes the state of economic and financial health of the analyzed society and establishes the possibilities of recovery in the future [9]. At the same time, the diagnosis presents the investigation of the public

institution, its components, to visualize the main strong and weak points, the evaluation of the financial performances.

To offer an insightful perspective on the competitiveness of administrative-territorial units, it's beneficial to ascertain the proportion of self-generated revenues in the total recorded revenues post fiscal year. This assessment helps gauge the municipality's level of financial autonomy (GAF) and its capacity to generate local revenue for financing its expenditures, as illustrated by the subsequent algebraic expression:

$$GAF = \frac{ATU \text{ own revenues}}{Total ATU revenues} \quad (3)$$

The weight indicates the proportion of the own income from the total income of the commune. A high share of own income provides a high degree of financial independence, with little dependence on amounts from the state budget or external sources. A low percentage of self-generated revenues relative to the total revenues of the commune signifies heightened vulnerability, suggesting a dependency on external financing sources. The financial autonomy rate (RAF) of the administrative-territorial unit is calculated by multiplying the degree of financial autonomy by 100 and is represented as a percentage, outlined as it follows:

$$RAF = \frac{ATU \text{ own revenues}}{Total ATU revenues} * 100 [\%]. \quad (4)$$

Considering as satisfactory the achievement of a result above the arbitrary threshold of 50%, the value of the report will be determined for all territorial administrative units of Timiș county.

In the case of the two municipalities, a value of the financial autonomy rate of over 50% was obtained, thus Timișoara (63.25%) and Lugoj (74.43%) have an adequate self-financing capacity and show an increased profitability. 4 out of 8 cities of Timiș County achieved a rate of financial autonomy around 55%, two cities above 60% (Recaș – 62.68% and Sânnicolau Mare – 69.26%), while two other cities achieved an unsatisfactory result below the 50% threshold (Buziaș – 31.79% and Deta – 47.61%).

Table 3

**Self-financing indicators for communes with a population of less than 1500 inhabitants**

| ATU         | Own income<br>2022 [lei] | RAF 2022<br>[%] |
|-------------|--------------------------|-----------------|
| Balint      | 2,332,488                | 59.51           |
| Bara        | 2,248,107                | 73.16           |
| Beba Veche  | 2,891,875                | 54.65           |
| Bogda       | 2,169,642                | 72.42           |
| Brestovăț   | 2,411,954                | 74.76           |
| Criciova    | 2,487,291                | 50.47           |
| Curtea      | 2,418,789                | 44.44           |
| Ghizela     | 3,925,350                | 75.34           |
| Giera       | 3,032,240                | 58.69           |
| Livezile    | 3,272,654                | 35.09           |
| Nițchidorf  | 2,822,890                | 31.21           |
| Ohaba Lungă | 2,913,448                | 64.79           |
| Pietroasa   | 2,445,786                | 40.67           |
| Secaș       | 2,224,312                | 78.37           |
| Vălceni     | 2,618,525                | 54.40           |

The average self-financing rate of the communes of Timiș County is around 60.15%, there are 41 territorial administrative units of this type that are below the indicated rate. The best values of financial autonomy are recorded in the case of municipalities located in the metropolitan area of Timisoara, most of them having a percentage of over 75%, followed by Ghiroda (92.81%), Remetea Mare (85.94%), Giarmata (84.28%). At the opposite pole are Satchinez (26.45%), Iecsa Mare (26.73%) and Nițchidorf (31.21%), which have the weakest self-financing capacity among the analyzed localities. The perspective of indicator values for communes that do not meet the legislative criterion of the demographic threshold, the situation regarding own income and self-financing capacity is shown in Table 3.

Regarding the results obtained by the 15 communes, a balanced distribution is noted, considering the amount of the arbitrary value of 50%, as well as the average of the self-financing capacity of all the communes in the analyzed county (60.15%), three approach thresholds can be established:

- Unsatisfactory self-financing capacity (red)  $RAF < 50\%$  – communes are not able to secure half of their budget revenues through their own revenues;
- Satisfactory self-financing capacity (yellow)  $50\% \leq RAF \leq 60.15\%$  – the communes can secure 50% or up to the

average value of the self-financing capacity of the existing rolling localities at the county level;

- Adequate self-financing capacity (green)  $RAF < 60.15\%$  - the communes can secure financing from their own revenues above the average of similar localities at the county level.

Another significant indicator for assessing the competitiveness of an ATU is the proportion of personnel expenses relative to the total expenses (PCP) recorded. This metric provides valuable insights into the unit's competitiveness landscape. It can be characterized as the ratio of total expenses allocated to employed staff in comparison to the overall expenses of the commune within a specific reference year.

$$PCP = \frac{\text{Staff expenditure}}{\text{Total expenses of ATU}} \quad (5)$$

The personnel expenses rate from the total expenses of the administrative-territorial unit (RCP) is the percentage expression of the proportion of personnel expenses relative to the total expenses recorded by the unit. This is calculated according to the following formula:

$$RCP = \frac{\text{Staff expenditure}}{\text{Total expenses of ATU}} * 100 [\%]. \quad (6)$$

To determine a threshold for comparison, the average of the rates of personnel expenses recorded at the level of urban localities, as well as the average of the existing rates of the same name at the level of the rural localities of Timiș County (in 2022), was determined, finding a similarity between the resulting values. Thus, the comparison threshold was set at 25%.

The municipality of Timișoara registers a personnel expenditure rate of 14.77%, which places it below the county average, while in Lugoj 34.56% of the expenditure budget goes towards personnel expenditure. In the case of rank III localities, the situation is balanced, five of them being below the comparison threshold: Deta (20.69%), Ciacova (20.91%), Jimbolia (21.69%), Sânnicolau Mare (23.51%) and Buziaș (33.85%), while three of them obtained percentages above the average: Receaș (31.15%), Făget (33.85%) and Gătaia (35.51%).



Table 4

**The situation of personnel expenses at the level of ATUs with less than 1500 inhabitants.**

| ATU         | Staff expenditure [lei] | RCP 2022 [%] |
|-------------|-------------------------|--------------|
| Balinț      | 1,481,305               | 33.91        |
| Bara        | 869,494                 | 31.70        |
| Beba Veche  | 923,236                 | 17.66        |
| Bogda       | 996,884                 | 40.02        |
| Brestovăț   | 676,867                 | 18.06        |
| Criciova    | 1,797,786               | 31.57        |
| Curtea      | 1,156,972               | 21.73        |
| Ghizela     | 1,198,542               | 21.18        |
| Giera       | 1,491,483               | 29.60        |
| Livezile    | 1,496,914               | 17.07        |
| Nițchidorf  | 1,999,099               | 22.10        |
| Ohaba Lungă | 1,664,088               | 47.70        |
| Pietroasa   | 1,760,321               | 27.52        |
| Secaș       | 850,074                 | 26.30        |
| Vălceni     | 1,263,000               | 24.41        |

Regarding the ratio of personnel expenses from the total expenses of the rural administrative-territorial unit, the lowest values are recorded for the localities of Ghiroda (9.79%), Ortisoara (10.24%) and Dudeștii Vechi (10.42%), while, in the case of Ohaba Lungă (47.70%), Bogda (40.02%) and Racovita (39%) communes, the peak values of this indicator are noted to have been documented specifically during the course of the year 2022. For localities with a population of less than 1500 inhabitants, the situation of personnel expenses and the rate of personnel expenses from the total expenses recorded by the ATU was shown in Table 4. Analyzing the results obtained by the 15 administrative-territorial units regarding the rate of personnel expenses, in relation to total expenses, it is possible to group them into two classes of interest:

- Personnel expenses above average – high – (red)  $RCP > 25\%$  - the personnel expenses rate of the communes in this situation exceeded the average value of the personnel expenses rate of rural localities in Timiș County;
- Personnel expenses below average – low – (red)  $RCP \leq 25\%$  - the personnel expenses rate of the communes in this situation is below the average value of the personnel expenses rate of rural localities in Timiș County.

## 5. METHODOLOGY FOR DETERMINING COMPETITIVENESS

The notion of competitiveness, widely used in the process of creating and evaluating economic policies, in general, does not offer a clear and concise definition, but is adapted, in most of the cases, to the purpose of the analyzes for which it is intended to be used. Thus, there is a wide array of understandings of the concept of competitiveness. Among these interpretations, one of the most significant is as follows: competitiveness is interchangeable with comparative advantage “... this approach is not complete, because it depends on the level / perspective of treatment - at the micro or macroeconomic level, at the national or international level...” [10].

The present methodology aims to present the proposed working method to determine the competitiveness of rural administrative-territorial units at the level of a reference county, under the jurisdiction of Law 351/2001, not meeting the minimum demographic threshold of 1500 inhabitants. This is synthesized based on the results obtained from the study of the component localities of Timiș County, moving from the particular to the general case. At the same time, a brief presentation of the targeted indicators for urban localities, as well as the best/worst three results of the territorial administrative units of rank IV, was also carried out.

In this paper, four global indicators were developed with the aim of providing perspectives on the targeted level of analysis, as follows:

- The demographic threshold, having values, established by the relevant legislation, depending on the rank of the locality;
- The profit rate, determined based on reporting the result of the budget year (surplus/deficit) to the total revenues of the administrative-territorial unit and multiplying the result by 100;
- The rate of financial autonomy of the territorial administrative unit, calculated as a ratio between its own income and the total income of the locality, multiplying the result by 100 to obtain a percentage representation;

- The rate of personnel expenses, determined in proportion to personnel expenses and the total expenses recorded by the administrative-territorial unit in the reference year.

The competitiveness degree of the analyzed municipalities was highlighted for each indicator according to a traffic light distribution, according to their placement in relevant numerical thresholds, as shown in Table 5. Other relevant methodological recommendations regarding the determination of the targeted indicators:

- In the initial stage, rural localities are considered that do not meet the minimum legislative demographic threshold for the year in question and are assigned a certain degree of taxation according to the numerical threshold identified;
- In the second stage, the result of the annual budget (surplus/deficit) and the rate of the result of the budget year are determined, according to the formulas indicated in the corresponding section of the work, followed by the assignment of a degree of taxation according to the numerical threshold identified;
- The third and fourth stages use certain elements of diagnostic analysis transposed and adapted for the local public administration of the last completed budget exercise;
- The third stage aims to determine the degree and rate of self-financing of the administrative-territorial units studied, achieved by using the appropriate formulas, followed by the assignment of a degree of taxation according to the numerical threshold identified. The determination of the numerical threshold for the "adequate" and "satisfactory" levels of taxation is determined as the arithmetic mean of the self-financing rates of all localities of the same rank;
- The fourth stage involves establishing the share of personnel expenses from the total expenses recorded by an administrative-territorial unit, in accordance with the presented formulas, assigning a degree of

taxation according to the numerical threshold identified.

- The ultimate phase within the methodology encompasses the development of the centralizer, encapsulating synthesized information pertaining to the scores attained by the scrutinized communes, specifically those with populations under 1500 inhabitants. Subsequently, these results are aggregated for each locality. The significance and relevance of these coefficients, delineated for each individual indicator, are comprehensively presented, furnishing a comprehensive understanding of the analytical process, as presented in Table 6.

Table 5

Method for determining competitiveness.

| Indicator name                 | Degree of imposition | Numerical threshold   | Score awarded |
|--------------------------------|----------------------|-----------------------|---------------|
| The demographic threshold      | slow                 | > 1301 inhabitants    | 2             |
|                                | environment          | 1001-1300 inhabitants | 1             |
|                                | accelerated          | < 1000 inhabitants    | 0             |
| Exercise outcome rate          | surplus              | > 0 lei               | 2             |
|                                | balance point        | 0 lei                 | 1             |
|                                | deficit              | < 0 lei               | 0             |
| Financial autonomy rate        | corresponding        | > $\bar{x}$           | 2             |
|                                | satisfactory         | 50% - $\bar{x}$       | 1             |
|                                | unsatisfactory       | < 50%                 | 0             |
| The rate of personnel expenses | low                  | $\leq 25\%$           | 2             |
|                                | high                 | > 25%                 | 0             |

Table 6

The value of the coefficients specific to the indicators

| Indicator name                 | Coefficient value |
|--------------------------------|-------------------|
| The demographic threshold      | 4                 |
| Exercise outcome rate          | 3                 |
| Financial autonomy rate        | 1,5               |
| The rate of personnel expenses | 1,5               |

Table 7

Levels of competitiveness

| Level | Name type of competitiveness | Score   |
|-------|------------------------------|---------|
| 1     | low                          | 0 – 5   |
| 2     | low intermediate             | 5 – 10  |
|       | high intermediate            | 11 – 15 |
| 3     | high                         | 16 – 20 |

Depending on the result obtained, three levels of competitiveness of the analyzed administrative-territorial units are distinguished,

is shown in Table 7. The interpretation of the three types of competitiveness was carried out in accordance with the image resulting from the determination of the specified indicators and their impact on the standard of living and well being of the population:

- Low competitiveness – the commune usually presents a demographic character with accelerated decline, budget deficit, unsatisfactory or satisfactory financial autonomy and a high share of personnel expenses, as a rule it falls into the category of priority localities in the administrative-territorial reorganization process.
- Intermediate competitiveness – the commune usually presents a demographic character with an average decrease, budget deficit or balance point, a satisfactory financial autonomy and a low share of personnel expenses, as a rule it falls into the category of localities with a high need to implement the administrative-territorial reorganization process.
- High competitiveness – the commune usually has a demographic character with a slow decline, a budget surplus, a satisfactory or high financial autonomy and a low share of personnel expenses, as a rule it falls into the category of localities with a high need to implement the administrative-territorial reorganization process. Environmental conditions, sustainability and population health are directions that can contribute to increasing competitiveness [8,10, 11-14].

According to the methodology, the score obtained by a locality can vary between a minimum of 0 and a maximum of 20.

## 6. CONCLUSIONS AND PERSONAL CONTRIBUTIONS

Points were awarded according to the methodological regulations, the notations in the table referring to the following aspects: d – the number of inhabitants of the commune, e – the result of the last financial year, a – self-financing capacity, p – personnel expenses, point pdt. – the weighted score.

In accordance with the continuation obtained, 11 of the communes analyzed show an

inadequate degree of competitiveness, two of them require immediate abolition (Pietroasa and Secaş) being located on a low competitiveness stage, while 9 low competitiveness stages, being able to be integrated into a process of low competitiveness. Two communes - Beba Veche and Livezile - presented high competitiveness (compared to the communes analyzed), the same number being registered in the case of those with high intermediate competitiveness primitive (Curtea and Giera), in the case of these processes of abolition can be postponed, in the perspective of monitoring future results.

The consolidation and analysis of the data acquired from the determinations conducted for the communes outlined in the methodology are presented in Table 8.

In the works, four applicable criteria were established to determine a methodology for establishing the competitiveness of municipalities that do not meet the demographic threshold established by law.

Table 8

**The results of the communes studied.**

| ATU         | d | e | a | p | Pct. pdt. | Level of competitiveness |
|-------------|---|---|---|---|-----------|--------------------------|
| Balinț      | 2 | 0 | 1 | 0 | 9.5       | low intermediate         |
| Bara        | 0 | 2 | 2 | 0 | 9         | low intermediate         |
| Beba Veche  | 2 | 2 | 1 | 2 | 18.5      | High                     |
| Bogda       | 0 | 2 | 2 | 0 | 9         | low intermediate         |
| Brestovăț   | 0 | 0 | 2 | 2 | 6         | low intermediate         |
| Criciova    | 2 | 0 | 1 | 0 | 9.5       | low intermediate         |
| Curtea      | 1 | 2 | 0 | 2 | 13        | high intermediate        |
| Ghizela     | 1 | 0 | 2 | 2 | 10        | low intermediate         |
| Giera       | 1 | 2 | 1 | 0 | 11.5      | high intermediate        |
| Livezile    | 2 | 2 | 0 | 2 | 17        | High                     |
| Nițchidorf  | 2 | 1 | 0 | 2 | 10        | low intermediate         |
| Ohaba Lungă | 0 | 2 | 2 | 0 | 9         | low intermediate         |
| Pietroasa   | 1 | 0 | 0 | 0 | 4         | Low                      |
| Secaş       | 0 | 0 | 2 | 0 | 3         | Low                      |
| Vălcani     | 1 | 0 | 1 | 2 | 8.5       | low intermediate         |



Table 9

| Proposal to merge the targeted localities. |                |              |
|--|----------------|--------------|
| Village                                    |                |              |
| pooled                                     | host           | result       |
| Bara                                       | Balinț         | Balinț       |
| Beba Veche*                                | Dudeștii Vechi | Beba Veche   |
| Pietroasa                                  | Curtea         | Curtea       |
| Giera                                      | Foieni         | Foieni       |
| Criciova                                   | Găvojdia       | Găvojdia     |
| Ghizela Secaş                              | Brestovăț      | Brestovăț    |
| Bogda                                      | Maşloc         | Maşloc       |
| Livezile*                                  | Banloc         | Banloc       |
| Ohaba Lungă                                | Mănăştur       | Ohaba Lungă  |
| Nițchidorf                                 | Tormac         | Tormac       |
| Vălcani                                    | Teremia Mare   | Teremia Mare |

Table 10

| Characteristics of the resulting localities. |                   |                            |
|--|-------------------|----------------------------|
| Village result                               | Population [loc.] | Surface [km <sup>2</sup> ] |
| Balinț                                       | 1788              | 126.27                     |
| Beba Veche                                   | 5155              | 189.69                     |
| Curtea                                       | 2240              | 200.8                      |
| Foieni                                       | 2631              | 222                        |
| Găvojdia                                     | 4212              | 127.95                     |
| Brestovăț                                    | 2108              | 252.89                     |
| Maşloc                                       | 2684              | 161.59                     |
| Banloc                                       | 4195              | 180.79                     |
| Ohaba Lungă                                  | 2553              | 146.65                     |
| Tormac                                       | 4335              | 198.21                     |
| Teremia Mare                                 | 4828              | 193.66                     |

Following their application, values were determined for the municipalities, cities and communes of Timiș County, being highlighted with the informative title of the last financial year of the urban administrative-territorial units, respectively the first three positive / negative results of the rural localities.

Applicable performance indicators for each criterion were established and presented, to be integrated into the competitiveness analysis methodology for localities that do not have the demographic threshold of 1500 inhabitants. The administrative - territorial reorganization by abolishing/combining the targeted localities with other localities is done according to certain criteria, priority being given to the geographical aspect of the positioning in relation to the neighboring municipalities, the legislative aspects regarding demography, the economic situation and demography.

These aspects can be exemplified by the option of merging the communes analyzed that obtained unsatisfactory results, based on ethnic

and historical considerations, presented in Table 9 and Table 10.

The primary and noteworthy contribution within the field of administrative sciences is significantly attributed to the methodology devised for evaluating the competitiveness of communes with a demographic threshold below 1500 inhabitants.

This methodology serves as a pivotal tool not only for assessing the competitiveness of these communes but also for prioritizing administrative-territorial reorganization efforts, particularly through dissolution or combination.

This strategic approach offers a structured framework for decision-making processes, facilitating a comprehensive understanding of the dynamics inherent in smaller communes while also optimizing resource allocation in a judicious and systematic manner.

## 7. DIRECTIONS FOR FURTHER RESEARCH

The principal avenues for future exploration, building upon the findings of this study in the field of administrative sciences, are oriented towards a comprehensive review and augmentation of existing criteria pertaining to the assessment of the competitiveness of administrative-territorial units. Additionally, there is a pressing need to reevaluate the allocation of points and degrees of importance assigned to various factors. Furthermore, there is a notable opportunity for extending the current methodology to encompass the evaluation of all categories of localities, irrespective of their hierarchical status. These directions represent promising areas for further investigation and are poised to advance our understanding and application of administrative principles in a nuanced and inclusive manner.

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### **Considerații privind creșterea competitivității unităților administrativ-teritoriale ale județului Timiș**

Administrațiile locale joacă un rol important în dezvoltarea națională durabilă. Evaluarea competitivității acestor entități devine o prioritate în condițiile dinamicii actuale. Acest articol abordează argumentele legislative și economice privind necesitatea și impactul implementării unei reforme administrativ-teritoriale a comunelor existente la nivelul județului Timiș, bazată pe schimbările demografice, sociale și economice produse în anul 2022, vizând creșterea competitivității, eficienței și eficacității managementului unităților administrativ-teritoriale (UAT). În această lucrare, au fost dezvoltati patru indicatori globali cu scopul de a oferi perspective asupra nivelului vizat de analiză. Rezultatele arată că 11 dintre comune prezintă un grad de competitivitate inadecvat, două dintre ele necesită desființare imediată fiind situate pe o etapă de competitivitate scăzută, în timp ce 9 stadii de competitivitate scăzută, putând fi integrate într-un proces de competitivitate scăzută. Două comune au prezentat competitivitate ridicată (comparativ cu comunele analizate), același număr fiind înregistrat și în cazul celor cu competitivitate intermediară ridicată.

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