

THE OPPORTUNITY OF ROMANIA REGIONALIZATION

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ABSTRACT: *The regionalization and the decentralization processes are absolutely necessary to increase the efficiency of Romanian public administration, both through a better capacity of absorption of the European funds and by reducing bureaucracy, better representation of local and regional interests in accordance with the relevant territorial and economic development.*

This article attempts to answer the question: Does the decentralization and regionalization of Romania require an ample and simultaneous process?

KEYWORDS: *regionalization, decentralization, regional development, administrative capacity*

JEL CLASSIFICATION: *K00, K23*

1. INTRODUCTION

Regional development and regional development policy is an area of major concern at European Union level and Romania accepted the entire acquis for Chapter 21 - "Regional Policy and Coordination of Structural Instruments", which is why was adopted the Law no. 315/2004 on regional development in Romania.

Since 1950, the Europe Community is based on the massive participation of the nation state in its construction. Origins of the European Union comes from the European Coal and Steel Community (ECSC) and the European Economic Community (EEC) formed by six countries in 1958. After the Second World War, in the European security policy, related to rearmament of Germany, the idea of a joint defense system like the ECSC was born. The idea was launched by René Pleven in 1950. The "Pleven" Plan came as a result of the signing on May 27, 1952, of the Treaty establishing the European Defense Community (EDC) by the six signatory states of the ECSC. The essential defensive policy sketched by the Treaty was to transfer the power to the new Community policy defensive. That Treaty was ratified by Germany, Netherlands, Belgium and Luxembourg (Chilea, 2013, p. 5).

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The European policy on regional development aims to reduce economic and social inequalities that exist between different regions of the European Union member states and it is based on a series of community strategies appropriate for the structural funds and cohesion funds as financing instruments.

The regional development is a process that requires effective and efficient institutions and close cooperation between public authorities, businesses, nongovernmental sector, social groups at all levels. European regional policy aims to transform problems into opportunities.

Therefore, regional development is based on identifying effective methods for utilization of resources at the local and regional level, as well as those attracted from national and European level, for economic development and to ensure a high standard of living to the inhabitants of that territory.

The greatest opportunity for Romania in terms of economic and social development is the absorption of the European funds, opportunity that was not fructified sufficiently in the 2007-2013 financial year.

2. THE CONCEPTUAL DELIMITATIONS

Legal framework on regional development in Romania is regulated by Law no. 315/2004, and in Article 2, the regional development policy is defined as *“ensemble policies issued by the Government, central public administration bodies, local public administration authorities and regional bodies specialized, with consulting the economic and social partners involved in order to ensure economic growth and social development and sustainable development of constituted geographical regions, to improve the international competitiveness of Romania and reducing economic and social disparities between Romania and the European Union Member States”*.

Article 6 requires policies, as well as collection of specific statistical data, in accordance with European regulations issued by that the development regions should *“constitute the framework of design, implementation and evaluation of regional development EUROSTAT for the second territorial classification level NUTS 2, existing in the European Union”*.

The „region” term was defined differently by European institutions. The Council of Europe designates the region as being "an interval of medium dimensions susceptible to be geographically determined and which is considered to be homogeneous" (Foundation for an Open Society and Institute for Public Policy, p. 5).

Regionalization is generally understood as the setting up of a new level of governance in the territorial organization of the state with all that it entails: the creation of regional institutions and transfer of administrative competences to regional level (Foundation for an Open Society and Institute for Public Policy, p. 6).

The regionalization is a long term process, through which the state introduces a second level of government. The regionalization reflects an increasing tendency of identification of some institutions to a region, but this idea and those institutions are heterogeneous from one country to another.

The framework law on decentralization, Law no. 195/2006, defines decentralization in Article 2 as *„the transfer of administrative and financial competence from the level of central public administration to the local public administration or the private sector”*.

Generically, the decentralization involves any process that implies shifting from the center (Manda, 2007, p. 116), and in this context, the decentralization is considered as a vertical transfer of the central authorities' responsibilities to local authorities. The decentralization represents a transfer of competences from a higher administrative level to an inferior one (Kajcsa, 2012)

The decentralization is the system that is based on the recognition of local interest, distinct from that national, where localities have organizational, functional structures and its own patrimony of local interest. The foundation of decentralization is twofold: political and administrative.

The political foundation of decentralization is recognized by the European Charter of Local Self-Government, which considers decentralization as one of the common European democratic principles. From the administrative standpoint, the decentralization contains the idea that the elected authorities by local communities are best placed to know local needs and to take the necessary measures to achieve them (Foundation for an Open Society and Institute for Public Policy, p. 7).

3. REGIONALIZATION VARIANTS OF ROMANIA

The European Union defines the region rather from an administrative standpoint as "immediately inferior level after the state level" (Foundation for an Open Society and Institute for Public Policy, p. 5). Three constituent elements are necessary for a state to exist: *territory, population and a government* (Chilea, 2007, p. 51).

Article 3 of the Romanian Constitution specifies that "*territory is organized administratively into communes, towns and counties*". The current division of the territory into 42 counties neither satisfies the necessary efficiency criteria nor does it constitute adequate support for local economic development (Foundation for an Open Society and Institute for Public Policy, p. 3).

The region is an economic and socio-cultural ensemble that favors decentralized initiatives, an increased participation in decisions of national importance and which develops access to responsibilities locally (Pușcaș and Ivan, 2004, p. 45).

The term of regionalization became intensely discussed both in the Romanian public administration, mainly from the political perspective, as well as at the level of the civil society and it aimed at taking development actions in specific geographic areas. This process can be based on the existing political-administrative system or it can create a new territorial organization that could better support the goal of ensuring an increased socio-economic development and a balanced development.

Since the first law in 1998 (Law no. 151/1998, abrogated in 2004) regarding the regional development of Romania, the delimitation in 8 regions was made exclusively to facilitate the absorption of European funds and did not take into account the administrative decentralization. This solution did not give the expected results because the central administration structures that managed European funds failed their good absorption due to cumbersome procedures, laborious documentation and insufficiently trained staff to advise.

In 2004, with the entry into force of the new law on regional development in Romania (Law no. 315/2004) there appeared the structure of the 8 development regions that have the following name and composition:

1. The North-East Region, which groups the counties of Bacău, Botoșani, Iași, Neamț, Suceava and Vaslui.
2. The South-East Region, which groups the counties of Brăila, Buzău, Constanța, Galați, Vrancea and Tulcea.
3. The South-Muntenia Region, which groups the counties of Argeș, Călărași, Dâmbovița, Giurgiu, Ialomița, Prahova and Teleorman.
4. The South West Region, which groups the counties of Dolj, Gorj, Mehedinți, Olt and Vâlcea.
5. The West Region, which groups the counties of Arad, Caraș-Severin, Hunedoara and Timiș.
6. The North-West Region, which groups the counties of Bihor, Bistrița-Năsăud, Cluj, Sălaj, Satu Mare and Maramureș.
7. The Centre Region, which groups the counties of Alba, Brașov, Covasna, Harghita, Mureș and Sibiu.
8. The Bucharest-Ilfov Region, which groups the city of Bucharest and the county of Ilfov.

Through regionalization and the elaboration of regional development plans and programs according to the needs and economic potential of each area, Romania, if prepared, may have a higher rate of absorption of European funds for 2014-2020 by implementing projects that can contribute to the economic development and therefore, to the modernization of the country.

Balanced socio-economic development of the regions, responsible management of natural resources, urban development, environmental protection, improved quality of life for citizens are all reasons for the regionalization of Romania.

Currently, in the public space, there is fierce debate about the modification of the law on regionalization of Romania. The most likely possibility of regionalization is the one with 8 regions of development, on the current development structure of the regions - The Regional Development Agencies, the counties in which these are located having been proposed to be the capital of the region. It is suggested that future regions to be run by regional councils, which will be headed by a president or governor of the region.

There are pros and cons, and this is desirable, regarding the manner how and the criteria according to which the Government will propose a viable solution for the regionalization. There is controversy over the project, first, to establish the capitals of the 8 proposed regions, this configuration disfavoring large cities with tradition such as Constanța, Brașov and Iași, in favor of cities with far less importance today: Brăila, Alba Iulia, respectively Piatra Neamț.

Regionalization should mainly aim at the economic development of each region. In these conditions, the establishment of the economic and administrative capital of the region could be a sustainable idea if it is based on objective criteria economically, legally and administratively. From this point of view, one can analyze the South-East Region whose capital should be the city of Constanta, given that it is the fourth largest port in Europe, it has potential for the food industry and agriculture as well as renewable energy,

it is an important tourist center, it has an international airport, fluvial transport, a fully-functional highway.

A new territorial reorganization of Romania, namely the existence of regions as administrative territorial units presupposes going through concomitant three administrative processes, which are correlated in a close relation of interdependence as follows: revision of the Constitution while respecting the general principles of human rights and fundamental freedoms (Valea, 2013), modification of the legislative framework necessary for the organization and functioning of the regions, as well as decentralization of competences to regions, counties, cities, towns and communes.

The idea of regionalization of Romania, as a component of the concept of decentralization will produce a reduction of economic and social disparities between counties that is if this endeavor will not be coordinated exclusively by the political factor. If this process is well coordinated and there is a project of informing and consulting the academic, economic, nongovernmental environments and the population, it will bring the efficiency of public decision-making as well as a good management of available public resources.

4. CONCLUSIONS

Through regionalization and decentralization Romania could develop strategic programs and projects that could highlight certain advantages insufficiently exploited until now such as tourism potential, development of agriculture, development of transport infrastructure.

Other arguments that can sustain the need for regionalization of Romania is to increase the absorption of the European funds and the possibility of integrating small local projects to strategic projects of regional scale, stimulating the economic development by reducing economic and social disparities between counties, reducing bureaucracy by the efficient use of resources in the Romanian public administration.

The delay of the regionalization process through decentralization could slow down the reform of the state by not modifying the legal framework and transferring responsibilities from central authorities to local public administration without providing financial resources. On the other hand, it is also possible that the regionalization process is segregated from that of the decentralization.

An adequate response to the question is whether or not the regionalization in Romania would be required, although the region is a strategic issue at the EU level in terms of reducing economic and social inequalities between different regions of the Member States, where the process will be seen only as a territorial delimitation, without an institutional approach, it will result in failure. At the same time, if it becomes a process of decentralization governed only by political factors (the failure of the Government of Romania, in 2013, the decentralization law was declared unconstitutional in its entirety by the Constitutional Court of Romania by the Decision No. 1 of January 10, 2014), it could lead to an arbitrary distribution of power and financial resources to the regions of Romania.

In conclusion, given the fact that at the political level there has been a rearrangement of the ruling coalition, which could lead to the failure of the constitution review process, it

leads to the idea that the regionalization of Romania cannot be done, at least for the next period of time.

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