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Towards a Romanian Silicon Valley?

Local Development in
Post-Socialist Europe

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The Romanian transformation process gradually uncovered phenomena of spatial and social polarisation within the country. These consisted primarily of historically constituted regional disparities, which gained in significance as a consequence of the country's reorientation within the international economic and political context. Migration phenomena, linking together strategies of social mobility and spatial relocation, further contributed to this picture.

Growing spatial and social disparities have represented a continuous challenge to Romanian governments. The decentralisation of the administration and the dismantling of the central redistribution apparatus became unavoidable under growing external and internal pressure. At the same time, there were fears that a precipitous or all-encompassing decentralisation would only reinforce existing disparities and would lead to a destabilisation of state power (Paradis 1998). Administrative reform was therefore implemented incrementally. It consisted of the creation of elected local government bodies (1991-1992), assignment of independent financial means to them (1998), and continuous extension of their competences vis-à-vis the state administration structures (1991-2001).

These measures did not cause the regulatory capacity of the central state to implode, as some may have feared, but they did result in the dismantling of the former authoritarian administrative structures. Thus new spaces for public action emerged in which local and central, state-based, and civic actors could freely interact. Different actors used these spaces in different ways. In some cases, one could witness the establishment of patron-client systems on the local level; in others, the emergence of new, more citizen-oriented policy patterns. However, a clear distinction between these two patterns of policy-making is only possible on the analytical level. Political thinking and action must be viewed as being contextualised. Contextualisations, in their turn, are determined not only by objective, so-called "hard" constraints, but they are also influenced by subjective, or "soft", factors. External conditions, like the specific pattern of integration into global exchange relations or the national transformation regime, are equally important as identity discourses and ways in which the actors perceive and interpret external conditions. Against this background, my thesis investigates the extent to which the actors and institutions emerging on the local level during the transformation process are able to trigger and sustain processes of local development. Explanatory approaches result from the analysis of the interplay between two groups of multidimensional factors. The first group consists of the socialist and pre-socialist structural legacy, taking into account the political, economic, social, and cultural dimensions. The second group of factors refers to the new political, economic, social, and cultural dynamics triggered by post-socialist integration into both European and global political and economic networks.

My analysis considers two levels of this interplay. The major level of analysis remains the national transformation regime. On the one hand, it sets the general legal and institutional, but also the economic and social, frameworks for developments on subordinate levels. On the other hand, it also provides the cognitive framework for the understanding, description, and analysis of local and regional politics and society. Subsequently, the analysis focuses on the interplay between the specific legacy of a particular locality and the - centrally mediated - impact of global tendencies on it. At this point, my analysis refers to Eisenstadt's assumption that specific features of the local structural legacy influence the patterns of its integration into larger political and economic contexts (Eisenstadt 1998). However, one should not forget that throughout this whole process the central state maintains its key position in acting as a mediator between the local and the global. Mediation is legislative in nature. The existence or non-existence of specific legislation regulating local-global interactions, the possibilities for influential actors to influence policy-making directly through "state capture" (Hellman/Kaufmann 2001), as well as the persistence of urban regimes based on bureaucratic allocation of state property (Chelcea/Latea 2000) shape the framework for interaction between local and transnational actors.

By choosing the city of Timisoara for the empirical study, my aim is to investigate the extent to which it is possible to create a "local path to development" in a rather development-unfriendly environment. The historically created "cultural premises" of Timisoara's structural legacy differ in considerable dimensions from the nationally dominant ones. Timisoara's pre-socialist historical development path and the city's experience of modernisation (Eisenstadt 1998: 12) show significant differences from the dominant patterns of Romanian national development. Consequently, one might assume that Timisoara's integration into global political and economic networks may develop alternative dynamics. Two arguments contradict this assumption. First, "cultural premises" may prove to have little explanatory value when confronted with hard factors like economic rationalities or geo-political interests. Second, Timisoara's historically created "cultural premises" themselves may have changed, both as a consequence of socialist uniformisation policies and of the integration process itself. In spite of a "Western identity" claimed by the Timisoara elites, integration with "the Western world" may prove less smooth than one might expect, as integration turns out to possess its specific ambivalences. Opportunities for local development therefore arise from the institutionally supported abilities of the local elites to combine structural legacies with opportunities for integration in a way that benefits the local community.

This lead question is operationalised through a series of subordinate questions. Are the centrally dominant institutionalisation patterns simply reproduced on the local level, or is there still room for manoeuvre for local actors? Does interference from the central state on the local level remain an "external" constraint for local action, or does it also influence the cultural logic of action on the local level, thus becoming an "internal" constraint? Do local actors possess sufficient resources and competences of their own, or do they act as a mere transmission belt for the central authorities? Which are the resources that enable local actors to develop institutionalisation patterns different from those promoted by national politics? Can local identity function as a relevant symbolic resource in this respect?

In addition to the questions focussing on interactions between the national and the local levels, questions about local-local interactions arise. To what extent do local elites act in the interest of the whole community, and to what extent do they serve their own interests? How does the local community deal with the opportunities as well as the disruptions created through global and European integration? What is the function of local identity in this respect? Do new patterns of local participation emerge? Do certain population segments tend to remain excluded?