# The development areas - between cohesion and disparities

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Article history Received: April 2013 Received in revised form: July 2013 Accepted: August 2013 Available online: September 2013 **ABSTRACT:** The current development regions are composed by counties with very different development levels, and the urban centres they include are also characterised by different polarisation abilities. Great differences persist among the Romanian development regions, created in order to mitigate the development discrepancies existing in Romania. The comparative analysis of socio-economic development, attractiveness and quality of life benchmarks, from the beginning of these territorial constructions to the current time, seeks to outline the extent to which they have led to a rebalancing or, on the contrary, to greater disparities, not only within the development areas themselves, but also at national level.

KEY WORDS: development area, disparity index, intra-regional disparities, inter-regional disparities

### 1. Introduction

The emergence of development regions in Romania is connected to the need of a framework for implementing regional development policies, being viewed as appropriate given the existence of conspicuous economic and social disparities, at inter-regional level. Development regions were defined based on the criterion of the potential functional integration. Consequently, 8 development regions were established around polarising centres. In the demarcation of the regions other criteria were also considered, e.g. the criterion of the complementarity of resources, of economic or social activities, functional links. In this context, the analysis of interregional and intra-regional disparities at the moment of the establishment of the development regions and in the year 2010, at various levels (demographic, economic, and social) may indicate the extent to which these forms of organisation have proved their effectiveness. Did gaps between development regions and within them narrow during this period or, on the contrary, did they widen?

The analysis of disparities at inter-regional and intra-regional level has been, so far, the subject of numerous studies, most of which were launched by coordinating bodies of the development regions existing in Romania at the moment. There are studies on disparities in all the development regions (North - East, West, South East, Centre, North - West, South, South - West and Bucharest - Ilfov) in addition to complex studies conducted at national level (D. Sandu, M.

Preda). Noteworthy and relevant analyses of territorial disparities, from different points of view, have been carried out as part of doctoral theses (C. Ancuţa, D. Tudora, I. Cimpoieru) or research projects (C. Braghină). On the other hand, the theoretical framework for the analysis of disparities in the context of regional development has been outlined, in the Romanian area, thanks to the work of prominent geographers and economists (C. Popescu, I. Ianoş, J. Benedek, D. Antonescu, V. Surd).

### 1.1. Territorial disparities - an inherited reality in the Romanian area

The term "disparity" implies the idea of inequality and is synonymous with terms such as "differentiation" and "lack of similarity, balance, or concordance." The notion was taken from the French language, denoting "the absence of harmony between elements; lack of similarity; diversity, heterogeneity. From the etymological perspective, the word is derived from the Latin "disparilitas" (Ancuţa, C.,2008, p. 17). Most studies on disparities acknowledge that the notion suggests inequality, while geographers argue even that it is not merely a random imbalance, but rather an injustice encountered in various fields, which can negatively or positively influence the development and smooth functioning of a particular area. R. Brunet posits that disparities are experienced as inequalities and stem from insulation or an inadequate, inauspicious social climate, generating an inequality of opportunities (Brunet, R., 2005).

The territory of Romania, which in historical terms was constituted less than a century ago, has been and remains an area where inter and intra-regional disparities unfold, despite efforts at levelling undertaken by the authorities in the last half century. The existence of inequalities in economic development, generating and other types of discrepancies, is primarily due to the distinct historical and socio-economic context in which the different parts of the current national territory evolved. While the Western half of the country, including Banat, Crişana, Transylvania, Maramureş and Bucovina evolved in regional structure of a semi-peripheral type - the Habsburg Empire, subsequently Austro-Hungarian – the south and east developed within a peripheral type of regional context, dominated by Constantinople (Benedek, 2010). These different affiliations generated discrepancies in economic development, especially in the early industrial development (18<sup>th</sup> century in the West, and the 19<sup>th</sup> century in the South and East). In 1918, at the formation of the Romanian national state, differences existed and were very marked. This configuration of the Romanian economic space was a reality in 1930 too, despite attempts to mitigate the differences undertaken by the authorities of the young nation state.

After World War II, the centralized policy of the communist state had as stated aim the balanced development of all the regions of the country, favouring investments in the eastern and southern half of the country. Nonetheless, the regions of Moldavia and Oltenia continued to be the most underdeveloped economically, amid explosive demographic dynamics, while the capital, Transylvania and Banat remained attractive regions, with a higher level of capitalisation of the socio-economic potential.

After 1989, in the context of the market economy, and especially in the context of the European Union accession, the mitigation of inter- and intra-regional disparities emerged as an objective of regional development policies, supported financially by the European Union. In order to create the spatial context of the implementation of regional development policy, 8 development regions were created in Romania, completely or partially overlapping the historical regions. These development regions reproduce essentially the regional differences that emerged through the history (Benedek, 2010), and their existence and the regional policies that were created did not produce dramatic changes in the architecture of the Romanian space. Inter-regional disparities

continue to exist, and the intra-regional actually seem to have deepened. The economic space continues to be dominated by capital, which has an increasing polarisation role, while development corresponds increasingly to the "polarised regional development model", dominated the capital and a few major urban centres (Benedek, 2010).

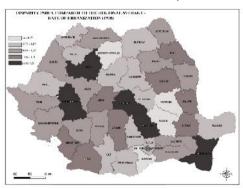
### 2. Methods

The analysis of intra- and inter-regional disparities was performed by calculating and comparing the disparity indices (the ratio of the various components factored in for the reference territorial unit - i.e. county - and the same component at national and regional levels) in 1998 (the year the development regions were established) and 2010. The variables considered were chosen to reflect the past and present situation, both from the economic and the social and quality of life perspective (income level/capita, urbanisation rate, unemployment rate, the number of physicians per 1,000 inhabitants). To outline an overview of how the regional disparities in Romania evolved in the context of the existence of the development regions, for each of the two years and for each county an individual composite index of disparity was then calculated.

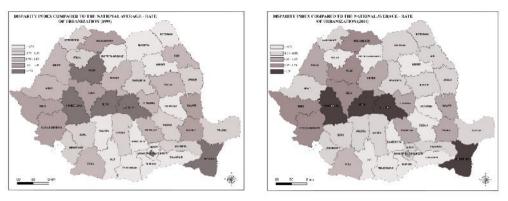
# 3. Results

### 3.1. Territorial disparities in urbanisation levels

The level of urbanisation of a region is an important factor in economic development and in Romania, in the context of a relatively low and partly artificial rate of urbanisation, there are important differences between the most urbanized counties (Braşov, Constanţa, Hunedoara) and counties with the largest share of the rural population (Giurgiu, Teleorman). The index of regional disparity compared to the national average reflects a mitigation of the differences between the regional urbanisation average and the national one only in the South - West Oltenia region, and greater polarisation of the urban population in the Bucharest – Ilfov region. Analysing disparity index of counties to the national average, few significant changes are observed and these are mostly negative. The most significant positive changes were recorded in the North – East region, where the counties of Suceava and Botoşani gradually approached the national average, while lasi and Bacau counties moved away from the average.





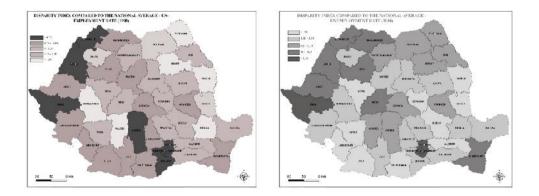


**Figure 1.** Disparity index compared to the national and regional average – rate of urbanisation, 1998 and 2010.

At the same time, a widening gap with the national average is observed for the counties of Arad, Buzău, Harghita, Sălaj, which in 1998 too were characterised by major differences compared to the national average. Examining the disparities compared to the regional average, i.e. the degree of homogeneity of the regions from this perspective, rising homogeneity is noted for the North -East region and increasing disparities in the Central region, where the county of Harghita is shifting further from Braşov. At the regional level, a more considerable number of negative changes were recorded (increases in the disparity index compared to the regional average) than positive changes (recorded in the counties of Suceava, Giurgiu, Ialomita and Maramureş).

#### 3.2. Territorial disparities in unemployment rates

Unemployment is at once an indicator for the level of economic development and for the quality of life. A positive trend in the indicator is observed for the 1998–2010 period, on the whole, and the preservation of a largely similar configuration at the local level. One notices that Bucharest and Ilfov county have maintained the same position, with an unemployment rate significantly below the national average in both 1998 and 2010. Favourable conditions recorded in 1998 in the North - West and West regions persisted in 2010, indeed with a slight improvement in the values for the West region. The highest unemployment rates compared to the national average were recorded in 1998 in the North - East, followed by the South - East region. In 2010, a clear improvement of the situation in the region North - East is observed, and a deterioration of the disparity index compared to the national average in the South and South – West regions.



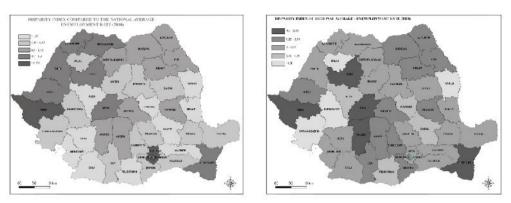
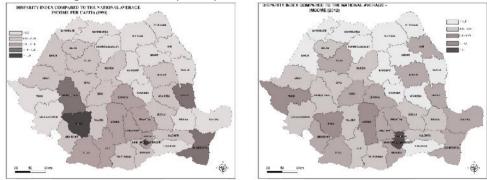


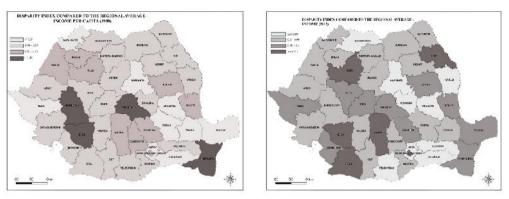
Figure2. Disparity index compared to the national and regional average - unemployment rate, 1998 and 2010.

A more in-depth analysis of the disparity index compared to the national average by county reveals a higher share of negative changes (i.e. increasing disparities) than positive ones. Among the counties marked by an increase in the gap to the national average unemployment rate, in a negative sense, most prominent are those in South region, which shifted en masse from the national average unemployment rate; positive changes occurred in the counties of Botoşani, Suceava, Neamt in the North - East, Constanta and Braila counties in the South - East region, Maramures and Sălaj counties in the North - West region and in one county each in other regions. As regards the disparity index compared to the regional average, there is an obvious increase in the degree of homogeneity within most of the regions. 75% of counties reduced the gap to the regional average unemployment rate. A few special cases must be pointed out: the "isolation" of Vaslui county is increasing, as its gap with the average for the region of North - East widens; there is a widening gap within the North - West region, where Cluj county moves forward increasingly from the other counties in the region; in the West, Timis and Arad counties register a positive trend, while the Caras - Severin and Hunedoara record a negative trend, emphasising the gap between them.

#### 3.3. Territorial disparities in the income per capita

The disparities in income per capita are the most visible in society and express differences in quality of life. They best outline the polarisation of Romanian society and are reflected in other types of disparities too. The analysis of disparities in income compared to the national average, at regional level, indicates an improving situation in the Bucharest – Ilfov region, with values above the national average in 1998, and especially in 2010.



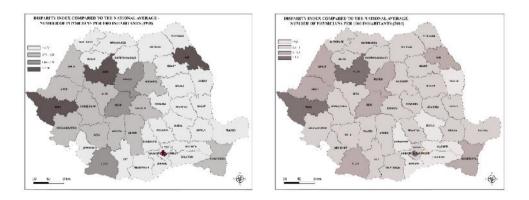


**Figure 3.** Disparity index compared to the national and regional average – income per capita, 1998 and 2010.

The in-depth, county-level analysis highlights the move towards the regional average of counties such as Iaşi, Cluj, Sibiu, Timiş, Arad, and the growing disparities for counties such as Sălaj, Vrancea, Gorj, Hunedoara, Covasna, etc. As for the disparities to the regional average, during the existence of the development regions, a higher degree of homogenisation has been achieved the Centre and Western regions, which were already in a favourable situation in 1998. However, the discrepancies became greater in the regions of North - East, South and North – West, where the counties led by regional metropolitan centres progressed the most: Iaşi, Cluj, Dolj. One can notice the approximately equal number of counties that recorded positive changes (moving closer to the national average - 12 counties) and those that recorded negative changes (moving further from the regional average - 11 counties).

#### 3.4. Territorial disparities in healthcare (number of physicians per 1,000 inhabitants)

Against the background of a generally unfavourable healthcare situation, in Romania major disparities persist between the urban areas, where most human and material resources are concentrated, and the rural areas confronted with situations where large communities do not have access to a physician's services. Analysing the disparity index compared to the national average in the development regions, one observes that in 1998, the largest gap to national average was recorded in the poorest regions, North - East, South - East and South. The situation in 2010 shows a closing of the gaps with regional average within these regions, except for the South – Muntenia region. At the county level, for most a positive development was observed, in the sense of moving closer to the national average.



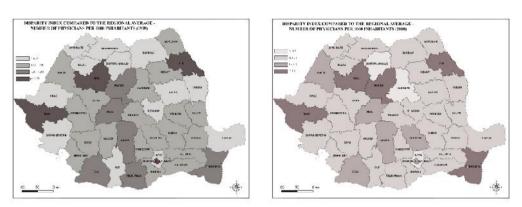
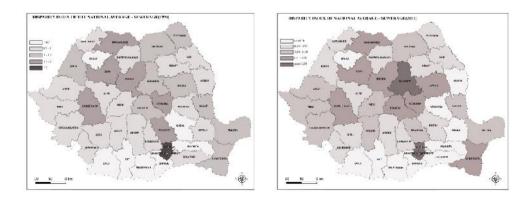


Figure 4. Disparity index compared to the national and regional average – number of physicians per 1,000 habitants, 1998 and 2010.

The analysis of the disparity index compared to the regional average indicates, for 2010, a greater level of homogeneity in the North - East, South - East, West and South regions, against the backdrop of positive developments in many counties: 14 counties moved closer to the regional average, most being from the North - East region (Suceava, Vaslui, Bacău). Differences grew in the Central region, amid positive evolution in Mureș county and negative evolution in Harghita county. The highest intra-regional differences were recorded, in both 1998 and 2010, in the North - West region, where the differences between the county of Cluj, on the one hand, and the counties of Sălaj and Bistriţa- Năsăud, on the other hand, have been increasing.

#### 3.5. Territorial disparities in public utilities - the share of homes with sewerage access

The access to public utilities is very uneven in Romania. The south, which is completely or partially overlapped by the South - East, South and South - West regions, had the most dramatic situation in 1998, while the western half of the country, especially the Centre and North - West regions, stood out by higher levels of access compared to the national average. Unfortunately, the situation remained largely unchanged until 2010, and most of the positive changes at county level were recorded in regions which were already in a favourable position – Centre and West (6 of the 14 counties that moved close to the average are located in the two regions: Braşov, Harghita, Sibiu, Arad, Caraş – Severin, Timiş). Positive changes also occurred in the North – East region. In the South and South - East regions there are counties that actually moved away from the national average, indicating deterioration in an area that was already in a difficult situation in this respect.



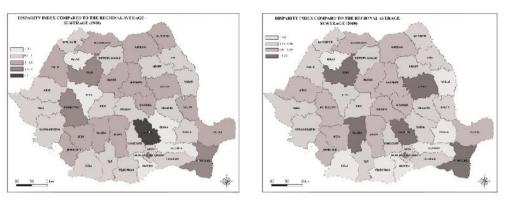
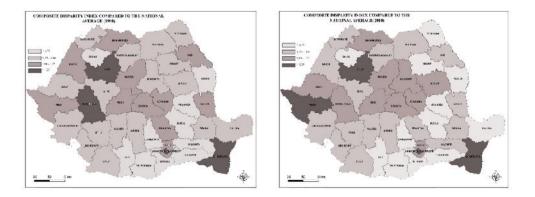


Figure 5. Disparity index compared to the national and regional average – sewerage, 1998 and 2010.

The disparity index values compared to the average regional regarding the access to sewerage reflects the increasing homogeneity of the West and Centre regions, amid positive developments in counties such as Arad and White. At the same time, however, given the unfavourable conditions compared to the national average, in the South, South - West and North - East regions, intra-regional disparities are increasing. One should point out the negative changes recorded at the level of counties such as Botoşani, Vaslui, Galaţi, Brăila, characterised by higher values of the disparity index than in 1998.

#### 3.6. Composite disparity indices

Since the distinct analysis for each of the indicators considered delivers a partial picture of the emerging disparities in Romania, at inter- and intra-regional level, we considered it necessary to aggregate previously calculated partial indicators into a composite index with two variants, compared to the national average and to regional average for both 1998 and for the 2010. The value of the composite index compared to the national average indicates that the South, South - East and North - East regions are characterised by the least favourable conditions, both in 1998 and 2010. At county level, 8 cases of negative changes were recorded (moving away from the national average), three cases being located in the North - East region (Botoșani, Iași and Neamț), and two in the South - East (Galați, Tulcea). The most significant positive changes were recorded in the West region, in Timiș and Arad counties. The greatest stability characterized the South - West region (amid an overall modest background conditions) and Central region.



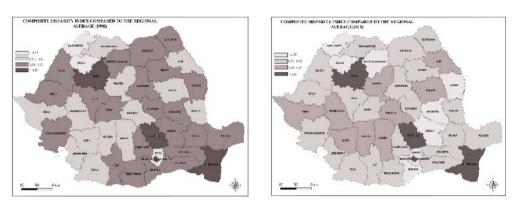


Figure 6. Composite disparity index compared to the national and regional average, 1998 and 2010.

The analysis of the composite index compared to the regional average indicates the highest degree of heterogeneity in the North - West and South – East regions, both in 1998 and 2010. They were joined, only in 2010, by the South and the North - East regions, amid the strong polarisation at the level of more economically developed counties (Argeş) or of strong regional cities (Iaşi, Cluj, Timiş). There is a striking number of counties for which composite disparity index indicates moving away from the regional average (20 counties, including 5 in the South region and 4 each in the North - East, South - East and Centre regions). The most stable proves to be the South-West region, amid modest conditions, and the North – West regions, who retains its heterogeneity.

#### 4. Conclusions

The analysis based on the above-mentioned indicators generally reveals that discrepancies persisted or even grew especially at intra- and inter-regional level. The development regions where the discrepancies observed in 1998 were also reported in 2010 were the South-East and North-West regions, while the region where the discrepancies grew was the North – East region. The West region appears to have been mitigating the disparities both compared to the national average and at the intra-regional level. Therefore, one can state that the developed regions have contributed in part at most to mitigating intra- and inter-regional disparities. The question is whether similar structures, yet with a different status and other responsibilities, will be able to mitigate the gaps between eastern and southern half of the country, on the one hand, and the western half, on the other hand, and also the disparities existing within the current development regions.

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