

REGIONAL DEVELOPMENT POLICIES IN ROMANIA. REALITIES AND FACTS

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Abstract. When talking about the regional development of a country or of another type of geographical or administrative unit we need to analyze its general framework. We know for a fact that development means changes and that these changes need adaptation, a new perception and a new attitude. Along time, Romania has gone through several important and decisive economic stages. Beginning with the historical heritage, and passing through the communist period, we've come to the moment of integration into the European Union. At this point we have to decide which would be the best way to deal with the regional development policies in order to accomplish our goals in reducing the nowadays interregional and intraregional economic disparities. After having established the eight development regions of Romania, it would be now appropriate to properly act towards a cohesive economy, a better functionality, and equally distributed investments.

Key words: region, development, regional policy, market economy, restructuring.

Any progress registered in the process of economic growth means development and lies in the modelling of the territory. The territory under discussion is being studied as a region, as a whole, which is being split into smaller units, in this case, counties, for a better administrative and economic organizing. Consequently, it will result in a more integrated development. Development expresses a multidimensional process that involves major changes in all social structures, in people's attitudes and national institutions, thus aiming at speeding up the economic growth, reducing inequalities, and eradicating poverty as well¹.

Therefore, for decades, there were many attempts due to which Romania reached its present administrative structure. These many changes involved altogether all kind of aspects in what physiognomy, cultural patterns, public perception and mentality are concerned. Proposals for regionalization appeared even since the interwar period. One of the important political decisions and a real territorial division was that of the 1960's. It was a division of the national territory into six economic regions. In this case the splitting was calculated judging only by economic indicators and reasons and almost everywhere these regions overlapped the old previous historical provinces of Romania. This might be due to the fact that the territorial division tried to take into account the traditions and the cul-

tural connection, as well as the identity implications. The basic principles of that regionalization were: the priority of the two basic economic production fields, industry and agriculture, the homogeneity of the natural space, and the economic potential of the territory and human component, as well. Much more, they decided that they could blend those economic sectors, put them together in a social production, thus creating models, grouped in these six geographical-economic regions²: (a) the South Region; (b) the South-West Region; (c) the North-West Region; (d) the East Region; (e) the South-East Region; (f) the Central Region. The six economic regions of the '60s had important active economic branches of national interest, polarizing centres, which, through production connections at a regional and national level, managed to melt together heterogeneous and homogeneous areas and stimulate the economic growth aimed in the unique plan of development of Romania³. During that period Romania faced a strong process of industrialization all over its territory, while the process of regionalization helped it accomplish objectives of an equal importance as they are today, only applied to the specificity of that period and type of economy, like: improving the territorial repartition of the industrial enterprises; avoiding over-concentration in some urban centres; reducing the endowment disproportions at a county and regional level; assuring a balanced economic development within all geographical and economic areas of the country.

An analysis of the current situation reveals some specific areas that are, or could be found in Romania in the context of regional development, as zones with economic and social problems. And these can be grouped into three categories: (a) traditionally underdeveloped zones, (b) zones that experience a severe industrial decline, (c) zones with a fragile economic structure. And these appear as the result of various factors coming from the past and the present and which had a greater or a smaller influence upon them. Nevertheless, at the moment of their action, they could have had either a positive or a negative influence. Among the most important events we can stress upon: the in-

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¹ Jula și colab (1999), quoted by Melinda Cădea, Florina Bran, (2001), *Spațiul geografic românesc. Organizare, amenajare, dezvoltare durabilă*, Editura Economică, București, p. 102.

² Șandru, I., *România. Geografie economică*, Editura didactică și pedagogică, București, 1978, pag. 361.

³ Idem 2, p. 363.



Fig. 1. The geographic and economic regions of Romania in the 1960s (after the Geographical Monograph of the Popular Republic of Romania, N. Stern, 1960)

dustrialization of the '70s and of the '80s, the collapse of the traditional industry for a decade (1990-2000), the return to an economy based on business management in which the market forces tend to recreate regional disparities, the consequences of the European centre-periphery model of development that prevails in the European Union, or even the entire process of economic reorganization through creating a market economy, by restructuring and privatization.

An important feature of the nowadays economic development in Romania is its rich and diversified regional structure, including both more developed or less developed areas. Declaring or stating these development regions meant the beginning of the process of regional development in Romania. The Regional Development policy became an important component of the accessing process to European Union, being a key policy of it. Thus, for setting the basic objectives of this development policy in Romania, beginning with 1998, according to the Law No. 151, there has been allowed the establishments of eight individual development regions that correspond to the European statistic level NUTS II. Subsequently there were other modifications and rectifications of the initial judicial frame that concluded in the approval of Law no. 350/2004. This law defines the objectives and principles of regional development in Romania in accordance with the ones promoted by the European Union. The regions represent units of territorial implementation of the regional development policy, in Romania being constituted by the common agreement of a number of neighbouring counties. These eight regions formed from a voluntary association of the 41 counties and Bucharest, the capital city, not having administrative status, neither judicial power, but allowing an efficient handling of the human and financial resources. The eight

development regions are the following: the North-East Region, the South-East Region, the North-West Region, the South Region, the Centre Region, the West Region, the South-West Region, and the Bucharest-Ilfov Region. The regional centres of these eight regions of development were set in such a way so as to avoid concentrating all investments and administrative and economic importance in the most important and already developed urban centres. That was another reason and manner for beginning the decentralization process in Romania.

Romania had to start the preparations of the institutional structures and capacities necessary to the implementation of the structural policies of the European Union after the accession. Therefore, the elaboration of the National Plans for Development did not wait to arrive, they being considered the programming documents of the national regional development policy in the perspective of accessing the European Union. By this time there were elaborated four National Plans for Development for the periods of 2000-2002, 2002-2005, 2004-2006 and 2007-2013, based on the Regional Plans of Development and reflecting the National Strategy of Development as well as the regional and local Operational Programmes. The last National Plan of Development reshaped and renamed seven axes of priorities⁴, on which basis all objectives, measures of actions, programmes and projects of regional development would be constituted. We exemplify in the following:

1. Developing the productive sector and its connected services, increasing competitiveness of the economic activities and promoting the private sector through stimulating investments.
2. Improving and developing the transport and energy infrastructure.
3. Raising the potential of human resources, meaning the capacity of the workforce to adapt to the new market demands, and improving the quality of the social services, thus raising people's life standard and creating new jobs.
4. Supporting agriculture and rural development through diversifying the rural economy and increasing productivity.
5. Preserving and improving the quality of the environment.
6. Stimulating the scientific research and the technological development, innovation, communications, the technology of information and creating the informational society.
7. Improving the economic structure of the regions, supporting a balanced and sustainable regional development.

⁴ Politica de dezvoltare regionala, Seria Micromonografii – Politici Europene, Institutul European din Romania, 2003, p. 26



The National Development Plan 2007-2013 is a document of strategic planning and multi-annual financial programming elaborated in partnership and in accordance with the principles of the Cohesion Policy of the EU. It helps the economic and social development of the country. As we have seen, it sets the priorities and the strategic objectives for development, on which basis Romania would be able to access and absorb the structural and cohesion funds, after the accession. Internally speaking, it helps to set the priorities for placing the public investments within the territory. The major preoccupation lies in the social development of the country, therefore in raising the life standard of the people, creating new jobs for the actives, promoting a diverse rural economy through increasing productivity, supporting a sustainable and balanced development. After the integration into the European Union, all the state members share a common ground on the issue of regional development, for reducing the disparities between the centre and the periphery regions, between the East and West regions, as well as between the North and South regions, no matter the state. The European economic policy meant to help Romania reach the standard needed for becoming a viable competitor on the European open market. For this purpose Romania had to start a process of economic restructuring and privatization due to the reminiscences left from the previous policies of development based almost always on industry, the main goal being that of creating a functional market economy.

by the market economy, which is based on efficiency against the proportion between request and offer.

Thus, from what the industry meant the main economic activity that assured the economic growth and national welfare, the reverse happens by drawing agriculture forth as one of the main future economic activities in the nowadays economic context. The accent is put on the strengthening of the social sector, as the engine for all the other economic sectors.

As for the financial resources the European Union offers and shares with Romania, on the principle of financial solidarity sustained by the contributions from all member states, they are collected in a common budget, and then classified into several types of structural funds. Thus, Romania will be financially helped according to certain rules of financing, this way succeeding in applying the policy of regional development all over its territory, in a balanced and uniform spreading of the funds, especially giving importance to the less developed areas and the social groups in a difficult situation. Therefore, Romania is financed and finances itself through four non-refundable structural funds plus co-financial help including national and private sources: The European Regional Development Fund – ERDF, The European Social Fund – ESF, The European Fund for Agriculture and Rural Development – EFARD, and The European Fund for Fishing, adding here the refundable sources that come from foreign loans.

At a national level, these funds aim at solving some aspects related to:

- The promoting of the market economy mechanisms in all the regions of the country in order to improve competence and to accomplish a permanent economic growth.
- The promoting of a harmonious spatial development and of the network of localities.
- The increasing of the capacities of regions to institutionally and financially sustain their own process of development.
- The promoting of the principles of lasting development.
- The creation of equal chances as far as the access to information, technological research and development, education and continuous training.

At a regional level, the purposes will act more punctually in accordance with the present state of each one of the regions:

- The diminution of the disparities between the regions and the counties of a country, between the rural and the urban space, between the central and the periphery areas.



Fig. 2. The actual regions of development in Romania (after 1998)

Due to the small and insufficient reserves of natural resources and their deficient structure, the industrial sectors had to be transformed, some of the branches being taken out of the industrial circuit. Restructuring meant the reshaping of the industrial activities, turning their initial features and finalities into the ones needed today



- The reinforcement of the disadvantaged areas, which need a special attention due to their status and at the same time with their chances of progress; thus, promoting different policies for the various regions and creating new measures of action for a specific feature they might benefit of.

- The co-ordination of the regional development region initiatives with the national priorities and the orientations of the European Union.

- The promoting of differentiated policies, according to some zone particularities (mono-functional zones – where a single economic activity predominates giving certain distinctiveness to the territory, be it agricultural mining area, or according to the administrative status, as urban agglomerations, or poorly inhabited rural areas. From the environment point of view there can be natural areas, built and protected areas, border areas, as well as territories that have environmental problems.

The results of implementing the regional development policies within the national administrative territory should have a fulfilling finality, because this policy should provoke an important change at all levels. By locating different administrative structures within the territory the authorities tried to decentralize the power and to improve communication among all economic and judicial actors. This way, active partnerships were initiated in Romania between the public, central and local administrations, but also between the local public administrations of the counties that form the development region. They came to understand that it is necessary to intensify the collaboration and the good working at all the levels of social, economic and political life, in order to insure the lasting social economic development of each region, within the context of national development, and to reach a compound effect of all measures taken. Promoting the inter-regional co-operation represents a correlated effort with reference to the necessities of the country, but also to the necessities of the geographical, economic and cultural regions of Romania.

After many decades dotted with various attempts of creating an economy characterized by adaptability, fluency, and transparency, we found ourselves now at the crossroads of deciding which of the policies would be better to apply to our national space, whether the previous or the present ones. Without any doubt we can say that the period between 1950 and 1989 meant a progress from the industrial point of view, which was characterized by a not very realistic repartition of the industrial poles within the territory, a forced solution based only on wishes and not on realities. But still,

its negative tracks are reflected the economic situation of today, characterized by the irregular spreading of the industrial units, the lack of raw materials, lack of human, natural and financial resources, and a shaky secondary infrastructure. These should be able to ease communications and create connexions. The old political system chose to offer major investments to the largest urban poles first, and then to the smaller ones, but without taking into account the real opportunities and chances to succeed they had in those locations.

Conclusions

The nowadays policy of regional development meant even from the beginning to create an equilibrium at all levels of its application, and to reduce disparities which is the main European goal, as well. If the previous political system stressed upon production, processing raw materials as its basic feature, the nowadays system accentuates the role of the social system in economy. The ultimate solution they have found, grounded on the lack of everything, industrially speaking, was that of helping the human resource become the main advantage that we have on our way towards progress. Thus, instead of industrial exploitations and processing, the first to be taken into account is agriculture, as the main economic activity, due to the large surfaces of good quality land, still unused or improperly worked in a rural space inhabited by a large number of active but unemployed people.

So as the communication system should become available they set some priorities of action, like improving the regional and local infrastructure – and this could mark the beginning of tourism practices in the rural areas, which may be considered as the industry of the future, not causing such repercussions upon the environment. Secondly, there is a necessity of specialized training for the people living the rural areas accorded and organized by the local administration, and we are talking about the rural areas because they have now the most stringent problems that need to be solved. Thirdly, the development of the SME's⁵ sector of economy, which has most of the chances to successfully work and produce on the market economy; fourthly, the investments in the urban areas and their administration services and improving the system of preserving the environment both at a local and regional level.

After almost a century of national economy ruled by the model of the Soviet type of economy, having an Eastern-pattern behaviour, the current trend in the Romanian economy is the Western-pattern of the European development policy.

⁵ Small and medium enterprises.



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