

Strategies for reducing regional disparities in Romania

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Assesment of the regional disparities

- Gross Domestic Product per capita;
- Unemployment rate;
- Demographic indicators;
- Indicators of infrastructure, education, pollution etc.

Consequences of the regional disparities

- Tensions between regions and the Central Governments;
- Separatist movements;
- Migrations from the rich to the poor regions etc.

Instruments of reducing regional disparities

- Infrastructure investments;
- Programs of social inclusion, education etc.
- Fiscal facilities;
- Programs of industrialization etc.

Relevant circumstances for the strategies designed to reduce regional disparities

- Particularities of the country administrative division;
- Characteristics of the regions (predominantly rural, predominantly urban, intermediate etc.);
- Corruption;
- Ideology;
- Electoral aspects;
- Ethnic compositions of the regions etc.

Stages in the development of Romania's historical provinces

1. Interwar and World War II Capitalism (1922 – 1945);
2. Socialism regime (1945 – 1989);
3. Transition period (1990 – 2006);
4. Post- transition (2007-2021).

Interwar and World War II Capitalism (1)

Before World War I, the Romanian Old Kingdom (1881–1918) included three provinces (Muntenia, Moldavia and Dobruja) with predominantly agrarian economies.

As a victorious part of the war, Romania gained other territories:

- Transylvania and Banat with relative industrialized economies;
- Bukovina and Bessarabia with agrarian economies.

Interwar and World War II Capitalism (2)

Difficulties in integrating the different economic and social systems of the Romanian provinces;

The complex external context aggravated these difficulties.

Efforts for improving the quality of life in the poorest region: Bessarabia.

Interwar and World War II Capitalism (3)

- In 1940, Romania lost Northern Transylvania, Bessarabia and Northern Bukovina.
- Between 1940 and 1944, as an ally of Germany, Romania regained Bessarabia and Northern Bukovina; it also occupied vast territories in the Eastern Ukraine, including the strategic port of Odessa.
- At the end of the war, Bessarabia and Northern Bukovina were lost, while Northern Transylvania rejoined Romania.

Socialism regime (1)

- Communist ideology favored an accelerated industrialization in the predominantly agrarian economies.
- Gheorghe Gheorghiu-Dej, the leader of Romanian communists from 1947 to 1965, expressed the concern regarding the development of poor regions Moldavia, Oltenia (the Western part of Muntenia) and Dobruja.
- Programs of public investment in heavy and chemical industry in Moldavia and Oltenia;
- In Dobruja, the project of building the Danube - Black Sea Canal, started in 1949, was abandoned in 1953.

Socialism regime (2)

- In the South of Moldavia it started the gigantic Galati Steel Works building.
- Significant migration of labour force from rural to urban areas and from poor to rich regions.
- Nicolae Ceausescu, the sucesor of Dej, amplified the industrialization process.
- In Oltenia new units of heavy industries were created, including companies for manufacturing cars and aircrafts.

Socialism regime (3)

- In Dobruja, the building of Danube - Black Sea Canal was resumed and finalized in 1987; a nuclear plant was set up at Cernavoda.
- In Moldavia, Galati Steel Works was developed; new units of heavy industry were built.
- The ecological aspects were very often neglected. The efficiency of the investments were sometimes overvalued.
- Such measures led to a regional disparities decrease.

Transition period (1)

- After the communist regime fall, in 1990, a significant decline of the national economy occurred; many investment programs were abandoned.
- The public administration was weakened by an inconsistent legislation and by corruption.
- The regional disparities have deepened.
- In general, the population from the poor regions voted with the political parties viewed as “nostalgic about the communist period” and antireformist.

Transition period (2)

- The genesis of so-called “local barons” (political leaders at local levels); they bring votes for the Central Government and instead obtain funds for investment in their area of influence; large parts of these funds were frauded or ineffectively used.
- In the poor region of Moldavia: dissatisfaction about the insufficient funds delivered by the Central Government.
- In the relatively rich region of Transylvania: demands for a profound decentralization.
- Ethnic tensions aggravated by the accusations of deliberately lack of investment in infrastructure from the regions where the Hungarians are majoritar.

Post-transition (1)

In January 2007, Romania adhered to the European Union.

- Significant opportunities for achieving substantial funds that could be used in reducing the regional disparities.
- Some practices from the transition period persisted; in many cases, the funds provided by the European Union or by the Central Government were frauded or ineffectively used.

Post-transition (2)

Nowadays, in the framework of “The Recovery and Resilience Facility” provided by the European Union, Romania asks for funds that represent about 29 billions euro. A part of these funds are destined to the infrastructure from poor regions.

Recently, the Romanian Government announced another program of about 10 billions euro destined to develop local communities. The dissensions within the Government coalition regarding the use of these resources provoked a political crisis.

Conclusions

In some aspects, the strategies of communist regime were more effective than those elaborated by the democratic regimes. However, the profitability and ecological aspects of these strategies were very often neglected.

At present, Romania could still fructify the opportunities of using substantial funds to reduce the regional disparities.

THANK YOU

FOR YOUR

ATTENTION!

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