

SUSTAINABLE STRATEGIC DIRECTIONS OF REGIONAL DEVELOPMENT IN ROMANIA IN THE CONTEXT OF EUROPEAN INTEGRATION

Cristina Gabriela DUMITRU*

Andrei-Marius SANDRU**

Abstract: *Sustainable development represents an equitable development model for which the main concern is achieving a balance between economic growth and raising the quality of life through the use of natural resources within the planet's tolerable limits. The sustainable development of community spaces is in the pursuit of preserving the right to access resources for future generations through their equitable use, keeping the excavation rate lower than the regeneration rate for renewable resources, and the excavation rate of non-renewable resources not exceeding their substitution rate. On the other hand, regional development implies the diversification of economic activities by supporting investments in the private sector with the purpose of lowering the unemployment rate towards increasing quality of life using different measures in field like: developing the small and medium-sized enterprises sector, the transfer of knowledge and education, rural development, quality of the surrounding environment, health and infrastructure. The regional development policy encourages the stimulation of a balanced growth of our territory by lowering the existing imbalance between regions at the current moment and by reducing the possibility for it to appear. Furthermore, the regional and rural growth of Romania in the context of sustainable development is a short term process. Due to the specificity of Romanian agriculture, predominantly subsistence farming, the inadequate structure and main factor that limits agricultural competitive growth, it implies a closer look over the social sector. Therefore, two major action plans are asserted, firstly developing connective activities in the rural space and the integration into the labour market of the people engaged into agriculture, and secondly the growth of agribusinesses by supporting measures that target the creation of associations towards increasing the efficiency of Romanian agriculture.*

Keywords: sustainable development; regional development; natural resources; region, development

JEL Classification: O2; Q0

Introduction

Starting with 1998, with the pre-accession program to the European Union, Romania was divided into 8 development regions, each engulfing 4-7 districts, the exception being the 8th region, Bucharest-Ilfov, which contains the Bucharest municipality and Ilfov County. These regions represent groups of counties which were created through voluntary association with the purpose of better implementing future strategies and sustainable development projects of the Romanian space. Each of these 8 regions is administrated by the Agency for Regional Development. These agencies have the purpose of supporting the development of local communities and provide the link between State institutions and EU institutions. Regional Development Agencies supervise and ensures the implementation of projects using European Funds, assesses and selects projects for funding, offers information to applicants and their beneficiaries.

* Ph.D. Candidate, The Bucharest University of Economic Studies, e-mail: cg.dumitru@yahoo.com

** Ph.D. Candidate, The Bucharest University of Economic Studies, e-mail: sandu_andrey@yahoo.com

Figure 1 - Romania – development regions



Source: www.cursdeguvernare.ro

As stated under the Law no. 315/2004 regarding the regional development of Romania, “underlying principles for the realization of regional development policies are: subsidiarity, decentralization and partnership” (Law no. 315 from 28th of June 2004 regarding regional development in Romania, art.2, paragraph 3) and it pursues the reduction of regional imbalances, stimulating inter-regional, internal and international cooperation, resource capitalization, supervising and implementing investment projects, towards the sustainable development of our land.

1. European Union’s strategy for sustainable growth.

The studies conducted during the last 50 years underline the fact that the sustainable growth of our land has to become a basic objective towards establishing policies for States around the world. At the European Union’s level, the Maastricht Treaty (February 7th 1992) brings significant change. Besides the fact that along with the signing of the treaty the foundations of the European Union as we know it today were set, other topics like sustainable development are being brought up. Subsequently, after ample critical appraisals of current situations in the member states, the basis for a Sustainable Development Strategy are put in place; strategy that must be applied in all member states. The Strategy for Sustainable Development brings forth many objectives that focus on the continuous improvement regarding quality of life, for current and future generation by creating tenable communities, rational use of resources, eco-friendly innovation and by protecting the environment and social cohesion.

Environmental protection is one of the key objectives of the sustainable development of regions in the European space and it targets measures designed to reduce the negative impact of economic activities on the environment. On the other hand, social cohesion with directives towards promoting

cultural diversity, equality, combating discrimination or social inclusion form the principle of another key objective of the Strategy for Sustainable Development. Furthermore, the EU's strategy for a sustainable development of the European territory also takes into account incentives designed to stimulate investments in innovation, promoting knowledge, informing citizens, creating new jobs, the abolishing of poverty and growing democratic societies.

The targeted principles by the Strategy for Sustainable Development of the European space turn their gaze upon the individual firstly. Measures are being taken by reuniting multiple action methods, among which we can find the increase of life expectancy, reducing poverty by creating new job and ensuring financial support for under-privileged areas, promoting gender equality, combating discrimination and social exclusion, offering possibilities for professional conversion and access to information among citizens by involving them in decision making processes. On the other hand, the environment is another key point towards sustainable development by trying to create an environment where future generation are not in jeopardy. Action measures are being put in place in the field of Biodiversity Conservation, lessening greenhouse gases, keeping the quality of water, ground and air resources in normal parameters. The sustained use of resources brings up another point addressed by the territorial equitable development through recycling waste and by the smart use of renewable and non-renewable resources.

The sustained development comprises not only a certain type of economic growth consistent to the principles regarding the respect for the environment and the fair use of resources with the purpose of ensuring the future for generations to come, but also brings to the fore a balanced regional development. Looking at it practically, sustainable development encourages the process of change, the process of rejuvenating old practices used in resources exploitation, a new concept meant to preserve and save diversity.

The key issue of the regional sustainable development consists in the economical growth in the context of ever growing citizen needs, the consumption required for meeting these needs without having an impact on life standards, as opposed to the limits imposed by the planet's resources and the continuous degradation of the environment.

A major issue can also be identified in the program for sustainable development of the European space. The challenges of economic growth contradict the challenges of sustainable development on many counts. The free market and competition, the existence of industrial and trans-national giants in the terms of an environment more and more affected by their practices towards acquiring assets and resource exploitation, will cause major damages and sustainable measures even harder to be put into practice. Also, opening up markets for the entire European community carries the risk of

encouraging much stronger and competitive regions to the detriment of weaker and under-privileged ones. Hence, regional development flounders and by the integration into the EU of ex-communist states the risks emphasizing the disparity on a regional level will rise.

Regional Development and Sustainable Development are long term processes. Evaluating tendencies and the continuous reappraisal of policies are the methods through which Equitable Development in the European space is reached.

2. Romania in the regional development program setting and the principles of sustainable development

January 1st 2007 marks the historical moment when Romania became a member state of the European Union, along with Bulgaria. Romania, a state located in Southeastern-Central Europe, with an average size in the Union, becomes a member with full-rights of the European Community. Europe's future will assume the improvement of citizen's quality of life and the disparity reduction through lining to the member states' standards.

2.1. Regional development in Romania

The regional development policy depicts one of the most ample and complex policies of the European Union and its main purpose is the down-sizing of socio-economic disparities in the European space. Thought of as a solidarity policy, a policy that targets the development of less thriving regions within the EU by allocating considerable funds with action paths towards the following fields: education, agriculture, developing SMEs, social inclusion, attenuating poverty, professional growth, increasing quality of life, will bring to our country the novelty element.

In Romania, regional development is still in its early stages. Our country has little experience in this field being an ex-communist country with a centralized economy, with poorly allocated resources followed by a long transitional period, the integration in the EU and lining to its standards bringing a major change.

Our country was divided into 8 development regions in order to create a frame for the future elaboration, implementation and evaluation of regional development policies. EUROSTAT classifies Romania's regions as being a NUTS II level in the Nomenclature of Territorial Units for Statistics. The NUTS classification of Romania according to EUROSTAT, is:

Table 1 - NUTS classification of Romania

NUTS level	Unit	No. of units (April 2004)
I	Romania	1
II	Development Regions	8
III	Counties and Bucharest Municipality	42

Source: Chapter 21. Regional Policy and Coordinating Structural Instruments

The regional development policy is a part of national economic medium and long term strategies and aim towards improving the regional situation through achieving a balance regarding the equitable development both economically and socially.

One of the functions of the regional development policies implies the elimination of the problems that caused a region's poor development. Most of the time, this option is recommended because it's easier to prevent than treat the effects of a regional poor development.

Among other regional issues encountered in Romania, we can mention: the lack of infrastructure in the rural area; poorly developed regions due to inhabitant's migration to other areas; the lack of job especially in the rural areas; a high unemployment rate; poorly developed SME's sector; low degree of entrepreneurship culture.

The current crisis amongst development regions in Romania is generated by three main factors: changes at an institutional level, population migration to cities and the lack of jobs.

For the implementation of regional development policies in the EU, the Regional Operational Programme (ROP) was created. Therefore, between 2007 and 2013, the purpose of ROP was to support the balanced growth of all the country's regions, not necessarily through the allocation of financial resources, but by ensuring that all the regions benefit from a minimum level of business infrastructure, social and human capital with the goal of economic growth.

The main measures checked by the 2007-2013 ROP were depicted by: supporting the sustainable development of cities, improving the social infrastructure mainly in the fields of education, social services, emergency situation interventions, rehabilitating polluted areas, supporting small enterprises and promoting tourism.

For the next cycle between 2014 and 2020, ROP aims to ensure the continuity of Romania's regional development following the same guidelines set in place by the previous agenda, with addition of the newly discovered problems. So, it is confirmed that the needs identified for the period 2007-2013 are still present, but have also improved, given the fact that our country went through a financial

crisis. The impact of the financial crisis brought to light serious implications regarding the level of economic growth, level of employment, healthcare system, education, quality of life and tourism.

The new bearing set by the next cycle target the support of SME's and investments towards professional conversion, ensuring a link between the business environment and the educational system by correlating the need of the workforce market with the employers need for trained staff. Our country still describes numerous disparities regarding regional economic growth in contrast to regions from other EU member states, having an inappropriate foundation for ensuring growth as well as a low competitive business environment. The recession had negative implications regarding the roads infrastructure, diminishing the investments levels for transportation, thus affecting employers from different regions by the excessive degradation of roads, as well as the development of tourism.

The key element in supporting a sustainable economic growth is depicted by the human capital. Only through investments in education, healthcare and social services we can fight poverty and unemployment amongst minority groups, people from rural areas and the youth. Also, the urban scenery must be revitalized. It is a known fact that city centers are great polluters, therefore imposing such investments with the purpose of lowering greenhouse gases emissions, regenerating green spaces or better waste management. Taking into consideration the fact that urban centers are the biggest polluters by the number of people living in cities, the number of enterprises and the number of public and private means of transportation, a series of measures targeting the reduction of polluting agents like taxing for access to crowded areas, developing bicycle lanes, blocking car access to city centers and transforming them into pedestrian areas should be implemented.

2.2. Sustainable development in Romania

The concept of sustainable development focuses on achieving a balance between social, economical and ecological aspects. In short, sustainable development targets environmental problems, but taking into account the speed at which climate changes affect the quality of life, sustainable development expands over to socio-economical elements, especially the human-society, human-environment relations. The deterioration of vital environmental factors for maintaining life (water, air, ground) brings forth the problem of sustainable development. In this sense, diverse strategies are being outlined worldwide with the purpose of resource conservation in order to not compromise the possibilities of future generations. Creating a sustainable society is a highly discussed topic nowadays by all of the economy's sectors. Currently, any decision at a social or economical level is based on an analysis of its effects on sustainability.

The major objectives of sustainable development pursue:

- A healthy financial growth;
- The fair distributions of financial benefits to all inhabitants;
- Realising a political system that ensures abidance to all human rights;
- Protecting the environment.

One of the main coordinates of sustainable development is the fight against poverty. Although the European Union is one of the wealthiest regions of the world, only 17% of its citizens manage to satisfy their primary needs. By investing in the social services sector, a lower number of people be affected by poverty will be assured. For this to be true, measures towards creating a market for under-privileged people, promoting gender equality, eradication of discrimination and social exclusion, welfare, caring centers for the elderly and children are put in place.

Another main aspect targeted by sustainable development implies changing consumption and production patterns. An increase in investments within the non-polluting production sector will be supported, through investments in eco-friendly production lines and a financial support for producers adopting technologies using alternate energy sources.

At the level of our country, the strategy for sustainable development outlines short, medium and long term strategic objectives regarding the integration of all the sustainable development means and strategies as a consequence of joining the European Union is towards lining to the sustainable development indicators in other member states.

Sustainable development can be looked at as an interdependency between three systems, as follows: the financial system through developing investments and technologies, the environmental sector through the many ways of exploiting resources and the social system.

Monitoring the demands provided by the Strategy for Sustainable Development is done based on the analysis of some sustainable development coefficients depicted by: education, healthcare, population structure, environment and climate change, rural development and agriculture.

The human capital represents the most important component that needs to be taken into account when planning the best implementation of the sustainable development strategy. Romania's and Europe's demographic situation suffers from stagnation, ageing of the population becoming a worrying situation. (Government of Romania (2008), "National Sustainable Development Strategy for Romania", pp. 29-32)

Romania understood that through a good enforcement of the guidelines instated by the development plans, the effects cannot be maintained on the long-term if the environment and the

future generations access to resources are not taken into account. For this desideratum to be accomplished, multiple measures were taken into account for each of the eight development regions.

Sustainable development implies multiple plans of action, each plan taking into account specific criterions:

- social plan – increasing social cohesion, increasing regional power, alignment to principles, European social standards;
- financial plan–increasing the number of jobs, increasing the financial power of the region, alignment to principles, European financial standards;
- environmental plan – increasing ecological cohesion of the citizens, keeping a balance between industrial growth and pollution(reducing local/regional pollution),alignment to principles, European environmental standards;
- information and communications technology–increasing citizens access to information, increasing the individual technological connectivity, increasing the technological power of the region (infrastructure, growth of IT&C regional indicators), community management. (Albu, 2006, p.67)

2.3. Romania – between regional and sustainable development

New concepts emerged in the final decades of the 2nd Millennium, regional and sustainable development underlining new directions to consider for the preservation of the future of mankind. From our point of view, they must be addressed interdependently from one another, because both development directions are centered on ensuring the quality of life by the fair division of resources and the development of a balanced financial, environmental and social space,

On the other hand, the application of the principles foreseen by the sustainable growth on a regional level is much more practical, due to much more flexible regional structure, and the continuous monitorization, adaptation and improvement of sustainable development practices of the area are much easier to apply and quantify.

Furthermore, between the two concepts, regional and sustainable development, there are as many similarities as there are differences. The sustainable growth implies the application of principles at a worldwide scale, while the regional development has a narrower range of application, at a European level.

Regional development surmises the reduction of territorial disparities for the member states and different adjacent regions and it mainly addresses the financial differences.

Sustainable development has a wider range of applications, its fields engulfing the financial aspect, as well as the social and environmental ones.

The common interest of the two development policies is depicted by the environmental aspect. Both development policies are based on measures targeting the down-sizing of negative influences caused by man and industry on the environment.

At the level of our country and the level of the whole European space, the equitable administration of natural resources, increasing livelihood, agriculture and modernizing transports infrastructure represent some of the measures targeted by the tow development policies.

According to the principles stipulated in the European Strategy for Sustainable Transport “a sustainable transport policy should handle traffic intensity and rising congestion level, noise and pollution ad to support the use of less environmental damaging means of transportation, like internalized social and ambient costs. It is necessary for actions to be taken in order to obtain a significant dissociation between the increase in transportation and financial growth, developing alternate means of transport to private vehicles and freight road transportation and by fairly distributing costs. A special interest is given to the necessity for the conducting a more rigorous tracking of environmental behaviors in the transportation sector, by consolidating the TREM (Transport and Environment Reporting Mechanism) tracking system and by setting (when possible) some quantifiable objectives in transport policy.” (European Comission, 2005)

Transportation depicts a branch that engulfs a wide variety of activities. From the transportation of raw materials for industry, to the transportation of products to consumers a series of activities unveil posing new challenges for both territorial development policies. Fossil fuel resources are limited, extracting and manufacturing these cause lots of damage to the environment. In Romania, the lack of a proper transportation infrastructure carries with itself loads of disadvantages amongst which we name road congestions, lost time, rising levels of harmful and greenhouse gases or destroying natural habitats.

Agriculture is a branch of the national economy and a key field in financial development. Agricultural Sustainable Development offers a series of solutions regarding the preservation of natural elements to normal parameters to ensure a fair development of the European space. The concept of sustainable agriculture implies realizing and maintaining a balance between the used natural resource, the preservation of cultural space and regional development.

Practicing sustainable agriculture comes with its own challenges in using the methods on Romanian farms. By reason of practicing an intensive production system for such a long period

of time in our country, the existence of major discrepancies amongst the wealthy and poor regions of Romania and the lack of detailed specialized research into the adaptation plant species and breeds to the pedo-climatic conditions and requirements of different regions, cause a series of problem in the application of sustainable production methods.

There is a series of strong points identified in the Romanian Agricultural Sector, namely: the existence of willing work force, fertile grounds, optimal pedo-climatic conditions towards development and modernization and the existence of programs supported through non-refundable funds from European financing, these are just some of the found realities.

However, a series of weak points slow down the agricultural modernization process and the application of sustainable practices, caused by the lack of financial resources, antiquated mentalities and reluctance towards associations.

Romania benefits from prolific lands meant to ensure the internal agricultural products requirements. Contrary to that fact, our country is yet to be successful in lining itself to the standards provided by the sector's sustainable development principles. A major problem in the case of Romanian agriculture is created by self consumption and the high number of family farms where the applied practices are out of date, and the reluctance and lack of funding further impede the change process. Maintaining the same antiquated production system and use of natural resources, the continuance of this trend bring forth serious risks for the sustainability of economic growth, and the consequences are assessed to be negative on the environment and on the future development of human capital.

Conclusions

Meant to downscale the existing disparities amongst the regions of the European space, the regional development policy comes to the aid of member states with a series of measures promoting real opportunities to all its citizens. The fair development of all the regions moves towards reducing the differences between them, ensure socio-economical cohesion and promoting a balanced development for the whole European space

In the case of our country, the regional development policy moves for the improvement of the transportation infrastructure by modernizing roads and access ways, increasing the internal economic competitiveness, raising employment rates, the development and proper use of the human capital. Downscaling disparities and deficiencies regarding the qualification level of the human capital that

benefit from real non-refundable financing, given the fact that man is the engine of financial activities and the creator of added value.

According to the regional development principles, the sustainable development policy moves towards applying conservation methods of the natural capital in order to ensure the continuous access to resources for future generations. The novelty elements of the sustainable development policy bring forth man and the environment. By the use of measures meant to preserve natural space and equality between generations, the sustainable development policy confronts a series of difficulties due to the ever-changing aspect of the environment.

In conclusion, the sustainable regional development of the endemic space implies sustainable strategies and measures through the responsible and direct involvement of the state towards promoting sustainable consumption and production patterns and methods, and all the targeted measures by the documents provided by the European Union for aligning ourselves to its standards and creating a sustainable space for future generations.

Acknowledgement

This work was cofinanced from the European Social Fund through Sectorial Operational Programme Human Resources Development 2007-2013, project number POSDRU/159/1.5/S/142115 „Performance and excellence in doctoral and postdoctoral research in Romanian economics science domain”

References

- Albu, L. (coord.) (2006), *“Analize privind factorii dezvoltării durabile pe termen foarte lung”*, Academia Romana, Institutul National de Cercetari Economice, Institutul de Prognostica Economica, Bucharest, Romania, available at: <http://www.ince.ro/IPE-2006-site.pdf>
- European Commission (2005), “Report of the European Commission for the Council and the European parliament regarding the Sustainable Development Strategy”, Bruxelles, December.
- Government of Romania (2008), “National Sustainable Development Strategy for Romania”, pp. 29-32 available at: <http://www.insse.ro/cms/files/IDDT%202012/StategiaDD.pdf>
- Man, E. T. and Mateoc-Sirb, N. (2007), *Dezvoltarea rurala si regionala durabila a satului romanesc*, Ed. Politehnica, Bucharest.

Radulescu, C. V. (2003), "*Dezvoltarea durabila si implicatiile economicofinanciare ale organizarii exploatatilor agricole*", ASE Publishing House, Bucharest.

Rojanski, V., Bran, F., Grigore, F. and Ioan, I. (2006), *Cuantificarea dezvoltarii durabile*, Ed. Economica, Bucharest.

Vadineanu, A. (1998), *Dezvoltarea durabila: teorie si practica*, Ed. Universitatii din Bucuresti, Romania.