

E.U'S REGIONAL POLICY. CONCEPTUAL FRAMEWORK IN THE CONTEXT OF CURRENT RESEARCHES ON NATIONAL AND INTERNATIONAL LEVEL

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Abstract: This paper deals with the following terms: territorial cohesion, territorial cooperation, convergence and local development. Through a comparative analysis of the concepts mentioned above, we have noticed that regional policy aims precisely the realization of economic convergence, territorial cohesion, the development of localities and last but not least the economic development of European territories. In this context, we evidenced the importance of national, regional and local organisms in the European regional policy process in order to achieve a balanced development of the community space.

1.The concepts of territorial cooperation and territorial cohesion

Territorial cooperation as a concept has become an extremely important element among the European Community along with the intensification of European integration. As Alice Engl also says, the development of an increasing number of projects and the existence of cross-border areas, were based on three of the European Union's "products": the Euro, the single internal market and the Schengen Agreement. [9] As a result, the border areas have been transformed into cooperation ones between the economic, social and political systems belonging to different countries, where human, natural, and financial resources can be used by the inhabitants of those areas.[9]

A fact worth remembering is that in recent years it has been highlighted a continuous interest from the national, regional, local and international actors for the territorial cooperation.

This idea is supported by the fact that since the EU must face global economic challenges, the continent can't remain isolated regarding what happens outside its borders. [12]

A very important remark is made by Jirka Zapletal, who noted that integration brings into question another aspect: the territorial cohesion among European areas, which is also one of the objectives of the Union as written in the Treaty of Lisbon, signed in 2000. [22]

Therefore, territorial cooperation supports the achievement of national cohesion, the infrastructure and communications, cultural exchanges and tourism cooperation between territories among both sides of the borders, regions and nations [8].

In order to support the regional cooperation, at the European level was created the European Grouping of Territorial Co-operation (EGTC), which is "meant to overcome the obstacles on territorial cooperation through the establishment of a cooperation instrument at the Community level" (INTERREG). [21]

The territorial cooperation is met in various forms (cross-border cooperation, interregional cooperation, transnational cooperation). This classification is based on the needs of regional and local authorities involved and the skills that these authorities have in relation to national ones. [8]

Therefore, the links between two or more local and regional adjacent authorities from different but neighboring countries, defines cross-border cooperation. Such collaborations may be short-term (eg. a single project) or permanent indefinite-term (in order to solve complex problems). [8] The Euroregion is met as a permanent cross-border cooperation form, as an institution that implies private and public economical groups and

sets cross-border links between national, local and regional institutions.[8] Other forms of cross-border cooperation are: Eurodistricts, and Working Communities.

Territorial cooperation between areas on both sides of the border enables states to develop more quickly and to achieve EU territorial cohesion basing on the support of the European Union and the Europe's Council [8].

In 2010 the European Commission and the Committee of Regions, focusing most on regional cooperation, launched a series of discussions in order to review the legislation and to make some necessary adjustments, because during the last years we have seen several enlargement waves of the European Community. [22]

From the information above we can conclude that at the moment speaking territorial cooperation has a special role for the European Union, and in the future its importance will increase if new states will attend the Community Area. Territorial cooperation involves the collaboration between local, regional and national institutions which aim to achieve a balanced development of territories through supporting projects in priority fields such as: education, business, infrastructure, training, etc. Through the forms it takes (cross-border, transnational and interregional) we believe that this kind of cooperation means people coming together, cultures and habits of various settlements, therefore social and economic cohesion within the Community Area will have more chances to succeed.

The early concept of "*territorial cohesion*" is found in the 16th Article of the European Constitution Treaty. The European Constitution refers to territorial cohesion as one of the Community's objectives along with economic and social cohesion [10].

Regarding this subject (territorial cohesion), we also mention Andreas Faludi's ideas who speaks about the recent years concerns of European officials on achieving cohesion among territories. Since 2000, when the Treaty of Lisbon was signed, the officials were aware that in order to transform the European economy in one of the most competitive economies of the world, territorial cohesion will have to play a decisive role. [10]

The introduction of the term *territorial cohesion* in literature has been largely influenced by the lately development of EU's space. The concept was mentioned for the first time before ratifying the European Constitution, when the concern of politicians, practitioners and academics was to debate this subject within European policies[11]. Therefore the 2004 and 2005 ministerial meetings have given much attention to a interconnection between territorial cohesion and the Lisbon Strategy [11].

In a study [1] about this type of cohesion, Simin Davoudi notices that the stated objective of this concept is to reduce the differences between territories and to prevent them thereby contributing to the harmonization of the development of the concerned areas. Consequently, the same author considers that the concept has contributed to rethinking the term of territory planning within EU's areas. The same notion provides a new vision regarding the organization of the European Space.

The concept of *territorial cohesion*, which became a familiar term in the new European context, has been included for the first time in the second report on economic and social cohesion in January 2001. The report used the concept for describing the undeveloped areas within EU's Space. Also, territorial cohesion is focused on supporting the territorial integration and encourages the cooperation between regions [2].

Philippe Doucet, another author concerned in his studies about territorial cohesion [7] mentioned that the term cannot be officially defined, but yet it is said that its role is to promote a territory equitable sharing and to support EU policies having an important effect upon areas.

Given the fact that so far no clear definition of this type of cohesion was given, we will try a our own brief analysis, so that in the end we can formulate a definition of the concept.

Starting from the findings gathered in the previous research, the European Union's intention is to reduce disparities between regions and within them in order to prevent a mismatch inside its territory. We also noticed that a polycentric development is seek inside European Community as a whole and even inside the national states, in order to remove the pressure existing on the capitals and to allow the formation of secondary growth poles. Doing so, territories with different characteristics and features will develop in a balanced way. All these items shown above are directly related to territorial cohesion.

Why do we state this? The answer is simple: in order to achieve a balanced development of the territory, it requires the involvement of decision makers at a local, national, regional level with concrete measures to help people having a decent way of life, to support collaboration between public and private sector and to aim at the same time economic and social cohesion.

Therefore we try to formulate a definition, noticing that we are aware of its possible future improvement: territorial cohesion is a set of measures taken at a national, regional and local level, measures that aim to reduce disparities between the member states and regions in order to achieve a balanced development of geographical areas with different characteristics.

2.The concepts of „convergence” and „local development”

The accession of former communist bloc states to the EU assumed their performance of some economic and political conditions. If regarding the political environment there weren't any problems, the situation changed when it came to economic criteria. Even if in the pre-accession period the majority of states have made visible progresses in terms of economic reforms, the reality has shown us that big differences between GDP, inflation rate and level of live from these countries comparatively to the EU's media continued to exist. Here it appears the phenomenon of convergence that we intend to speak about in this part of our research [5].

As Professor Daniel Daianu also says, the concept in question relates to the catch - up of differences existing in rich countries

At the EU's level, the realization of economic convergence had different important moments. Firstly, the accessions of new countries in the 70s and 80s have increased the economic gap within the Union, because countries like Ireland and Greece had a fairly high level of poverty. The catch-up process (Beta convergence) lasted long enough for the two countries. In Ireland's case, the country managed to catch up the difference from EU's average reaching an income per capita just above the EU's average only n 1998. [5] Beta convergence was possible through massive direct foreign investments on the Irish economy, infrastructure's development and through population's increased education[5].

The literature notes the existence of two types of convergence: [16]

- Beta convergence (catching-up on rich countries)
- Sigma convergence (inside the clusters, which assume more states that are grouping together)

Another author concerned by the convergence concept is Peter Prisecaru. In the 1st Volume of his paper entitled "The Institutional Convergence Process", he believes that at the background of the convergence process are various theories of economic growth [16]. He believes that convergence means the process by which poor countries grow faster than rich ones. [17]

Because we have previously discussed the two forms of convergence (beta and sigma) it must be said that countries undergoing a transition period are interested in achieving the beta convergence (in order to catch up with countries already in an advanced stage of development). In fact this type of convergence is also called *the catching-up process*. In his research, Daniel Daianu suggests that beta convergence obtained by the states in transition is conditioned by the growth of labor productivity, social cohesion, massive investment in human capital and the boost of educational standards. [5]

In the context of repeated extensions of the European Community, the concept of convergence was first applied in the economic field.

Professor Prisecaru brings into question the following two theories:

- the neoclassical economic growth theories, which start from the fact that poor countries will catch up with rich countries in terms of income per capita;
- the endogenous growth theories, which believe that the technological development stands at the base of economic growth. This fact gives very much emphasis on economic convergence, which in the opinion of the European Union has the following meanings: reducing the development differences, which is the cornerstone of economic and social cohesion, composition transformation of economic systems closely related to the evolution of the global cycle [13].

At the same time convergence is based on internal and community sources. Internal sources are related to domestic policies promoted at national level in accordance with the common ones. The community sources are obtained through the cohesion policy. [13]

The two convergence sources will lead to a change in economic structure, having an important role in sustaining the economical growth and reducing the development gaps. As effects, we can include: the modernization of the recipient areas, an increased labor productivity and a greater accumulation of production factors [13].

Because the institutional frame has a rather important role in the realization of the economic convergence, scientists have brought into question the institutional convergence. [16]

This type of convergence means the alignment of the Member States and of the acceding ones to the so-called Community *acquis* (European legislation). Because the states having the position mentioned above are seeking the realization of nominal and real convergence, Petre Prisecaru notices that through institutional reforms is achieved a situation where institutional convergence becomes the nominal and real convergence base [16].

We want to mention also the point of view of the following authors: Carmela Martin, Francisco J. Velazquez, and Bernard Funck, regarding economic convergence. Thus, in their vision, this type of convergence means the reduction of gaps regarding GDP and GNP between states with a higher level of development and states less developed from more significant progress made by the second category states compared to the first category. [14]

As we can see, this definition includes more or less the same elements used by other authors. In this context, we consider as representative the three objectives of regional policy: economic convergence, regional competitiveness and stimulation of regional cooperation. As the authors Marieta Stanciu and Carmen Puiu reminds, for the European Community to obtain convergence means to support the economic growth and to create a large number of jobs in regions with a low development level. [20]

In one of his papers, David Ben supports the idea that for the poor countries a particularly important role in catching-up with more developed territories has the human capital. He underlines that countries which invest less in human resources will still face high levels of poverty. [3] He also notes that countries that have benefited from the

cohesion fund (the poor ones) were enrolled in the direction of convergence regarding the income per capita ever since the pre-accession period to the European Union. [4]

Therefore we conclude that for less developed countries, with a lower standard of living, an important priority is the realization of economic convergence in relation to the EU's average and in relation with countries more developed.

Making a summary of definitions given to this concept, we consider convergence a complex process that involves the recovery of development disparities separating less developed countries by the developed ones through catching-up macroeconomic indicators (GDP per capita, GNP). The importance of convergence is even greater as the European Union considers it a primary objective for the next period, especially in the view of accession of new countries to the Community Area (Croatia, Turkey).

In the current context of the growing importance of decentralization, *local development* is found as a basic element of regional policy. Having the experience of countries that have already succeeded in the effective realization of regional policy by prioritizing local and regional investments, we consider important to clarify the concept mentioned above.

In our country the term is largely treated in different specialty papers. The authors are concerned with a broader approach of the concept, especially because of its importance and the discussions about the subject of decentralization in Romania.

After the Second World War, development became a priority for any society. It currently represents a number of factors that determine the nation's welfare.

Next we will make an analysis of the concept, with comments and opinions on the effects it has on local communities and what really means local development.

One of the first papers that we have studied was a research entitled *Local Development. Concepts and mechanisms*, written by two Romanian authors, Lucica Matei and Stoica Anghelescu, both preoccupied about the concept of local development.

Therefore in the above mentioned paper, we have identified several definitions given to the concept, such as that belonging to the Council for Urban Economic Development in the USA. This organization believes that local development is based largely on the work designed and implemented through programs and projects by public and private sector belonging to a certain community. The same institution also believes that local development requires a unified effort by national governments, businesses and civil society to create an environment suitable to economic growth. [15] It is necessary to have a permanent collaboration between private and state sector in order to achieve local development.

Two foreign authors, Blakely and Bradshaw, believe that local development is "a process that stimulates the full use of existing human and material resources in a partnership relation with the private sector or other structures in order to create new jobs and wealth within the concerned area"[15]. If we analyze this phrase, we can say that the definition given by the two researchers coincides with the one mentioned above belonging to the Council for Urban Economic Development.

Another definition given to the concept (local development), compares it with a process that aims the diversification and development of social-economic activities within an area based on existing resources. [19]

The idea of decentralization is also found in Alina Profiroiu's study (and others) where she explains the relationship between local development and decentralization. According to the authors, when national entities decide to implement the decentralization process they should take into consideration not only the political and legal elements but also the economic political elements [19]. In other words a compatibility between public services and people's requests is needed.

An important feature for local development is the solidarity between people living in a community and the social measures that aims to support rural areas. All of them must ultimately lead to the increased development of localities.

Dragoş Dincă gives us a clearer and more complex definition of local development. He sees the concept as "*a primarily economic process in a particular region or UAT (Administrative Territorial Unit), which increases the quality of life at local level.*" The same author also says that local development "*aims an economic prosperity , a social welfare by creating a favorable business environment along with community integration of people with cultural issues and the development of the private sector*" [6]

In describing the concept, Dragoş Dincă supports the need for: a framework of a partnership at local level, local development strategies and significant resources for an area to benefit of local development. [6]

Local development's forms can be: economic, social, cultural. The effect of this development is to mobilize existing resources and implementation of projects that aime precisely the economic, social and cultural development [6].

In conclusion the author perceives local development as the sum all policies of local and central public authorities in order to increase the geographical areas' economic results [6].

Also, from the studies of multiple authors, we have noticed that many see local development as a strategy of economic intervention. Through it, the representatives of local public and private sector try to ensure a better value from a technical and financial point of view, of human resources in a community. The ultimate goal is the creation of new jobs.

We continue the series of definitions given to this concept with the idea raised by the two authors mentioned above, Lucica Matei and Stoica Angelescu. They see local development rather as a whole encompassing administrative, economic, social, cultural, political aspects, that acts in order to determine an endogenous growth (from inside to outside) of local community.

In their paper entitled: *Sustainable Local Development in the context of Globalization* the authors Dumitru Porojan and Cristian Iftimoaie give a comprehensive definition: "*local development is a development policy, mainly economic, applied to a territory and that regards local community.* Using some factors and economic, social, local structures, mainly local SMEs, this policy reflects its relative objectives on the use and development of local resources and on creating and maintaining a stable and profitable business climate "[18].

3. Conclusions

Firstly, after we have read the materials, we identified several underlying principles of local development: economic competitiveness, equity, public-private partnership, globalization, regional cooperation, development focus, measurement and evaluation.

Secondly, local territory has an important role in implementing strategies that aim the development of communities from an economic, social and cultural point of view and the satisfaction of their needs. When we speak about local area, we understand both the geographical area and the collectivity organized in terms of management.

Therefore, we believe that local development represents a whole encompassing various economic, social and cultural activities. The concept removes the barriers that may hinder the normal and effective functioning of economical market mechanisms.

We consider local development as a long term process with measures in various fields (economics, education, culture, social, etc.) taken by local authorities with the effect of increasing wealth in those areas.

We also want to emphasize that local government must ensure the achievement of local development, through its specialized staff and through a series of measures taken in order to achieve local economic development of a certain community. In order to do this, administration will have to understand the real needs of that area, what is its human, intellectual, economic and social potential and in accordance to them, to provide the design and implementation of policies and viable programs to achieve the desired result.

For a local economic development at the highest settings, the collaboration between public and private sectors is primordial, because the two elements are able to quicken the process of boosting the local economy.

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