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TERRITORIAL COMPETITIVENESS FOR RURAL DEVELOPMENT IN ROMANIA: ANALYSIS OF CRITICAL INFLUENTIAL FACTORS FROM WWP MODEL

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Abstract

Romanian rural areas need revitalization and increasing territorial competitiveness. The "territorial projects" designed from the Local Action Groups, may become a new governance model for the search of regional competitiveness. The objective of this paper is to analyze the critical factors affecting territorial competitiveness in Romania and in the economic sustainability of rural areas. The competitiveness analysis is conducted in the context of the European Network for Rural Development. The methodology used for the analysis is based on the WWP model, which integrates elements of planning as social learning, economic sustainability and Networking Knowledge for Rural Development. The results show that the main limiting factors for regional competitiveness are focused on three dimensions or components: social-ethical, political-contextual and technical-entrepreneurial. Challenges and changes necessary for effective implementation of LEADER under conditions of global market relations are submitted.

Keyword: Territorial competitiveness; Rural Development; Romania; Working with People; Social Learning; Networking; Sustainable economies.

INTRODUCTION

In terms of project management, the Romanian National Rural Development Network (NRDN) is a high social complexity rural development project. The NRDN general objective is to implement a new rural development management approach based on social learning to enhance the implementation of the National Rural Development Program (NRDP). The NRDN has to enlist the energy of all actors in the rural development process, and to promote an effective flow of information, exchange of ideas and good practices, and promote cooperation between all the organizations and institutions which are involved in rural development [17]. The NRDN is open to all rural development stakeholders—public authorities, Local Action Groups (LAG), universities and research institutes, professional associations, socioeconomic organizations, actors from agriculture, forestry and agribusiness and other relevant institutions and organizations who are active in rural areas—to improve the local governance in order to draw up and implement local development strategies for rural competitiveness. The Network Support Unit (NSU)—in connection with the European Network for Rural Development (ENRD) and other National Rural Networks (NRN) in the EU Member States—is the operative team charged on the NRDN implementation. Its task is to animate the efficient flow of information regarding the NRDP, to animate the exchange of ideas and good practices and cooperation between all the members of the Network who are beneficiaries of the NRDP and to grant specialized support for the NRDN members involved at the NRDP management (Managing Authority).

MATERIALS AND METHODS

The research methodology incorporates different tools and information sources. First the collection and review of secondary sources on the concept described above. Moreover, the research methodology incorporates empirical information obtained from the Rumania NRDN, implemented following the principles of the planning model "Working With People, WWP", a conceptual

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proposal for rural development projects and territorial competitiveness, developed “by” people and not “for” people. This WWP has been applied in several experiences in rural development projects, especially in LEADER areas [4, 5, 6, 7, 9].

Currently the Romanian NRDN is integrated by 832 members. Amongst the activities implemented by NSU to dynamize the NRDN, the main tools for “working with people” and for the social learning processes are: «LEADER Working Group», the «Thematic Working Groups» and the «Experts Working Groups». For the collection and systematization of expert knowledge and experience about the territorial competitiveness in Romania, we used two participatory instruments that are complementary: focus group and empowerment assessment [12]. These activities were part of the NSU yearly working program. There were held six focus groups between March and July 2012. with a total of 20 stakeholders participating at each one. The NRDN members chosen to integrate each focus group were representative of the global NRDN members’ situation in terms of activity sectors, and institutional level: public authorities, universities and research institutes, local action groups, professional associations, socioeconomic organizations, actors from agriculture, forestry and agribusiness and other relevant institutions and organizations active in rural areas. Regarding their relevance for the study all members of the Competitiveness Thematic Working Group and all LAG at the Rumania regions were invited to participate.

As part of our larger WWP in the NRDN, the purpose of the FG was to address stakeholders’ assessment in territorial competitiveness. The FG designed according to international standards and considers the factors in the territorial competitiveness [3, 5, 9]. We used a systematic participatory process to prepare and analyze our data [12]: (a) sequencing the questions to allow the participants to clearly understand the purpose of the research and collect their thoughts, (b) recording each group with note-taking by an assistant moderator, (c) coding each theme with a label that is used each time it appears, (d) assessment of each answer using a participatory system (each research questions are assessed independently from the expertise, using a qualitative scale); (e) debriefing between the moderator and assistant moderator and (f) sharing findings among the research team. The findings may be transferrable to other similar environments. The themes, answer as they were coded, fit into clusters [12], according to the dimensions of WWP model –Ethical - social, Technical-entrepreneurial, Political-contextual [7]. Clustering helps to order the diverse themes offered by the participants by putting them into similar groupings, as is usual the overlapping of different participants’ contributions [14]. The richness of the descriptions of the experiences shared by the experts is one of the main advantages of focus group research. Opinions’ confidentiality is strictly assured for all the participants. The board at each FG approved the conclusions and each expert gave his consent form. In this article, we report common themes, derived from expert’s comments and their opinions. The purpose of this article is to report on common findings regarding territorial competitiveness for rural development in Romania, according to the WWP model dimensions.

RESULTS AND DISCUSSION

Table n° 1 shows the limiting factors for rural territories in Romania sorted according to experts’ appraisal and also according to the three WWP competitiveness components. Results show that limitations are balanced at the three components of WWP model.

Table 1 — Assessment of limiting factors on the territorial competitiveness for Rural Development in Romania: outcomes from the WWP model

Limiting factors for territorial competitiveness	Ethical-social component	Technical-entrepreneurial component	Political-contextual component	Total general
Human resources. Social Capital (lack of population, training and entrepreneurship competences).	17,8%	0,0%	0,0%	17,8%
Difficulties for projects co-financing. Problems accessing financial resources	0,0%	0,0%	13,7%	13,7%

Lack of technology and technology transfer	0,0%	13,7%	0,0%	13,7%
High taxes (boureocracy)	0,0%	0,0%	9,6%	9,6%
Productivity, Farms yield is low	0,0%	8,2%	0,0%	8,2%
Professional Associations. Cooperation and integrated vision	9,6%	0,0%	0,0%	9,6%
Local product development (local marks and origin denominations)	0,0%	5,5%	0,0%	5,5%
Values. Responsibility. Fidelity. Ethics.	4,1%	0,0%	0,0%	4,1%
Local development strategies do no include external relations promotion.	0,0%	0,0%	4,1%	4,1%
Youth people migration. Local population aging.	4,1%	0,0%	0,0%	4,1%
Absence of territorial approach on development policies.	0,0%	0,0%	2,7%	2,7%
Absence of public-private partenariates.	0,0%	2,7%	0,0%	2,7%
Agricultural policies are almost only focused on traditional agricultural production	0,0%	1,4%	0,0%	1,4%
Information Access difficulties	0,0%	0,0%	1,4%	1,4%
Development of cooperatives and other associative entities	0,0%	1,4%	0,0%	1,4%
Total	35,6%	32,9%	31,5%	100,0%

Source: USR, 2012

Ethical-social component covers the context of behavior, attitudes and values of people who interact to promote, manage or direct the territorial project [7]. Regarding this component — 35,6% of assessment— experts identified mainly those threats focused on improving training of human resources and local people and managers competences development –knowledge, attitudes and values– to make them able of managing a new local development planning approach that is based on local Action Groups (LAG). Regarding this Ethical-Social component several researches have made le linkage between rural education and competitiveness [21], creativity [11] and ethics [23].

Technical-entrepreneurial component integrates the key elements to achieve providing the WWP project as investment unit and technical tool capable of generating a flow of goods and services and to meet some targets, according to requirements and quality standards [7]. About this component - 33% of limitations - experts identify elements to improve projects quality, as “technical” instruments to bring goods and resources for population. Lack of technology and low productivity are restricting factors for private-entrepreneurial sector competitiveness. The low presence of public-private partnerships is also seen as a restriction. The influence of these technical-entrepreneurial elements on competitiveness has been studied from some different and complementary approaches like industry clusters [13, 19], the entrepreneurship and enterprises [1], the value chain of a particular product [2, 24] or the rural tourism [20].

Political-contextual component provide the territorial project with key elements to meet with the context the project is inserted. This area covers the ability of project to make relations with political organizations and with the different public-administrations [7]. In connection with this component —31.5% of the total assessment— experts identified some problems that had to be solved to improve the access to financial resources and promote projects co-financed by local actors through LAG management structure. Several studies have pointed that affects this territorial competitiveness component: Political factors [16, 18], urban-rural relationships [25], decentralization processes [26], spatial dispersion of the industry [27] and services [28], new conflicts and incompatibilities between uses [29, 30, 31]. The works in the context Romanian show the needs a revitalization of marketing on international markets by promoting the quality of the products [15].

Table 2 shows the results of the competence assessment process for the different acting contexts (Political and Public administration, Private and entrepreneurial fields, and non-economic Civil Society field) according to the WWP model for Romania.

Table 2 — Influential skills and competences for territorial competitiveness in Romania: outcomes from the WWP model

Competences	Political context <i>(Political and Public administration)</i>	Technic-entrepreneurial context <i>(Private and entrepreneurial entities)</i>	Ethic-Social context <i>(Non-economic civil society entities)</i>	Total
Team work	0,0%	10,0%	2,5%	12,5%
Negotiation	4,7%	4,0%	2,5%	11,2%
Finance	8,3%	0,0%	0,0%	8,3%
Program/projects implementation	5,8%	1,3%	0,0%	7,1%
Leadership	0,0%	2,2%	4,5%	6,7%
Communication	1,1%	1,1%	4,0%	6,3%
Legal	6,0%	0,0%	0,0%	6,0%
Information and documentation	5,4%	0,4%	0,0%	5,8%
Resources	2,9%	2,5%	0,0%	5,4%
Program orientation	3,3%	2,0%	0,0%	5,4%
Permanent organization	2,7%	0,0%	2,7%	5,4%
Efficiency	0,0%	3,8%	0,0%	3,8%
Interested parties	0,0%	0,9%	2,2%	3,1%
Systems, products and technologies	2,7%	0,0%	0,0%	2,7%
Creativity	0,0%	0,4%	1,6%	2,0%
Values appreciation	0,0%	0,0%	2,0%	2,0%
Consultation	0,0%	0,0%	1,6%	1,6%
Ethics	0,0%	0,0%	1,6%	1,6%
Reliability	0,0%	0,0%	1,6%	1,6%
Openness	0,0%	0,0%	1,1%	1,1%
Efficacy	0,0%	0,0%	0,4%	0,4%
Engagement and motivation	0,0%	0,0%	0,2%	0,2%
Total per acting context	42,9%	28,8%	28,3%	100,0%

Source: USR, 2012

Main threats are to improve the *team work* (12,5%), *negotiation* processes (11,2%) and *financial resources* management (8,3%). A global appreciation of competences regarding the three WWP acting contexts, shows that the Political Context component is the main context that has to be improved (42,9%), followed by Ethic-Social domain (28%) and Technic-entrepreneurial (28%).

CONCLUSIONS

Applying the WWP model to Romania is an Innovative process. It is focused on improving territorial competitiveness at global level from a new rural development governance dimension. Working with people from NSU as an active instrument into NRDN is helping to develop social learning processes between all the actors from the different rural development domains. According to the obtained results, actions to improve rural territories competitiveness in Romania should not be sectorial but –according to the WWP model– should be integrated into three global components –Ethic-Social, Technic-Entrepreneurial and Political– that interact transversally through social learning processes. This approach helps to understand and improve the social relations between

actors from all the social domains: political, public administrations, private enterprises and non-economic social organizations.

Regarding the limitations of traditional centralized competitiveness models, NSU works from WWP model proves the need of integrate into rural development projects management the behavior understanding and learning processes for the involved actors and organizations. This approach allows developing and improving in them characteristics such as openness to questioning, dialogue, risk taking and experimentation based on new information, inclusiveness and empowerment, and flexibility within a sense of community. WWP model also emphasizes that cooperation and team working are the most suitable means to improve people abilities and create knowledge (Holden, 2008). There is also shown that it is important to integrate external knowledge and other external factors that influence projects planning and management. External knowledge acquisition is a basic resource to improve competitiveness. This approach enables organizations to benefit from external interpretation of what others think of them and to hear their ideas about how they might improve [10].

Experts and NRDN members appreciate this participatory activities promoted from NSU and that is needed “to have time to be with people” to integrate local population expertise knowledge with project managers expert knowledge, that is the base of social learning processes.

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