

# Regional Development Through Investments in the Health Infrastructure in Romania, 2007-2013 Programming Period

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## Abstract

*The inadequate quality of healthcare services infrastructure is one of the key issues identified in the National Development Plan of Romania 2007-2013, whose solution was pursued through the use of structural and cohesion funds. The allocation of funds from the European Regional Development Fund, from the State budget or as a contribution from the beneficiaries, meant for Romania a sign of commitment to solving this problem. However, the insufficiency of funds, the problems encountered especially in terms of the human resources deficit in this area, have made the need for improving the medical system to persist within the 2014-2020 programming period.*

*This paper presents the situation of the financed projects implemented with the financial support of Regional Operational Programme 2007-2013. The available data are presented using the statistical analysis. The comparative results are presented for each region..*

**Key words:** regional development, EU structural funds, statistics, regional disparities, health infrastructure

**J.E.L. classification:** H75, R10, R58

## 1. Introduction

The health status of the population is an essential element in ensuring demographic balance and providing adequate work resources. That is why the field is presented and analyzed both in the programming documents made at national (NDP 2007-2013, 2006), as well as at regional or local level. The sanitary infrastructure, the endowment with advanced equipment and technology are needs identified in the regional development plans adopted at the level of the development regions for the 2007-2013 programming period (RDP Bucharest –Ilfov, RDP Center region, RDP North – East 2007-2013). The plans also include goals and priorities that target the healthcare field, whether as a health infrastructure (RDP South-Muntenia 2007-2013, 2006, p.110) or included in the social field (Regional Development Strategy for South-East Region 2007-2013, 2006). However, in addition to infrastructure, there is a need for adequate and sufficient human resources (Regional Strategic Framework, North – West 2007-2013, 2006, p.117). They have responded to strong challenges such as brain drain. Only in certain situations has the effect been diminished, the growth poles being the framework where interventions were much better completed and sustained. The Regional Operational Program 2007-2013 has responded to the regional needs, managing to some extent their resolution, taking into account the limited level of financial resources.

## 2. The financial support for health infrastructure

The European Fund for Regional Development was the most important financial source for the infrastructure development at regional level, including the one in the healthcare field. The total amount allocated to Romania was of 8,976,466,066 euro, as opposed to 6,552,423,028 euro allocated from the Cohesion Fund and 3,684,147,618 euro the European Social Fund.

The total financial allocation for the Regional Operational Program 2007 - 2013 was 4,568,341,147 Euro, out of which 3,726,021,762 Euro from the European Regional Development Fund (ERDF), the rest representing national public funds and private funds (ROP 2007-2013, p.162). The rehabilitation / modernization / equipping of the health services infrastructure is the first key area of intervention of priority axis 3 of the ROP 2007-2013 aiming at creating the necessary premises for ensuring the population with essential services, thus contributing to the achievement of the European objective of economic and social cohesion and to reduce the regional disparities. This aspect has generated different opinions (Antonescu, 2012), the role of the EU funds in reducing regional disparities being challenged (Boldea, 2012)

Through the rehabilitation, modernization and equipping of county hospitals, as well as through the rehabilitation, modernization, development and equipping of outpatient clinics (hospitals and specialty facilities), the quality of healthcare services and their territorial - regional distribution were balanced on the territory of the country, to ensure equal access of citizens to health services.

The Regional Operational Program through the KAI 3.1 supported the implementation of the National Health Strategy adopted in 2004 in order to achieve its objective, namely to improve the health status of the Romanian population and to ensure a high level of protection of human health. (see Table no.1)

The indicative financial allocation for this area of intervention was 173,588,779 Euros, out of which 147,550,461 Euros from the ERDF and 26,038,318 Euro national co-financing (from public sources) out of a total allocated for Priority Axis 3 of 657. 53 million EUR, of which EUR 558.90 million from the ERDF and the remaining national co-financing.

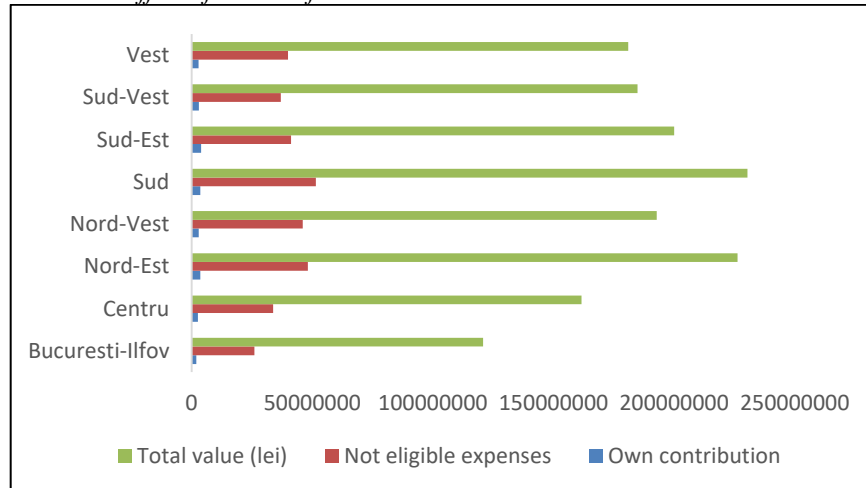
*Table 1: Projects and values per region, ROP 207-2013, KAI 3.1 Health Infrastructure*

<b>Region</b>	<b>No of projects</b>	<b>ERDF</b>	<b>State Budget</b>	<b>Total value (lei)</b>
Bucuresti-Ilfov	3	80619753,23	12330079,91	120821850
Centru	13	108715331,6	16627050,72	161621863
Nord-Est	14	151411875,3	23157110,33	226253905,1
Nord-Vest	14	124723618	19075377	192789956
Sud	10	152045897	23237740	230367800
Sud-Est	18	134544427	20360212	199981821
Sud-Vest	13	125718943	19197815	184812856
Vest	19	119867265	18332640	180955261

*Source:* Data processed by the author based on the data available on <http://www.inforegio.ro/ro/implementare/proiecte-finantate.html> (accessed on May 15th, 2017)

For the realization of these projects, the beneficiaries contributed with financial resources (see Figure no.1), covering the requested own contribution, as well as the non-eligible expenses. Thus, of the total value of 1497605312 lei attracted at regional level, 24235534.58 lei represents the beneficiaries' contribution. 323404873.7 lei represented the non-eligible expenses, borne from the local budget. The region with the most non-eligible expenditure was the Centre region, which supported a value of 33721473.64 lei, and the lowest value was registered in the South-West region, respectively 36908217 lei. This can be the consequence of a good management in the elaboration of the documentation for obtaining the financing, but also of the implementation of the project.

Figure no. 1 Financial effort of the beneficiaries



Source: Data processed by the author based on the data available on <http://www.inforegio.ro/ro/implementare/proiecte-finantate.html> (accessed on May 15th, 2017)

### 3. Human Resources in the healthcare field- Example the Growth Pole Brasov

The Growth Pole Braşov includes the municipalities of Braşov, Codlea and Sacele, the cities of Ghimbav, Predeal, Rasnov, Zarnesti, Bod, Cristian, Crizbav, Feldioara, Halchiu, Harman, Prejmer, Sanpetru and Tarlungeni part of the Braşov Metropolitan Area. The total population of the Growth Pole is of 406611, according to the data from the 2011 census (Integrated Development Plan, 2009). The evolution of the stable population at the level of the Braşov Growth Pole registered an upward trend during the period 2008-2013, the average annual growth rate being of 0.15%, the growth over the entire period being of 0.73%.

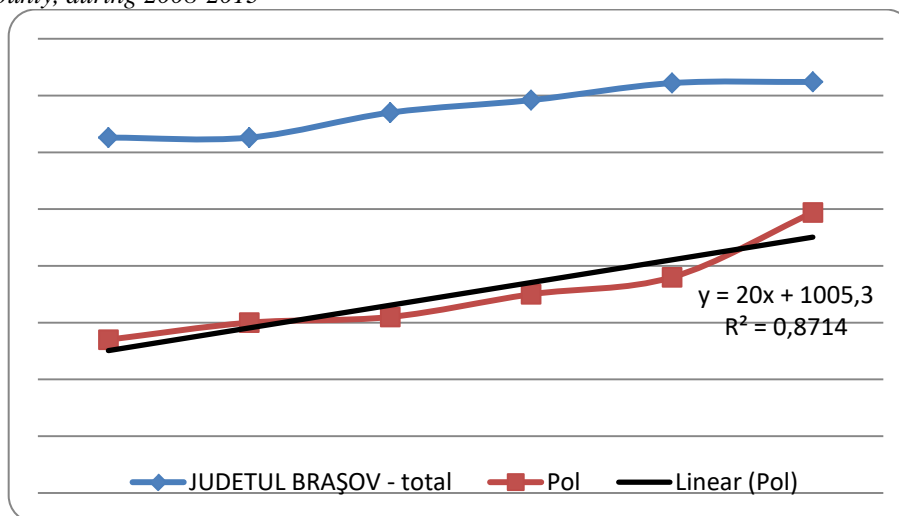
As far as the health infrastructure is concerned, the project "Modernization, rehabilitation and equipping of the health services infrastructure within the Ambulatory - Clinical Hospital of Obstetrics Gynecology Dr. IA Sbarcea - Braşov ", was realized in Braşov, the beneficiary being Braşov County through Braşov County Council. The total value of the project was of 2,169,120 lei, of which ERDF 1,445,170 lei, the State budget 221,026 lei, own contribution 34,004 lei and non-eligible expenses 468,920 lei.

At the level of the Braşov Growth Pole, 25 projects were implemented with funding from the ROP 2007-2013, Priority Axis 1, with ERDF funding of 288,708,622 lei, to which are added from the State budget 63,398,983 lei, own contribution from the beneficiaries of 71,010,950 lei. The general conditions that generated an increased level of infrastructure quality at the growth pole level have also influenced the evolution of the medical staff as in other EU regions (Rodríguez-Pose, 2004).

A comparative analysis of the dynamics of the health care personnel (physicians and healthcare personnel) at the level of the Growth Pole in the total of the county reveals positive evolutions for both categories, more pronounced for doctors (from 85.3% in 2008 to 90.9% in 2013), with a significant contribution of Braşov (a 15% increase over the same period).

The analysis of the evolution of the number of doctors in the county and the Braşov Growth Pole shows (see Figure no.2) an upward trend throughout the 2008-2013 period, the increase being more pronounced at the level of the pole (by 11%), compared to the whole county (where the increase is of 4%) . This positive trend registered at the pole level can be sustained by the effect of the socio-economic development public policies of the area and mitigates the effects of the phenomenon of "brain drain" in the healthcare sector.

Figure no.2. The evolution of the number of physicians at Brasov Growth Pole level and the total of the Brasov County, during 2008-2013



Source: Author' processing based on NSI data

In the case of the average health personnel, the situation is different, with a trend of accentuated diminishing over the whole analyzed period 2008-2013, both at the county level (21.2%) and the pole level (20.7%). Exceptions to the general tendency of decreasing the number of the healthcare personnel are the localities: Predeal (about six times), Feldioara (about three times) and Tarlungeni (about two times).

Intervening within the Key Area of Intervention 3.1 of ROP 2007-2013 was to improve the quality of health care services and to ensure a balanced territorial distribution of the population, in order to increase the accessibility of the population to health services.

The factors that have contributed to the success of funded projects include: identifying health needs by consulting stakeholders - health service partners (local authorities, healthcare professionals) and their direct involvement in projects, as well as by surveys and studies on the demand and potential benefits of the intervention. The project management quality is another element of success, respectively the responsible project management team, with the necessary knowledge and training in the field of healthcare services, adequate capacity for project implementation, good collaboration between beneficiaries and hospital management.

#### 4. Conclusions

The interventions financed by the ROP related to the KAI 3.1 have contributed to the diversification of health services, the increase of their quality, the number of patients treated and their satisfaction in the medical units that benefited from this funding. It also improved the level of user satisfaction and a positive perception of change in terms of infrastructure and service quality after project implementation. KAI 3.1 has also produced tangible results for people living near hospitals and in remote or underprivileged areas, by increasing access to health services, particularly in ambulatory and hospital settings, and by improving the quality of the services provided.

For the 2014-2020 programming period, in order to contribute to promoting social inclusion and combating poverty, ROP 2014-2020 includes Priority Axis 8 - "Developing Health and Social Infrastructure". Thus, it is ensured the correlation with the National Health Strategy 2014-2020, which identifies the directions of development that Romania has to follow in order to ensure equitable access to quality healthcare services as close as possible to the needs of the individual and the community. The Investment Priority 8.1 - Investment in health and social infrastructure contributes to reducing inequalities at national, regional or local level in terms of health status and promotes social inclusion by improving access to social services. Thus, there will be made investments in infrastructure regional emergency hospitals and in Emergency Receiving Infrastructure units/ components of the functional Regional Emergency Operational Units and

within the strategic interest components of the Emergency Hospital Unit Networks. The amount allocated for this axis is of 763.45 million euro.

Hence, although substantial, the financial allocations from the programming period were insufficient and therefore financial support is also provided for 2014-2020 (RDP Bucharest – Ilfov, RDP South-East and RDP South – Muntenia 2014-2020). Further effort is needed from local authorities in improving health infrastructure, although the dynamics of adequate human resources is an attribute of the national public policy. Infrastructure investment is not enough, the complementary human resource ensuring its capitalization.

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