

## IMPLICATIONS OF REGIONAL DEVELOPMENT ON LOCAL AUTONOMY

Anca GAVRILUȚĂ

Alexandru Ioan Cuza University of Iasi  
Faculty of Economics and Business Administration  
Iasi, Romania  
gavriluta.anca@yahoo.com

**Abstract:** *The problems that Romania faces due to the globalization process, imposes its necessity to manifest a large opening to all the cooperation forms. The demand for developing modern methods of organizing and running according to both central and local administration, on the other hand requires, the necessity of implementing some projects about the development and modernization of public administrations from Romania. By the fact that the unequal development of territories reflects the weakness of the entire (complete), and they are not acceptable because, at their turn, become sources of economic and political instability in the way of the harmonious development of the entire (complete), it is considered a deeper analysis of the regional development policies, respecting the considerations of the economic and social cohesion. Under the aegis of E.U. headline target achievement namely the regional development, we are still looking a solution to ensure a balanced distribution of the financial resources between the various levels of administrative organization considering the budgetary rigor that is required at all levels of public administration. The present work approaches the issue of regional development in Romania and its implications upon the local autonomy, I will use an analysis of the main economic indicators to emphasize the way in which the political objectives of the regional development up to the present, have been attained, as well as an elaboration of an analysis of local autonomy, considered to be the central pillar to achieve the objective of the regional development, considering the reasons of the degree of dependency of local authorities of the central ones, and the extent to which an emphasis on the phenomenon of local autonomy would be the ideal of Romania regarding the elimination of regional disparities. The paper is elaborated based on the empirical research on the theoretical scientific support using both statistical and comparison methods.*

**Keywords:** *regional development, local autonomy economic and social cohesion, regional disparities.*

### I. INTRODUCTION

The current image reveals us that the Romanian society is going through a process characterized by the notion of change; change which on account of adaptation attempts to the present conditions permitted the economical, social, political, civic sectors to

acknowledge a new dynamic. In this aspect, it is imposed the necessity that our country to turn to advantage all the opportunities and to adapt its institutional capabilities by mobilization of the political class, applying the coordination of the levels of decision and respecting the civic society initiatives.

A tendency that is noted in the process of legislative and institutional reform in Romania is the influence that other's countries legislations and especially the international documents adopted by the Community structures have in terms of defining some concepts. Thus it arises the necessity that domestic law concepts to be adjusted to suit the concepts defined by the European conventions, in the context that Romania has already ratified some of this conventions and wants to integrate in the regional and transfrontier structures.

The regional development policy, we could say that is one of the most important and complex policies due to the fact that it is subject to some significant areas of activity for development, statute also pointed out by its objective that is reducing social and economic disparities between regions from European Union. Designed as a solidarity policy, the regional and development policy is mainly focused on financial solidarity, namely the redistribution of some part of the Community budget towards less wealthy regions and social groups. In conclusion the complexity of the regional development policy is illustrated by the fact that it has managed to incorporate three of the most important objectives of European Union which are economic and social cohesion, sustainable development and the principle of subsidiarity.

This study is focused on the regional development in Romania, first off all by presenting what progress has been made by our country in setting up a real success regarding the implementation of the regional development policies as well as pointing out clearly the level of economic development ( GDP rate by region, total income rate and fiscality rate). Another aspect that this present paper deals with covers the implications of regional development on local autonomy, analyzing the interrelation between regional development and local autonomy, as well as the analyze of local autonomy seen as effect, consequence, necessity of regional development highlighting the its level, necessity of enhancing or controlling the process.

## **II. STUDY OF REGIONAL DEVELOPMENT IN ROMANIA**

Although most of the theoreticians are interested in understanding the process of regional growth and decline, there isn't a general agreement on the definition of a region, many attempts has been made over the years in defining this notion, some of them simple and some of them more complex. An example of solid effort in defining the region as basis of foundation for regional development is the contribution of Christaller (1933), adopted later by Losch (1954). In central place theory of those two authors previously mentioned, the regions are defined as hierarchical systems of central places or cities. A more recent approach defines a region in terms of labor market force spatially or nodal interconnected. The concept of „functional economic area” of Karl Fox (Fox and Kumar 1994) represents a variation of the concept of nodal region, which has the ground

idea that domination of a nodal center over a surrounding area can be assigned to the special dependency of workers to the adjacent employment centers.

Regions can also be defined in terms of natural resources, ecosystems or other geographical boundaries. Some authors define the region as the interdependency between natural resources and human population systems (Pușcașu Violeta, 2000, p. 45).

Regional development is a concept closely related derived from the general concept of economic development. More accurate, the concept of regional development is based on territorial aspects in spatial distribution terms of economic development.

It was not until 1997 when the concept of regional development achieved an actual meaning in Romania, when in the context of joining to the European Union was published “The Green Paper. The regional development policy in Romania“. In this document, besides the political objectives strictly related to European Union adhesion was also defined the objective of regional development in Romania, respectively the reduction of disparities between the regions of Romania and also their growth of the level of development in order to reduce the discrepancies between Romania and the other member states of European Union.

During February 1996-31 January 1998 The Government of Romania set the objective to establish within a Program for Regional Development Policy the editing of a set of fundamental and essential principles for the development of a regional policy in Romania, published in Green Paper. Actually The Green Paper represents a synthesis that aims to set the basis of some principles for Romania’s regional development in order to achieve the integration to the European Union.

An approach of the development regions of Romania has been made in the previous sentences but to clarify this concepts we need to present the development regions of Romania in terms of economic development level that points out to what degree we need to enhance the decentralization process from our country and to what degree we can really discuss about regional development.

In order to elaborate the most accurate analyses of development regions of Romania and also to bring out a much wider situation of Romania’s economic cohesion and regional disparities we need to look in to the structures of local budget income to measure the quantum of income from every county and also from every region. Certainly, due to the policy of decentralization that Romania has applied in the past years, the income of local budgets are provided from their own revenues (around 40 %), loans and also revenues deducted from the state budget.

In the conditions that fiscal pressure or the level of fiscal pressure reflects the level of submission of taxpayers that are bearing the burden of facility and on the other hand it indicates to what degree the public expenses can be funded, the level of fiscal pressure can generate both economic and social effects. In this context it is useful to point out the level of fiscal pressure at regional level as well as the rate of GDP in order to determine to what degree the respective region is affected or not from an economic point of view and also to detect both intra-regional and inter-regional disequilibrium’s (table 2).

Based on the data provided by the National Statistics Institute we have exemplified an evolution (table 1) of GDP for the interval 2004-2011, presenting the GDP by country and by the level of each region.

**Table 1 GDP values by development regions of Romania (Ron/inhabitant)**

	2005	2006	2007	2008	2009	2010	2011
Total by country	13362,8	15967,6	19315,4	23934,6	23341,4	24435,9	25123,5
North – East Region	8907,6	10295,8	12340,9	14794,5	14649,3	15014,8	14912,9
South –East Region	11541,7	13569,8	15641,8	19098,9	18738,2	20076,8	21223,4
Muntenia Region	11068,5	13374,6	15757,8	19648,1	19913,7	20288,2	21178,5
South -West Oltenia Region	10371,1	12463,2	15097,3	17831,8	17752,8	18735,1	19023,9
West Region	15064,7	18570,1	22341,9	26173,2	25602,4	27640,0	26490,6
North – West Region	12538,6	14946,6	18610,5	21542,1	21297,4	21827,2	21644,8
Center Region	13097,6	15920,2	19579,5	22707,7	22618,8	23428,3	23778,5
Bucharest – Ilfov Region	29572,6	35012,1	43037,3	59680,2	55079,3	58137,0	60647,8

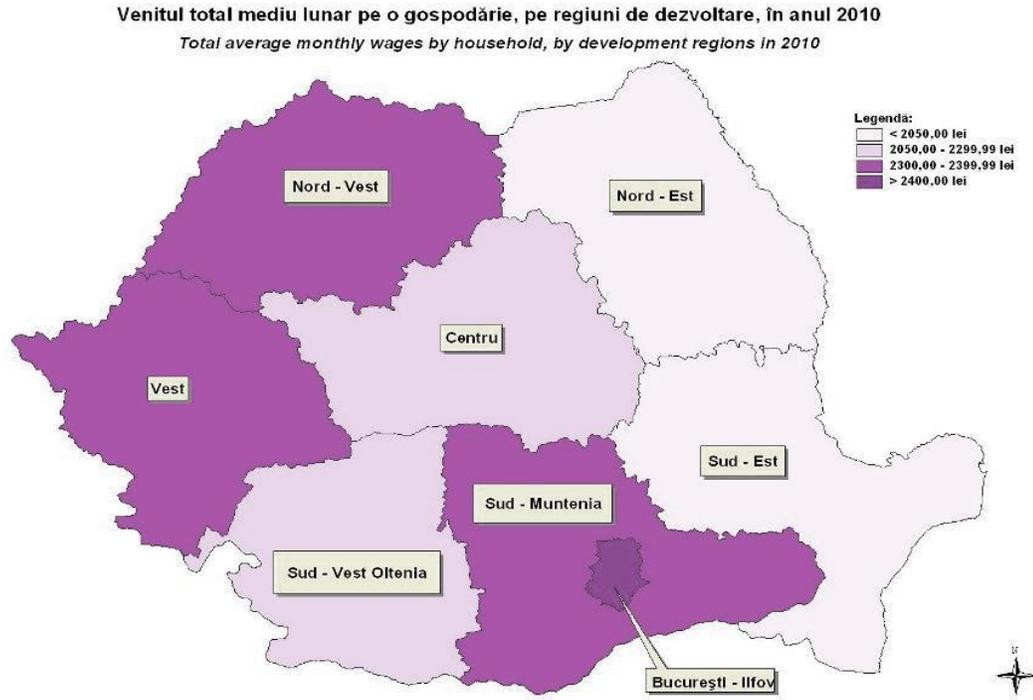
Source: computed by author using data from [www.insse.ro](http://www.insse.ro)

Economic development is usually expressed by GDP, an indicator that can be used in regional context to measure the activity and macroeconomic growth and also it provides us a comparison method between regions.

The specialty literature illustrates the principle of regional equity and sustainability, principle that starts from the premises that from realistic point of view the resources and in general welfare are uneven distributed on the national territory (Oprea, 2013, p.48). In this way the natural resources concentrated especially in some regions of the country, fact that is obviously presented in table 2, where we can notice a disequilibrium concerning the GDP value between regions. In the conditions that the GDP value reflects the quality of life and also the level of economic development of each region, it is obviously that the standard of living is significant different from one region to another. We can notice that the North-East region is the poorest region from Romania in this five years that we studied, with a value of GDP in 2011 of 14912,9 Ron, while Bucharest-Ilfov region registered an ascendant trend of GDP in 2011 with a value of 60647,8 Ron.

We could say this situation is absolutely normal and this values only reflects a reality that in fact, it should be as it is, on the premises that is normal that some regions to be more wealthy but the problem that comes to our attention are the inequalities that are being manifested especially within the same region, problem that we will discuss later for the period between 2010-2011, when we will exemplify the total fiscal income as well as the value of GDP at the level of each region.

**Figure 1 Total monthly average wages by development regions household in 2010**



Source: [www.insse.ro](http://www.insse.ro)

In figure 1 we can determine from this map of Romania the total monthly wages per household by development regions. We can notice that the South-East region registered the smallest amount of values with a quantum of total income per month by household less than 2050 Ron while Bucharest-Ilfov region registered a total bigger then 2400,00 Ron. Regions Center and South-West Oltenia are close to regions North-East and South-East but only from a geographical point of view and as far as concerns the GDP values these regions registered values of the total monthly income per household between 2300,00 and 2399,99.

In the table three we applied an analysis of fiscal pressure at both level of county and level of regions, on the idea that I mentioned earlier, more precisely to measure in what level of degree the respective region is being or not affected from the economic point of view but also to capture the disparities that we are facing both intra-regional and inter-regional.

**Table 2 The Fiscal pressure at county level and regional level In Romania (2010 and 2011)**

	Anul 2010			Anul 2011		
	Venituri fiscale	PIB	Presiune fiscală	Venituri fiscale	PIB	Presiune fiscală
<i>mil. lei</i>						
Macroregiunea Regiunea de dezvoltare						

Județul	totale		totală				
TOTAL	37346	514700	7.26%		36731.6	501139.4	7.33%
MACROREGIUNEA 1	8986.337	115941.8	7.75%		8766.331	115001.1	7.62%
Nord - Vest	4569.522	58638.8	7.79%		4436.458	57900.2	7.66%
Centru	4416.814	57303	7.71%		4329.873	57100.9	7.58%
MACROREGIUNEA 2	9673.438	108873	8.89%		9423.474	107114.4	8.80%
Nord - Est	5262.616	55021.9	9.56%		5100.859	54408.4	9.38%
Bacău	1025.217	11972.1	8.56%		932.2544	11784.8	7.91%
Botoșani	595.7679	5556.7	10.72%		594.6951	5530	10.75%
Iași	1192.221	15058	7.92%		1203.146	14806.3	8.13%
Neamț	751.3009	7613.2	9.87%		724.4867	7403.2	9.79%
Suceava	1007.841	9765.4	10.32%		1021.033	10066.6	10.14%
Vaslui	690.269	5056.5	13.65%		625.2442	4817.5	12.98%
Sud - Est	4410.822	53851.1	8.19%		4322.616	52706	8.20%
MACROREGIUNEA 3	11840.12	198698	5.96%		11837.78	189430.6	6.25%
Sud - Muntenia	4915.513	64535.4	7.62%		4700.007	65141.8	7.22%
București - Ilfov	6924.603	134162.6	5.16%		7137.776	124288.8	5.74%
Ilfov	786.4821	13145.8	5.98%		777.9054	12913.9	6.02%
București	6138.121	121016.8	5.07%		6359.87	111374.9	5.71%
MACROREGIUNEA 4	6846.109	90733.6	7.55%		6704.012	89154	7.52%
Sud - Vest Oltenia	3486.44	40340.2	8.64%		3358.546	39953.8	8.41%
Vest	3359.669	50393.4	6.67%		3345.466	49200.2	6.80%

Source: computed by author using data from Țibulca Ioana, Doctorate thesis, Bucharest Academy of economical studies, fiscal pression, and fiscal convergence

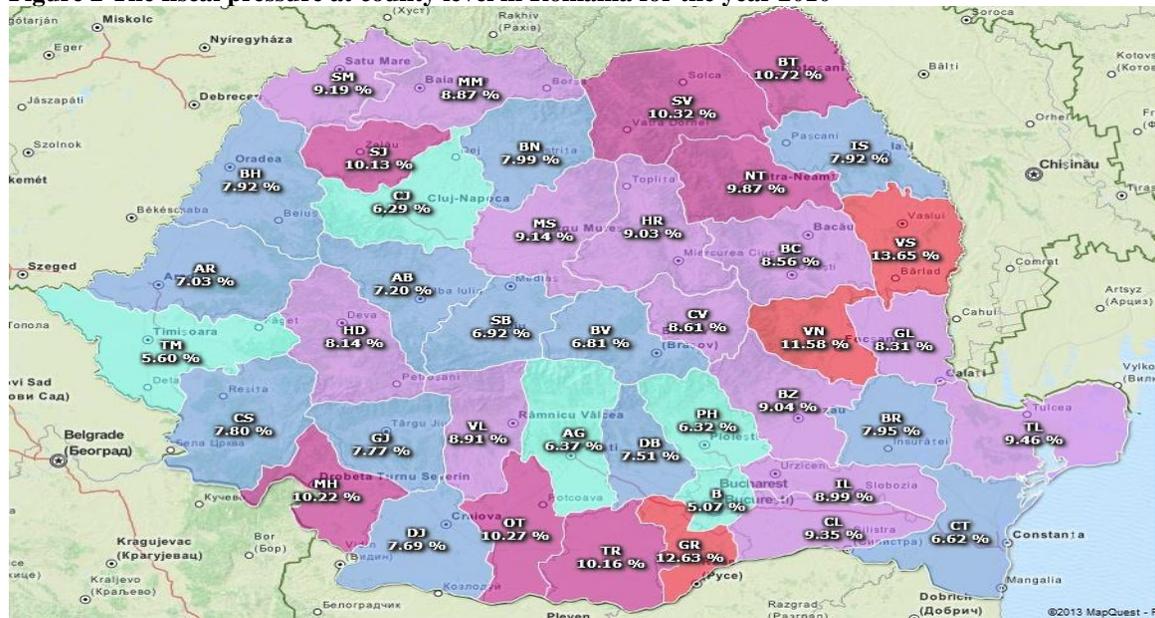
The level of own income (fiscal income) considered by reporting them to the number of inhabitants or as percentage from the total income, gives us important informations about the level of economic and social development of local collectivities (Oprea, Cigu, 2013 p.198). It also brings to our attention the financial subordination of local collectivities by the central collectivities. In this context, according to the datas provided earlier (table 2), we notice a disequilibrium regarding the intra-regional and inter-regional fiscality, fact that raises the question- In what degree the local collectivities have financier autonomy and in what degree Romania would need to intensify the process of decentralization ?

The answer in this situation comes from the interconnection of regional development with local autonomy, interconnection that points out that by organization of

regional structure it could be possible to turn to profit the local resources and also to turn to profit the characteristics of territorial administrative units.

In order to be more precise, we present a cartographic representation of the fiscal pressure data from Romania, (figure 2 for the year 2010 and figure 3 for the year 2011), for the year 2010 (fig 3) Romanian counties are divided in five levels, according with the rate of total rate of income. In this way the counties that registered very low fiscal pressure (5%-6%) are represented on the map with the light blue color and it includes the counties Cluj, Timiș, Prahova, Argeș, împreună cu Municipiul București. The second level is represented by the counties with low fiscal pressure (6,5 %-8 %) and includes 13 counties, most of them being from Transilvania: Brașov, Sibiu, Alba, Arad, Bihor as well as county that incorporate some of the largest cities from Romania: Iasi, Dolj and Constanta

**Figure 2 The fiscal pressure at county level in Romania for the year 2010**



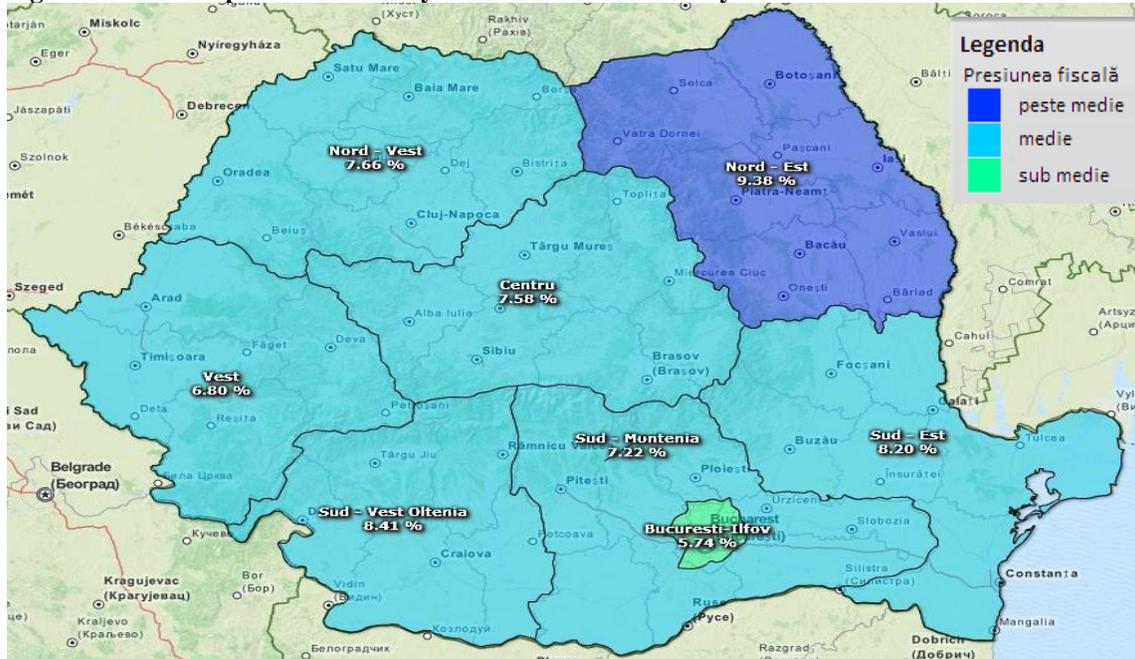
Source: computed by author using data from table 2

The third level registered a medium fiscal pressure (8%-9,5%), and includes 13 counties: Bacău, Tulcea, Covasna, Harghita, Satu Mare etc. The fourth level registered a high fiscal pressure (9,5%-11 %) and includes areas from North-East development region (Suceava, Botosani, Neamt), but also areas from South-West region (Teleorman, Olt, Mehedinti). The last interval incorporates three counties: Vaslui, Vrancea, Giurgiu and registered very high values of fiscal pressure (11%-14 %)

Therefore if we would elaborate a hierarchy based on the level of fiscal pressure for the 2010 year it is obviously that the County of Vaslui is on the top of the list with the highest value of fiscal pressure (12,62 %) and to the opposite direction is situated the Municipality of Bucharest (5,07 %).



**Figure 4 The fiscal pressure at county level in Romania for the year 2011**



Source: computed by author using data from table 2

### III. LOCAL AUTONOMY - DIRECT CONSEQUENCE OF REGIONAL DEVELOPMENT

As a consequence of the fact that the nowadays society is situated in the phase of finding ideal solutions to ensure a real social and economic development in Romania , we must consider to intensify the decentralization principles and local autonomy, of course that local, takes an important role in creating the regional development policies, because if it is analyzed from an administrative and financial point of view, it can help to create the basis of financial decisions in the context of financial management of the process of local collectivities. It must be mentioned that just a simple acceleration of the process of local autonomy well lead most likely to an intensification regional disparities already established and it would create a bigger instability in terms of economic and social of the country. On this topic it is necessary to deal in this present paper the direct threats that the regional development can bear upon on the local autonomies, highlighting the main conditions regarding both insurance and finding proper solutions for improvement of local financial autonomies.

**Table 3 The evolution of local autonomy degree and the capacity local financing colectivities during 2004-2010**

Indicator/Year (%)	2004	2006	2008	2010	2011

Total Income	15,956	27,709	43,629	48,254	49,245
Total expenditures	15,541	25,393	42,210	51,451	52,786
Own revenues	9,710	12,152	20,588	22,456	23,654
Financial autonomy degree	60,85	43,86	47,19	53,18	53,68
Self-financing capacity	62,48	47,86	48,77	49,51	50,13

Source: Statistic Yearbook

Local collectivities must be able to complete their obligations that they have as public institutions without being obstructed by financial coercion that cannot be impeached to them. Therefore, any transfer of responsibilities from state local collectivities must be accompanied by the equivalent and concomitant transfer of financial resources (Onofrei 2007, p.59). In this way this transfer of resources must correspond to the real price of the newest transfer of competence. Collectivities must have sufficient power for manoeuvre a real financial autonomy for these expenditures, which becomes the real goal of a successful decentralization and of social and economic equilibrium (Alina Profiroiu, Marius Profiroiu, 2007 p.28). We must mention that a significant increasing of this process without an equilibrate strategy well organized would rather lead to an enhancing of the existent disparities between the wealthy and poor collectivities from the same region, and the poor regions might not be able to ensure not even a minimum of decentralized services.

As a result of the facts that we have presented and analyzed, we can observe discrepancies between both inter-regions and intra-regions of Romania, because all the eight regions of Romania has some particularities that have direct impact on their economic structures and some of this particularities were allowed to play an essential part their future development. Under these circumstances the agriculture sector is the main catalytic of economy in the regions from the south of the country. This sector has a percentage bigger than 15%, fact that makes the GDP of these areas vulnerable in the years when the climate conditions for agriculture are unfavorable. In other order of ideas we have some areas with high touristic potential like Bucovina from the North-East Region or the coastal line of the Black Sea and Danube Delta, both situated in the South-East Region, obviously this economic development is given by the potential that this regions own and more especially how willing and capable are these regions to turn to profit their potential. Another particularity are the areas where the extractive industry played an essential part in the economy. The most relevant example in this case is the decline of the economy from the area of Jiu valley situated in the South-West region caused by the restructuring of the mining sector.

Therefore it imposes the necessity of implementing a local autonomy process with direct impact on the growth of the budgetary level by taking into consideration the own fiscal effort as well as the implementations as some new mechanisms, tools and also contractual procedures between state and local collectivities or between the local

collectivities that have as purpose to implement concrete methods over the financial actions and even on financial methods and maybe the development of some solidarity between the local collectivities. On the other hand it would be also useful the implementation of some mechanisms that would give multiannual guarantees of transfers offered by the state within the purpose of this transfers to grow progressively with the rate of inflation and economical rate of growth, fact that would allow the local collectivities to be able to be protected by the imprevisibility of some of the actions and decisions made by the State.

#### **IV. A PROACTIVE APPROACH OF THE REGIONAL DEVELOPMENT STRATEGY**

After previous exemplifications we can affirm that our country is still situated in the search of a ideal formula to a repartization of the financial resources as balanced as possible, the analysis that has been made presented the fact we are facing with severe economical disequilibrium both between the regions but more often within the areas of the same region that causes a differenced standard of life, that represent for Romania sources for economical and political instability that stands in the way of coherent development of the whole entity because an unequal development of the territories reflects weaknesses of the whole entity (area, region, state etc.). It is useful to mention that a model of regional development that should tend to a maximum successful outcome would be the one that would be founded on the principles of decentralization and local autonomy and basically to decentralize would imply to grant administrative autonomy to the local authorities.

On the background of the previous idea we can draw the conclusion that the solution, modality hereby our country would get to the highest level of economical and social cohesion and we could really discuss about an effective policy of regional development would need to rely on the concepts of this two processes. Of course that the theoretical basis is very well implemented and the literature of speciality presents very detailed that are the fundament for the public administration in Romania that indicates a leading role of this principles among the European countries (Poland, Lithuania, Estonia etc.), countries that managed to successfully apply this methods and they made some amazing performances. The situation of Romania requires a different approach because it is not absolutely necessary that what was successful for other can also represent a viable solution for our country.

As a result of the previously ideas presented in this paper it is more than obvious that the local autonomy in general and financial autonomy can be joined by the existent differences between the poor and wealthy collectives from different regions or even from areas of the same region, that could make impossible for poor local collectives to ensure at least a minimum of decentralized vital services.

From this point of view the analysis performed until now needs a completion, bringing in discussion the elements or potential strategies that should be applied, making an appeal to a primordial mechanism and more specific equilibrium, with the objective to redistribute the welfare and reducing the disparities between the local collectivities.

Any development strategy needs to have in consideration an active coordination of the development processes that take place in territory, by also considering the changes that could emerge from the exterior, it is necessary that beside the orientation to change, towards a sustainable profit also shaping a concept, image for the future. A strategy for development not only reacts to changes, taking in consideration the elements of different internal or external factors but it has in its structure also proactive elements by making different additional plans that could be applied if the change of situation would require this.

In a first order of ideas, a development strategy must respect the sustentation the partnership between the actors presented in figure 5.

**Figure 5** Actors involved in the process of creation and implementation of local development strategies



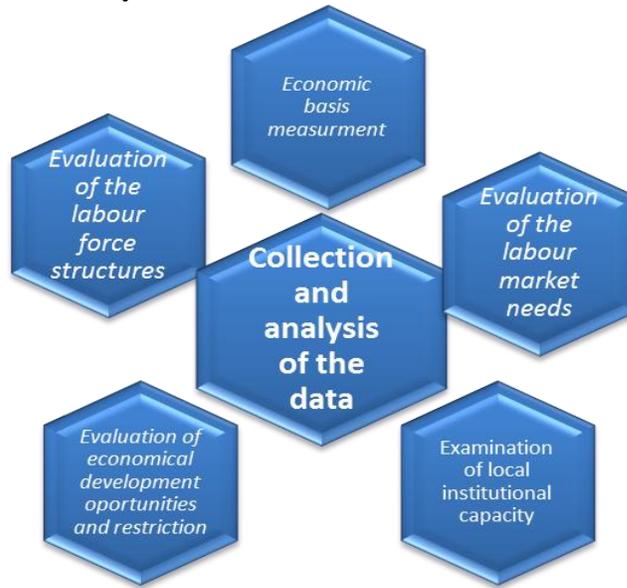
Source: computed by authors

We can observe from figure 5 an example of the actors that are involved in the creation and implementation of local development strategies, actors that are vitals in the process of a successful implementation. A primordial importance it has the local public administration which is active both in creation and also in implementation of the local development initiatives. Of course that also the others actors involved in the process of creation and implementation of strategies of regional development are very important and their contribution is valued the same as the local public administration, because, in order to create an equilibrated atmosphere from the beginning of the process of creation and judging proactive the contribution of each actor involved we set the grounds of a future regional development with a direct impact on elimination of economical disequilibrium and of existent disparities that are present at this time in Romania.

From the moment that we speak about a regional development strategy it is necessary to take to account a first introductive stage structured in two parts: a part that captures the presentation of most important European and national development

strategies and another part that should integrate the territorial administrative units in the geographical-historical space (Balogh Morton, 2003, pag.76).

**Figure 6 Collection and analysis of the data**



Source: computed by authors

Figure 6 Exemplification of the most important indictors from first phase, analyzing and collecting of data

The second step that must be followed in order to consolidate a development strategy is the diagnosis and analysis of statistical indicator from the region, micro-region, and the area of development.

During this step, the collecting of data has a significant importance for the entire process of creation of the local private administration. From this perspective, it is useful an approach on two levels regarding the collecting of data directly from the beneficiaries and also from the official statistics sources (Georgescu, p.123)

The vast majority of data is being collected directly from the beneficiaries of the strategies of development, being extremely important that the future beneficiaries to offer their support needed for an accurate collecting and to fill in the forms the locality and the area where the collecting of data has been made.

The second nivel, requires a system of collecting and analysis of data using official statistical sources.

As a final operation we must apply the collecting of data from both levels in order to create an accurate data base regarding the locality, the area that was studied. Besides the step of data collecting we must also to capture the community's abilities to administrate or to initiate local development projects.

**Table 4 Most important indicators that are subject to analysis and diagnosis**

Area	Standard / Indicators
------	-----------------------

Phisico-Geographic	Forms of relief Geographic location Natural risc factors Protected natural areas
Population	Number of population Density The evolution of population Growth factors of population
Householdings	The endowment of houses with water and gas facilities The uzure of houses Construction materials
Economic	Agricol potential Forestier potential Touristic potential Industrial potențial The structure of agricol proprieties The level of labour enforcement occupation
Urbanistic Infrastructure Of the localities	Electric energy endowment Natural gas endowment Racordarea la rețele telefonice Acces to transport communications
Socials	Health Education Communications Infantil death
Enviroment/ Ecology	Air Water Soil Forests

Source: *computed by authors*

If we talk about areas previously mentioned, we also need to present the initiative in obtaining unreimbursable financing, and also the mentioning of some feasibility studies or other similar studies, useful in the process of documentation and later in the elaboration of the development strategies.

Later, in the context of the exemplified data on the data base that is already created, it is useful to create a SWOT analysis, in order to elaborate the development plan. The SWOT analysis is important due to the fact that it is able to capture both

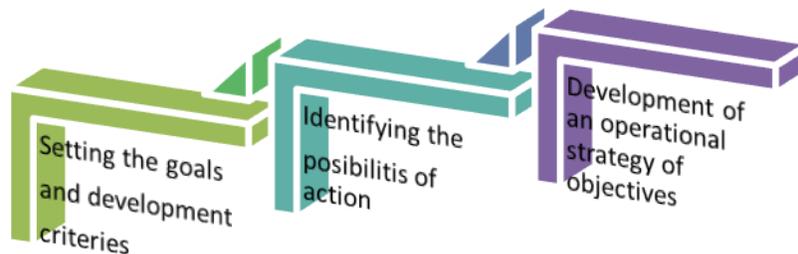
internal and external factors, the influences of external environment, taking to account both positives and negatives factors. The necessity of the present paper is given by the motivation of a complex representation of reality given by analyzing the internal particularities of entities which the strategy is based on, the strengths and the weaknesses and then by analyzing the external influences, the positive ones are called opportunities and the negatives one are called threats.

Also in this stage can be included other papers promoted by us in the process of creating the development strategies, more precisely a chapter named by us The Analysis an monitoring the local development agencies. By development agents we understand institutions of the local public administration, non-governmental organizations, privates entrepreneurs, citizen initiative groups, institutions like church, school etc. The role of these agents in the stimulation of the local development processes is very important, because they are, mostly in the rural areas, the agents that have the biggest influence on the process of regional development. The technique used by us to measure the level of implication of these agencies in the local development is realized with the help of sociologic investigation. The fact that draws our attention in this case is not just the implication of agents previously mentioned in development of the local communities in which they live but also the image that this agents have in their provenience communities.

### *Phase II The establishment of the local development strategies*

In this stage we include to essential elements that we use in elaborating the strategies of development, respectively the strategic objectives of development (the mentioning of methodology and local developments agents involved in the process of creation of the development strategies, as well as the identification of some strategic areas of development) and operational objectives (the development program must be thought and built as a system that aims the regional development).

**Figure 7 The first steps for established the strategy of local development**



*Source: Own Processing*

### *Phase III The selection of local development projects*

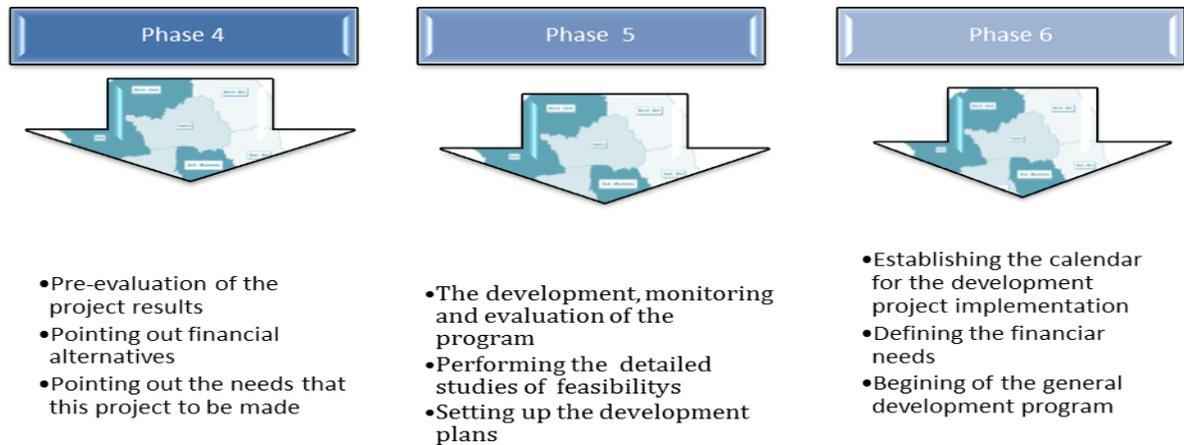
In this stage the development programs and projects that are being used in the development strategy are being presented. They are divided by many factors: according to what degree of the implication of the developments agencies, the period of time that is needed for implementing. In this stage we refer to:

- The identification of the possible development project
- Evaluation of the viable projects (from the point of view of community, location, commercial and implementation)

In this stage it imposes a close collaboration between the group that elaborates the strategic plan and the public administrative institutions (PAI). This type of collaboration has a double motivation:

- The group of experts has a certain vision of the policies of financing for the project of communitarian or local development

The institutions of public administration know the best the local resources (financier and non-financier) that can often be inserted in some development projects).



Source: Own Processing

In previous exemplification we have pointed out both the steps of the steps that must be followed to obtain strategical planification, this being the duties of the persons that elaborates the strategic development plan (phases 1,2,3 ) as well as the steps that are responsible for implementation (4,5,6). It must be mentioned the fact that besides the development agents it is imposed the necessity of consulting some specialists in the areas of expertise that have connections with the regional development. Their contribution must be mainly focused in expertise of the technical and financial nature details.

The strict following of the steps previously mentioned, together with an efficient process of local economy characterized by the constitution of some stabilization coordinates and financial equilibration, represents the ideal solution for our country in

the perspective of implementation of a regional development that have a direct impact in elimination the economical and financial disparities.

#### **IV CONCLUSIONS AND SUGGESTIONS**

In the process of achievement of regional reform, the main objective of EU, we are still searching a solution to ensure a repartition as balanced as possible of the financial resources between the different levels of administrative organization, being aware of the budgetary rigour is imposed at all levels of public administration.

The analysis effectuated reveals that the natural resources are concentrated more often in just some regions of the state, fact obviously illustrated in the table 2, where is presented a disequilibrium in terms of the value of GDP per region. In the conditions that the value GDP reflects the quality of life and the level of economical development of each region, it is obviously that the standard of life is significant different from a region to another, we can notice that the South-West region is the poorest from Romania in all 5 years that has been subject to this study, with a GDP value in 2011 of 14912,9 Ron, while the Region Bucharest-Ilfov registered in 2011 a GDP value of 60647,8.

We could say this situation is absolutely normal and this values only reflects a reality that in fact, it should be as it is, on the premises that is normal that some regions to be more wealthy but the problem that comes to our attention are the inequalities that are being manifested especially within the same region, but analyzing their own incomes (fiscal incomes), considered by reporting them with the number of inhabitants or as a percentage from the total income, we discovered information about the level of economic and social development of the local collectivities pointing out major discrepancies and also a financial dependency between local and central collectivities. Analyzing the monthly average income per household at the level of development regions we can see that the South-East region registered the smallest amount, less than 2050 Ron, while region Bucharest-Ilfov registered an amount bigger than 2400,00 Ron. Close to the regions North-East and South-East but only from a geographical point of view but not also from the point of view of the income registered are situated the regions Center and South-West Oltenia with values between 2050 and 2299,99 Ron. Regions North-West, West and South-Muntenia registered values of total monthly average income per household between 23000 Ron and 2399,99 Ron. From the point of view of a hierarchization of the fiscal pressure from 2011 we notice again the County of Vaslui in the last place. The smallest rate of fiscal pressure is registered by Timis (5,59) followed by Bucharest (5,71 %)

As an answer to the question: To what degree the local collectivities have financial autonomy and in what degree Romania would need an intensification of the decentralization process?, is more than obviously that the local collectivities must be able to complete their obligations that they have as public institutions without being obstructed by financial coercion that cannot be impeached to them. Therefore every transfer of responsibilities from state to local collectivities must correspond with the equivalent and concomitant transfer of financial resources. So this transfer of resources must correspond with the real charge of the competences transferred. In this way the

collectivities will benefit by a sufficient room for maneuver thus a real financial autonomy for these expenses which becomes the essential objective for a successful decentralization as well as for social and economic equilibrium. I must mention that an acceleration of this process without the foundation of a balancing strategy well organized would rather lead to an enhancing of the existent disparities between the wealthy and poor collectivities within the same regions, and the poor regions might not be able to ensure not even a minimum of decentralized services.

From the recommendations point of view we could underline first of all the necessity of implementing a local autonomy process with direct impact on the budgetary equilibrium growth by taking into consideration the own fiscal effort as well as the implementation some new mechanisms, tools and contractual procedures between state and local collectivities or between the local collectivities in order to implement concerted methods over the financial actions and even to the financial methods and maybe to developed some solidarity between the local collectivities. On the other hand it would be useful to implement in the transfers granted by state some pluriannual guarantee mechanisms in order to ensure that this transfers will grow progressively with the rate of inflation and economical rate of growth that would allow the local collectivities to protect themselves from the imprevisibility of some actions and decisions made by state. Another recommendation is the importance of following the phases of regional development strategies both the phases responsible for the strategical planification (phases 1,2,3) that were created by those responsible for the elaboration of the strategical development plan as well as following the phases that are responsible for implementation (phases 4,5,6). We can also add the importance of development of parteneriaships, the development of an integrated system of information management as well the consolidation of the role and position of regional development agents. As a responsibly approach of the field we must be concerned with elements regarding the standard of living, training the human resources involved, a genuine educational process that would really represents a long term investition for a successful regional development strategy but also for all the policies and strategies that aim the attainment of social and economic cohesion.

### **References**

1. Alina Profiroiu, Marius Profiroiu, *Autonomia Financiară a colectivităților locale-premisă a succesului descentralizării*, 2007.
2. August Losch, *The Economics of Location*, 1954.
3. Florin Oprea, Elena Cigu, *Finanțe publice locale*, Editura C.H. Beck 2013.
4. Florin Oprea, *Managementul financiar al colectivităților locale*, București, 2013, Tritonic Books.
5. Carta Comunitară a Regionalizării, Document elaborat de Parlamentul European în 18 noiembrie 1988 și adoptat ca document oficial al comunității Europene la 19 decembrie 1988.
6. Georgescu Maria-Andrada, *Management financiar public local*, editura Pro Universitaria, București, 2010.
7. Hotărârea nr. 699/2004 pentru aprobarea strategiei actualizate a Guvernului privind accelerarea reformei în administrația publică, 2002-2004.
8. Legea-cadru nr. 195 din 22 mai 2006 a descentralizării, M.O. 453 din 25 mai 2006.

9. Matei. C. Matei, A.- *Acquis comunitar și administrație publică*, Editura Economică, București, 2009.
10. Mihaela Onofrei , '*Fundamente științifice si bune practici*', Editura Univesitatii "Alexandru Ioan Cuza", Iasi, 2007.
11. Petru Filip, *Managementul administrației publice locale*, Editura Economica, București, 2007.
12. Profiroiu, M., *Managementul strategic al colectivităților locale*, Editura Economică, București, 1998.
13. Pușcașu Violeta, *Dezvoltarea regională*, București, 2000.
14. Țibulca Ioana-Laura, *Lucrare de doctorat, Academia de studii Economice din București, Presiune fiscală- convergență fiscală și impactul asupra încrederii în mediul de afaceri în context international, București, 2013.*
15. Vadineanu, A., *Dezvoltare Durabilă. Teorie și Practică*, Vol. 1, Editura Universității din București, 1998.
16. [http://europa.eu.int/comm/regional\\_policy/ns\\_fr.htm](http://europa.eu.int/comm/regional_policy/ns_fr.htm).
17. [www.ec.europa.eu/regional](http://www.ec.europa.eu/regional).
18. [www.insse.ro](http://www.insse.ro).