

EUROPEAN REGIONAL POLICY AND BACKGROUND OF THE ROMANIAN REGIONALIZATION

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Abstract: *The paper starts by highlighting the objectives of European regional policy, highlighting the distribution of funds from the EU budget for regional policy in the years 2007-2013.*

By presenting four European models of regionalization and examples of administrative-territorial forms of organization in Poland and Bulgaria, it is intended to highlight national character and diversity of options, which demonstrates that tradition plays an important role.

The article's conclusion could be formulated as follows: a reform proves effective if the results prove to be superior to the carried out efforts, the analysis being done in terms of the welfare of people and not to the political and ethnic interests.

Key words: *regionalization, convergence, cohesion*

JEL classification: R11

Although the European Union is one of the richest areas in the world, there are considerable differences between its regions in terms of income and opportunities. Through its regional policy, EU transfers resources from wealthy areas to poorer ones. The aim is to modernize the less developed regions to enable them to reach the level of other EU regions.

A cohabitation cohesion within a multinational group such as the European Union requires a high degree of convergence between Member States, and simultaneously eliminate differences between regions of the same country.

The regional policy is an instrument of financial solidarity and at the same time, a powerful cohesion and economic integration. The solidarity is trying to bring concrete help to citizens most disadvantaged and from less developed regions. Cohesion is based on the principle that we all have something to win, by reducing disparities between regions in terms of income and wealth level.

The Lisbon Strategy emphasizes that only through the development of all member countries in the context of reducing internal gaps, the EU can achieve its goal of becoming the most competitive economy in the world.

In 2007-2013, spendings on regional development funding represented 36% of the EU budget, or about 350 billion euros. There are considered three objectives: convergence, competitiveness and cooperation, grouped as "cohesion policy".

In our country, the legal framework of regional development and social cohesion was established in 1998 with the issuance of the Law on Regional Development. Promotion Law was facilitated by previous actions, including the "Green Paper on Regional Development in Romania", published in 1997 and formally adopted by the Romanian Government at the International Conference on Regional Development in Bucharest in May 1997, and the first studies on regional disparities in Romania developed in 1996-1997.

Law 151 establishes national policy objectives in this area, the institutional framework, specific skills and tools to promote regional development policy.

The law establishes the main objectives of regional development policy:

- Reducing regional disparities by supporting backward areas and preventing the creation of new imbalances;
- Preparation of an institutional framework to meet eligibility criteria and EU integration and the Structural and Cohesion Funds;
- Integration of regional sectoral policies for sustainable economic and social development;
- Encourage inter-regional cooperation both domestically and internationally and cross-border cooperation particularly in the Euro-regions.

These objectives were not achieved in recent years, unfortunately and due to the current crisis, demographic changes (negative natural growth and aging) and inefficiency EU funds absorption, Romania's administrative-territorial regionalization is a matter of present, a consistent and compelling vision of the European Union.

Currently the 8 development regions have no financial and administrative autonomy, they cannot become an authority management in attracting and managing ERDF (European Regional Development Fund) funds, being only some inefficient bureaucratic structures.

At the beginning of 2013, Romania is outstanding in respect of the obligation to comply with the Nomenclature of Territorial Units for Statistics (NUTS). Instead, the issue of closing the development gap between regions has been assessed as required by certain countries (Bulgaria, Estonia, Poland and Slovenia), a few years earlier, in 2003-2005.

It is fair to point out that the first nationally integrated approach, aiming at a set of actions for planning regional policy, was made in December 2001 through the position paper on Chapter 21, by the Nastase Government, to the European Commission.

Currently, the USL government is considering regionalization process and even more has established a phased schedule as follows:

- In this autumn (September-October) will run the referendum to revise the constitution, the fundamental law which should establish as municipalities regions, with legal personality, the counties, cities, towns and villages;
- By the end of 2013, the rules of implementing the regionalization will be approved by the Romanian Parliament.

What is actually the regionalization?

Creating probably 8 regions (according to other opinions 12 or 16) to be driven by regional councils with a president or governor (election procedure to be defined). In these circumstances the Government and County Councils will transfer to the regions the powers to acquire real increased autonomy, including in managing funds. The 8 regions correspond to NUTS2 level, which establishes the administrative units, at EU level, with populations between 800,000 and 3 million inhabitants.

Without going into details, we mention that the analysis of EU territorial administrative division results in four models of regionalization:

1. Napolonian, based on the centralization of authority and uniformity;
2. Anglo-Saxon, which does not accept the notion of the state as a legal entity;
3. German, who approves besides a strong state, intermediate authority entities;
4. Scandinavia, which took over from the French principle of uniformity, applied in a more decentralized manner.

It seems helpful to exemplify what regionalization meant in a Member State of the European Union, Poland (approximately 38.1 million people). In this country the decentralization process was initiated (as a target of accession) to ensure local autonomy and administrative reform immediately after 1990, but the actual reform started in 1999.

Then, an administrative system on three levels was chosen: village, district and region. Accordingly, from January 1, 1999 in Poland were organized 2478 villages, 379 districts (314 Powiat and 65 municipalities) and 16 regions, at NUTS level, 2. Provinces have the area between 9,412 km² and 35,589 km² (the discrepancy is obvious) and a population range between 1,000,001 and 5.130000 inhabitants. Recall that Poland has double the population number than the number of our country, which would lead to the idea that only 8 NUTS2 Romania's option is correct.

Another example is Bulgaria, where there are only two levels of local government: regions / districts (28) and municipalities / obstinate (264), between them there is another administrative division, urban councils (3913 units). Region, which is within the administrative unit, makes regional policy, is the local state administration and harmonizes local and national interests. Regions are headed by regional directors assisted by local government. The municipality is the smallest administrative unit, with its own government administration. Please note that Bulgaria has an area of 110,910 km² and a population of 7,364,570 inhabitants (census of 2011).

Returning to Romania from a historical perspective, it is useful to note that in the previous century, our country has been divided into lands / provinces, or regions, based on legal regulations from 1938 and 1952. Since regionalization in 1952 was imposed after the Soviet-model, we will not dwell on it, instead we will refer to the one in 1938. On 10 February 1938, in "Romania Mare" was established the regime of monarchical authority of Carol II. A few days later, The Constitution was published, which was supposed to provide the legal basis of the new regime.

As stated at the time, the new Constitution required a different territorial organization of the country. On 14 August 1938 was decreed new administrative-territorial reform which Prime Minister Armand Calinescu declared that aimed decentralization of state service. The governor was leading the province / province and he had extensive powers.

In comparison with the current regionalization we highlight that the administrative law from 1938 would have changed the situation for the purpose of adopting a unified economic administration, imposing a severe financial and technical control, or to improve credit to communal enterprises.

In making the region / province (essentially a region) was not taken into account the old historical provinces but the limits were set according to actual needs, the natural geographical location, the communication channels, the resources available and the communion of economic lives. In province were concentrated all the counties' budgetary resources, which allowed a considerable reduction in overheads, a fairer management of funds and even taking bold investment plans. They maintained counties in number of 71 units, but bear in mind that Romania had then 295,000 km², whereas it incorporated Bessarabia, Northern Bukovina and Quadrilateral.

According to the law from August 1938 there were organized 10 counties. In the following we provide a summary data about them, all as part of a comparison to the 8 regions currently planned.

1. Jiu (26,941 km², 6 counties, 1,854,220 inhabitants residing in Craiova);
2. Arges (48,879 km², 10 counties, 3,762,231 inhabitants residing in Bucharest);
3. Sea (21,731 km², 4 counties, 1,033,513 inhabitants residing in Constanta);
4. Danube (37 958 km², 10 counties, about 2 million inhabitants, residing in Galati);

5. Nistru (22,355 km², 4 counties, 1,446,395 inhabitants residing in Chisinau);
6. Prut (31,775 km², 9 counties, 2,335,340 inhabitants residing in Iasi);
7. Suceava (17,070 km², 7 counties, 1,573,212 inhabitants residing in Czernowitz);
8. Alba Iulia (30,297 km², 9 counties, 1,642,342 inhabitants residing in Alba Iulia);
9. Cris (33,385 km², 7 counties, 2,143,453 inhabitants residing in Cluj);
10. Timis (32,658 km², 5 counties, 1,705,180 inhabitants residing in Timișoara).

As one can easily notice, there is a discrepancy in the area of these regions (provinces, regions), population, and economic and financial potential. We cannot rule on the validity of the administrative-territorial organization of Greater Romania in 1938, because the following tragic events (the onset of the Second World War) have not allowed completion. We considered useful to make this brief presentation so it could be, to some extent, a model for those working on this project of regionalization. Past examples must be exploited.

Romania and Bulgaria joined the European Union on 1 January 2007 and therefore are forced to submit its recommendations, but without risking identity. Here's why, when we think of regionalization is natural to consider, beyond the benefits, possible risks of economic, social, including:

1. appearance (they already are!) of uniformly rich and poor areas where differences are impossible to eliminate;
2. the expansion polarization (spin). For example, in regions with poorer counties, less expressive economic and financial, can be recorded decreases in the level of development as business, financial and human capital will be directed to the real potential recovery areas (refer to the tendency for registration of companies in other countries);
3. the danger of unfair resources allocation is not unavoidable because in Romania there exist development poles that absorb the funds in an unbalanced manner (comparison between counties of Timis and Caras Severin is favorable first);
4. prioritizing major objectives (infrastructure works, utilities networks, industrial parks) can cause serious disputes within regional bodies of decision, since the breakdown of funding small areas seems unfair, assuming increasing overall costs and delayed completion of works. Should not be overlooked, however, that those who are regional councilors represent the interests of the areas where they were elected, which is not always consistent with the public interest.
5. risk of a "regional barons superstructures" related bodies;
6. designation even residences regions creates controversy because there are disadvantaged urban centers of tradition in favor of some less relevant.

When we express these considerations, Romania's regionalization problem is not yet solved, it is in the stage of analysis. The fact is that the stakeholders stated that regionalization is necessary, provided its disposal as political or ethnic criteria.

Only a scientific analysis conducted by experts, of the current stage of development at county level, and comparison with results obtained in a medium-term horizon, will show whether this administrative territorial reform by reorganizing the regional level, proved successful in terms of increasing the population's living standards and reducing disparities between rich and poor areas, between urban and rural areas.

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