

THE REGIONAL DEVELOPMENT IN ROMANIA'S RURAL AREAS - SUPPORTING PROGRAMMES AND ACTUAL ISSUES

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Abstract

Situated among the last countries that joined the European Union, Romania is one of The European Union countries with the biggest problems in terms of socio-economic development at regional and national level. The Romanian accession in the EU brought the need for reconstituting the regions. Thus were created eight regions and even if they are not administrative-territorial units, and haven't legal personality, they serve to coordinate regional development and to facilitate access to EU regional development funds. This article aims to present the recent regional developments in Romania in terms of: regional integration and the tendency in reducing regional disparities, especially in the rural areas; the ways in which the EU funds have been accessed at the regional level; which are the current issues and difficulties. Method used has involved the analysis of statistical data and field study in the rural areas of the regions of development.

Key words: *Regional Development, Rural Areas, Romania*

Introduction

Approaching Romania's socio-economic development at regional level is closely related to EU accession. Romania was divided into regions before 1968, the year that Soviet Union influence led to the reorganization of territory, to an administrative territorial dimensions smaller form of 42 counties.

Although created in 1998, the eight development regions (South Muntenia, Bucharest-Ilfov, North-East Moldova, South-East, North-West, South-West Oltenia, West Banat and Centre) are not administrative-territorial units, and have no legal status in so far. Their only role is to coordinate regional development and to facilitate access to EU regional funds. The eight areas of existing national development have become members of the Committee of Regions when it joined the European Union, a European institution in which Romania has 15 representatives and has a role in defending local and regional interests at European level.

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The year 2011 brought the novelty of political forces in power attempting to assign for these regions territorial administrative role and legal status. The pretext of this measure was a more efficient European fund, reducing local government costs by county disappearance and concentration in the administrative structures of the 8 regions.

This initiative has been stopped but for now, due mainly its negative impact among the public, accustomed to the current form of organization.

Although irregular in terms of area or existing population, all regions have a common feature of regional development in terms of socio-economic: there are large disparities between rural and urban areas, which require solutions to achieve a balance between these two areas to prevent long term adverse effects on rural areas. There are also clear regional differences, and therefore must be pursued to achieve a balance between economic and social development levels of different areas.

To achieve this goal it is necessary to develop improved strategies and policies for regional development. For each of the eight regions was worked out its own development strategy for 2007-2013.

This paper aims the approach of regional development elements at the level of rural areas from the Romanian Development Regions, presenting the most important programmes supported by The European Union which are aimed at stimulating and diversifying economic activities, stimulating investments in the private sector contribution to reducing unemployment and hopefully lead to an improvement in living standards in the rural areas.

Material and methods

Methods and techniques used are based on documentation and data from field research conducted at the local authorities, communities and households in the rural areas, also through collaboration with institutions at Region levels. They were conducted under the project “Research On Actual Size Evaluation And The Perspective Of Sustainable Rural Development Through The Elaboration Of SWOT Analysis, As Method Of Strategic Planning For The North-East Region Of Romania”, under a financial scheme supported by Romanian National Council for Scientific Research in Higher Education (Grant no 114/28.07.2010).

Results and discussions

The regional developments aims at stimulating and diversifying economic activities, stimulating investments in the private sector contribution to reducing unemployment and hopefully lead to an improvement in living standards. Regional development tasks are related with provision of aid and different forms of assistance to regions which are less economically developed.

Regional development policy is one of the most important policies and most complex of the European Union. status arising from the fact that by its objective of reducing economic and social disparities between different regions of Europe, is acting on some significant areas for development such as economic growth and Small and Medium Sized Enterprise sector, transport, agriculture, urban development, environmental

protection, employment and training, education, gender equality and others. The regional policy has the origins in the Treaty of Rome (1957) founding the European Economic Community. After the creation of the Directorate-General for Regional Policy (1968) of the European Commission, The European Regional Development Fund (ERDF, 1975) was established in order to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. The Regional policy in The European Union has allocated 347 billion euro between 2007 and 2013. Beside specific objectives as bringing out the best in every region, making all regions more competitive or creating more and better jobs, specific issues are considered: climate change and its implications, energy supply, globalisation and ageing population.

For this specific issues the European Union set targets to be reached by 2020: 75 % of the population aged 20-64 should be employed (as regarding employment); 3 % of the European Union's GDP have to be invested in Research and Development (as regarding innovation); a reduction in EU greenhouse gas emissions of at least 20% below 1990 levels, 20% of EU energy consumption to come from renewable resources, 20% reduction in primary energy use compared with projected levels, to be achieved by improving energy efficiency (as regarding climate change); The share of early school leavers should be under 10 % and at least 40% of 30-34 years old should have completed a tertiary education (as regarding education); Reduction of poverty by aiming to lift at least 20 million people out of the risk of poverty or exclusion (as regarding poverty).

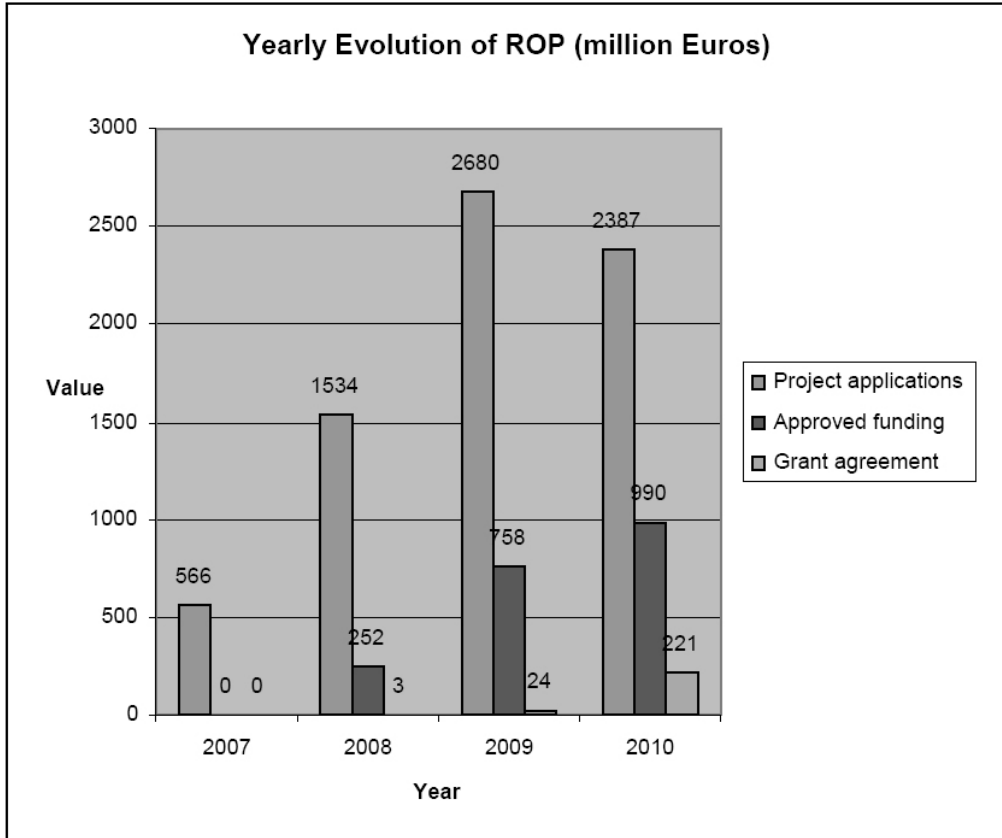
The priorities are set out in: the Community Guidelines on Cohesion 2007-2013; the General Regulation; the specific Regulations on the European Regional Development Fund, the European Social Fund, the European Cohesion Fund; and the National Strategic Reference Framework and Operational Programmes approved for each Member State.

The most important program that aims to reduce economic and social development disparities between the more developed regions and less developed in Romania, ROP - REGIO is the main financial instrument that is designed to target the structural funds worth 4 billion euro by 2013 to these regions on the basis of calls for proposals.

The main measures that can be accessed through this operational program to reduce existing disparities in socio-economic field and to ensure rural development, concern: the rehabilitation of county roads (Priority 2), improving social infrastructure (Priority 3), supporting business at regional and local levels (Priority 4) and sustainable development and tourism promotion (Priority 5).

After program approval by the European Commission on 12 July 2007, launching calls for proposals in 2007-2008 and intensification of the signing of grant contracts and accelerate payments to beneficiaries in 2009, the main feature of 2010 was the completion of the first projects investment financed by ROP. Following this development, the stage of ROP at 31 December 2010 was as follows: 7564 project applications totalling 11.27 billion Euros, of which ERDF contribution represents Euros 7.17 billion; 1300 approved funding requests totalling 3.18 billion Euros, of which ERDF contribution represents 2.08 billion Euros; 1086 grant agreement amounting to 3.07 billion Euros, of which ERDF contribution represents 2.00 billion Euros;

Fig 1. Romanian Operational Programme (2007-2010)



Source: Romanian Government, May 2011

The payments made and pre-financing granted totalling 588 million Euros, of which ERDF payments made and deducted pre financing totalling 248.25 million Euros and the payments received from the European Commission totalling Euros 138.4 million; There were 225 completed projects with a total eligible value of 56.2 million, which represented 35.1 million Euros ERDF contribution.

Sustainable rural development in rural areas at regional level should be achieved so that the measures adopted to lead to improved competitiveness of agriculture and forestry, improve the environment and the countryside, and improve quality of life in rural areas and encouraging diversification of rural economy.

A brief analysis of current regional situation in Romania shows the North Eastern Region as having the largest population in rural areas (Table 1). A second region in terms representative of the rural population is the South Region” Muntenia”. We can remark that agriculture in these regions has one of the greatest contributions to the regional gross domestic product, being situated above the national average (about 13%).

Taking into consideration the example of the North East region where the contribution of agriculture is about 15% from regional gross domestic product, but this is made in

context of the highest rate of employment in agriculture, about 42%, this remains an important concern for the socio-economic future development in these rural areas.

Besides the regions where agriculture has a higher percentage (especially in the South) are the most exposed for rural sector, these recording positive economic development only in favourable years in terms of agriculture.

Table 1. Distribution of The Romanian population by region in 2008

No.	Region	Total peoples	Total Urban	Total Rural	Peoples /Km ²
1.	Total	21504442	11835328	9669114	90,2
2.	North West	2722063	1450982	1271081	79,7
3.	Centre	2523510	1500085	1023425	74,0
4.	North - East	3823492	1663685	2159807	103,8
5.	South – East	2819565	1553115	1266450	78,8
6.	South -Muntenia	3284525	1359191	1925334	95,3
7.	Bucharest -Ilfov	2248026	2072828	175198	1234,5
8.	South - West Oltenia	2262274	1075425	1186849	77,4
9.	West	1925377	1215422	709955	60,1

Source: INSSE, Romania 2010

If in 2009-2010 global economic recession effects were felt strongly in the all regional development regions, it is expected that in the context of consumption revival and a good agricultural year in 2011, they will come back on a rising slope. Identifying solutions for regional sustainable development in rural areas should have as a starting point doing analysis of development objectives set in each region-specific strategy for regional development. These objectives should be linked to investment programs that can be accessed at the regional level, depending on the resources and the existing potential.

There are also necessary measures to identify and access additional sources of funding, in sustainability conditions, for the realization of infrastructure projects especially in rural areas; for the use of alternative energy sources, for environmental protection, for promotion of Romanian traditional products, and for a better quality of education, health and social services in rural areas. Accessing structural funds is the optimum solution in financial terms that can be used especially for large investment objectives. At households level have to be reduced dependence on agricultural activities, which can only ensure their survival and have to be promoted in exchange, the small business, craft activities or to be developed agro-tourism services in areas with high tourism and cultural potential.

Conclusions

The Regional development is an important issue, which implies financial support, solidarity and a powerful orientation for cohesion and economic integration. Romanian's priority of regional policy is to bring living standards up to the European Union average as quickly as possible.

There are significant differences in prosperity levels between the Romanian Region of development, and also between rural and urban areas. In 2009 Romania reached

the top of the application process for European funding and in 2010 it reached a peak of the contracting process. The decline of registered applications for European Union funding in 2010 was caused by suspension of the request for funding for several key areas of intervention in different regions, because he has reached the threshold of 150% of the amount allocated to that area for the region development considered.

For the domains mainly for SMEs, in addition to underfunding programs that address this segment, reducing the credit crunch as a result of financial crisis in recent years has also contributed to the increasing demand for EU funds, especially after the decision to increase co-financing for EU funds to the micro, at 100% of eligible expenses.

Regional inequalities in the rural areas have various causes, but the new European Union policy have an important part of the funds allocated to avoid migration of population from rural areas to the city, which may be a chance for the development of the poorest rural areas from Romania, for elimination of social deprivation, for improving quality of rural school, creating new jobs and improving infrastructures. The implementation of regional policy in Romania should make regions more attractive for investments by improving accessibility, providing quality services and preserving environmental potential.

The regional development requires taking in consideration of all aspects involved in rural or urban life: the social dimension, economic dimension, the political dimension, technical-scientific dimension, environmental and natural resources dimension.

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