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**In “No Time”, Not “Out of Time”! - A Lesson  
about Strategic Thinking in Regional Development**

**Gabriela Marchis<sup>1</sup>**

**Abstract:** The innovative approach of regional development during 2014-20 programming period, in line with the “Europe 2020” strategy, implies a new form of designing the local and regional strategies of development. The transition to a *green, smart* and *innovative economy*, cannot be attained only by *adapting quickly* to changes that appear in today's European society. Thus, an **integrative strategic thinking** becomes more necessary than ever. This research paper intends to guide and inspire those people that have the responsibility for designing and coordination of local and regional strategies of development. A lesson about strategic thinking in regional development refers mainly at the process of planning and implementation of *policies with local focus*, but with a *significant European dimension*, in an active partnership with all the relevant stakeholders. Another important lesson, mainly for Romanian authorities in charge with the management of local and regional development, is about *timing with the Brussels*. In order to be able to provide tangible results for citizens, each local/regional government should collaborate in order to harmonize their public policy in line with EU trend of development. Real **multi-level governance** is a novelty but also a necessity and a priority of 2014-20 programming period.

**Keywords:** future dynamics of EU; regional development and planning; ESI funds; Europe 2020

## **1. Introduction**

Within the European Union, the strategies for regional development evolved during different programming period, accordingly to EU necessity of development but also from the necessity to keep the rhythm of growth in a more and more globalized world.

EU is a complex system and the process of its evolution is very dynamic and engages a large spectrum of decisional factors.

For the current programming period 2014-20 the strategies for regional development should be designed on three important dimensions: sharper *focus on the need* of development; better systems for *tracking the progress* towards the established targets and a better *evaluation of the programmes results*.

In this context, it is increasingly clear that in order to benefit for the entire EU technical and financial support for regional development, each Member State should be in line with these trajectories of conduct.

Shaping the evolution of a region is not an easy task and requires a lot of knowledge, experience and data.

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<sup>1</sup> Associate Professor, PhD, Department of Economics, Danubius University of Galati, Romania, Address: 3 Galati Blvd., Galati 800654, Romania, Tel.: +40372361102, Corresponding author: gabrielamarchis@univ-danubius.ro.

Because his work intends to be *informative* and *inspirational* for those involved in designing the strategies for local and regional development, it will start by introducing the Regional Competitiveness Index, which is an important tool as taking the necessary steps.

Next, region “Sud-Est” of Romania (RO22) will be an example of how easy is to get information about the current status of development of any European region.

Finally, the research will offer a “how to” lesson about designing and coordination of local and regional strategies of development, trying to get an answer to a simple, but in the same time, very important question: *How to create prosperity, stability and security in our region?*

## **2. RCI - a Chance to Measure the Regional Development Level**

Directorate General for Regional and Urban Policy of European Commission launched in 2010 an extensive project of determining the Regional Competitiveness Index (RCI) across the entire EU-28. Since then, every three years, DG for Regional and Urban Policy publishes the RCI which allows regions to identify their strengths, their weaknesses and investment priorities in order to shape their development strategies.

RCI represent an important tool for authorities, from different level of government, because it offers relevant information regarding the position of their region in comparison with other regions from national and European level in terms of *innovation, governance, transport* and *digital infrastructure*, and also regarding *measures of health* and *human capital*. Moreover, RCI offers the possibility to monitor and assess the evolution of any region in accordance with the fields previously described.

As a matter of fact, RCI represents an important chance for public authorities in their mission of shaping regional development, because of its complexity. RCI is determined analyzing 74 indicators grouped on 11 pillars, as it is presented in the figure bellow.



**Figure 1. The main pillars of RCI**

Thus, *institutional set-up and decision-making* is analyzed taking into account a set of 17 indicators for regional and national institutions, as follows: corruption; quality and accountability; impartiality; political stability; government effectiveness; regulatory quality; rule of law; control of corruption; easy of doing business; property rights; intellectual property protection; efficiency of legal framework in settling disputes; efficiency of legal framework in challenging regulations; transparency of government policymaking; business costs of crime and violence; organized crime; reability of policy services.

*Macroeconomic stability* is determined through a set of 5 indicators, such as: general government deficit/surplus; national savings; inflation; government bond yields and government debt. The data are provided by Eurostat.

The *infrastructure* development is analyzed taking into account the motorway potential accessibility; the railway potential accessibility; the number of passenger flights (accessible within 90' drive) and the intensity of high-speed railways.

*Health* sector development is determined by victims in road accidents; healthy life expectancy; infant mortality; cancer disease death rate; heart disease death rate and suicide death rate. The source of the data is Eurostat.

The *basic education* pillar is analyzed taking into consideration data from OECD Programme for International Student Assessment (PISA), such as: share of low-achieving 15-year-olds in reading (level 1a or lower); share of low-achieving 15-year-olds in mathematics (level 2 or lower); share of low-achieving 15-year-olds in science (level 1a or lower).

Meanwhile, the development of regions from the perspective of **higher education & lifelong learning** is established through a set of 5 indicators, as follows: population aged 25-64 with higher educational attainment; lifelong learning; early school leavers; accessibility to universities and gender balance on tertiary education.

**Labour market efficiency** is measured by the following indicators: employment rate (excluding agriculture); long-term unemployment; unemployment rate; labour productivity; gender balance unemployment; gender balance employment; female unemployment and NEET (young people neither in employment nor in education and training).

**Market size** is determined taking into account the disposable income per capita; the potential market size expressed in GDP and the potential market size expressed in population.

**Technological readiness** is analyzed both at *regional level*, by the households with access to broadband; the individuals buying over internet and the household access to internet; and also, at *national level*, through: the availability of latest technologies; the firm-level technology absorption; technological adoption; FDI and technology transfer; the enterprises that had purchased online (at least 1%); the enterprises that had received orders online (at least 1%) and the enterprises with fixed broadband access.

The **business sophistication** pillar is characterized by a group of 3 indicators, such as: the employment level (by sectors); GVA (Gross Value Added of different sectors) and the innovative SMEs collaborating with others.

**Innovation** is quantified by a large number of indicators, as follows: total patent applications; core creativity class employment; knowledge workers; scientific publications; total intramural R&D expenditure; HRST (Human Resources in Science and Technology); employment in technology and knowledge-intensive; high-tech patents; ICT patents; biotechnology patents; exports in medium-high/high-tech manufacturing; and sales of new to market and new to firms innovation.

### 3. RCI for “Sud-Est” region of Romania (RO22)

According to the Constitution, Romania territory is organized administratively into “communes, towns and counties”; on each territorial level, should exist a strategic document that describes the intended trend of development for 2014-20 period. The strategic documents of all 6 counties that form “Sud-Est” region (RO22), are presented on the website of Sud-Est Regional Development Agency (<http://www.adrse.ro/Planificare/StrategiiJudetene.aspx>).

Braila	<ul style="list-style-type: none"> <li>• Sustainable Development Strategy 2014-2020 of Braila County</li> <li>• Development Strategy 2014-2020 of Braila Municipality</li> <li>• Braila Municipality Energy Strategy 2014-2020</li> </ul>
Buzau	<ul style="list-style-type: none"> <li>• Sustainable Development Strategy 2014-2020 of Buzau County</li> <li>• Development Strategy 2014-2020 of Buzau Municipality</li> </ul>
Constanta	<ul style="list-style-type: none"> <li>• Sustainable Urban Mobility Plan - Growth Pole Constanta</li> <li>• Study on vulnerable social groups and marginalized communities in the Growth Pole Constanta</li> <li>• Study on Energy Efficiency in the Growth Pole Constanta</li> <li>• Study on the economic profile of the Growth Pole Constanta</li> <li>• Study on labor market trends in the context of the economic profile of Growth Pole Constanta</li> <li>• Study on rehabilitation and development of tourism and cultural inheritance promotion of the Growth Pole Constanta</li> <li>• Study on analysis and review of the Integrated Development Plan Growth Pole Constanta - Part 1</li> <li>• Study on analysis and review of the Integrated Development Plan Growth Pole Constanta - Part 2</li> </ul>
Galati	<ul style="list-style-type: none"> <li>• Galati County Development Program 2016-2021</li> <li>• Galati Municipality Development Strategy 2015-2020</li> </ul>
Tulcea	<ul style="list-style-type: none"> <li>• Tulcea County Integrated Strategy for Sustainable Development for 2014-20</li> <li>• Tulcea Municipality Strategy of Development 2014-2020</li> </ul>
Vrancea	<ul style="list-style-type: none"> <li>• Vrancea County Integrated Development Strategy 2014-2020</li> <li>• Sustainable Development Strategy 2014-2020 of Focsani Municipality</li> </ul>

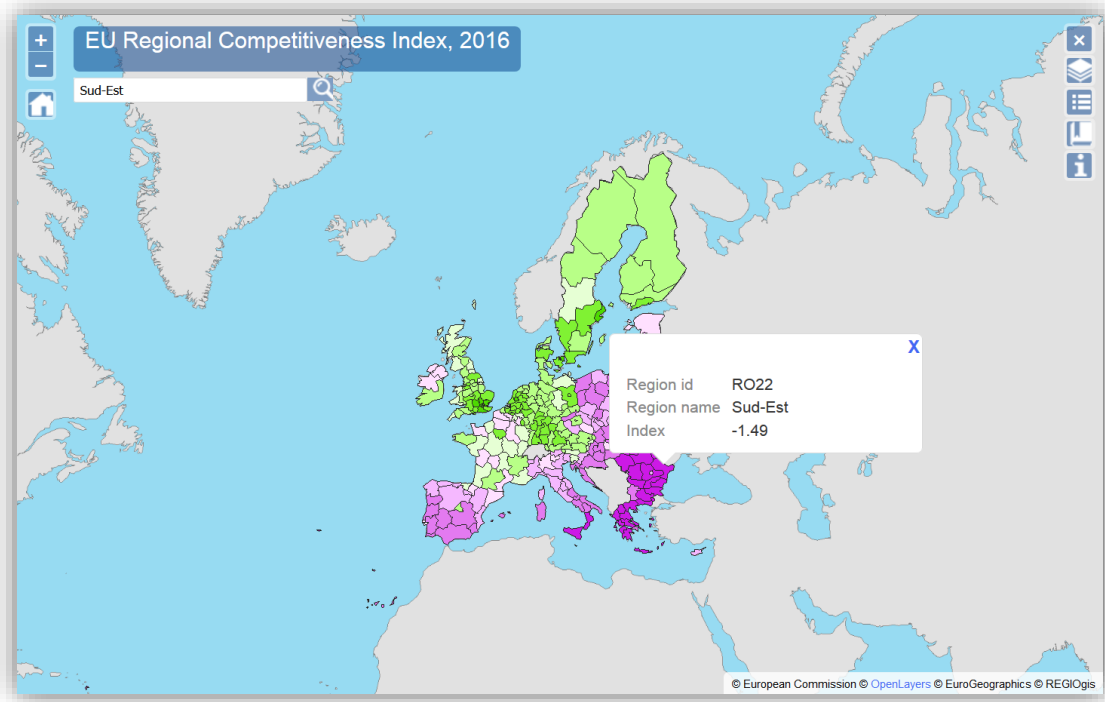
**Figure 2. Strategies for county/local development in “Sud-Est” region of Romania**

Source: <http://www.adrse.ro/Planificare/StrategiiJudetene.aspx>

Theoretically, based on these documents, the 2014-2020 “Sud-Est” Regional Development Plan was designed. Accordingly to this document, “Sud-Est” region has 10 main priorities of development for 2014-20 periods, as follows (South-East Regional Development Agency (SE RDA), p. 392)

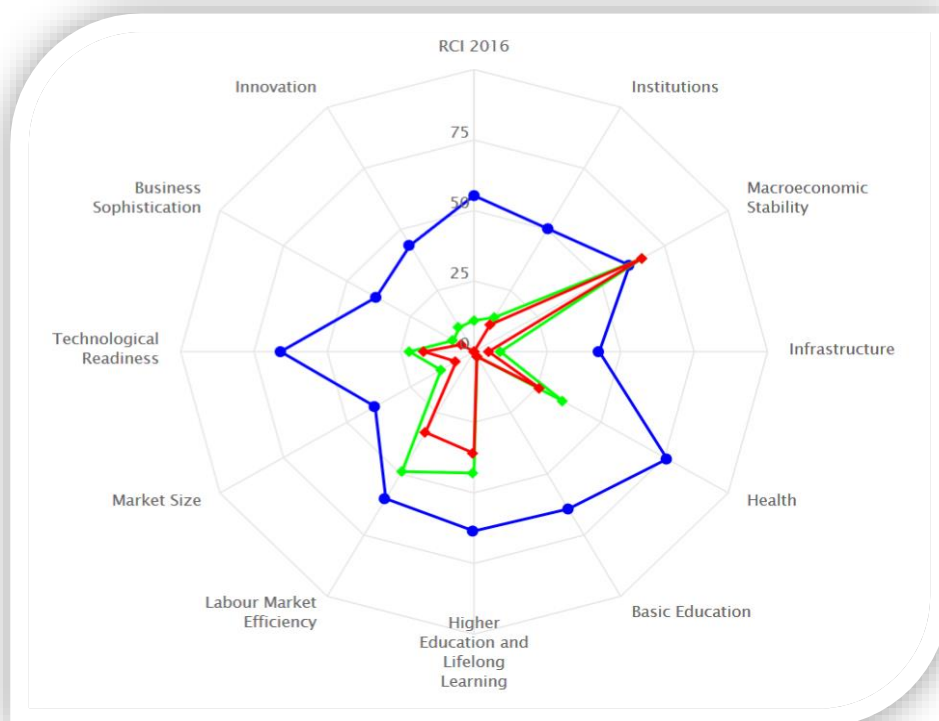
- Integrated sustainable urban development;
- Development of transport infrastructure at regional level;
- Improvement of regional economic competitiveness in the context of intelligent specialization;
- Improvement of tourism quality at regional level;
- Environmental preservation and protection;
- Improvement of energetic efficiency and the use of renewable resources;
- Quality improvement in the fields of education, health and social inclusion;
- Better use of rural resources and the modernization of rural economy;
- Human resources development at regional level, in the context of regional intelligent specialization;
- Fostering cross-border and interregional cooperation.

Even if there are a lot of strategic documents for local and regional development, the RCI for RO22 reflects a poor development of this region.



**Figure 2. RCI of Romania “Sud-Est” Region (RO22), 2016**

Source: [http://ec.europa.eu/regional\\_policy/mapapps/regional\\_comp/rci\\_2016.html#](http://ec.europa.eu/regional_policy/mapapps/regional_comp/rci_2016.html#)



**Figure 3. RCI of “Sud-Est” Region (RO22) split on 11 pillars, 2016**

Source: [http://ec.europa.eu/regional\\_policy/en/information/maps/regional\\_competitiveness/#3](http://ec.europa.eu/regional_policy/en/information/maps/regional_competitiveness/#3)

Figure 3 reflects the RCI of “Sud-Est” region (the red line), reported to EU average RCI (the blue line) and to Romania average RCI (the green line), in accordance with the 11 pillars taking into consideration. As it may be observed, the overall evolution of RO22 region is very far from EU average of development on regional scale, but it is in line with the national trend, with one exception - the innovation field.

**Table 1. RCI – 2016**

<i>Pillars of development</i>	<i>RO22</i>	<i>Romania</i>	<i>EU average</i>
<i>Institutional set-up and decision-making</i>	11	14	50
<i>Macroeconomic stability</i>	66	66	61
<i>Infrastructure</i>	5	9	43
<i>Health</i>	26	35	76
<i>Basic education</i>	2	2	64
<i>Higher Education &amp; Lifelong Learning</i>	36	43	64
<i>Labour Market Efficiency</i>	33	49	60
<i>Market size</i>	7	13	39
<i>Technological readiness</i>	17	22	66
<i>Business sophistication</i>	5	8	39
<i>Innovation</i>	0	10	44

*Source: [http://ec.europa.eu/regional\\_policy/en/information/maps/regional\\_competitiveness/#3](http://ec.europa.eu/regional_policy/en/information/maps/regional_competitiveness/#3)*

Starting from this point, all the lags recorded comparatively with national and european level, should be treated as *growth prospects* for the “Sud-Est” region, and the priorities of development should be reconsidered in order to achieve the desirable level of development.

#### **4. Chances and Limits of Shaping Regional Development Strategies**

“*How to create prosperity, stability and security in our region?*” this should be the main concerned of policy-makers.

From the very beginning, “think global and act local”. In order to benefit from all the opportunities that arise from the EU membership, decisional factors from all levels of government should be informed and involved in the process of designing different strategies and policies of development, taking into account the pulse of development from European and international level. In a globalized world, it is important to be open to the opportunities but in the same time close to your local features.

As it may be observed in figure 4, there are 2 main directions for shaping development strategies. The first one, the *bottom-up approach*, implies to better analyze local specifics using different technical instruments and based on the results to design local strategies. These strategies should be taking into

account when designing regional strategies, and furthermore, all of them should be reflected in the national strategy for development. Moreover, this last document should connect the national needs of development with the European perspective.



**Figure 3. Integrative strategic thinking**

The second direction is the *top-down approach*, which implies that the strategic objectives established at European level by Europe 2020 should be transferred towards member states, and furthermore to the regional and local level.

In other words, an *integrative strategic thinking* implies that the chain links for shaping strategies of development at different territorial level must be uninterrupted and interconnected. Moreover, these both sides' approaches should be, as much as possible, concurrent. So, a *timetable* should be strictly respected in designing such documents.

In this context, becomes obviously that an *integrative strategic thinking* requires a lot of *involvement from all the relevant stakeholders, active citizenship and qualified and experienced personnel* in public institutions that have the responsibility of shaping development strategies.

Regarding “Sud-Est” region of Romania, in March 2017, when this working paper was elaborated, the 2014-2020 “Sud-Est” Regional Development Plan has been published, referring to the 10 priorities of development. According to the theory these priorities should reflect the priorities of all the 6 counties that form the region, but at the county level, not all strategic documents were finalized or publicity available. For example, “Galati Municipality Development Strategy 2015-2020” was not available on the website of Galati Municipality Hall; instead there was a strategic document for 2016-25, entitled “Galati Municipality Development Strategy 2016-2025”. Also, “Galati County Development Program 2016-2021” and “Sustainable Urban Mobility Plan - Growth Pole Constanta” were not available.



Moreover, “Tulcea County Integrated Strategy for Sustainable Development for 2014-20” was only in a draft version from 2014. Likewise, “Sustainable Development Strategy 2014-2020 of Focsani Municipality” was only draft version from 2014, under public debate.

Even if we consider these documents being as dynamic as the process evolves, the pace of upgrading them should be the same in order to ensure the coherence of the process.

Moreover, all these inadvertencies have a strong negative impact on the regional development level which is reflected by the RCI.

### **3. Concluding Thoughts**

One of the most remarkable tendencies in Romania, in the process of shaping development strategies for different territorial level it that these documents are still regarded as “papers to be done” in order to fulfill some criteria of getting money from Brussels, instead as a coherent manner of expressing the needs of development and the steps intended to be done in the right direction.

So, I consider essential that it is important to become aware about the importance of these documents and the fact that any break in the chain of shaping strategies of development at different territorial level will have a strong negative impact on the social and economic growth, reflected also by RCIs. RCI is a very important instrument because it offers a *comprehensive picture* about the level of development of “Sud-Est” region (RO22), comparatively with the national level of development and also with the EU average level of regional development. It should be regarded as *a tool that supports decision-making*, because it provides *high-quality, timely and policy-relevant knowledge* as input to *better informed policies*.

Moreover, in the context of harmonization with Europe 2020, there is an increased need for *integrative strategic thinking*, so *a high level of harmonization* of these documents is required and this include *a timetable to be strictly respected* in designing such documents.

Concluding, we can (or can't) create prosperity, stability and security in our region, depending on our behavior in shaping strategies for regional development by choosing between “No Time”, and “Out of Time”!

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