

THE EUROPEAN EXPERIENCE CONCERNING REGIONAL DECENTRALIZATION

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Abstract:

The current decentralization process is justified by the necessity of defining the role of the central administration as against the local administration, the political and administrative competences that shall be delegated to the local administration, the necessary sources, as well as the setting out of a reference framework on the performances of the decentralization process in the next period.

Key words: regional development, decentralization, sectorial strategies, regional authorities

JEL Classification: O18, R58

1. INTRODUCTION

Regional policy may be appreciated from the point of view of the utilization by the central and local public authorities of the resources they dispose of; combinations of instruments of economic and financial policy with the aim at stimulating the investments, of creating new jobs and of improving the life conditions in a certain region/territory. Such instruments of economic policy cover a large area, from those with general character, such as the legal framework meant to support the development, the economic regulations of certain specific measures, such as the aid granted by the state to the companies, with the aim to stimulating the investments or to supporting restructuring projects.

There are different patterns of regional administration in the European theory and practice, distinguished from the point of view of the competencies of the regional authorities, of the implied regional institutions, as well as of the financial decentralization. According to these patterns, the regions function on the principle of regional self-organization, respectively the right to organize their own structures and their functioning within the limits set forth by the Constitution.

2. PATTERNS OF REGIONALIZATION

Thus, a first model is used in the regions that have the power to adopt primary legislation in their field of competence, legislation that is guaranteed by the constitution or by a federal agreement. These regions may have the right to adopt secondary legislation within the action of the primary legislation promulgated by the national parliament and they may have delegated powers to issue laws or to regulate, taking into account the conditions of peculiarity of each of them. The regions function on the principle of the financial autonomy, their own resources originating from taxes and other sources. The regions receive also transfers of funds on the part of the state (grants) under the form of directed funds (for projects or specific needs) and non-directed funds (for covering of the cost of fulfillment of the delegated functions). This type of pattern is used by Belgium, Germany and partially by Italy.

According to another model, the regions have the right to issue laws, in the fields where the State has no exclusive competence. They may exercise powers delegated by the State. These regions receive funds from the state or they have their own resources. The own resources originate from non-directed funds from the state, incomes of the state from taxes (exclusively those directed to the regions) and incomes from the taxes fixed by every region. The funds from the state are under the form of grants, directed or non-directed. When setting forth the funds destined to the regions,

the number of the population and the level of economic development are taken into account. This category of patterns of regional administration is met in Spain and partially in Great Britain.

In the case of a third pattern, the regions have the right to promulgate laws according to the framework set forth by the national legislation; the existence of those laws is guaranteed by the Constitution. The regions have both own competences set forth by the Constitution or the national law as well as competences delegated by the state, both being exercised through legislation and regulations. The regions have financial autonomy according to the regulations of the European Charter of Local Self-Government. Their resources are made up of: own resources that originate from a percentage an amount added (fixed by the regions) to certain taxes or incomes collected by the state and of the regional taxes and of general grants or grants directed for specific objectives (generally necessary for covering the cost for the implementation of the delegated tasks). This type of pattern is used by the Czech Republic and partially by Italy.

In the fourth pattern, the regions have the power to adopt laws and/or other legislative regional acts, according to the national legislation, but the existence of which is not guaranteed by the Constitution. In this case too, the regions have their own competencies set forth by the law and competencies delegated by the state, but the exercise of the legislative competencies may be regulated by the state legislation. These regions are first of all financed by the State, they have no right to collect taxes for their benefit. The resources originate from non-directed funds from the central government, funds directed for specific projects or programs, a certain percentage of certain national taxes, incomes from the operation of the regional enterprises, incomes from directed or non-directed grants. Countries as Hungary and Great Britain (partially) use this type of pattern.

According to other pattern, the regions have the power to decide and regulate, but they have no legislative power for the implementation of the competences incumbent upon them. The regions may also have powers delegated to them by the central authorities and they may share certain competences with the central authorities (on the basis of an agreement). The incomes of these regions originate from own resources (charges, taxes, or other fiscal incomes) and from transfers. The received funds may be partially directed. The pattern is to be found in the practice of certain countries such as: Denmark, France and partially Great Britain.

In a last pattern, the regions have the power to make decisions and they have councils elected by the local authorities. They have no legislative power, their decisions being based on the national legislation and on government decrees. However, the regions have the possibility to adapt the exercise of their competences to their specific conditions. The regions are financed by the local authorities from own resources (but they may not collect taxes) and through financial allowances, generally with a general character. This type of pattern is used by Finland.

3. REGIONALIZATION AND DECENTRALIZATION

Accepting the idea that every community is also spatially shaped, so that it may keep its defining characteristics through a spatial-temporal structure, we have the explanation of the fact why, starting with the '60s of the last century, the regionalism/regionalization became a theme disputed and approached by a series of disciplines (regionalism as priority theme of the political debates may be considered a type of political barometer). The post-totalitarian space, as it happens in very many circumstances and case related to the transition it goes over, acute symptoms regarding the approach of the theme, first of all due to the historic load that the regionalist concept has to integrate into the most diverse interpretations (currently the globalized world).

The political approach may have in subsidiary the ideological side and, following this one, the cultural-traditional side, namely the identity side. The administrative approach leads us to the juridical-legislative one with aspects that concern a local history too of the public institutions. The economic approach may not elude and cannot be separated from the analysis of certain social aspects, from the demographic ones to those of the communication networks.

These approaches which aim at observing certain disciplinary limits may and must be completed with those due to certain general process of the present: European unification and

integration, phenomena related to poverty and the economic migration. Under these circumstances, the state has to intervene with important financial resources for fighting against poverty and decrease of the imbalances, with concrete measures against the injustice and the polarizing between the rich and the poor that increased in Romania too. Decrease of discrepancies, harmonious development implies, in principal, new programs, additional financial sources and new people for the implementation of the regional development programs.

The state aids represent a traditional instrument in Europe with a decisive role for the decrease of the discrepancies, an equipment of intervention of the policy makers wherever they are from, including within the member states of the European Union.

In the view of the Romanian legislator, the objectives of the regional development policy, which are materialized in state aids, are placed in the following fundamental directions:

- Decrease of the existing regional discrepancies, by stimulating the balanced development, by accelerated recovery of the delays in the development of the areas disfavored as a result of certain historic, geographic, economic, social, political conditions, as well as the prevention of the occurrence of new imbalances;
- Correlation of the policies and of the governmental sectorial activities at the level of the regions, by stimulating the initiatives and turning to account of the local and regional resources, with the view to the durable economic-social development and their cultural development;
- Stimulation of the internal and international inter-regional cooperation, of the cross-border cooperation, including within the Euro-regions, as well as the participation of the development regions in the European structures and organizations, which promote their economic and institutional development, with a view to carrying out of certain projects of common interest, according to the agreements Romania is part of.

We can also mention the fact that the Agencies for Regional Development operate in the field of regional development, which are non-governmental, non-profit, public utility bodies, but they are legal persons.

The programs and the expenses for the regional development of the Agency are financed from the Fund for Regional Development, which has the following sources: allowances from the National Fund for Regional Development; contributions from the own budgets of the counties or of the Bucharest, as the case may be, within the limit of the amounts approved for this destination, through the respective budgets; financial sources attracted from the private sector, from banks, foreign investors, the European Union, and from other international organizations.

Besides the positive aspects, a series of negative aspects were registered in the carrying on of the decentralization process:

- Failure to grant certain important rights to the Local Public Authorities what limits their capacity to efficiently organize the offer of services (for example the right to fix prices for these services.
- The occurrence in certain fields of the mechanisms of direct control and of the discretionary decisions. There are only a few fields with clear and transparent regulations. This limits both the financial planning and anticipation, and the possibility to test and introduce creative local solutions in order to offer more efficient services. This aspect limits indirectly the capacity of absorption of the funds of the European Union.
- Limiting of the autonomy of the local financial management by the regulations on the allocation of own incomes, through restricting the use of transfers.
- Preponderance of grants with precise destination, what represents an obstacle for an efficient spending of money, as it limits the coordination and integration of the local services.
- The existing balancing mechanisms do not provide the equitableness of the system.
- The incomplete transfer of property is an obstacle in the effective management of the local goods.

laws on important sectors of development such as the organization of the administration, the planning of the territory and of urbanism, the finances, the taxes, the services for health, welfare, education, etc. was enforced, regulating currently both the form of political decentralization of certain public services and the form of territorial and administrative decentralization through the institution of the prefect. Decentralization also represented the starting of a process of creation and strengthening of new forms of dialogue between the central and local administration represented by the Federation of the Local Authorities of Romania (FLAR), the professional administrative corps or other associative structures of the local authorities.

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