

Economic and Social Cohesion in the South-East of Romania

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Abstract: In the midst of struggling with the global economic crisis the European Union is working to maintain its integrity while applying the motto “United in diversity”. Even while turning a deaf ear to the euro-enthusiasts and the euro-skeptics one wanders just how cohesive this diverse unity is. To analyze this is to dwell into the cohesion principle that underpins the whole European construct, going beyond the models presented by politicians – a Europe of the Regions or The United States of Europe. Our aim is to identify the disparities that might exist so far as economic and social cohesion in Romania goes. Thus, continuing a previous study concerning economic and social cohesion in Romania in the year 2010, based on a methodology developed by professor Shalom H. Schwartz from the Hebrew University of Jerusalem, we set out to research the cohesion elements in the Southern and Eastern regions in our country and compare the findings of the two scientific inquiries. The existence of significant disparities among the South-Eastern part of Romania and the whole country would add to the concerns expressed by the authors of the previous study regarding the low level of economic and social cohesion in our country.

Keywords: economic cohesion; social cohesion; disparities; scientific inquiries

JEL Classification: R10; D63; Z13

1. Introduction

The new approaches to the regional policy of the European Union³ point out that “minimising the regional disparities in production, unemployment and income is, for many countries, a major political objective and *determines the national coherence*”. Before seeking an answer for what the meaning of national cohesion is in a transnational structure as that of the EU, a brief analysis of the concept of cohesion is needed. From the perspective of The General Systems Theory, “*cohesion refers to the cause which ensures the dynamic stability and implicitly, the existence of a system or a subsystem. This stability derives from the restrictions*

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³ Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999 [Official Journal L 210 of 31.7.2006].

that are imposed by the dynamic interactions in a system on the dynamics of the component elements. A dynamic system is a set of interacting elements that is characterized and individualized by other systems through their cohesion". (Collier, 2006)

The defining characteristics of the concept of cohesion may be useful in understanding the states of regional imbalances. Thus:

1. Cohesion is a balance between centrifugal and centripetal forces which act as centripetal forces and flow acting on the elements of a system, respectively between the flows that favour the inward or outward tendencies;
2. Cohesion manifests itself differently in time and space having different intensities and forms;
3. Cohesion is conditioned by the distribution in time and space of the forces and the flow within and outside the system.

As a balance between centrifugal and centripetal forces, the cohesion state involves links between the elements of a system, but also different levels of freedom of motion (Figure 1):

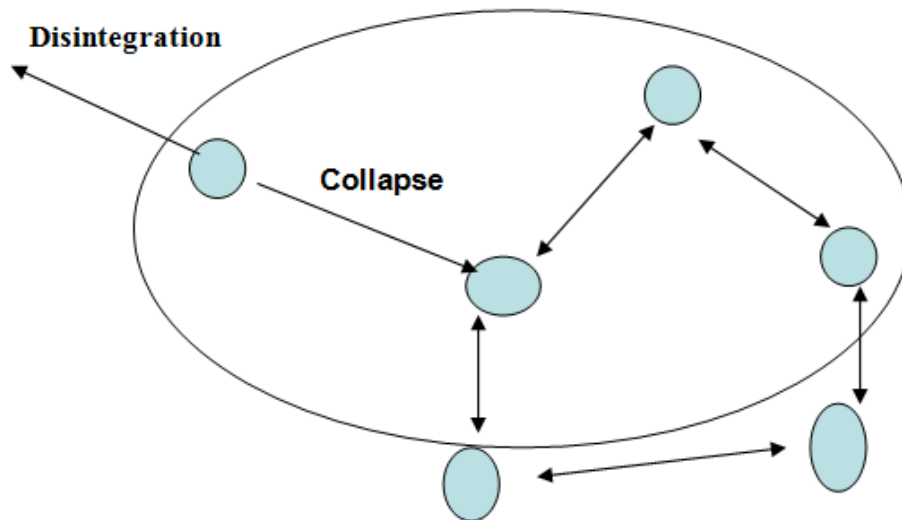


Figure 1. Cohesion as the basis of system stability

In other words, cohesion is the result of a delicate, dynamic, yet stable balance between the state of collapse and disintegration. From a social point of view, the two states can be easily identified with anarchy or extreme autocracy, the revolutionary states illustrating quite well the disintegration of human societies,

while the social collapse reflects the failure of the “monolithic unity” utopia of the communist vision.

Since the human being is multidimensional, cohesion has different social manifestation forms:

- Economic cohesion;
- Social cohesion;
- Cultural cohesion;
- Political cohesion.

This paper focuses on the economic and social dimensions of the concept of cohesion, although the connections with the cultural and political dimensions are also extremely important for the development of the research.

2. Economic Cohesion

More often than not, economic cohesion is defined in terms of income inequality between individuals, regions, or countries, or in terms of dynamics as a process of convergence. This approach is not correct, but can be found including in the EU programmatic documents¹. Fortunately, there are increasingly more views of experts who reject the cohesion approach in terms of convergence. (Tarschys, 2002) The error is that differentiation separates and does not unite, and therefore approaching cohesion from this point of view does not take into account the causes that link the elements of a system. Moreover, the concern for reducing inequality refers to reducing the anti-cohesive factors, namely the intensity of centrifugal forces and of outward flows, neglecting the centripetal forces and the flows within the system.

Approaching the economic cohesion in terms of centripetal and centrifugal flows and forces is found in the literature of spatial and regional economics in recent years: It can be seen that centripetal and centrifugal forces correspond to the concentration and spatial dispersion forces defined by P. Krugman:

Centripetal forces (concentration)	Centrifugal forces (dispersion)
Number and intensity of the connections between markets	Immobile production factors
Weak labour markets	Ground rents
Economies of scale	Diseconomies of scale

¹ Preamble of the Treaty of Rome: “*the Member States of the European Community are concerned about ensuring their harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions*”.

Positive, negative, position and agglomeration externalities	
Existence of knowledge diffusion	Modern transport and telecommunication networks
Clusters	Network industries

Economic cohesion as a balance of centrifugal and centripetal forces and flows

- **Centripetal forces:** *the system of economic interests*
- **Centripetal flow:** *the exchange of economic goods within the division of labour. → The market networks system.*
- **Centrifugal forces:** *the income inequality between individuals, social groups, regions; poverty as economic collapse, unemployment as exclusion;*
- **Centrifugal flow:** *segregation, isolationism, emigration, self-consumption.*

Since the exchange is the basic relationship of economy, we believe that the best representation of economic cohesion at a regional level is rendered by the level of integration of local markets, according to the Enke-Samuelson model. (Roehner, 1995)

Social cohesion:

Social cohesion is a characteristic of a society based on social connections and relationships between social entities such as *individuals, groups, associations*, and between territorial entities (McCracken, 1998). The concept of social cohesion includes the following features of the human society:

- *the existence of shared values and feelings of affiliation to a group of people.*
- *the ability of the human society to ensure equality between its members and prevent the marginalization of any citizen.*
- *it exists if the forms of participation in the decision making process, which include political parties, trade unions and governments are inclusive, democratic and effective.*

Economic and Social Cohesion in the Romanian Society

The assessment is based on a study within the research contract 91-050/2007, PN II, Partnerships in priority areas, “*Reducing inequalities - prerequisite for economic and social cohesion. Quality of European integration*”, which was conducted between 2007 and 2010. In the early stages of the study, the analysis of economic and social cohesion was made based on standard indicators for such an analysis, therefore in terms of inequalities (i.e. centrifugal forces and flows).

3. Research Methodology

At this stage, the focus was laid on the attitudinal basis of economic and social cohesion, respectively on the centripetal forces and flows. We tried to point out the values and attitudes which unite Romanians. The research was based on the following elements:

- ✓ Representative survey for the Romanian population of 19 years and over.
- ✓ The questionnaire consisted of 35 operational questions and 12 questions of identification and structuring.
- ✓ Making the questions and interpreting the survey results were made based on *The theory of basic human values*.

The theory of basic human values was developed by Professor Shalom H. Schwartz, from the Hebrew University of Jerusalem and represents a theoretical basis for many studies of social barometer (e.g. European Social Survey).

There are 10 basic values considered, that are described by 57 specific characteristics (Table 1), which focus on 3 universal requirements of the human condition:

- the needs of individuals as biological organisms;
- the need to coordinate social interactions;
- the groups' need to survive and live on welfare.

Table 1. Basic human values and their associated characteristic elements

Value	Associated characteristic elements
POWER	<i>Social status and prestige, control or dominance over people and resources</i> (social power, authority, wealth, preserve one's public image)
ACHIEVEMENT	<i>Personal success achieved by proving competence according to social standards</i> (successful person, capable, ambitious, influential)
HEDONISM	<i>Search for and gratification of one's own pleasure</i> (pleasure, joy of life, self-indulgence)
STIMULATION	<i>Emotion, novelty, challenge of life</i> (to dare, an eventful and exciting life)
SELF-DIRECTION	<i>Independent thinking and action, creativity, exploration</i> (creativity, freedom, independent, curious, choosing one's own goals)
UNIVERSALISM	<i>Understanding, appreciation, tolerance and protection of nature and of the welfare of all people</i> (open-mindedness, wisdom, social justice, equality, world peace, a beautiful world, unity with nature, protecting the environment)
BUNEVOLANCE	<i>Preserving and enhancing the wellbeing of those with which the</i>

	<i>person is in often personal contact (helpful, honest, forgiving, loyal, responsible)</i>
TRADITION	<i>Respect, commitment and acceptance of the customs and ideas of traditional culture or religious ideas (humble, accepting one's life, devout, respect for tradition, moderate)</i>
CONFORMITY	<i>Self-control against actions, inclinations or impulses that might offend or hurt others or that could violate social regulations or expectations (polite, obedient, self-discipline, respect for parents and elders)</i>
SECURITY	<i>Safety, harmony and stability of society, of relationships and of one's self (family and national security, social order, cleanliness, mutual favours)</i>

Source: (Schwartz, 2004, pp. 67-68)

4. Motivational Continuum Chart

The circular layout represents the motivational continuum. The more closely two of the 10 values are, the closer are the motivations supporting the effort to achieve these values. The more distant two of the 10 values are in the chart, the more antagonistic are the motivations behind them. This leads to a structure with two orthogonal dimensions: *self-enhancement vs. self-transcendence* and *openness to change vs. conservation*.

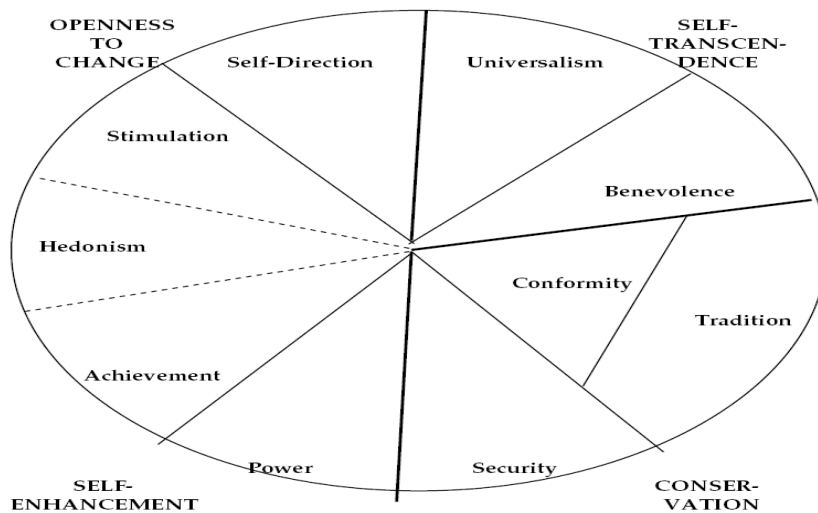


Figure 1. Theoretical model of relations among ten motivational types of values

Source: (Schwartz, 2004, pp. 56-57)

The chart of the basic human values for Romania was based on the distributions of the answers to the questionnaire by correlating these distributions with the characteristics of the 10 basic human values. The colours in this chart have been chosen in order to highlight the intensity of the attachment to each basic human value. The more intense colours (red, orange, yellow) show a high level of attachment to a certain value, while pale colours (light blue to white) show a low level of attachment (Fig. 2).

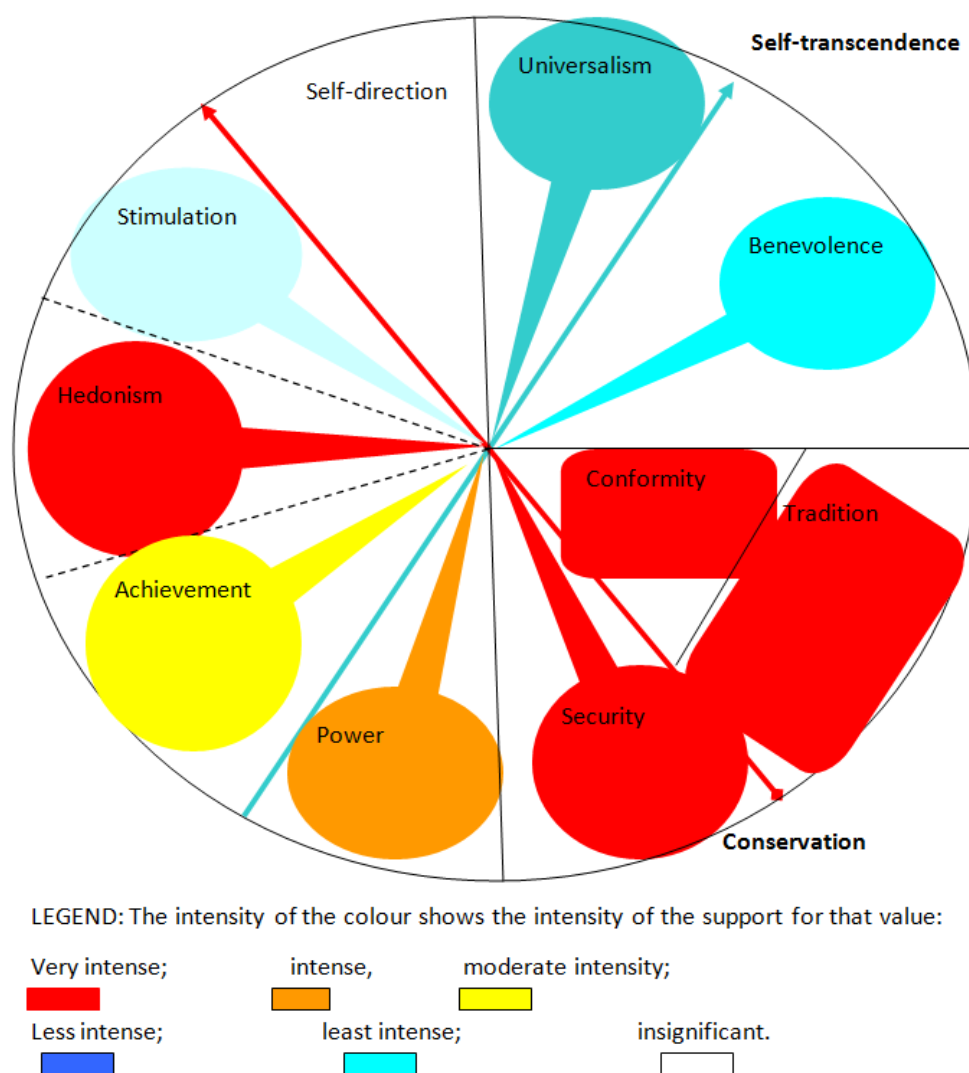


Figure 2. Chart of basic human values characteristic of Romanian society in 2010

4.1. Interpretation of Results

- It can be seen that red, orange and yellow are predominant at the bottom of the chart, with the exception of the Hedonism value at the intersection of the lower and upper semicircles. This reflects a predominance of the attachment to the following values: *Tradition, Conformity, Security, Hedonism, Power (apparent) and Achievement*.
- The analysis of the distribution of preferences for these values was made in relation to the transcendence axes of the values. Thus, the values of Tradition, Conformity and Security strongly support the *Conservation state on the Axis: Conservation → Openness to change*. In relation to this axis, the dominance of red as opposed to light blue that characterizes the values of Stimulation and Self-direction, shows a low tendency towards renewing and changing the present Romanian society, a trend that does not support strongly enough the economic and social cohesion.
- In relation to the other axis: *Self-enhancement (as self-abuse) → Self-transcendence*, the values of Power and Achievement clearly tip the balance in relation to Universalism and Benevolence, while the Hedonism value undoubtedly cuts the orientation of the attitudinal state towards *introversion* in opposition to *openness and relating to other individuals*. This relational blockage further undermines economic and social cohesion even more than the attitudinal state pointed out by the previous axis.
- What is interesting is that the dominant values on these two axes are distributed in continual proximities, which shows more a *motivational consensus*, rather than a conflict state of values that could be *favorable to social progress*. The conclusion is reinforced by the lighter colours in the upper half of the chart, which highlight the attitudinal strength of the opposition values.

5. Confidence in Institutions as a Factor of Cohesion

The alarmingly poor condition of economic and social cohesion revealed by this survey is also highlighted by the great level of distrust of individuals in public authorities and institutions. The confidence in the National Bank of Romania is the only one that exceeds the level of support of 50% (Fig. 3). As for the rest, the confidence of the Romanian citizens in the European Parliament (34.2% very high and high) is greater than in the national institutions (less than 30% as confidence level). The confidence in politicians (9.6%) and in political parties (10.6%) is

dishearteningly low. Neither is the confidence in the justice system appropriate to a modern state (26.6%).

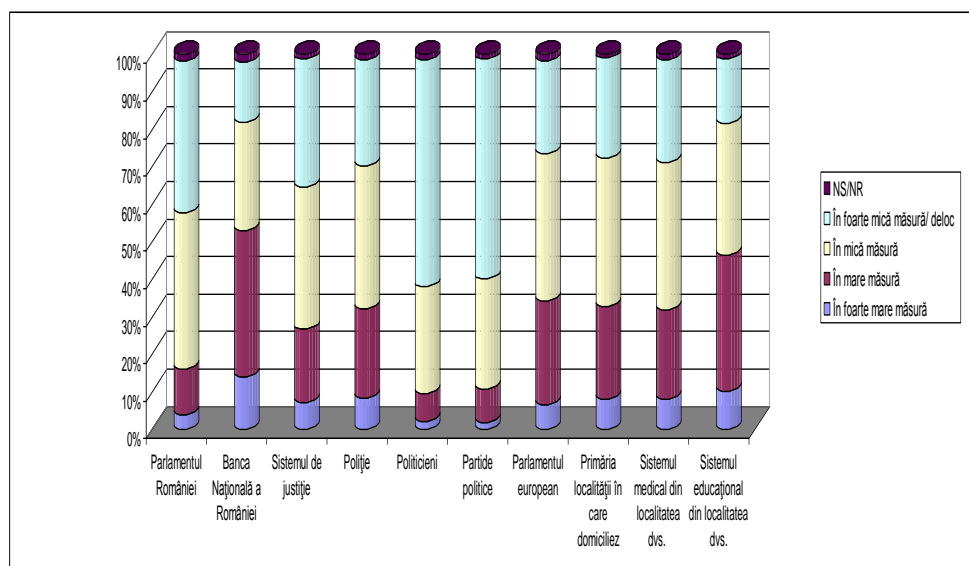


Figure 3. Romanians' level of confidence in institutions

5.1. Individuals' Distrust in Authorities and Institutions

Another factor that greatly undermines the economic and social cohesion in Romania is the citizens' indifference. The quasi-dominance of negative answers to question no. 21 shows without any shadow of a doubt the harmful indifference of the citizens (fig. 4). But it is still shocking to note that:

- ✓ 80.6% of citizens have not contacted a politician, a government representative or a representative of the local authorities (mayor, vice-mayor, counsels);
- ✓ 84.3% of them have not been part of a political party or a civic action group, 81.2% have not worn badges and have not distributed campaign flyers;
- ✓ 79.5% have not worked in a charity or voluntary organization;
- ✓ 76.3% have not participated in a public demonstration or legal rally;
- ✓ 72.3% have not signed a petition;

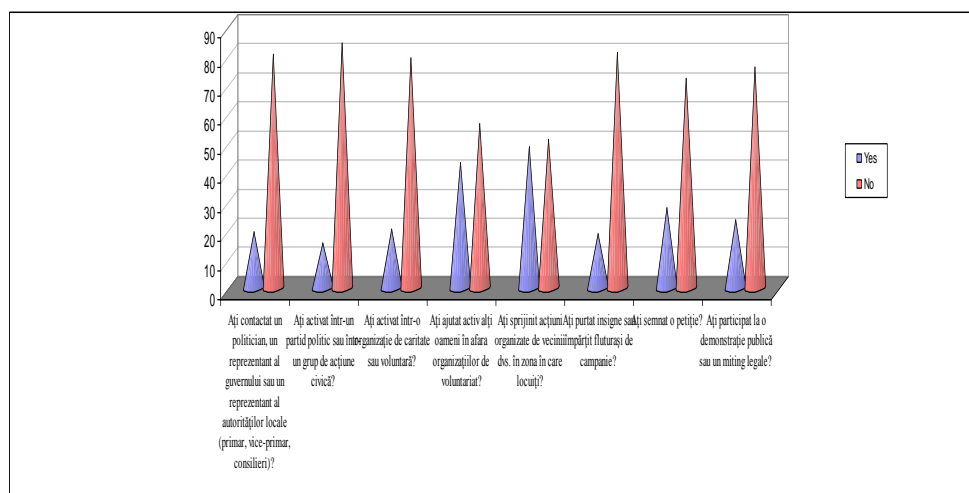


Figure 4. Romanians' level of civic involvement

The state of economic and social cohesion, revealed by the survey conducted, is very low and quite dangerous for the stability of Romania.

Such a state of cohesion is very unfavorable to a high-quality integration of our country into the EU and it may worsen to the extent that the community project would be led towards a Union of Regions.

6. Instead of Conclusions

Romania's entry into the economic crisis has worsened the economic and social framework and it is expected that changes might occur in the state of economic and social cohesion. That is why the authors decided to resume the analysis of the economic and social cohesion of Romania in 2013. Unfortunately, the territorial area of the survey was restricted, and the authors resorted to their own resources and to the support of the students at the Bucharest University of Economic Studies. Thus, two NUTS 2 regions were selected, Southeast and South (Muntenia), regions from which a great part of our students provides information and which cover the South-East of Romania. 750 questionnaires were distributed in Argeș, Brăila, Buzău, Călărași, Constanța, Dâmbovița, Galați, Giurgiu, Ialomița, Prahova, Teleorman, Tulcea and Vrancea. The Bucharest-Ilfov region was not included in the analysis, because it exceeds the average level of economic and social development in Romania and the results would have been inconsistent with those in the regions analyzed. However, it would be interesting to carry on the study in this region as well, in order to highlight the regional disparities of the economic and social cohesion. Currently, about 378 questionnaires were collected, of which 321 were validated. Preliminary results seem to indicate interesting differences

between the two regions analyzed in that the Southeast region seems less cohesive than the South region (Muntenia). It is interesting that the Romanians' level of civic involvement in civic actions has increased, but the confidence in national institutions still remains at a low level. Also, it is worthy of note that the National Bank of Romania remains leader in terms of confidence, as people correctly perceive its position as the main factor of economic stability.

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