

REGIONAL SUSTAINABLE DEVELOPMENT AND PUBLIC ADMINISTRATION REFORM IN ROMANIA

Associate Professor Alexandru NEDELEA
“Ștefan cel Mare” University Suceava

Abstract:

The strategies of sustainable development emphasize the interdependence between the local and the global, between the already developed countries and the ones following this course, underlining the necessity of cooperation within economical, social and environmental sections. Since the overthrow of the Communist regime at the start of the last decade, Romania has had the objective of joining the European Union for both political and economic reasons as well as membership of NATO. However, well before this, Romania was the first country of Central and Eastern Europe to have official relations with the European Community. There is a need for clearer authority and responsibility across the public administration which should perhaps start with a clearer strategy and set of principles for sharing authority, responsibility and accountability across the different organisations and levels of government.

Key words: regional development, sustainable development, public administration reform

JEL Classification: A 10, D 73, H 83

I. Issues of Regional Development

Regional development is a new concept that aims at stimulating and diversifying economic activities, stimulating investments in the private sector, contributing to decreasing unemployment and, last but not least, a concept that would lead to an improvement in the living standards.

In order to apply the regional development strategy, eight development regions were set up, spreading throughout the whole territory of Romania. Each development region comprises several counties. Development regions are not territorial-administrative entities, do not have legal personality, being the result of an agreement between the county and the local boards.

Regional development policy is an ensemble of measures planned and promoted by the local and central public administration authorities, having as partners different actors (private, public, volunteers) in order to ensure a dynamic and lasting economic growth, through the effective use of the local and regional potential, in order to improve living conditions.

The main areas regarded by the regional policies are: development of enterprises, the labor market, attracting investments, development of the SMEs sector, improvement of infrastructure, the quality of the environment, rural development, health, education, culture.

Rural development has a very distinct place within regional policies, and deals with the following aspects: removal/reduction of poverty in the rural areas; balancing of economic opportunities and social conditions between the urban and rural areas; stimulating local initiatives; safeguarding of the spiritual and cultural patrimony.

The development region, constituted as a freewill association of neighbour counties represents the implementation and assessment framework of the regional development policy. The development region is not a territorial-administrative entity and does not have legal personality.

The main objectives of the regional development policies are as follows:

- to reduce the existing regional disparities, especially by stimulating the well-balanced development and the revitalization of the disadvantaged areas (lagging behind in development) and by preventing the emergence of new imbalances;
- to prepare the institutional framework in order to comply with the integration criteria into the EU structures and to ensure access to the financial assistance instruments (the Structural Funds and the Cohesion Fund of the EU);
- to correlate the governmental sector development policies and activities at the level of regions by stimulating the inter-regional, internal and international, cross-border cooperation which contributes to the economic development and is in accordance with the legal provisions and with the international agreements to which Romania is a party;

The principles that the elaboration and the application of the development policies are based on are:

- Decentralization of the decision making process, from the central/governmental level to the level of regional communities;
- Partnership among all those involved in the area of regional development;
- Planning – utilization process of resources (through programs and projects) in view of attaining the established objectives;

- Co-financing – the financial contribution of the different actors involved in the accomplishment of the regional development programs and projects.

II. Cross Border Co-operation Programs in Romania

As National Coordinator of the cross border co-operation programs, the Ministry of Development and Prognosis focuses on the involvement of the local actors representing the counties from the border region with Bulgaria and Hungary in the preparation of the projects proposed to be financed, and on the co-ordination between the local community needs and the provisions of the National Development Plan.

According to the short, medium and long-term priorities agreed by the Joint Co-operation Committees established for the borders with Bulgaria and Hungary, project proposals in the following fields have been and will be financed from EU Phare funds:

- Improvement of the existing transport infrastructure on the Trans-European Corridors IV (Dresden – Constanta – Thesaloniki – Istanbul) and IX (Baltic Sea – Aegean Sea, on the sector Bucharest – Dimitrovgrad);
- Promotion of the environmental protection, especially water resources management;
- Free flow of persons, services and goods through the border crossing points;
- Socio-economic regional development through the Small Projects Fund.

Having in view the European Commission Regulation No. 2760/1998 already entered in force regarding the cross-border co-operation, at least 90% of the funds allocated per year for a border region will be used for major investment projects as follows: a min. of 2 MEuro (Phare funds) plus 25% national co-financing from the total investment value.

We would also like to mention that in accordance with the common agreements, both committees set-up with the Bulgarian and Hungarian partners decided to increase gradually, starting with the year 2000, the importance given to small scale projects by allocating more funds on annual basis, up to 10% from the total available/allocated funds (a max. of 800.000 Euro for the Romanian-Bulgarian border region and a max. of 500.000 Euro for the Romanian-Hungarian border region). These projects will be proposed exclusively by local actors within the Small Projects Fund.

Looking back on the achievements of the Phare cross-border cooperation programs and Phare Credo program in Romania for the period 1996-2000 in all the 18 counties from the border region with Hungary, Bulgaria, Moldova and Ukraine it was highlighted that the total amount of the Romanian project is in a total of 45.2Meuro:

- Phare funds: 29.2 MEuro and national co-financing: 16 MEuro, representing 35.5% from the total value of the projects.

For the next two years the following funds will be available for Romania:

- 8 MEuro for the counties from the Romanian-Bulgarian border region;
- 5 MEuro for the counties from the Romanian-Hungarian border region

III. The Sustainable Development

The concept of “development” indicates a major change in the approach of those problems concerning the human development by assuring a dynamic balance between the components of the natural capital and the socio-economical systems.

The strategies of sustainable development emphasize the interdependence between the local and the global, between the already developed countries and the ones following this course, underlining the necessity of cooperation within economical, social and environmental sections.

Sustainable development has definitions according to the circumstances. In a much-visited fragile area of the countryside the focus may be on sustaining the physical environment by public administration taking steps to prevent long-term damage. In another place the accent may be on the role of public administration on sustaining the viability of the local economy, or maintaining the authenticity of the community’s artistic traditions. For an office in a national park, sustainable tourism may mean achieving a proper balance for visitors between access and enjoyment; for a small hotelier it may simply be a question of wanting to ensure the family business survives another year.

The proper functioning of the Romanian tourism economy is linked to that of many other related economic activities, which accounts for the importance of its economic, social and environmental sustainability. The competition issue and the treatment of anti-competitive behaviour are at the core of the problems of efficiency, viability and sustainability of tourism in developing countries.

The economic and social viability of tourism in developing countries depends on sustainable growth perspectives, in terms not only of absolute values, but also of their capacity for retaining more value added in their economies, i.e. smaller leakages, an even distribution of benefits in commercial operations, elimination of all barriers to tourism, particularly to commercial presence, and the movement of tourism suppliers in both origin and destination markets, and the effective implementation of provisions enumerated in the articles of GATS. The foundations for sustainable tourism are already in place in most

developing countries as a result of the autonomous liberalization of the tourism sector itself and the progressive liberalization of many other services sectors.

IV. Public Administration Reform in Romania

Since the overthrow of the Communist regime at the start of the last decade, Romania has had the objective of joining the European Union for both political and economic reasons as well as membership of NATO. However, well before this, Romania was the first country of Central and Eastern Europe to have official relations with the European Community; Agreements were signed including Romania in the community's Generalised System of Preferences in 1974 and on Industrial Products in 1980.

Romania's diplomatic relations with the European Union date from 1990 when following the return to democracy, a Trade and Co-operation Agreement was signed in 1991. The Europe Agreement entered into force on February 1, 1995, trade provisions having entered into force in 1993 through an "Interim Agreement".

Romania submitted its application for EU membership in June 1995 and in July 1997, the Commission published an "Opinion on Romania's Application for Membership of the European Union". In the following year, a "Regular Report on Romania's Progress Towards Accession" was produced.

Public Administration may be considered as the glue that holds the work of government together without a satisfactorily functioning public administration, the objectives of government become that much harder to achieve. In Romania, following the change in direction subsequent to the end of Communism at the end of 1989, the new administration set about introducing reform in many sectors.

The imperative of speeding up and intensifying the preparations for accession to the EU has led to the institutional development and co-ordination of the activities of European Integration (EI), both at central and local level.

At central level:

- Ministry of European Integration (MoEI) was established
 - Departments of EI were set-up within the line-ministries. DoEI are responsible, exclusively, with the EI process.

At local level:

- DoEI were established in the local public administration structures.

MoEI covers the issues related to the process of Romania's preparation for the accession to the EU, ensuring the needed coherence for the co-ordination of the preparatory activities for accession in all fields, by co-operating with all the line ministries and interested institutions.

In addition, MoEI co-ordinates the negotiation for accession to EU. The Chief-Negotiator has the rank of Minister-Delegate, member of the Cabinet and the deputy of the Minister of EI.

The technical activity of accession preparation is co-ordinated at the level of each ministry by a Directorate of EI and External Relations.

There is a need for clearer authority and responsibility across the public administration which should perhaps start with a clearer strategy and set of principles for sharing authority, responsibility and accountability across the different organisations and levels of government. The actual authority at any time and point will need to be worked out and will not necessarily be clearer until the overall system is inspected to provide the relevant answers. Instead of demanding all necessary authority and resources to do something themselves people will have to learn to ask where do I get my authority for this, how much do I have, with whom so I share responsibility, what is my own accountability and with whom do I have to collaborate to be successful? Currently, most, if not all, authority and responsibility is retained at the highest levels with the result that the public administration is unable, and perhaps unwilling, to make decisions and take actions without prior approval. This has a negative impact on not only the planning of activities but also on the day to day implementation of both major and minor actions that arise in the normal course of events. Delegating appropriate authority and responsibility to levels that should be more competent to resolve on-going issues, including policy formulation, could result in a fundamental change in the way that the public administration operates leading to a better understanding and perception of the service itself. This process of delegation and institutional subsidiarity is also already set out in the underlying principles of reorganisation to deliver the acquis. This calls for central government to retain a policy and overall regulatory function but to delegate supervision and certification or licensing to quasi-independent third parties with whom government then has to interact transparently.

The early period following the fall of communism was characterised by a constantly changing cadre of personnel within the public administration resulting in a regular loss of knowledge and experience. It is only within the last few years that action has been taken to establish a more stable and sustainable public administration that is supported by appropriate legislation. Experience elsewhere has clearly shown that there is a need for both

continuity and sustainability of this important resource coupled with stability of employment to retain key knowledge and experience. The public administration should be an a-political body and this must span changes in political direction. There is clearly a need for a professional body in public administration that can attract quality individuals who can be offered both development in their existing roles coupled with future career opportunities at senior level within the service - the aim should be quality not quantity. To achieve this, there is a need for central direction of policy in the government as a whole based on co-operation and collaboration among ministries. It has to do with the need for a service that can be put under effective governance; and it has to do with the re-balancing of the relationship between politicians and professional administrators. The resulting unified professional service provides some strengthening to the role of politicians, as it does not force the administrators to become bedded and wedded to a particular ministry and function.

By the time Romania has completed negotiations on all chapters of the *acquis communautaire*, a number of Eastern European and former communist states will have already become members of the EU. Their experiences should provide a most valuable source of information and advice, both in terms of what works and what does not. Romania should take full advantage of this situation and seek to develop and maintain appropriate relations and linkages across the whole range of interests covered by the *acquis*. It is also worth noting that some existing members faced similar problems to Romania both prior to and on joining the EU and their solutions are another sound source of possible options for the future.

The need for change is a key issue and a multitude of actions will be required over the coming years to achieve the targets established during the negotiation stage. Experience has shown that implementation making things happen - is the most difficult of all processes. It is the time when if something can go wrong, it will. Detailed forward planning is an essential element of the necessary preparation for this stage of activity but this, on its own, will not ensure success. The implementation stage should be accompanied by regular monitoring and control coupled with a preparedness to make changes when it is clear that this is necessary to achieve the stated objectives. It will be necessary to identify in detail the key elements of implementation linked to each chapter of the *acquis* and develop a detailed and prioritised plan for both putting into effect with subsequent monitoring, control and correction where necessary. This is the most difficult thing to sort out in advance. What are the mechanisms for detecting trouble, reporting trouble, diagnosing trouble, assembling the relevant participants, assuring them of authority for action, designing a response to the

trouble with their participation, authorising the initiative and the intervention, and monitoring its outcome? This necessary institutional learning and adaptive response is so difficult that it really has to be learned piecemeal and adaptively itself. The approaches used in systems that permit discretionary action (Anglo-Saxon) fail absolutely in Latin systems based on the FINA (forbidden if not approved) principle. Romania is currently well back down the road it needs to travel, in order to delegate implementation change effectively. At the moment it can only delegate action to single entities moving down defined paths, and this limits the universe of possible administrative action to a small subset of what is possible and needed.

Making things happen can be defined as the capacity to implement, to enforce and to monitor changes resulting in a new and improved process, procedure, structure or similar that provides quantifiable benefits. Implementation is the most difficult and least understood of all the stages of change and this is perhaps the reason why it is so frequently not supported with the necessary resources resulting in a less than satisfactory outcome. Implementation experience in Romania is limited relating to that gained over the previous decade when few major changes were attempted with results that did not achieve their original objectives.

For the future and particularly in relation to the *acquis communautaire*, this key stage requires very careful initial planning followed by close and detailed monitoring during the actual process of implementation. At this latter stage, the authorities must be prepared to make changes where it is clear that not acting will result in a less than satisfactory outcome.