

STRUCTURE OF EUROPEAN FUNDING BY SECTORS OF ECONOMIC ACTIVITY CASE STUDY - SUCEAVA COUNTY

Aurel Costel CHELE

PhD Student,
Stefan cel Mare University of Suceava
E-mail: aurel.costel.chele@gmail.com
ORCID: 0009-0001-0688-7736

Cristian Valentin HAPENCIUC

PhD Supervisor Professor,
Stefan cel Mare University of Suceava
E-mail: valentin.hapenciuc@usm.ro
ORCID: 0009-0000-9775-2062

Violeta CHELE

PhD Student,
Stefan cel Mare University of Suceava
E-mail: violeta.chele@gmail.com
ORCID: 0009-0009-2534-4284

Abstract: Romania's economic vision must be in line with that of the European Union, aiming at integration into a global market that offers major benefits for all citizens. These benefits can only be offered in a market with common rules and economically and socially aligned regions. The present research analyzes the projects financed between 2021 and 2027, related to Suceava County, according to the updated situation of the Ministry of Investments and European Projects, the objective of the analysis being to test the research hypothesis according to which the allocation of European funds by economic sectors, at the county level, reflects their structure and share in the local economy. The results of the research refute this hypothesis, highlighting the existence of a discrepancy between the economic structure of Suceava County – where the service sector holds a majority share in terms of employment and the number of enterprises – and the structure of the allocation of European funds, characterized by a predominant orientation towards the industrial sector. This mismatch indicates that the distribution of European funds does not proportionally reproduce the sectoral configuration of the county economy. The intertwining of the expertise of the academic environment with the process of implementation and monitoring of European funds can strengthen the qualitative component of the investments made. Universities can support the targeting of European resources towards projects that foster job creation, high value-added investments, competitive goods, and services on the European market.

Keywords: european funds; economic sectors; economic indicators; the structure of the funding; economic indicators.

Classification JEL: R11, R58, H54.

UDC: 339.727.2:338.1(498) **DOI:** <https://doi.org/10.53486/ser2026.38>

1. Introduction

A competitive business environment, creating added value and jobs, is a fundamental element in the European desire for the economic alignment of regions. The non-reimbursable European funds are thus an important tool for reducing the economic and social gap between European regions, Romania, as an EU member state, benefiting from non-reimbursable financial aid within the multiannual financial years, having the opportunity to develop the business environment, human capital and related infrastructure.

The present analysis builds its research architecture, in a first stage, through a theoretical analysis of the literature, an analysis later completed, at a practical level, by empirical research. The choice of Suceava County as a study area was determined by the upward dynamics of access to non-reimbursable European funds by the private sector, as well as by its diversified economic structure. The economic characteristics of the county are comparable to those of other counties in Romania, which gives the results obtained a potential for generalization.

The objective of the research is to respond to the need to document and interpret the impact of non-reimbursable European funds on the economic environment in Suceava County. The objective is to test the research hypothesis, according to which there is a correlation between the economic structure of Suceava County and the structure of the allocation of European funds within the county. At the same time, trends at European, national and county levels are considered, regarding indicators such as gross value added, number of active companies, number of employees, to identify investment potential and assess financial sustainability.

2. Literature Review

The synchronization of national policies with European directions is a complex process, which requires not only economic coherence, but also a strategic approach of a diplomatic nature. Access to and use of European funds are conditioned both by the allocation mechanisms established at national level and by the negotiations carried out within the multiannual financial years, where difficulties related to implementation, legislative compliance or administrative capacity may arise. In this context, the central institutions responsible for coordinating European funds, such as the Ministry of Investments and European Projects, play an essential role in articulating an institutional conduct and diplomacy oriented towards cooperation and adaptability. Silvia Timofti (2013), in "Interdisciplinary Studies", concludes "diplomacy has always found its place in society, along with the culture, values, customs of a nation, which matters a lot for a rule of law."

Bostan et al. (2022) conduct a study in which they evaluate a sample of businesses, through specific indicators, highlighting that European funds have a positive impact on economic development, but this impact is conditional. This opinion complements the literature, where several authors argue in favor of a conditional effect, determined by factors such as the efficiency of the institutional system of absorption of funds.

The functioning of the European economy requires balanced manifestation at the level of all national regions, and not only in large urban centers with a well-established economic tradition. Access to non-reimbursable funds is influenced by the degree of regional economic concentration, which leads to significant differences in absorption capacity between regions. The analysis highlights that regions with a high level of economic development concentrate a disproportionate share of European financial resources, amplifying territorial disparities. (Chele & Hapenciuc, 2025).

Strategic thinking is based on the use of comparable indicators at macroeconomic level, which are essential tools for assessing economic performance, identifying development trends and formulating sustainable economic policies. In parallel with the economic performances, the level of public debt in Romania (>55% of GDP, at the level of 2025), a level that has increased considerably in recent years, must also be considered. In "The

Wealth of Nations" (1776), Adam Smith does not support the idea of public debt as a systematic instrument of economic stimulation. On the contrary, Smith looks at public debt with caution, considering it a phenomenon that, although it may become inevitable in certain economic circumstances, tends to generate constraints on future generations.

At the same time, Nedelea (2016), in the publication "Marketing. Concepts and experiences", presents the law of trend. This psychological law expresses the fact that "we tend to do what the majority of the group we belong to does." Romania, like the states of the European community, and not only, has adopted an economic model based on budget deficit and indebtedness, because of imitating the dominant practices at European level. A modern and balanced economic model does not imply the elimination of public debt, but it implies an antithesis between economic construction and the public debt generated for its construction.

The objective of European funds, within economic cohesion policies, is to establish a balance between capital and jobs. Capital is the one that provides efficiency and competitiveness, and employees represent consumption, innovation and social balance, Gherghina (2016) specifying the role of jobs in avoiding the "loss of human capital, the migration of brains and specialists."

Institutions must play a strategic role as support organizations for the private sector, in the context of reducing administrative and informational barriers. By providing advisory, training and technical assistance services, institutions can contribute to increasing the absorption of non-reimbursable funds and strengthening the entrepreneurial ecosystem. "Development of services by public authorities (e.g. Chamber of Commerce and Industry) to help young entrepreneurs and start-ups obtain European funding" is a recommendation outlined by Chihaiia (2024), within the doctoral thesis: "Analysis of the implementation of European projects in the context of regional development".

The field of European funds is a strategic one and requires coordination and collaboration between institutions, avoiding individual ambitions or rigid hierarchies. The joint efforts of several institutions must guide this strategic approach. "The prestige of the teacher must be demystified, there is no one who knows and no one who learns: there is only a common, comradeship effort to advance a just cause" This perspective highlights that the efficiency of the economic sectors is closely linked to the ability of the institutions responsible for the implementation of EU funds to coordinate resources and support the private sector in achieving economic objectives.

3. Methodology

The report is based on a quantitative approach, carried out by collecting and processing data from the websites of the National Institute of Statistics (INS), Eurostat, as well as the Ministry of Investments and European Projects (MIPE).

The analysis consists, in a first stage, in carrying out empirical research of the GVA and GDP indicators to ascertain an economic dynamic, but also a structure of the economy by sectors of the national economy. This approach is necessary to visualize the implications of European funds in the main economic sectors, and not only for the economy. Indicators at county and national level were also analyzed, such as the number of active units, the number of employees and net investments.

The data were synthesized by sectors of economic activity and types of units benefiting from European funds, to highlight the typology and characteristics of the beneficiaries, this descriptive statistical analysis providing, in addition to a clear structure of the data, also an identification of trends.

The analysis was carried out on the entire population of units benefiting from European funds, in Suceava County, which gives the study an exhaustive character at territorial level. The submission of files for accessing European funds is conditioned by a complex set of institutional criteria, which makes it difficult to identify a group of non-beneficiary companies that are comparable to the beneficiary units. The analysis considers exclusively the units benefiting from European funds, in Suceava County, all of which are evaluated within the same territorial and institutional context.

To achieve the proposed objective, the database available on the official website of the Ministry of Investments and European Projects was queried on 10.07.2025. The projects financed from European funds in the period 2021 – 2027, related to Suceava County, were selected, according to the situation updated on May 5, 2025. The period from July 2025 to February 2026 involved an analysis of the beneficiary units, during all this time this monitoring was corroborated with the detailed analysis of the specialized literature, both approaches being intertwined throughout the drafting of the report.

4. Results and Discussion

Gross value added (GVA) – at national/European level

The analysis of the efficiency of the sectors of economic activity influenced by the absorption of European funds is closely correlated with the assessment of GVA by sectors of activity, as this indicator reflects the contribution of each sector to the formation of the gross domestic product and highlights the level of economic performance generated by the use of available resources, including European funds.

Thus, table no. 1 shows the structure of gross value added (GVA), broken down by the main economic branches, in 2023. It is worth mentioning that the latest data processed and published by the National Institute of Statistics (Tempo Online), on activities of the national economy, are those related to 2023. The data highlight significant differences between economic sectors in terms of their contribution to the formation of gross value added.

Table 1. Gross value added at national level

GROSS VALUE ADDED	Year 2023	
	million lei	%
AGRICULTURE (division 01 - division 03)	52.879,2	3,64
INDUSTRY (division 05 - division 39)	302.950,6	20,85
CONSTRUCTIONS (Division 41 - Division 43)	127.939,1	8,81
SERVICES (Division 45 - Division 99)	968.928,2	66,70
TOTAL	1.452.697,1	100%

Source: author's processing, according to data from the Tempo Online database (2025)

The services sector holds an overwhelming share, representing 968,928.2 million lei, in the total gross value added created in Romania, for 2023, which represents approx. 67%.

This percentage underlines the process of outsourcing Romania's economy, with a focus on activities specific to the services sector, such as trade, transport, communications or financial services.

According to figure no. 1, the national economy is dominated by the service sector, followed by the industry sector, while construction and agriculture contribute to a lesser extent. This structure is specific to modern, developed and developing economies, where the focus is on activities in the tertiary sector.

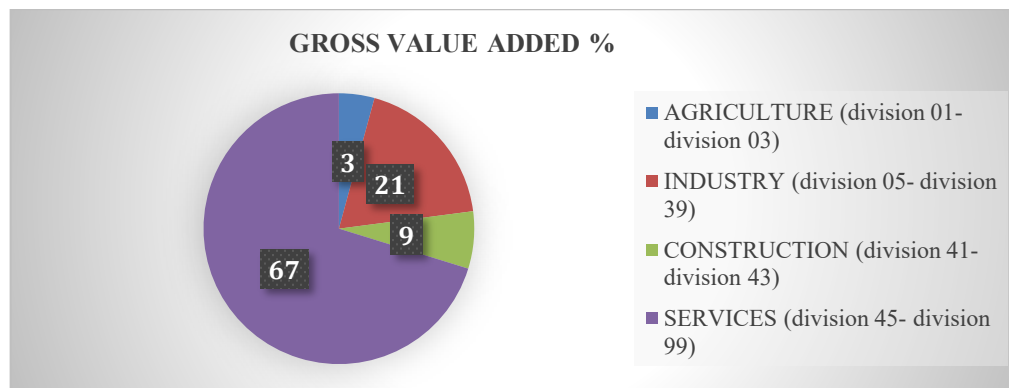


Figure 1. GVA structure, at national level, year 2023

Source: author's elaboration, according to the Tempo Online database (2025)

As economies become more developed, the share of services increases, that of industry decreases proportionally, reflecting the transition from production-based economies to those based on knowledge, technology and services. This trend reflects the process of tertiarization of the economy, implicitly of Romania, specific to post-industrial economies, but maintaining a solid industrial base is considered essential to support exports, stimulate innovation and ensure stable and well-paid jobs. Thus, a balance between economic sectors becomes essential to monitor for sustainable economic development and resilience.

Next, the Eurostat database was queried, to obtain the structure of the gross value added, for the years 2020-2024, at international level (Romania, Bulgaria, Germany, France and the EU 27 average), for the agriculture, construction and industry sectors. As for the construction sector of the Romanian economy, it is on an upward trend: from 6.5% in 2020 to a peak of 7.6% in 2023, remaining at 7.5% in 2024. These values are above the EU average of around 5%, reflecting the dynamics of infrastructure and the real estate sector.

Table 2. Gross value added and income in CONSTRUCTIONS – weight (%)

	CONSTRUCTION					%
	2020	2021	2022	2023	2024	
<i>Romania</i>	6,5	6,4	6,8	7,6	7,5	
<i>Bulgaria</i>	4,2	3,5	3,4	3,9	3,9	
<i>Germany</i>	4,5	4,4	4,4	4,8	4,8	
<i>France</i>	5	5	4,9	5,1	5	
<i>European Union - 27 countries (as of 2020)</i>	4,9	4,9	4,8	5,1	5	

Source: author's processing according to Eurostat database data (2025)

Agriculture in Romania consistently registers the highest shares, significantly above the EU average, but with a downward trend, from 4.6% in 2021 to 3.3% in 2024, which indicates the process of convergence towards the European average of 2%.

Table 3. Gross value added and income in INDUSTRY

INDUSTRY					%
	2020	2021	2022	2023	2024
Romania	20	19,7	20,5	19,1	17,5
Bulgaria	17,7	17,3	21,9	18,8	18,6
Germany	20,9	20,9	21,3	22,4	20,9
France	11,3	11,1	10,8	13	12,2
European Union - 27 countries (as of 2020)	17,2	17,4	18	18,2	17

Source: author's processing according to Eurostat database data (2025)

The GVA analysis carried out by sectors of activity, places the data in a European context and highlights that Romania presents a structure relatively like that of the Bulgarian economy, but also of Western European countries, such as Germany and France, as follows:

- **The agriculture sector** of 2024 represents in Romania, in terms of gross value added, a percentage of 3.3%, in Bulgaria 2.1%, and the European Union average is 1.6%.
- The gross value added in **the construction sector** represents, for the Romanian economy, from 2024, the value of 7.5%. In the same year, Bulgaria accounts for 3.9%, Germany 4.8%, and the Union average stabilizes at 5%.
- Romania's **industrial sector**, as of 2024, reflects a gross value added of 17.5%, while Germany tends to 21% in the same year, the EU average being 17%.
- **The services sector** represents, for the European Union, the dominant sector, in Romania the data available in Tempo Online, for 2023, highlighting the percentage of 67% in total gross value added at national level, a percentage like that in EU countries.

The similarity of sectoral value added at European level indicates the existence of relative structural convergence and should not be interpreted as economic convergence in the absolute sense, as the levels of value added, productivity and economic capacity differ significantly between European states and regions.

Analysis of economic indicators at county and national level

According to the (available) data extracted from the Tempo Online database, of the National Institute of Statistics, Suceava County has a number of 17,281 active local units. Of these, 71.91% were active in the service sector, followed by construction (12.82%), industry (11.32%) and agriculture (3.95%). This structure confirms the predominance of the tertiary sector in the local economy, which reflects a county economy focused on trade, transport, education and other services, but with a significant presence in construction and industry.

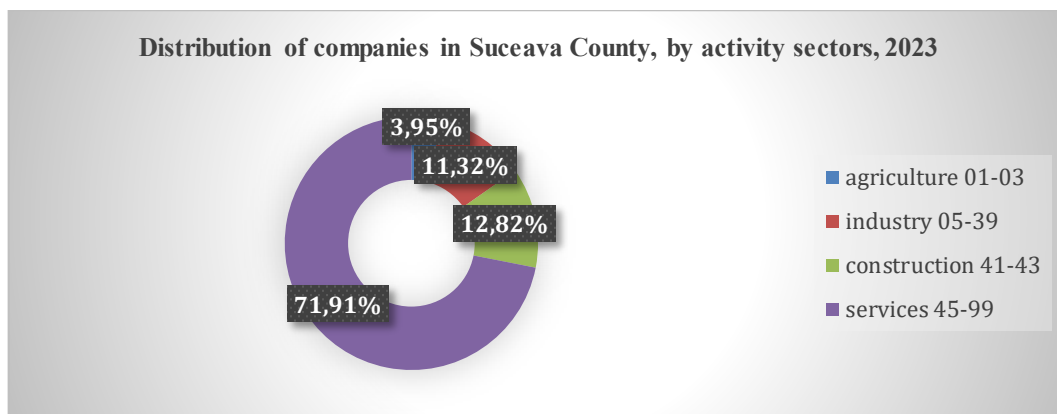


Figure 2. Grouping of companies in Suceava County by sectors of activity, 2023

Source: author's elaboration, according to the Tempo Online database

Another indicator of interest, at the level of Suceava County, is the number of employees. In 2023 compared to 2022 there is a significant global increase, thus the total number of employees increased by 6.22%, the private sector, and 4.2% per total county employees, signaling a consolidation of the local labor market (Tempo Online). Services remain the dominant economic sector, in the context in which over 67% of all employees are in services, reflecting, again, the general trend of tertiarization of the economy of Suceava County. Employees in agriculture registered the lowest share, up to 3%.

The data on national net investments lead us to the conclusion that macroeconomic trends are those of development focused on services and industry. The net investments, at national level, for 2023 (the latest data available from Tempo Online), show us that the services sector presents a percentage of approximately 60%, indicating, again, the process of economic outsourcing.

Economic evolution of the units benefiting from European funds

The 167 projects carried out, beneficiaries of non-reimbursable European funds, related to Suceava County, were divided into five categories of entities, according to figure 3.

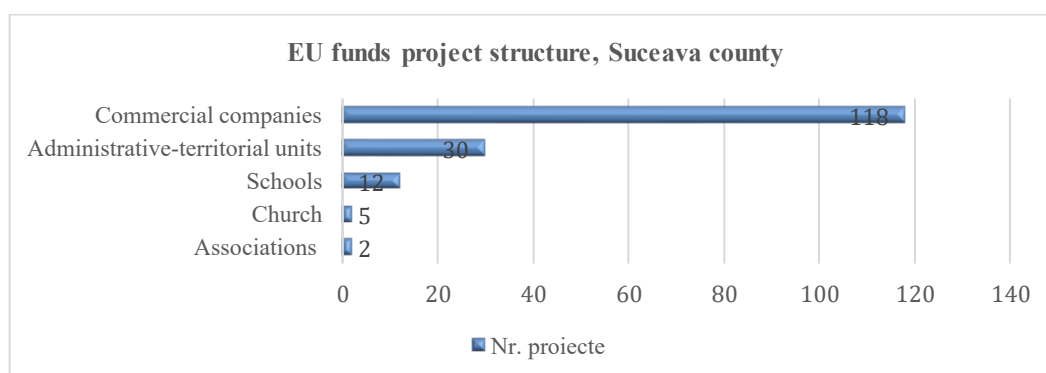


Figure 3. Structure no. EU funds projects, Bucharest County. Suceava, 2021-2027

Source: author's elaboration, according to the <https://mfe.gov.ro/> database

All the data presented above were collected by querying the database of the Ministry of Investments and European Projects, which provided statistics of projects financed from

European funds, for Suceava County. The total value of the projects was in the amount of 2,253,502,706 lei.

From the perspective of accessing European funds, for Suceava County, companies hold the highest value of projects, more precisely 1,667,877,936 lei (74%), also benefiting from the largest non-reimbursable budget and own contribution, which suggests an active involvement in attracting non-reimbursable funds.

Structure of European funding by sectors of economic activity

Out of the total of 167 projects related to Suceava County, the 118 projects belonging to the companies were subjected to analysis. The business environment represents 74% of the total value of projects and is a key element of sustainable development. As such, monitoring it is of interest.

Table 4 provides a detailed picture of the financing structure and allocation of European funds for the 118 projects related to companies, on the 4 sectors of the national economy.

Table 4. Distribution of projects of financed companies by sectors of economic activity, in Suceava County

SECTORS OF ACTIVITY	TOTAL EU BUDGET	TOTAL STATE BUDGET	TOTAL NON-REFUNDABLE	TOTAL OWN CONTRIBUTION BUDGET	TOTAL ELIGIBLE BUDGET	TOTAL INELIGIBLE BUDGET	TOTAL PROJECT VALUE	%
Agriculture 01-03	1254761	221428	1476189	196086	1672275	199313	1871588	0,12
Industry 05-39	1009533462	154726227	116459689	26775240	1191034929	309411696	1500446625	96,32
Construction 41-43	5323799	939494	6263293	1276507	7539800	1357280	8897080	0,57
Services 45-99	29697238	5240689	34937927	5613997	40551924	6036017	46587941	2,99
Total county. Suceava	1045809260	161127838	159137098	33861830	1240798928	317004306	1557803234	100

Source: author's elaboration, according to the <https://mfe.gov.ro/> database

Financing structure (absolute values and weights):

- The total value of the projects = 1.56 billion lei, with the structure presented in figure 4.**

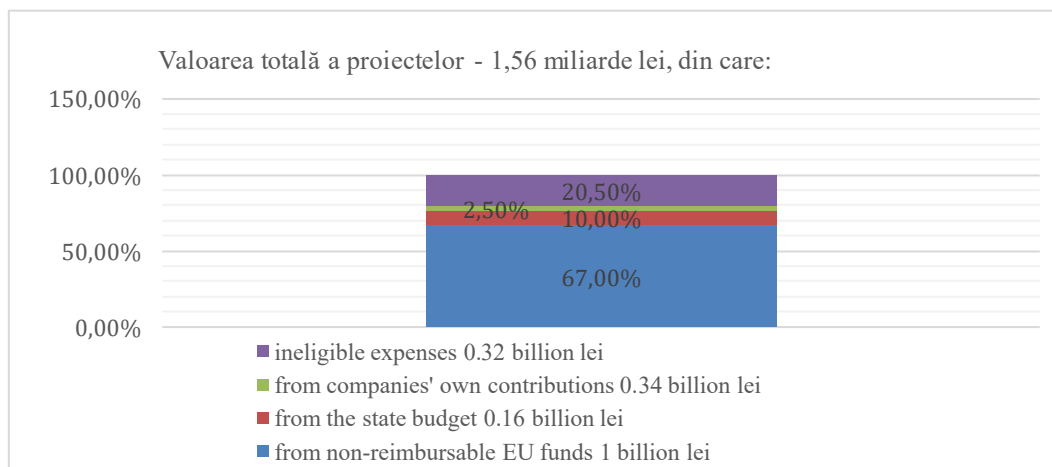


Figure 4. Financing structure, by origin

Source: author's elaboration, according to the <https://mfe.gov.ro/> database

The companies surveyed indicate a major absorption of European funds, which managed to attract considerable non-reimbursable European funding for investments (67%), in parallel with a national (10%) and own (2%) contribution.

b. Distribution of projects by economic branches, within companies (fig. 5)

The distribution on the four economic branches: agriculture (division 01-03), industry (05-39), construction (41-43) and services (45-99) and the analysis of all projects is presented as follows:

- **Industry (Division 05-39):** It owns most of the budget: 96.32% of the total value of the projects, i.e. over 1.5 billion lei. In fact, this economic sector benefited from the largest volume of European funds (96.5%) and the state budget (96%). This reveals a strategic prioritization of reindustrialization as well as high impact investments.
- **Services (Division 45-99):** The Services economic sector attracts only 2.99% of the total projects, which highlights an underfunding of the tertiary economy, despite the 70% share held by this sector in GVA (Figure 2.1).
- **Construction (division 41-43):** This sector holds a modest share (0.57%), but it must be essential for the future, for the creation of infrastructure.
- **Agriculture (Division 01-03):** It represents the economic sector with the lowest share, of 0.12% of the total value of projects. The lack of absorption of non-reimbursable European funds in this sector can be caused by the reduced administrative capacity. The sector may present companies without experience and maturity in approaching European funds.

5. Conclusions

The research architecture aimed to test the research hypothesis according to which the allocation of European funds by economic sectors, at county level, reflects their structure and share in the local economy.

Because Romania, Bulgaria, France, Germany and other European countries register shares relatively like that of gross value added by economic sectors, this aspect reflects a structural convergence within the European Union. This convergence reflects the outcome of European economic integration, the functioning of the single market and the harmonization of economic and regional policies.

The analyzed data, at county, national and European level, regarding the number of employees, the number of local companies, net investments, gross value added by economic sectors, converge towards the conclusion that the economic sector of services represents the substantial component of the economy, at all levels, from county, national and up to European level.

Although the industry has a relatively low share in the total number of active companies in Suceava County (13%), it registers the highest participation rate in European funding (approx. 70% in total projects and 90% at the level of commercial companies), confirming the previous observations on the concentration of projects with investment impact in this sector. Even if services are dominant in Suceava's economic structure (GVA 70% - in 2022, number of active companies 72% - in 2023, number of county employees 67% - in 2023), the data reflects that the industrial sector is best represented in European funding calls. The

concentration of funds in the industrial sector suggests a regional inclination towards the modernization of production, but also the attraction of major investments.

The results of the analysis indicate that Hypothesis according to which the allocation of European funds by economic sectors, at the level of Suceava County, reflects their structure and share in the local economy, is refuted.

Relevant, in accessing European funds, for Suceava County, is the fact that the business environment holds the highest value of projects, more precisely 1,667,877,936 lei (74% in total project value). A strategic approach, however, also involves increasing institutional support for non-profit and educational entities. Also, there is a need for a consolidated economic framework that would further support the development of the business environment, the latter being a creator of budget revenues.

As European funds are a fundamental strategic resource, the understanding and responsible management of which are essential for the efficient functioning and sustainable development of the business environment, it is recommended that a Territorial Profile Monitoring. Thus, each administrative-territorial unit (TAU) must be digitized and monitored, the reference point being the business environment of that locality.

6. References

- Bostan, I., Morosan, A. A., Hapenciu, C. V., Stanciu, P., Condratov, I. (2022). Are the Structural Funds a real solution for regional development in the European Union? A study on the north-eastern region of Romania. *Journal of Risk and Financial Management*, 15(6), p. 232. <https://doi.org/10.3390/jrfm15060232>
- Chele, A. C., Hapenciu, C. V. (2025). The impact of European funds on Romania's economic development – a bibliometric and empirical analysis. *Annals of Economics and Public Administration of USV*, 25(1 (41)), 68-77. [https://doi.org/10.4316/aepa.2025.25.1\(41\).68-77](https://doi.org/10.4316/aepa.2025.25.1(41).68-77)
- Chihai, L. (2024). Analysis of the implementation of European funds in the context of regional development. *Doctoral thesis*. Stefan cel Mare University of Suceava
- Gherghina, M. B. (2016). The impact of EU funds on economic growth. *Doctoral thesis*. Romanian Academy. School of Advanced Studies of the Romanian Academy
- EU budget 2028-2034 for a stronger Europe. (2025, July 16). European Eurostat. <https://ec.europa.eu/eurostat/web/main/publications/statistical-reports>
- Hapenciu, C. V. (2004). Elements of analysis and forecasting in tourism. Case study – Suceava County. *Junimea Publishing House*
- Home - Eurostat. (n.d.). Eurostat. <https://ec.europa.eu/eurostat>
- Lichtblau, K., Matthes, J., Fritsch, M., Bertenrath, R., Grömling, M., & Busch, B. (2014). Industry as a growth engine in the global economy. IW Consult GmbH. https://www.iwkoeln.de/fileadmin/publikationen/2014/142508/Industry_as_a_growth_engine_in_the_global_economy.pdf
- MIPE. (n.d.). <https://mfe.gov.ro/>
- Nedelea, A. M. (2016). Marketing. Concepts and experiences. *Performantica Publishing House*
- Smith, A. (2011). The Wealth of Nations (1776). *Public Publishing House*
- TEMPO online. (n.d.). <http://statistici.insse.ro:8077/tempo-online/#/pages/tables/insse-table>
- Timofti, S. (2013). Interdisciplinary studies. *Didactic and Pedagogical Publishing House*