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# **The relationships between urban and rural in regional development policies of Romania**

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## Abstract

*This paper attempts to provide an updated diagnosis of regional development in Romania and assess its global implications on the diversification of the rural economy and create jobs. The subject of the study includes theoretical treatment of the regional development management system problems and characteristics of the phenomena studied, directed and coordinated with the help of contemporary management.*

*During/In our research we chose to analyze:*

- problematic regions and regional development
- evolution of the concept of European regional policy, in chapter I opted for a historical perspective, due to the numerous events that contributed to the emergence and development of this type of policy,
- how to implement regional policy with structural instruments,
- the manner in which Romania has prepared for accessing structural instruments and implementation of European regional policy.

*The object studied a multitude of issues, and can be analyzed from several perspectives: historical (evolution over time), legal (implications on sovereignty or national policy implementation), economic and social (impact of this type of policy in a given territory), management (given complex system programming and administration policy and its measures).*

**Keywords:** urban, rural, implementation, management system, development

## Résumé

*Ce document vise à fournir un diagnostic actualisé de développement régional en Roumanie et d'évaluer ses répercussions mondiales sur la diversification de l'économie rurale et de créer des emplois. L'objet d'étude comprend un système de gestion traitant des questions théoriques dans le développement régional et les caractéristiques des phénomènes étudiés, dirigés et la gestion coordonnée contemporain.*

*L'approche de recherche, nous avons choisi d'analyser :*

- Régions problématiques et le développement régional
- évolution du concept de la politique régionale européenne, au chapitre I a opté pour une perspective historique, en raison des nombreux événements qui ont contribué à l'émergence et au développement de ce type de politique,
- Comment mettre en œuvre les instruments de la politique régionale à l'aide structurelle
- manière dont la Roumanie a préparé pour l'accès aux instruments et la mise en œuvre de la politique régionale européenne structurelles.

*L'objet étudié une multitude de questions , et peut être analysé sous plusieurs angles : historique ( évolution au fil du temps ) , ( ou implications politiques de mise en œuvre sur la souveraineté nationale ) juridiques , l'impact socio- économique ( de ce type de politique dans un territoire donné ) , gestion ( compte tenu de la programmation du système complexe et de la politique de l'administration et de ses mesures ) .*

**Mots-clés :** mise en œuvre, le système urbain, rural gestion, développement

# 1. Introduction

This paper attempts to provide an updated diagnosis of regional development in Romania and assess its global implications on the diversification of the rural economy and create jobs. The object of study includes management system treating theoretical issues in regional development and characteristics of the studied phenomena, directed and coordinated contemporary management.

The research approach we chose to analyse:

- problematic regions and regional development
- evolution of the concept of European regional policy , in chapter I opted for a historical perspective, because of the many events that contributed to the emergence and development of this type of policy ,

- how to implement regional policy instruments using structural

- manner in which Romania has prepared for accessing structural instruments and implementation of European regional policy.

The object studied a multitude of issues, and can be analysed from several perspectives: historical (evolution over time), legal (or policy implementation implications on national sovereignty), socio-economic (impact of this type of policy in a given territory), management (given complex system programming and administration policy and its measures) .

Lisbon strategy applied in the EU Member States describes the objectives focused on growth, social cohesion and employment. These objectives are achieved at the expense of progress in education and innovation, increase spending on research and development, liberalization of service industries, increasing employment and thus reducing unemployment.

## 2. Research methodology

Information base of the paper consists of statistical data of the specialized agencies in the country and abroad like: National Institute of Statistics, Ministry of Agriculture and Rural Development, as well as specialized institutions of Romania (Institute of Agricultural Economics, Institute of Agricultural Economics Romanian Academy) and the Directorate for Agriculture of the European Commission. The most common research was used following groups of methods: systemic, statistics, graphics, and dynamic.

## 3. Results

Romania and throughout the European Union is going through a period of economic and social change paradigms. The crisis has wiped out years of economic progress and highlighted many structural weaknesses that cause vulnerability to many European economies. If before the crisis there was much optimism on reducing disparities between countries and hence poverty, today the prospects are not so encouraging. European Cohesion Policy is social assessment and conceptual rethinking. (Occupational structure and its reflection in the income and expenditure of the population of North East - present and perspectives. Lucian- Liviu Albu . Bucuresti.2011)

Regional policy transposed European cohesion policy has a key role in the implementation of the Europe 2020 strategy. Such as outlined by the European Council in June 2010, regional policy can unlock the growth potential of the EU as a whole and each member country by promoting innovation in all regions, the development of regional research with direct impact in the development of the human factor.

Regional policy not only ensures economic and social cohesion but is designed to facilitate the achievement of employment and social set by Europe 2020.

The need to strengthen relations urban - rural is emphasized by CSDTR 2030. Establishment and development of the successive appearance highlights rural and urban villages and cities, according to the historical sequence of the agricultural and industrial revolutions, which implies a dual approach to the origin and evolution of human communities and different social spaces. In this sense , the historical analysis is performed on the one hand, in terms of the emergence and evolution of independent villages, which are considered types of " companies " with specific inward development , without outside influence and, on the other hand, in terms of rural-urban relations, village -town.

Furthermore it is suitable for establishing friendly relations and preserving the local traditions, making culture and the society of rural a permanency. Thus harmony between authentic and modern is created, putting textures and traditional carpets next to a computer. Tradition is kept, but modern is kept, but modern is not ignored.

The author have proposed that the first part to address a number of theoretical concepts relating to subject matter, and in the second to examine the specific issues that are found or not in reality.

Cost - Benefit analysis in the regional policy WAS Introduced by Armstrong and Taylor (table 1).

Table 1. *The main social costs and benefits of regional policies*

BENEFITS (B)		COSTS (C)	
B1	Occupancy of labour, production and additional revenues realized from increased economic activities	C1	Loss of production, income and employment factor due to diversification of classical resources that are now used
B2	Decrease in the number of migrants that lower costs for the public sector in achieving the services and infrastructure	C2	Infrastructure costs arising from the effects of regional policy on economic activities
B3	Decrease in the number of migrants that lower private costs of migration	C3	The costs of moving to a new location production capacity
B4	Decrease externalities	C4	Growth externalities (ie: environmental protection)
B5	Equitable benefits	C5	Administrative costs
B6	Political benefits	C6	Political costs

In recent decades, rural and urban study gets new shades, J.L. Durand-Drouhin, L.M. Szwergub, I.Mihailescu, highlights four major models of sociological approach to social reality:

- the traditional model, which considers that the village is the true keeper of the originality of ethnic cultures;
- improver model that starts from the principle that the village is insufficiently developed, hence the need to be raised to the level of comfort and civilization of the city;
- ecological model that emphasizes the role of the village in the balanced development of the environment;

- chrono regression model that attempts to explain the causes of historical development of the village.

Use of this association is necessary because a settlement with a relatively high population density appreciated but with a trim (paved streets, street lighting, water and sewer networks, transport, etc.). Poor will not have access to urban status only when they are like those of a city. All these associations referred to in the literature human characteristics, shape and type of the behaviour of the population. A city devoid of specific human characteristics is nothing more than a large village.

Table 2. *The role of the agricultural sector in Romania and UE*

	S.A.U.		VAB of agricultural <sup>(1)</sup>		Employment in agriculture <sup>(1)</sup>		Food costs % of total
	Thousand ha <sup>(2)</sup>	% of total	Mil. €	% of GDP	Thousand	% of total	
Year	2010						1998
Romania	14.811	62,1	4.564	11,4	4.861	42,8	58,0
CC-12	58.808	54,1	18.552*	4,5	8.950*	22,0	39,1
UE-15	131.619	40,6	167.197	2,0*	6.767	4,3	17,4 <sup>(3)</sup>
UE-27	190.427	44,0	185.748	2,2	15.717	7,9	19,5
Romania % of CC-12	25,2		24,6		54,3		
Romania % of UE-15	11,3		2,7		71,8		
Romania % of UE-27	7,8		2,5		30,9		

Source: Eurostat, DG ECFIN, OCDE, FAOSTAT, DG AGRI G2

<sup>(1)</sup>: including forestry, hunting and fishing;

<sup>(2)</sup>: Utilised agricultural area;

<sup>(3)</sup>: =1997;

\*: estimation.

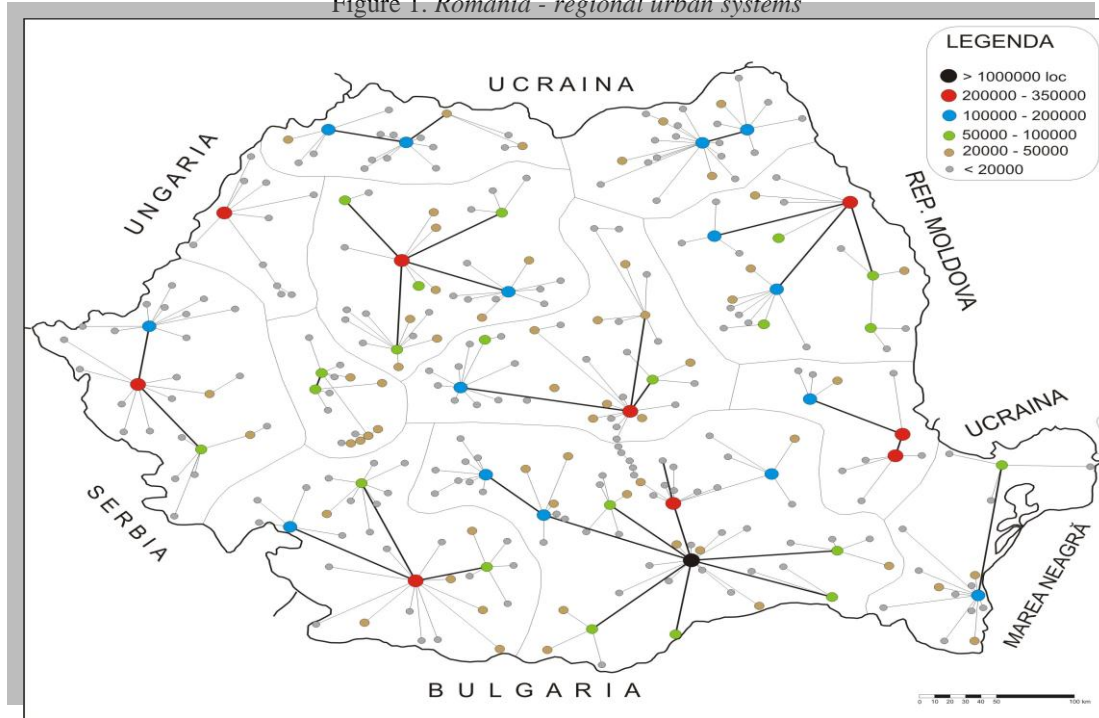
The second component refers to relationships, closely linked to the characteristics of urban settlements focal points of mass, energy and information, which led to the creation of mutual relationship between urban settlements. In turn, the relations may be: internal or external.

Delineation of regional urban systems was achieved by considering the following four principles:

- a) Topography;
- b) Regions (relations) historical
- c) Distance;
- d) The primacy of national metropolis;

After applying these principles on urban systems county were obtained 12 regional urban systems (figure 1).

Figure 1. Romania - regional urban systems



Rural and urban quality of life can be appreciated by analysing the revenue, expenditure, consumption, housing, household goods endowment. Sustainable human development cannot be conceived outside the human settlements development of a sustainable economy and a diversified social life in a healthy environment, ensured respect cultural and historical heritage of society.

Agriculture and rural areas generally score gap to overall national economic development. For example, wages in agriculture in 2000 was on average 83.2% over the economy and only 70% compared to the situation in the industry. If we consider the basic amenities of comfort housing, the situation is even more unfavourable. As of 2011, the convenience of living in the countryside is far behind those in urban areas, as follows:

Table 3. Urban and rural quality of life in 2011

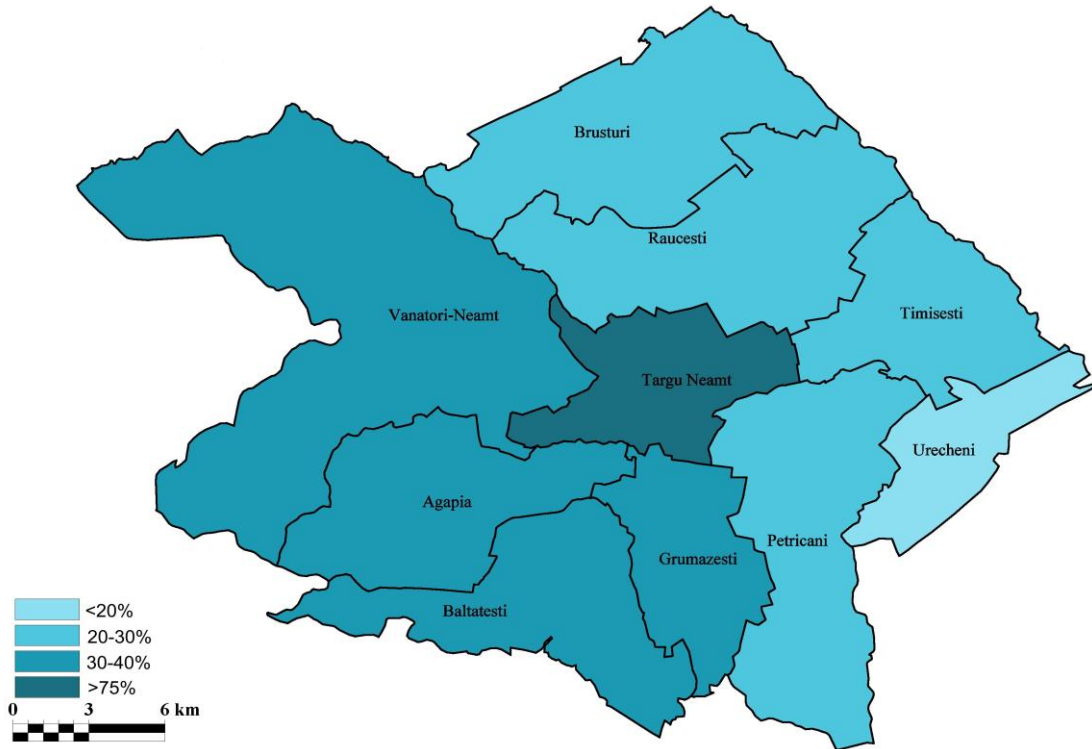
Specification	%	
	Urban	Rural
- Water supply	88,2	14,3
- Hot water	76,7	4,9
- sewage	86,4	10,0
- Bathroom	85,3	4,1
- Central heating	71,9	1,7
- Gas kitchen	57,7	3,0

Source: Own calculation conform: INSSE 2011.

Negative elements of Romanian rural state outside endowment weak housing refers mainly to: the low level of technical equipment of localities, quantity and poor quality of social infrastructure and related services; very poorly diversified economic activities; a small number of non-agricultural jobs, local road condition is poor, with little

modernization (below 10%), being in some periods of the year impassable, water supply network in a centralized system is present in very few localities, there are still about 2000 villages electrified incomplete.

Figure 2. Endowment bathroom housing



The total income accruing to a person of a peasant household on average per month, calculated for 2011 amounted to 663 Rol. This value lays peasant households well below the households of employees and pensioners households. Only unemployed households, monthly recurring amount per person is lower, namely 558 lei.

Total revenues consist of cash income, benefits equivalent free or discount received from operators

and value of consumption of agricultural products from own resources.

To come off more features of rural life, we try to observe differences that exist between rural households according to their typology, the average, employment issues, income, expenditure and consumption, and rural-urban differences of these indicators (table 4).

Table 4. Composition of households by employment status of persons on average

Specification	Total	Urban	Rural
Total people	100,0	100,0	100,0
Active people	43,9	45,7	42,3
- employees	23,2	34,3	12,9
- employers	0,2	0,3	0,1
- Self-employed in non-agricultural activities	1,8	1,8	1,8
- peasants	11,6	0,9	21,3
- unemployed	0,6	7,9	5,5
- other	0,5	0,5	0,6
Inactive	56,1	54,3	57,7
- retired	27,5	22,1	32,4
- pupils, students	17,2	20,8	13,8
- domestic	4,5	5,3	3,8
- other persons	6,9	6,1	7,7

Source: Own calculation conform: INSSE 2011.

It is noted that in rural households containing inactive are more common than in urban areas (57.7 % vs. 54.3%), and the degree of aging more pronounced in rural evident from the high percentage of retirees compared to the urban.

Households of employees were following age structure: 22.8% children up to 15 years, 75.6 %

people between 15 and 60 years and 1.6% of persons 60 years and over. The average size of such person household is 3.3 and 71 % of the groups are located in urban areas:

- Developing basic infrastructure and ensuring access of population and industries in the

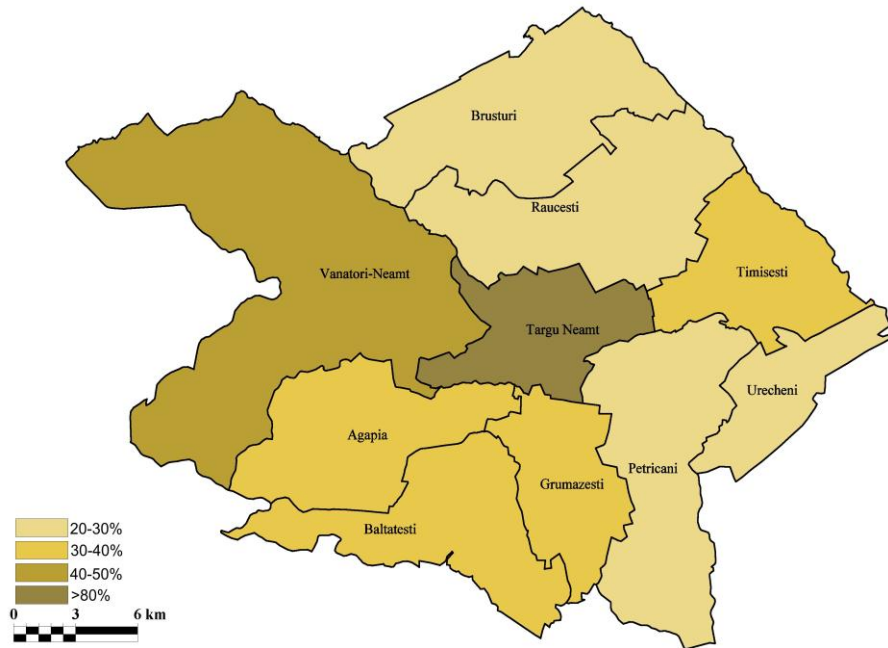
infrastructure (water , sewer , electricity , transport, telephone , internet , gas);

- Access to housing;
- Environment;
- Poverty Reduction;
- Urban regeneration (regeneration of natural capital , particularly land and water sources and

urban regeneration and development of the civic centre , historical buildings and redevelopment of heritage buildings);

- Economic development - the development and provision of utilities of land , located near the city , and grant facilities to support undertakings;
- Develop public services.

Figure 3. Households with sanitation facility (in Targu Neamt town, NE Region of Romania)



Taking into account the specific conditions of the area, the general objectives, and the town Targu Neamt aims and also assume responsibility for the countryside, from disadvantaged and ethnic cohabitation.

Criteria for achieving sustainable development. Achieving sustainable development will take into account the following criteria (table 5):

Table 5. Criteria for achieving sustainable development

Criteria	Social (plans social)	Economic (plans economic)	Environment (ecological plans)	Information Technology and communications
cohesion/ solidarity of citizens	Increasing cohesion social of citizens	Increasing number places work	Increasing cohesion ecological citizens	Increase access citizens to information, increasing connection individual CIT
City power	Increasing power Social city	Increasing power economic	Balance development industrial pollution (pollution reduction, urban rehabilitation)	Increasing technological strength city (infrastructure urban growth indicators ICT urban) Community management
Development sustainable	Minimum problems social	City minimum problems	Minimum problems of environment	Information Society For younger generations ICT Lifelong learning
qualitative = development	Align principles standards	Economic align principles standards	Align principles The average standard European	Align OSI principles (open standards) technological standards
Objective	Social European	Economic European		European and global
QUALITY - FRAME				

Optimization alternatives are related to the adoption of a working model that can be taken as a reference system in continuous assessment results so that the implementation can be monitored and evaluated by all partners involved: -citizens and civil society (social, civic development), city (economic

Community) and its main components (administration, urban infrastructure, banking and financial systems, etc.) - technocrats (experts, appraisers, auditors, technologists). The three major processes: social, economic, environment will be complemented by other processes characteristic of



the city: processes related to information and communication technology and quality, configuring a process integrated community consisting of parallel processes making a functional whole with a unified vision.

#### 4. Conclusions and recommendations

1. Forming some conclusions can be stated that, in general, rural areas can be differentiated from urban areas through a range of features, but there are significant differences between different rural areas. It is important to recognize the impact of these differences on the general welfare of the area (including the employment situation) and the intervention measures needed to improve the current situation, so the policy "one size fits all" cannot be applied for rural development.

2. Capacity of the strategy and action plans must meet current needs, utilizing existing resources and adapting to younger generations vision is also a fundamental prerequisite for achieving the major objectives imposed.

3. When exercising the role of cities in regional development through hierarchical structures of activities and services offered to the population, the starting point is to those private institutions that are organized in a hierarchical structure and higher decision level is located in the major cities usually regional urban centres.

4. Given these diverse channels of influence economic, social and cultural cities in the regions surrounding regional cities are the most important lever for the implementation of various regional development policies and more.

5. Taking into account the specific conditions of the area, the general objectives, and the town Targu Neamt aims and also assume responsibility for the countryside, from disadvantaged and ethnic cohabitation.

6. Revitalization of activities that were carried out in the city and supporting activity by use of natural resources should be achieved by promoting local activities previously.

7. Rural areas in the vicinity of the city represent a considerable potential for the production of raw materials (milk, meat, corn, fodder, potatoes, apples, pears, etc.) and thus the development of the food industry.

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