

ABSTRACT OF THE DOCTORAL THESIS

COORDINATES OF REGIONAL-GLOBAL RELATION IN THE FIRST DECADES OF THE 21ST CENTURY – STUDY CASE – ROMANIA’S ECONOMY

Doctoral candidate: Claudia Maria Breban

The doctoral thesis entitled *Coordinates of the Regional-Global Relation in the First Decades of the 21st Century – Study Case- Romania’s Economy* analyzes the European regional development model, presenting the particularities of the eight regions in Romania on the background of the country’s economic development, outlining the new development structures present in technical literature in the forms they exist and develop in regions, on the evolution and development of business ecosystems, on the development directions towards the informational economy, showing the present development stage, and the manner of its linking to the European economy.

In order to carry out the study, analysis and formulation of conclusions, the research approaches its object along three directions. The first direction is presented in **Part I – Theoretical Approaches of Regional Development in the Contemporary Period**, and it is divided into three chapters.

Chapter I – Regional Development according to Economic Theories presents the object of regional economy, describing the study of regions on European level through the perspective of regional development model theories, presents neoclassical theories of economic growth, the traditional model, and the Romanian contributions to the study of region issues. The theories studied are as follows:

- a. Krugman’s theory – the advantages of regional locations, with a view to large urban regions and peripheral regions ;
- b. Porter’s theory – based on the new economy of competitiveness – economic clusters;

- c. von Thünen's theory ,a theory of localization, improved by new elements such as space, distance, localization;
- d. Wilhelm Roscher and Alfred Weber's theory referring at the clarification of contemporary regional organization principles ;
- e. The theory of economic integration with all the factors of interest to regional development that work together to generate economic growth;
- f. Cristaller's theory – with a complete analysis on territorial organization, urban structure improvement and the relationship between these;
- g. The theory of polarized development by François Perroux, the theory of growth poles, where only certain economic units function as development nuclei ;
- h. The unequal development theory by John Friedman, Stuart Holland, which presents the relation between center and periphery, chronological regional unbalances ;
- i. John Friedman's endogenous development theory, opposed to the theory of growth poles, which outlines the so-called development at the basic structural levels, on mobilizing efforts to use local potential.

The neoclassical models detailed herein are those of sectorial growth without technical progress, of sectorial growth with technical progress, bisectorial, the one based on the role of the export sector , and the one based on cumulative causality. Within the neoclassical theories, we can find Mills and Stimson's theory, which focuses on the homogeneity of production factors, price mechanism, and the process of capital accumulation.

The traditional model is important due to the involvement of agglomeration factors that have as effect more dynamic processes, more diversified spatial structures in the region, and it is supported by Maier and Starett.

We can add the Romanian contributions to these theories, the issues of regions having been studied since 1925, through the research carried out by Dimitrie Gusti, who draws up a rural monograph in 1945, and several urban monographies, and then by Victor Jinga's research, 1945, in *Transylvania's Fundamental Problems*, a comprehensive economic, social, and political image, then there comes Țigănescu's research, which lays the foundations of the input-output method in the regional economic analysis, and Ion Blaga's research, in his work entitled *Distribution of Production Forces in Romania*.

Chapter II of Part II, *Regional Development in the European Union*, presents the European social and economic model, the regional economic development model, the regional development policy, with its objectives and principles, the stages and treaties of the regional policy, the Lisbon Agenda of March 2000 and its importance, the new European economy, and informational economy, which emphasizes the development of knowledge, of services, and the fast circulation of information. We also include here the economic development forms, such as clusters and industrial districts. The chapter presents details of the European Union policy in the problems of regions.

The European model of regional economic development quantifies two aspects: the modeling of the output and that of the work factor. To achieve this, there are initiatives to adjust the local productive systems, to dynamize economic policy, the community acquis, the unique standards, to establish production quotas, the single currency, to eliminate structural regional disparities. The model is achieved by carrying out certain policies – the cohesion policy- and views the decrease in the actual discrepancies among regions, by using structural funds.

The development policy represents an assembly of planned measures promoted by the authorities of local and central public administration, in partnership with various private, public, and voluntary actors, in order to ensure sustainable and dynamic economic growth, to use the local and regional potential, to improve life conditions. The regional economic development policy has such principles as decentralization, partnership, planning, and co-financing.

The stages in carrying out regional policies have been established within treaties and financing programs of major importance.

- 1957 – The Treaty of Rome, with the participation of six countries, that viewed the reduction of the differences among regions, the support of less favored regions ;
- 1958 - the establishment of the European Social Fund, ESF ;
- 1975 – the establishment of the European Regional Development Fund, ERDF ;
- 1986 – Single European Act, which coins the concept of economic cohesion ;
- 1989 – PHARE, which represents pre- joining programs;
- 1997 – The Treaty of Amsterdam with the economic and social cohesion policy ;

- 2000- The Lisbon Agenda, which provided that until 2010 the European Union should have the most competitive and dynamic economy of knowledge, with a sustainable economic growth, with a higher number of jobs, and with a higher social cohesion.

It is of major importance to establish a new European economy, the informational economy, based on informational technology. The new economy uses nonconventional resources that are hardly exhaustible or non-exhaustible, as the knowledge potential or innovation capacity of the human capital. This type of economy has emerged on the basis of a new social structure owed to changes in the field of communication, which has led to the establishment of a new culture and of a new international society.

The new economy is a network economy or an information-based economy, which is turned into economic and social value, new industries come into being, and the existing ones change, generating changes in social life too. The main tools are the social vectors of knowledge, the technological vectors – the Internet, e-book, nanotechnology, nanoelectronics, and the functional vectors, the management of knowledge, the development of a culture of knowledge.

In this context, the European Union has shifted to the "adoption of an economic policy based on the coordination of member state policies, on the internal market and on the defining of common objectives achieved by respecting the principle of an open market economy, on which competition is free" Art. III-177, Gâlea, Dumitrașcu, Moraru, 2005, pg. 85). This policy requires the existence of a single currency –euro- and a single exchange policy. The European Union acts on the line of development and consolidation of its economic, social and territorial cohesion, with the objective to reduce differences among its regions, with special attention to the rural areas, to the areas demographically or geographically disadvantaged, or mountainous, island, and cross-border areas. (Article III-220, Gâlea, Dumitrașcu, Moraru, 2005).

The policies and actions are carried out by the aid of structural finality funds (The European Funds of Orientation and Agricultural Guarantee, The European Social Fund, The European Regional Development Fund) by related financial instruments (Art III-221, Gâlea, Dumitrașcu, Moraru, 2005), monitoring the progress in the field of economic, social and territorial cohesion. (Art III-222-223, Gâlea, Dumitrașcu, Moraru, 2005). These funds,

representing one third of the EU total budget, finance the sustainable development, and they are necessary to inclusion, being allotted to the following fields :

- the establishment of more and higher quality jobs
- new technology development
- high level research
- access to high speed Internet
- intelligent infrastructure of transport and energy
- energetic efficiency and reusable energies
- enterprise development
- improvement of skills and professional training (http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/eu-tools-for-growth-and-jobs/index_ro.htm)

We can observe that these fields are the basis of informational economy, the new economy, being tightly related among them by the circulation of information at high speed, a basic condition of this economy.

In order to achieve these objectives, information becomes an essential source of evolution on all levels, political, economic and social. The accelerated complexity of permanent change brings along the increase in the volume and diversity of information, which requires the use of informational technology and communication, ITC, having as effect the concept of informational society, with all the particularities above mentioned. The involvement of technological means leads to the modernization of public services, medical assistance, environment management, improves communication among citizens and public administration, provides a wider access to education and culture.

Economic growth is also achieved by the reduction of physical consumption and the increased effort in using information, enabling investments to be oriented towards the development of human capital. Within the informational society there occur the objectives of sustainable development, which have to base on the development of industry, of the business environment, on the innovating and cultural development, etc. Knowledge hailing from information is encompassed into products and services requiring a continuous development of learning, innovation, leading to globalization. The functioning of the market also changes,

having impact on the restructuring of enterprises and the search of new possibilities to create enhanced value. Even though major social and political issues emerge, both on national and international level, there are programs of actual actions and a specific framework of regulation, as the action program of the European Union "eEurope- An Informational Society for All". (Research-ase.ro)

Under such conditions, it is of major importance that in the field of informational technology and communication, the business community should provide products and services of high level at very accessible costs, develop a culture of economic agent competitiveness in all sectors of this type of informational economy, develop research by involving academic communities, research institutions, education and culture (Research- ase.ro).

The convergence of these dynamic factors has synergic effects and maintains technology as the main driving force in the development of regional economy, directly related to the traditional concepts of agglomeration, learning, leadership. The concept of "innovative milieu" adequately explains the manner of involving technology in regional development. It constitutes "the link between the role of technological changes and leadership, which leads to the growth of the new industrial regions and the regeneration of the older ones." (Rees, 2001, p. 107, quoted by Simson, R. J., Stough R.R., Roberts, B. H.), and analyzes various regional innovation capacities (Camagni, 1991). The concept is "the set or network of complex relations mainly informal on a limited geographical area, mostly determining a specific "image" and a specific internal „representation", a feeling of appartenance, which enhances the local capacity by collective and synergic learning processes" (Camagni, 1991:3 quoted by *Perspectives of analysis...*)

Within a framework with such particularities, there occur new forms of organization : clusters and industrial districts. The clusters (Porter – 90-98) represent interconnected firms and institutions on a geographical concentration, among which there is competition, but also cooperation and specialization.

The industrial district represents a homogeneous system of values and it is strongly influenced by social dimensions (Zucchella-2006).

In relation to the European Union policy in the issue of regions, there is a clear tendency towards a "general harmonious development and the reduction of differences among the

development levels of various regions, and the lack of progress of unfavored regions, including rural areas”. This is a policy which especially promotes solidarity and partnership among all public actors, it needs a specific legislative and administrative framework, and it is put into social-economic practice by the aid of regional planning.

Chapter III of Part I – *Strategies and regional development in Romania* – pursues the historical evolution of the country’s regionalization, the regional development in Romania, the regional development of the territory, and studies the identification of needs and elaboration of economic development on national level.

Regionalization in Romania has a historical evolution, various regional divisions have taken place along time. In the period of Romanian Principalities, in 1862, Barbu Catargiu delimits four historical regions: The North Region, The Maritime Region, the Central Region, and the Western Region.

Ruler Alexandru I. Cuza legalizes the town, the commune, and the county.

In 1938, there comes the Administrative Law which groups counties in ten districts, and in 1950, Law 5, according to the Soviet model, creates 28 regions, 177 districts, 4052 communes. Between 1968-1989 the territory is divided into 35 counties and 3 municipal administrative entities, and Law 2/1968 divides the territory into 39 counties, 47 municipalities and 189 towns. In 2007, Law 151 establishes the eight development regions.

Part II – *The analysis of the present stage of Romania’s economy* creates a detailed picture of economy at present. The reality of Romanian economy motivates the necessity of diversifying economic structure, presenting the general level of economic development in Romania, and analyzes the distance to the sources of capital and innovation.

At present, Romania is divided into eight euroregions, within Romania’s National Strategic Framework (CNSR), carrying out the activities provided in Romania’s National Development Plan 2007-2010. The regional development plans have already been made for the period 2014-2020. These eight regions are supported by the administrative and regional structure with 314 towns, 103 municipalities, 2827 communes (2005) 41 counties – NUTS III and suffer from a decrease of population due to the migration to urban areas and across borders, population ageing, and decrease of birth rate. The dissertation provides a detailed

situation of the productive sectors, exports and investments, accompanied by the most recent data provided by the Statistic Yearbook.

Another issue brought into discussion is that of infrastructure, transportation, gases, water, sewage and wastes, which are still poor, and create impediments to economic development, and to investments especially.

The agricultural sector and that of rural development, especially in certain areas, is presented with details for all the related elements:

- The demographic situation and work force ;
- Main fields of agriculture ;
- Agricultural, vegetable, animal production;
- Ecological agriculture ;
- Forestry ;
- Food industry ;
- Structure of industrial production and food processing ;
- Services for agriculture ;
- Sanitary-veterinary infrastructure ;
- Rural development ;
- Technical and public infrastructure ;
- Transport infrastructure ;
- Telecommunications infrastructure ;
- Health infrastructure ;
- Education infrastructure ;
- Culture ;
- Non-agricultural economic activities;
- Rural tourism and agrotourism ;
- SMEs in rural environment ;
- Agro-environment;
- Fishing and fish breeding;

Chapter II of Part II – *The Analysis of Resources and Priorities on Regional Level in Romania* deals with production factors on regional level, having as analysis object work, nature, and capital. The chapter also details new production factors such as technical progress, information resources, entrepreneurial skills.

Chapter III of this Part – *Particularities of Economic Development in Regions*, presents the identification of development priorities on regional level, and it represents a well-sustained social and economic research, anchored in time through relevant means, making an evaluation of the present situation and that of the future, presenting means to achieve final objectives. Accessing the sites of Regional Development Agencies, especially the pages dedicated to SWOT analyses, we present the particularities of each region, but also synthesize these data for all the regions, for a better perspective on their development possibilities.

Part III of the dissertation, *Contemporary European Approach in the Problem of Ensuring Economic Growth through Region Development*, approaches seven essential issues within Romanian context :

1. General strategy, shift of community priorities and the establishment of national priorities regarding agriculture, the problem of compliance with Lisbon and Göteborg strategies, knowledge, innovation, human capital development ;
2. Evolution and perspectives for Romania's economy ; the new cycle of programming for sustainable development in the European Union, 2014-2020 ;
3. The efficiency of resource use for investment in priority fields, with the attempt to motivate the answer to the question whether the new cycle 2014-2020 will be that of regional innovative systems ;
4. Social and economic analysis on macro level, with main aspects such as business incubators and clusters, industrial parks and their role, having as requirements basic infrastructure, competitiveness, human capital, administrative capacities, the promotion of balanced territorial development;
5. Continuing education for the present technical and technological progress;

6. The learning process and its role in regional policy. We include the geographical and economic studies on the industrial regions of Third Italy, the evolutive economic theories of the post-Ford societies as "learning economies", research as organizational theoretical action on learning organizations as "development coalitions, the study of non-economic factors in economic development – trust and the creation of networks as social capital, partnership as form of governance in Schumpeterian states with unremunerated work for the community.
7. The new era, that of business ecosystems. We study the business ecosystem and its integration role into the informational economy, the modeling, development of the ITC sector and its role in the development of the three generations of business ecosystems, the third generation developing at present, that of the digital business ecosystems. The study is made on the basic concepts: organization, emergence, coevolution, adaptability.

The role of digital business ecosystems is to contribute to a homogeneous space through the informational economic development of regions of local/European/global level. This objective activates necessary basic factors, resources, specifics, and the will to become an economically developed region. Analyzing the particularities of the eight development regions in Romania, from the 2014-2020 development plans, mentioned in the SWOT analyses, we observe that some regions present more integration potential through the fact that they employ more efforts in the development of the ITC component, providing more opportunities of economic growth on European level. These integration efforts into informational economy through the development of the ITC sector are: the modernizing of the sector (North West Region), economic development based on knowledge (București-Ilfov Region), the carrying out of the National Strategy for research and technological development, innovation, the creation of a knowledge database in the rural environment (București-Ilfov Region), the carrying out of the National Strategy regarding Intelligent Development (North East Region).

ITC is a development sector necessary to the integration into informational economy, which permits flexibility, mobility, avoids legislative and bureaucratic impediments, enables the speed of processes and communication with immediate feedback.

The digital component is vital to economic development due to the opportunities without precedent that it provides and facilitates. We can list the following:

- Information turns into economic and social value, new industries come into being and the existing ones change ;
- Changes occur in social life, on both organizational and individual level;
- New markets are identified by the opportunity provided by online marketing, through databases and direct marketing, at minimum costs;
- Business develops through the relation network among organizations, due to publicity at minimum costs (the web page) , through the spreading of information, the rapid promotion of offer and demand;
- The nature of work changes and there is an increased demand of qualified work force, thus stimulating education through the access to resources and through the promotion of e-learning;
- There is a permanent development of knowledge and innovation;
- Technology is a driving force in the entire regional development, as it involves all the elements and enables the rhythm necessary to development, not only by the speed of information or of the involvement of a huge volume of information, but because it drives all the existing elements in the efforts to adopt, use, and achieve objectives within the best period of time;
- It enables a rapid integration into the informational economy on the global level, providing a clear image of the development stage, of the strong and weak points, of opportunities and threats of the existing problems and available solutions, of the necessary resources and of the available ones, of the manner and possibilities to obtain and use them, of the permanent monitoring of activity evolution from the organizational level to the regional one, to national and global level;
- Through the promotion of the digital component, information becomes an essential source of development on the economic, social, and political level ;
- A consequence of major importance is the modernization of public services, of environment management, of medical assistance, the access to culture and education ;
- By modifying the nature of the work involved, the investment in human capital increases, as the level of work requirements increases;
- The informational economy includes the objectives targeted by sustainable development, having as basis industrial restructuring, business environment restructuring, innovative development, cultural development, etc.

The development of virtual reality, for example, is a means of immediate and permanent access for isolated areas, where the availability of information is vital.

All the elements involved have a synergic effect on the development of the digital business ecosystem, which leads to the development of the entire economy.

The development of the ITC sector and of the business infrastructure takes place on the background of conditions to improve and fix the weak points of each region. From analyzing the regional development plans for 2014-2020, we can observe that there are considerable impediments in the eradication of the informational divide, which have to be granted priority, in order to facilitate the link to the informational highway and use its advantages. Among these we mention:

- The actual existence of the information divide – South West Region
- The low number of SMEs – South West Region;
- The reduced degree of urbanization and the reduced capacity of accessing financing – South Region;
- Major rural-urban divide – North West Region;
- Low number of SMEs in the ITC field – North East Region;
- Lack of a clear vision at central level regarding the synergy of using budgetary funds in development – South Region;
- Business infrastructure not sufficiently developed and used – Central Region ;
- Limited transfer of research results and the low level of assimilation in innovation in companies – West Region ;
- Maintaining underfinancing in investment projects and sectors of public services from the state budget – North West Region ;
- Insufficient integration of ITC at firm level, especially at that of SMEs, differences that influence the deepening of the digital divide phenomenon – București-Ilfov Region.

All these impediments occur as background of digital business ecosystem development, already at the third generation, although these occur in almost all the places where all economic components come together, and their force and interaction determine prosperity and economic growth based on its knowledge and application.

The case study presents the North West Region, the Maramures-Baia Mare area, the Baia Sprie Urban Center and the Maranatur Microregion. ” the polycentric development has to contribute to the increase in life quality for urban dwellers who live close to these areas, and for the dwellers in rural spaces, generally, who , in future, will have to be better attended to in services and knowledge.”

” The polycentric network in Romania is achieved in accordance with Law 31/2001 regarding territory planning, but also according to the Concept of Romania’s Territorial Strategic Development Concept 2030, MDRL 2008 – the distribution of urban areas.”

As a result of research on the present development stage of the economy and of regional evolution in Romania, we can outline the tendencies on national level in a regional and global context. By comparing and analyzing the most recent available data, we observe that there are five regions in Romania on the list of the least competitive 20 regions in Europe, the last one being the North East Region. For a significant regional development it is necessary to have an operational public-private partnership, the extension and functionality of the innovation networks, technological development and transfer, the development of informational, human, and technical resources, the involvement in research and application of its results, the development of the ITC sector that should lead to increase in productivity and GNP. ”The Europe 2020 Strategy outlines the role of the cohesion policy as key manner to ensure intelligent, sustainable, and inclusive growth to all member states and regions. The strategy bases on three independent areas of priority that support one another : intelligent economic growth, promoting a competitive economy, and the inclusive economic growth, which promotes an economy with a high degree of work force occupation and ensures social and territorial cohesion.”

BIBLIOGRAPHY

The references consulted for the purpose of research can be grouped into several categories, with emphasis on the sources that present the latest data necessary for the illustration of the elements the research discusses.

- Theoretical works used to detail basic notions, with the priority of those that are part of the necessary theoretical basis to pursue the emergence and evolution of regional development, as well as of the future tendencies.
- Scientific papers published by researchers, especially those referring at the informational economy and its role in the evolution of regional development.
- The regional development plans published by the development agencies of the regions, especially the SWOT analyses and the details specific to each region.
- Romania's Statistic Yearbook for the data that illustrate the economic development along the years, with relevance for the economic development of the country along time.
- The EU documents regarding regional development, information platforms with relevant data.
- The bibliography includes a series of works that do not have direct reference in the text, but they were consulted in order to explain and enrich the details on notions present in the basic references.
- We have used both print and electronic works, especially those containing the most recent data that illustrate the evolution and the present stage of regional development, both on national and European level. The dissertation has benefitted from a large documentary basis with possibilities of selection and processing in accordance to relevance.

CONCLUSIONS AND PROPOSALS

Due to the present orientation towards solidarity within the economic and social development, the European model of economic development in regions entails not only a geographical delimitation of regions more developed compared to others, but also a dynamization of regional identity, whose dynamism should base on innovation as an essential condition, and which, on local level, should activate the necessary basic factors, resources, particularities and the will to become an economically developed region or in full development.

To achieve such an objective, the authorities must ensure a modern management from a financial, administrative and economic point of view, with a harmonious application of all the principles that ensure success. To attain the development objectives, they must ensure national

co-financing besides the available European resources, in such a manner that national, public or private investment should not be replaced by the resources available on European level.

The European development model in regions bases on the regional development policy, one of the most complex policies of the European Union, the objective to reduce economic and social differences acting on the development fields, on economic growth, on the SME sector, transport, agriculture, urban development, environment protection, occupation and professional training , etc. This policy bases on financial solidarity, with solidarity funds, as the Cohesion Fund, structural funds, special pre-integration funds such as PHARE, ISPA, and SAPARD. It regulates the integration manner of priority objectives as economic and social cohesion, the application of the subsidiarity principle, and sustainable development. The model of regional development and the regional development policy are part of a large European framework in which the national framework has to integrate itself, and so does the regional one.

For its full integration, Romania has to demonstrate that it can reduce the differences in development compared to the community area, and the eight development regions on its territory develop and are able to create a synergic level for the entire country.

Basing on the SWOT analyses in the Development Plans of the Regions for the period 2014-2020, we can observe that the regions display a diversity of strong points that have a favorable impact on their economy. They already have a more solid economic development foundation over which other elements have been superposed, providing the region an advantage compared to the others in various fields: the highest number of clusters, the most important transportation node, the highest number of SMEs, a well-developed business structure, a processing factory network, a significant volume of foreign investment, valuable tourism potential, free economic areas, exit to the Danube or the Black Sea, industrial concentration areas, pan-European transport corridors, etc.

The analysis above also provides a display of the weak points that hinder the economic progress. As a whole, we can mention the following: the low productivity level compared to the EU average, the widening of the digital divide, the major urban-rural differences, the amplification of poverty and social disparity, the insufficient development of the SME sector, the low degree of urbanization, the high rate of unemployment, etc.

Besides the weak points, threats to the process of regional development are also an impediment in development. Among these, the ones most common to the regions are: the increase of unemployment as a result of the deindustrialization process, the natural calamities and their consequences, transport infrastructure degradation, the maintenance of a low degree of absorption of European funds, inadequate legal framework.

Several areas are threatened by problems specific to them, as those in the coal industry, the competition posed by foreign tourism, the frequency of natural calamities and their devastating impact on those areas, preference for the imported goods in comparison to the local ones, the slow-down of economic growth.

To achieve this development stage, there must be a clear and unitary methodology to apply the principles on which the regional development policy of the European Union bases, that is concentration, programming, partnership, additionality, monitoring at the level of all the eight regions.

Taking into account their unequal development, it is necessary to reduce the differences among the development levels and the lack of progress in unfavorable regions.

However, there is no actual adaptation of theories referring at regional development in Romania, at the two major aspects of "regionalization", the territorial division and the creation of a subtotal administrative level.

The application of the European development model also views the acquiring of the community acquis, which provides equal rights and responsibilities for all Union members, forms of regional organization on European level, the Euroregions, as well as the implementation of the regional development policies.

The European policies with impact on economy are the regional policy, the economic and social cohesion policy, the Economic and Monetary Union, the Customs Union, the SME sector, the energy policy, and the agricultural policy.

Based on the allocation of funds and on the results reported, the cohesion policy becomes a development factor in all regions, and the investments in the targeted fields, environment protection, the efficiency of energy use and reusable resources, SME development will benefit from funds for them to become a support for all the other elements.

Regarding the funds allotted, we mention that although low in comparison with the opportunities provided, the absorption rate of these funds has progressively increased, from one year to the other : at present, Romania has an absorption rate of 56,3% for the year 2014, (Open Data Platform, <http://cohesiondata.ec.europa.eu/country?country=Romania>) , viewed at 5.01.2015) compared to the year 2007, when the rate of absorption was of 2,2% (according to the source above mentioned). In relation to the fields where the funds were used, the following have had priority: environment, roads, railways, human capital, SME support, innovation, research, urban and territorial dimension, energy, social infrastructure, job market, culture, tradition, tourism.

Romania has faced difficulties in the application of these European policies due to the persistence of high impact factors with the previous periods of economic and social development, as: centralism, formal adaptation to the European structures and requirements that have taken place under the pressure of the Union and the interests of integration, the division into the eight development regions being done on rather geographical criteria, without detailed analyses. Besides these causes, there are those that hail from the present social and economic situation in Romania, provided by the productive sector, infrastructure, the use of energy sources, environment protection, the problems of the agricultural sector and rural development, the migration and training of the work force, the educational sector and its problems.

The efforts to overcome these must be channeled into a general strategy, which should include community priorities, as well as to establish national priorities, such as the modernization of agriculture, the occupation of the active population, the restructuring and modernization of processing and commercialization sectors, activity diversification.

Under the influence of science and technology, of the orientation in the analytical approach and viable solution search in development, there come the regional innovative systems that have generated various trends and have contributed to the underlining of the importance of human resources in research and development. Within these trends, we find various forms of

regional development, clusters, nodes of growth, virtual clusters, business ecosystems, business incubators, techno-parks and "learning regions", which through collective learning, interactivity and relations established contribute to the achievement of synergy necessary for the economic progress of the region, and to the necessary level for European integration.

From all these innovative systems, we consider that the business ecosystem is the form with the fastest development potential, and it is the most adaptable to the conditions in permanent change, having the capacity to include all the elements of the environment in which it develops, and to develop at a fast pace, taking into account the inclusion of the digital part, which provides opportunity for it to become a nucleus of the informational economy. The digital part allows connectivity to other systems and provides the possibility for network development, including other related areas, contributing thus to the disappearance of the digital divide among these systems. The digital business ecosystems, already in their third generation, develop in locations where all economic elements converge, and the synergy of their interaction determines the economic growth of the area where they are located.

Faced with such a diversity of approach, Romania is in the first stage of building a development system, identifying the problems and searching for the adequate solutions, attempting to pursue a functional regional policy, optimizing the partnership administration-economic agents-citizens. For a positive economic development, there must be an increase in the private sector, development of the competitive economic branches, improvement in professional qualification.

At the same time, the ITC development must lead to the increase of the GNP, as it is considered that ITC has determined an increase of 40-50% in productivity along the past ten years on global level. According to those presented in *Best Practice- Development of broadband infrastructure in Romania RoNet Project*, the investment in this field views long-term benefits that should lead to economic growth, to the changes necessary to its achievement; a better connection of the areas geographically isolated, the acceleration of business activities, the simplification of access to information, the simplification of transactions, the development of the tele-medicine field, of distance education and the promotion of continuing education, the development of new teaching/learning methods, eGovernment – the development of interaction

between government and citizens, eEconomy – e-business development, the reduction of costs and the increase of firm competitiveness.

Although there are difficulties in the development of the project, from geographical conditions, high costs, population with low income and spread on the territory, to the low financing possibility by Romania, this project must be carried out due to its vital importance for the link to the informational economy.

Regarding the development of the eight regions through the prism of regional development, we observe that if Romania established the development regions in relation to more detailed analysis criteria, besides the geographical ones, there would be necessary much higher efforts and much more time in working them out, and in the implementation of development objectives. The proximity of development centers has contributed to the outlining of the economic identity of regions. The tradition of an economic branch and the development of other related ones have been selection criteria.

The geographical division has the advantage of a clear delimitation of a region, actually established through the validity of evidence referring at the composing counties, providing the possibility of a precise territorial and administrative division.

The establishment and implementation of development objectives for a long term present more precision and are targeted towards the region under discussion, enabling the concentration and distribution of resources in a more organized manner , and a more attentive monitoring of allocation, use, and efficiency.

An important role in the outlining of regions was that of the development center proximity, these developing related, complimentary fields, which established tighter relations among them and generated a regional development pole that attracted the centers around it.

The best selection criterion seems to be the tradition of an economic branch and the development of the related ones, these assisting in the outlining of the region around a main activity, which required the development of the auxiliary ones, of infrastructure, training of the work force, distribution of products, etc.

Taking into account all of the above, we can propose the drawing up of an analysis model for regions, to have a clear record of data and to maintain a high degree of accuracy, which should contribute to the creation of a solid and efficient research base. The scheme of such a model, open to improvement, can be as follows:

Table no. – Data record plan for region development

| | |
|--|--|
| Counties included | |
| Percentage of Romania's territory | |
| Number of inhabitants <ul style="list-style-type: none"> - Urban population - Rural population | |
| Percentage of the country's population | |
| Number of towns | |
| Number of communes | |
| Number of villages | |
| Competitive advantages of the region | |
| Prevailing economic sectors – turnover | |
| Productivity | |
| Energy consumption | |
| Types of operational services | |
| Service development degree | |
| Infrastructure | |
| GIP/ inhabitant | |
| RGIP/inhabitant | |
| Main development poles | |
| Standard buying power evolution | |
| Regional polycentricity index | |
| Work force | |
| Transport (types) | |

| | |
|------------------------|--|
| Education | |
| Health services | |
| Environment protection | |

Basing on such records, periodical reports on regional development can be drawn up, and their publication, in both print and electronic format, will enable their use in the fields that follow regional development.

Such efforts would contribute to the characterization of regional identity periodically updated, and would provide a basis of reference for both practice and research.

This has also been the objective of the dissertation to provide details of the evolution of the European regional development model, to present the image of a region from the perspective of specific notions, and to establish a course for future research into a direction of vital importance for the country's economy, and, at the same time, a direction to continue research, publish its results, and further pursue the field of regional development in a national, European, and global context.