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## PRINCIPLES OF STATE POLICY FOR REGIONAL DEVELOPMENT

G. Nikolov

University of National and World Economy, Sofia, Bulgaria

### ABSTRACT

Regional development is a new concept that aims to stimulate and diversify economic activities to stimulate investment in the private sector to contribute to the reduction of unemployment and last but not least, it is a concept that will improve the standard of living of population.

State regional development policy is a set of measures that are planned and implemented by the central and local authorities in collaboration with various organizations (private, public, voluntary, etc.) in order to achieve dynamic and continuous economic growth through efficient use of local and regional potential to improve living conditions.

The main areas subject to this policy are: the development of enterprises and the labor market, attracting investments, development of the small and medium enterprises, infrastructure improvement, environmental quality, regional development, health, education and culture.

**Key words:** regional development, government policy and strategic objectives.

Territorial development occupies an important place in regional policies and covers the following aspects: removal / reduction of poverty in rural areas; balancing economic opportunities and social conditions in cities and rural areas, stimulation of local initiatives; preserve national spiritual and cultural values.

Development area, separate by voluntary associations of neighboring counties, is the framework for implementation and evaluation of regional development policy.

The main objectives of the regional development policy are:

- To reduce the existing regional differences mainly by stimulating balanced development and revitalization of deprived areas (areas that are lagging behind in their development), preventing the emergence of new imbalances.
- To prepare the economic framework in order to comply with requirements for integration into EU structures and provide access to financial support instruments (Structural Funds and Cohesion Fund).

- to bring up policies and development activities of the public sector at the regional level by promoting cross-regional, national and international and cross-border cooperation, which contributes to regional development in accordance with the laws and international agreements concluded by Romania.

Principles on which is based the development and implementation of regional development policy are:

- the decentralization of decision-making - from the level of the central government (government) to the level of regional communities.
- cooperation of all stakeholders in the field of regional development.
- Planning and managing the use of resources in order to achieve pre-set goals.
- Co-financing - the contribution of the different actors involved in the implementation of programs and projects for regional development.

As a result of tremendous efforts to create a legal and institutional framework for regional development planning were established many plans and "operational programs". The

question remains - what is their impact on real public investment , most of which are still channeled into national sectors of the economy.

What is the difference ? Elements of the regional and sectoral programs are essentially identical. The difference is in the right of self-government to regional or local governments and their right to allocate funds to each other at their discretion and in accordance with local priorities.

Regional development is a more competitive game than economics . Strategies are important (the influence of the European Union clearly has helped their development both at national and regional level) , but what is crucial is opportunistic possibilities of the often unexpected and unplanned possibilities for their practical implementation .

Under regionalization means widespread tendency for local government and the creation of regional patterns in European countries . As a result, intermediate levels of government have become part of a more complex management system consists of several levels of government, as well as various lobbies and NGOs.

Influenced by two main factors in Central and Eastern Europe became interested in regionalization in the early nineties godini.Parviyat factor - the restoration of democracy led to a strong desire to adopt institutional standards of the countries of Western Europe, including and restoration of local government. At that time, regional reforms already changed fundamentally systems of government in several countries, and thus a number of academic and political circles have embraced the new paradigm of reforms in government. The second factor was the influence of the European Union. The growing influence of its policies led to the emergence of initiatives to create or strengthen existing regional institutions as a means to improve compliance with EU requirements with regard to possible future membership.

However, among the countries that are members of the EU , there is no consensus on the definition of a region. The confusion is further enhanced by the various translations of the word. In the past, intermediate administrative units have been translated into English with the word " county " while the word " region" is used as a

geographical term . Today is considered normal " county " be replaced by "region " as a territorial unit remains the same. This reflects a growing trend to identify some institutions with a region , but this idea and these institutions are extremely heterogeneous in different countries.

In legal and political sense no agreed definition of the term "region" , but as the regionalization process can give a general definition. We say that regionalization is a process of creating opportunities for autonomous action aimed at developing a specific territory ( sub , but at the same time and nadmestno level) by mobilizing economic infrastructure and in need of local and regional identity and by developing its potential . This process is developed on the basis of existing institutions or may require the creation of new territorial organization to better serve those purposes. This is always determined by the constraints imposed by the political and institutional framework , which in turn are influenced by various other factors.

Although inherently regionalization is socio-economic process , it should support the functional changes in the interim management structures that began in earlier periods of liberalism. Historically, in all countries intermediate power structures constitute a means of transmission from the central to local authorities , and later introduced interim governance structures based on the idea of samoupravlenie.Dnes although some intermediate structures still serve as conductors of power, regionalization means that institutions comply with the interests of the development of an area primarily in socio-economic terms , but also in cultural and political terms.

However, in some countries of Central and Eastern Europe, as opposed to countries that are members of the EU regionalization was undertaken through institutional reforms , while socio- economic dimensions remained in the background . These institutional changes were made with regard to the expected EU membership and the related use of regional development funds , but the funds available before the introduction of pre-accession programs , which started in 1999 therefore far regionalization in Central and Eastern Europe was expressed only in the regionalization of institutions. Due to the slow socio- economic regionalization regional government is still

weak. As well as in the EU countries in the regionalization of institutions is not a tendency to adopt a common model by creating regional management levels - on the contrary, the existing institutional and political divisions and the magnitude of the party set the pace of regionalization in it.

Attention being paid to the EU countries on regional development stems from the fear that a single market without barriers protektsionitski would enhance regional differences, and this will threaten the political, social and economic stability. Measures are needed to counteract such risks by strengthening the competitiveness of poorer regions. Investments in "cohesion" funds are needed to "align the playing field."

There are three main reasons why the EU emphasized the role of regional and local government in the allocation and management of these investments:

First, thus ensuring that they will be made in the target regions, because it would be much more difficult to determine the geographical distribution of the money if they are distributed through the branch ministries programs.

Second, the development of regional capacities depend on the integration of numerous separate investment - for example, to attract private investment may require complex infrastructure improvements and environmental as well as business support and workforce development.

Third, regional and local development are considered to be most suitable for the development of intergovernmental and public-private partnerships that are necessary for the development in terms of pluralism and market economics.

Of these concepts logically concluded that the bulk of public investment should be directed to less developed regions, is channeled through programs of regional integration and distributed and managed by companies with regional and local authorities and "economic and social partners" (ie, private companies and NGOs).

In Western Europe, regionalization has been developed as bottom-up process caused by changes in production systems, in the relationship between marketing networks and market integration and (more recently) the

increasing competition between the regions after the removal of most barriers to the free movement of goods between countries. This process led to institutional changes in many countries, and in countries where existing regional autonomy for other reasons (especially in Italy and Spain), the new regional management bodies found support mainly economic potential. In CEE these dynamics is still in its infancy, and in many areas even exists. However, regional differences that have developed in recent years are evidence that some regions are already integrated into many more international markets, and actively participate in interregional economic competition. Therefore CEE question is whether public authorities can weaken this trend and boost the economic development of the local and regional level and whether institutional obstacles to the development of this process. The question is even more relevant for remote and underdeveloped regions, and also for regions undergoing structural changes. It is very difficult, if not impossible, to answer these questions without being made a detailed empirical study. However, may make some assumptions on the basis of the analysis of the solutions and institutional data countries indicated below.

One of the main issues is institutional in nature - it is the link between the municipal decentralization and regionalization. Most of the countries in the early nineties gave priority to the restoration of local government. This led to a loss of power for intermediate levels of government played an important role during the previous regime. An important feature is the constitutional emphasis on local authorities, while the average power was deprived of attention.

Municipal autonomy is the core of local government especially in the cities, which are sources of economic development and culture. Regionalization could not achieve its objectives if directed against the municipal government. If there is adequate supervision is more likely municipalities to identify and support initiatives as regional authorities that are more remote. On the other hand, regional and higher authorities must adopt a strategy in which municipalities and individuals to make their decisions.

But there are negative institutional facts that hinder local initiatives to meet local needs. This is the case when investment by local authorities under very strict control through targeted subsidies or centralized investment programs, as well as representatives of the central government to local authorities are too numerous, as in Hungary. Such is the case when investment planning is subject to too much of the relevant ministries - in such cases, decisions are made without regard to region (as in Lithuania and Ukraine).

The biggest difficulty in a number of countries, however, stems from the relatively low level of organization of citizens and private - sector and weaker NGOs. Local authorities should give priority of support to civil society organizations and the creation of competitive enterprises. Here we can note some interesting institutional solutions. Will focus on those which relate to the institutions created by law in the implementation of regional policy.

In Lithuania, municipalities support businesses from their own budgets, and some have created local foundations to support business development. In Hungary, municipalities are encouraged to create regional development associations at provincial level to support development initiatives and to exchange experiences. Regional development associations of local authorities are represented in the "higher" regional development councils. Furthermore, to create voluntary regional councils, which include representatives of regional and local

development councils, representatives from regional chambers of commerce and associations of local government. It would be useful if they included representatives of workers and employers.

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