

ROMANIAN REGIONAL POLICY

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Abstract: Romania has confronted after the collapse of the communist system, with an unique economic situation compared to other est-european states. The principle of centralism government promoted and protected even in the post communist period had represented a restrictive factor in the process of regionalization. This situation emphasizes the fact that one of the most important elements that determines the adjustment of the internal policies in order to adhere, is represented by the will and the involvement of national political forces in continuing the reform. The relative low discrepancies and the low levels of development that Romania faced after almost fifty years of centralized planning resulted apparently in no need for a regional policy

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Romania has confronted after the collapse of the communist system, with an unique economic situation compared to other est-european states:

- Centralized structure of statal organization reduced capacity of reforming the state, the incapacity of regional actors to use the european institutions and the opportunities offered in the context of the enlargement process;
- Legal and institutional base for the limited development of reginal politics;
- Inefficient institutions of regional development;
- Unsolved problems regarding the regional organization

Although the process of transition to a market economy was associated with the process of Europeanization and democratization, it had not generated the immediate perspective of territorial and regional reorganization, process gradually accomplished in several stages during each period of government that followed later.

In this context, a new Constitution was adopted following the administrative – centralized French example. In 1990, the first act regarding the territorial administrative organization was adopted, establishing in this way the current structures of local territorial organization, structures which are compounded of 2 levels. The first level is represented by local administrative units: - villages, cities and towns and the second level is formed of 41 districts. As it is stipulated in the Constitution, there is no

mention concerning the unitary and centralized nature of the state.

Despite all these facts, confronted with external tension of adjustment to the European rules and with the emergence of some internal and regional actors, the democratic coalition had adopted important institutional reforms in the regionalization process, reforms that I am about to present.

1. Legal context of regional development

From a legislative point of view, starting with 1998 had begun the elaboration of the legal context of regional development through the adoption of the Law Number 151 / 1998 regarding *the regional development in Romania*. This law defines the principles, the objectives, the qualifications, the instruments and the institutions useful to the promotion of policy in the field. In this way, at a regional level, there are 2 institutions which deal with regional policy: **The Regional Development Agency** (executive authority) and **The Regional Development Council** (final decision authority). At a national level, there are two representative institutions: **The National Agency for Regional Development (NARD)** and **The National Regional Development Council (NRDC)**.

In each region there are, as we had mention *The Regional Development Council*, being the deliberative regional organism, with no legal personality, governed by partnership principles, in order to govern the elaboration and the monitoring activities which result from the regional development

policies. *The Regional Development Council* is formed of chairmen of *District Councils* and an official of Local Town Councils, Urban Council, and Communal Council of each constitutive district of the Region.

The Region Development Agencies are non – governmental organisms, non – profit, public service, legal personality organisms which activate in the regional development field. The Regional Development Agencies elaborate strategies and programs of regional development, and after the approval given by the Regional Development Council and subsequently by the National Council of Regional Development, they have the function of implementation.

Nationally, it has been created the National Council of Regional Development, national partnership structure, a final decision authority in the elaboration and the implementation of the national policy objectives of regional development. It is formed by officials of the Government named through governmental decision and by chairmen and vice – chairmen of Regional Development Council, of parity.

The chairman of the National Council of Regional Development was the minister of European Integration, and after the adherence, the Development and Public Works Minister.

The PHARE program played a decisive role in the elaboration of the law concerning the regional development, according to which it has been created a third level, a territorial – administrative level under the form of development regions, according to the European classified list

NUTS level 2. These regions, with no legal personality are not territorial – administrative units, but formal associations of 4 – 6 neighbors’ districts, created with the aim of regional development, of the implementation of functions, of planning and programming, as well as Romania’s preparation to receive and manage structural funds. In this context, the development regions formed of the union of neighbors’ districts represents the implementation and the evaluation of the policy of regional development.

Adopting this law regarding the regional development was considered by The Committee an important step for the adaptation of the Romanian regional policies at the procedures, objectives and the principles of The European Union. For the European Committee, this law represents the legal basis of the Romanian regional policy, clearly defining the national and regional structures of programming. This adaptation of internal policy was considered according to its recommendations concerning “the construction of institutional structures and the coordination mechanisms needed in order that Romania may participate to the structural policy of the European Union. This is also the first important step in the path of mimetic transformation adopted by Romania in order to reform the policy of regional development.

In the same time, new regional actors appeared on the internal policy arena. For instance, in 1998, the mayor of Iasi , Constantin Simirad created the Moldavian Party from Romania. This was the first regional initiative which was not from

Transylvania. The emergence of this initiative may be considered a form of functional regionalism derived from economic motives¹. The Moldavian Party from Romania didn’t resist very long time on the Romanian policy arena; this party tried to associate with different political parties and finally it associated with the Social – Democratic Party. This decision was based upon the existence of an elective threshold of 5 %, which didn’t permit to the Moldavian Party from Romania to enter by itself in the Parliament.

The importance of regional policy in Europe has grown with time. It started from the idea that existing economic inequalities between regions are real impediments in the integration process and might lead to social-political instability. Regional differences in living standards within individual nations are usually considerable. When nations join together in an economic union, regional disparities within such nations are likely to be even wider. The integration of members from Central and Eastern Europe has created new spatial patterns of economic and social inequality including west-east, core-periphery and urban-rural disparities and industrial problem areas. EU regional policy is concerned with easing the negative effect of disparities across Europe, thus increasing „social and economic cohesion“. Being one of the most important common policies and CES Working Papers, III, (2), 2011 163 the second big consumer of the EU budget (after the common agricultural policy) regional

policy aims to support poorer areas in order to reduce the disparities in wealth across the European Union, restructure declining industrial areas and diversify rural areas with declining agriculture. It is therefore considered a policy of solidarity. All countries of the European Union, once they become member states, had to change their division of power and even the most centralized ones suffered a transition period and modified the balance between the requirements of the unitary state and the regional aspirations of its constituent parts. Some states have been better able to adapt to the requirements of regional organization (those having a regional tradition) while others are still struggling to accommodate (especially former communist countries).

2.Region, regionalism, regional policy impact

The creation of the European Union definitely meant a reassertion of the role of the nationstate, which has gradually eroded its powers. Boundaries, both external and internal were redrawn and CES Working Papers, III, (2), 2011 165 decision-making was no longer the exclusive prerogative of national governments acting alone or in concert with each other (Wagstaff, P, 1999) The regions, once delimited, even if they were formed based on administrative criteria, tend to develop a certain identity and to become functional regions. In other words, regional actors tend to develop cooperation and interdependence relations with other actors located in the same region.

For instance, the public corporations tend to include organisations from only one region, enterprises tend to find contractors from that region only and to base exclusively on the labour force in that region etc. The fact that the region has become a more important feature of the domestic political landscape in Europe is already a reality. Slogans like „Europe of regions” or multi-level governance are very often used by officials.

The European Union is not anymore a two-level game, but a multi-level game, with the EU at the first level, the state at the second and regional actors at the smaller level (Cini, M, 2003). If we speak of regionalism, we need to put emphasis on identity, as a key factor. The feeling of belonging to a common space represents the fundament for economic, political, cultural and social actions made by the individuals comprising that territory. However, this feeling of belonging has a different meaning for the administrative staff and for the people living in that area and the same applies for the notion of identity.

A possible explanation for this is the fact that the administrative divided territories, the regions, do not overlap the territories defined through other criteria. These differences could be reconciled through a communication policy that promotes the oneness of territorial identity, starting from the historic origins, cultural heritage, social-economic development etc.

Regionalism could be of many types (Rodriguez-Pose, A, 1994): political (e.g. Spain and Italy), incorporated (the unitary state is formed through the unification of

many other states that keep their individual characteristics), diverse regionalism (administrative regional structures are based not only on territorial or political criteria, but also on the culture and language criteria), classical administrative regionalism (e.g. France – regions are the consequence of decentralisation), functional regionalism (e.g. Greece – regions are simple districts of the state administration) and regionalism through cooperation (the case of Romania - regions are the result of cooperation between local territorial collectivities).

One of the controversies that an „artificial” regional policy (as it is in Romania) could bring is related to the definition and delimitation of the regions, as the geographical dimension is not necessary CES Working Papers, III, (2), 2011 166 for defining a region. The limits of a region should be a social decision based on one or more criteria. The most important criteria are: - spatial/geographic characteristics: the region is formed given certain geographic features (e.g. Black Sea Region); - social characteristics: language, religion, culture, nationality of individuals that live in a certain space; - political-administrative characteristics: the limits of the regions are set upon a certain rule (e.g. the region should have similar dimensions); - economic characteristics: the regions are based on certain economic activities (e.g. mono-industrial or poli-industrial regions).

Romania had the chance to become a member of the European Union in 2007. This membership implies many advantages and rights, but also some obligations. The simple fact that we are a member does not

bring everything for granted. Romania should be aware that regional policy only bring the expected benefits in combination with a comprehensive national policy development and a coherent policy direction. Regional development policy itself cannot be the main and only pillar for the general development of a state.

In the absence of other mechanisms, regional policy may not have the intended effects. Regional development should be a partnership between administration, economy and community. The regionalization process in general is perceived as an artificial, top-down process, made without the consultation of local communities and without taking into consideration the cultural, ethnic and historic characteristics. The results of this process are difficult to evaluate and unfortunately not very obvious (low impact).

Regional programs oriented towards reduction of disparities should consider that poorer regions are less capable of absorbing funds and even more, to use them effectively. If local abilities cannot generate themselves prosperity, it is better to offer assistance to these regions for developing abilities in creating income from economic activities.

It is also important to mention that the intervention area is not always thought at the optimum that would allow to maximize the advantages and diminish the negative effects; the limit urban/rural is kept as reference. The eight development regions are not administrative units and whether they are the most efficient division of the country remains an open question. However, the

current structure cannot be modified, as Romania has to keep this division of the territory during the implementation period 2007- CES Working Papers, III, (2), 2011 167 2013. The eventual change of the current structure is a complex process that requires the consultation of all the actors implicated, including the European Commission. The success of a region will in the end depend upon its autonomous capacity to take matters in hand, to organise various actors around common goals, to adapt and to successfully adjust to outside pressure. Ultimately, the source of development lie in the region itself, in its people, in its institutions, its sense of community and, perhaps, most important of all, in the spirit of innovation and entrepreneurship of its population (Polese, M, 1998).

2. CONCLUSION

The European Union is in continuous movement. The integration process has gone through slow and fast periods and has shifted in direction from largely economic integration to include greater social and political integration. In what concerns regional policy, the programmes directed to alleviate poverty should take into account that poor regions are inherently less able to absorb funds, but also to use them effectively. By offering the funds to the less developed regions, some opportunities in the more developed ones might be lost. The main challenge for Romania is to make regional development an efficient instrument for economic and social cohesion. Even though cohesion cannot be achieved only

through regional development, this is however considered the most important instrument in the current vision of the EU. Regional policy is a financial mechanism that puts into practice the principle of inter-regional solidarity and of the economic and social cohesion, resulting in a re-distribution of revenues from CES Working Papers, III, (2), 2011 169 certain theories to others. The regional policy is what makes it possible for the three factors necessary for development (the resources of the territory, human resources and capital) to meet at the same time and in the same space, given the fact that these factors cannot always be found together.

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