

DEVELOPMENT REGIONS – AN AMBIVALENT PERSPECTIVE?

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Abstract

Premises of the problem: Regional development policy emerged in Romania out of the need to correct existing regional disparities and to align with the main regionalisation trends, currently unfolding at European level. At the same time, it should be viewed as a prerequisite for the integration into European structures, in terms of better management of the Structural Funds allocated for the purposes of achieving balanced overall development. The **aim** of the qualitative research was to identify the views of the members of the *North-East Regional Development Council*, on the existence of regions and on the administrative and territorial reorganisation of Romania. For this purpose, we considered it was necessary to include as many diverse voices as possible, at different organisation levels: county-level and local-level respectively. The data collection **method** was the in-depth interview. **Findings:** The solutions proposed by respondents revolve around the idea of development by linking with *metropolitan areas*, by creating such areas around urban agglomerations. As such, regional development is achieved both through development regions and through local action groups (LAGs) or through growth poles. The **conclusions** of this research emphasise primarily that, learning from the experience of other European countries, the keys to institutional change should be communication, information, constant interaction between social, economic, and political stakeholders, civil society, etc. This could be one of the optimal strategies at the present stage.

Keywords: regional development, local needs, growth poles, metropolitan areas, empowerment, bottom-up initiatives.

Résumé

Problème des locaux de la politique de développement régional en Roumanie a émergé de la nécessité de corriger les disparités régionales existantes et d'harmoniser les principales tendances de la régionalisation, qui se déroule actuellement en Europe. Dans le même temps, il doit être considéré comme une condition préalable à l'intégration dans les structures européennes, pour parvenir à une meilleure gestion des fonds structurels alloués à un développement global équilibré. Le but de la recherche qualitative était d'identifier les points de vue des membres du Conseil régional de développement du Nord, concernant l'existence de régions et de la réorganisation administrative et territoriale de la Roumanie. A cet effet, nous avons jugé nécessaire d'avoir voix aussi diverses que les différents niveaux d'organisation: local et du comté. La méthode de collecte des données a été entrevue en profondeur. Résultats: Les solutions proposées par les répondants est articulé autour de l'idée de développer des liens avec les régions métropolitaines en les créant autour des zones urbaines. Par conséquent, le développement régional se fait à la fois par les régions de développement et par des groupes d'action locale (GAL) ou des pôles de croissance. Les

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résultats de cette recherche souligne tout d'abord que l'apprentissage de l'expérience des autres pays européens, le changement institutionnel majeur devrait être la communication, l'information, l'interaction continue entre les acteurs sociaux, la société civile économique, politique, etc. Cela pourrait être l'une des meilleures stratégies du moment.

Mots-clés: développement régional, les besoins locaux, pôles de croissance, les régions métropolitaines, l'autonomisation des initiatives bottom-up.

Rezumat

Premisele problemei: Politica de dezvoltare regională a apărut în România din necesitatea de a corecta decalajele regionale existente și de a se alinia principalelor tendințe de regionalizare, ce au loc în prezent la nivel european. În același timp, ea trebuie privită ca o condiție esențială a procesului de integrare în structurile europene, în sensul unei mai bune gestionări a fondurilor structurale, alocate în scopul unei dezvoltări generale echilibrate. **Scopul** cercetării calitative a fost acela de a identifica opiniile membrilor *Consiliul pentru Dezvoltare Regională Nord-Est*, în ceea ce privește existența regiunilor și procesul de reorganizare teritorial-administrativă a României. În acest scop am considerat că este necesar să existe voci cât mai diverse, de pe nivele diferite de organizare: județean și local. **Metoda** de culegere a datelor a fost interviul de profunzime. **Rezultate:** Soluțiile propuse de respondenți se articulează în jurul ideii de dezvoltare prin legătură cu *zonele metropolitane*, de crearea a acestora, în jurul aglomerărilor urbane. Prin urmare, dezvoltarea regională se realizează atât prin regiunile de dezvoltare, cât și prin grupurile de acțiune locală (GAL) sau prin poli de creștere. **Concluziile** acestei cercetări subliniază în primul rând faptul că învățând din experiența celorlalte state europene, cheia schimbării instituționale ar trebui să fie comunicarea, informațiile, interacțiunea permanentă între actorii sociali, economici, politici, societatea civilă etc. Aceasta ar putea fi una din strategiile optime ale momentului.

Cuvinte cheie: dezvoltare regională, nevoi locale, poli de creștere, zone metropolitane, empowerment, inițiative bottom-up.

Failure to claim a territory with clear boundaries has been and still remains a feature of regional development, old and new. If there is something that differentiates it and sets it apart, it must be the ultimate goal of the policy – *economic and social cohesion* (Șoitu and Șoitu 2011; Ionescu 2011; Vîrjan 2012).

The qualitative study undertaken aimed to assess the perception of members of the Regional Council in relation to a series of relevant topics for the impact of regional development on socio-economic cohesion. The Regional Development Council is a deliberative regional body without legal personality, composed of the presidents of the county councils and one representative each for the local council, municipality, town and village category for each county of the North-East region (Government of Romania 2004, p.1).

The general objectives of the qualitative study were: to identify the role of development regions in the socio-economic development of Romania; to identify the reasons why the reorganisation of the current development regions is being desired; to identify potential solutions.

The main topics of the analysis were: What are development regions? In what context were they created? Why are development regions required? What happens to the counties in case development areas apply for a special status? What reasons justify the change to the developing regions? What is the role of the Regional Development Agency? What are the solutions?

The subjects participating in the interview (four mayors from rural areas and four mayors from urban areas) are members of the *North-East Regional Development Council*. The opinions expressed by the subjects were, in all cases, preceded by at least 3 years' experience in the *North-East Regional Development Council* (the new Council membership was adopted on 01 August 2012). Disregarding, as much as possible, the leanings they manifest in the political arena, we attempted, in what follows, to deliver a presentation of their views on regional development issues and stages in Romania, taking as key milestones not so much the temporal aspects but rather the particular thematic scope to which we restricted our research efforts – *the development region*.

The selection of experts for the interviews was carried out by: directly contacting the respective persons in order to schedule an interview; emails sent to the representatives of the North-East Development Agency, requesting their participation at the interviews; and direct phone calls to people whose contact details had been provided by other interviewees or to people who had not replied to emails. The interviews were conducted: *at the subject's workplace* (e.g., the office of a local public official or the head office of an organisation that a local community leader belonged to) or *in the subject's home*. The eight individual interviews, conducted face to face, focused on the theme of regionalisation in Romania: pros and cons. Three of the interviews were conducted over two meetings. Respondents preferred not to be named, because some of the comments made had political and/or private focus.

Given the data collection methodology employed, in the article we have sought to draw as much as possible on the opinions of the eight experts in the North East region, often allowing their own words to describe the socio-economic reality of a world which, for some, is in full swing, while for others, it seems to be locked in the present-day predicaments.

Regional development has emerged as a new driver of socio-economic policies in Romania after 1997, following pressure from the European Union in particular, proving increasingly to be an effective way to control, prevent and combat the gaps that hinder the development of the Romanian economy. The development of legislative framework did not occur thanks to the Romanian authorities, but rather was based on the PHARE Programme proposals regarding regional development for the years 1996-1998. Development regions were established in 1998, pursuant to Law 151/1998, as a precondition for Romania's integration, subsequently for its accession to the European Union "*because an intermediate level (the region) is required, someone to solve problems*", according to one respondent (R.S.).

Romania formally submitted its application to join the EU in 1995. As a result, the legal provisions related to the regional development policy developed mainly as Romania was taking steps to prepare EU accession. From this point of view, the concept of regional policy as implemented by the Government of Romania needed to relate to its particular understanding and application at EU level. The development and implementation of a regional development policy in Romania began with the PHARE program operation, with the demarcation of development regions.

From the analysis of the answers, we find that “*development regions were designed between 1996 and 1997, by Romanian and foreign experts, in Bucharest not in Brussels, as the media always seems to claim ...*” (I. T.)

In 1997, a joint PHARE – Romanian Government team¹ drew up of the *Green Paper on Regional Development*. The 42 counties were ranked based on sectoral and global indices, and the subsequent analyses produced 8 *development regions* (Table 1). The process of defining the regions involved identifying the neighbouring counties with similar social and economic profiles, followed by grouping similar areas into development regions (Green Book 1997, p.34), defined by functional relationships, such as community infrastructure.

“*Currently, the eight regions do not have a administrative character, only a planning role*” (C.C.).

As a result of actions undertaken as part of the PHARE program, *Law 151/1998 on regional development in Romania* was drawn up and adopted, subsequently supplanted by the provisions of *Law 315/2004*, which shaped the essence of regional development, created the legal framework for the establishment of *the 8 development regions*, and established the territorial and national structures underpinning regional development.

Consequently, Romania’s administrative structure, in terms of territorial organisation, in compliance with Regulation (EC) 1059/2003 on the establishment of a common classification of territorial units, includes the following NUTS structures: NUTS 1 – Romania (4 macroregions), NUTS 2 – the 8 development regions, NUTS 3 – the 42 counties, NUTS 4 – unidentified and NUTS 5 – municipalities, towns and villages².

¹ The implementation of the programme was undertaken by the Local Public Administration Department of the Government of Romania, with assistance from a team of local and foreign experts. The entire activity was coordinated by an inter-ministerial working group, composed of representatives of key ministries and regional authorities, as well as of nongovernmental organisations.

² As regards the local administrative units, the territory of Romania is divided only into LAU 2 units, statistical units which include the areas of the 2,951 municipalities, towns and communes.

Table 1: Development regions in Romania

Development regions	Counties included	Development regions	Counties included
North-East	Botoșani, Vaslui, Iași, Bacău, Neamț, Suceava	West	Arad, Timiș, Caraș-Severin, Hunedoara
South-East	Brăila, Galați, Constanța, Tulcea Buzău, Vrancea	North-West	Cluj, Bihor, Bistrița-Năsăud, Sălaj, Maramureș, Satu-Mare
South	Argeș, Dâmbovița, Prahova, Călărași, Giurgiu, Ialomița, Teleorman	Centre	Brașov, Sibiu, Covasna, Harghita, Alba, Mureș
South-West	Dolj, Olt, Mehedinți, Gorj, Vâlcea	Bucharest-Ilfov	Bucharest, Ilfov

“If you look at the ongoing debates in the media, you may notice one question is raised increasingly often: why were these development regions not based on the boundaries of historical regions” (G. F.). The answer is very simple. *“This was not possible due to technical aspects”* (eg. the historical region of Moldavia has nearly 5 million inhabitants, while the upper limit set by the European Union was 3 million inhabitants).

Under these conditions, we ask: Is the “region” appropriate for all Member States of the European Union?

“At present, the regional system of the Union involves three levels: at the lowest level there are the counties, such the Romanian ”județ”, at the second level, the development regions, while at the top we can find a structure that is bizarre to say the least – Macroregions. Hardly anyone has heard of them ... probably those working in the field of statistics are familiar with them. As far as I know, they are only mentioned in statistical books. Currently, Romania incorporates at least four such macrregions. They are aggregated as follows: Centre-North. West, Bucharest-South, North. East-South. East, West-South. West” (M.B.).

With the enactment of legislation on regional development policy, areas faced with economic or social challenges, were classified into three categories (Government of Romania 1999, p.120):

1. **Traditionally underdeveloped areas**, characterized by: high structural unemployment rate, the large share of the population employed in agriculture, higher infant mortality rate than the national average, a significant emigration trend and inadequate infrastructure. These areas are located in the following regions: North-East (the counties of Botosani and Suceava), South East (the counties of

Brăila and Buzău), South (the counties of Giurgiu, Dâmbovița, Teleorman, and Călărași), South-West (the counties of Gorj, Dolj, and Olt), West (Hunedoara county), North-West (the counties of Maramureș and Cluj), and Centre (Brașov county).

2. **Areas affected by industrial decline**, i.e. areas where the transition led to a considerable reduction in the number of jobs. It is worth noting, however, that these areas, as opposed to traditionally underdeveloped areas, had satisfactory infrastructure and a relatively favourable business environment for the optimal functioning of the market mechanism. Such areas are found in particular in the following regions: North-East (the counties of Botosani and Suceava), South-East (the counties of Brăila and Buzău), South Muntenia (the counties of Giurgiu, Dâmbovița, Teleorman, Călărași), South-West (the counties of Gorj, Dolj and Olt), West (Hunedoara county), North-West (the counties of Maramureș and Cluj), and Centre (Brașov county).

3. **Areas with fragile economic structures**, characterized by the dependence of the employed population on a single branch or sub-branch of heavy industry or, in some cases, a single large loss-making company. Such areas are found in particular in the following regions: North-East (Neamt county), South-East (the counties of Galați and Brăila), South Muntenia (the counties of Prahova, Călărași, Teleorman, Dâmbovița), South-West (Gorj county), West (Hunedoara County), and North-West (Satu Mare county).

A closer analysis of the areas included in these categories reveals that in various counties specific areas face several types of problems in terms of social and economic development, as each of the three types of areas can be encountered in almost all developing regions. In this respect, respondents highlighted a range of issues:

“Nowadays, speaking from my experience as mayor, there are areas where the village mayor’s office cannot cover the salaries of staff, cannot ensure that village roads are repaired nor can it afford a feasibility study and other expenses” (S.T.).

The majority of respondents view counties as regions with an administrative status. *“Counties are administrative units, but can also be viewed as regions, regions with administrative status”*. *“The government or those who press for this change should not forget that no region, be it a historical region, a development region or a county can of itself solve problems and reduce the current disparities between the counties in Romania” (G.F.).*

Interview participants recommend that responsibilities should be made clearer for each distinct level: i.e. central, district and local levels, leveraging the experiences in the UK, France and Poland.

“In France, for example, the first regional elections were held in 1986, but the status of local collectivities (equivalent of Romanian counties), if you like, the same status as the other local authorities (departments, towns, villages) was granted only in 2003. The new arrangement was based on partnership between the regions

and the central government, materialised in planning contracts, with local authorities taking on specific powers. As a result, they were able to address many problems that they had faced in education, for example, providing transportation for school children, especially in rural areas, rural development, etc.” (V. P.).

In fact, there have been reflections on this evolution of the French state in the specialist literature. John Loughlin, Professor of European Politics at the University of Cardiff in the UK, and Alistair Cole, argue that this phase marked the greatest paradigm shift that has taken place in the French state, in terms of the relationship to the territory (Loughlin 2006, pp. 31-57). At the same time, one should add the difficulties facing this country as regards territorial governance: regional asymmetry.

In France, there are strong regions such as Brittany and Rhône-Alpes, which have strong institutional capacity, but there are also regions such as Languedoc-Roussillon and Corsica that fall short of these goals. *“But this is an issue of identity”* (For Corsica, for example, the biggest obstacle to asserting itself as a strong region is its history full of conflicts and internal divisions).

“What they lack, and we do too, I think ... is the unification of communes. They have around 36,000 and are not willing to giving them up in any shape or form (under 2000 inhabitants) while we have 2,860, certainly poorer ones ... As far as I know, it is the only European Union member state that did not accept unification” (C.C.).

“While Europe is seeking to streamline rural areas, communes in Romania have multiplied overnight. In Suceava alone, the number of communes increased from 83 in 2003 to 98 in 2007; as for the cities and towns, their number has grown from 8 to 16. I mention the year 2007, because that was when Law 100 prescribed the minimum threshold population (1,500 inhabitants).” It’s nonsense, if one considers just how many people have gone abroad to work and that there has been no law to keep in check this administrative proliferation”(G.F.).

“One could say there was a restrictive interpretation of the number of inhabitants of a commune, abusing the provisions of the law so that those who claimed that they were facing long distances to the village centre or that the mayor could not properly handle their demands, decided to establish new communes, which have ended up with no one to fund them. In the case of towns, people were not probably informed properly, perhaps it was the mayor’s pride or desire to merely reach the figure required for achieving urban status, yet now they are dissatisfied that still have the facilities of an ordinary commune (often a poor one), but must pay taxes usually levied on towns” (A.M.).

“We should follow the example of Denmark, which reduced the number of municipalities from 270 to 89 and in Greece, which in the midst of the financial crisis pledged to reduce the number of communes from 1,032 to 352” (G.F.).

One advocate of the unification of communes is Sandu (2011): *“Increasingly smaller communes and artificially created towns do not make favourable*

development premises”, the author emphasising subsidiarity as the solution: development tasks must be allocated at different regional levels (i.e. central, county, and local). In the author’s opinion, *the most consistent form of regionalisation is the county* “(S.T.).

“In Poland, voivodships have been in place since 1999. If I’m not mistaken there are sixteen... They are equivalent to the Romanian development regions. They are further subdivided into counties, and the latter into villages. They have the status of administrative region, while those in Romania do not. At local level, the economy is in fine shape, as they were able to blend tradition and modernity. The Polish peasant in Korycin village today is a true social actor, a genuine farming professional ... Regarding education, it was restructured, also at local level, where they created commune-level education centres. Polish municipalities are required to provide transportation to school children. So education is still within the remit of the local level” (D.L.).

In England, each development region has a specific Operational Programme, unlike in Romania, where there is a single ROP (Regional Operational Programme) implemented at national level. On the other hand, this supports the idea that, besides addressing local needs, Regional Development Agencies are effective in contacting other institutions that can deal with those needs.

In Birmingham, local government identifies the issues affecting the community and sets the directions, priorities and opportunities to focus and underpin the future development of the area. Currently, the main directions in regional development policy refer to *“establish a technology corridor, regenerating areas faced with social problems, creating clusters – focused on new energy sources, aerospace, investment in innovation, research, green energy – which have all become priorities nowadays”*. *“They initially faced problems stemming from the gaps caused by the disappearance of the former energy consuming industries, which have been substituted by the creative industry, design, architecture, fashion, IT. Moreover they can count on the advantage of having four universities, two of which rank in the top 100, which constantly diversify their specialisations and programmes to align with the development needs of the region and country” (I.L.).*

Universities in the region pursue research in various fields, their key mission being to facilitate access to the labour market for as many graduates as possible who willing to start up and develop a business. In this area, there have been diverse initiatives, resulting from the collaboration of the West Midlands region³ with Birmingham’s Centre:

³ The Midlands Development Agency is responsible for attracting foreign direct investment into the West Midlands. West Midlands is not a legal or administrative subdivision of England, but a voluntary cooperation of the counties of Warwickshire, Shropshire, Staffordshire, Hereford and Worcester alongside seven municipalities in the Birmingham conurbation - an area with over 6 million inhabitants.

- “Innovation vouchers – worth £ 3,000, which enable small and medium enterprises to have access to consulting services and research at any of the universities in the West Midlands; by 2010, 571 such vouchers had been awarded.” Through this scheme, Aston University seeks a cost-effective approach to boost and foster regional connectivity. The scheme is beneficial to both parties, as on the one hand it determines companies to seek help from universities, while on the other hand, it provides universities with the opportunity to work with small businesses. Innovation vouchers are assigned by means of lottery: applications are collected and recipients are randomly selected.

- Placement of graduates in the West Midlands area in internships within companies or organizations;

- B- seen – a scheme that offers graduates the opportunity to start their own business, providing them with training courses and funding;

- West Midlands Centre of Excellence – encourages young people in less developed regions of the country to enroll in universities” (I.L.)

As regards the implementation of Structural Funds Programme in England, the Department for Work and Pensions is the Managing Authority for the European Social Fund, while the Department for Communities and Local Government is the management authority European Regional Development Fund (ERDF) programmes. The authorities responsible for implementing the projects are the nine development agencies in England.

In view of all of the above experiences, respondents argue that additional, unifying criteria must be identified to facilitate clear classification, into distinct (and, as much as possible, homogeneous) groups of areas facing economic and social challenges, in order to accurately distinguish the source of economic imbalances. This requirement “also *applies to those areas facing economic and social challenges originally defined as disadvantaged areas*” (M.B.).

In Romania, since 1998⁴, 38 areas have been designated as disadvantaged for periods ranging from 3 to 10 years. They cover a total area of 16,343.8 km² and include 151 localities, accounting for about 6.74% of the area of the country and 5.6% of the total population of Romania (NDP 2002-2005, pp. 300-305). Three such areas ceased existing in 2008, 22 areas in late 2009 and other areas remained in existence until 2010. In other words, the functioning of 28 areas extended beyond 2007, which is Romania requested a transitional period to the European Commission in order to provide tax incentives after 2007, to businesses holding investment certificates, in compliance with the regional state aid regulation. We could argue that the EU has been quite generous to Romania, although taking into account the actual situation on the ground, with few exceptions, the generosity

⁴ The legal framework was established in 1998 by the enactment of *Government Emergency Ordinance no. 24/1998* regarding the regime of disadvantaged areas, subsequently modified by *Emergency Ordinance no. 75/2000*.

resulting from negotiations, has not been enjoyed by beneficiaries (Competition Council 2009).

At the same time, our research has shown that, since 2002, Romania's regional development policy has provided support to other types of areas, generically termed assisted areas, such as backing pilot programs at national level.

The 2002-2005 NDP covered all areas (zones) previously presented, and introduced the concept of “assisted areas”. The assisted areas policy consisted of designing and implementing development programs intended to support the economic growth of all areas facing economic development issues, including disadvantaged areas. The goal was “*to identify and capitalise on the strengths of Romania, in order to transform them into competitive advantages, by focusing development efforts on industry, services, tourism and other fields that generate wealth, and to boost public and private investment*” (S.T.)

Also in 2002, in an effort to focus the financial resources provided through EU assistance, the Government together with the Regional Development Councils identified 11 priority areas⁵, on the territory of seven⁶ of the eight development regions, designated as *industrial restructuring areas with economic growth potential* (ZRI⁷). The ZRI policy—a component of Romania's regional development policy – launched in 2001, involves the design and implementation of development programs in specific areas and / or local and regional communities in order to secure sustainable industrial growth.

All the 11 areas benefited, between 2002-2005, from a large share of allocations under the PHARE CES 2001 Programme⁸. Currently, the Romanian Agency for the Sustainable Development of Industrial Areas (ARDDZI⁹) is charged with the sustainable development of areas affected by industrial restructuring and the promotion of new projects to tap resources and the economic and social potential, with maximum added value. The economic and social regeneration component,

⁵ The 11 IRAs, which account for a quarter of the population of the country (25%) were approved by *Government Decision no. 399/2001*. They are: North-East Moldavia Industrial Area; Centre-West Moldavia Complex Industry Area; the Curvature Carpathians Industrial Area; the Low Danube Industry and Services Area; the Wallachian Sub-Carpathians Industrial Area; Central Oltenia Industrial Area; Mehedinți Plateau Industrial Area; South Banat and Petroșani Basin Industrial Area; the Apuseni Mountains Industrial-Mining Area; the Maramures Mining Industry Area and the predominantly light industry area of North Transylvania; the Central Transylvania Complex Industry Area.

⁶ Bucharest-Ilfov region was not declared a ZRI. To view the main criteria for the selection of ZRI please refer to *Planul Național de Dezvoltare 2002-2005* [National Development Plan], Economic Development and Forecasting Ministry, Bucharest, 2002, pp. 217-219.

⁷ ZRI are not statistical regions, being defined based on a SWOT analysis.

⁸ Delegation of the European Commission to Romania, *Programe ale Uniunii Europene pentru România - Întreprinderi Mici și Mijlocii (IMM)*, November 2004.

⁹ A public body with legal personality, subordinated to the Ministry of Economy, established by GEO 14/2009, the through the reorganisation of the National Agency for the Development of Mining Areas (ANDZM).

targeting 386 cities in 22 counties in Romania, was implemented in the period 2005-2009, being allocated USD 60 million¹⁰.

Many authors (Pascariu ş.a. 2003, pp. 145-151; Bakk, Benedek 2010) examined this zoning exercise, showing that population size and the inclusion in European PHARE RICOP programme (rather than the development level or the profile of the regions) are the two factors that have played a decisive role in delimiting the 11 ZRI.

Respondents mentioned that the relationship between these areas and profile of the regions / counties is rather ambiguous. *“It is worth noting that at that time there was no harmonisation between these areas and if you like, counties ... and perhaps if it’s too much, regions too. Problems stemmed from the fact that the areas were set up ineffectively. Towns would be included in several regions ... or in adjoining counties”* (V.P.).

Therefore, ZRI “were incompatible from the very beginning with what was wanted and expected, that is to say with the existing regional institutional arrangements” (G.F.)

Regional policy was *“fragmented, since it included both regions, and a whole range of areas ... As a result, one could no longer speak of coherence in financial instruments”* (G.F.)

Under the circumstances, it is worth emphasising that both the 2004-2006 NDP and 2007-2013 NDP¹¹ left out the various types of *“priority areas”* previously promoted, and for the financial programming period, again reverted to development regions.

“They were not excluded because the powers that be so wanted, but because at one time the European Commission imposed the avoidance of such support schemes, sub-regional ones, as it were” (G.F.)

Conclusions and recommendations

Tracing the evolution of regional development policy in Romania, we can notice that the institutions tasked with its implementation have tried to outline a real framework for focusing financial and material resources into underdeveloped areas. The strict delimitation of areas faced with economic problems, demanding intervention, highlights concerns in Romania, particularly around the year 2000, to reduce regional disparities in the levels of regional development.

¹⁰ These funds are allocated primarily for the following sub-components: financial incentives for employment and training; business centres and support for entrepreneurs; small grants schemes; the mining communities social development scheme; municipal infrastructure; community capacity building; and public information.

¹¹ 2007-2013 NDP represents the multiannual strategic planning and financial programming document, approved by the Government (at its meeting of 22 December 2005) and developed based on a broad partnership, which will guide the socio-economic development of Romania in agreement with the EU Cohesion Policy.

In this research, one additional compounding factor was that, although they are part of the broader family of regional development, the interviewed subjects have different political orientations. On the same basic point of debate, the development region, some respondents are critical while other are supportive:

“Development regions have a specific character, yet in order to absorb EU funds, they must acquire administrative status.” European funds, and the existing programs and projects were identified by the respondents as true cure-all solutions.

“Currently, the development regions in Romania are a failure in the area of identity”.

“If we keep this structure, we will never be able to catch up with Western countries.”

“A new ‘institutional innovation’ will throw off the entire existing institutional arrangement”.

“The territorial and administrative change will bring about, in addition to much desired retracing of territorial boundaries, a whole new reality, that is, an institutional change meaning new beliefs and institutional structures, and therefore higher costs.”

“Ethnic, religious, regional, territorial identities are development resources that should be encouraged, fostered, and developed”.

Currently, a regional marketing drive is required, which should result in the affirmation of cultural affiliation (Sandu 2011). In this respect, ethnic, religious and cultural identity could be mobilised as a resource for development. The Regional Development Agency play an important role in this area. *In 1998, the agencies had a numerical and geographic label. Now they have a historical label (the North – East region represents Moldavia, the Centre is Transylvania etc.).*

Nevertheless, there are also common points: the functionality of any type of region depends on the convergence of policies and programs implemented, which must be designed and developed based on local needs. In identifying the underlying elements it is necessary to consult as many local stakeholders as possible, as in this process the consultation of all citizens is required, when possible. At the same time, policies must be decided at regional level or allow interventions to customise them according to the specific local needs and facilitate the cost-effective use of public or European funds in each individual region.

Currently, there is concern that the media pushes a *simplistic* understanding of the development region among the general public (insisting on its role in attracting Structural and Cohesion funds). It would be more productive if the media advocated positive decentralisation, deliberate and designed by local communities.

No type of region, be it a historical or development region, can lead to solving the problems and reducing the disparities that currently exist among the counties of Romania, in the absence of appropriate strategies that are optimally delivered.

As regards counties, two conflicting opinions were distinguished: on the one hand, some advocate that they should be dismantled, while on the other hand,

others maintain that they can remain functional within the system only if assigned more limited functions and if they coexist with the region status. This process cannot be undertaken without first enacting policy decentralisation. Thus, in the context of the crisis period, but taking into account mainly the regional policies, distinguished according to the needs of each region, there is a need to create regional governance that coordinates European intervention schemes in the region. Supporters of budget cut caused by the global argue that, in the current context, the county level should only be retained as a buffer in some areas (especially those where the local level often lacks expertise – e.g. education, health, environmental protection), with the majority of “county”-level tasks being transferred to the local level.

The solutions proposed by the respondents are articulated around the idea of developing links with *metropolitan areas*, to creating such ties, around urban agglomerations. Regional development is achieved both by development regions and by growth poles or through local action groups (Ionescu 2012, p.138).

Hypothetically, before any change in the territorial organisation, the institutional system of regional development deserves attention. Drawing on the past in the local, community, regional development, in moving from one stage to another, by leveraging positive results and accumulated experience, is beneficial. It is necessary that whatever is intended to be built should be creative. The institutionalist answer to this point is *learning* and *empowerment*.

Empowerment could be interpreted, in this particular context as supporting the full exercise of endogenous, intrinsic power, from the inside, that communities and their members should wield over the resources required for their own development. In this context, we also envisage bottom-up schemes, based on local and regional initiatives, by bringing specific proposals to the debate.

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