FAILURES OF REGIONAL DEVELOPMENT POLICIES IN ROMANIA. SOME POTENTIAL EXAMPLES

Sorin PAVEL
Universitatea de Vest din Timişoara

Abstract. Romanian space has long been considered a space of contrasts and diversity. If the diversity of the natural environment, reflected in the diversity of landscapes, consists a strong point for tourism development, the social and economic contrasts, at regional or structural level, determined and still continue to generate difficulties in the finding of proper strategies for a balanced development of Romania in territorial aspect. The short interwar period was nor enough for some systematic preoccupations for the attenuation of the development discrepancies between the different regions of Romania, some of them recently integrated, after 1918, in the Romanian state. A coherent discourse on the attenuation of the discrepancies in the different regions of the country appeared only after 1965, in the communist era, with the well-known syntagma „harmonious spread in the territory of the production units”. The implementation of this objective was centered almost entirely on the implementation of industrial units in unadulterated rural areas of Romania, considering that industrialization will determine immediate development. In a first stage of the process, the respective regions benefitted also in a certain update or extension of the transport infrastructure (e.g. in Moldova), process which was later, in ’80s, abandoned or slowed due to the crisis in the communist system. This brutal development and update of the poorer regions of Romania (Moldova, Oltenia and Maramures) seemed to work within the centralized-planned system. Within these particular regions the county seats were industrialized, the degree of urbanization increased, transport infrastructures extended or developed and, at least until 1980, there was an obvious increase in living standards. After 1990, once with the fall of the centralized-planned economy system, signs that the „harmonious development of the entire territory of the country” headed for disaster appeared to show. In the following years, it was proven that precisely the regions where the more intense measures were taken fell into crisis first. The large plants and industrial units went through transition without problems especially in the regions which benefited of a pre-communist tradition in this way or in the way of entrepreneurial initiative (Bucharest, Timisoara-Arad, Prahova Valley). More than that, the regional development discourse in Romania changed as well. The most prosperous regions claim the preservation of their acquired wealth only for them and are against sharing with poorer regions. The state did not manage to gather important investments for the less developed regions, not even in infrastructure, and wasn’t able to orient private or foreign investments to these areas. Several regions, where some severe social issues appeared due to reduction of industrial activities, benefited of restructuring or development programs but the results are insignificant, in fact, are failures. The most well known cases are Petrosani Depression, Mountain Banat, the mining regions of Apuseni Mountains, east Moldova. In the circumstances that these regions won’t be able to exit sub development by their own forces, what is the role assumed by the state in ensuring to all the citizens of Romania decent living standard?

Spațiul românesc a fost considerat de multă vreme un spațiu al contrastelor și al diversității. Dacă în ceea ce privește diversitatea cadrului natural, acest fapt, reținut în diversitatea peisajelor, constituie un atu, cel puțin din punct de vedere turistic, în ceea ce privește contrastele sociale și economice la
niveau regional sau structural, acestea au generat şi continuă să genereze dificultăţi în găsirea strategiilor adecvate pentru o dezvoltare echilibrată a României în profil teritorial. Scurta perioadă interbelică nu a dat timp unor preocupări sistematice pentru atenuarea decalajelor de dezvoltare dintre diferitele regiuni ale României, unele dintre ele recent integrate, după 1918, în cadrul statului român. Un discurs coerent despre atenuarea decalajelor dintre diferitele regiuni ale țării a apărut abia după anul 1965, în perioada comunistă, cu binecunoscuta sintagmă „repartizarea armonioasă în teritoriu a forțelor de producție”. Modul de realizare a acestui obiectiv s-a axat, însă, aproape în totalitate pe amplasarea de obiective industriale în zonele profund rurale ale României, considerându-se că industria va genera automat dezvoltat. În paralel, într-o primă etapă, zonele respective au beneficiat și de o anumită modernizare sau extindere a infrastructurilor de transport (de exemplu în Moldova), demers abandonat sau încetinit, în anii '80, din cauza crizei sistemului comunist. Această dezvoltare și modernizare brutală a regiunilor mai sărace ale României (Moldova, Oltenia, Maramureș) părea să funcționeze în cadrul sistemului centralizat-planificat. În regiunile respective fuseseră industrializate reședințele de județ, crescuse gradul de urbanizare, infrastructurile de transport fuseseră extins în modernizate și avuse loc, cel puțin până în anii '80, și o creștere sensibilă a nivelului de trai. După 1990, odată cu probușirea sistemului economiei centralizat-planificate, au început să apară semne că „politică dezvoltării armonioase a întreg teritoriului țării” se îndreapta spre eșec. În următorii ani s-a dovedit că exact acele regiuni supuse cel mai mare efort de dezvoltare și modernizare s-au prăbușit cel mai repede. Marile întreprinderi și combinate industriale construite în anii comunismului în aceste zone și-au închis pfortile, iar problemele sociale și scăderea nivelului de trai nu au întârziat să apară. Din punct de vedere industrial au traversat tranziția fără probleme mai ales acele regiuni care au beneficiat de o tradiție ante-comunistă în această direcție sau în ceea ce privește inițiativa antreprenorială (București, Timișoara-Arad, Valea Prahovei). Mai mult decât atât, s-a schimbat și discursul în ceea ce privește dezvoltarea regională în România. Regiunile cele mai supraviețuite au dobsândit doar pentru ele în devafoarea unei repartiții spre regiunile mai sărace. Statul nu a mai reușit să se implice în investiții substanțiale pentru zonele mai puțin dezvoltate nici măcar în domeniul infrastructurii și nu a reușit să orienteze investițiile private sau străine spre aceste areale. Câteva zone, în care au apărut grave probleme sociale datorită reducerii activității industriale, au beneficiat de programe de restructurare sau de dezvoltare însă rezultatele sunt insignificante, în fapt, adevărate eșecuri. Cele mai cunoscute cazuri sunt: Depresiunea Petroșani, Banatul montan, zonele miniere din Munții Apuseni, estul Moldovei. În condițiile în care aceste regiuni nu vor reuși să iasă din subdezvoltare prin eforturi proprii, ce rol își mai asumă statul în a asigura tuturor locuitorilor României un nivel de viață decent? 

**Key words:** regional development, disparities, Romania. 
**Cuvinte cheie:** dezvoltare regională, disparități, România.

Romanian Space has long been considered an area of contrasts and diversity. If the terms of the natural diversity, this reflected the diversity of landscapes, are an asset, at least in terms of tourism, with regard to social and economic contrasts regional or structurally, they have generated and continue to generate difficulty finding appropriate strategies for balanced development of Romania's territorial. Interwar period did not shorten time to alleviate some concerns of systematic disparities in development between different regions of Romania, some recently integrated by 1918, the Romanian state. A coherent discourse about mitigating disparities between different regions of the country arose only after 1965, the communist period, with the familiar phrase "harmonious distribution of productive forces in the territory. How to achieve this objective focused, almost entirely on location of industrial facilities in deep rural areas of Romania, considering that the industry will generate development. In parallel, a first step, these areas have benefited from some modernization or expansion of transportation infrastructure (in Moldavia), approach
abandoned or slowed down later in the '80s, and the crisis of communism. The development and modernization brutal poorest regions of Romania (Moldavia, Oltenia, Maramures) seemed to work in centrally-planned scheme. In industrialized regions were county seats, increased the degree of urbanization, transport infrastructure had been expanded or upgraded and had been, at least until the '80s, and a noticeable increase in living standards.

After 1990, when the collapse centrally-planned economic system began to show signs of "harmonious development policy throughout the country" moving towards failure. In the years has proved that exactly those regions suffering the greatest effort of development and modernization have fallen most quickly. Big businesses and industrial compound built in the communist years in these areas have closed its doors, and social problems and lower living standards have not delayed to appear. In terms of industrial crossed smooth transition especially those regions that received a pre-communist tradition in this direction or in terms of entrepreneurial initiative (Bucharest, Timisoara-Arad, Prahova Valley). Moreover, exchange and discourse in terms of regional development in Romania. Most prosperous regions requires keeping the wealth they acquired only a broken against to poorer regions. The state has failed to engage in substantial investment to less developed areas even in infrastructure and failed to direct private foreign investment to these areas. Some areas, serious social problems occurring due to reduced industrial activity, have benefited from the restructuring or development but results are insignificant, in fact, true failures. The best known cases are: Depression Petrosani, Banat mountain mining areas in the Apuseni Mountains, eastern Moldova. The conditions in those regions will not be able to get out of underdevelopment through their own efforts, what role longer take the state to provide all Romanian citizens a decent standard of living?

In Romania there have been concerns on territorial development since the decade of the twentieth century VI. In 1976 the National Plan is the single State whose explicit objective was reducing development disparities between Romania's counties, mostly meaning the level of industrial development.

In terms of spatial and regional development, Romania has inherited from the communist period the following:
1. Residences counties in Romania were in the largest city in that county, city generally integrate more than 50% of total economic activity in that area;
2. Smaller cities usually have a mono-industrial profile, established without much relation to the specific area, which contributed to rapid failure and emergence profile of acute social problems.
3. Spatial economic development was based on egalitarian. The industrialization process has not succeeded in creating the industrial structure of each county, they become a highly diversified industrial structure and amorphous. Thus, in all counties grew food, clothing, leather and footwear and construction materials industry and the wood. All counties, without exception, were undertaking the construction and metalworking machinery.
4. In each county were impressive economic disparities between large urban areas and small cities and between urban and rural areas.

Inter gap - counties have been declared by officials insignificant, but they were significant at the level of specific and level indicators of quality of life. Since 1989, the severe shortage of resources and severe economic downturn have put the mute on official concerns on regional development and reducing disparities between regions. Only in the
late 90, in the context of pre-accession to the European Union were in place structures and national strategies for regional development. The eight regions were created to bring together development space with the same specific areas of development and economic identity with the mission to facilitate access to EU structural funds. There have also been developed structures for regional development (Regional Development Council and regional development agencies) and finally was drafted National Plan for Regional Development (PNDR). In the latter, it should be noted that being developed under government auspices, he bears the mark inherently political. Of the 7 development priorities identified as priorities in the NDP, the last of the VII refers to regional development, "improving the economic structure of regions, support balanced and sustainable regional development. Regional development policies, made the NDP, mainly relate to:
- promotion of market economy mechanisms in all regions of the country, to improve competitiveness and achieve continuous economic growth;
- promote a harmonious spatial development and network of locations;
- increase the capacity of regions to support its own development process;
- creating equal opportunities regarding access to information, research and technological development, education and training of the population in remote areas;
- promote policies differentiated according to regional particularities;
- reducing disparities between counties, between urban and rural areas, between central and peripheral areas;
- prevention of problem areas.

Beyond the official rhetoric in practice officials, local government but also public but operate with several paradigms. They are more present in political and social than the NDP and directions made totemotivele we believe that they punctuated a decisive way concrete action in regional development:
1. Private property automatically generate development and economic prosperity.
2. Provision of tax incentives is an important argument to attract foreign investors.
3. Poor regions can overcome underdevelopment through accessing European funds.
4. Resources must be directed primarily to the central areas which will deliver further development in the territory.

1. PRIVATE PROPERTY DEVELOPMENT AND ECONOMIC PROSPERITY ARISES AUTOMATICALLY

Although seen as soon as 1989, with suspicion by the population of Romania who had in mind at the time of communist propaganda images relating to mining, unemployment and the bourgeoisie, the discourse on private property quickly took shape, so in 1991 land tenure law was enacted which aimed to play the peasants land. Legislative Act was promoted by the politicians who wanted to make land ownership on economic and social mechanisms similar to those of modern societies. It was justified by intellectuals, who saw the CAP's expression of a communist organization of agriculture and village, which had priority abandoned. He was assisted by the rural population and urban land thought that was a wealth appropriation what legitimate way back following the collapse of communism.
Romanian Privatization became the agriculture but the resounding failure of development policies after 1989. In the absence of functioning mechanisms to replace those communist, abandoned, returned to Romanian rural subsistence farm household in the interwar period. Rural has become a world in itself, well able to survive, but while developing its own social structures, values, behaviors, adjustment mechanisms, ideology and policy options, all other times deepen docks and in other company than the company modern capitalist. State withdrew from agriculture leaving the peasants, thus isolated from almost all essential components of modern agriculture (infrastructure, technology, money, services). Thus, Romanian peasants recovered subsistence farming instead create modern farms that had no choice, and on the other hand did not knew how to make them. Have delayed consequences arise. Romania's agricultural production collapsed shortly agro-food imports have become indispensable getting to represent 70% of domestic consumption. Another logical appeared on major agricultural regions of Romania; the Romanian Plain, Plateau of Moldovia, Dobrogea, agricultural areas only, no other resources are confronted with problems of underdevelopment and the lower level of life, stressing the gap between regions rural and urban areas.

2. PROVISION OF TAX INCENTIVES IS AN IMPORTANT ARGUMENT TO ATTRACT FOREIGN INVESTORS

Attracting foreign investors in the 90's became a hope for Romanian society considered suitable to replace the lack of capital to foreign investors. Were created for this purpose all kinds of financial instruments relating to property in which potential investors are attracted mainly by the less developed and the Aces just to be dynamic economic development process. But although long-term foreign investor modernization contribute to society in the short term, he is able to adapt to the characteristics of insertion company. It does in two ways: first, by establishing preferential relationships with the political-administrative apparatus, and secondly by adapting their operating mechanisms to the specific company that is found. An example in this respect is the mechanism for taking over the concern of former South Korean company Daewoo Automobile Craiova (Oltcit). The whole arrangement was based on a very special relationship between South Korean concern and central government relations after the government issued laws - exemption from customs duties during periods in which Daewoo made its imports, and return to higher taxes for other importers, customs and tax protection class of cars imported or produced by Daewoo, etc.. - And in general South Korean corporation has created an economic environment far from real market economy requirements. Once the precedent created, such situations were seized including the subsequent investment in Dacia - Renault, Ford or later.

But beyond these cases it was found that despite the benefits, foreign capital turned especially to areas within developed countries (Bucharest, Arad-Timisoara, Constanta, Brasov, Cluj-Napoca), areas where further benefit from better communication infrastructure in place. In the absence of efforts that the state must provide for infrastructure communication less developed regions, the gap between the poorest regions and most developed and deepened. Huge regions (Moldova, southern Muntenia and Oltenia, Transylvania Plain) are still without major foreign investment.
3. POOR REGIONS CAN OVERCOME UNDERDEVELOPMENT THROUGH ACCESSING EUROPEAN FUNDS

And before joining the European Union and beyond, Romania were provided important structural funding. But although money is they can not go without well-designed and eligible projects. Failures of government structures have failed to attract European funding for national investments are well known particularly in the construction of highways. But amazing, especially for a foreign observer, is the inability to attract European funds Romanian farmers in an area that has acute and speedy need of financial resources. In explaining these paradoxical situations, many analysts have called mentalities "old" for Romanians, it still marked by passivity induced by the communist system. The same foreign observers noted, however, that many Romanian who emigrated had no difficulty in quickly abandon their old components and replace with specific modern society. This vision was, paradoxically, supported came from the new international context created by the collapse of communism. Especially concerned about the adjustment post-communist societies in political and economic system, the West has not only given priority institutional change, but also supported the belief that once they made, the rest will follow.

Romanian farmers wishing to engage in access European funds to develop farms, but the current conditions and skills available today it is virtually impossible. Inaccessible language are presented bids for European funding, bureaucratic manner of approach to produce them are major obstacles experienced by those concerned. There was, nor is there any concern of the state to make available these steps, at least in the language used and still less in training farmers in writing projects. The situation is better in other areas (primarily research, and industry, services), but still below the real possibilities. The failure of agricultural regions to attract European funds is another source that can produce a deepening inter-regional disparities.

4. RESOURCES (FINANCIAL) SHOULD BE DIRECTED PRIMARILY TO THE CENTRAL AREAS WHICH WILL DELIVER FURTHER DEVELOPMENT IN THE TERRITORY

Among the important consequences of the economic recession of the '90s in Romania include the abandonment of the periphery. Social structures, economic, urban, etc., withdrew into themselves, adapting to a drastic reduction of available resources. But this mechanism has not developed on a foreign territory. Interwar Paris of foreign visitors amazed by its huge contrast between the capital and the area immediately surrounding poverty. After overcoming the recession in the early new millennium, major cities of Romania have not used the extra resources to increase their influence in the territory, not to revitalize suburban areas within it, to increase economic benefits to these areas. Growth pole theory successfully in Europe has become in many cases in Romania obvious source of differences between big city and suburban area, rural and urban. Thus, he may purchase Bucharest subway cars in November but gave up racing bus suburban town of Piatra Neamț, the capital of Nord-East Region was endowed with an expensive facility gondola, although it is located in a major tourist area which needs urgent redevelopment of access to the sights. Although many county seats in the excessive centralization of advertising Bucharest redistribution of financial resources, local scale behavior is similar to that of
capital, obviously at different scale. The state is still reluctant to promote greater investment in underdeveloped areas, although it is known that, at least in terms of transport infrastructure, absolutely necessary to start the development process, no one can replace this restraint. There are no known cases in which an underdeveloped region can only start its own efforts, without any implant that generate ferment development.

CONCLUSIONS

In Romania, the state became reluctant to assign a greater role in regional development because of exacerbation of his duties during the communist period. But reducing disparities between regions is, anywhere in the civilized world an important attribute of the state. Private property can not create wealth if not in place mechanisms by which the developer can benefit from modern technology and access to resources. Foreign investors, despite tax incentives, will come in areas that most need this investment if absolutely necessary infrastructures are lacking in adequate conditions of conducting the activity. European funds can be attracted to those who need it if there is an effective approach to encourage, promote and facilitate their access. Finally, it is hard to believe that the problem areas, in terms of development, will leave only difficult in themselves, without any support from outside. Mechanisms, structures, facilities, promote, support - these attributes are not really that State, even in the era of globalization should assume?
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