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Inspire Policy Making with Territorial Evidence

CASE STUDIES REPORT //

Territorial impacts of COVID-19 and policy answers in European regions and cities

Iași county (Romania)

Case study report // September, 2022

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The final version of the report will be published as soon as approved.

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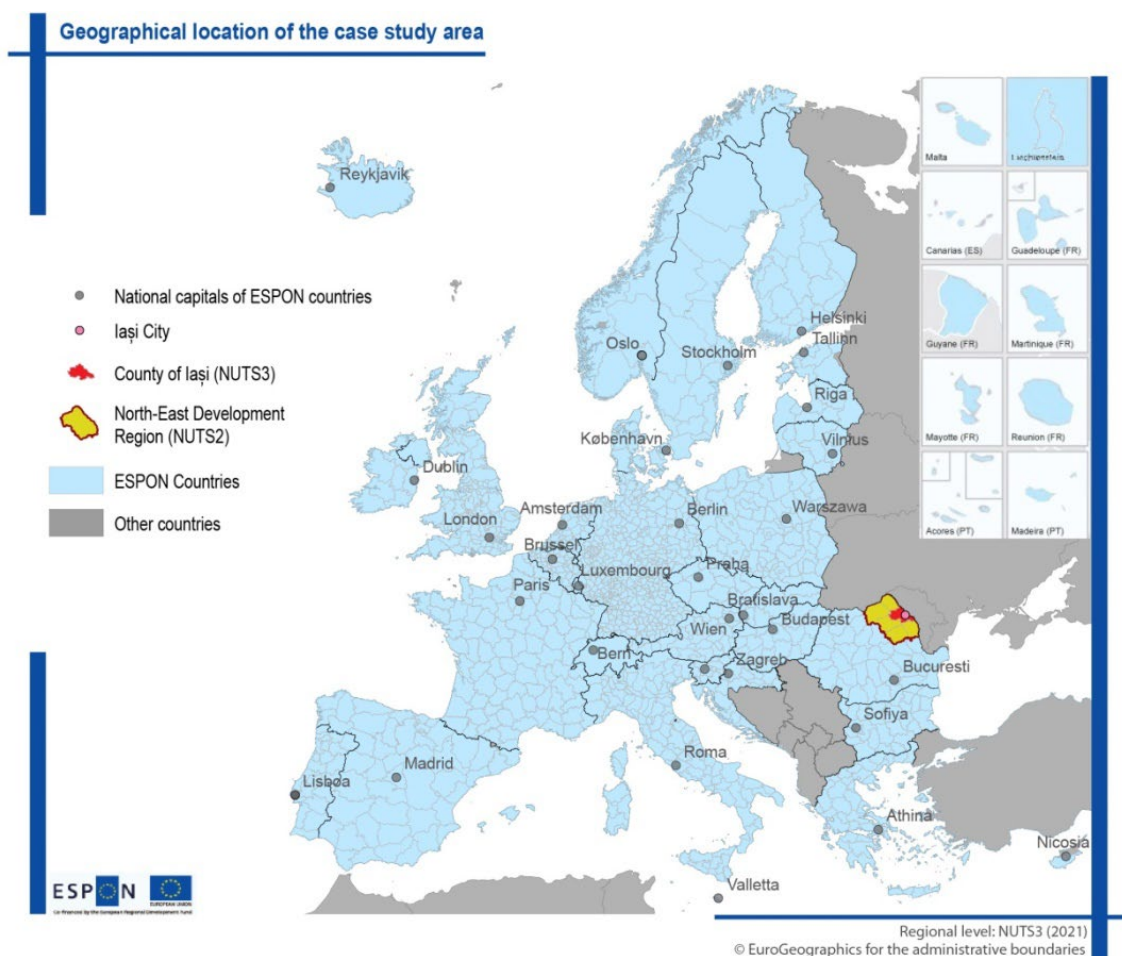
Introduction

This case study report examines the policy response to Covid-19 within the Iași County (Romania). The report explores which 'proactive' policies have been introduced in response to the pandemic and assesses whether the crisis presented a 'window of opportunity' for regional and local authorities to promote specific spatial planning and territorial targeted policy agendas.

The case report is structured around the following core sections:

1. **Regional Characteristics:** Outlines the key socio-economic and governance characteristics of the region.
2. **Impact of Covid-19:** Highlights the socio-economic impacts of the pandemic on the region.
3. **Covid-19 Policy Response:** Provides an overview of the regional policy response in relation to three core policy thematic areas - the just transition (social policies), green transition (climate policies) and smart transition (innovation policies).
4. **Covid-19 Policy Impacts:** Assesses the main socio-economic, governance and financial impacts of the policy measures introduced.
5. **Future Policy Directions:** Examines the medium and long term direction of policy in the region and analyses whether the policies identified can be upscaled to other EU regions.
6. **Policy Recommendations:** Provides policymakers and practitioners with policy, governance, territorial and financial recommendations.

Map 1 Iași County within European Union and North-East Development Region



Source: authors' own elaboration (2022).

Research Methods

The present case study has been conducted following a two-step approach. In a first step, extensive desk research has been conducted with the aim of 1) documenting the main characteristics of the area, 2) assessing the impact of the pandemic on local society and economy according to various national and local statistical sources, and 3) documenting the policy responses as reflected in online media. In a second step, 11 semi-structured online and phone interviews have been conducted with representatives of the most important local institutions, non-governmental organizations and private sector. The purpose of the interviews has been to further document the impact of the pandemic, the policy responses, the impact of the policy responses, as well as the future of local and regional policies.

Table 1 lists the stakeholders that have been interviewed as part of the current research. The list includes the most relevant public authorities from the regional (NUTS2), county (NUTS3) and local (LAU2) level. The list also includes two of the most active local associations. Iași Community Foundation is the most important civil society stakeholder in the area of education and bottom-up civic initiatives that aims at building a liveable and attractive city. On the other hand, CIVICA is the most active local NGO in the area of promoting good governance, citizen engagement and public transparency and accountability. A third civil society stakeholder (Rural Development Research Platform Association) has been interviewed because of one of its innovative projects implemented during the pandemic. Iași Chamber of Commerce and the Destination Management Association complete the list, as they are the most emblematic stakeholders representing the private sector and the tourism sector, respectively.

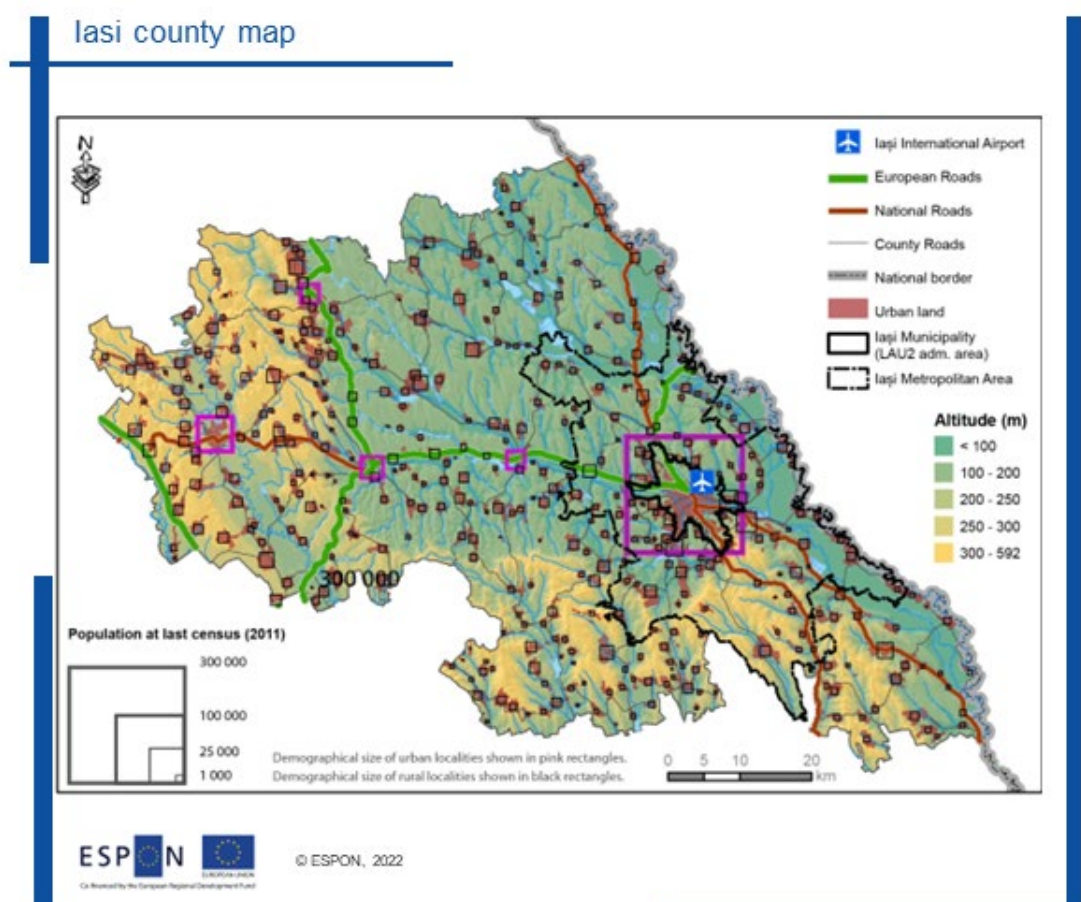
Table 1 List of interviews conducted for Iasi county case study

	Sector	Stakeholder	Date
1	Public Administration	Iași County Council	Jan 2022
2	Public Administration	Iasi City Hall	Jan 2022
3	Public Administration	North-East Regional Development Agency	Jan 2022
4	Public Administration	Institution of the Prefect of Iasi	Jan 2022
5	Public Administration	Iași Public Health Directorate	Jan 2022
6	Public Administration	Siret–Prut–Nistru Euroregion	Jan 2022
7	Private Sector	Iași Chamber of Commerce and Industry	Jan 2022
8	Civil Society	CIVICA Association	Jan 2022
9	Civil Society	Iași Community Foundation	Jan 2022
10	Civil Society	Rural Development Research Platform Association	Jan 2022
11	Private sector, Public Administration & Higher Education	“Destination Iasi” (Destination Management Organization)	Jan 2022

1 Characteristics of the case study area

Iași County is located in the north-eastern part of Romania, along the eastern border of the EU with the Republic of Moldova. It is a relatively densely populated area, with a population of 977 000 in 2021, spread over 5 476 km² (with a density of 178 inhabitants per km²). Iași County includes (LAU level): 2 cities, 3 towns, 94 rural communes and 418 villages, where almost half of the county's population (48.9%) is living in urban areas. Iași County is best known for its capital, the City of Iași – the historical capital of the Principality of Moldavia. With a population by permanent residence of 391 000 inhabitants in 2021, the City of Iași is the second city in Romania after Bucharest, and is a major educational, medical and economic centre.

Map 2 Iasi County Map



Regional level: NUTS 3/ Data version : 2021

Source: authors' own elaboration (2022). Spatial data sources: National Agency for Cadastre and Land Registration of Romania, www.geo-spatial.org, 2011 Population Census.

1.1 Economic characteristics

In 2019, Iași County reported a GDP of 7.26 billion euros (7th place among Romanian counties and accounting for 3.37% of national GDP) and a GDP per capita of 9 100 euros (13th place) at current market prices. This amounts to about 30% of the 31 200 euros per capita, making Iași County one of the lagging regions of the EU.

Iași County economic structure is dominated by tertiary activities. In 2019, the share of turnover produced by this sector amounted to 60%, followed by the secondary sector with 35.7% and the primary sector with

4.3%. The dominance of the tertiary sector is overall seen as a positive aspect, but most economic activities are concentrated in the county capital and its metropolitan area, leaving space for huge urban-rural disparities. Among the most dynamic subsectors, one may find the IT&C subsector, which is constantly growing, ranking 3rd at national level after Bucharest and Cluj, with many multinationals opening branches and some even having their headquarters in Iași. The importance of automotive industry for the local economy is also considerable, as suggested by the presence of important companies, such as BorgWarner – the largest employer in Iași County with 4 000 employees and a turnover of about 500 million euros.

Table 2 General economic structure of Iasi County before the pandemic (2019)

Economic sector	Active firms	%	Turnover (mil. €)	%	No. of employees	%
Primary	411	2.39	280	4.27	3 950	3.60
Secondary	3 162	18.35	2 339	35.69	39 458	35.95
Tertiary	13 659	79.27	3 934	60.03	66 342	60.45
TOTAL	17 232	100.00	6 553	100.00	109 750	100.00

Data source: Iași Chamber of Commerce and Industry.

Table 3 Detailed economic structure of Iasi County before the pandemic (2019)

Economic sub-sector	Active firms	%	Turnover (million €)	%	Number of employees	%
Agriculture, Forestry, Fishing	411	2.39	280	4.27	3 950	3.60
Manufacture	1 438	8.34	1 615	24.65	26 534	24.18
Construction	1 724	10.00	724	11.05	12 924	11.78
Commerce	4 580	26.58	1 953	29.80	17 473	15.92
Tourism and restaurants	721	4.18	188	2.87	5 997	5.46
IT&C	1 037	6.02	444	6.78	12 380	11.28
Other services	7 321	42.48	1 349	20.59	30 492	27.78
TOTAL	17 232	100	6 553	100	109 750	100

Data source: Iași Chamber of Commerce and Industry.

The high-tech sectors tend to occupy an increasingly important place in the county's economy, triggered by the presence of two universities that provide graduates in the field and by the increasing availability of office space. The market demand is very high and the progress made in recent years is also considerable. In 2019, the number of employees in the field amounted to 12 380, i.e. 11.3% of total number of employees in the local economy.

Some of the main pre-pandemic economic challenges in Iași County were (and still are) related to structural problems, low innovation levels compared to the EU average, and labour shortages in various economic sectors.

Structural problems can be seen in the high share of rural population caught in agricultural (semi-) subsistence activities, though the recent decade has witnessed the emergence of some large economically viable farms. According to a pre-pandemic World Bank report on the determinants of growth in EU's lagging regions, overcoming such structural problems could pave the way for significant economic growth¹. In parallel,

¹ Farole, T., Goga, S., Ionescu-Heroiu, M., (2018). Rethinking Lagging Regions: Using Cohesion Policy to Deliver on the Potential of Europe's Regions. World Bank, Washington, DC. <https://openknowledge.worldbank.org/handle/10986/29823>

there is also an increasing need to capitalize on the raw materials resulting from local agriculture in a context in which supermarkets are dominated by imported products, including when it comes to those types of products that might be produced locally.

Low innovation levels compared to the EU average is a well-documented issue for lagging regions in Eastern EU, including the Iași County and, on a larger scale, the North-East Development Region of Romania. According to 2019 Regional Innovation Scoreboard², the North-East Development Region reports “modest” innovation levels when compared to the rest of the EU. The modest performance is triggered by numerous factors, including very low levels of lifelong learning, very low levels of R&D expenditure in the business sector, rare product or process innovators, very poor performance of SMEs in innovating, low number of PCT patent applications, and low levels of employment in knowledge-intensive services.

Lastly, labour shortages affect various economic sectors, with visible impact in the construction and the IT&C sectors, where the demand for specialists on the market was very high and clearly exceeded the supply. The situation has ultimately led construction enterprises to recruit workers from Asian countries and the IT&C enterprises to start recruiting specialists from Ukraine and the Republic of Moldova.

1.2 Social and demographic characteristics

Despite significant economic growth during the last two decades, Iași County and the North-East Development Region are still affected by social problems, notably by high poverty rates, low education level of rural population, and extremely high rural-urban disparities. On the contrary, economic growth has brought low levels of unemployment (2.7% in 2019), while also contributing to building an overall good demographic structure. The remaining of this section will be dedicated to further discussions of these social characteristics, using data at the county level wherever possible, and regional data when county statistics is missing.

In 2019, the North-East Development Region (which includes Iași County)³ stands out as being one of the poorest EU regions. Depending on the measurement, it ranks either second (after another Romanian region) with 49.2% of its population at risk of poverty or social exclusion⁴, or third (after Sicilia and Catania) with 41.1% of its population at risk of poverty⁵.

Interestingly, the North-East Development Region reports lower shares of young people neither in employment nor in education and training (NEET) compared to the EU27. The region reports only 8% of people between 15 and 24 years NEET, compared to 10.1% at the EU level. However, this good sign is shadowed by extremely low levels of tertiary educational attainment. According to 2019 EUROSTAT data⁶, only 11.7% of population between 25 and 64 years old have attained tertiary education, making the North-East Development Region the poorest NUTS2 performer in the EU27.

Extremely high rural-urban disparities compared to other areas of the EU is another concerning issue. The highly dynamic Iași City, with a rapidly emerging IT&C sector, is located in the middle of a severely deprived rural area. According to the last available census (2011), only 36.5% of rural population above 15 years old from Iași County has attained either upper secondary or tertiary education, compared to 80.5% of urban population. The disparities concerning tertiary education attainment are even worse, with only 5.1% of rural population over 25 years old having completed tertiary education, compared to more than 35% in urban areas.

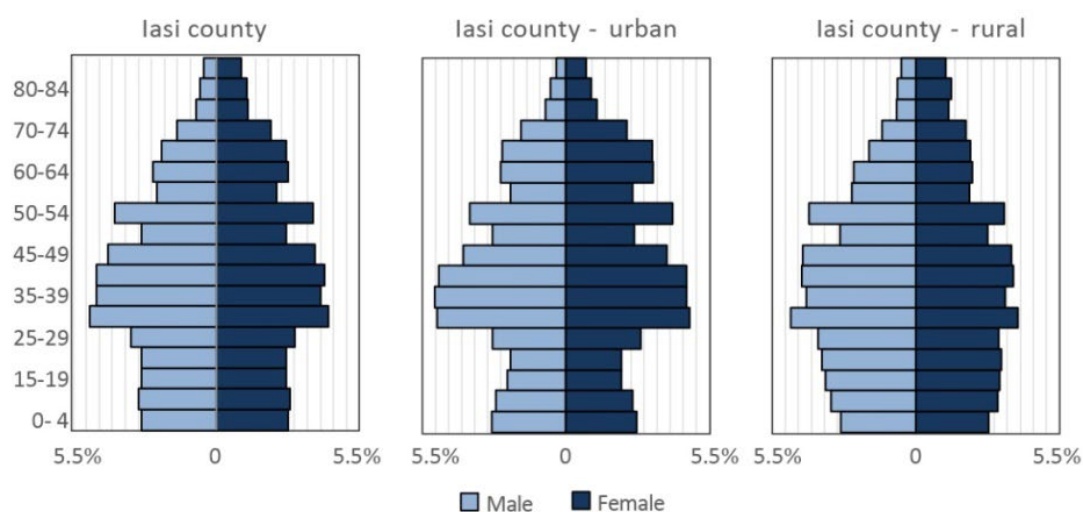
² Published by the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs. Available at: <https://data.europa.eu/data/datasets/regional-innovation-scoreboard?locale=en>

³ As data related to poverty is only available at the NUTS2 level, we turn to NUTS2 level to characterize the study area.

⁴ AROPE indicator, new definition. Available at EUROSTAT. Table code: ilc_peps11n.

⁵ Source: EUROSTAT - At-risk-of-poverty rate by NUTS regions (ilc_li41).

⁶ Source: EUROSTAT - Population by educational attainment level, sex and NUTS 2 regions (%) (edat_lfse_04).

Figure 1 Population pyramid of Iași County in 2021

Source: authors' own elaboration. Data source: Romanian National Institute of Statistics.

However, continuous economic growth reported during the last decade has contributed to a positive migration balance, making Iași County (on account of Iași City) one of the most attractive in Romania. Along with the demographic structure inherited from the past, the current positive migration balance is contributing to higher share of active population and to lower levels of demographic ageing. In this respect, the overall share of the population over 65 years is only 13.7%. However, in the long run, the demographic structure may deteriorate, as the ratio between the population over 65 years and the population under 15 years is already above 1.0 (1.2 in 2021). Hence, the labour shortage and demographic ageing will almost certainly constitute a problem, as young generations entering the job market will be smaller compared to the past, and adult generations entering the +65 group will be increasingly larger.

1.3 Governance characteristics

Iași County corresponds to European NUTS3 level, with a County Council and a County President that are elected every 4 years by direct universal suffrage. Iași County Council is not a legislative body. Instead, it has some responsibilities in the areas of transportation (by investing in and managing the local airport and the county roads), of cultural institutions, of county public health units (i.e. the major hospitals), as well as in the area of social services for vulnerable populations. Overall, from a regional standpoint, Iași County is part of a national administrative system that functions in a rather centralized manner⁷.

As there is no real administrative level between the government and the counties (as it is not allowed by the Constitution), Iași County has voluntarily grouped with other five counties to form an association called “The North-East Development Region” and, hence, to form, along with the rest of Romanian development regions, the corresponding NUTS2 level⁸. The North-East Development Region is controlled by a Regional Development Council formed by the presidents of the constituting counties, and it is further managed by The North-East Regional Development Agency, which mostly employs technocrats and professionals. Among other things, The North-East Regional Development Agency has the responsibility to “conduct analysis and decide upon regional strategies and the regional development programmes”. Due to its nature, the North-East Development Region is the public body that is the most connected to the EU programmes and initiatives, but, at the same time, it is devoid of any significant political and administrative power. Nevertheless, starting with

⁷ According to the decentralization index developed by the European Committee of the Regions, Romania ranks 20 (out of 27) in overall regional decentralization.

⁸ All Romanian development regions were created in 1998.

the 2021–2027 financial framework, the Nord-East Development Region will dispose of increased responsibilities, by becoming the managing authority of the North-East Regional Operational Programme.

From a local level perspective, Iași County is composed of 2 cities (including Iași City), 3 towns and 94 rural municipalities (see also Map 2), which have numerous competencies, rather similar to LAU2s from other EU countries⁹. Local administrative units may further voluntarily associate to form Local Groups of Action (to deal with rural development issues) or Intercommunity Development Associations (created around cities to deal with urban development problems). The Iași Metropolitan Area operates as an Intercommunity Development Association. However, collaboration in the metropolitan area is inefficient, hindered by the lack of a legislative framework aimed at stimulating efficient territorial collaboration.

As a consequence of its thriving economy and of the high number of higher education institutions, research centres, and medical centres, Iași County is home to six industrial parks, six regional clusters and numerous active foundations and NGOs. During the last 10 to 12 years, clusters have been created in the areas of molecular imaging (Imago-Mol Cluster), textiles and textile yarns (Astrico Cluster), IT&C (Iconic Cluster, as well as Euronest IT&C Hub), biotechnology (bioROne Cluster) and construction (Breasla Constructorilor Ieșeni Cluster). They have been created by and developed around varied stakeholders, from small and large private companies to public institutions and research centres.

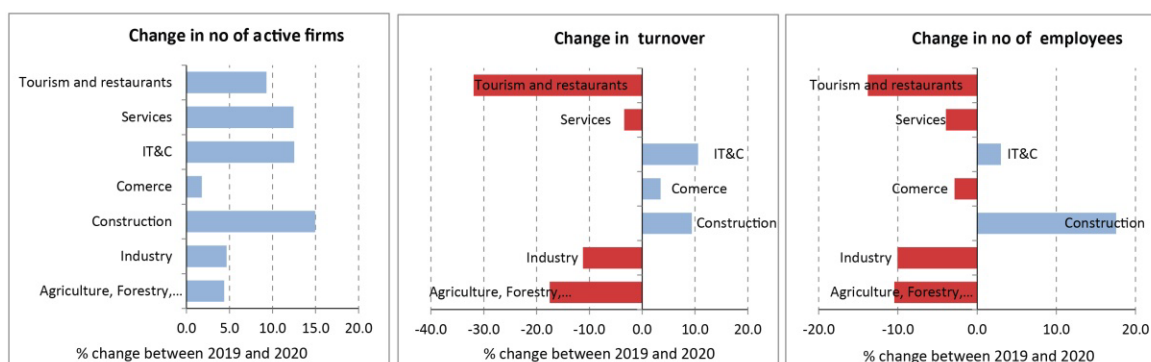
⁹ According to the decentralization index developed by the European Committee of the Regions, Romania ranks 18 (out of 27) in overall local decentralization.

2 Impacts of COVID-19 on the region

2.1 Economic impacts

The National Strategy and Forecast Commission has forecasted¹⁰ a 3.5% contraction of GDP in Iași County in 2020, against a 4.4% contraction at the national level. In the meantime, estimated data at national level have shown a national contraction of only 3.9% in 2020¹¹, which leads us to the conclusion that the GDP decrease of Iași County (which is not yet known) might also be lower, possibly less than 3%. This pinpoints a relatively resilient local economy when compared to the EU27 (which has seen a 5.9% decrease in GDP)¹².

Figure 2 Economic impact of the COVID-19 pandemic by major sectors



Source: authors' own computations and elaboration. Data sources: Annual statistical briefs published by Iași Chamber of Commerce and Industry

A more accurate economic picture can be depicted in regard to the dynamics of private companies operating in Iași County. Data reported by the Iași Chamber of Commerce¹³ shows that, between 2019 and 2020, the number of active companies has increased by 8.9%, while the turnover and the number on employees contracted by 2.3% and 2.7%, respectively. Obviously, the decrease can be considered large for only one year, but the increase in the number of active companies is surprising, showing that the entrepreneurial spirit worked better in the pandemic than in normal conditions.

As expected, the overall relatively good performance of the local economy in 2020 displays contrasting trends depending on the economic sectors (Figure 2). From a turnover standpoint, the most affected sectors have been tourism and restaurants (-31.9%), agriculture (-17.5%) and manufacturing (-11.2%). It is clear that tourism and hospitality industry has suffered the most in 2020 (see also Figure 3), with lockdowns and several restrictions seriously disrupting their business. On the contrary, the IT&C and construction sectors reported a turnover growth of 10.6% and 9.4%, respectively, thus being the winners of the pandemic (at least during 2020). A similar impact by sector can be noticed in the evolution of the number of employees, with the exception of the commercial sector. Commercial activities have reported an increase in turnover, but a decrease (-2.8%) in the number of employees.

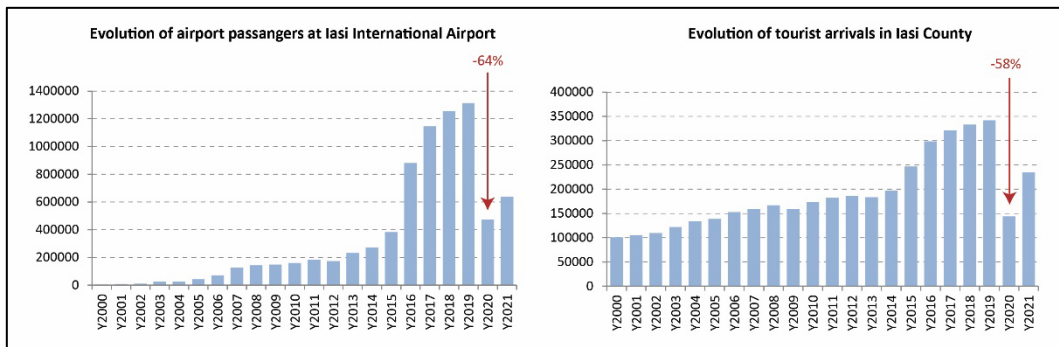
¹⁰ https://cnp.ro/wp-content/uploads/2021/07/PROGNOZA_2020_2024_in_profil_teritorial.pdf

¹¹ https://cnp.ro/wp-content/uploads/2021/11/Prognostic_de-toamna_2021-.pdf

¹² <https://ec.europa.eu/eurostat/databrowser/view/tec00115/default/table?lang=en>

¹³ https://www.cciiasi.ro/doc/Breviar_Economic_al_Judetului_Iasi_Editia_2021.pdf

Figure 3 Impact on tourism and air transportation



Source: authors' own elaboration. Data sources: Romanian National Institute of Statistics and Iași Airport.

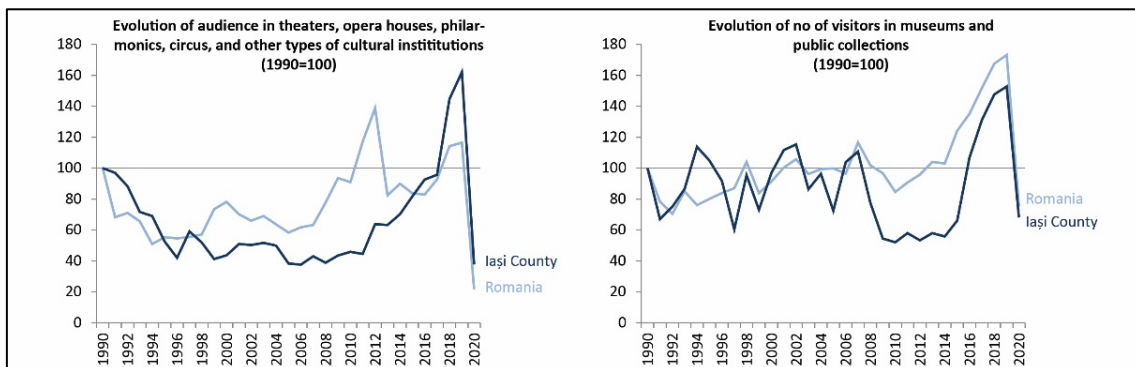
The main winner in the long run will probably be the IT&C sector, which has benefited from increased digitalization demand. The local increase would probably have been higher if the supply of specialists in the field would have been larger. However, the IT&C sector was already on an upward trend prior to the pandemic, but the pandemic crisis has further accelerated the trend. IT&C products are now seen not only as an alternative, but also as an indispensable support in an increasingly digital economy and society. The second winner was the construction sector, which has actually continued its growth, whilst the pandemic might have also accelerated the desire of certain parts of population to build a house or buy an apartment that would allow new and less crowded living conditions.

Overall, private companies displayed an optimistic attitude at the end of 2020, thus suggesting a rather resilient local economy to the pandemic. However, at the end of 2021, this attitude has quickly transformed itself into pessimism, as a result of the energy crisis¹⁴.

2.2 Social and demographic impacts

As elsewhere during the pandemic, the quality of life decreased considerably as a consequence of restrictions. Almost all social categories have been affected, as social life, cultural activities (Figure 4) and mobility (Figure 3) have been significantly limited. But the worst impact has been felt by vulnerable population, particularly by homeless people, elders, and women.

Figure 4 Impact on cultural events and museums



Source: authors' own elaboration. Data source: Romanian National Institute of Statistics.

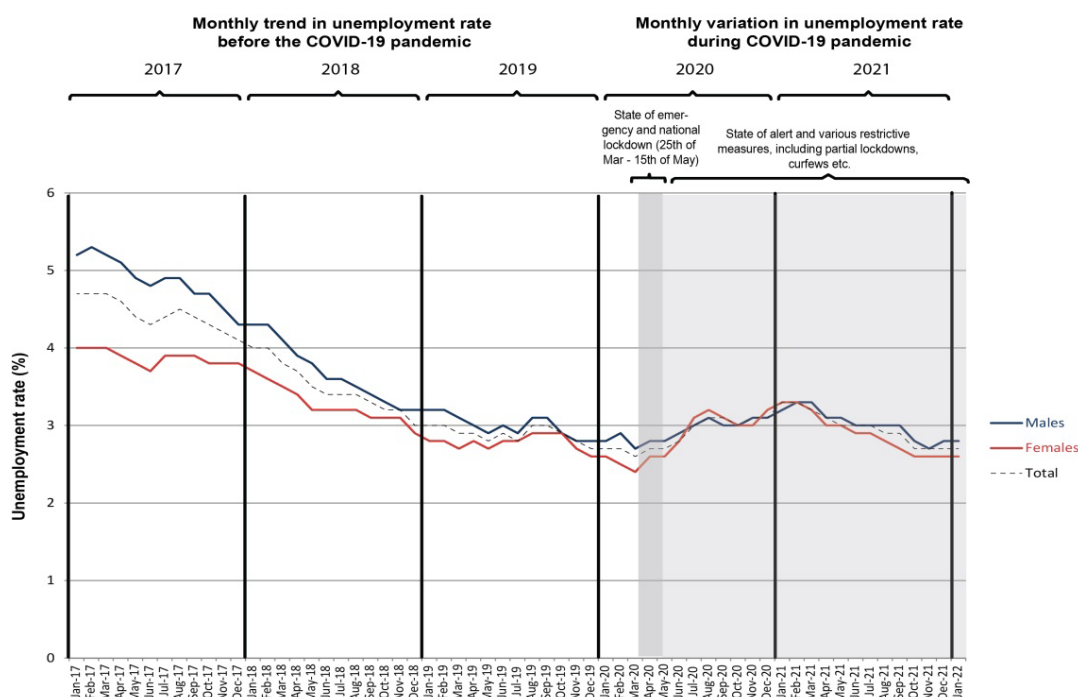
¹⁴ According to interviews conducted with representatives of Iași Chamber of Commerce.

During the first year of the pandemic, employment rate has essentially remained constant at the county level (going from 56.3% in 2019 to 56.2% in 2020). However, there has been a contrasting impact on employment rate by gender. Employment rate for men has increased from 56.6% to 58.1%, whilst for women has decreased from 56.1% to 54.1%. These developments indicate that women turned to their family in a context in which school children switched to online classes and in which women are culturally more predisposed to be the caretakers.

The unemployment rate slightly increased in 2020 compared to 2019, as some economic sectors were forced to reduce their activity. Data shows that the unemployment rate in Iași County went from 2.7% in 2019 to 3.1% in 2020, again with notable differences between men and women (Figure 5). While for men the rate increased from 2.8% to 3.1%, for women it went from 2.6 to 3.2%. Most probably, the higher vulnerability of women has been triggered both by cultural values (as women generally have higher responsibilities in the family, especially in the case of families with children), and by the contrasting impact of the pandemic from one sector to another (sectors with job markets strongly dominated by women, such as tourism and hospitality, were the most affected by the pandemic).

From a poverty-level perspective, The North-East Development Region (of which Iasi County is part of) has proved to be highly resilient. Although it remains one of the poorest EU regions in 2020, the at-risk-of-poverty rate has decreased from 41.1% in 2019 to 35.6% in 2020 (the largest positive evolution among EU's NUTS2 regions with available data)¹⁵. This trend is further confirmed by the rate of people at risk of poverty or social exclusion, which has decreased from 49.2% to 43.2% (the second largest positive evolution among EU's NUTS2 regions with available data)¹⁶.

Figure 5 Impact on monthly unemployment rate by gender



Source: authors' own elaboration. Data source: Romanian National Institute of Statistics.

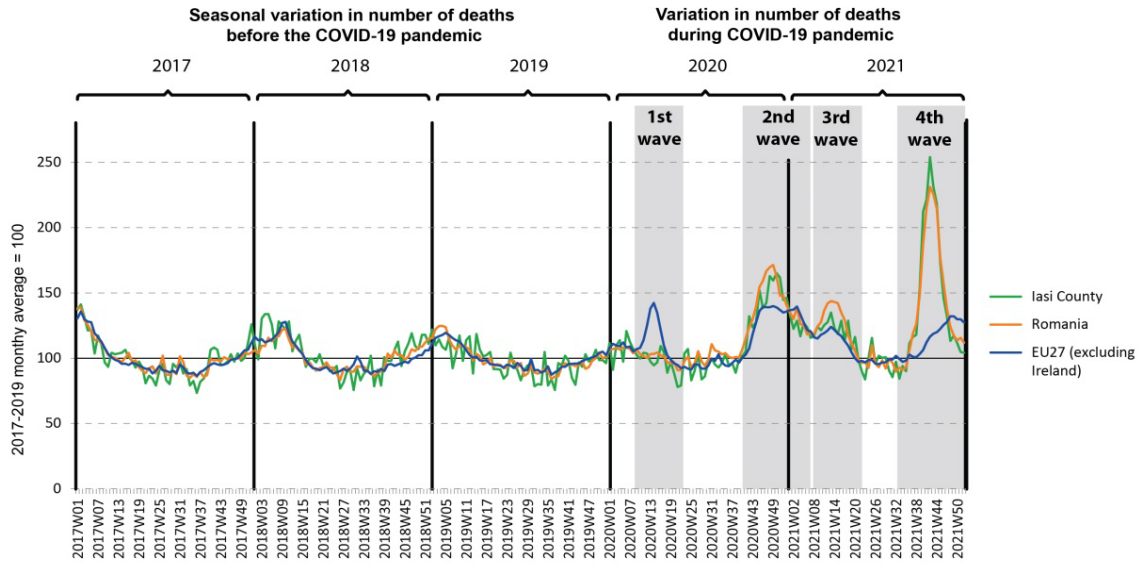
Another highly visible impact of the pandemic, a negative one, can be seen in the number of weekly deaths reported by Iasi County. Whilst during the first wave of the pandemic Iasi County (and Romania in general) have reported insignificant excess mortality, during the subsequent waves the situation worsened. The new

¹⁵ According to Eurostat [ilc_li41]; data accessed on the 31st of January 2022.

¹⁶ According to Eurostat [ilc_peps11n]; data accessed on the 31st of January 2022.

virus strains that became more infections and deadlier, the failure of the vaccination campaign and the insufficient measures aimed at limiting the spread of the virus made Iasi County (and Romania) to report record high excess mortality during the fourth wave (Figure 6).

Figure 6 Impact on weekly number of deaths



Source: authors' own computation and elaboration. Data source: Eurostat [demo_r_mweek3].

3 Policy Response to COVID-19

This chapter sums up the measures taken during the first pandemic waves by local and regional authorities of Iași County, split by policy theme: Just Transition, Green Transition, Smart Transition. Detailed information regarding the policy focus area, the temporal vision regarding the measure (short, medium- or long-term measure) the date of introduction and the perspectives regarding the continuation of the measure even after the pandemic was provided for each measure. A short description and a link where further details can be obtained were provided as well.

3.1 Policy Context

Overall, looking at the local and regional policy responses, one may argue that the pandemic constituted a window of opportunity only to limited extent, with significant variations from one administrative level to another, and with different intensity depending on whether we look at new strategic documents or at tactical measures taken during 2020-2021.

From a strategic standpoint, significant changes can only be seen at the regional level, as the regional level is the only one that has already redefined its strategies. Overall, one may notice that the North-East Regional Development Agency adjusted three of the strategies produced during 2020 and 2021 to the new (post-) pandemic context: the Regional Development Plan, the Regional Innovation Strategy and the Regional Action Plan for Culture and Tourism. One notable example is the 2021-2027 Regional Action Plan for Culture and Tourism: it introduces a new strategic direction that aims at “supporting the digitalization of the cultural and tourism sector”, while also enhancing an old strategic direction aimed at promoting and supporting sustainable forms of tourism. On the contrary, Iași County Council (NUTS3) and Iași Municipality (LAU2) are still to define their new strategic documents.

From a rather tactical standpoint, concerning targeted measures taken during 2020 and 2021, one may notice that the most proactive measures have been taken at the local level, particularly by stakeholders from the civil society and the local municipality. We were not able to identify proactive measures taken by the Iași County Council (corresponding to the NUTS3 level).

3.2 Proactive Policy Overview

During the pandemic, most of the local measures have aimed, directly or indirectly, at facilitating a digital and just transition. On the contrary, very few local measures promoting green transition, if any, can be considered as an outcome of the pandemic.

Poverty and social exclusion have been addressed by implementing specific, targeted measures. First, there have been short term/ reactive measures, implemented locally, and aiming at supporting the most vulnerable persons during the lockdown. Through these measures, NGOs (with support from private enterprises and public administration) provided psychological support and urgent material assistance, including food, medical services and medicines, for people in need: homeless people, people suffering from domestic violence, isolated elders. Second, some measures with potential long-term impact are now being implemented by the North-East Regional Development Agency (NE-RDA), though not specifically targeting Iași County (Table 6). For example, the NE-RDA is now implementing (in partnership with organizations from 6 different countries) the EU funded Smart Village Project, aiming at creating a new educational curriculum for 900 economically-disadvantaged, low-skilled adults affected by the crisis generated by the COVID-19 pandemic. The main objective is to help adults and elders from disadvantaged rural areas to acquire new basic digital skills and competencies. According to the North-East Regional Development Agency, the project is also meant to train people to start new businesses in rural areas using innovative local cultural tourism opportunities, and hence providing an excellent opportunity to earn a living during the economic crisis generated by the pandemic, to keep their minds engaged and challenged and to remain active in the community.

3.3 Just Transition Measures

The measures from the Just Transition domain were focused on fighting social exclusion and offering support for the vulnerable population. The social support (either in form of housing support, knowledge sharing, education, or mental health services) was addressed at the scale unseen in the pre-pandemic period. From this point of view, the authorities used the pandemic as a context fit for accelerating social measures. However, one may notice that the duration betrays a mostly short-term strategy, an approach that questions their long-term engagement.

Table 4 Just transition policies

Focus area(s)	Policy description	Target group(s)/ Beneficiaries	Responsible level of governance / Financing	Timing of policy	Duration
Communication and knowledge sharing	Iasi County authorities have created the COVID19 Medical Communication Center. It functions as a volunteer association between public stakeholders involved in managing the pandemic and, also, as a communication centre from the authorities to citizens regarding the status of COVID-19 measures, and vaccination information.	Public stakeholders General population	Regional level	Pandemic	Short term
Social support	Iasi City Hall has set up a solidarity fund (bank account for those interested to donate) for implementing social assistance measures for people in need. Around half of the locally elected officials donated their salaries immediately after the creation of the fund.	Key workers Vulnerable groups	Municipal level	Pandemic	Short term
Mental health services Food, medical and housing support	A "Social Emergency Center" created at the initiative of the Federation of Non-Governmental Organizations for Social Services (a federation of 40 local and regional NGOs) as a point of contact and humanitarian assistance for citizens from Iasi County during the situation generated by the pandemic COVID 19. The center offers both psychological support (including by phone) and urgent material assistance (including food, medical services and medicines) for people in need: homeless people, people suffering from domestic violence, isolated elders.	Vulnerable groups Homeless people Elderly people	Municipal level County level	Pandemic	Medium/ Long term
Food, medical and housing support	Emergency aid (shelter, food, medicine, personal hygiene materials) granted temporarily by Iasi Municipality to vulnerable populations (homeless, elderly people).	Vulnerable groups Homeless people Elderly people	Municipal level	Pandemic	Short term
Education and training Digital access and competencies	Implementing the EU funded project - Smart Village, in the region - by one local association, one tourism agency and the North-East Regional Development Agency. The project aims at creating a new educational curriculum for economically disadvantaged, low-skilled adults affected by the COVID-19 pandemic crisis. It only targeted adults and elders from rural areas, aiming at	Vulnerable groups Elderly people	Regional level	Pandemic	Medium/ Long term

	helping them to acquire new basic digital skills and competencies, as well as entrepreneurial skills.				
Education and training Digital access and competencies	Implementing the ERAMUS+ funded project - No1behind”, where the lead partner is the North-East Regional Development Agency. It aims at creating “an innovative methodology for educating and training adults from rural areas to improve their digital skills”, by elaborating a “training manual including 5 modules for digital skills” as well as an online game dedicated to the same purpose.	Other groups	Regional level	Pandemic	Short/ Medium term
Social support Travel and mobility	Dedicated bus/trams for vulnerable people circulating between specific hours (morning/evening). The measure was adopted by the City Hall of Iași, the main stakeholder involved being the Public Transport Company. The financing is provided by the City Hall. The effects are positive for elders given the pressure on public transport at certain times of the day.	Vulnerable groups Elderly people	Municipal level	Pandemic	Short term

3.4 Green Transition Measures

As diverse and consistent the just measures were on the stakeholders' agenda, the green transition measures were rather scarce, betraying a lesser importance for the local and regional decision-makers. Only one major action can be viably tracked to the pandemic period (especially the first waves), representing the implementation of a bike-sharing system.

Table 5 Green transition policies

Focus area(s)	Policy description	Target group(s)/ Beneficiaries	Responsible level of governance / Financing	Timing of policy	Duration
Travel and mobility	Bike-sharing system VeloCity. Through the project, 50 boarding and rental stations for bicycles will be arranged and will be purchased 813 mechanical smart bicycles, 37 electric smart bicycles and 80 tricycles for seniors and people with disabilities. The project also involves the implementation of an intelligent, energy-independent alternative urban mobility system using smart bicycles, to which are added docking systems and smart terminals. The promoter of the project is the City Hall of Iasi. Finance is provided through Regional Operational Programme 2014-2020.	General population Elderly people People with special needs	Municipal level	Pre-pandemic	Medium/ Long term

3.5 Smart Transition Measures

The smart transition policies display a certain preference of local and regional decision makers towards medium and long-term actions, highly orientated towards the general public. One may notice the acceleration of smart platforms, either for tax payments, health services, communication of local decisions, or business support. From this point of view, it can be said that the pandemic represented “an window of opportunity” for stepping-up the digitalisation process in Iasi city and Iasi County. Of a special importance for the local actors was the focus on tourism services digitalisation, which, given the economic profile of the city, was seen as a major priority.

Table 6 Smart transition policies

Focus area(s)	Policy description	Target group(s)/ Beneficiaries	Responsible level of governance / Financing	Timing of policy	Duration
Big data Smart transport	Smart apps with real-time updates about Public Transport. A forerunner application (created by a local entrepreneur) was already in use before the pandemic. Nevertheless, the new app integrates new functionalities, including real time notification related to the pandemic.	General population	Municipal level	Pre-pandemic	Medium/ Long term
Smart transport	E-ticketing inside Public Transport (QR, apps, SMS, contactless payments). The measure was adopted by the City Hall of Iași and the Public Transport Company. Funding is provided by the EU. E-ticketing was already functioning (QR, apps, SMS, contactless payments), but not in an integrated manner. The effects are expected to be positive in terms of increasing the attractiveness of public transportation.	General population	Municipal level	Pre-pandemic	Medium/ Long term
E-governance	Online system for tax payment implemented by the Iasi City Hall. The system allows taxpayers (individuals or legal entities) to get information and to pay local taxes through electronic payment instruments. Therefore, the operations could be made without going to the physical office.	General population Businesses	Municipal level	Pre-pandemic	Medium/ Long term
Digitalisation of public services	Online health services. Several hospitals from Iasi (especially the Clinical Recovery Hospital) introduced on-line and on the phone programming, online medical letters.	General population	Municipal level	Pandemic	Medium/ Long term
Education and training Digital access and competencies	As a response to the pandemic conditions, Iași City Hall has made significant investments in digital equipment for local schools.	Children and youth	Municipal level	Pandemic	Medium/ Long term
Cultural offers	Some local cultural institutions live-streamed cultural performances. While live-streaming some cultural activities did not constitute a premiere during the pandemic, their frequencies increased.	General population	Municipal level	Pandemic	Medium/ Long term
Business support	An online platform (gustdeiasi.ro, literally “taste of Iași”) has been created by a local association and funded by the City Hall. The platform “aims at promoting the local food producers from the periurban area of Iași city. It is also focused on raising the consumers’ level of trust in short food supply chains and healthy food products as well. The platform engages knowledge transfer and public information and, at the same time, does not embrace a commercial approach”.	Businesses General population	Municipal level	Pandemic	Medium/ Long term

Tourism	Following the adoption of a new Regional Action Plan for Culture and Tourism (2021-2027), a new strategic direction has been added, aiming at “supporting the digitalization of the cultural and tourism sector”, through the following “four measures: i) digitization of the cultural resources of libraries and museums”; ii) digitization of the tourist objectives of the cultural routes that cross the territory of the region, through a digital platform; iii) developed e-tourism applications: promoting tourist products and services; iv) setting up digital platforms for entry and control of visitors' access at various tourist / recreational / cultural attractions, which would allow the online reservation of visiting / access time intervals.”	Other groups Businesses	Regional level	Pandemic	Medium/ Long term
Communication and knowledge sharing	Iași City Hall and the County Council have moved to on-line council meetings and public consultations. In order to keep the population connected to the decisional forum and to involve the local population into the consultations, the local and county councils used online platforms such as YouTube and Facebook for live transmissions and interaction with the population. While on-line council meetings predate the pandemic, online public consultations have been introduced for the first time in 2020.	General population Municipal staff	Municipal level and Re- gional level	Pandemic	Unclear

Concerning the durability of measures, one may notice different situations. Due to their nature, the reactive measures that were aimed at solving urgent needs only remained (or are destined to remain) in place for short periods of time. On the contrary, investments in medical equipment and digital infrastructure/ services, as well as the new strategic directions adopted at regional level are meant to last.

Most of the measures show a certain degree of adaptability from the part of local and regional stakeholders. However, few of them pinpoint a transformative approach from their part. Actually, while regional strategic documents display some transformative approaches through some new strategic directions for the future, the reality of the measures taken during the last two years only proves that little transformative processes have been initiated and implemented during the pandemic. The number of initiatives is low, and the scale of projects implement is generally small. More profound and systemic transformations are yet to be taken.

The small scale/magnitude of the proactive measures is probably one of the main shortcomings of the proactive policies taken during the pandemic, even for measures that are meant to last. For example, the B2C platform and the two projects implemented at the regional level to digitally train adults and elders from rural areas are very small compared to the scale of the problem in their respective areas. Nevertheless, they may serve as forerunners for either large scale projects or for investment programmes.

Lastly, one may notice that, despite the fact that the public institutions have been caught unprepared by the pandemic, no strategic medium- or long-term resilience plan is currently being prepared or adopted at local/county/regional level. In this sense, the county emergency committee that has been formed to support measures to deal with the pandemic is (according to the law) only concerned with supporting interventions in targeted emergency situations, and hence contributes to implementing rather reactive and preventive short-term measures. It also contributes to adopting annual operational plans, but no medium- or long-term strategies, the latter being adopted only at the national level.

4 Policy impacts

4.1 Policy impact

There is certainly a positive impact from a social perspective, as many local proactive measures have addressed challenges like poverty and social exclusion. Measures taken by the national government (in the areas of fiscal policy, employment, and economic recovery), coupled with local interventions (especially from the part of civil society in partnership with private companies and the local administration) have prevented numerous personal tragedies, and social problems. On the other hand, the policy impact of projects implemented by the North-East Regional Development Agency, projects that aimed at training a certain number of elders from rural areas to acquire digital and entrepreneurial skills, are still to be assessed, as the projects are still in the implementation phase.

Overall, one might argue that the local proactive measures have succeeded in their aims and objectives, though the scale/magnitude of most of them is rather small. Nevertheless, a considerable number of vulnerable people benefitted from psychological and material assistance during the most difficult moments during the spring of 2020, while others benefitted from new trainings for developing their digital skills. A number of 78 local food producers can now be directly reached digitally via a B2C platform, and citizens from Iași City can now pay their taxes online. Moreover, the new strategic directions introduced in some regional planning documents are expected to generate results during the next financial period (2021-2027).

From an environmental perspective, measures taken during the pandemic had an overall positive impact, especially on air quality. For example, in Iași City, the number of days with PM10 exceeding limit values has decreased by 20% (in 2020 compared to 2019) at the air quality measuring station that usually reports the most dangerous values. However, this impact has been induced by containment measures limiting mobility and industrial activity, and not by the proactive ones promoting alternative forms of mobility. However, some proactive measures introduced locally also had a positive impact, at least theoretically, but the size of the impact might have been very low, if significant at all. For example, the creation of the B2C platform aiming at digitally shortening food supply chains contributes not only to promoting ecological agricultural products, but also to promoting the local ones and thus to decreasing transportation demand (and the associated pollution) for products imported from large distances. But the current small scale of this project prevents it from having a significant impact on the overall food supply chains.

4.2 Governance impacts

One may argue that local proactive measures have not considerably impacted governance structures. However, cooperation between stakeholders has intensified, triggered by urgent needs during the initial waves and by certain initiatives such as the creation of the County Emergency Committee and the Social Emergency Centre in spring 2020.

The County Emergency Committee has been formed under the coordination of the Prefect, which afterwards guided the measures to deal with the pandemic. The committee functioned in a rather top-down manner, implementing government decisions, keeping order during the most difficult moments, but also seeking to respond rapidly to urgent local needs. However, it also integrated stakeholders from various sectors (including civil society) and hence fostered collaboration between public authorities, civil society and (via NGOs) private companies.

The Social Emergency Centre is the result of a civil society initiative, but it has been financially supported by private donors (including IT companies active locally) and has also partnered with Iași City Hall. Interestingly, another best example of proactive policy is also the result of various forms of collaboration between stakeholders coming from different sectors. The creation of the “Taste of Iași” B2C platform is the result of an initiative coming from the civil society/academia, but funded by Iași City Hall (though the funding scheme is the same pre-pandemic one opened each year for NGOs).

Interestingly, some best proactive measures have been extended beyond Iași County borders. The “Taste of Iași” platform not only enhanced urban-rural linkages in the periurban area of Iași City (which has been its initial aim), but it has also extended to cover producers from the rest of North-East Region. Whereas in 2020 the platform gathered offers from around 40 local food producers from Iași County, in 2021 it had

summed local food offers from a total of 78 local producers from the entire North-East Region. The Social Emergency Centre has also expanded beyond county borders by donating medical equipment to Piatra-Neamț County Hospital, severely affected by a fire produced during the Second Wave of the pandemic.

Overall, the crisis has acted as a catalyst for modernizing the administration and reducing bureaucracy, especially by simplifying existing procedures and digitizing at least part of the public services. Teleworking for public administration employees, video conferencing meetings for local elected officials and digital tools for providing administrative services and up-to-date information to the public were measures adopted as a response to the new pandemic context. In a certain sense, one may argue that the pandemic has enhanced good governance practices. The government and the local administration became slightly closer to citizens through the measures that have been taken, whilst civil society associations forged some new ties between them, as well as with public institutions and private companies, to respond to urgent needs and new opportunities.

Finally, cross-sectoral collaboration has proved to be of high importance in enabling efficient and innovative responses to the pandemic. Some of the most innovative (e.g. the B2C platform) and efficient (e.g. the Social Emergency Centre) measures have emerged as a result of collaboration between stakeholders from different sectors (civil society, private and/or public). Furthermore, they have emerged following a bottom-up approach, suggesting that decentralised governance approaches are more appropriate for promoting innovative and efficient proactive measures¹⁷.

4.3 Financial impacts

We are not aware of innovative public/private funding mechanisms that have emerged during the pandemic. Public financing of innovative projects undertaken by associations has followed the same pre-pandemic rules, the only difference being, in some case, the innovativeness brought by applicants through their proposals (and not by new innovative requirements from the part of public administrations).

Interestingly, public acquisitions of medical equipment and masks during the first wave of the pandemic have been severely affected not only by shortages on the international market, but also by bureaucratic regulations of public acquisitions. Within this context, civil society has taken the initiative to directly buy from the market the most urgent equipment needed by Iasi International Airport, by the Inspectorate for Emergency Situations of Iași County, and by major hospitals. Hence, the failure of public institutions to make use of the spare equipment in case of emergency (which was otherwise required by the pre-pandemic law) has been partially compensated by fundraising campaigns conducted by local foundations and associations, followed by rapid acquisition of needed equipment from the market.

¹⁷ Public institutions could hardly be considered as being proactive in their overall approach. However, they at least have been open to initiatives coming from the civil society, and most of them took at least a few proactive measures for dealing with the pandemic.

5 Future policy directions

Proactive policies that could be considered for upscaling and replication in other EU regions

Some of the proactive measures taken in Iași County could be considered for replication in other regions of the EU. One of them is the novel B2C platform launched in Iași during the second wave of the pandemic¹⁸. The platform has been created by a local association (*Rural Development Research Platform Association*) in Oct-Dec 2020 and has been funded by Iași Municipality. The platform aims at promoting online commerce of local agricultural products. It is currently growing in popularity and it is certainly an example of how to digitally develop short supply chains and, hence, to promote sustainable development.

The impact of the pandemic on the future direction of policies in the case study area

Smart transition will certainly be accelerated at local level. A Digital Transformation Strategy has been adopted by the Iași City Hall prior to the pandemic and the City of Iași has even been recently selected to take part in the European Commission's 100 Intelligent Cities Challenge. During the pandemic, local public institutions from Iași did accelerate the digital transition, but considerable steps remain to be made for offering quality and full digital services to citizens. The partial lack of digital capacity from the part of local institutions and the lack of digital skills from some parts of the population significantly affected public relations between institutions and citizens during the pandemic.

Still from a *smart transition* perspective, the pandemic has triggered a significant proliferation of online geo-spatial dashboards as a means of informing citizens in real time about the evolution of the pandemic, both at the national¹⁹ and county level²⁰. These COVID-19-related dashboards will most likely not continue after the pandemic, and the usefulness of some of them is questionable. However, such relatively simple instruments could be further considered for other areas of local public administration as part of smart transition policies.

Concerning *just transition*, the mobilization of a significant number of NGOs and other stakeholders for creating the "Social Emergency Centre" as a point of contact and humanitarian assistance during the pandemic has strengthened collaboration between various welfare stakeholders from Iași County, thus building a collaboration capital that could further be exploited. On the other hand, we found no evidence that pinpoints any significant change triggered by the pandemic in the manner county and local public authorities envisage the future social policy.

Also, there is no evidence that the pandemic has accelerated *green transition* through measures initiated at local, county or regional level. However, *just transition* and *green transition* will certainly be enhanced as a result of the National Resilience and Recovery Plan agreed with the European Commission. Though it has been designed by the national government, and not by local or county authorities, the plan is expected to have a significant impact at the local level in all three areas of smart, just and green transition.

Proactive policies highly probable to remain in place in the future

Certainly some of the new digital infrastructure and services introduced during the pandemic, such as the completion of digital infrastructure for online local tax payments, the digital medical services introduced by some hospitals, and the B2C platform for local producers, will remain in place and perhaps further develop. Also, the Social Emergency Centre might remain in place or continue its existence under an adapted form, though nothing could be taken for granted.

¹⁸ The platform can be accessed at www.gustdeiasi.ro.

¹⁹ [Coronavirus COVID-19 Romania Dashboard](#) created by one group of academics and private volunteers, and the [COVID-19 – Romanian Economic Impact Monitor](#) created by researchers from Babes-Bolyai University.

²⁰ Created by Iași County Council - <https://www.covid19iasi.ro/>

How can territorial cooperation frameworks, tools and resources for cross-border regions be strengthened in times of crises?

Being located along the eastern frontier of the EU, Iasi County has long historical ties with the neighbouring Moldova Republic. In this particular case, cross-border cooperation is currently promoted and financed from multiple administrative levels, starting with the EU (via the Joint Operational Programme Romania – Republic of Moldova), continuing with the Romanian Government (via multiple policies in this regard), and finishing with the county and local level (where Romanian local public authorities frequently make donations to local communities across the border). Against this background, the pandemic had contrasting impacts on cross-border cooperation.

On the one hand, the pandemic hindered collaboration by restricting movements and impeding working meetings and visits that were normally taking place between representatives from both sides of the border. Interestingly, interviewed stakeholders indicate that online meetings were not very successful in replacing the physical working meeting, due to various reasons, including poor levels of digitalization, especially in rural areas of the Republic of Moldova. On the other hand, other types of collaboration have been strengthened. For example, the City of Iasi donated 200 000 euros to the City of Chisinau to help its fight against (the consequences of) the pandemic, and an older pre-pandemic project aiming at linking emergency medical services from Iasi with those across the border is currently extending (co-financed by the EU and the Romanian Government). Through this project, important investments in medical emergency infrastructure and equipment are being financed, that will increase the capacity of emergency rescue teams from Romania to intervene in critical medical situations across the border, while also investing in heliports across both sides of the border and in emergency units from the Republic of Moldova.

Future policy directions should take into consideration the extremely low levels of infrastructure endowment that currently characterizes local communities from both sides of the border, but especially those from the Republic of Moldova. Hence, investments should first go to physically and digitally connecting communities from the two countries. According to the conducted interviews, concepts like *green transition* and *fighting climate change* have currently little resonance among local representatives from rural communities where basic living conditions are lacking.

6 Regional recommendations

6.1 Policy Recommendations

Numerous policy recommendations emerge from the current case study. One may argue that the most important ones stress the importance of digitalization (with significant issues of justness related to it), the necessity of improving the quality of medical infrastructure and services, and the importance of law enforcement in the area of equipment stocks for emergency situations.

Concerning digitalization, authorities should continue to invest in digital infrastructure of public institutions, as well as in developing digital skills of civil servants. Digital infrastructure and services are still insufficient, starting with some basic ones, such as the existence of institutional e-mails for civil servants, and continuing with more complex and integrated digital platforms for various services. In parallel, authorities should provide support for adults and elders lacking basic digital skills, especially from rural areas, but also from cities. Some pioneering small scale projects have already been implemented in this regard, but the problem cannot be overcome unless programs and associated financial instruments are explicitly dedicated to it.

On the other hand, authorities could take the positive example of the “Social Emergency Centre” created during the first wave of the pandemic and further support its functionalities and services. Homelessness, domestic violence and other social problems are still to be resolved by authorities in the post-pandemic world. Social services could even be extended to offer other types of help to those in need. In this regard, it is highly probable that, in a very near future, a significant number of elders will be struggling not only to get material and psychological support (as they were asking during the pandemic), but digitally unskilled elders will also struggle to access basic public services in an increasingly digital world.

The second policy recommendation that emerges from interviews is related to the necessity of improving the quality of medical infrastructure and services. Some basic infrastructures proved to be insufficient during the pandemic (including basic aspects such as unsatisfactory hygiene and old electric systems that could pose risks for generating extensive fires when overloaded due to high number of patients). Also, public funding should further encourage the development of online medical services in those cases where it is possible. This will contribute to reduce physical congestion in hospitals, as well as to avoid unnecessary travels for patients residing in remote areas.

Lastly, a significant lesson learned is related to negative consequences of non-compliance of public institutions with law requirements in the area of equipment stocks for emergency situations. The pandemic has caught hospitals and other institutions relatively unprepared, though it was mandatory by law to keep stocks of equipment that are needed in case of emergency situations such as pandemics.

Policy Recommendations

- Promote digitalization by investing in digital infrastructure and in education/training (with a special focus on issues of justness);
- Invest in quality of medical infrastructure and services;
- Keep the good level of equipment supplies for emergency situations, by enforcing the law.

6.2 Governance Recommendation

According to stakeholders that frequently interact with civil servants, public authorities need not only digitalization, but also new management skills to be able to navigate in complex, multi-sector, multi-level governance structures. Furthermore, introducing quality management indicators for public services should be considered. This would allow tracking of the progress made by institutions in the areas of good governance and services offered to citizens.

Governance Recommendation

- Build not only digital skills, but also new management skills among public stakeholders to help them navigate in complex, multi-sector, multi-level governance structures;
- Introduce quality management indicators in public administration to track progress.

6.3 Territorial Recommendations

Romania in general and Iași County in particular display some of the highest urban-rural disparities in the EU. Hence, one major policy priority should aim at strengthening territorial collaboration between rural and urban areas. One way of doing this is to facilitate local agricultural products to penetrate urban markets (now dominated by foreign products imported from large distances). Such a measure could increase the odds of rural business to survive and thrive, while also promoting sustainable economic activities. The “Taste of Iași” B2C digital platform created in 2020 as a response to the pandemic is such an initiative that could further inspire similar undertakings (aiming at connecting producers with customers, shortening supply chains, and promoting local products). Coupled with continuing the recent investments made in rural infrastructure and with new programs aiming at disseminating entrepreneurial and digital skills among rural population, such measures could pave the way to a more cohesive county.

Though not directly related to the pandemic, the new territorial policies should regard some necessary reforms that have long been postponed by the national government. Among them, one could pinpoint the regionalization process (i.e. giving NUTS2 regions political power), as well as reform on the manner in which Romanian Metropolitan Areas operate. In this regard, the Romanian government has already agreed, as stipulated in The National Resilience and Recovery Plan agreed with the European Commission, that the reform of metropolitan areas will be undertaken during 2022. On the contrary, no regionalization or decentralization processes are currently envisaged.

Territorial Recommendations

- Strengthen territorial collaboration between rural and urban areas;
- Promote entrepreneurial and digital skills among rural population to help them integrate into the regional (and global) economy;
- Reform the law related to metropolitan areas.

6.4 Financial Recommendations

The fact that some of the most interesting pro-active measures emerged following a bottom-up approach, and that they involved multi-sector stakeholders suggests that local and county authorities should further dedicate (and even increase) financial resources to multi-sector stakeholder bottom-up initiatives. Promoting participatory budgeting could also be a possible solution to increase the efficiency of public funding instruments. Participatory budgeting could help promoting good governance, participatory democracy, while also strengthening local identity. Until now, there have been only sporadic intentions (in 2018 by Iași Municipality, in 2020 by Iași City Council).

Financial Recommendations

- Dedicate financial resources to multi-sector stakeholder bottom-up initiatives;
- Promote participatory budgeting.



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