DEVELOPMENT OPPORTUNITIES FOR THE NORTH EAST REGION - ROMANIA

OPORTUNITATI DE DEZVOLTARE A REGIUNII DE NORD-EST A ROMANIEI

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Abstract: *The North Eastern Region of Development - Romania remains among the least developed regions of economic development both at national and European Union level. The economic situation is even worse in rural areas. Although in the recent years have been created opportunities in the field of regional development, small improvement can be seen. This article aims to evaluate what opportunities haven't been enough valued in this region and what can be seen as solutions to improve the economic situation in the next years.*

Key words: *regional development, rural areas, SMEs, North East Region*

INTRODUCTION

The SMEs are considered the engine of regional economic development, a source of economic growth and innovation, essential to the regional development. The EU has placed the needs of SMEs at the heart of the Lisbon Growth and Jobs Strategy, notably since 2005 with the use of the partnership approach, which has achieved tangible results. The actions indentified at EU level within The "Small Business Act" for Europe, to boost SMEs, underline the necessity of lighter administrative burdens, of improving access to finances to invest and grow, of helping SMEs to face globalised market and to benefit from the Single Market, of focusing for use of renewable resources and promoting entrepreneurship and job creation. In contrast with these ideas of prosperity, The North - East region of

development - Romania has the lowest number of small and medium sized enterprises per 1,000 inhabitants (14.7 SMEs/1000 inhabitants, in 2007 comparative with national average - 26 SMEs/1000 inhabitants) and this may be one important explanation for the unfavorable economic situation in this region, and one of the important issues that need to be considered in the near future.

MATERIAL AND METHODS

The information that has been treated in this article is the result of the study of EU and national documents, regional and national statistic.

Method used has involved the analysis and interpretation of statistical data and field study conducted for the project "Research On Actual Size Evaluation And The Perspective Of Sustainable Rural Development Through The Elaboration Of SWOT Analysis, As Method Of Strategic Planning For The North-East Region Of Romania", under a financial scheme supported by Romanian National Council for Scientific Research in Higher Education (Grant no 114/28.07.2010).

RESULTS AND DISCUTIONS

The North Eastern region of Romania remains among the poorest regions in the European Union. Fortunately, the regional development policy in the European Union for the period 2014-2020 provides the continuation of economic support in order to achieve convergence objective in the regions where GDP per capita is less than 75 % of the EU average, through European Regional Development Fund and European Social Fund.

In this region has been made efforts for information, especially about the possibilities of accessing European funds, but their absorption remains low. Thus only in March on the website of North Eastern Region Agency of development were displayed available sources of financing in 2012, for local public administration, government organizations and SMEs.

REGIO is the most important program and the main financial instrument that provides structural funds for this region on the basis of calls for proposals. In the rural areas, this is focussed on the rehabilitation of county roads, improving social infrastructure, supporting business at

regional and local levels and sustainable development and tourism promotion.

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The North Eastern region of Romania is the most important development region of Romania in terms of number of people living in rural areas (about 22.3% of rural population) but also region with the lowest GDP per capita in Romania (well belllow national average).

Table 1. GDP evolution: national level, North East region level and counties level.

No.	GDP evolution	Year 2005 Mill lei	Year 2006 Mill. Lei	Year 2007 Mill lei	Year 2008 Mill. Lei	Evolution 2008/2005 %
1.	Romania-total	288954.6	344650.6	416006.8	514700	+78.12
2.	Nort East Region	33265.8	38429.9	45990.1	54940.9	+ 65.16
3.	Bacau	7510.4	8506	9846.2	12071.1	+ 60.73
4.	Botosani	3109.8	3561.3	4737.6	5435	+ 74.77
5.	Iasi	8669.3	10040.6	12071.9	15071.1	+ 73.84
6.	Neamt	4952.4	5852.7	6659.7	7536.8	+ 52.18
7.	Suceava	6244.7	7054.5	8864.8	9818.2	+ 57.22
8.	Vaslui	2779.2	3414.8	3809.9	5008.7	+ 80.22

Source: Selected dates from INSSE

The contribution of agriculture is about 15% from regional gross domestic product, but this is made in context of the highest rate of employment in agriculture, about 42%, this remains an important concern for the socio-economic future development in these rural areas.

From the total number of 60898 enterprises at regional level in 2008, 54289 were between 0 and 9 employees, 5367 between 10 and 49 employees, 459 between 50 and 249 and only 176 had more than 250 employees. Only 3 % from these were in the agriculture sector while 43 % had trade profile.

In the Northeast Region development of new technical facilities in rural areas, where these (especially those related to healthcare, education, or other public domain categories) are generally physically and morally

outdated is a an important source of economic grow and developping of SMEs sector. Improving infrastructure of roads, water and sanitation which is still underdeveloped is also an important source for new jobs and business.

The demographic trend in the region indicates a smaller decrease in the number of inhabitants in rural areas than the total numbers of inhabitants of the region during 2000-2010, a situation not typical to the others developing regions of Romania.

In the socio-economic field there are some opportunities related with: the emergence in the recent years of a multitude of institutions and organizations involved in supporting the socio-economic components of the region; the allocation of EU funds to develop programs aimed at developing the social component in the region which stimulates young people to invest in agricultural enterprises but also in non agriculture activities in the rural areas.

CONCLUSIONS

Supporting the development of small and medium enterprises has to be on the key factor for the regional development. This means in some words: analyzing and supporting the SMEs needs, providing services to SMEs, finding ways for easier access to finance, supporting the business environment, giving free access to input and outputs markets, considering and promoting the portability of skills in the regional labour market or encouraging labour mobility.

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