

*The impact of ROP
on the economic
development and
regional
competitiveness of
North–West region
of Romania. Partial
findings and
emerging
challenges*

26 April 2013

Anca Dodescu, PhD
Lavinia Florentina
Chirilă, PhD Student

PhD Workshop, Szeged, HUNGARY

Introduction

The aim of
regional
development
policy

- reduce development discrepancies
between regions

The aim of
regional
development
policy
evaluation

- to appreciate the impact of policy
and programmes

- policymakers want to know
"What works?" and "Why?"

The Regional Operational Programme 2007–2013 (ROP) in Romania

- One of the seven Operational Programmes established for Romania in 2007-2013;
- The only one managed at regional level;
- Registered the highest absorption rate at 25.03.2013 – 24.7% (Ministry of European Funds) – almost double than average absorption rate;
- Main objective: the equilibrate development of all the Romanian regions through exploiting the regional and local development potential.

Methodology

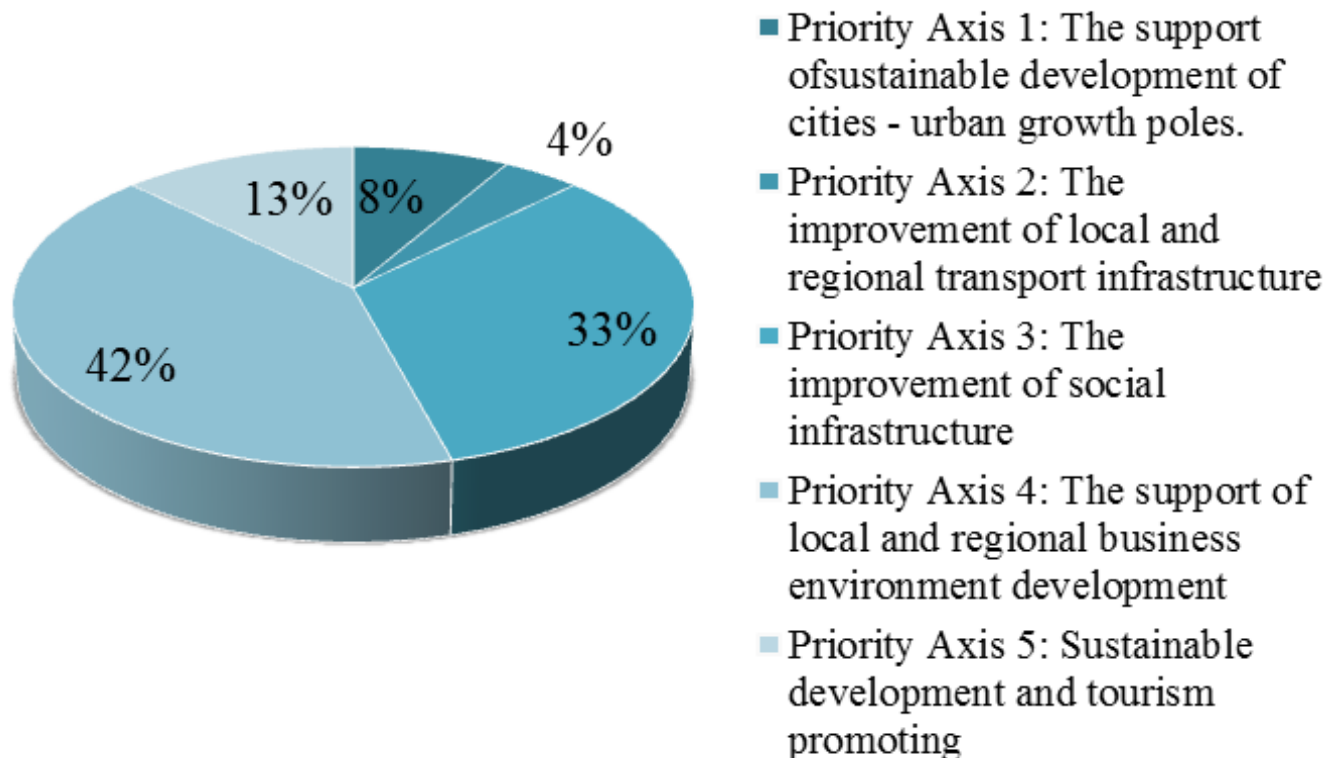
- Research and monitoring questionnaire, sent to be filled in to the RO Programme funding beneficiaries in the North-West region – the total population was formed of **155 beneficiaries** who had finished implementing projects by 01 October 2012;
- The sample of respondents to date consists in the largest proportion of private companies 52.94% (small enterprises - between 10 and 49 employees, and microenterprises - from 0-9 employees) followed by public authorities 35.29% (municipalities, local councils, county councils) and other categories of public institutions 5.88% and NGOs 5.88%;

Difficulties encountered within the research

- The lack of a national data base and the incoherence of the data regarding the regional development policy in Romania due to the institutional instability and frequent changes in competences split between the actors involved in decision making regarding the regional development policy at national level;
- The lack of the data bases at regional level and the incoherence of the data regarding the projects and indicators achieved within the ROP 2007–2013.

Partial findings (... respondents)

The proportion of the priority axes accessed by the respondents through ROP in the North-West region



Source: own calculation;

The main objectives of the projects

- ✓ creating jobs;
- ✓ increasing turnover;
- ✓ increasing the number of customers;
- ✓ developing new products;
- ✓ increase the number of tourists through valuing local and regional cultural tourism potential on the national and international tourist market - increasing the number of visitors to the objectives restored; health facilities rehabilitated;
- ✓ schools rehabilitated;
- ✓ social centers rehabilitated and expanded;
- ✓ streets, alleys and parking rehabilitated, etc.

The main achievements obtained through the implementation of the project

- organizational development and achieving competitive advantages through product and services diversification and improving the quality of existing ones;
- providing better working conditions for employees;
- increasing labor efficiency;
- ease employees' work and shorten processing
- increasing of the turnover;
- increasing of the operational capacity and of the number of employees;
- rehabilitation and construction of buildings for carrying activity (be it profit organizations - manufacturing, services, tourism, or for nonprofit purposes);
- increasing the capacity of social care buildings, etc.

The biggest problems encountered in the implementation

- excessive bureaucracy;
- amending of the legislation during project implementation;
- struggles regarding the co-financing;
- big delay in reimbursement.

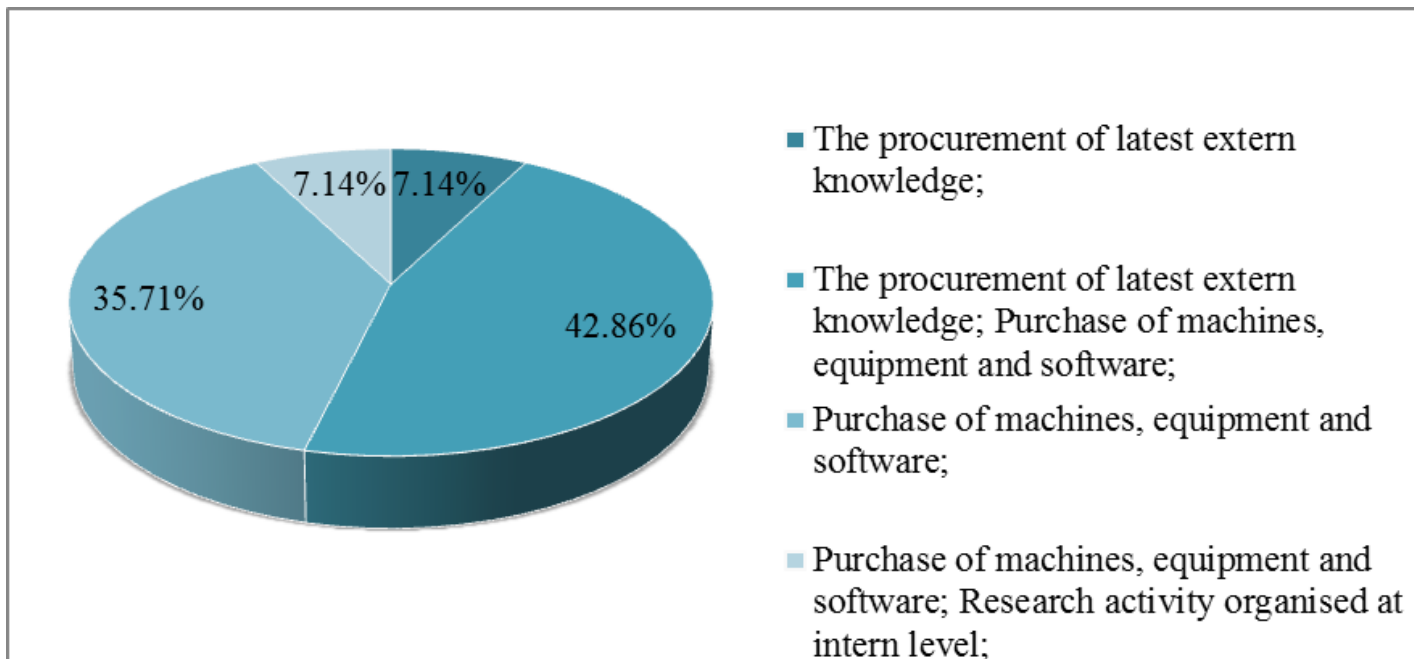


Impact on organization's competitiveness

- All the beneficiaries declared that the competitiveness of their organization increased, especially through acquisition of foreign knowledge, machines, equipment and software;
- In what way?
 - *"We were able to make a bigger number of grant projects for private clients in urban and rural areas";*
 - *"It increased the number of patients due to equipment purchased and improved patient responsiveness to new and modern treatments";*
 - *"it increased the number of contracts, we have diversified the activity".*

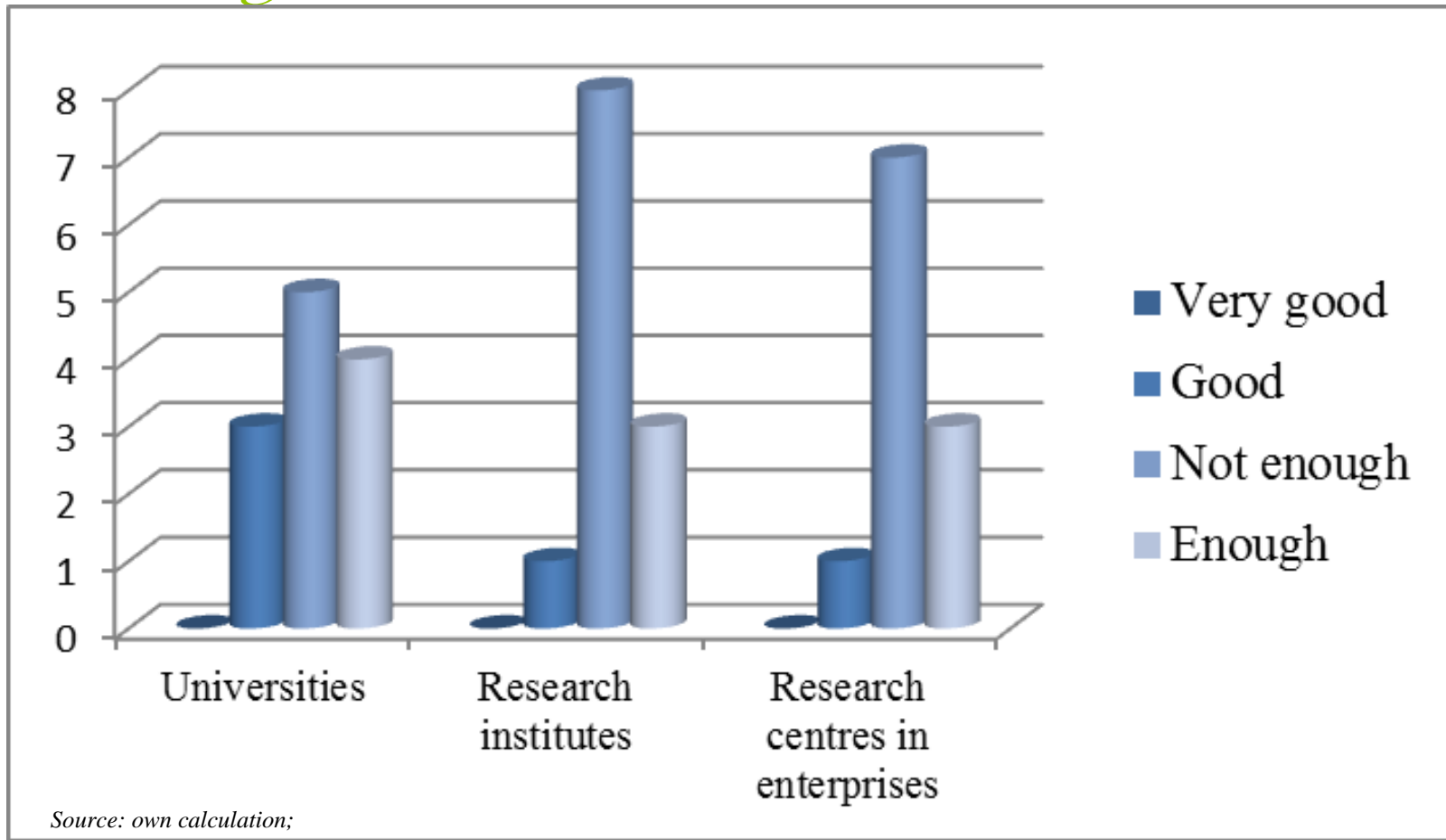
Impact on the innovation of the beneficiary organizations

- 80% of the respondents said that the level of innovation has increased, out of which:

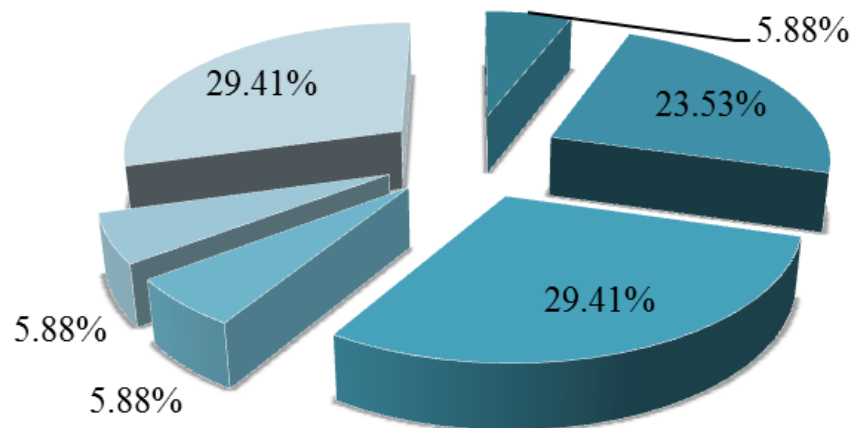


Source: own calculation;

The involvement of the research, development and innovation sector in the specific economic activities of the organization



The state of innovation within the organization



- You are an organization that innovates in partnership with other partners
- You are an organization that facilitates the introduction of some processes/products/innovative services towards other final beneficiaries through the projects that you implement
- You are an organization that innovates on its own
- You are an organization that has introduced innovation at organizational level (management, marketing, business model)
- You are an organization that develops innovative products/services;
- You are an organization that does not innovate

Source: own calculation;

Conclusions

- Each of the projects funded by ROP 2007-2013 contribute through their objectives to the development of North-West region, increasing living standards and the regional attractiveness by encouraging private sector investment, by extending the organizations activity and creating jobs, and thus reduce unemployment, and improving infrastructure; also improving health and social services and transport infrastructure in the region, providing higher welfare for the North West region inhabitants;

Proposals

- The general trend of beneficiaries is to invest in innovation systems (machinery, equipment and software), a weakness identified in the case of Romania in the report issued by the European Commission on the state of innovation in the Member States (2011);
- The insufficient involvement of the research, development and innovation sector and the need to create research centers and other types of business agglomerations (**clusters, scientific and technologic parks, inovative milieux** etc.);
- We consider that a *triple helix* collaboration would have a great benefic impact on the Nord-West region in order to create new knowledge, products, services and so on;
- In the next programming period, from 2014-2020 Romania should focus more on the **regional inovation governance** and **empowering SMEs innovation processes**.

New approach of regional innovation governance in Romania

- In our opinion, the ROP 2007-2013 experience should lead to adopting a new regional governance approach;
- It should address the cooperation and networking; there should be an orientation toward SMEs, technological progress, innovative processes and learning processes in order to value the regional endogenous potential;
- the results, indicators and plans impact evaluation, also the evaluation of the regional strategies and programs from a strategic point of view in terms of economic development and jobs creation.

Proposal regarding future research

- *Further quantitative research* - the second and possibly the third installment of the questionnaire application will cover the rest of the beneficiaries until the program ends;
- *Qualitative research* - consisting of a research based on structured interview opened applied to a total number of 20 policy makers at local and regional level, North-Western Regional Development Agency experts, representatives of government, public institutions, businesses, civil society, etc.. dedicated to identifying the most significant aspects of regional innovation governance.

Thank you for your attention!

PhD Workshop, Szeged, HUNGARY