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Spatial Patterns of Economy and Migration in Post-Socialist Romania

WILFRIED HELLER and IOAN IANOŞ

Basic problems of economic development in countries of transition

Two endogenous problems have hindered and partially still hinder the economic development in the countries in transition from socialism to a market economy. These are the weak diversification of production and the lack of strong institutions which are necessary for democratic countries in a market economy. The reasons for the first problem were the exaggerated predominance of large economic enterprises and the planned neglect of the production of consumer goods compared with capital goods. So the system of the production structures – or the regime of accumulation as defined by the regulation theory (LIEPITZ 1986; KRÄTKE 2000) – was an unfavourable precondition for fast economic success under the conditions of a market economy. The second problem is a result of the fact that some completely new institutions had to be created and to be developed for the market economy. It is possible to differentiate between two kinds of institutions. On one side are the state or private institutions for example administration, political parties, chambers of economy, development agencies or syndicates, and on the other side are laws, rules, norms and values which determine the economic and political life. These different kinds of institutions are combined in the term “mode of regulation”.

Especially in Romania both of the problems, or more precisely, the problems of the regime of accumulation and of the mode of regulation, are still widespread due to the fact that a kind of late stalinism was practised in Romania until the end of the socialist era in the winter of 1989 (DE NÈVE 1998). There was nearly no private sector as had existed in Hungary, Slovenia, the Czech Republic and Poland. So, at the beginning of the transition processes Romania was at

a great disadvantage compared with these countries. It could be assumed that a totally new start of a market economy like a tabula rasa could be attractive for foreign investors, and that because favourable preconditions would exist in order to integrate regions affected by foreign investments into the world market. However, the foreign investments in Romania contradict this assumption because they are very small in comparison with the investments made in other post-socialist countries (RAMBOLL 1996) such as Hungary, the Czech Republic and Poland. Apart from that there was no tabula rasa on the level of the institutions. The new institutions also formed slowly (Commission of the European Communities 2002). These difficult conditions at the beginning of the process of transition (or: transformation) have to be considered if the position of Romania among the post-socialist countries is to be calculated, for example, by using the human development index. In 2000, Romania was ranked near the bottom of the table, among the East Central and South East European countries, only achieving a higher ranking than Macedonia, Albania and Moldovya.

However, there are not only large differences between the countries but also within the different countries. It is well-known that economic spaces inside transformation states are affected to a different degree by the destruction of the former production structures and institutions and the establishment of new ones. Under the conditions of democracy and the market economy there is generally free mobility of labour forces, goods, capital and information. However, this mobility is not an anarchic one. It is influenced by the given spatial differences of the socio-economic structures and by the political decisions which concern spatial developments,

as for example with the privatization of state enterprises versus the continuation of state subventions or with the modernization and extension of the infrastructure of transport and telecommunication versus their neglect. Therefore one can pose the question, which kind of theoretical perspectives can one apply with regard to the study of the development of regional disparities in the economy of transformation states like Romania? Firstly, this paper will focus on this question. It will then look at the concrete spatial developments of the economy in Romania by using statistical indicators. In conclusion, the paper deals with concepts, measures and proposals for the spatial development of the economy in Romania.

Spatial pattern of Romania's economy

Generally the spatial development of the economies of transformation states has been studied explicitly or implicitly from neoclassical or “regionalwissenschaftlichen” perspectives. These terms are used by economic and social geographers, for example by CSÉFALVAY (1997). When literally translated, the German term, “regionalwissenschaftliche Perspektive” means “perspective of regional science”. However, in this paper the term, “regionalwissenschaftliche Perspektive” is not used with the meaning of the well-known American regional science (ISARD a. REINER 1966), but as a regional approach.

The following remarks about some of the results of the selected statistical analyses of concrete spatial developments in the economy in Romania are not explicitly orientated to one of the above mentioned theoretical approaches, but consider some aspects and questions to these approaches. Above all questions such as what power of persistence spatial structures have, how they change and whether new

regional disparities arise. The research material exclusively consists of secondary statistical data. Therefore, the approach of regulation theory (or the approach of spaces of participants) can only be considered to a very limited extent.

Steering factors of the regional economic development

Regional development of the economy means processes of regional differentiation. Regions are touched by economic development in different manners, more or less intensively, by different branches and by different enterprise structures. Steering factors in the regional development in the countries of East Central and Eastern Europe are as follows (KANCS 2000):

- The regional equipment that is above all the territorial structure of production and infrastructure: Soft locational factors for example, the offer of culture and a leisure industry are obviously of less importance to the economic development.
- Regional differences of carriage: In contrast to the Western industrial countries these differences are important in countries of transition because of their inadequately developed traffic system.
- Regional differences of ecological damage and ecocide: These processes can hamper the chances for regional development, and in reality can cause negative effects to some branches of the economy, such as tourism.
- Networks of small and medium sized enterprises can promote economic success.
- From the perspective of the regulation theory there are some further steering factors: These are that institutions which can differ from one country to another can also differ from one region to another within the same country.

These factors can influence regional development if they are relatively favourable in a certain region. The success of enterprises does not only depend on the networks in which they are involved but also on the existing institutions and in particular on their embedment into the building of institutions and economic units.

Concerning Romania very little is known about the effect of other

factors which are important in the Western industrial countries, such as the economies of scale or of localisation and urbanization economies. In Romania there is also no hint as to the importance of regional differences in the cost of land, capital and labour apart from two exceptions: Firstly, it is generally assumed that the land rent will become a more and more important factor of regional development and secondly, that the official statistics contain data on the different average salaries which are paid to employees in the different branches of the economy in the 42 counties. (However, there is no indicator that the different levels of salaries have influenced investments in certain locations.)

The creation of regional disparities is a result of a combination of different factors and not by a single factor. The studies on regional developments though consider them in a different manner. Therefore, studies based on traditional theoretical approaches and above all the neoclassic one concentrate on the role of land, capital and the labour force. In contrast to that, studies on institutions and networks of enterprises prefer the regulation theory. They can also be connected with the perspective of space of actors mentioned above.

The significance of regional mobility

The free mobility of labour force, goods, capital and information is a new fact within transition countries. What are the effects of this fact on the spatial patterns? Is it more possible than before to achieve a balance between the different levels of development even if at the beginning of the transition processes a period of disparate development is to be accepted? This could be the opinion of representatives of the neoclassic approach, or do capitalistic conditions always create a disparate development? which would be in accordance with the polarization theory. At the same time are there reductions and increases in the disparate regional structures? Does the spatial or regional development nearly exclusively depend on the quality and the diversity of the given structure of production and on the location of the region with regard to capital (GORZELAK 1996)? Here "loca-

tion with regard to capital" means the distance to investors, and in particular to financially strong investors who are mostly foreign. The concentration of foreign investments in the capital regions and on the western border regions of Poland, the Czech Republic, Hungary and Romania shows the importance of the factor "distance" because the capital regions are relatively accessible. This is especially true for international air traffic, as the western border regions are relatively close to the investors from western countries. The transport system outside the capital regions of the former socialist countries is generally bad when comparing it with the industrial countries, that the distance as a locational factor has more importance than in countries with a good transport system. Is it possible that in principle new spatial patterns can generally not develop because the structures inherited from socialism possess a tough power of persistence? Do pre-socialist disparities reappear (FASSMANN a. LICHTENBERGER 1995)? Are there regions preferred by institutions for example in such a way that institutions try to direct economic investment to certain regions? What is the role of institutions like the Romanian Ministry of Economy or the Chamber of Commerce and Industry? Do they prefer to direct investments to certain regions? Do they predominantly select those regions as investment regions as they are the most developed regions with regard to economy and infrastructure? The institutions might behave in this way because in these regions the public outlay for establishing production structures can be smaller than elsewhere?

Based on the analysis and interpretation of macroanalytic data some answers to these questions will be given in a spatially differentiated manner in the next chapter. Mainly regional developments of the economy will be studied against the background of population migration. Migration represents an important indicator for regional processes of the economy because it is well-known that the population reacts to regional disparities by immigration or emigration if they are not prevented, and if the population expects any improvements as a consequence of migration.

Balance of regional disparities as a result of a reversal of the direction of the domestic migration?

In post-socialist Romania the rural area represents a potential immigration area for certain groups of the population. For the most part these are people who want to cultivate their own land again, which had been lost during socialism. In 1992 32 % of the owners of agricultural land lived in urban areas. This numbered nearly two million people. So it could be assumed that the remigration potential is large even if a large part of the owners keep their residence in urban areas. Reasons for the urban-rural migration could include the following: 1: In rural areas the opportunities for subsistence and income from private agriculture as well as cheap housing attract immigrants. The increase of the importance of agriculture can be shown by the statistical fact that the share of agricultural employees increased from 28.2 % in 1990 to 40.8 % in 2000 (Comisia națională pentru statistică: Anuarul statistic al României 1996, p. 141; Institutul Național de Statistică: Anuarul statistic al României 2001, p. 94). 2: In urban areas the push factors are the reduction of places of work owing to the restructuring of industry, the increase in prices on the housing market concerning both property and rented housing, and above all the cost of water, electricity and gas which mostly exceeds the cost of rent. This mainly concerns unemployed people and pensioners.

Indeed, the industry has dismissed many labour forces. The significance of industry with regard to employment changed between 1990 and 2000 in two respects: Firstly, the share of industrial employees decreased from 36.9 to 23.2 % between 1990 and 2000. Secondly, the absolute number of industrial employees decreased by two million during this period. This reduction is more than twice as large as the drop of all employees (50.0 % to 20.4 %). The fall in the number of the industrial employees was not compensated by a corresponding increase in employment figures of other economic branches. The number of employees in the tertiary economic sector also decreased, by 283,000, because the increasing expansion of

Country	Year	Sectors of national economy			
		Agriculture and forestry	Industry	Construction	Rest
Bulgaria	1988	19.3	38.0	8.3	34.4
	1999	26.6	25.0	4.0	44.4
Romania	1989	27.9	38.1	7.0	27.0
	1999	41.2	24.4	4.0	30.4
Hungary	1989	18.8	28.7	6.6	45.9
	1999	7.1	27.4	6.6	58.9

Tab. 1: Employment by national economic sectors in Bulgaria, Romania and Hungary 1988/1989 and 1999 (%)

Sources: Comisia națională pentru statistică: Anuarul statistic al României 1990, p. 675; 1992, p. 621; Institutul Național de Statistică: Anuarul statistic al României 2000, p. 836; 2001, p. 842

branches in this sector (trade; financial, banking and insurance activities; public administration; education; health and social assistance) have been confronted with declining branches. In principle, similar tendencies can be observed in the neighbouring country of Bulgaria. In Hungary the share of industrial employees has also diminished but without an increase in the agricultural employees as in Bulgaria and Romania (*Tab. 1*).

The comparison does not show a historical coincidence but the regular de-industrialization under the conditions of transformation. Where an economy is more developed like in Hungary, the sector of services can absorb a lot of former industrial employees. In countries with less developed economies like Bulgaria and Romania the labour forces retreat into private agriculture often characterized by the subsistence economy.

Despite the increasing number of agricultural employees the rural area is not characterized as an attractive target area of migration. The research literature on rural Romania mainly stresses the problems of agriculture with regard to financing, structure, organisation and production as well as the increase in the percentage of old people and the relatively low level of education of the agricultural population (HELLER 2001). So doubts about this thesis of re-ruralization arise. Only for a moment did this thesis seem to be convincing. Also the statistical data speaks against voluminous migrations from urban to rural areas for the following reasons: Not only has the total number of people in the rural population decreased in Romania, but also its share in the total population. In the following section the direction and the volume of the domestic migration will be

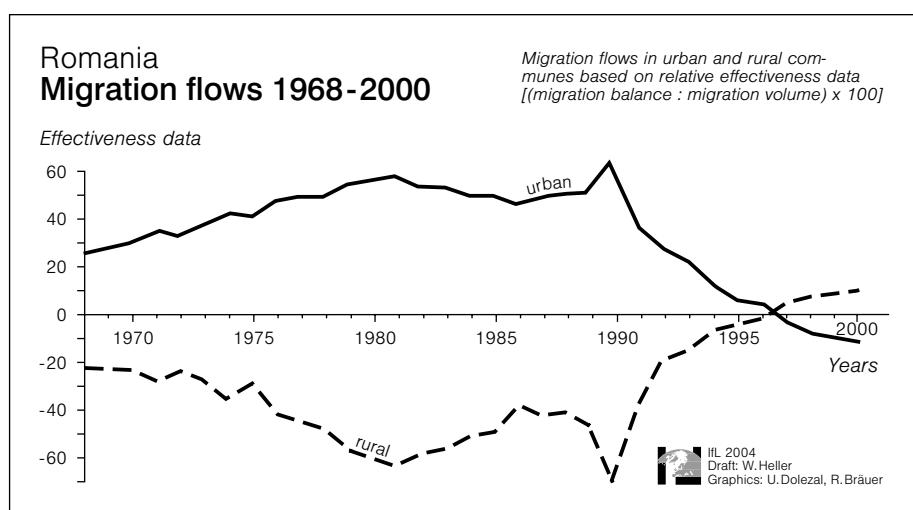


Fig. 1: Migration flows in Romania 1968 - 2000

Migration flows in urban and rural communes based on relative effectiveness data ((migration balance : migration volume) x 100))

Sources: TEODORESCU, V. (1996) und Comisia națională pentru statistică București: Schimbări de domiciliu 1995, 1996, 1997, 1998, 2000

studied because it could be possible that the change in number in urban and rural populations are strongly affected by the natural population growth. Statistical analyses show that

The small influx of people migrating to rural areas does not redress the balance of the aging population in rural areas, as the percentage of older people migrating from the urban

ures belong to the better developed areas which existed during the socialist period. These areas are the capital region of Bucharest and some counties in Transylvania (Cluj, Mureş, Sibiu), in Banat (Arad, Caraş-Severin and Timiş) and in the North West of the country (Bihor and Satu Mare). Apart from the capital region of Bucharest these territories were part of the Habsburg monarchy until the end of World War I. Therefore especially the infrastructure of these areas had already been well developed in the pre-socialist time. The socialist planning institutions favoured them because it was more efficient to invest in those regions where the locational conditions were relatively good. The county of Constanţa on the Black Sea belongs to these areas, too. The sea port economy of Constanţa has traditionally been the centre for the development of this county and of its neighbouring territories. During the 20th century tourism was also economically important. After a collapse in the 80's tourism is once again on the road to positive development.

All the other counties have shown negative figures or only very small positive figures apart from the county of Dolj in the South West because of its important urban centre Craiova and the motor industry. There the foreign investor could continue the tradition of producing car components in Craiova which also occurred during the socialist era.

Some counties favoured in the socialist period have, at least up until now, lost out due to social change. All of them are counties whose economy is characterized by large state enterprises of the mining sector (Hunedoara in the south west of Transylvania and the neighbouring county of Gorj), of the mineral oil economy and heavy industry (Prahova, Dâmboviţa and Argeş in the south of the country), and of heavy industry (Galaţi along the lower Danube as well as Braşov in Transylvania). For the moment it is quite astonishing that Braşov does not have a positive migration balance because the county has traditionally belonged to one of the most well developed regions of the country. The reason for this is as follows: During the socialist period some large enterprises with many thousands of labour-

Romania Structure of urban and rural internal migration flows 1991-2000

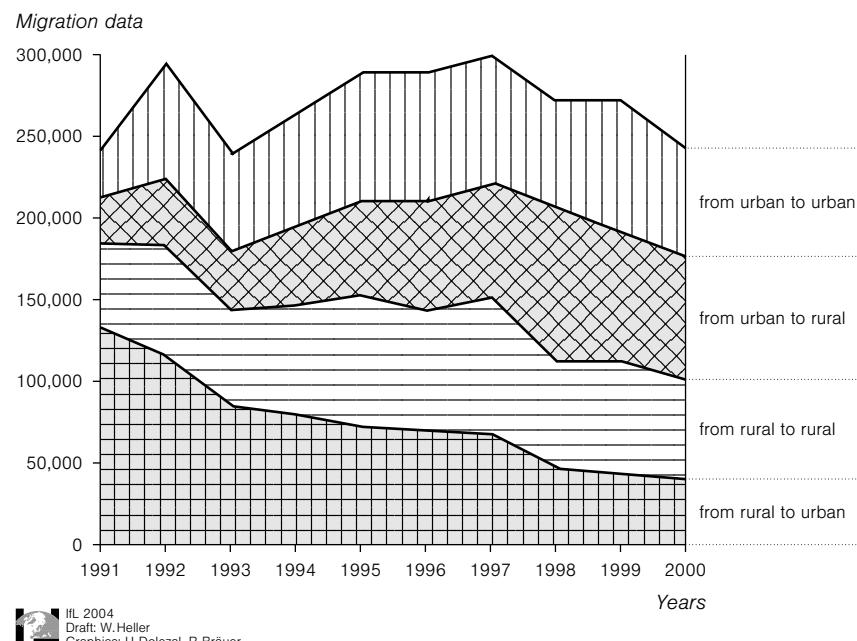


Fig. 2: Structure of urban and rural internal migration flows 1991 - 2000

there is no general urban-rural migration. The regional differentiation of this migration must at least be considered because a re-agrarisation must not correspond with a change in the place of residence. (Here, re-agrarisation is understood as an increase in the number and the percentage of agricultural employees.) Urban people can commute to the rural areas in order to cultivate their land which they received in the course of the privatization process.

Since 1997 the urban-rural migration has been greater than the inverse migration. In total the migration effectiveness is small (Fig. 1) because the urban economy is desolate, and life in rural areas does not offer a long-term alternative. So since 1999 the urban-rural migration flow has decreased. The three other kinds of migration flow which are the rural-urban, the rural-rural and the urban-urban flows have already diminished since 1997 (Fig. 2).

areas is proportionally high. This is an additional sign which indicates that young people generally do not have hopeful prospects concerning their life in rural Romania.

Have regional disparities of the socialist period continued up until the present or have pre-socialist regional disparities returned or have new kinds of regional patterns arisen?

Migration figures can be used as indicators of the level of development. They can reveal regional disparities. In the following chapter these disparities are studied focussing on the 41 counties and the capital region (municipality of Bucharest) of the country (Fig. 3).

Counties with positive migration effectiveness figures are regions which attract migrants more intensively than other regions because of their relatively high level of development.

Most of the counties which have positive migration effectiveness fig-

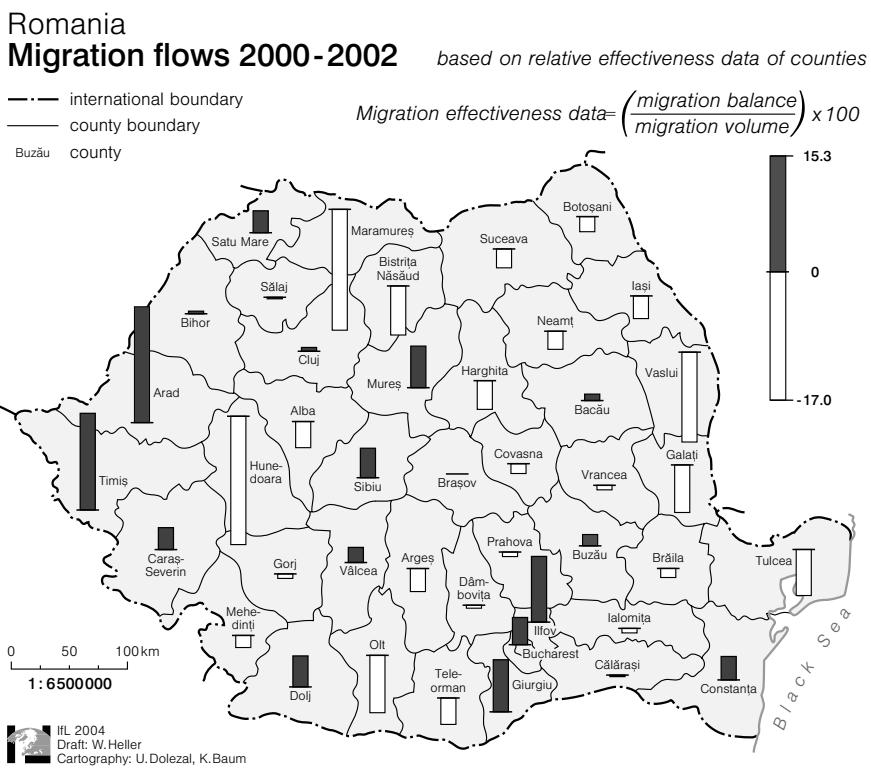


Fig. 3: Migration flows in the counties of Romania 2000 - 2002 based on relative effectiveness data

Sources: Comisia națională pentru statistică București: Schimbări de domiciliu 2000, 2001, 2002

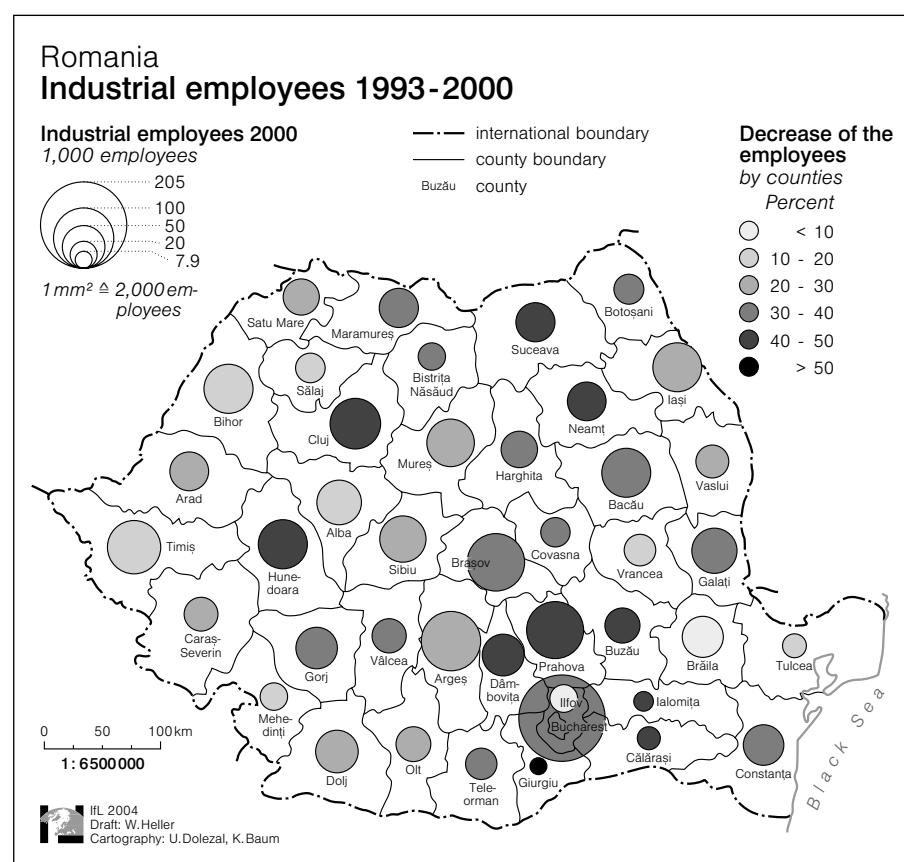


Fig. 4: Industrial employees in Romania by counties 1993 - 2000

Sources: Comisia națională pentru Statistică București: Anuarul Statistic al României 1994, p. 748;

Institutul Național de Statistică: Anuarul statistic al României 2001, p. 632

ers were based in Brașov. They nearly collapsed completely after the political change (factories for the production of tractors and trucks and other things). The consequences were mass redundancies as had also happened in the mining regions. However, in the meantime Brașov seems to be on the road to recovery because of its traditionally good locational factors.

The northern and eastern peripheral regions of the country continue to be disadvantaged regions as they have been since pre-socialist times.

At this point the answer to the above questions is the following one: The winners are now some of the regions which were already winners in socialist and pre-socialist times. These include the capital region, some other traditionally cultural and economic centres as well as large parts of Banat and Transylvania. The spatial patterns are new in two respects: Firstly, former strongholds of the socialist economy, which include regions with huge mining and heavy industry enterprises, have suffered mass redundancies, which have resulted in mass migrations, partially back to the former home regions of the labour forces. Secondly, the western border regions are reaping the benefits of the proximity to the capital of western countries.

This answer based on the study of migration data is supported by economic and socio-demographic indicators. For example it is possible to confirm that traditional regional disparities still exist by using the share of employed labour forces of the secondary and tertiary economic sectors. The new features of the spatial patterns can be revealed by applying the reduction of the share in the industrial employees (Fig. 4). The most intensive reduction is registered in such counties where large state owned enterprises of the mining and oil industry as well as heavy industry exist, such as Hunedoara and Cluj in Transylvania and Prahova and Dâmbovița in Southern Romania. As mentioned above it has already been seen (Fig. 3) that these regions have been affected more by emigration than by immigration apart from the county of Cluj where the tertiary economic sector has expanded significantly. Therefore in Cluj the number of

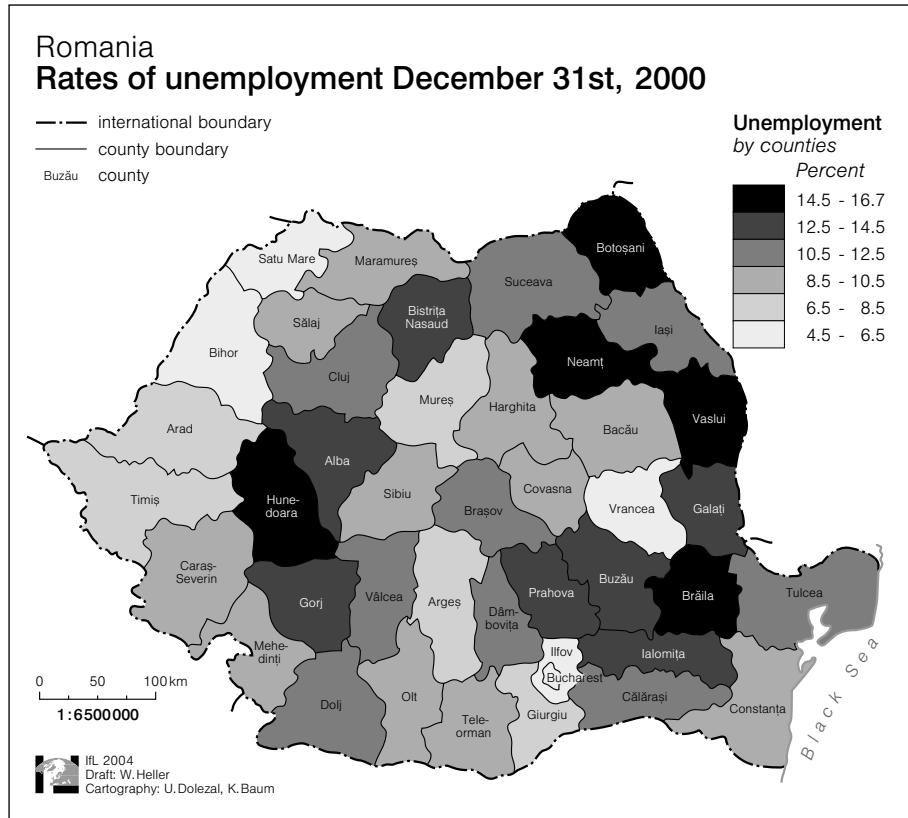


Fig. 5: Unemployment rates in the counties of Romania December 31, 2000
Source: Institutul Național de Statistică: Anuarul statistic al României 2001, pp. 674 - 677

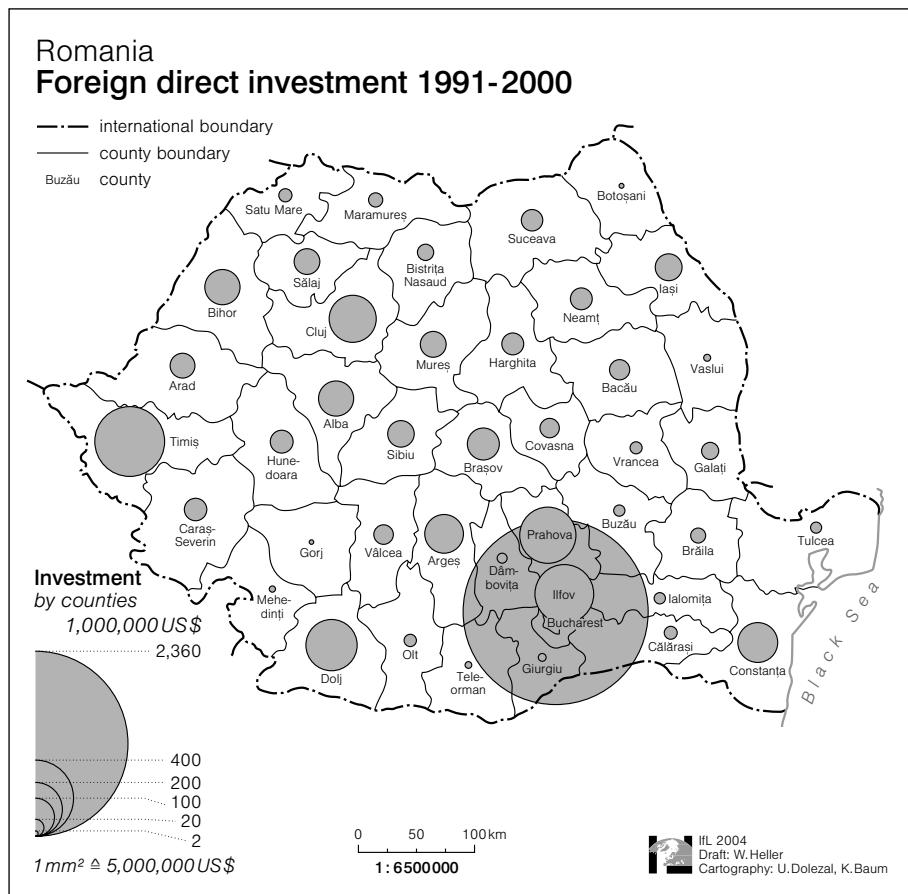


Fig. 6: Foreign direct investment in the counties of Romania 1991 - 2000
Here: absolute figures (US\$)
Source: Comisia națională pentru statistică București 2002

emigrants only slightly exceeds the number of immigrants.

The relatively high positive migration balance figures of the counties along the western border reflect the relatively low unemployment rates (Fig. 5). The outstanding position of these counties belongs to the new characteristics of the spatial pattern of Romania's socio-economic development. These counties are also partly preferred by direct foreign investors (Fig. 6). After Bucharest the county of Timiș attracted the highest amount of investments out of all the counties. Apart from that the spatial pattern of the foreign investments corresponds to the traditional pattern of regional disparities.

The western border region makes an above-average profit from the foreign investments. The smallest sums of investments go to the counties along the eastern and northern border. The southern border region shows more investments than the counties along these two borders because of the investments of the South Korean car industry enterprise Daewoo in the county of Dolj and of the investments in the port city of Constanța. Without these two counties the southern border region would be the least affected by foreign direct investments (Tab. 2).

The spatial concentrations of the foreign investments can be explained not only by the above mentioned steering factors of regional economic development but partly by also applying the terms "neighbourhood effect" and "hierarchy effect" of the innovation and diffusion research. By doing so, the spatial pattern of investments is understood as diffusion of innovations.

According to the innovation and diffusion research two facts are important with regard to the process of diffusion: Firstly, spatial closeness plays an important role because personal contact between the innovators and the adopters of the innovation is easier when they are located in the same neighbourhood. Personal contact promotes the diffusion. So, these neighbourhood effects can explain the special preference to the western border regions by foreign investors. Secondly, the diffusion is influenced by the existing economic structure and the institutional opportunities for

Regions	1990 - Nov. 1999 (1)	1991 - 2000 (2)
Capital region and county of Ilfov	5.47	5.58
Border regions		
• West (counties of Timiș, Arad, Bihor, Satu Mare)	1.02	1.07
• North (counties of Maramureş and Suceava)	0.27	0.18
• East (counties of Botoșani, Iași, Vaslui, Galați, Tulcea)	0.23	0.15
• South (counties of Constanța, Calarasi, Giurgiu, Teleorman, Olt, Dolj, Mehedinți, Caraș-Severin)	0.53	0.46
Rest of Romania (21 counties)	0.46	0.49
Romania total	1.00	1.00

Tab. 2: Foreign direct investment in Romania 1990 - Nov. 1999 and 1991 - 2000, by selected regions (US\$)

Here: Relations between the shares of the direct investments of the regions and the shares of the numbers of the inhabitants of the regions with regard to the numbers of all inhabitants of Romania

Sources: (1) Colectia Biblioteca Oamenilor de Afaceri: Investiția străină în România. Sinteză Statistică, nr. 22, 1999; (2) Institutul Național de Statistică. București 2002

information as well as for support in the organisation of enterprises ready for innovation investments. These conditions are mostly more favourable in central places of high hierarchy. So these effects of hierarchy can explain the concentration of foreign investments especially in the capital region, but also in some other central regions as mentioned above in the urbanized region of the county of Prahova (north of Bucharest) or in Craiova (county of Dolj).

Another insight of the innovation and diffusion research can be applied in order to understand the regional economic development in Romania: In the course of time the neighbourhood effect slightly diminishes, and the hierarchy effect dominates more and more (GIESE 1978). So, in Romania the high concentration of the foreign direct investments in the capital region and the surrounding county of Ilfov has increased in the course of the years since the political

change. The shares of the border regions decrease (Tab. 3).

Concepts, measures and proposals for the regional development in Romania

Up until now, the best known concept for regional development since the radical political change is part of the so-called Green Paper from the Romanian Government and the EU Commission. It was published in 1997. Due to this concept the regional policy of Romania must above all consider three main tasks:

Firstly, because Romania wants to become a member of the EU the country must create a structure of planning regions in harmony with the EU principle of support. The present administrative units, comprised of 41 counties and the capital, are not suitable for an effective planning and distribution of the financial grants for regional development. Due to the statistical terminology of the EU the counties of Romania belong to the level 3 of territories ("Nomenclature des Unités Territoriales Statistiques"; abbreviated to NUTS). However, there are no regions of Nuts level 2. Therefore, the counties have been combined and are comprised of eight development regions (Fig. 7). Up until now, these regions only had functions for regional development and not for political administration.

Secondly, it is necessary to concentrate financial support on certain priority regions with special problems of development, because lack of money does not allow blanket coverage support. The Green Paper presents six categories of such priority regions.

Thirdly, regional policy should not only reduce regional disparities, but it should also find ways to promote development in disadvantaged areas. This can be done by integration of the sector activities and the encouragement of interaction between economic partners. For example: Economic enterprises should cooperate with each other and with institutions of administration in order to build networks. In this way they could create a favourable climate for regional development.

Besides the concept of the Green Paper of regional development other initiatives to stimulate and develop

Regions	1990 - 1995 (1)	1996 - 1999 (2)	1991 - 2000 (3)
Capital region and county of Ilfov	44.9 %	61.4 %	56.8 %
Border regions			
• West (counties of Timiș, Arad, Bihor, Satu Mare)	12.4 %	8.6 %	10.4 %
• North (counties of Maramureş and Suceava)	2.5 %	0.9 %	1.0 %
• East (counties of Botoșani, Iași, Vaslui, Galați, Tulcea)	4.0 %	2.1 %	1.8 %
• South (counties of Constanța, Calarasi, Giurgiu, Teleorman, Olt, Dolj, Mehedinți, Caraș-Severin)	14.9 %	5.5 %	7.7 %
Rest of Romania (21 counties)	21.3 %	21.5 %	22.3 %
Total	%	100.0	100.0
	Surn	1.34	4.6
		billions	billions

Tab. 3: Foreign direct investment in Romania 1990 - 1995, 1996 - 1999 and 1991 - 2000, by selected regions (US\$)

Sources: (1) RAMBOLL (consulting groups): Disparități regionale în România 1990 - 1994, București 1996, pp. 12; (2) Colectia Biblioteca Oamenilor de Afaceri: Investiția străină în România, Sinteză statistică, nr. 22, 1999; (3) Institutul Național de Statistică. București 2002

Romania Rural development 1998/99

Regionalization based on an analysis of relative structural strengths and weaknesses 1998/99

Indicators of the following 7 categories were used:
physical geography, demography, economy,
housing, infrastructure, social facts, ecology

- international boundary
- boundary of development regions (NUTS 2-level)
- county boundary (NUTS 3-level)

Buzău county

- regions where favouring factors of development prevail
- regions where limiting factors of development prevail
- regions with a medium situation

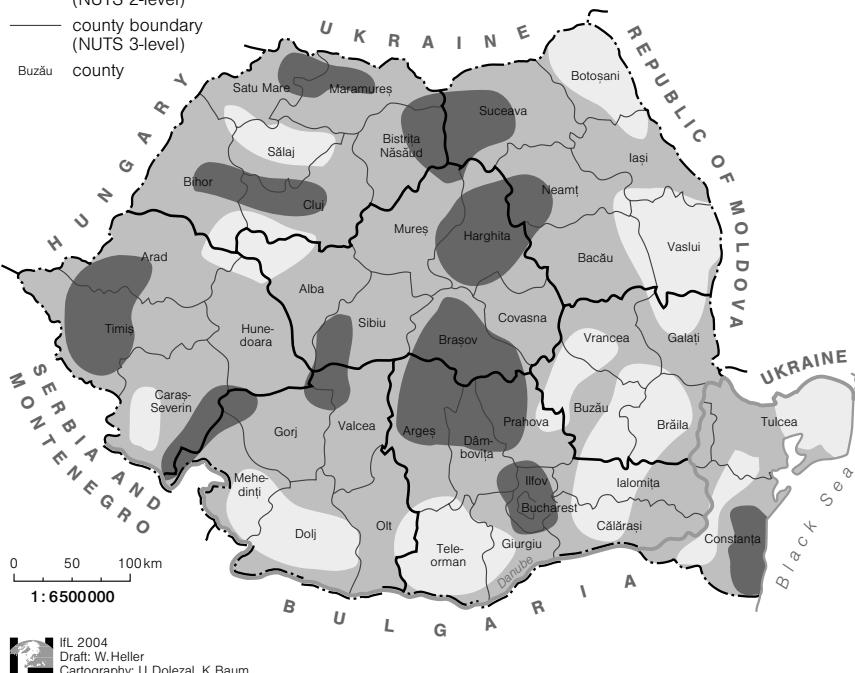


Fig. 7: Rural development in Romania

Regionalization based on an analysis of relative structural strengths and weaknesses (1998/1999)

Source: Ministry of Agriculture and Food of Romania (Ed.) (1999): Green Paper on Rural Development, Bucharest (here: Modified presentation of Fig. 2)

regional potential at county level are known (compare for example IOSIP a BALASA 1999). Furthermore, proposals are made to complement cooperation of counties by cooperation of communes (ALBERT et al. 1997). Micro-regions of Nuts level 4 could be formed by such cooperation (compare VINCZE 2000, pp. 161 - 183).

The central government ought to grant more possibilities for self-determination not only to the counties and to the eight development regions but also to the communes. Then more engagement "from below" could be expected. The existing institutional network of the ministry of agriculture which is represented in each commune by two employees, and the association of agriculture (a NGO existing in some regions of the country) as well as associations of farmers could be used for cooperation. The spaces of these activities where counties and communes cooperate with

other partners could be called "spaces of partners".

It will be an important task for Romania to build up a permanent monitoring system with regard to regional development and to carry out scientific analyses as has already been done with some examples of analyses of strengths and weaknesses in some regions, such as in the region along the Hungarian border, the Apuseni mountains in the north west of the country, the county of Alba in western Transylvania and the Danube region (IANOS 2000).

The development of border regions will play an important role in the frame of Romania's integration into Europe. After the opening of the borders as a result of the collapse of the socialist regimes some justified hopes arose concerning the dynamic development of border regions that have already happened in the western border region as shown above. Apart

from this hopes have still not been fulfilled. This is also true for the four Euroregions although they should offer good pre-conditions for cross border cooperation (DOBRACA 1999).

Concepts, measures and proposals especially with regard to rural development in Romania

In the 90's some economic projects aimed especially at rural development were established. These projects were partially subsidized by the PHARE programme of the EU. Among them are for example projects like the establishment of agricultural cooperatives in mountain regions, the encouragement of pluri-activities and projects to support rural tourism. It is the intention of these projects to respectively build and to strengthen networks of private households which offer accommodation for tourists. The two largest networks developed by non-governmental organizations are ANTREC (National association for ecological and cultural tourism in rural Romania) and FRDRMR (Federation for the development of mountain and rural areas). In 1997, these networks consisted of nearly 1,800 private households in 182 communes (VINCZE 2000, p. 15). Apart from these large projects there are some smaller regional and local initiatives (TURNOCK 1999, p. 37).

The Romanian Ministry of Agriculture elaborated on the so-called Green Paper for rural development (1999), in order to be prepared for the application of the SAPARD programme of the EU (SAPARD = "Special Accession Programme for Agriculture and Rural Development"). It is the first comprehensive document for planning and carrying out actions concerning integrated rural development. It contains a diagnosis and a strategy for rural development as well as a presentation of the institutions at national and regional level which will continuously observe the rural development and make proposals for development.

Figure 7 gives an impression of the contents of the Green Paper for rural development. The figure shows the structure of the country by regions which differ in favourable and unfavourable factors for development. These factors have been identified through the analysis of strengths and

weaknesses classified by seven categories. The result is as follows: Ten regions belong to the spatial type 1 where factors favouring development dominate, and eleven regions belong to the spatial type 2 where factors limiting development prevail. All other regions which represent the largest part of the country are classified as regions with a medium situation (spatial type 3).

The Green Paper outlines strategies for rural development and measures to apply them on the basis of the above mentioned analysis of strengths and weaknesses. This document is a basis for institutions which apply for financial support by the EU SAPARD programme.

Prospect

In Romania, more opportunities for endogenous development must be identified. For that it is necessary to create awareness among the population on as broad a basis as possible. The cooperation culture of the different administrative units should be encouraged and strengthened. The decentralization of the Romanian regional policy and the published considerations and proposals for agricultural and rural development are important steps. The current preparations for the EU accession and the integration into other alliances will be supportive but they must be accompanied by internal political and social improvements. At long last the regional development will be crucially affected by the role of Romania as a whole within the world economy system.

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