

Regional Development in Romania

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Abstract

Regional development policy is a policy of investment for economic development by supporting competitiveness, increasing the standards of living, improving the quality of life, creating new jobs.

Regions and regional development policy occupies in recent decades an increasingly important position in the list of the economic and social factors being found on the agendas of governments, both central and local authorities, of political groups and civil society.

Regional development and regional development policy in Romania are present both in the economic reform and in social one. Development Regions from Romania are set up in 1998 by Law number 151 and supported by their own institutional framework.

The applicability of regional development in Romania must take into account the fundamental elements of the possibilities of Regional Development, meaning the major indicators of reference for measuring the level of disparities, GDP per capita and unemployment.

Keywords: regional development, regional development management, sustainable development, decentralization

1. Introduction

Romania is, after Poland, the country with the largest population in Eastern Europe and the seventh largest among Member States of the European Union. It is situated at the eastern extremity of Europe. Transport infrastructure is underdeveloped, led to difficulties in accessing EU markets and high transport costs for goods exported.

Policy and territorial development planning in Romania, although it has a long history is not compatible with regional development policy and planning promoted by the European Union.

Throughout its history, the different provinces and regions of Romania had varying degrees of economic development.

2. Results and discussion

Regional disparities were formed in Romania, since the interwar period. After the Second World War, the communist leadership has opted for a unique solution of the economic development, meaning the development of the industry sector. Communist Party has followed in the implementation process of industrial policy some priorities such as several major objectives [1]:

- Location near sources of raw materials or the main agglomerations urban;
- Maximum utilization of available labor resources, especially in underdeveloped areas;
- Recovery through industrialization and processing of local raw materials;
- Supporting the growth and development of new industrial sites in urban areas.

As a result of this process of massive industrialization of many parts of the country, their economic disparities were reduced substantially during the period of characterized economy.

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With the transition to market economy, regional disparities reappeared. After the collapse of the socialist regime and the introduction of market economy resources have tended to focus on those areas where it was possible to maximize their use. So the poorest regions that have experienced an artificial industrial development support a severe impact of the transition process for transition to the market economy system.

Romania entered in the transition process with a low level of regional disparities compared to the new Member States, but these disparities have increased rapidly.

The differences in development between the most developed region (Bucharest-Ilfov) and the less developed (North East) increased almost three times.

The main objectives of regional development in Romania are [2]:

- Reducing the existing regional imbalances by stimulating balanced development through, reducing the delays in development of the disadvantaged areas, due to historical, geographical, economic, social and political conditions;
- Linking policies and sectorial government activities at the regions level by stimulating initiatives and by capitalizing local and regional resources, in order ensure their real development.
- Stimulation of interregional and international cooperation, including their economic and institutional development.

The main regional development policies are:

- Partnership between all actors involved in regional development field;
- Planning the allocation of resources to achieve the established objectives;
- Co-financing, meaning the financial contribution of the different actors involved in implementing programs and projects of regional development.

Regional development must be analyzed under a particularly important aspect, meaning regional identity. This represents a key element in establishing the regions as social and political spaces. There are three elements to consider when it is analyzed regional identity. First, the cognitive one requires that people to be aware of its limitations and geographic region. The second element is the affective one which refers to how people are connected with the region and the degree in which this provides a common framework for identity and solidarity which may

be in conflict with other forms of solidarity, including here social class and nationality. The structural element is the third element, here the region being used as a basis for mobilization and collective action in search of social, economic and political objectives.

The general modalities of regional development of the region are made by the following criteria:

- Demographic criteria - which follows the relative demographic increasing under the procedural aspect of population of a region.
- Material criteria referring to increasing income per capita, this is a way of assessing the program of a region.
- Structural criteria examine the changes that take place in the structure of activities developed in a region.

Development regions of Romania proposes after 1990, in different ways, failed to take root in the public consciousness due to the failure of regional development policy and due to keeping in collective memory of the historical provinces.

To be applicable, regional development policy were established eight development regions covering the entire territory of Romania, each region comprising several counties. Development regions, in Romanian administrative system, are not territorial administrative entities, without legal personality being the result of an agreement between the county councils and local ones.

The first regulation of this kind was made in 1998 when goals are set for the first time, skills and tools necessary to promote regional development policy.

The basic principles of regional development in Romania, as well taken as general development principles are [3]:

- The principle of decentralization
- The principle of subsidiarity
- The principle of partnership

The principle of decentralization characteristic to the subsidiary state allows a smooth alternative to social justice, develops solidarity, provides close decision by the place where it takes effects, facilitating citizen involvement in local decision making and therefore solves the problems of public interest. Territorial decentralization is distinguished by the decentralization through services.

Subsidiarity is a political and judicial philosophy, which has as base the idea that the power of the state should not intervene except there where

society, as a whole, or at different levels cannot meet its various requirements.

The partnership principle reinforces the need for cooperation both locally between local actors and business environment and between local and central level to facilitate economic development and regional default.

In Romania, the regional development process requires the perfect blend of two components: economic component includes all economic policies undertaken by the European Union and the Member States to support the economic development and administrative component.

Regarding the administrative component this covers all changes that states will implement in regional development policy and those have not the administrative system fully compatible with EU requirements, will have to do it to get results. Regional policy success lies in the combination of these two components, the purpose of the recovery of regional disparities.

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Regional development policy is a component of the reform promoted by the Government, having as the main objective the reducing of social and economic imbalances accumulated over time and prevents the emergence of new imbalances and support sustainable regional development of all regions of the country.

In Romania it is necessary a deep analysis on the functionality of the model based on "economic regionalization" having as territorial instrument the region as economic development entity, without legal personality.

The framework for such an analysis must generate arguments for a decision on the following alternatives [4]:

1. maintain the current system of regional development
2. decreasing the number of counties and increase their territory at a level comparable to that of current development regions.
3. The emergence and development of metropolitan areas in developing regions, their impact on regions
4. creating regions with legal, administrative-territorial units superimposed of the current level of counties.

Beyond pragmatic economic arguments, such a decision requires, however, a social- political

approach, that must analyze in what measure the society is ready for a profound change in the administrative - territorial structure, and if the political factor has the ability to take such a decision.

Applicability of regional development principles involves a complex analysis, first of the Romanian administrative system.

The main task of administratively-territorial units is to create the favorable environment in witch the economic agents to be able to express themselves on the basis of rationality and economic efficiency. The role of territorial-administrative units is essential in their ability to attract investment.

In Romania it is necessary the development of an analysis regarding the current capacity of metropolitan areas to significantly influence key economic indicators, identified and quantified at the regions of development level (gross domestic product, unemployment).

A review of the situation from Romania highlights a number of issues that lead to the conclusion that regional development policy has registered some progress in recent years, but there are still a number of steps to achieve legislative and institutional requirements of EU cohesion policy.

In Romania to be an effective tool, regional development must rely on the support of national and local authorities and must provide a modern and efficient management administratively, financially and economically point of view.

4. Conclusions

Regional disparities were formed in Romania since the interwar period, rebounding a lot during the communist regime by developing industry sector.

The transition to a market economy led to the reappearance of regional disparities.

The differences in development between the most developed region in Romania (Bucharest-Ilfov) and the less developed (North East) increased after 1990 almost three times.

Development regions of Romania proposes after 1990, in different ways, failed to take root in the public consciousness due to the failure of regional development policy and due to keeping in collective memory of the historical provinces.

In Romania, the regional development process requires the perfect blend of economic component with administrative one.

The actual situation from Romania highlights a number of issues that lead to the conclusion that regional development policy has registered some progress in recent years, but there are still a number of steps to achieve legislative and institutional requirements of EU cohesion policy.

Regional development from Romania must rely on the support of national and local authorities in terms of ensuring a modern management according to current requirements.

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