URBAN DEVELOPMENT STRATEGIES: BAIA MARE CITY CASE.

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Abstract: *Cluster development is today an option for many economic structures, given its valences of integrating complementary activities and services into a coherent framework. More recently emerging in economic theory and practice, urban clusters aim at integrated urban development. The article presents a proposal to apply the new economic development model by setting up regional clusters between county residences in order to develop them by linking and completing governmental and non-governmental institutions, research-development centers and companies in order to attract European funds and implicitly to get out of the economic latency state. We used the Baia Mare case for this purpose.*

Keywords: *urban development; city cluster; strategies.*

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1. The urbanization process

The emergence and development of cities is attributable to the functions they have achieved over time: the religious function (Mumford,1961), cities hosting temples where religion could be practiced on a larger scale; military function (Lopez, 1975), most of the cities being born around defensive fortresses or like walled cities; economic function (commercial and industrial) (Benevolo, 2003), many cities developing from the old fairs serving the needs of population exchange; the cultural function; administrative function; political function, educational function.
Starting from these functions, cities can be defined from different perspectives: the historians focus on political function, the geographers on the environment, the sociologists on the relationship between the population and the environment and on inter-human relations, and the economists on the economic function (Racine, 1993). Cities, as a form of territorial administrative organization, are known for their economic power since ancient times. They developed as centers around which later rural areas were gravitated, which ensured the flow of agricultural and industrial products (Toynbee, 1979). This is how the megapolises, population concentrations and extremely beneficial economic activities originated, but which proved to be generating major shortcomings in time: increased pollution, difficult transport, high crime rate, and so on (Burgel, 1993). Their number increased from 16 in 1900, 49 in 1950, 99 in 1960, to 250 in 2000, and more than 550 in 2020
Even if in Romania the megalopolis is not really a reality (maybe with the exception of Bucharest), urban agglomerations were felt immediately after the opening of cities after 1989. A World Bank report shows that "between 2002 and 2011, 1.1 millions of Romanians moved to the functional urban areas of Bucharest and to the 40 county residences. This move meant for them not only an increase in the standard of living, but also productivity" (BM, 2018).

The deficiencies encountered in the context of large urban agglomerations have made the internal migration of the population change its meaning: if during the flowering of the cities the rural population settled in the urban area for job opportunities, for higher incomes and, implicitly, for a better living, today, a large proportion of the urban population retreats to the outskirts of cities or even to rural areas, opting for less polluted, quieter and greener areas. Sometimes this migratory process can be seen as a form of protest "in the face of the changes and the abandonment of a society in which they do not find the place they would want" (Voicu, 2005: 2).
One such tendency, visible today, is the decline in the importance of small and medium-sized towns, even county residences (as in the case of Baia Mare), due to their inability to recover after the collapse of the mono-industrial system before 1989 and the migration flow of the population. Under these conditions, the interest focused long time on rural areas, associated with the poverty, must also be directed to the urban areas that have lost the struggle with economic development

2. City cluster development

Globalization and widespread use of information technology have led to space dispersion of production and the emergence of "advanced services"(financial, commercial, services, tourist, etc.), which has affected the functioning of urban systems (Hall, 2003).
Medium-sized cities and small cities in Romania are currently facing a double competition: the big cities in the country and the developed European regions. In order to cope with this double competition, cities are looking for specific development strategies, using the advantages and capitalizing on existing market opportunities.
The possibility of increasing economic competitiveness through the integration of several industries or services has been the objective of many economists and geographers (Audretsch and Feldman 1996, Held 1996, Lindfield 1998, Porter 1990, Roberts 1998). This was followed by the integration of urban infrastructure and services in industrial clusters to create productive nodes in urban areas (Roberts 1997, Roberts and Lindfield 2000).
The competitive advantages of integration and economic concentration have been identified by economists since the late nineteenth century (Marshall, 1890) and early twentieth centuries (Schumpeter (1939). Subsequently, in the 1990s, Etzkowitz (1993) and Leydesdorff (1995) laid the foundations of the Triple Helix concept of the university-industry-government triad relationship, including elements of the precursors work Lowe (1982) and Sábato & Mackenzi (1982) through the transition from fordism to an increasing relationship between university-industry-government in the knowledge society.
The conceptual framework of "clusters" was initiated by M. Porter (1990). "Clusters" are groups of companies and institutions co-located in a specific geographic region and linked by interdependence in the provision of a product group and / or related services. They are characterized by the geographical proximity of component elements, by offering a range of specialized and personalized services and by organizational and social dynamics, the so-called institutional fix or social glue, intense contacts and exchanges of information, know-how and expertise technique. (EU, 2008: 14).

Cluster development is increasingly receiving global attention as a form of economic development strategy involving business clusters. Only in Europe there are over 2000 regional clusters of nearly 1,000 potential, which means that not all the possibilities of regional cluster construction have yet been explored. Of the existing ones, 155 (7.68%) are considered to be very competitive, three stars, 524 (25.98%) two stars, and 1338 (66.34%), therefore it is possible to optimize the activity of the most many of them (EU, 2014).

Since it was initially proposed in 1990 by M. Porter, governments and academics have come to see this concept as a means of stimulating urban and regional economic growth. Although the types of clusters may vary according to the environment or the context in which we are interested in enhancing the competitiveness of the business, their main objective is to ensure complementarity in the horizontal economic and social development.

M. Porter proposes a model by which companies in a particular country manage to become competitive through the continuous innovation of products and services and overcome barriers to change to achieve maximum performance. Known as the "diamond" model in which there are the four determinants of competitiveness that act individually or together within a system, namely:

- Characteristics of the factors of production
- Demand conditions in the internal market for the products or services industry
- Links between industrial branches (upstream and downstream) so that within a state there may be or may be missing certain branches of suppliers or related industries
- Strategy, structure and competition of the firm, as well as the governmental context and the chance, as additional factors (Porter, 1990)

A new challenge for the development of industrial clusters is that: "In recent years, most industries associated to rapid urbanization are influenced by global forces that favour specialization and depend on widely dispersed networks rather than on linear processes like supply chains" (Choe, Laquian, 2008: 8). For many countries, City Cluster Development, well designed and implemented, has generated many benefits:

- urban infrastructure and services provided in an integrated manner for whole urban regions rather than for individual cities, towns, villages, and rural areas;
- availability of financial and other resources to develop whole urban regions by developing common taxation standards and operations throughout those regions, improving the credit rating of whole cities in the urban region, and setting up a more equitable tax burden among cities, towns, villages, and rural areas within the region;
- better opportunities for attracting private sector participation in area-wide development projects, especially those involving urban infrastructure and services;
- improved capacity for dealing with urban problems, such as environmental pollution that do not respect the political and administrative boundaries of individual cities, towns, villages, and rural areas;
- Inclusive development for both urban and rural areas (Choe, Laquian, 2008: 15).

Below are some examples of clusters that are working or are predominant in Romania:

- Balneary cluster in the Center area, Harghita and Covasna, Mureş, Sibiu, Braşov and Alba counties, the region with the richest natural resources of therapeutic value and the very diverse factors that can be used for treating many diseases
- Tourist Cluster Bucharest – Brașov – Constanța, ideal for capitalizing urban, mountain and Black Sea tourism in all seasons of the year
- Educational Cluster Bucharest – Cluj-Napoca – Iași – Timișoara superior which aims at integrating and capitalizing on the educational experience of the four major university centers and increasing the quality of higher education
- Complex Cluster ”Patrulaterul vestului” Oradea – Cluj-Napoca – Arad – Timișoara which aims to integrate transport, but also production and education infrastructure.
- FurnitureTransilvania: https://www.mobiliertransilvan.ro/
- iTech Transilvania Cluster - Cluster for Human Resources Training in Advanced Technologies http://itech.aries-transilvania.ro/
- Transnational Cluster in Renewable Energy http://www.trec-cluster.ro/
- Cluster for a Sustainable Environment - CLEMS: http://clems.ro/
- Creative Industries Cluster of Transylvania

All these prove that there are both possibilities and availability in Romanian society and among local authorities to identify new ways of sustainable and competitive economic growth and development.

3. Baia Mare City case

Maramureş County is part of the Northwest Development Region of Romania, alongside Cluj, Bihor, Satu Mare and Salaj County, and the Baia Mare county residence is considered a development pole (alongside Oradea and Satu Mare), Cluj Napoca being a pole of growth. The city of Baia Mare occupied the 50th rank in 1912, the rank of 53 in 1930, the rank 18 in 1966 and 1977, respectively the rank 17 in the years 1992 and 2002 (Ianoş, Tălângă, 1994), in other words a spectacular advance from the beginning until the middle of the 20th century, after which it remained at the same level until now.

An analysis of the current situation as the basis for a future development prediction of Baia Mare highlights several opportunities, but also numerous shortcomings.

Opportunities:

- Opportunities for cross-border development, considering the proximity of the county with Ukraine and Hungary
- The existence of local traditions and customs known and appreciated in the country and abroad
- The existence of a significant forest exploitable area and numerous private exploitation and processing of wood
- The existence of an airport which, although presently non-functional, can open possibilities for cooperation by operating races that meet the needs of the municipality and the region

These opportunities can pave the way for conceiving cross-border clusters through consultations and analyses with local authorities in the geographical proximity areas of Ukraine and Hungary, to identify areas and possibilities of cooperation, of complementarities in different economic, social, tourism, educational activities, etc.
By developing a modern transport network, Baia Mare can become a pole of supra-regional development with trans-regional influences, expanding its sphere of influence over the neighbouring areas of Ukraine. In this respect, this co-operation with Ukraine and Hungary can be done through catalytic institutions such as the Association of the Local Council of Small and Medium Enterprises, affiliated to the national body *Consiliul Naţional al Întreprinderilor Private Mici şi Mijlocii din Romania* (CNIPMMR), whose main activity is economic development. By means of this type of non-governmental associations, business relations between enterprises at regional, national or transnational level can be organized by organizing exhibitions, symposiums, trade fairs, meetings between businessmen, and meetings with financial institutions, governmental or non-governmental organizations. These activities may also be mediated by honorary consuls who may be Romanian citizens residing in Ukraine or Hungary, whose duties may be:

- to engage in stimulating the development of economic and trade relations between Romanian and foreign companies,
- to provide information on the evolution of economic, commercial, cultural and scientific activities
- Promote the Romanian cultural model in the environments in which it interacts
- Stimulating collaboration between foreign and Romanian universities
- Dissemination of information about the interests of Maramureş County on an economic or social level at the level of mass media or local governments

Another viable perspective could be the development of a tourist-ethnographic cluster that includes all communities, institutions, manufactures and spaces with visibility from all over Maramureş County. Such a Cluster could offer quality touristic services during the entire year, including: spiritual tourism (wood churches, the Happy Cemetery, local monasteries), mountain tourism (skiing during the winter and hiking during the summer, the steam train on Vaser Valley), balneary tourism, all of them being supported by plenty quality accommodation offers. The competitive advantages that the town of Baia Mare can use at this moment are as follows:

- Huge surfaces covered with forest
- The multitude of touristic objectives in Maramures – 100 monument churches out of which 8 are part of the UNESCO patrimony
- The Chestnut Tree Reservation, due to its uniqueness could become a brand for this field of activity
- 38 of protected areas
- Human resource skilled in the field of tourism

Baia Mare also has 7 museums, a planetarium, concert hall, a public library, theatres, cinemas, The Painters' Colony Art House, Stephan's Tower, Buthchers's Bastion, Monetary House, Iancu de Hunedoara House, Pocol Castle, two cathedrals and 38 churches from different religions present in the area, sports facilities which constantly attract spectators, the Cuprom tower with a height of 351 meters making it the tallest in Romania and standing as proof of the vast mining industry that used to be the backbone of the town.

A new alternative for improving the quality of life in the big urban areas could be the creativity industry. Named also cultural industries, those are activities that give incentives for individual creativity and personal skill development through recognising and safeguarding the private property right. ” (Zuhdi, 2015:1179). Some measures that would be taken in order to develop the Creative Industry could be:

- The encouragement and development of culture, sports and other recreational activities
- The implementation of thematic schools or boot camps that would offer the possibility to attend workshops and conferences
- The diversification of local industry through tourism development and knowledge based economics, while using the natural resources and innovative potential
- The encouragement of projects to rehabilitate or construct new buildings in the central areas of the town in order to better empower the current historical and cultural heritage

For Baia Mare this is a viable option considering the arts and crafts proclivity in the area.

The realization of an agricultural and eco-tourism cluster can also be an opportunity, given the attraction of some agricultural producers alongside agri-food production units and gourmet event organizers who value this potential, to make it known and to attract tourists from inside and outside the country. As a matter of fact, the agrotouristic accommodation facilities in the area already have a high flow of tourists, especially during the holiday’s season, the main attraction being the highly appreciated gastronomy of the region.

The preconfiguration of a modular regional cluster Baia Mare - Satu Mare - Bistrița - Zalău - Oradea - Cluj Napoca by identifying possible complementarities in the industry and services of the six major cities in the NW region of Romania is also a way out of anonymity and contribution consistent with the economic development of the area.

The 6 cities can be sorted by the number of inhabitants on four levels as follows: Cluj Napoca with over 300.000 inhabitants and regional functionality, Oradea with over 200.000 inhabitants, Baia Mare with over 100.000 inhabitants, Zalau and Bistrita with over 50.000 inhabitants. Baia Mare could in fact, pending on the interests and possibilities, generate different types of clusters together with some of these cities or to integrate itself in clusters proposed by others.

Not to cross of the list is also the possibility of implementing the Smart City concept for Baia Mare, meaning that an urban improvement strategy should be put together for having a sustainable development of the town especially through IT. This would mean, according to Deakin and Al Wear opinions (2011):

- The application of a wide range of electronic and digital technologies to communities and cities
- The use of ICT to transform life and working environments within the region
- The embedding of such Information and Communications Technologies (ICTs) in government systems
- The territorialisation of practices that brings ICTs and people together to enhance the innovation and knowledge that they offer.

Such an initiative could make up the starting point for the clusters because it would make the town more attractive for any potential teammates.

All these possible solutions, however, are conditioned by the existence of a transport infrastructure that facilitates mobility, high quality living conditions (housing, water, air, and waste management), an adequate educational infrastructure and a skilled workforce. Unfortunately, many of these conditions are missing as it results from the lack of colour inventory.
Shortcomings:

- The precarious state of the economy, explained by lack of investors, lack of adequate business infrastructure, limited funding opportunities and difficult access to European funds
- Environmental problems, such as the pollution caused by former mining industries (copper, lead, gold) currently in storage or closed, inappropriate waste management, which leads to further abandonment of the city in favour of internal or external locations more promising
- Social problems deriving mainly from external migration of the population and aging and lack of skills of the remaining. This is accompanied by the loss of opportunities in the field of tertiary education as a result of the annexation of the North University of Baia Mare at "Babeş-Bolyai" University of Cluj Napoca, meaning that a large number of students, after completing their studies, are heading to Cluj where they find more favourable employment conditions on the labor market
- Poor quality of the urban, metropolitan, interurban, regional, national and international transport infrastructure, which condemns the city to isolation, rendering it unattractive to potential investors (Baia Mare Integrated Urban Development Strategy, 2017)

In other words, the opportunities are few and far, the shortcomings are numerous and generating risks.
Given the current risks faced by the city today, one of the viable strategies (maybe the only one) might be to "move" the city, leaving the location that abounds in minerals to a very low depth (a few centimetres) important source of pollution. At the same time, the extraction area of these ores would be liberated, also providing jobs for the population, in a traditionally established activity in the area. In other words, it would be necessary to "overtake" the city, on other principles, on other development options, on other sites. It would have the chance to attract investors, real estate developers, to projects that should not adapt to a particular location, infrastructure, but to come up with creative, exclusive projects, which then associate the appropriate infrastructure. Undoubtedly, it would be an experiment, but an attractive and interesting one. Otherwise, it risks becoming an isolated city that will face depopulation, poverty and isolation.

4. Conclusions

At present, medium-sized cities are facing the challenge of urban regeneration, which requires urban territory to overcome territorial urban relations, regional co-operation, and resource allocation to better capitalize and, implicitly, ensure sustainable economic development.
There are many urban development strategies. Baia Mare's local administration must analyze all options and potential solutions to establish viable strategy so the city comes out of isolation and numbness. City cluster is one of these options, achievable in different variants. The analysis of the opportunities and risks that Baia

Mare presents today highlights the possibility of realizing viable clusters, conditioned by removing the shortcomings that the city faces or turning them into opportunities. In this context, a broad consultation of the authorities with Romanian and foreign experts in the field of urban development, with researchers from different domains, as well as consultation of the population civil society, media, business environment, innovation groups etc. and its mobilization in decision making is necessary.
Of course that, at this point, it's not to be disregarded the habitation function of the town and implicitly having a friendly and safe environment for the population, all that being translated into a proper infrastructure for living and traveling, cleanliness, medical services, good education facilities, communication possibilities and places to find work.

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