

TERRITORIAL COHESION AND LOCAL DEVELOPMENT USING EUROPEAN STRUCTURAL AND COHESION FUNDS AT THE LEVEL OF GROWTH POLES – CASE STUDY GROWTH POLE BRASOV

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Abstract

The growth poles were established in Romania in 2008 as centers for urban development in compliance with European and national policies and they include an urban nucleus and its rural surroundings. According to the legal framework, for each of the growth poles an Integrated Development Plan should be adopted as basis for European Structural and Cohesion Funds investments. This is a new document in addition to local development plans/strategies of the local communities or counties and regional development plans. From another point of view, the growth poles are representing territorial units which have to assure territorial cohesion for its urban and rural administrative units. Into this respect, there are different spatial planning documents which have to be followed by the territorial and administrative units, according to the Romanian legislation. Beyond these, there are rules and compulsory criterias for accessing European Structural and Cohesion funds the problems being faced by the associations established by local communities in order to manage the growth poles's areas. Taking into account all these, we may say that growth poles are the crossing points for different policies translated into plans and operational programmes's criterias for getting ESC Funds.

Key words: *European Structural and Cohesion Funds, growth pole Brasov, regional policy, territorial cohesion*

JEL Classification: *H760, R120*

I. INTRODUCTION

The development mechanism at the level of the growth pole brings within the same territorial framework the stake of local development, of the integrated development at the pole level, but also of reducing regional disparity. The required levels for operation are: territorial, administrative and economic. In the States from Central and South-Eastern Europe there is, once with acquiring the quality of EU Member State, the challenge of rediscovering the responsible territorial actors and a new territorial management framework to compensate the forced territorial homogenisation from the communism period (Ancuta and Brujan, 2008), this being one of the reasons for which the European financial support cannot compensate for the missing elements (Sapir Report, 2003). The allocation of the European financial support in common conditions to Member States after the accession of Romania and Bulgaria has generated debate, there were opinions that the non-Member States may need to fulfil some basic conditions to become competitive (Wallace, Pollack et al, 2010). In this area, urban development needed a new paradigm, taking into account also the fact that the link between polycentric development and diminishing the regional disparities is not supported unanimously (Meijers, 2006), which is more suitable for EU15. The growth poles approach generated new challenges both in terms of cooperation and of absorption of European funds. This paper underlines the challenges face by local public authorities in reaching the territorial cohesion as a premise for reducing regional disparities.

II. EVOLUTION OF THE TERRITORIAL COHESION AND ITS FINANCIAL SUPPORT AT EU LEVEL

Although it was implicit to many actions, the territorial dimension becomes explicit regulated throughout the Community by the Treaty of Lisbon, the strengthening of the social, economic and territorial cohesion being based on the harmonious development of the European Union and reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions. From this perspective, local development is implicit, the territorial cohesion being only a framework designed to identify the most appropriate variant in relation to the specificity and potential of the territory.

2.1. Relevant contributions

The evolution of the concept of territorial cohesion is not smooth, depending both on who uses it, and on how it was made up, as well as on the traditions and attitudes it generates (Faludi, 2009). The beginning of the

use of the concept of territorial cohesion in both normative and descriptive manner (Haeley, 2001) is correlated with the publication of The Second Report on Economic and Social Cohesion published by the European Commission, which contains a section on territorial cohesion, as well as different analyzes for the urban and rural environment. The approach is also correlated with the developments also generated in the area of territorial management marked by the European Spatial Development Perspective (ESDP) aimed at achieving a polycentric urban development and a new system of relations between urban and rural areas; equal access to infrastructure and knowledge as well as a prudent management of the cultural and natural heritage.

Therefore, the social issue faced in the implementation process of cohesion at EU level, as well as the diversity of economic challenges are complemented by the evolution of the territorial policies, different from the dynamic of the concept itself (Faludi, 2009). The Green Paper on Territorial Cohesion Turning territorial diversity into strength (COM (2008) 616 final) brings to the fore the 3 Cs respectively: concentration or overcoming differences in density, connection or overcoming the distance factor and cooperation or overcoming the division factor. It is the moment when, at European level are brought to attention again the concerns regarding the urban agenda and the role of the cities although the European Commission believes that the urban policies differ greatly from one Member State to another and often the urban policy is rather the result of laws on urban and territorial planning and of the combined intervention of the sectoral policies than an area for which a political and strategic direction is designed (COM (2014) 490 final).

The analysis of the regional disparities led to the conclusion that for Romania, as in the case of other new EU member countries, there is a clear structure of centre - periphery type, a structure which is self-sustained by a faster growth of the regions around the capital, due to investments that prefer developed areas, labour migration and government intervention in the more developed regions to achieve a higher growth rate at national level (Boldea, Parean et al, 2012, p.7), the 2000- 2009 period bringing an increase of the regional disparities both in terms of economic performance as well as in terms of population, infrastructure, innovation (Antonescu, 2012).

2.2. Territorial cohesion in Romania

To promote the urban development in Romania and thus the reduction of the regional disparities, even if the identification of the transmission model of the beneficial effects to the community is extremely difficult (Boldea, Parean et al, 2012), the growth poles theory has been chosen, initiated by Francois Perroux. This entails that a growth process does not occur everywhere, but occurs with a variable intensity at certain points or poles, the diffusion of the growth being made through various channels to certain variable terminals of an entire economy (Antonescu, 2011, p.11). As far as the financial support granted to the urban policy is concerned, the Treaty of Lisbon contains clear provisions referring to the territorial dimension of cohesion, the contribution of the European Regional Development Fund (ERDF) to achieve it, thus the urban policy objectives, being governed by art. 175 and art. 176. Thus, also in the 2007-2013 programming period the financial support for regions is continued.

Under the name of established or emerging growth poles we are identifying in the Strategy included in the National Development Plan (NDP) 2007-2013 the development engines that should have generated growth effects, as well as the interconnection in a functional network at regional, national and trans-European level (NDP 2007 -2013, p. 242). Consecutive, the promoting of balanced territorial development is one of the priority thematic areas of the National Strategic Reference Framework (NSRF) 2007-2013, which assimilates the polycentric development approach and clearly states the role of cities, the urban areas are considered to act as engines of economic development for regions and sub-regions and, especially, for rural areas in their vicinity (NSRF 2007-2013 p.121).

The basis for ERDF allocation in Romania, the Regional Operational Programme 2007-2013 sets in its strategic objective to support an economic, social, territorially balanced and sustainable development of the Romanian regions, by focusing on the growth poles. Specifically, one of the objectives is the increase of the economic and social role of urban centres, by adopting a polycentric approach to stimulate a more balanced development of the regions. Thus, a clear connection is set between the growth poles - the polycentric approach and the reduction of the disparities. The ERDF allocation for ROP 2007-2013 (Figure 1) is in the line of the efforts of the EU even the difficulties in accessing and absorption of the structural funds led to a diminished allocation, from 1,391.17 million euro to 1,156.24 million euro. The diminishing of the allocations for the priority axis 1 was approved, given that over the years, in the Annual Implementation Reports (AIR) elaborated by the Managing Authority the difficulties in the use of funds have been indicated, such as the lack of an urban development strategy meant to substantiate the implementation of this priority axis of ROP; the establishment of a common framework for financing the growth poles of all operational programs financed from community funds; the limited capacity of the local governments to develop integrated urban development plans with metropolitan or regional impact as well as the reluctance of some local public authorities in the area of influence of municipalities – cores of the growth poles to join and be part of the Intercommunity Development Association of the growth pole (AIR, 2008).

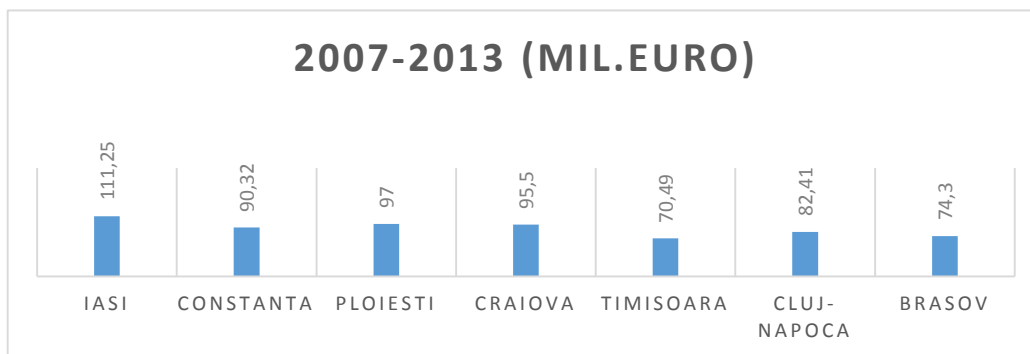


Figure 1 - Regional Operational Programme 2007-2013 allocation for growth poles

III. GROWTH POLE BRASOV AIMING TERRITORIAL COHESION

Following a preparation step for the absorption of FSC, respectively the establishment of the growth poles list in which will have priority in development the investments from the operational programs with EU funding, including the Regional Operational Programme 2007-2013, Decision no. 2/10.07.2008 was approved by the National Committee for Coordination of Structural Instruments. The Governmental Decisions approved after this decision such as the Governmental Decision no. 998/2008 for the designation of the national growth poles or Government Decision no. 1149/2008 proved that the basis idea was to have the frame to absorb the EU funds and not to put into practice a specific policy connected to urban communities. In fact, the definition of the growth poles as major urban centers and their areas of influence appear was included within the Applicant's Guide launched in 2013.

Form administrative and territorial point of view, the growth pole Brasov includes, besides the Brasov municipality, the neighbouring territorial administrative units, totalling 14 settlements. The 403,867 inhabitants of the growth pole live both in the urban and rural area, the Brasov growth pole bringing together a rank I municipality (Brasov), two rank II municipalities (Brasov and Sacele), three cities (Predeal, Rasnov and Ghimbav) and 8 rural communities (Prejmer, Harman, Sanpetru, Bod, Halchuiu, Cristian, Vulcan and Tarlungeni).

The most important challenge is to reach the dimensions of territorial cohesion both inside and outside the growth pole. The Cooperation dimension is facing both different level of development and administrative capacity among local administrative units. The Connectivity and Concentration are most visible from the point of view of investments needed.

3.1. The challenges for getting Cooperation

Under the specific regulations related to local public authorities (Law nr. 215/2001, amended and supplemented) or regional development (Law no. 151/1998 on regional development in Romania or the new law which was adopted for the regional development, Law no. 315/2004), in terms of local development planning, by 2007 there were few laws to allow or to regulate the manner in which a strategic planning document should be elaborated, respectively: Governmental Decision no. 1006/2001 for the approval of the Government Strategy for accelerating the public administration reform, which represents also the Framework-strategy of development of a local collectivity (GD no.1006/2001), the Law no. 326/2001 of public utility services for communes according to which the principle of elaboration of the strategy and of the local policies regarding these services under the principle of subsidiarity (Law no. 326/2001) is observed, and subsequently the Law no. 51/2006 of community services of public utilities according to which the local authorities take decisions about the elaboration and approval of their own services development strategies. The legal framework applicable at local level includes specific regulations on spatial planning such as Law nr.350/2001 and Law nr. 351/2001 subsequently supplemented and modified by several successive acts.

The growth pole approach brought the level of economic concept in this complex system. The Brasov Metropolitan Agency for Sustainable Development was founded in 2005 and in 2007 it became the Intercommunity Development Association aimed at implementing joint projects of local or regional interest and public service delivery. This agency is "the manager" of the Brasov growth pole, the member administrative-territorial units harmonizing their efforts to meet common goals coming in completing the competencies covered

by specific legislation mentioned by the Law No. 215/2001 as amended and supplemented, but also the obligations arising from the implementation of the regional development policy.

The next development level is the regional ones, the Regional Development Plan 2007-2013 (RDP) of the Central Region being approved by the Regional Development Council within the meeting of 26.04.2006 and subsequently the revised and updated version of the Regional Development Plan 2007-2013 was approved by the Regional Development Council through the Decision no. 8 of 15 April 2008. Building partnerships for the integrated urban development of cities, the development of inter-municipal, metropolitan development plans, as well as rural-urban partnership development are the identified opportunities by the Regional Development Plan 2007-2013 of the Central Region (RDP, p. 98). Although unique at regional level, the growth pole Brasov is mentioned only in the "Implementation of the priorities and measures of the Regional Development Plan through the Regional Operational Programme "section - Portfolio of priority regional projects for ROP 2007-2013 (RDP, p.148).

Taking into account that a few projects were proposed to be applied in order to be financed by ROP 2007-2013 we assume that there was a difficult task to manage the interests of all the members of the growth pole.

The different level of autonomy of the administrative authorities, of accountability or of culture of dialogue and partnership makes it the most difficult for the states which are newer democracies to achieve the third C respectively, the "Cooperation". The existence of multiple levels of government, which however do not benefit from a balance between authority and responsibility, leads to the fact that achieving cooperation means actually achieving compliance with the decisions imposed at national level or based on the recommendations from European level.

3.2. Connectivity and concentration at the level of growth pole Brasov

The planning document Integrated Development Plan (IDP) for growth pole Brasov was elaborated according with the specific provision adopted within the context of preparation phase for accessing ROP 2007-2013. Although one of the objectives of the regional development policy is to reduce regional disparities and ensure economic, social and territorial cohesion, at the level of the growth pole Brasov there were identified several types of disparities which depend on a series of pre-conditions for the economic and social development (IDP, p.184). Hence, the quality of life assurance infrastructure is underdeveloped, as well as the transport infrastructure, the urban mobility and the traffic management. In addition, the technical-urban infrastructure is not sufficient for the residential or economic development areas and the business infrastructure and tourism potential are also underdeveloped. The increase of the level of accessibility for all communities of the growth pole, but also for certain specific areas of development within the pole is considered the first necessity in order to reduce the intra-pole disparities (IDP, p.187). Therefore, to achieve the development vision namely Brasov will become the model of sustainable development in the Central region, a development based on inter-territorial solidarity, inter-connectivity, economic competitiveness and social cohesion, concrete allocation shall be received from an operational program.

In order to apply for the available funds from ROP 2007-2013, at the level of growth pole Brasov were selected 26 projects from the total of 300 project proposed within the project portfolio at the end of IDP.

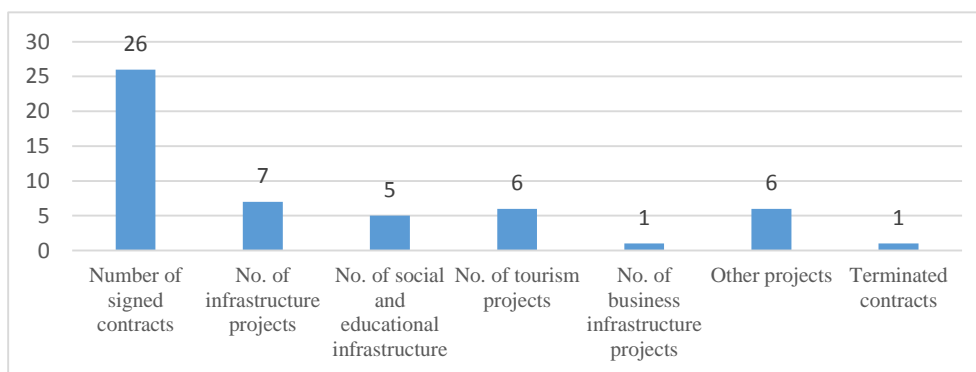


Figure 2 - Distribution on different type of intervention of the Brasov growth pole projects (end 2013)

The needs for connectivity and concentration were addressed by improvement infrastructure projects and development of business infrastructure project (Figure 2) but there is an important difference between rural and urban territory in terms of implemented projects and financing support for new investments (Table 1). The set of indicators such as reduction of the time for public transport, the decreasing of time spent to reach different points

within growth pole area or traffic flows proposed by the beneficiaries of the projects are relevant for increasing the level of connectivity and concentration.

Table 1. Distribution of projects and total budget on territorial units in Brasov growth pole

Territory	Beneficiary	No of projects	Total buget (lei)
urban	Brasov	18	351,240,961
urban	Codlea	1	13,064,210
urban	Predeal	2	98,113,558
urban	Rasnov	2	33,607,379
urban	Sacele	1	16,636,030
rural	Vulcan	1	2,423,973
growth pole	Metropolitan Agency	1	2,715,601

The impact of the ERDF absorption through ROP 2007-2013 within growth pole Brasov could be analyzed in the future, part of the projects being under implementation phase.

The difficulties faced in absorption of funds were mentioned in a lot of reports such as the reports submitted by the European Commission: The 2010 Strategic Report on the implementation of the programs for the period of 2007-2013 (COM (2010) 110 final, p.4) that mentions the unclear distribution of tasks nationally, the insufficient experience, the lack of administrative capacity both for the managing authorities as well as for the beneficiaries and the internal reorganization processes of the public administration – the case of Bulgaria, Romania and Lithuania; and in the 2013 Strategic Report on the implementation of the 2007-2013 program of the European Commission includes Romania among the countries that have experienced legislative changes, inconsistent political involvement and the effects of the national sectoral reforms (COM (2013) 210 final, p. 3). Both local and national authorities need to improve their performances to increase the capacity of using funds.

IV. CONCLUSION

The territorial cohesion can help develop local communities where the three components of connecting territories, population concentration and cooperation are considered. From our point of view, the realization of such cooperation mechanism between the local public authorities and between relevant stakeholders (private sector, education, CDI) is the basis for understanding and approach of what the other two components represent. European funding, especially the ERDF is a tool to achieve the concrete vision of Brasov growth pole and the difficulties of access or implementation are mostly consequences of poor preparation for such a mission, as well as deficiencies of the management and control system. The integrated planning process, the project selection and the capitalization of lessons learned are the responsibility of the Metropolitan Development Association of Brasov growth pole and its members.

There is a need to improve the system of cooperation in the growth pole to generate a whole process of elaboration, implementation and evaluation of a strategic planning document. This phase needs to be completed with clear and specific rules for implementations. In the end, the evaluation phase will contribute to the improvement of the urban policy and polycentric approach quality. These are the main lessons for 2014-2020 programming period.

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