

## **PERSPECTIVES ON THE NEED FOR REGIONALIZATION IN ROMANIA AND ITS ECONOMIC EFFECTS**

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**ABSTRACT:** *Local autonomy is considered the Romanian doctrine one of the most effective forms of self-management. It is the local authorities that ensure a high degree of democracy, turning them by granting autonomy, in real counter-power to prevent abuse of the central government. Regionalization is a process with a dual orientation, targeting primarily the reduction of disparities at the county level and rallying to trends imposed by the European Union. For Romania, the existence of yet another administrative level can generate on the one hand bureaucratic difficulties, but is a necessary part of future development, balanced, coherent and sustainable.*

**KEY WORDS:** *Local autonomy, administrative level, regionalization, counties, public administration, departments.*

**JEL CLASSIFICATIONS:** *K30, K33.*

### **1. INTRODUCTION**

In the Romanian legal system, the principles of decentralization and local autonomy enshrined be found both at constitutional and legislative level. The revised Constitution of 1991 provides that: "The public administration in territorial-administrative units is based on the principles of decentralization, local autonomy and deconcentration of public services". Also, the legal regulation of the two principles is clear in terms of Law no. 215/2001 on local public administration framework law no. Decentralization 195/2006 and Law no. 199/1997 ratifying the European Charter of Local Self-Government adopted in Strasbourg on 15 October 1985. It is observed so that the principle of decentralization and local autonomy enshrined by the constituent, while the legislature, making the application of constitutional provisions, comes to specify the actual content of these principles.

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This observation is important because it implies that only the law, the act of Parliament can determine the content of the principles, any other document issued by a state authority in this area unconstitutional. Incidentally, this is the position that the Romanian Constitutional Court Dec. no. 45/1994 declare unconstitutional art. 192 of the Rules of organization and functioning of the Chamber of Deputies as "obligations on local and county councils. Such a thing can only make law and statutory provision violates Art. 119 of the Constitution on the principle of local autonomy."

This paper describes broadly legal framework for achieving decentralization of public administration at local level in Romania as far as aspects related to the history of the organization and functioning of public administration in Romania influenced by various factors and events over time that marked and changed the administrative organization of the territory. The paper also deals with the principles that led to the state organization, along with local autonomy principle, the principle of decentralization and deconcentration and that of recently treated a problem in Romania on administrative regionalization of the territory.

Local autonomy is considered the Romanian doctrine one of the most effective forms of self-management. It is the local authorities that ensure a high degree of democracy, turning them by granting autonomy, in real counter-power to prevent abuse of the central government.

Local autonomy is an important component of the organization of public power, and as the classic separation of public powers or the theory of relations between majority and minority political performed a balancing horizontal and material power, and local autonomy requires in turn a vertical and territorial equilibrium.

To establish the principle of local autonomy, our lawgiver constituent used as inspiration the principles of the European Charter of Local Self and the Universal Declaration on local autonomy and Romanian experience gained over time and the elements of comparative law and normative acts recent other EU countries concerning the organization and functioning of local communities.

European Charter of Local Autonomy meant by local autonomy organization, functioning, powers and duties and also the management of resources belonging to the village, town or county, it is both right and effective capacity of local government to solve and manage within the law, under its own and accountability in the public interest, an important part of public affairs.

Local autonomy denotes the right and effective capacity of local authorities to solve and manage, on behalf and in the interest of the local communities which they represent, public affairs, under the law. The content of the principle of local autonomy and its complex valences result of all the regulations contained in the provisions of Law 215/2001 and the essence of the whole public administration activities in the territorial administrative units, being found both in local government and in relations between local and the relationship between them and decentralized public administration authorities.

In order to strengthen the general regime of local autonomy, some experts have the opinion that it should be reinforced legal framework regarding the principle of transparency and the direct participation of citizens in decision-making within public administration, become permanent form of consultation by referendum of the citizens,

and covering new models, effective organization and functioning of central and local public administration authorities, which should be based on the principles of subsidiarity, decentralization, local autonomy and devolution.

Local autonomy, relations between states and local territorial authorities on its territory, outside the scope of exclusive domestic law, making cooperation and international regulation. Local authorities and local autonomy are no longer at the absolute discretion sovereignty of states, but end up being guaranteed internationally protected.

Regionalization stakes and Romania presents real opportunities, historic for all of us, in the context tendencies in the Europe, but also considerable challenges. The effort politico - administrative to align, "territorial structure - administrative Romania to the European materialized in 1998, when they constituted the 8 regions, one composite criterion their denomination," the cardinal points', combined with the historical, regions. "The transformation of the central authority responsible regional policy in a simple competition for projects, the planning, dialogue and partnership issues have become purely formal or declarative, can lead to a relatively good absorption European funds, but was a failure in terms of preventing and reducing disparities international intra SSI.

Before selecting how regionalised politically Romania, with or without counties through direct elections or appointments at institutions of many mandates, with what budget, we consider it appropriate to answer the question: how can we regionalize / reorganize judiciously national territory, on the basis of both combined economic, sociological, cultural, geographical, historical, potential natural and human resources, environment, and, not least, politically? Considered appropriate debate optimum model of regionalization of Romania, a model to be approved and assumed participatory linked to objectives arising from the real needs of regionalization.

## **2. REGIONALIZATION WITH REFERENCE TO THE ECONOMIC ENVIRONMENT**

The economic situation of the regions development is shown by the analysis of some indicators that give a general statement on the economic activities and a more detailed analysis may be redundant for the study. The fact that Romania has continued the tradition of centralized state communist and adopted economic policies that addressed the entire country without taking into account the specificities and heterogeneity of space has made many areas of Romania to undergo a process of impoverishment and economic decline and living standards. Regional policy adopted by Romania ahead of accession aimed at reducing disparities between rich and poor areas both within regions (the counties components) and between regions. Given the outdated data used to demonstrate that this solution is the most viable regionalization, we needed a new analysis using indicators and new data to see what changes also brought implementation of regional policies.

The most relevant indicator for viewing the economic situation of population GDP / capita / year (GDP / inhabitant / year). In 2013 one can see large differences are recorded between counties west and the east and south. Also we can see that there are

regions where there is little difference between the values of the counties (Central Region North West). Between counties Northeast region there are also small fluctuations but here the values are much lower than other districts in the region recorded minimum value of GDP / capita. / Year in Vaslui. The counties with the highest values are holding a series of counties that have played a role in infrastructure development vector, such as universities, airports, access to major transport infrastructure. The highest value of GDP / capita. / Year are recorded in the capital Bucharest, Ilfov County followed by Region 8 which together form the Bucharest - Ilfov. The lowest values are recorded in "pockets of poverty" counties in the Northeast region (apart from Iasi County), and counties farm north of the Danube: Olt, Teleorman, Giurgiu, Calarasi, Ialomita plus Mehedinti County .

The unemployment rate has experienced a period of growth since 1990, the highest values recorded in industrialized areas which were artificial and could not meet the requirements of changing markets. Another period with a strong influence on values unemployment rate was the early 2000s when the mining sector restructuring led to the dismissal of thousands of people, the most affected region is the South-West Oltenia, where were most people in the mining industry. In 2013 unemployment values show a pretty good situation in the sense that the unemployment rate is low (max. 9.7 in Maramureş county) is much lower than unemployment in other EU countries (Spain 21.6% and Greece 17 7%). Most counties in the sample is lower in the South (Dambovita, Teleorman, Constanta) plus Vaslui and Maramures. Vaslui County recorded serious economic problems, here unemployment is high and income are very low.

The maturity of regional or national economy is given by the share of employed in the tertiary sector. The population engaged in agriculture is found mainly in the Northeast region (except Iasi County) and in the southern counties are located in areas suitable for agriculture (Dambovita Teleorman- South, Buzau, Galati, Vrancea-South East Olt, South East, Maramures, Satu-Mare, North West. Some of these counties recorded and low levels of annual GDP and high levels of unemployment. the largest share of the population employed in secondary located in the Center, but the differences between regions and districts regarding this sector is quite small. At county level most people are employed in industry in Argeş and Constanta.

The discrepancies in terms of employment in the tertiary sector are quite high when comparing counties in the North-East and Central West region where most people are employed in the tertiary. In the West, especially the tertiary sector accounted for business, while in the Central region, is the tertiary economic activities in tourism. Large intraregional imbalances are recorded in the South where the share of employees in tertiary Teleorman county is much lower than in other counties. The highest values of tertiary employment in the following counties containing large cities of Romania (Timis, Cluj, Brasov, Sibiu, Craiova, Prahova, Iasi).

Realizing entrepreneurial opportunities lead to the registration of new companies for doing business. Bucharest-Ilfov region has the most registered companies with a value nearly double the Northwest region, changing the hierarchy in recent years when this indicator, the Northeast region was ranked last. The largest intra-regional level there are discrepancies in the South where the agricultural counties

(Teleorman, Giurgiu, Calarasi, Ialomita) are significantly fewer companies than in Prahova County. Most companies are registered in counties in western regions of the country if there is a gradient of decreasing these values eastward, except Bucharest and Constanta.

Foreign direct investment (FDI) make an essential contribution to economic growth. "FDI is an important element of economic development of any country and its functioning on market economy principles. They have great importance for strengthening the economy in countries in transition and the integration of this category of countries in the world economy. With FDI takes place modernization of national economies, especially those in transition by implementing advanced technologies, know-how's, most powerful machine, the new standards by moving to a higher type of growth. "At the territorial level FDI concentrated mainly in Bucharest-Ifov region (61.7% of the total) followed by the Central region (7.6%), South region (7.4%), the West region (7.2 %) and the South East (5.4%). In 2013 the North East region was avoided by foreign investors, where only 2.9% of the total foreign direct investments were targeted to this region. It is understandable that foreign investors were located in regions that are served by major transport infrastructure (highways, airports, railways modernized ports) and where there is skilled labor so where does the universe exist. Near Northeast region of the eastern border, by Rep. Moldova and Ukraine is not attractive retail markets and the lack of high-speed connections make this region is not attractive to foreign investors, although it is the largest region by volume demographic with many opportunities for development.

In terms of territorial administration, the proposed regionalization aims at centralizing tendencies spatially recorded since the interwar period and has the purpose of highlight the role of major urban centers polarizing viable. The establishment of such polarizing dimensions urban centers has outlined a series of distinct relationships at the local level (attraction or repulsion relationships) that eventually were built in the region limits. All network-level municipalities have completed a number of systems Deputy Ministry, which depend on a significant regional center with tractors and coordinating role for the region (or main growth poles). To identify the validity of the cut proposed have been identified several natural and environmental elements, including municipalities and public utilities network. In terms of physical environment, quantitative aspects indicate an uneven distribution of risks of natural disasters in the central, NW and NE of the territory.

From the viewpoint of transport infrastructure, situated in S and SV regions including the Bucharest - Ifov are located in directions corridors IV and IX Pan-European traffic and by opposition notes the lack of accessibility to the Northern territory.

The phenomenon of polarization occurs at the local level according to some relevant criteria: demographics, economic and positioning. Thus, it notes that although it is necessary polarization uniform cities within a region, are found inaccuracies major: the capital has a wide polarization that goes beyond the region in part Constance is a growth pole excentric and compete with the Galati - Braila. The same situation is identified and in the region of NV and Centre, where polarization is done supra by two urban centers: Brasov and Cluj – Napoca.

At the region level we can see an imbalance in the distribution of risk areas, which are distributed mainly in the South - East and North - East. This uneven distribution is materialized mainly in the distribution of funds. For the North-East and South-East, North-West recorded seismic hazards and risks of floods, and for areas of the South and Southwest are registered risks of desertification and land degradation. Similarly, pollution phenomena are more pronounced in the plains and around large cities, especially around the capital.

It is noticed a concentration of airports, especially in the counties in the western part of the country. The North-West and West regions are better equipped at airport accessibility, together totalling seven centers. It notes a slight imbalance between the South-West, West and Centre at the number of airports. Bucharest Ilfov region is the main and largest provider of airport services to internal and external opening races.

From the viewpoint of the distribution of traffic infrastructure in the territory, can be noticed the existence of several areas that concentrates many airport terminals or receiving a higher density of traffic infrastructure throughout. The regions of the western portion of the country benefit from improved accessibility to the exterior and interior and southern regions and southwest benefit from connections to major pan European transport corridors, both road and rail as well. In terms of natural surroundings, there are several regions that concentrate more types of natural hazards and anthropogenic characterized generically as territorial vulnerabilities. Their presence in higher proportions up across a territory by itself draws a need to manage them using funds generally consistent.

Penetration of the problem of local autonomy in the international field is still shy in terms of regulations and especially the area's geographical extension. It was not universally imposed, but strongly at European regional level.

It is thus noted two international treaties, multilateral at the Council of Europe, relatively to local autonomy. One is the European Charter of Local Self-Government adopted in Strasbourg on 15 October 1985 another treaty is the Convention - European framework on cross-border cooperation of territorial communities or authorities. The first global treaty concerned the issue of local autonomy, but the focus is on its internal dimension, while the second deals exclusively with the external dimension of local autonomy.

According to the European Charter of Local Autonomy the European Council member states signatory of the Charter considers that the aim of the Council of Europe is to achieve a greater unity between its members for the purpose of safeguarding and realizing the ideals and principles which are their common heritage. They are convinced that at the local level, this right can be exercised most directly and that the existence of local authorities empowered with real responsibilities can provide an administration which is both effective and close to the citizen is aware that defending and strengthening local autonomy in the various European countries represents an important contribution to building a Europe founded on the principles of democracy and the decentralization of power.

### 3. CONCLUSIONS

Regionalization is a process with a dual orientation, targeting primarily the reduction of disparities at the county level and rallying to trends imposed by the European Union. For Romania, the existence of yet another administrative level can generate on the one hand bureaucratic difficulties, but is a necessary part of future development, balanced, coherent and sustainable.

The administrative cropping proposed by the Ministry of Regional Development and Tourism is the nearest to the administrative reality in the territory. Such areas are identified polarizing both social and demographic, taking advantage of favourable positions in the national context. These areas justify a lesser or greater extent relationship of subordination and coordination, which at the local level, are the main criteria for administrative separation.

Unfortunately, disparities intraregional have been preserved further, which is why there are gaps between regions, which is not necessarily changed by another model of regionalization territorial but better management of own resources, the current situation and main trends of development. It is also very relevant territorial polarization controlling the process, there is a tendency of excessive centralization of power in the capital.

Decentralization and deconcentration phenomena must be supported by administrative efforts (social and, ultimately) to imprint a coherent direction to delegate each proposed new or existing landing. In other words, regional plateau will be allocated new tasks by adding new tasks to the floor County, congest the administrative system in the capital.

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