

IMPACT ANALYSIS OF LEGISLATIVE AND INSTITUTIONAL FRAMEWORK ON THE POLICY FOR REGIONAL DEVELOPMENT IN THE LIGHT OF THE REGIONAL OPERATIONAL PROGRAMME

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The analysis of the administrative capacity of institutions in the regional development starts from the analysis of the existing framework for the implementation of regional politics in Romania and studies the extent to what the structures and competencies were regionally enlarged as to contribute in the regional development.

The basic hypothesis considered for such analysis had in view the fact that the differences recorded with respect to the implementation capacity of the regional development policy are caused by the various levels of the administrative capacity of the national, regional and local institutions existent in Romania.

Although the regional development activity is, both centrally and regionally, dominated by the Regional Operational Programme 2007-2013 (ROP) implementation, significant activity also exists outside the ROP, but only regionally.

The regional strategies incorporate to a great extent the strategic objectives established nationally, being coordinated with the national financing instruments for economic, social and territorial development. The undertaking degree of responsibilities regarding the objectives fulfillment of the regional development policy is relatively low both regionally and locally, and the main indicator which contributes in sustaining this conclusion is the absence of an adequate level regarding the property holding on certain strategies and also the methodological lack of strategies. Nationally, the current activity of Ministry of Regional Development and Tourism in the field of regional development totally overlaps the management activity of ROP.

The management of structural funds 2007-2013 granted through ROP deals with various situations in which, due to the fact that the Law of regional development remained behind the legislation for the structural instruments implementation in Romania, additional resources are necessary to be granted in order to be found solutions through other types of regulations.

The Romanian legal and institutional setting allowed a centralized top-down approach for the regional development process and brought forward the approach of the type “local development which falls among certain priorities of regional development established nationally”. Definitely, the local development is important for the regional development, but it is not self-sufficient in this respect. Therefore, the centralized approach should be completed by a decentralized approach, as a natural next phase.

Keywords: regional development, institutional and legal framework, region, management of structural funds

JEL Classification: O18, R58, P48.

Introduction

In Romania, the development regions are territorial-statistic units, created pursuant to the Regional Development Law no. 151/1998, subsequently modified by Law no. 315/2004, they are not deemed administrative units, but represent territorial structures in which the national policy of regional development is implemented and evaluated and they also are the basis for the preparation and implementation of regional development strategies.

As territorial structures for regional development, there were created, regionally, eight Regional Development Boards (RDB) and eight Regional Development Agencies (RDA). At national

level, there were created one National Regional Development Boards and one National Agency for Regional Development (currently the Ministry of Regional Development and Tourism). The coordination of the preparation and monitoring activities which result from the regional development policies is performed by RDB, as deliberative body, without legal entity, created for each region and functioning on principles of partnership, while the “executive” level is ensured by RDA, also created for each development region and functioning in the field of regional development as non-governmental non-profit bodies, of public utility and having legal entity.

Legal and institutional framework in the regional development field

The evaluation of the legislative and institutional setting for the regional development in Romania has in view three dimensions, which converge to the formation of the regional development framework: the legislative dimension, which implies the identification of the potential and specific limits for the current legislative setting for the regional development regulation, the functional or organizational dimension, which implies the description of the current institutional setting and the analysis of functional processes, and also the contextual strategic dimension, which has in view the description and the analysis of the degree to which the objectives of the regional development in Romania correlate with the financing national instruments for the economic, social and territorial development.

From the perspective of the regional development objectives subsequent to the adherence to the EU, the legislative framework for the regional development was completed with specific regulations regarding the ROP implementation. In this respect, within RDA’s there were certified Intermediate Bodies for ROP implementation, which perform their activity pursuant to a responsibilities assignment agreement concluded with the Management Authority.

The ROP, which is implemented in Romania during 2007-2013 period, adopts a territorial approach of national dimensions, being concentrated on a range of sectors relevant for a balanced development of the regions of Romania.

Although the activity in the field of regional development, both centrally and regionally, is dominated by the ROP implementation, there is a significant level of activity also outside ROP, but only at regional level.

Centrally, the Ministry of Regional Development and Tourism (MRDT) activity for the regional development evolved from a combination of programmes financed both from Phare funds and from national funds (during the pre-accession period) towards a regional development activity carried out exclusively within ROP (during the post-accession period). The MRDT documents, both the informing and publicity ones, and the formal ones (e.g. Reports of annual activity 2009, 2010, 2011) indicate a total overlap of the regional development activities and the ROP implementation.

However regionally, the situation is slightly different. Although the regional development activity outside the ROP is still undergoing the evolution process, the current level of activity of RDA and, in some situations still in a small number, of various Associations of Intercommunity Development, represent an element which could indicate a significant potential in this respect. It is obvious, from the analysis of RDA’s activities, that they transpose to a great extent the responsibilities of such organizations as defined by the Law no. 315/2004. In other words, the existing legal framework drew some activity directions in the field of regional development and they are implemented by RDAs. The legislation which created the necessary setting for the operation of the intercommunity development associations (e.g. Law no. 215/2001) proved its significance by the fact that it facilitated and stimulated this type of collaboration which is substantial for the regional development process.

The responsibility of fulfilling the Regional Development Plan objectives at regional level is not clearly assigned to RDB, as it could be expected; RDB is not liable to ensure the correlation of

the regional development projects with the regional development objectives, as they were defined in the respective Regional Development Plans.

Strong points and weak points of the institutional and legal framework in the light of ROP

By analyzing the programming and regulation documents from European and national level and also the Framework Agreement for the responsibilities assignment regarding the Regional Operational Programme 2007-2013 concluded between MRDT and RDA's, we could highlight some of the strong points and weak points of the institutional and legal framework regarding the ROP management and implementation:

Table 1. Strong points and weak points of the institutional and legal framework

Strong points of the current legal and institutional setting	Weak points of the current legal and institutional setting
<p>Strong implementation system with important positive accumulations, both centrally and regionally, fully accredited according to the European regulations in the field.</p>	<p>Currently, there are unused resources for making more diverse and flexible the contract with respect to the assignment of responsibilities from MRDT towards RDA's. Absence of a system policy for the adoption of an ethics code and a compensation / remuneration method according to the system's performances. Absence of written procedures regarding the identification of sensitive positions and their rotating occupations, prior to any possible occurrence of irregularities.</p>
<p>Important responsibilities, such as the regional development, are decentralized at regional level in a relatively coherent approach, which resulted in an intensive cooperation for the promotion of impact projects, which went beyond the local/district administrative borders.</p>	<p>The Management Authority and Intermediate Bodies responsibilities (direct or assigned) do not fully provide yet from a procedural point of view the promotion of projects with regional impact.</p>
<p>The existence of a coherent framework agreement between various legal entities allowed to be reached and consolidated in time a balanced and strong system, which enjoys recognition and which allows both the concentration of technical expertise and the undertaking of responsibilities.</p>	<p>There were developed work procedures which involve the complete transmission, between various legal entities, of documents with significant large volume on paper (in original and in copy), with stamp and signature and manual numbering system on each page, which slowed down the whole process, on one side, and which did not fully avoid the irregularities, on the other side. The absorption degree could be consolidated and ensured by developing new responsibilities assignments within the system.</p>
<p>Both of the system's entities, the Management Authority and Intermediate Bodies, have gained significant expertise and</p>	<p>The law of regional development remained back at the level specific for the pre- accession</p>

Strong points of the current legal and institutional setting	Weak points of the current legal and institutional setting
<p>experience, during the pre-accession period and during the current programming exercise, experience which is very useful for the preparation and implementation of the future programming period regarding the regional development.</p>	<p>period, not being updated the provisions regarding the institutional setting developed for the implementation of structural instruments and also for the implementation of ROP.</p> <p>Although the RDA's have accumulated during the pre-accession period important expertise for the implementation of non reimbursable funds, they were used only for the implementation of Regional Operational Programme 2007-2013 and not for other sectorial programmes.</p>
<p>RDB gained experience in ROP implementation and it is the first structure of the region to have worked directly with the central and local authorities for the implementation of the regional development policy.</p>	<p>The competence system regarding the RDB functioning could not be fully and coherently operated.</p>
<p>The legal and institutional framework regarding the regional development policy had an almost continuous evolution in time, which determined significant expertise accumulations and also undertakings of responsibilities.</p>	<p>The absence of available and adequate resources for: fundamental analyses, construction of strategic visions, application of public consultancy mechanisms, in a cyclic process and based on strictly measurable result indicators, represent an important resource for the diminution of the system's coherence and stability.</p>

Source: Author data processing

Conclusions

The current activity of Ministry of Regional Development and Tourism in the regional development field completely overlaps the management activity of Regional Operational Programme. This aspect is demonstrated by the private documents of Ministry of Regional Development and Tourism – activity reports, information and publicity documents.

Although the management of structural funds 2007-2013 granted through Regional Operational Programme relate to a legal and institutional framework which allowed significant expertise accumulations and undertakings of responsibilities, it does not benefit from a full undertake of responsibilities by all the actors involved, and therefore the Management Authority replaces through personal efforts of substantiation and decision the solutions necessary for the provision of a regional impact of the promoted projects. In such a context, in the implementation of structural funds 2007-2013 granted through Regional Operational Programme, a lot of instructions and corrections should be considered. Subsequent to the implementation of recommendations included in the audit reports, clear and coherent audit trails are used, but they are not yet doubled by internal ethics politics, remuneration formulas concurrent with performance or procedures for the identification of “sensitive positions”.

The implementation speed for the projects financed through Regional Operational Programme is slowed down due to the large volume of documents required upon the reimbursement of the

payment requests, and also due to the number of “pairs of eyes” involved in the analysis, which double the processing time.

This situation is one of the elements which describe the limitations of the current centralized approach of the regional development in Romania.

The legislative efficiency could be defined as the measure which, within the regulation setting, helps the programme, management and implementation processes. The legislative sustainability shows how stable and durable the whole system is, and also its capacity to be adapted to the environment conditions or modifications, both internally and externally (at decisional, economic and social level).

However, adaptation of the legal framework is imposed currently in order to establish a functional setting for the undertaking and prioritization of strategic objectives, in order to have a durable and harmonious development of the regions, and to guide the identification and implementation of the most adequate projects with regional impact.

The management of structural funds 2007-2013 granted through Regional Operational Programme deals with various situations in which, due to the fact that the Law of regional development remained behind against the legislation for structural instruments implementation (including Regional Operational Programme 2007-2013), it has to assign additional resources in order to find solutions through other types of regulations. The Management Authority has to take a substantial decision and to convince the actors of the system with respect to such taken decisions, without benefiting from any advantages of a fully coherent legislative setting.

The legal and institutional framework of Romania created the premises for a top-down (centralized) type of approach for the regional development process, such approach being adequate for a starting stage, when the regional development experience was extremely reduced in Romania. While the regional development experience is accumulated at regional level, the main limitation of the centralized type of approach begins to be noticed, more exactly the fact that such approach fails to put in value the regions’ potential to manage regional development plans directly linked to the specific needs of the regions. Therefore, the centralized approach should be completed by a decentralized approach, as a natural next phase.

The current institutional and procedural setting gives advantage to the approach of the type “local development which falls among certain priorities of regional development established nationally”. Definitely, the local development is important for the regional development, but it is not self-sufficient in this respect. The approach of the regional development through projects of regional interest is a complementary approach, which currently is insufficiently developed.

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