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A dynamic image of the final authority act of local public administrations exercised by issuing building permits. Case study: the South-East Development Region of Romania

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Abstract. In Romania, territorial/spatial development is understood as the process of transforming the geography of inhabited territories, taking into consideration: territorial planning, urban planning and development, public works, habitat and housing, construction. It is governed by the regulatory framework in force, aligning its policies and strategies with the main reference documents at the European level. The construction sector is a key sector for investment and economic development, playing an important role in achieving the sustainable development objectives through the impact that the quality of construction has on the quality of life and by ensuring the necessary environment for most human activities. The *building permit* is the final authority act of the local public administration on the basis of which the execution of construction works is allowed in accordance with the measures provided by law regarding the placement, design, construction, operation and post-use of buildings. Starting from comparative structural analyses on the number of building permits issued by the local public administrations in the South-East Region, the objective of this research has been to obtain a dynamic image, through a quantitative assessment, of the number of building permits issued for residential buildings, highlighting the way in which they directly influence the sustainable development of urban and rural localities in the South-East Region of Romania.

Keywords. Building permits, residential buildings, local public administration, urban and rural development, South-East Development Region.

1. Introduction

The approaches that focus on balanced and sustainable territorial development have become important in the implementation policy of The Territorial Agenda 2030, *A future for all places*, as the different types of territories/places (such as metropolitan areas, small and medium-sized towns, peri-urban areas, rural areas, sparsely populated areas, coastal areas, mountainous areas, cross-border regions, areas of demographic decline and areas in economic transformation and industrial transition, etc.) are characterized by a very different development potential and are facing extremely different challenges.

In Romania, territorial development is understood as the process of transforming the geography of inhabited territories (physical elements: infrastructure, landscape, cities, but also the territorial structure and the geographical distribution of the population and human activities), taking into account: territorial planning, urban planning and development, public works, habitat and housing, constructions; it is regulated by the normative framework in force

and it aligns its policies and strategies with reference documents at European level (Official website of the Ministry of Development, Public Works and Administration).

The reference document at European level, *Guiding Principles for Sustainable Spatial Development* (CEMAT, Hanovra, 2000), stipulates in art. 28 that *housing* is considered to play a particular role in a balanced and sustainable territorial development, recognizing its function in society, its quantitative importance and its multiplier effects on the economy and workforce. In this sense, in 2017, the concern of the central public administration in Romania was to develop and initiate *the National Housing Strategy*, a draft normative act which was not adopted by the Government even though the housing field plays an important role in the economic growth and social inclusion processes. According to it, housing is a major challenge to Romania's development and it requires an integrated approach that takes into account the economic, social and environmental impact of the measures adopted.

Territorial development is also closely linked to the construction sector, which has a strong influence on the three aspects of sustainability: environmental, economic, and social (López Ruiz, Xavier and Santiago, 2020); at the same time, the rapid pace of urbanization, intensified by economic activities, has led to changes in land cover and land use (Petrișor, Sirodoev and Ianoș, 2020; Petrișor et al., 2021) by expanding the construction sector. There is a growing demand for new housing construction in urban areas due to the rapid population growth, which can pose planning challenges (OECD/ European Commission, 2020).

Therefore, housing quality is the measure of the success of urban planning and management of the public administrations responsible for localities' sustainable development - an extremely complex issue that poses different social, economic and environmental problems, and which must be approached as a multifaceted concept, with four pillars (economic, social, environmental and cultural) and several dimensions, including a territorial one (Petrișor, 2014), being well-known that sustainability covers all the areas and sectors in which development takes place (Petrișor, 2017).

2. Literature review

In 2016, the Territorial Development Strategy of Romania (SDTR) - *Polycentric Romania 2035* was drawn up, a programmatic document which establishes the guidelines for territorial development and which is stipulated in Law no. 350/2001 comprising the vision of the national territory' development for a period of over 20 years. The Territorial Development Strategy of Romania (SDTR) provides a complete model of development of the national territory based on the assumption of territorial cohesion, respecting sustainable development from a territorial perspective.

The activity of territorial planning and urbanism in Romania, regulated in relation to the European context and the reference documents, by Law no. 350/2001, stipulates in art. 10 that through the urbanism activity whose purpose is to stimulate the complex evolution of the localities, their harmonious development is practically ensured, due to the fact that they are in a continuous development generated by the changes appearing at the level of territories in urban or rural areas, depending on their development potential and the needs of citizens' lives. Thus, urban planning documents act as specific regulation and establish rules that apply directly to the localities and parts thereof up to the level of cadastral plots, constituting mandatory elements for issuing urban planning certificates (art. 44 of Law no. 350/2001), the mandatory information act which conditions the issuance of the building permit.

The construction sector is a key sector for investment and economic development, playing an important role in achieving the sustainable development objectives through the impact the quality of construction has on the quality of life and by ensuring the necessary

environment for most human activities. Law no. 50/1991, republished, on the authorization of the execution of construction works is drawn up in accordance with the legal regulations in the field and stipulates in art. 1 that the execution of construction works is allowed only based on a building permit.

According to art. 2 para. (1) of Law no. 50/1991, republished, the *building permit* is the final authority act of the local public administration on the basis of which the execution of construction works is allowed, according to the measures stipulated by law regarding the placement, design, construction, operation and post-use of buildings.

According to a general definition, *construction* is a building made of masonry, wood, metal, concrete, etc., based on a project, which serves to house people, animals, objects, etc., or a house, facility/edifice, building.

The legislative normative framework defines *building* as any construction situated above the ground and / or below its level, regardless of its name or use, and which has one or more rooms that can be used to house people, animals, objects, products, materials, installations, equipment and other such items, and its basic structural elements are the walls and the roof, regardless of the materials from which they are built. In order to build a building, it is necessary to undergo some procedural steps, including drafting a technical documentation in which the architectural project must be integrated into the specific context of the area, defined by urban plans (and conditioning the issuance of the building permit) (Petrișor, 2013).

The relevant category of buildings with an impact on local development and implicitly on the quality of life is the *residential building*, which is a construction consisting of one or more rooms used for living, with the necessary outbuildings, facilities, and utilities, which meets the living requirements of a person or family. Therefore, living space/housing is a construction in which someone lives or can live (house, studio, apartment, or duplex), being well known that a decent housing, at an affordable price and in a safe environment is a fundamental need and is considered a human right.

The legality of the authorization of construction works is dominated by the legislative norms in force and is based on the existence of urban planning documents, which are normative administrative acts dealing with all localities (urban and rural), having a regulatory character regarding land use and establishing the rules that condition their use for constructions.

Not only the construction of new buildings requires authorization, but also the reconstruction, consolidation, modification, extension, rehabilitation, change of destination or repair of constructions of any kind. Therefore, building permits are required when planning any type of construction that would change or add structure to an existing property or a plot of land (Eirinaki et al., 2018).

Issuing the building permit is based on the action by which the investor requests, and the public authority approves the issuance of an administrative authority act. The issuance of building permits, similarly to the issuance of any administrative acts, refers to the completion of three stages: submission of the application, issuance of the decision and granting of rights. Thus, the building permit is issued to the beneficiary of the work, based on and in compliance with the urban planning and spatial planning documents, in order to start the construction works.

The management modalities of the public administration authorities in the fields of interest of constructions and urbanism ensure the coherent development of the localities according to the assumed development vision the public and private investment program is based on, through the built infrastructure. Thus, building permits significantly stimulate economic activity and generate forecasts about job and state-level income growth compared to other traditional indicators such as house prices and wealth (Strauss, 2013).

Balanced and sustainable territorial development must take into account the reduction of the disparities between urban and rural areas, in terms of population demographics, resources, social-economic environment, environment, physical and technical-urbanistic infrastructure, etc. In this sense, constructions are considered the primary vector in the process of economic and social development and modernization (Barbu and Sandu 2020) and critically affect the three elements of social development: social progress, economic growth, and the success of environmental protection (Alawneh et al., 2019).

It should be emphasized that the construction of housing together with the renovation and modernization of the existing one is one of the most important investment sectors of the economy, being financed mainly by the private sector (CEMAT, Hannover, 2000); however, state intervention through certain government programs is also important (energy efficiency in public buildings and housing, social housing, utilities infrastructure, such as water supply and sewerage, road infrastructure, education and health facilities, etc.) so as to ensure development opportunities.

Mete and Xue (2021) showed in their paper that studies on housing have a multidisciplinary character, such as sociology, economics, technology, policy studies, building engineering and urban design. The article *Housing Statistics* (Eurostat, 2020) showed that living conditions influence the quality of life of the population in many ways: providing shelter, security, privacy, and a space where people can relax, learn, work and live; the expansion of residential spaces was explained by the pressure from the population interested in improving its quality of life (Patroescu et al., 2012).

In his research paper, Balaban (2012) stated that the construction sector is usually accepted as a driving force that triggers economic growth due to its strong back and forth links with other sectors; thus, housing construction can also be seen in the context of the local environment, in terms of access to public health and educational services, jobs, recreational opportunities, shops, cultural and sports services, public services, etc. Therefore, the decision about the construction of a new housing or the improvement of existing ones is influenced by local development, which represents the process of development, mainly economic, in a certain region or administrative-territorial unit, which determines an increase in the quality of life at the local level (Dincă and Dumitrică, 2020).

3. Methodology and data

The purpose of this paper is to attain a dynamic image of the final authority act of local public administrations exercised by issuing building permits at the level of the South-East Region of Romania.

The South-East region is a development region of Romania; it ranks second in size at national level, covering an area of 35,762 km², which represents 15% of the total area of the country and includes 6 counties: Brăila, Buzău, Constanța, Galați, Tulcea and Vrancea.

One of the main elements that characterizes the regional context is the fact that the 6 counties in its composition present development disparities at the level of the region, and the urbanization level is low (53% of the population lives in urban areas), 48.8% of the territory being exclusively agricultural (Bărăgan - the largest agricultural area at national level), the level of development is low, ranking in the last places in the EU (South-East Regional Development Agency, 2021).

For the analysis we have conducted, we used the data provided by the National Institute of Statistics of Romania (INSSE) for the 2014-2020 period. The centralization and systematization of data, including obtaining the indicators used in the statistical description

were achieved with the help of the *Statistical Program for the Social Sciences* (SPSS). The study has been based on comprehensive statistical research.

According to INSSE, *housing* is an economic statistical indicator. In the methodology used for the statistical research on the permits issued for buildings the terms of the analysis are defined. Thus, *building* is the permanent construction that rises above the ground, forming a whole from a constructive and architectural point of view, isolated (distanced) spatially or separated from others by exterior walls, with its own roof and separate entrance.

Residential building is a building which is used in its entirety or for the most part (over 50% of the living space or built volume) for living. The category of *residential buildings for communities/collective buildings* includes those residential buildings used as housing for communities, such as: institutions and foster homes for children, retirement homes and nursing homes for the elderly, etc.

Starting from comparative structural analyses on the number of building permits issued by local public administrations in the South-East Region, the objective of the research was to obtain a dynamic picture by assessing, from a quantitative perspective, the number of building permits issued for residential buildings, and for residential buildings for communities/collective buildings, as well as qualitative, i.e., on how they directly influence the sustainable development of urban and rural localities.

4. Results and discussion

The South-East Development Region is bordered in the South by the Danube River, in the east by the Black Sea and it includes the Danube Delta biosphere - tourist areas, but there are also seaports (Constanța, Mangalia and Midia), as well as river-sea ports (Brăila, Galați, Tulcea and Sulina). The specificity of the South-East Region is represented by the development disparities which are accentuated by the significantly different level of industrialization of the counties: Constanța and Galați have strong economic sectors in the maritime and tourism fields; Brăila, Buzău and Vrancea are mainly agricultural, whereas Tulcea is mainly the domain of aquaculture and fishing (South-East Regional Development Agency, 2021).

From the point of view of territorial development, the South-East Region is characterized by the lack of coordinated interventions and a reduction in the investment capacity of urban local authorities that led to the emergence of abandoned / degraded / unused land, in addition to a small size of the green space in the urban areas, poor development of urban infrastructure networks in the peri-urban area. The rural area is also characterized by serious development problems caused both by young people's process of migration to large cities or abroad, and by lack of investment in basic infrastructure (drinking water and sewerage networks, transport infrastructure), which negatively affects the quality of life of the inhabitants of these areas.

Based on these considerations, in order to obtain quantitative and qualitative assessments regarding the number of building permits issued for residential buildings and those for residential buildings for communities, an analysis has been carried out at the level of the 6 counties in the South-East Development Region, for the 2014-2020 period.

At the level of the South-East Development Region, as can be noticed from the graphic representation, the dynamics of the total number of building permits issued for residential buildings (excluding those for communities) has undergone an interesting evolution; thus, in the year 2014, 4,287 permits were issued, in 2015 there was an increase, with 4,868 permits issued, followed by a decrease in 2016, when 4,280 permits were issued, an upward trend remained from 2017 to 2019, when 5,452 permits were issued, followed by a decrease in 2020, when 4,820 permits were issued.

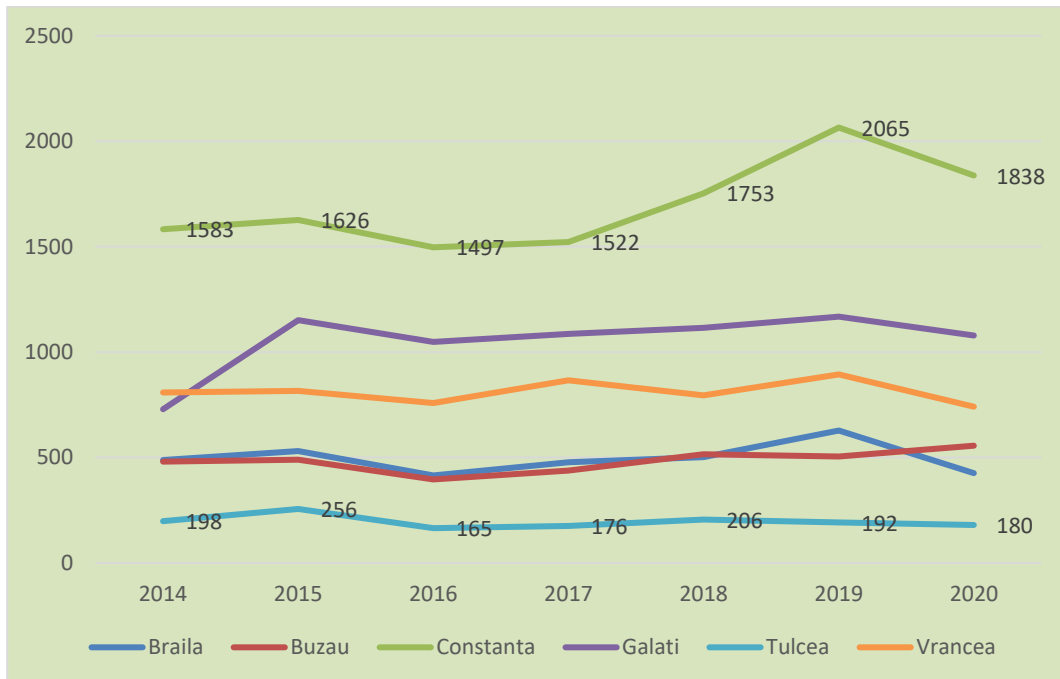


Figure 1. The dynamics of building permits for residential buildings (excluding those for communities) for each county in the South-East Region

The distribution by county highlights a major discrepancy among the component counties of the South-East Development Region, intraregionally, Constanța county registering the highest level of economic and social development, with a GDP value over 5 times higher than that of Tulcea, a county situated in the last place (South-East Regional Development Agency, 2021). Thus, for the analyzed period, 2014-2020, by far the county with the highest number of building permits issued for residential buildings (excluding those for communities) is Constanța County, at the opposite end being Tulcea County (Figure 1). At the same time, the number of urban and rural localities located along the coast have many attractions to offer, being the most exploited tourist area in Romania, with investments in works for the protection and rehabilitation of the Romanian Black Sea coastal area (Stan, Aivaz and Ionițiu, 2019) contributing to the protection of the environment, infrastructure and socio-economic objectives of these areas. According to a study conducted by the National Institute of Statistics, "apartment sales at the seaside have exploded, and builders are working at a steady pace, 8,000 apartments were built from 2014 to 2019, in the north of the coast".

In second place in terms of the number of building permits issued for residential buildings (excluding those for communities) is Galati County, which in 2015 had 1,151 permits issued, followed by a decrease and then a maximum in 2019 (1,168 authorizations), followed by a decrease of 8.2% in 2020, compared to the year 2019.

For the analyzed period, 2014-2020, Brăila and Vrancea Counties are included in the regional trend, registering in the year 2019 the highest number of building permits issued for residential buildings (excluding those for communities), with 628, respectively 894 permits. On the other hand, Buzău County registered the highest number of building permits in 2020, with 556 permits.

Figure 2 shows the total number of building permits for residential buildings for communities for each county in the South-East Region, for the 2014-2020 period.

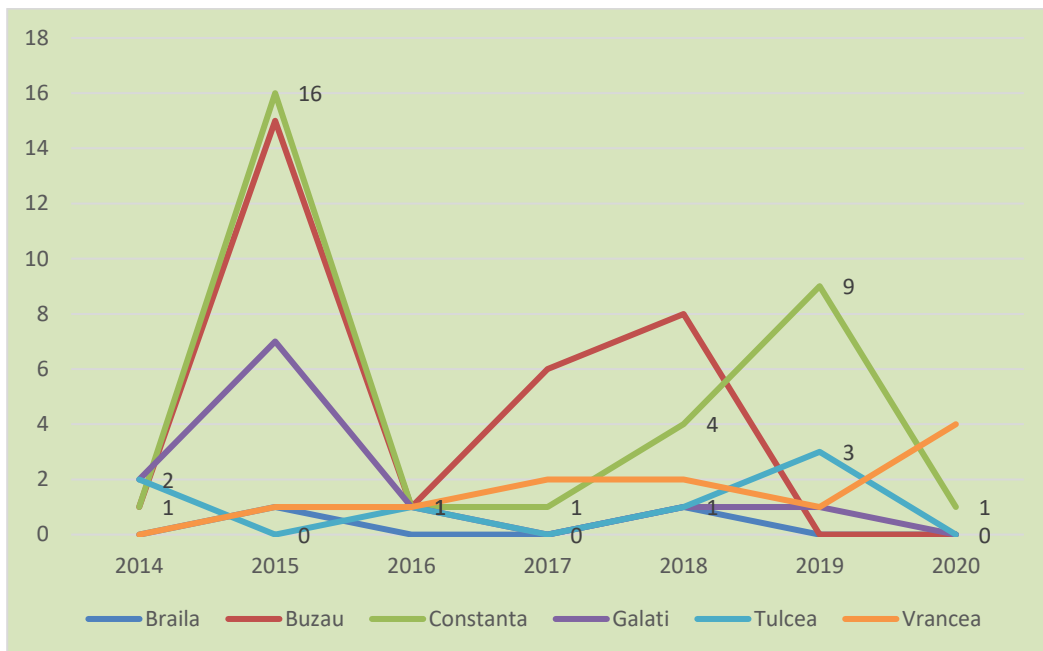


Figure 2. The dynamics of building permits for residential buildings for communities for each county in the South-East Region

The same fluctuating evolution is maintained with regard to the total number of building permits for residential buildings for communities in the South-East Development Region; thus, in 2014, 6 permits were issued, followed by a sharp increase in 2015, when 40 permits were issued, then a dramatic decrease to only 5 permits in 2016, a rebound in 2018, when 17 permits were issued and again a significant decrease, in 2020, when 5 authorizations were issued.

In this category of buildings, one can notice the very small number of building permits issued for the 2014-2020 period, which can be explained by the lack of involvement of social economy actors: local public administrations - relevant actors for the development of the sector, as decision makers and the private sector, non-governmental organizations and social enterprises - relevant actors for the implementation of projects at community level. Solving social issues in urban and rural communities is also closely related to the existence of a large number of residential buildings used as housing for communities, since they perform specialized functions of accommodation, care, recovery, rehabilitation and social and professional reintegration of people with disabilities, chronically ill people, people addicted to alcohol or drugs, people who are victims of domestic violence or human trafficking, elderly people in a situation of social need, etc.

From the graphic representation (Figure 3), we can see the dynamics of the number of building permits for residential buildings (excluding those for communities) issued in the South-East Region by area of residence, namely in *urban areas*.

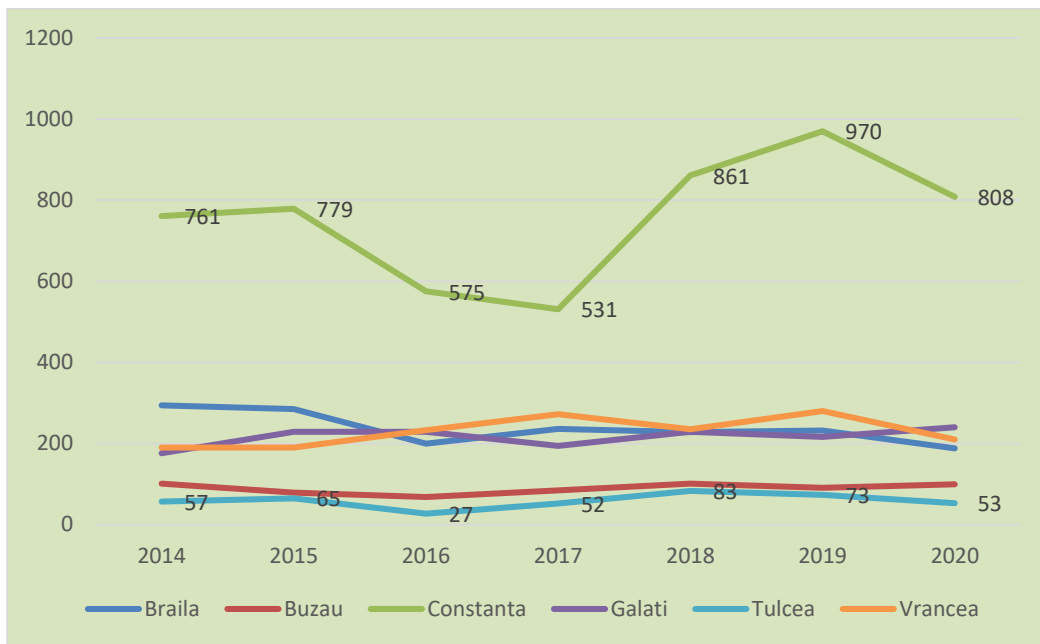


Figure 3. The dynamics of building permits for residential buildings (excluding those for communities) in the urban area for each county in the South-East Region

Thus, in the year 2014, 1,579 permits were issued in urban areas for residential buildings, of which 294 in Brăila County, 101 in Buzău County, 761 in Constanța County, 176 in Galați county, 57 in Tulcea County and 190 in Vrancea County.

Although, in 2015 compared to the previous year, there was a 3% increase in the number of building permits, the situation being reflected as follows: some counties recorded a decrease in the number of building permits - Brăila (-9) and Buzău (-22), others underwent an increase in number - Constanța (+18), Galați (+53) and Tulcea (+8), while Vrancea County (0) was constant. In 2016, 1,332 building permits were issued, 18.2% down compared to 2015, reflected in the following counties: Brăila (-85), Buzău (-11), Constanța (-204) and Tulcea (-38), while Galați County (0) was constant, the only one undergoing a rise being Vrancea County (+43). In 2017, 1,369 building permits were issued, increasing by 2.77% compared to 2016, reflected in the following counties: Brăila (+36), Buzău (+16), Galați (+35) Tulcea (+25) and Vrancea (+39), the only one decreasing being Constanța County (-44). The year 2018 stands out with an increase of 26.88% compared to the previous year reflected in the following counties: Buzău (+17), Constanța (+330), Galați (+35), Tulcea (+31), while Vrancea (-37) and Brăila (-8) counties showed a decrease. The year 2019, considered the reference year before the emergence of the Covid-19 pandemic, stood out due to an increase of 7.2% compared to the previous year, reflected in the following counties: Brăila (+4), Constanța (+109) and Vrancea (+45), while in the counties of Buzău (-10), Galați (-13) and Tulcea (-10) there was a decrease. In 2020, 1,598 building permits were issued, decreasing by 14.17% compared to 2019, reflected in the following counties: Brăila (-44), Constanța (-162), Tulcea (-20) and Vrancea (-70), while in the counties of Buzău (+8) and Galați (+24) there was a slight increase. Compared to the previous year, in 2020 this indicator also decreased as a result of the significant interruption due to the Covid-19 pandemic, the activity taking place under special circumstances in the construction sector.

It is well known that the challenges that urban centers are facing (economic, social, demographic, and environmental) are interconnected and manifest differently from one type of city to another, as well as from one city to another. The analysis carried out at the level of the

South-East Development Region in order to draw up the strategy of the *Regional Operational Program for the South-East Region 2021-2027* identified a series of problems faced by the urban areas in the region: low attractiveness and functionality of public spaces, which led to the deterioration of the quality of the living environment; economic and social transformations that determined the presence of abandoned spaces, both on the outskirts and inside urban localities; poor development of urban infrastructure networks in peri-urban areas, etc. (South-East Regional Development Agency, 2021). However, the study focused on the quality of urban life developed in the *Urban Barometer* document, which analyzed certain aspects such as: satisfaction with urban life (general level of satisfaction with the city of residence, satisfaction with infrastructure and facilities, etc.), perception of the quality of the environment and the fight against climate change (perception of issues such as cleanliness, green spaces, the administration's fight against climate change, etc.), citizens' perception of their city (on issues such as safety and trust, local government performance, etc.), perception of the personal situation (such as the situation at the workplace, the financial situation, etc.), strategic urban development issues and priorities, urban hierarchies (for example, a top of the most attractive Romanian cities) shows that the satisfaction of the inhabitants with urban life in the South Region -Est records shares of satisfaction of over 70%, which demonstrates their appetite for the construction of housing, sometimes regardless of the price paid.

As the population dynamics in big cities is constantly changing, there is a growing demand for the construction of new quality housing, sometimes at unjustifiably high prices, with real estate developers having to promote their product, marketing being one of the most important factors that can lead to success. In this context, an interesting study by Micu et al. (2016) suggests the development of a marketing decision-making technique that leads to finding the variables of marketing values that ensure the maximization of the profit or market share of a product by using the genetic algorithm.

In general, the decision of citizens living in urban areas regarding the purchase of a new home or the renovation, improvement of an existing one involves issues such as the documentation the construction is based on, the deadline for the completion of the work and the price.

Each new building must have a building permit issued on the basis of the technical documentation prepared by the investor and approved in accordance with the urban planning documents.

Therefore, the decision on housing construction is closely linked to the price and the activity of the local public administration in the field of urbanism. In an article related to the system of building permits for smart cities, the authors (Eirinaki et al., 2018) stated that the process of urban development and the process of issuing building permits face a number of problems and difficulties, some related to the local administration, others to the legislative framework, a fact confirmed by the perception of Romanian citizens regarding the activity in the field of urbanism which ranks last in the hierarchy of urban satisfaction, only 51% of the urban population being satisfied (Urban Barometer, 2020).

At European level, Resolution 422 (2017) *A better future for Europe's rural areas* states that rural areas are characterized by their social, economic, and environmental diversity; some of them have good socio-economic results, others face depopulation, demographic aging, high levels of poverty, land abandonment, a heavy dependence on small-scale agricultural production, limited basic services and serious infrastructure issues. This characteristic is also specific to Romania, as in rural areas almost 50% of the country's population lives, and the economic functions of these areas depend almost entirely on the existence of agricultural activities.

At the level of the South-East Development Region, the number of administrative-territorial units within the counties is: Constanța (3 municipalities, 8 towns and 59 communes), Brăila (1 municipality, 3 towns and 40 communes), Buzău (2 municipalities, 3 towns and 82 communes), Galați (2 municipalities, 2 towns and 61 communes), Tulcea (1 municipality, 4 towns and 46 communes), Vrancea (2 municipalities, 3 towns and 68 communes), which indicates a high degree of ruralization, a fact confirmed by EU's classification which positions the counties of Constanța, Galați and Brăila as "intermediate" NUTS 3 territories, as 20-50% of the population lives in rural areas, while the counties of Buzău, Tulcea and Vrancea are classified as rural, as more than 50% of the population lives in rural areas (South-East Regional Development Agency, 2021).

Based on these considerations, it is necessary to make a quantitative and qualitative assessment of the number of building permits issued for residential buildings (excluding those for communities), as at the level of the South-East Region the number of building permits issued in the rural area is much higher than those issued in urban areas.

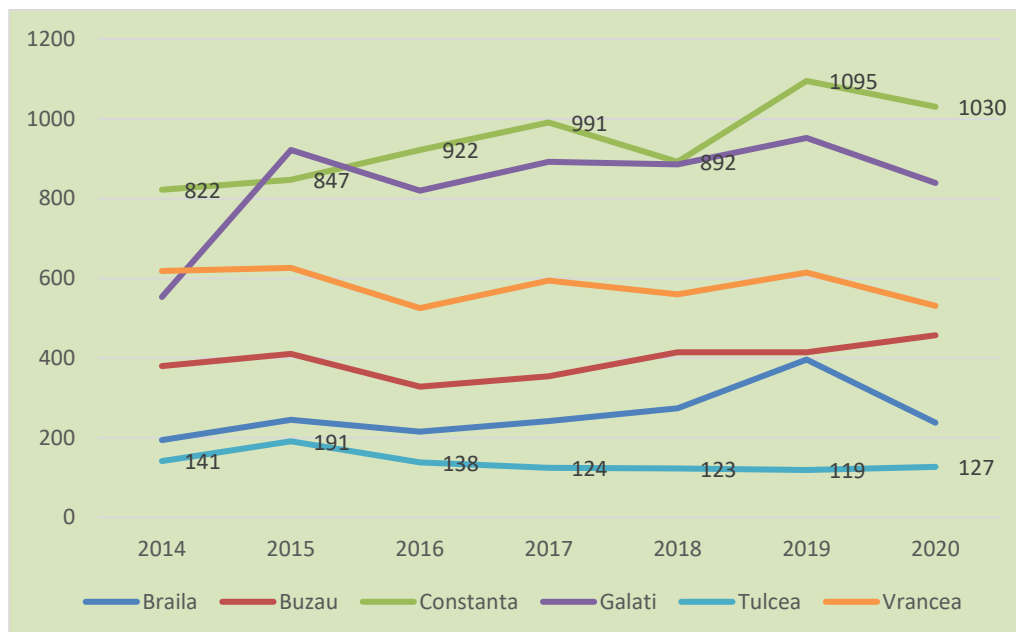


Figure 4. The dynamics of building permits for residential buildings (excluding those for communities) in rural areas for each county in the South-East Region

In the graphic illustration (Figure 4), we can notice the dynamics of the number of building permits for residential buildings (excluding those for communities) issued in the South-East Region by area of residence, namely in *rural areas*. Thus, in 2014, 2,708 permits were issued in rural areas for residential buildings, of which 194 in Brăila County, 380 in Buzău County, 822 in Constanța County, 553 in Galați County, 141 in Tulcea County and 618 in Vrancea County. At the level of the year 2015, compared to the previous year, there was a 19.68% increase in the number of building permits, reflected in the following counties, as follows: Brăila (+51), Buzău (+30), Constanța (+25), Galați (+ 369), Tulcea (+50) and Vrancea (+8). By far, the county that registers a significant increase is Galați, which follows a reverse trend compared to the regional one and is heading towards a ruralization, rather than towards urbanization.

In 2016, 2,948 building permits were issued, 9% down compared to 2015, reflected in the following counties: Brăila (-30), Buzău (-82), Galați (-102), Tulcea (-53), Vrancea (-101),

the only one on the rise being Constanța County (+75). The upward trend preserved by Constanța County is determined by the fact that it has a rich natural and cultural tourist potential, distributed in a fairly balanced way along its territory, a considerable number of rural localities being in the coastal area.

In 2017, 3,197 building permits were issued, up by 8.44% compared to 2016, reflected in the following counties: Brăila (+27), Buzău (+26), Constanța (+69), Galați (+72) and Vrancea (+99), the only one decreasing being Tulcea County (-14). The year 2018 was marked by a slight decrease of 1.5% compared to the previous year reflected in the following counties: Constanța (-91), Galați (-6), Tulcea (-1) and Vrancea (-34), while the counties Brăila (+32) and Buzău (+60) showed an increase.

The year 2019, considered the reference year before the emergence of the Covid-19 pandemic, was marked by an increase of 14% compared to the previous year, reflected in the following counties: Brăila (+122), Constanța (+203), Galați (+66) and Vrancea (+54), while for Tulcea County (-4) there was a decrease, and Buzău County (0) was constant in number. In 2020, 3,222 building permits were issued, down by 10.25% compared to 2019, reflected in the following counties: Brăila (-158), Constanța (-65), Galați (-113) and Vrancea (-83), while for the counties of Buzău (+43) and Tulcea (+8) there was a slight increase. Compared to 2019, in 2020 this indicator recorded a decrease in population's preferences regarding housing against the background of a significant disruption due to the Covid-19 pandemic when institutions and economic activities were closed, except for vital institutions (Rus, Sandu and Tasește, 2020), thus also affecting the construction activity.

It can be seen that, for the analyzed period, 2014-2020, the "number of building permits issued in rural areas" indicator has an interesting trajectory, namely there is a strong preference for housing especially in rural areas near the cities. The scale of the migration phenomenon in recent years has generated a massive depopulation of some localities in rural areas, especially in areas which are undergoing an economic decline.

The evolution of the entrepreneurial environment in the South-East Region is also important for the sustainable development of the region, since investments in economic and social activities, the cooperation at the business community level, the exchange of information with the public authorities are a key tool for boosting regional and local business environment. At a time when business orientation is competing to promote a balanced work environment and when investment is a key to performance, existing business strategies and regulations increasingly require companies to improve their economic performance. A series of studies (Aivaz, 2018a; Aivaz, 2018b) have highlighted a great diversity of situations in the financial evolutions of the turnover, profitability, workforce indicators (Mirea and Aivaz, 2016) and fixed assets in the South-East region of Romania, evaluating various aspects regarding business development in this region, with an emphasis on investment. The results show that in this region, especially in Constanța County, the management of fixed assets contributes to the achievement of operational turnover (Aivaz, 2020), while in Tulcea County, the financial results of companies are based more on employees than on fixed assets management. This could be a possible explanation for the difference in economic development between the two counties in Dobrudja, and also between the localities of the South-East region which, although having a similar demographic, agricultural and tourist potential, show very different business indicators. The investigated dataset that documented the findings of these studies includes, in addition to private entities, a number of public entities, which also contributed to the relevance of the results. The state's contribution by issuing these building permits in the SE region focuses on strategic areas, which are located predominantly in Constanța County, so that the results are influenced by the good results or failure of these particular cases (Aivaz, 2021).

The conducted analysis demonstrates that housing is at the heart of the concerns of citizens who aspire to a better quality of life. The different level of economic and social development between the counties of the South-East Development Region, largely due to the interest of local public administrations for investments in local development, shows the preference of citizens for investments more in some urban or rural areas than in others.

The economic development together with the increase of the population level have led to a rapid urbanization, and at the opposite pole the migration of the population from the rural to the urban area has determined an underdevelopment of the localities.

If the local public administration and the elected officials were to identify the real needs of the citizens taking into account the challenges of housing in terms of sustainability, land use, economic activities, spatial, social and cultural interactions, then there would be a sustainable development of localities so as to ensure the process of construction in conditions of quality, efficiency and safety.

Therefore, the coordinated interventions of the public administration, supported by both the private sector and the availability of European funds, an essential source that accelerates investments, including in the field of construction, will lead to reducing disparities, transforming the South-East Region into a more attractive region, a stable and diversified economic space.

5. Conclusions

The construction of new housing is correlated with economic growth and the improvement of the living conditions of local communities by supporting the development of the business environment, the infrastructure conditions and services, which is the attribute of local public administration.

At the same time, recent research (Ibrahim, 2020) has shown that housing improvement is also one of the most important sectors of the economy, which ensures the prosperity of urban development and sustainability.

At local level, public administrations are responsible for the sustainable development of localities and for increasing the citizens' quality of life, therefore, also for the process of urban and rural development, as well as the process of issuing building permits. The basic legal means by which public authorities act at local level to ensure the compliance with the regulation in constructions, is the administrative authority act, establishing rights and obligations, which is the building permit.

Recent studies have shown that many regulatory bodies generally participate in the process of obtaining the building permit and the approval of the finalized building (Guler and Yomralioglu, 2021), and they need to seek effective improvements and extensions related to the requirements for obtaining the building permit so as to manage to turn smart built infrastructure into reality (Eirinaki et al., 2018) by simplifying administrative procedures applicable to citizens, interacting and communicating with the citizens, reducing excessive requirements that generate unsustainable costs for project developers.

Undoubtedly, local public administration plays an important role in the sustainable development of the localities. At the level of all administrative-territorial units, the county / local development strategy must be drawn up, a basic document for financing investments for the development of local communities, as well as updating urban planning documents according to the foreseeable evolution of social, geographical, economic and cultural factors and the local needs.

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