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The role of urban growth poles in regional policy: the Romanian case

József Benedek^{a,*}

^a*Babeş-Bolyai University, str. M. Kogălniceanu 1, Cluj-Napoca 406 006, Romania*

Abstract

As part of a broader Europeanization process, the general guidelines and principles of the European spatial planning documents have been uncritically overtaken in the last two decades in the Romanian spatial planning system. One of them is represented by the growth pole concept, which was widely used not only in the selection process of the cities as growth poles but in the delimitation of the metropolitan zones as well. The Regional Operational Program (ROP) 2007-2013 has incorporated the above logic, the priority axe 1 sustaining the urban growth poles with 30% of the budget allocated to the whole ROP. The future prospects for 2014-2020 are going in the same direction.

The main aim of this paper is to evaluate the process and outcome of establishing the urban growth poles as key elements of the new regional policy in Romania. In particular, we will address the process of establishing the urban growth poles as high priority development goal. The paper highlights the failure of regional policy in attaining its essential objective, the reduction of regional disparities. Driven by the growth of the capital region Bucharest-Ilfov, regional polarisation is at a historical high, as the regional policies applied in Romania being unable to influence this process. Although we have at this time no exact evaluation on their regional impact, we can assume that the urban growth poles program has rather contributed to the intensification of regional imbalances.

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* Corresponding author. Tel.: +40-264-596-116; fax: +40-264-596-116.

E-mail address: jozsef@geografie.ubbcluj.ro

1. Introduction

Professional interest in regional and metropolitan development is steadily increasing in Romania. This interest arises especially from Romania's experiences as an EU member state and from the opportunities offered by the next programming period. The present study will evaluate the role played by the metropolitan areas in the Romanian regional policy by thoroughly assessing the regional policy applied in the programming period 2007-2013. The reference documents are represented by the Romanian Act 315/2004 on regional development, which sets the goals and institutions of regional policy, and the National Strategic Reference Framework (NSRF) for the period 2007-2013. The last document identifies five EU-financed development priorities (Romanian Government, 2007). One of these five priorities is explicitly territorial (sustaining balanced territorial development), while another has a significant territorial impact (the development of infrastructure). It is beyond the scope of the paper to offer a comprehensive evaluation of the ROP 2007-2013 or to determine the effects of the urban growth pole program. The main aim is to critically evaluate the process of establishing the urban growth poles as key elements of the new regional policy in Romania. In particular, we will address the process of establishing the urban growth poles as high priority development goal.

2. The major outcomes of the Europeanisation of the Romanian regional policy

The convergence of the national spatial systems in form of an ongoing Europeanisation has generated an intense debate (Reimer, Getimis & Blotvogel, 2014). During the last two decades, the Romanian spatial planning in particular has experienced an intense Europeanisation process (Benedek, 2013) strongly connected to Romania's accession negotiations to the EU. As part of this process, the institutional framework of the regional policy has been established in 1998 through the adoption of the Regional Development Act (RDA), which stipulates the three fundamental principles (subsidiarity, decentralisation and partnership), as well as the three fundamental goals (reduction of regional disparities, regional harmonisation of sectoral government policy, supporting regional collaboration) of regional policy.

The goals listed reflect the mere discourse-level and rhetoric Europeanisation of Romanian territorial planning, since in practice only a fraction of these goals was actually attained (Tănăsioiu, 2012; Benedek, 2014). The goals set in the RDA were theoretically consolidated by the change in European territorial planning, as a result of which territorial cohesion -an essential pillar of reducing regional disparities- became a headline target. The abovementioned change refers to the third article of the Lisbon Agreement adopted in 2007, entered into force in 2009, which defines territorial cohesion as a new horizontal EU objective, thus completing the objective of promoting economic and social cohesion. Subsequently, territorial cohesion became a headline target both in EU and Romanian development plans, even though the general agreement upon the meaning of this concept is still pending. Both major spatial development strategies of Romania – “Strategic Concept of Territorial Development Romania 2030” and “National Plan for Spatial Development” - have largely overtaken the European spatial planning discourse (Benedek, 2013).

3. Regional policy in the 2007-2013 programming period

In the period 2007-2013 the receipts of cohesion policy from the EU budget increased to 35.67% (Leonardi, 2006), placing Romania in a very advantageous situation. NSRF 2007-2014 includes Romania's development priorities and formulates a headline target: reduction of the economic and social disparities between Romania and other EU member states by a GDP increase of 15-20% (by 2015). Within the scope of convergence, NSRF defines 7 Operational Programmes (OP): 6 of them were sectorial programmes, the remaining one was defined as Regional Operational Programme (ROP). The later can be viewed as a particular way of increasing territorial cohesion by setting up so called urban growth poles in the framework of the priority axe 1 (sustainment of urban development), with 30% of the total budget of the ROP (Benedek & Cristea, 2014).

The main strategic goal of ROP 2007-2013 was the balanced and sustainable regional development. This is further sustained by 5 specific aims: increasing the social and economic importance of cities, applying the principle of polycentric development; providing better access to regions, especially by enabling access to city centres and

improving public transportation in cities and their surrounding areas; improving regional social infrastructure; enhancing regional competitiveness; increasing the regional economic importance of tourism. All except one (tourism) target cities, the first two expressly, the next two covertly seeing that the social and economic infrastructure is concentrated in cities. In other words, the specific aims attributed to the strategic goal of regional development gave a structural advantage to counties with higher urbanisation rates, which have in turn a higher level of economic development. Within the ROP, each goal is connected to a priority axis and its corresponding budget and instructions for use. Budget allocation according to axes creates an urban concentration that increases the regional disparities mentioned above: sustainable development of cities-city growth poles 31.36%; improvement of regional and local transportation infrastructure 19.76%; improvement of social infrastructure 14.81%; consolidation of regional and local business environments 17.93%; development and promotion of tourism 16.14%.

These 5 are completed by a sixth, non-thematic axis offering technical support. Since no further territorial focusing was provided in them, the axes defined as mentioned above do not complete the other operational programmes, but build upon their goals and priority axes. This overlap could have only been achieved by introducing further criteria that ensure territorial selectivity. This only happened in the case of the first axis, in which subsidies were divided according to city categories and small towns with less than 10000 inhabitants which were excluded from the aid program. All these were obviously contrary to the goals of the ROP and the NSRF set up to strengthen peripheral regions and to diminish regional inequalities.

4. Urban growth poles and polarised development

As mentioned in the previous section, the concept of growth poles has been taken over in the Romanian legislation from the major European spatial planning documents, although the fact that its implementation difficulties are widely known and discussed in the international literature (see, for example Schätzl, 1998). The concept of growth poles developed by Perroux, Boudeville and Lasuén in the 1950s was based on the hypothetical expectation that urban growth poles will polarise a larger region, through the growth diffusion generated by single large firms or an important economic sector localised in the urban growth pole. However, concerning the results, the implementation of this concept in countries like France proved to be controversial (Geppert, 2014). The spatial diffusion of growth was limited, the basic polarised economic development has been intensified (Schätzl, 1998).

The Government Resolution 998/2008 has defined seven national growth poles in Romania: Brasov, Cluj-Napoca, Constanta, Craiova, Iasi, Ploiesti and Timisoara, all major urban centres, exempting the capital city Bucharest (Romanian Government, 2008). According to the same document these cities should become the main targets of investments resulting from governmental and European sources. Half of the budget of the ROP 2007-2013 should be designated for the sustainment of major investments in the selected urban centres. There is no explicit explanation for the selection of the cities nor for their designation as growth poles. We assume, that it is not a coincidence that the same cities are defined in the National Spatial Development Plan (Planul de Amenajare a Teritoriului Național, PATN), section IV, "Settlement Network", as first tier cities of Romania. According to this document the settlement network of Romania is divided in five tiers or ranks, the first tier cities being defined by a large population (more than 200 000), a developed, service-centred economy and the existence of important transport connections. The second and third tier cities are smaller urban agglomerations of local importance, while ranks four and five are shared by rural settlements. At the top of the hierarchy is situated the capital city, Bucharest. For our discussion a detail becomes important: the ratio between the population of the largest urban agglomeration, Bucharest (1,6 million), and the population of the first tier cities do not exceed 1:6, which means that there is a high level of policentricity in the Romanian urban network. Translated to regional policy, it means that there should be no special concern with sustaining the polycentric development, as it is recognized in the document "Romanian Partnership Agreement for the 2014-2020 Programming Period" (RPA, Ministry of the European Funds, 2014). On one hand, the Government recognizes officially and publicly for the first time in the RPA, that the main role of designating growth poles has been the support of economic growth, in sharp contrast with the major objectives and principles of the RDA. On the other hand, the same documents recognizes the failure of promoting integrated urban development in the selected locations, due to the fact that the majority of the investments projects have been concentrated in the urban centres, with the neighbouring rural localities being excluded. In addition, the realized

investments were not consistent with the content of the integrated urban development plans (Ministry of the European Funds, 2014).

The national planning system of Romania has positioned itself in the conceptual framework offered by major European documents: the European Spatial Development Perspective (ESDP) and the Territorial Agenda of the European Union (TAEU). In spite of the fact that ESDP and TAEU are legally non-binding documents, their main concepts have been incorporated into the Romanian national strategies of spatial development (Benedek, 2013).

The effect of the mechanical overtaking of spatial planning concepts such as balanced, polycentric territorial development have contributed to the intensification of spatial unequal development. Between 2007-2013 interregional inequalities measured in GDP per capita have increased significantly. The phenomenon is not particular to Romania, it is common to the most of the countries from Central and Eastern Europe (Lang, 2015). Under these conditions it was not surprising that the external convergence of a poorly developed country such as Romania was achieved at the cost of increasing internal inequalities. Ignoring a well-known phenomenon and out of touch with reality due to the lack of professional justification, the Romanian regional policy thus tried to reach unattainable goals (Benedek, 2014). As already mentioned, the increase in internal disparities is not only specific to Romania, but was also observed in numerous other member states, especially in EU-12. The relative deviation of GDP per capita in Romania increased from 15 in 1995 to 44 in 2007, which highlights the relative concentration of development into very few regions, mostly the capital region. This value is exceeded only by the UK, thus we can conclude that, on the EU-level, Romania has seen the rise of a sharp internal economic and spatial polarisation, resulting in a decrease in territorial cohesion. In spite of the increasing internal disparities, the GDP per capita of most of the EU-12 regions is nearing the EU average. Between 2000 and 2007 only 8 regions of the newly-joined member states had an average growth that was smaller than the EU-27 average. Romania fully met its most important territorial development goal: convergence was significant; the GDP per capita compared to the EU average increased from 26% in 2000 to 49% in 2012. In other words, the GDP per capita increased between 2006 and 2010 from 9100 EUR to 12600 EUR (38% increase). This also meant attaining the goal set in the NSRF 2007-2013: increasing the GDP per capita in Romania by 15-20% by 2015.

As already stated, external convergence was accompanied by internal territorial polarisation, i.e. the differences between Romania's regions grew bigger: the GDP per capita of the most developed region (Bucharest-Ilfov) was thrice as great as that of the poorest region (North-East). The difference was 3.48 times greater in 2007, 4.05 times greater in 2008 -at its peak in the post-socialist era-, and subsequently it levelled out after the '08 economic crisis but on a higher level (3.82). By examining the share of GDP per capita in the EU average at NUTS 2 level, we can clearly identify the countries that succeeded in bridging the gap and those that did not. The development of Bucharest and Ilfov was spectacular, both ranking above 100% of the EU average.

The 'spatial growing apart' Romania has been experiencing in the last few years is not a mere statistically calculable phenomenon, but also morally inequitable and unfair from the point of view of the regions falling behind. This contradicts the regional development goals based upon the principles of subsidiarity, decentralisation and partnership set out in Art. 3 of Act 315/2004.

Table 1. Basic data of growth poles in Romania

Growth Poles	Total population	Populat. growth rate (%; 2002 = 100)	Populat. density (inhab. per km ²)	Internal and external migration balance
	2011	2002-2011	2011	2002-2011
Cluj-Napoca	418,153	108.3	272.0	25,034
Timișoara	384,609	104.7	359.3	17,262
Iași	382,484	96.1	459.6	-15,316
Constanța	425,916	95.4	420.2	-20,679
Brașov	406,611	92.5	297.1	-32,966
Ploiești	318,192	90.1	665.7	-34,808
Craiova	306,930	89.8	527.6	-34,743

Source: National Institute of Statistics

Within territorial disparities not only has the territorial polarisation increased, but centralised regional policies failed to sustain balanced, harmonious development, greatly contributing to the backwardness and peripheralisation of poorer regions by primarily aiding growth poles (Benedek, 2013). Moreover, the attempt failed to harmonize different sectors' views with policies by taking local and regional development needs and opportunities into consideration, with instructions for setting up integrated development programmes never being released.

5. Regional policy between 2014-2020

The main aim of the Europe 2020 strategy announced in March 2010 and adopted in July of the same year is to enable a quicker emergence from the crisis and to transform the EU into an intelligent, sustainable and inclusive economy (European social market economy). The document lists three priorities: a) intelligent growth: creating a knowledge- and innovation-based economy; b) sustainable growth: creating an economy that uses human resources more efficiently and in an eco-friendlier and more competitive manner; c) inclusive growth: ensuring high employment rates and social and territorial cohesion. The EU cohesion policy will also play a role in reaching this target. Based on a document entitled 'Position of the Commission Services' on the development of Partnership Agreement and programmes in Romania for the period 2014-2020' we will briefly overview the issues represented by the EU strategy that are relevant for territorial cohesion.

The Partnership Agreement is a basic document establishing the EU-funded development priorities of the next programming period. Romania submitted the first draft of its Partnership Agreement to the European Commission on October 11, 2013. The European Commission voiced its opinion on this version, whereupon the Ministry for European Funds prepared and published the second version of the Partnership Agreement at the end of March 2014. The European Commission has approved the final version of the document in August 2014. This document was drafted with total lack of professional partnership as well as without public consultation. Notoriously long planning periods as well as poor scheduling took, once again, their toll on Romania. Due to the fact that the success of development priorities depends on the large-scale professional partnership of development projections, it is evident that Romania is already playing a bad hand in the next programming period due to the lack of professional justification. Even though the Interinstitutional Committee for the Partnership Agreement (*Comitetul Interinstituțional pentru Acordul de Parteneriat*) having 58 members (15 economic and social stakeholders, 27 representatives of state administration institutions and 14 local administration representatives) was founded with the stated goal of promoting the principles of the partnership, it only convened a mere 7 times up until now. Meanwhile, no information could be found on their other, vertically organised consultation activities (<http://www.fonduri-ue.ro/ciap>).

Compared to the basic documents of previous, EU-funded development cycles (National Development Plan 2007-2013; NSRF 2007-2013) the Partnership Agreement can be regarded as an absolute novelty from several points of view: it achieves higher levels of integration, seeing that it includes both operational programmes funded from EU cohesion policy funds (Structural Fund, Cohesion Fund) and programmes referring to the domestic use of the European Agricultural Fund for Rural Development (EAFRD) and of the European Maritime and Fisheries Fund (EMFF). Furthermore, the Partnership Agreement harmonises Romanian MS programmes with the EU's European Territorial Cooperation Programmes (e.g. cross-border programmes and the transnational programme of the Danube region). The Partnership Agreement must comply with the conditions set out by the EC both in terms of structure and content. One of the essential conditions set forth by the Commission is the fact that Partnership Agreements are not meant to present the development goals of the respective country, in our case Romania, but should first and foremost illustrate the country's contribution to attaining the 8 goals of the Europe 2020 Strategy and of the 11 thematic objectives derived from them.

The challenges of the Partnership Agreement in Romania are the following: poor competitiveness, high and rising social inequalities, underdevelopment of the transportation and communication infrastructure, low energy efficiency, significant environmental risks, low administrative capacity. In the light of the current macroeconomic conditions and policies, these challenges and objectives in Romania's Partnership Agreement do not differ from the goals of the previous cycle: catching up with the EU-average and increasing the employment rate. This is by no

means surprising, since the biggest delays have been registered in these two sectors and the rate of employment is closely linked to productivity.

Out of the EU's seven-year budgetary envelope for 2014-2020, Romania will receive resources amounting to 21.826 billion Euro for a population that is proportionately significantly smaller than that of Hungary or other East European countries. The resources are meant to sustain attaining the goals of the EU's Cohesion and Rural Development Policies, helping Romania's regions to socially and economically catch up with the EU-average, as well as improving the competitiveness of agriculture and the retention rate of rural areas. By unfortunately choosing to continue the practice of the previous programming period, the new Partnership Agreement foresees only one ROP. None of the sectoral operational programmes contain regionally administered priority axes. There will be no change in the growth poles program either, which will unfortunately continue during the financial period 2014-2020, targeting thematic areas like improving the quality of urban environment, improving the urban infrastructure and mobility or urban regeneration. Under these conditions, we expect the continuing intensification of the spatial polarization process and the further peripheralization of marginal regions.

6. Conclusions

The most important conclusion of our study is the fact that the regional policies implemented in Romania failed to reach their most essential goal, i.e. the reduction of regional disparities. Market mechanisms overrode the overall effects of a system driven by a poorly coordinated and highly centralised regional policy that ignores regional and territorial specificities. Discrepancies in the development of counties and regions have increased and a strong polarisation is to be observed primarily between the capital and the rest of the country. Identifying the underlying causes of the abovementioned polarisation is more difficult, but it will be undeniably easier to do once official evaluations and impact assessments will be issued in the following years.

The prospects of the next programming period are equally grim: the Partnership Agreement was drafted in a centralised manner with minimal coordination and without large-scale consultation, and the growth poles program will be continued in the next programming period. Thus it is safe to conclude that regional and territorial (urban-rural) polarisation will continue to increase, deepening the already existing significant spatial imbalances and inequities.

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