

Territorial Networks - a Solution for Regional Problems?

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Regional policy implementation proved that the micro and macro-economy elements cannot be separated because there are a various number of issues that need the integration of the two economic fields at the regional level. Moreover, the experience of the last decades in the European Union reveals that local/ regional development depends not only on endogen resources, but also on the approach to the global economy, on the capacity of developing relations with other regional systems in areas such as: exports, tourism, productive investments, technological transfer.

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Introduction

The regional development policy, which represents an assembly of concepts, principles, aims and objectives, instruments and concrete methods for its implementation – is realized through the synergic action of governmental and non-governmental bodies that cooperate within an established institutional framework. Moreover, the regional policy is based on planned and promoted measures by the local and central public administration authorities, in partnership with different actors (public and private), in order to ensure a sustainable and dynamic economic and social development through and efficient use of local and regional resources for the final objective of the regional development accomplishment.

The regional policy of the European Union entitled the regions and those institutions that represent their interest. Regional policy determined the necessity that the European Commission should define the regions so as to allow a balanced socio-economic development and to serve as a basis for the Communities decision-making process regarding the priorities development resources allocation.

At the European Union level is considered that the optimum level of territorial structures for the design and implementation of the regional policy measures is corresponding to NUTS II in the Nomenclature of the Statistic Territorial Units of EUROSTAT. The territorial level NUTS II, associated with the territorial level represented by Region, is the conception, implementation and evaluation framework of regional development policies and social and economic cohesion programmes, representing meanwhile information collecting framework needed in the monitoring process, accordingly with the European regulations.

There is a general trend of regionalizing within the territorial organization of the European States, under a diversity of institutional forms. The region represents the most important innovation of the territorial administration systems in the last decades, which

was basically undertaken, in a very short period of time, even if in different degrees, by all the European countries.

The scope in which these regions were created is similar to the one in the other member states - to support the bigger communities to solve their problems, which exceed the financial resources available at county level. The development regions represent the territorial structures in which the national policy of regional development is being implemented and evaluated.

The regional development policy, together with other factors – globalization process or the competition for localization determined the emergence of regional networks, which promote the resources mobilization and regional potential capitalization.

Regions and territorial networks

The networks can be defined in many ways, the terminology being used in various fields of activity such as chemistry, neurology, architecture, cybernetics. Today everything seems to be part of a network. Even if the network concept is widely used, clarifications are needed because everything gives the impression of relations, connections, associations, cooperation, etc.

As a general definition, the network describes a process where two or more participants or groups of participants work for a common goal having the same vision. This process is not based on formal contracts, but on trust, partnership and the conviction that the interested persons will obtain benefits (Sprengrer, 2001).

According to Glas (1995) a network consists of three basic elements: actors (that perform activities and control resources), activities (that can be for the transformation of resources or for connecting actors and shaping relations) and resources (having as main characteristic the interdependency).

Moreover, the international literatures defines the regional networks as a cooperation between the business environment, governmental organizations, research institutes and universities, intermediary bodies, etc. Business and public networks are integrated components of the “regional networks” system.

The decision of setting-up regional networks can be determined by many factors: competence lacking in the existing institutions, requirements regarding the new partners, the missing of the local funds and resources, the increasing of the importance of soft factors for localization. Also, the setting-up of the regional networks can take a variety of forms, depending on the origin and the number of partners, the initiative rationale and the network objectives. The form of partnership within the territorial networks is influenced by the institutional framework, by the specific problems of the regions, but especially by the targeted objectives.

Within the territorial networks the participation is on volunteer basis, the members being representatives of different social levels (business, trade and industry chambers, governmental bodies and other public institutions, research institutes, universities, social groups), and the relations are based on equal rights, dialogue, consent and compromise, targeting a win-win situation for all the participants in the network. It should be

mentioned that the participants in the network do not have the authority and power to act upon or to penalize the others, the premises of successes being the mutual trust and learning from each other.

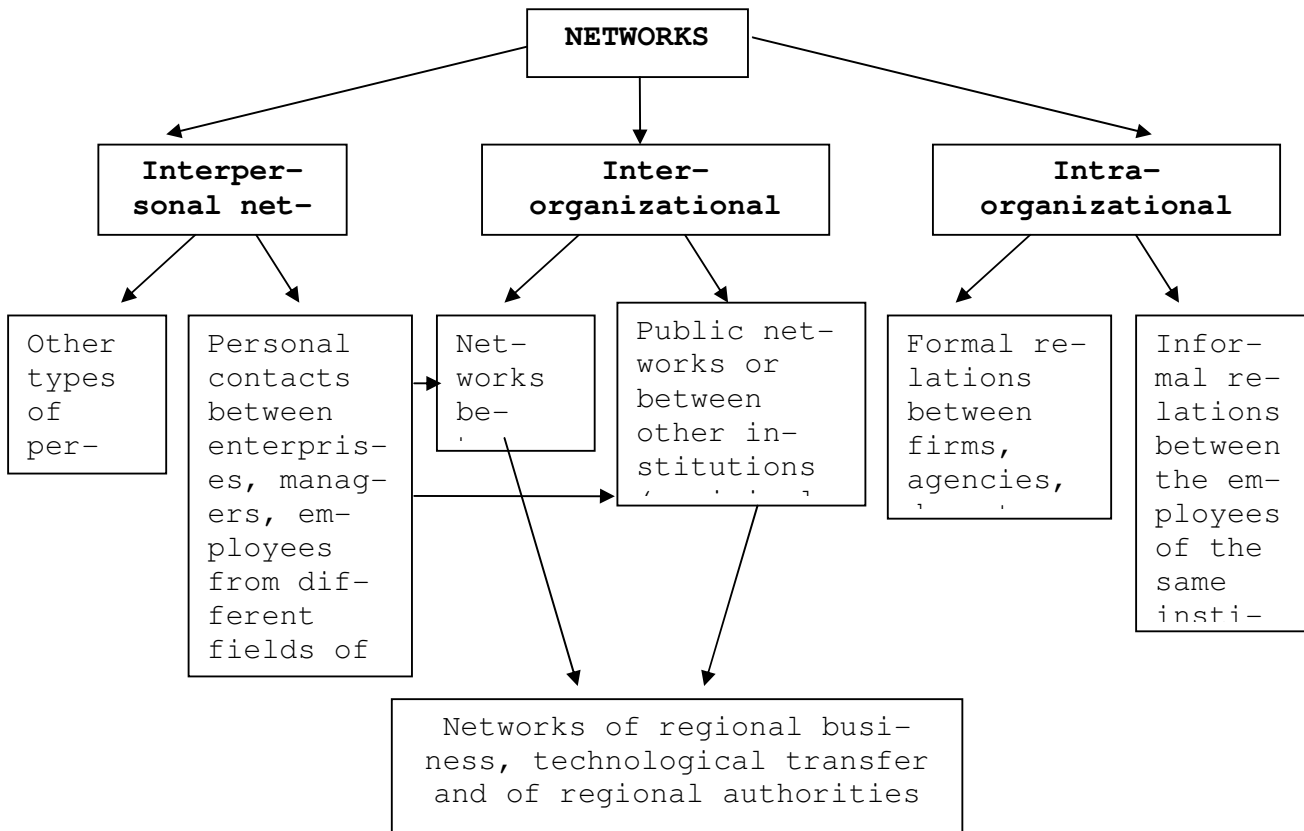
In regional policy field, the network had various form of setting-up accordingly to the specific reasons of the partners for cooperation, as well as localization in certain areas. The European Union practice identifies regional cluster initiatives, regional centres of environmental excellence, regional employment and environmental protection initiatives, Agenda 21 initiatives as being types of regional networks.

Regional clusters represent a form of cooperation among production and services companies, research institutes, training institutions that can provide complementary services to the members. The regional centres of environmental excellence aim to develop the research competences and to increase the economic application of research and development results. The regional employment and environment initiatives supported by the European Commission through the “territorial employment pacts” aim to implement coordinated measures for securing the employment and creating new jobs. Agenda 21 initiatives encourages the implementation of the concept of sustainability within the economic activities.

The development of the territorial regional networks was encouraged by the European Union policy that promotes the partnership in the implementation of the projects financed through Structural Funds.

Through the involvement of a broad group of participants, a wider range of expertise is available for use during the programming cycle of Structural Funds programmes. This can help to improve the effectiveness of programme development, monitoring and evaluation. By contributing their specific knowledge on a certain subject or region, their awareness of potential project applicants, partners can improve programme effectiveness by raising the efficiency of project selection. Generally speaking, a widely drawn partnership leads to greater commitment and ownership of programme outputs, and hence to a direct interest in the success of the programme.

Fig 1. Types of network and relations among



Source: Institute for Structural Policy and Economic Development, www.isw-online.org

The participation of regional and local authorities and that of civil society helps to legitimize the decision-making process by counterbalancing any specific political or other influence. Regional and local authorities, socio-economic partners and civil society can contribute also to the transparency in decisions and decision-making processes through their involvement and through their channeling of information.

The network success depends on the dynamic process of development. Every regional network must take into consideration the requirements of a development process under the influence of the conditions when it was created (initiators, regional conditions, legal framework).

Implementation of regional policy through territorial networks

The fast economic changes represent a challenge for the local actors, and the existence on a market in a permanent change determines the cooperation among them. Moreover, the economic changes from the regional and local level determine the adaptation of the local production system to the request of the international economic competition. Thus, the open of local economies to the interregional and international markets

determine the setting-up of local cooperation, an important stage for implementing commune actions at interregional level.

A modern regional economic policy must be characterised by a territorial approach, rather than sectoral or functional, by integrating different economic elements (research, training, transport, etc.). The open of local economies and the new forms of economic integration of firms and local actors justify the transition from an approach of economic concentration and sectoral specialization to territorial and intersectoral integration one.

Thus, there can be two types of regional interventions and even complementary. One of them is referring to the concentrated intervention in individual systems of local production. Within these, the local authorities can establish detailed guidelines or sectoral programmes through which to define the eligibility and selection criteria for the beneficiaries and projects. In this case will be done an ex-post selection of specific plans, promoted and cofinanced by local actors.

Regional and local administration can encourage the projects implementation in strategic areas that need a local approach and allow the strengthening of local authorities' role:

- Involving in setting-up new firms and encouraging the entrepreneurship;
- Encouraging the production diversification and reconversion for specialized industrial areas;
- Know-how transfer and promoting the long life learning process;
- Promoting a sustainable development through territorial planning and network transport improvement.

Therefore, the economic policy should not only sustain the initiatives having as objective the improvement of local productive systems, but also to promote activities with important regional impact, such as: regional integration of different local production systems, investments for research and development within innovative projects implemented at regional level, interregional and international cooperation in production areas.

Another type of intervention, characterized by a bottom-up approach, can promote regional action programmes with an important strategic character and encourage the setting-up of regional innovation systems and the conversion of regional production systems according to the "learning region" model. In this case the participants will not implement isolated projects, but will participate within a network to implement one single project. Thus, the partners' selection must be made ex-ante and not ex-post, based on criteria as: the actors' involvement in different regional sectors, the capacity to ensure original and qualified contributions in project implementation. The promoting of the own regional development policies by the local public administration authorities but also by the regional structures starts from the premises that nobody knows better the real necessities of these collectivities but themselves and the ones elected to represent them.

Traditionally, through the regional policy, is granted financial support for less developed regions, in order to reduce the regional disparities. But, even in these conditions, the regional policy must be implemented by taking into consideration the competitive advantages, by using different instruments. Thus, by the promoted measure will be cre-

ated services centres for small and medium enterprises, incubators for new innovative firms, technological parks, will be developed the relations between firms and research institutes. Even in this case, there is recommended the collaboration between regions confronted with development disparities and the developed ones. Moreover, the regional policy, must promote not only cohesion and territorial integration of regions, but also to encourage the set-up of networks between firms or strategic alliance at interregional level. Especially for the less developed regions, the new investments are not always sufficient, so that must be encouraged the economic partnership and firms cooperation. These involve a financial involvement of entrepreneurs.

Table 1. Anticipated advantages of regional networks

Economic advantages	Socio-cultural advantages	Ecological advantages
<ul style="list-style-type: none"> – Finding and using the regional development potential – Increasing the regional added value – Increasing used of synergies effects through cooperative planning – Reducing the reaction time to regional structural problems – Development of new services and products 	<ul style="list-style-type: none"> – People affected become participants – Are supported the regional initiatives, creativity and cultural identity – Solving the regional conflicts is supported by intermediary structures 	<ul style="list-style-type: none"> – Increased importance of environmental regional problems – Increased regional responsibility – Improvement of the regional resource cycle – A better integration of the environmental dimension into regional development by ex-ante evaluation, indicators, project selection.

Source: Sprenger, 2001

Moreover, the territorial networks can represent a solution for the regional development problems that could not be solved or for which were proposed inadequate solutions by the traditional institutions. It contributes to the competitiveness increase and unemployment decrease by using the regional social capital potential, as well as by involvement of different groups of regional actors. In addition, the involvement of partners contributes to the development of institutional capacity at sector and territorial levels. Through the involvement of local or regional authorities, their institutional capacity has been strengthened, their awareness on European structural policy has been extended, and a more effective dialogue between the different authorities has been established. The participation of the different actors contribute to the drawing –up of innovative projects that responds better to the community problems improving the evaluation and the monitoring process, dissemination of best practices and obtained results, creating opportunities for reinforcing innovation. The private sector must also actively involve both with financial and human resources. Thus, can be developed a partnership

culture by encouraging organizations to see the local development as a responsibility for the people that live in the area.

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