

REGIONAL POLITICY - THE MAIN EUROPEAN INSTRUMENT FOR STRATEGIC INVESTMENTS

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Abstract: *Regionalization can be translated into the desire to reach balance in economic development, through raising the level of developing areas and, in this respect, regionalism advocates for raising the region at decision level. Whether it is about regionalism or about regionalization, both would benefit from decentralization, which also yields the multi-level government process.*

Keywords: regionalization, region, decentralization, deconcentration, local autonomy, multi-level governance.

1. Introduction

In order to present the European regional policy on the Romanian stage it is necessary, in a first stage, to draw attention to regionalization at theoretic level. Therefore, we will analyze different definitions and theories that have been developed in time with regard to this concept as well as to some associated notions.

To begin with, we will bring into attention three possible approaches of the concept, as it has been explained by Anne Gilbert: „[region] as local response to the capitalist processes, region as identification point and region as environment for social interactions” [1], vision completed by a classification of regions depending on the level where they are located: national, continental or global.

At supranational structures level, as it is the case with the European Union, there is a declared tendency towards increasing the role of the political region, and thus, of the region itself.

2. Regionalization, decentralization, deconcentration in government process

The analysis of the region within the debates regarding structural funds results in region being a term used to designate an area rather than an institution. In this context, analyzing the regionalization process in France, Jean-Jaques and Michele Dayries questions the definition of region formulated by the European Council: „middle-sized territory susceptible of being geographically determined and considered to be homogeneous”. The above-mentioned authors argue that one cannot associate a standard level to the variable „middle size”, thus it does not have a subjective character. On the other hand, both the couple *territory-human entity* and the homogeneous character of the region are elements constantly present in the definition of this concept.

Gerard Marcou [2], theoretician whose research matter is focused on the Member States of the European Union, identifies five regionalization patterns, as follows: „administrative regionalization, regionalization through the existing local communities, regional decentralization,

political regionalization or regional autonomy, regionalization through federal authorities". Taking into account that regionalization cannot always be homogenous Gerard Marcou considers that it is important to offer a clear perspective. Therefore, at theoretical level, the author points out that more than one single type of regionalization could function within one state's territory, depending on the particularities and objectives of this process (e.g. – the U.K. case). What is more, this process is rather evolutionary in nature than static, being in close relation to the characteristics of the respective state. The author also highlights the fact that the state plays an active role in the regional development. Therefore, the role of the state in this process should not be minimized.

In conclusion, it can be stated that an ideal model of regionalization, which could meet diverse and multiple requirements has not been identified yet, that a certain hierarchy at their level has not been acknowledged yet, and all that can be acknowledged is just a series of process governing principles able to generate a vector for reaching the assumed development objectives.

Decentralization sends almost immediately to the centralization concept although the two concepts are totally opposed when analyzing them at state level. Both tendencies can be found at state level. On the one hand, there is the tendency towards unity, based on the centralization principle. On the other hand there is the tendency towards diversity, according to the decentralization principle. In this context, Constantin Dissescu stresses the importance of understanding the way in which each principle works at state level. „Decentralization does not represent the opposite of centralization, it is just a reduction of centralization, a mitigation of power concentration (...) The problem that preoccupies any nation is in fact that of the degree of decentralization that is necessary and which varies according to the territory

size, population, economic and politic conditions, traditions etc”[3].

Deconcentration is considered to be an intermediary process by which central authorities assign some representatives, with competences in influencing decision at local level. The concept is often equated to territorial decentralization equalization which is not valid because deconcentration refers to a static authority, subordinated to the central authority, while in the case of territorial decentralization decisions are taken by the autonomous authorities.

3. Regional policy, European instrument for strategic investments

Regional policy can be defined as a European policy of strategic investments whose objective is to foster the economic development of all regions and cities in the EU. As a consequence, two totally different notions appear with reference to regionalization. On the one hand, there are the development regions whose main function is to constitute the institutional framework for an efficient accessing of structural and cohesion funds of the European Union. On the other hand, the administrative regions represent a new level of administrative and territorial organization which is self-governing, having its own attributions, political leadership, budget, administrative apparatus and public services.

Strengthened coordination of the economic policies of the member states and the commitment to avoid excessive budget deficit through the Stability and development pact are among the measure taken in order to establish a system of economic governance as well as a mechanism of financial assistance for the member states, so that the EU's budgetary and macroeconomic policies could be strengthened and coordinated. Thus, the member states wish to consolidate national economies and ensure their convergence.

European Union strengthens its economic, social and territorial cohesion in order to promote a balanced development on its entire territory. EU's primary aim is to

reduce disparities between the development levels of its regions. Among the regions taken into account special attention is given to rural areas, industrially affected areas as well as areas with a serious and permanent natural or demographic handicap as it happens with the most northern, insular, cross border or mountain areas.

Given the existence of certain severe territorial and demographic disparities which can hinder integration and development, the European Union created solidarity mechanisms (The Rome Treaty-1957) in the form of two structural funds: The European Social Fund (ESF) and The European Agricultural Fund and Guarantee Fund (EAFGG, Guidance section). Subsequently, regional aspects were introduced through the establishment of The European Regional Development Fund (ERDF). In 1994, the Cohesion Fund was also created. Nevertheless, for a long period of time, modest resources had been allocated to these initiatives.

In 2008, The Lisbon Treaty introduced a third EU cohesion dimension: territorial cohesion. All these three cohesion aspects are backed by the cohesion policy and structural funds.

Strengthening the economic, social and territorial cohesion is one of the main EU objectives. The Union allocates a significant proportion from its activities and budget to reduce regional disparities with focus rural areas, industrially affected areas as well as areas with a serious and permanent natural or demographic handicap.

EU supports the achievement of these objectives through:

- Coordination of economic policies;
- Implementation of EU policies;
- Use of structural funds (EAFGG, Guidance section, ESF, ERDF), European Investment Bank as well as other existing financial instruments (e.g., Cohesion Fund).

Within EU cohesion policy, EAFGG-Guidance section supports rural

development and the improvement of agricultural infrastructure.

The European Social Fund is the main instrument through which EU supports the measures for unemployment prevention and decrease, human resources development and social integration on the labor market. ESF finances initiatives which promote a high level of employment, equality of chances between women and men, sustained development as well as economic and social cohesion.

The European Regional Development Fund is designed to contribute to mitigate the main regional imbalances within EU. ERDF supports the regions with delayed development as well as the conversion of declining industrial regions.

The Cohesion Fund offers financial contributions to the environment projects and the transport infrastructure. This fund can be accessed only by the member states whose GDP per capita is less than 90 % from the EU average.

In order to guarantee the efficient use of structural funds, EU applies the principle of funds concentration on objectives and regions added to the partnership between the Commission, member states and regional authorities to plan, apply and monitor the interventions.

Two main objectives are taken into account when allocating the EU financial resources for cohesion:

- Investments in economic development and jobs – meant to consolidate the labour market and regional economies;
- European territorial cooperation – meant to support EU cohesion through cross border, trans-national and interregional cooperation.

Through the Nomenclature of Territorial Units for Statistics (NTUS) EU performed a partition of the economic territory of the member states which also comprises their extra regional territory. The extra regional territory comprises parts of the economic territory that cannot be considered as part of a certain region: the air space, territorial waters, continental platform, territorial

enclaves (embassies, consulates and military bases), as well as the resources from international waters exploited by unities belonging to the respective territory. The definition of territorial unities is based on the administrative unities existing in the member states. An administrative unit designates a geographical area for which a certain administrative authority is empowered to make administrative and strategic decisions, in accordance with the legal and institutional framework of the respective member state.

A part from the territory of some EU member states is in remote areas. Known as the “outermost regions” (OMR) these are regions that have to cope with a lot of difficulties generated by their geographical characteristics, such as: remoteness, small size, difficult topography and climate. From the economic point of view, they depend on certain products (agricultural products or natural resources). These characteristics represent drawbacks for their future development. Therefore there are specific measures meant to support the development of the EU outermost regions: Guadeloupe, French Guyana, Martinique, Mayotte, Saint-Martin (France), the Azores and Madeira (Portugal) and the Canary Islands (Spain). The objective is to compensate for the constraints resulted from remoteness. They can benefit from the EU cohesion policy as well as from the funds for agriculture and fishing. In 2007-2013, 5.8 billion EUR from the structural funds were allocated for the outermost regions.

State assistance means any form of assistance given to certain enterprises (actors that perform economic activities) by public authorities. To the extent that such aid distorts competition and affects trade, it is not compatible with the internal market, unless the Treaties provide otherwise. Member states have the obligation to notify

the Commission in advance any plan to offer this kind of assistance. The Council offered to the Commission the possibility to define exceptions (by issuing regulations regarding categories of exceptions for state assistance) and to declare specific categories of state assistance as being compatible with the common market, which exempts them from prior notice.

According to one of the exceptions, some forms of assistance can be considered as being compatible with the common market in certain regions and under certain conditions. This type of assistance is called regional assistance and is meant to create jobs and support economic development.

In the Romanian politicians’ vision the main reason for regionalization is to get a better absorption of European funds. Question is: should regionalization also be done to ensure a more efficient governance and administration as well as to reduce regional disparities?

4. Conclusions

By establishing clear and measurable objectives regarding the investments made through the regional policy, regions can contribute to the achievement of the objectives proposed by the Strategy Europe 2020. Therefore, the process is strongly influenced by the content of the public policies issued in order to apply the regionalization project. These policies have the role to reflect both the expectations of the population regarding the way in which the government converts the European policy to reduce the economic development differences between regions and the relation between financial decentralization and development inequalities between different Romanian regions. Thus, it can be stated that the key element in the public support to regionalization-decentralization is the standpoint of the population.

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