

# THE ENVIRONMENT OF REGIONAL DEVELOPMENT FINANCIAL ANALYSIS

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*The paper presents the difference between the two concepts regionalism and regionalization. It also presents the three types of regionalism analysis depending on the dimension and the nature of the relations: regionalism at national level, transnational regionalism and international regionalism analysis.*

*Key words: regionalism, development, regionalization*

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## **1. Introduction**

The State, created as main governing level, goes through a crisis period, being forced to reconsider his part. The State is no longer the only frame for solving the problems that affect the society. The Providence State has appeared after the Second World War, in a moment when the problem of economic reconstruction and relaunching was being discussed, and was synonymous with assuring a general welfare and prosperity. This concept is criticized in the present in the context of the accentuation of the economic crisis, of the raising rate of unemployment, of raising the taxes and duties.

On this accentuation of the globalization process, the States are considered, on one hand, to small in order to cope with the problems that emerge at the global level – economics, security, monetary policy, etc., which leads to creating supra-states (1), and on the other hand are being considered to large in order to be able to efficiently respond to the citizens' problems, problems that can be solved efficiently especially at the regional or local level.

## **2. Regionalism and regionalization**

To understand the movements that took place at the regional level, we must make the difference between *regionalism and regionalization*.

Some authors use the term regionalism with double meaning: seen as a movement from top to bottom thus defining the *regionalization* and the term regionalism also seen as a movement from bottom to top which defines the *regionalism*.

– *Regionalism* seen as a movement *from bottom to the top*, in which the region is seen by the humans that live there as an homogenous territory, represents the awareness of the mutual interests and their aspiration towards the participation at managing theses interests. Thus, we can talk about a “regional conscience” that states that the State is too far away and too big so that it can solve the regional problems. From this meaning, the State is accused to want to impose a unitary model to the regional particularities. Thus, the regionalism corresponds to a profound desire of the local collectivities to be responsible for solving the problems that concern them directly.

– *Regionalization* means an approach *from top to bottom* and regards other purposes and means of application than the ones used by the regionalism. As an answer to the regional movement, the State can recognize a regional identity – the region seen as a territory considered homogenous by the State – and can take the necessary measures so that the regions can participate at managing their own business.

The starting point of regionalization is the regional lack of balances, more exact being aware of them. This awareness is followed by the intervention of the national governmental structures or of some supra-state entities that have as purpose the decentralization or deconcentration at regional level of some activities or competences previously existing at central level. In this case, we are dealing with administrative acts that are the expression of a central political will as regards the local/ intermediary structures.

The regionalization can appear at national level and also at international level. At international level we give as example in Europe: the Scandinavian cooperation, the cooperation between the Benelux States and recently the European Union.

The regionalization and the regionalism are concepts that describe the two movements at regional level between which there is an inevitable interaction. The regionalization mostly wants to reduce the regional economic lack of balance and an harmonious development of the entire national territory, while the regionalism implies a certain power of decision of the region as regards the regional interest affairs and affirming its identity (as regards the culture, the linguistic particularities, the ethnic particularities, the traditions, etc.). The answer to the needs of the regions is made of a State policy that has repercussions over the regional feeling and leads to reactions from the region.

The regionalism, especially in Europe, has become a concept largely accepted as a form of decentralization that reinforces and democratizes the State's power, and also in order to improve the institutionalized forms of international cooperation.

There is an evolution as regards the character of the regionalism at the European level which, from "a movement", has become a "normalized and institutionalized activity", evolving towards the concept of "pacificator regionalism". In the 1990 in the foreground has come a new type of regionalism that that it is shaped partially and under the influence of the globalization phenomenon, being characterized through the apparition of some new regions, sometimes supra-states that are not the result of an organic development and for which are created new institutions. Some analysts have researched the phenomena as regards the regionalism depending on the dimension and the nature of the relations, and they mention 3 main categories:

- regionalism at national level;
- transnational regionalism – in the case of some spaces that are united culturally and/ or economically – cooperation of Euro region type;
- international regionalism – expressed through structures of OSCE (Organization for Security and Cooperation in Europe) type.

At the same time, we must make the difference between *regionalism* – term used in the political discourse, whose finality can lead to federalization (a territorial complex made on historical and cultural bases, which gains competences in the field of public policies – is the case of the German Lands), and *regionalization* which is an administrative action, that focuses on creating larger space of cooperation and, last but not least, on defining some new administrative-territorial units. The term of regionalization is, generally, understood as the creation of a new level in the territorial organization of a State; the new institutions can vary as regards the responsibilities and the authorities created, these being always supra-imposed to the local institutions that already exist.

The regionalization is a long term process, through which the State introduces the second level of governing. The regionalization reflects an increasing tendency of identifying some institutions with a certain region, but this idea and those institutions are being extremely heterogeneous from one country to another.

The term regionalization has become larger and presumes a process through which it is created a sub-national but supra-local capacity for actions as regards the development of a specific geographic area. This process can rely on the political-administrative system that already exists

or can lead to the creation of a new territorial organization that could give better support to the social-economic increase and to an equilibrated development.

In the present there is a new relation between the local and the central level. The central and the local administration no longer compete, but have passed to collaboration on the basis of a works and responsibility division (2). The local administration is no longer a simple implementation structure, without own will, but becomes a dynamic entity which, on the bases of the solidarity of a collectivity, promotes local ideas and interests. Thus, it appears the necessity to organize a local administration that unites the important political elements of the center and the ones through which the local communities define themselves.

The continuous economic-social changes lead to the situation when the structures of the local administration take from the central administration more and more tasks, being necessary to create successive administrative reforms (3). In this situation it is necessary to make a compared analysis of the centralization and of the decentralization. The functions of the State can be divided, theoretically, on horizontal and vertical plan.

*The horizontal dimension* means the division of the responsibilities and the tasks made between the central organs of the State.

*The vertical dimension* means the existence of different levels of public administration in order to divide the power and the responsibilities.

We must mention the difference between *dividing the power* and *dividing the tasks*, existing cases when the tasks are being delegated at the inferior levels without the corresponding responsibility. In these cases, the central power makes hierarchical structures, having the possibility to control and even to annul the decisions taken at the inferior levels.

The autonomy of the different administrative levels can't be absolute, has as general limits the obligatory character for any structure to respect the existent laws. Existing through the effect of the decisional power of the Parliament, the local/ territorial administrative structures means a new level of power, not structures outside the unitary State.

The division of the tasks can be described through the couple of concepts centralization-decentralization, which underlines the alternation of the centralization periods and of the decentralization periods. The relation between the central level and the local level suffers continuous changes, changes that can be conditions by factors of practical nature.

### **3. Conclusions**

The economic sciences, respectively the economic, investigate the legislation character and the mechanisms that move the components of the economic system, at the world, regional, national, districtual or particular level in order to prevent the economic lack of balance.

The economic-regional analysis wants to underline the mutual efficient economic effort of some States from a certain part of the world, which will assure the economic prosperity of that region, and needs the analysis of a significant number of relevant indicators. The internal gross product is the synthetic indicator that best characterizes the development level of a territory, also being the base for more elaborated social-economic analysis. The present paper wants to make the analysis of the regional internal gross product through the perspective of its level and of its structure, its evolution in the period 2005-2009, the comparison of the North-West region and the national level and also as regards the other development regions, and underlining the intra-regional unparities.

#### **Note**

(1) for example the European Union

(2) The first constitution that mentions a unitary decentralized State is the Danish one, from 1848. See: Bodo Barba – “Politica regională și dezvoltarea teritoriului”, Editura și Tipografia Marineasa, Timișoara, 2003.

(3) France, the model State for a centralized administration, starting with the 70s, has passed to successive reforms, today existing at the local-territorial level, competences and prerogatives that are not according to the centralized State's principles

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