



## DELOCALISATION in ROMANIA 1/2

### REASONS & FEATURES

- Italy is the **first commercial partner** for Romania
- Italy is only the **6<sup>A</sup> country** for direct investments (ICE, 2004)
- more than **3,000 enterprises** in different sectors (SMEs from IDs of NE-Italy) - 50% are *Limited Company*
- **similar cultural and linguistic background**
- **“pushing factor”** by Italian Gov. to stimulate the investments in the EEC (i.e. financing institutions)

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## DELOCALISATION in ROMANIA 2/2

### PRESENT SITUATION

- **competitive advantages are less attractive:**
  - Labour cost
  - Timber price
  - Energetic costs
- Italian investors are facing the **challenge:**
  - a) to reinforce the previous investment
  - b) to move to even eastern part of Europe
  - c) to go back to Italy

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## EFFECTS of DELOCALISATION in ROMANIA

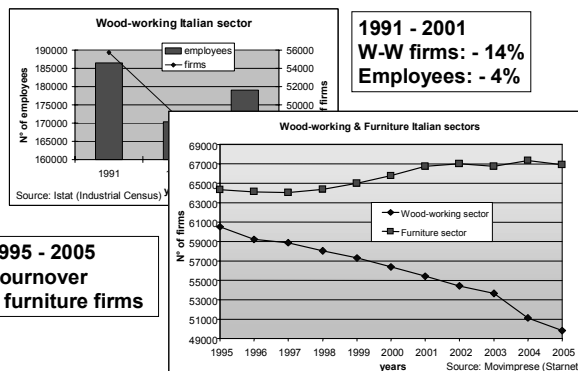
### Impacts at various levels (from statistics):

- A. decreased level of economic activity of the wood working companies based in Italy;
- B. impacts in Romanian wood-working capacity;
- C. strong pressure on Romanian forest resources

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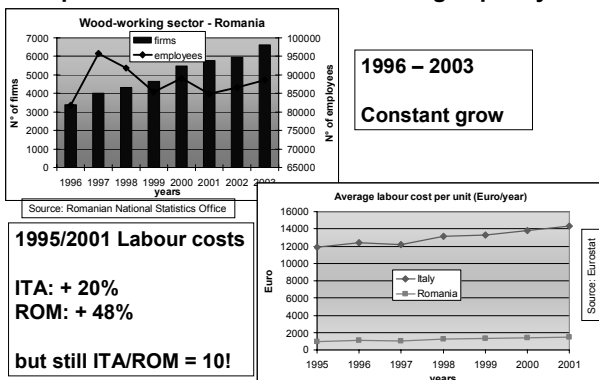
### A. Reduction of Italian wood-working capacity



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### B. Impacts in Romanian wood-working capacity



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### C. Environmental Impacts

- Between 1990 and 2000, Romania lost 500 ha/year of forest (0.01% year)
- Deforestation mainly in high value timber forests

⇒ to compensate the decreasing availability of high quality-large diameter logs, companies declared they have to import up to **30% of their supply from Ukraine**

indirect (by *triangulation*) environmental impacts may affect also **tropical forests...**

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## THE CASE STUDY

- 25 enterprises interviewed (different dimensions)
- 22 Limited Companies
- 7 operative for more than 10 years
- not all “real” delocalisations, some FDI
- scarce re-creation of IDs

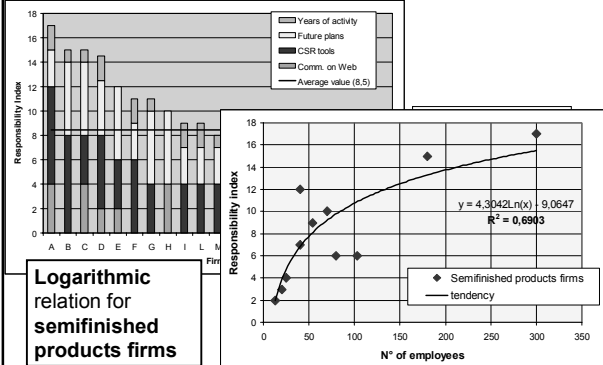
4 aspects

ASPECTS SCORE	Responsibility Index components			
	CSR tools	Future plans	Web Communication	Years of activity
0 points	reluctant	closure	Not at all	Less then 5
1 point	occasional	maintaining	Not exhaustive/clear	From 5 to 10
2 points	certification	expansion	Exhaustive or quite exh.	More then 10
Weighting factor	4	3	2	1

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## CASE STUDY ANALYSIS: Results



Logarithmic relation for semifinished products firms

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## CONCLUSIONS

- ✓ similar aptitudes of delocalised SMEs, in terms of CSR initiatives, assumed by the original firms in Italy
- ✓ flexible Romanian legislation contributes to reduce the social responsible approach
- ✓ labour intensity seems not to be sufficient to adopt CSR initiatives
- ✓ companies that decide to adopt higher level of CSR tools react to a specific request of the market
- ✓ much more attention should be put on CSR issues by Italian delocalised companies, at least as a new competitive tools.

DEVELOPMENT

## THANK YOU

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