

The need for professional skills in the context of regional development in Romania

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ABSTRACT

In the context of the more frequent discussion of the concept of regional development in Romania and being very close to a territorial reorganization of our country in development regions corresponding to NUTS level II of the European Union, there is a need to make some forms of training in the regional development. Thus, in the summer of 2012 the Faculty of Social Sciences - University of Craiova and the Faculty of Sociology and Social Work in Bucharest conducted a study to identify the professional skills necessary in the context of Romania's territorial reorganization. The present article will make a statement of opinion survey results carried out in 6 counties of Romania and Bucharest, in order to identify some training courses in key areas of regional development.

Key words: Romania, regional development, professional skills

1. The concept of regional development

Regional development is a new concept that aims to stimulate and diversify economic activities, encourage private sector investments, contribute to the reducing of unemployment and eventually lead to an improvement in the living standard.

The cohesion policy aims to promote a harmonious development of the Union and its regions by reducing regional disparities (article 174 in the Treaty on the functioning of the European Union).

According to article 174 (ex article 158) in the Treaty on the functioning of the European Union, "in order to promote an overall harmonious development of the Union, it develops and pursues its action leading to the strengthening of its economic, social and territorial cohesion. The Union aims, particularly, to reduce the gap between the development levels of the various regions and the backwardness of the least favored regions".

Also it supports the growth pattern of the Europe 2020 Strategy, including the need to address societal challenges and those related to employment, that all member states and regions are facing. The policy favors such a development thanks to a clear investment strategy in each region, by increasing competitiveness, expanding employment, improving social inclusion as well as protecting the environment and improving the ecological situation. Its system of multi - level governance contributes to growth.

According to article 176 (ex article 160 TEC) in the Treaty on the functioning of the European Union provides that the "European Regional Development Fund is intended to help redress the main regional imbalances in the Union, through the participation in the development and structural adjustment of lagging regions and in the reconversion of the declining industrial regions".

The EU's Regional Policy, based on the Structural Funds EU program (previously 2000 - 2006 and now 2007 - 2013), is the main priority of the EU's policy agenda. (Adams, Alden and Harris 2006)

A new paradigm concerning regional development has appeared in the last years. We are referring to social capital and it has attracted a great deal of attention. There is a rich and growing literature regarding the links between social capital and economic, growth and regional development. (Adams, Alden and Harris 2006)

The European Community has two principal classes of territorial unit: the statistical and functional definitions are both used. The statistical framework is provided under an agreement on the Nomenclature of Territorial Units for Statistics (NUTS) which signalizes three levels of regional disaggregation (Mellors and Copperthwaite, 2005):

- NUTS 1: major socio - economic regions (97 European Community Regions)
- NUTS 2: basic regions for the application of regional policies (270 basic Administrative Regions)
- NUTS 3: small regions for specific diagnoses (1294 sub - divisions of Level II Regions).

All regions and all member states should be eligible for the cohesion policy and may adjust their strategy in an integrated manner depending on their specific strengths and weaknesses. As for now, the regions could achieve a differentiated support depending on their level of economic development (measured as GDP per capita), being made a clear distinction between the "less developed" and the "more developed" regions. In order to facilitate the transition between these two categories and ensure a more equitable treatment for the regions with similar levels of economic development, it would be appropriate to consider a possible replacement of the current system of suppression and progressive introduction of the support through a simplified system to include a new intermediate category of regions. This category would also incorporate the regions currently eligible under the convergence objective, but whose GDP would exceed 75 % of the Union's average, according to the latest statistics.

Only small portions of the regional development money go towards human capital investments (Martinez - Vazquez and Vaillancourt, 2008).

The brain drain constitutes a serious concern regarding human capital strategies at the regional level. In the famous 'cumulative causation' model of inter regional development of Gunnar Myrdal (1957), he claimed that higher wage - seeking skilled labor moves from rural places and smaller towns to larger agglomerations and cities more quickly than lower - cost seeking companies move to the former. In the last years, analysts have implied that it is not only salaries and job opportunities but also comfort and facilities that draw mobile workers from the countryside. Still, not all educated individuals will choose to leave their home communities and education will especially accelerate the level of local entrepreneurship. Even those who leave may choose to return some time later in their work lives. And even if they don't, it is increasingly understood that skilled migrants to richer regions may act as and become bridges back to their communities, transferring experience and expertise and sometimes mobilizing resources there for export - based activities (Saxenian, 1999).

The central theoretical dispute is that the education, training, placement, location and migration of individuals with particular skills, represented by occupation, may be as important in explaining the economic development as the location and migration of establishments, companies and industries (Mathur, 1999). The two are connected, but here the 'chicken-egg' problem is conceptualized as one in which the location choices of skilled workers are independent from companies' choices to some extent and in which the preferences of workers are different from those of firms. It is certain that workers follow jobs, but our argument is that jobs also follow workers, perhaps increasingly so. Workers choose locations based on facilities and personal preferences and then companies follow workers (Martinez - Vazquez and Vaillancourt, 2008).

A professional approach offers new options for practitioners in developing the economic base of their region. It is built on the growing recognition that human skill is a vital element in regional economies and may be more tractable and less expensive to attract, develop and retain than physical capital. For national government regional policymakers, the professional approach can help inform what types of human capital expenditures and training programs might work best in distinctive regions. At the provincial and local levels, targeting jobs enables planners and policymakers to contest the proliferation of 'poor jobs' or the filling of new jobs by outsiders associated with some types of development incentives and to shape a strategy more closely tied to the skills and character of current regional populations (Martinez - Vazquez and Vaillancourt, 2008).

In a world market that is rapidly integrating, skilled workers who remain at some point out of work need specialized training or further education to match them with new jobs and industries. A system that sets standards centrally and shares revenue but enables regions to adopt training programs to their unique circumstances can run as a powerful regional strategy of development at a more modest cost than physical infrastructure programs. (Martinez - Vazquez and Vaillancourt, 2008).

At the state and local levels, regional policymakers can carve economic development programs to target jobs as well as industries and human skill as well as physical capital (Martinez-Vazquez and Vaillancourt, 2008). Developing regions are the development, implementation and evaluation frame of regional development policies as well as specific statistical data collection in accordance with the European regulations issued by EUROSTAT for the second level of NUTS 2 territorial classification, existing in the European Union. (Law no. 315 / 2004 on regional development in Romania, art. 6, paragraph 2).

According to the Constitution, the Romanian territory is administratively organized into *townships, towns and counties*. (Constitution of Romania, art. 3 - The Territory).

Besides Romania's constitutional division, our country is also divided in eight development regions that correspond to level NUTS - 2 of EU divisions, but without administrative capabilities. The developing regions refer to the Romanian regional subdivisions created in 1998 and are used mainly for coordinating regional development projects. The developing regions are not administrative - territorial units, do not have legal personality, being the result of a free agreement between the county and the local councils. Romania's development regions, named after the geographical location in the country, are: West, North - East, North - West, South, South - West, South - East, Central and Bucharest - Ilfov.

2. Methodological highlights used in research

As we can see, the policies of workforce training according to the needs of the regional labor market represent a strong point of regional policies and an opportunity for regional economic development. In the context of more frequent discussion of the concept of regional development in Romania and being very close to a territorial reorganization of Romania in development regions corresponding to NUTS level II of the European Union, there is a need to make some forms of training in the regional development. Thus, in the summer of 2012 the Faculty of Social Sciences - University of Craiova and the Faculty of Sociology and Social Work in Bucharest conducted a study to identify the professional skills necessary in these two regions in the context of Romania's territorial reorganization.

As a research method it was used the opinion survey based on administered and self - managed questionnaire, as well as the statistical analysis and interpretation of data collected.

The investigation technique used was the questionnaire, addressed to a sample of 306 respondents in the South - West Development Region (156 questionnaires) and the Bucharest - Ilfov region (150 questionnaires). The questionnaire comprised 22 questions with free and pre - formulated answers.

The research was conducted between June and September 2012.

Questionnaires were applied in institutions considered "key players in regional development": public institutions, decentralized services, NGOs, SMEs, located in Dolj, Olt, Gorj, Vâlcea, Mehedinți, Ilfov and Bucharest.

For each institution there were selected the persons employed in the Human Resources Departments, European Integration, European Funds and Projects etc.

The distribution of the two samples by social and demographic characteristics show that the investigated subjects are mostly young people, with ages up to 35 years.

Table no. 1 - Distribution on groups of age of the a subjects in the two development regions

	South - West	Bucharest – Ilfov
Age	%	%
18 - 25 years	10.3	54.9
26 - 35 years	41.0	29.6
36 - 45 years	30.8	12.7
46 - 55 years	13.5	1.4
56 - 65 years	4.5	1.4

From the perspective of the residence, there is a preponderance of those in urban areas (96.2% in the South West region and 84.0% in the Bucharest - Ilfov region). The main explanation is connected to the fact that most institutions and social actors are based in the cities of the two regions and to a lesser extent in rural areas. To assess professional experience, subjects were asked to mention whether or not they have experience in a number of areas relevant to regional development. As shown in the table below, most of them have experience in using the computer and have language skills. Instead more specific knowledge about the writing, implementation and project management, is possessed by less than a quarter, with a plus in this regard for those in the South - West Region. Finance (acquisitions and financial management) is the area where subjects have the fewest skills.

Table no. 2 - Areas of expertise of the subjects in the two development regions

Do you have experience in the following areas? (answers "Yes")	S - W (%)	Buc - IF (%)
A) Knowledge of foreign languages	80.8	81.3
B) Computer operating	94.2	90.7
C) Writing projects with grant finance	17.5	11.0
D) Implementing projects with grant finance	19.6	13.7
E) Public acquisitions	16.9	2.7
F) Project management	23.4	16.4
G) Strategy development / development strategic directions	20.8	6.8
H) Financial management: budgeting, monitoring expenses and efficient financial management	13.2	5.5

From research data regarding the basic skills of subjects there results the need to include professional training courses in regional development, courses on writing, implementation, management of grant finance programs, as well as the elaboration of strategies in the development area.

Regarding the completion of specialized training courses in key areas of regional development by the respondents, we will see what courses they have already followed by analyzing table no. 3.

Table no. 3 - Training courses that the subjects in the two development regions have benefitted from

Have you benefitted from additional and specialized training in the following area?	South – West			Bucharest - Ilfov		
	No course	1 course	2 courses	No course	1 course	2 courses
A. Development of funding proposals	82.7	15.3	1.9	93.3	5.3	1.3
B. Project management (development, implementation, evaluation, reports)	67.9	28.2	3.2*	86.7	10.7	2.7
C. Structural funds - operational programs	84.0	15.4	0.6	97.3	1.3	1.3
D. Strategic planning in regional development	91.7	8.3		98.7	1.3	
E. Public acquisitions	88.5	10.3	0.6*	98.7	1.3	
F. Financial management	96.2	2.6	0.6*	98.7	1.3	
G. Use of ICT	72.4	19.2	6.4*	96.0	2.7	1.3
H. Relevant legislation in the area in which you work	67.3	22.5	6.4*	89.3	4.0	4.0*
I. Communication and negotiation	68.6	26.9	3.2*	92.0	6.7	1.3
J. Entrepreneurship (generating new ideas, elaborating and implementing a business plan)	84.0	14.1	0.6*	92.0	6.7	1.3

* the rest have benefitted from more than 2 courses

We note that the majority of the respondents did not receive any training course in areas where improvement is considered necessary, given the depiction of the imminent regional reorganization for our country.

Table no. 4 - The need for additional training in key areas for regional development

To what extent do you consider necessary your additional training in the following areas?	Very remotely		Remotely		Largely		Vert largely	
	SW	B-IF	SW	B-IF	SW	B-IF	SW	B-IF
A. EU regional development policy: history, results and future development	22.4	16.0	26.5	21.3	32.7	30.7	18.4	17.3
B. Project management (development, implementation, evaluation, reports)	10.8	13.3	12.2	6.7	40.5	36.0	36.5	36.0
C. Elaborating financing proposals and grant fundraisings	16.4	12.0	15.8	6.7	29.5	30.7	38.4	33.3
D. Equal opportunities and non - discrimination	17.7	12.0	26.5	14.7	29.9	29.3	25.9	33.3
E. Foreign languages	12.1	13.3	14.1	10.7	38.3	21.3	35.6	41.3
F. ICT - Information and Communication Technology	14.1	14.7	24.8	12.0	33.6	33.3	27.5	24.0
G. Public acquisitions and relevant legislation	16.8	18.7	34.9	20.0	22.8	28.0	25.5	13.3
H. Communication and negotiation	12.7	10.7	19.3	4.0	36.0	29.3	32.0	46.7
I. Entrepreneurship (generating new ideas, elaborating and implementing a business plan)	15.8	10.7	24.0	5.3	28.1	30.7	32.2	38.7

**Note: The differences up to 100 % for B - IF are represented by those who chose the variant "Don't know / Don't answer"

From the research data regarding the need for additional training in key areas for regional development, there results the need to also include in the training courses of the regional development area, courses on project management, developing grant proposals and grant fundraising, equal opportunities and non - discrimination, foreign languages, communication and negotiation as well as entrepreneurship.

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